



Ref: JD/BC

Date: 31 July 2013

Mr Warwick Anderson
General Manager – Network Regulation
Australian Energy Regulator
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Dear Mr Anderson

DUAL FUNCTION ASSETS

Clause of 6.25(a) of the National Electricity Rules (Rules) requires Distribution Network Service Providers who own, control or operate *Dual Function Assets* to advise the Australian Energy Regulator of the value of these assets that would be prescribed transmission services were it not for the operation of clause 6.24.2 of the Rules. Under transitional arrangements this must be done no later than 31 July 2013 (as per clause 11.60.3Cc) of the Rules.

You would be aware that Clause 9.32.1(b) of the Rules provides a permanent derogation in relation to the definition of "transmission network" in Queensland. That is:

Despite clause 6A.1.5(b) and the glossary of the Rules, in Queensland the transmission network assets are to be taken to include only those assets owned by Powerlink Queensland or any other Transmission Network Service Provider that holds a transmission authority irrespective of the voltage level and does not include any assets owned by a Distribution Network Service Provider whether or not such distribution assets are operated in parallel with the transmission system.

Therefore, Ergon Energy Corporation Limited does not own any assets that would otherwise provide prescribed transmission services in the absence of clause 6.24.2 of the Rules.

Should you require additional information or wish to discuss any aspect of this letter, please do not hesitate to contact Jenny Doyle on (07) 4092 9813.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Graeme Finlayson'.

Graeme Finlayson
Company Secretary / General Counsel

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