

16 August 2019

Ms Angela Bourke
Acting General Manager – Consumers and Markets Branch
Australian Energy Regulator
PO Box 520
Melbourne VIC 3001
Attention: Mr Moston Neck



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Dear Angela

**Waiver of Transmission Ring-fencing Guideline Obligation
Request to Revoke**

On 2 March 2005, the ACCC determined that a waiver be granted to AusNet Transmission Group Pty Ltd (**AusNet Transmission**) in respect of clause 7.1(a)(ii) of the Transmission Ring-Fencing Guidelines. Clause 7.1(a)(ii) requires that a TNSP not carry on a 'related business' (being the activity of generation, distribution and/or retail supply) unless the total revenue from all related businesses is no greater than 5% of AusNet Transmission's total revenue.

The application for the Waiver was made at the time when AusNet Transmission (then called SPI PowerNet Pty Ltd) was acquiring TXU Australia, which incorporated a Victorian electricity distribution business. At the time, a corporate structure for the expanded business had not yet been determined, however upon acquisition, separate legal entities were established for the electricity transmission and distribution businesses. This structure continues today, with the AusNet Services Group ultimately owning and operating the Victorian transmission network (via AusNet Transmission) and also a Victorian distribution business serving Melbourne's north and east and across eastern and north eastern Victoria (via AusNet Electricity Services Pty Ltd).

Accordingly, AusNet Transmission is compliant with the transmission ring-fencing guideline in respect of clause 7.1(a)(ii), and the waiver is no longer required.

In view of the circumstances, AusNet Transmission requests that the waiver be revoked. We believe the clarification that compliance with the ring-fencing guideline is not subject to a waiver of an obligation will be helpful in advance of electricity sector framework developments, notably review of the transmission ring-fencing guidelines by the AER.

We understand that there is no further information required by the AER to revoke the waiver, however please contact Kelvin Gebert, our Manager Regulatory Frameworks, telephone 0419 527421, if we can provide further clarification.

We look forward to receiving your confirmation of the waiver's revocation.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Adrian Hill", written over a white background.

Adrian Hill
Acting Executive General Manager Regulated Energy Services