

30 November 2017

Jasmine Tan

Level 17, 2 Lonsdale St
VIC 3000

Dear Jasmine

TasNetworks ring-fencing waiver for Bass Strait Islands

Hydro Tasmania supplies electricity to the Bass Strait islands (BSI). The BSI are not part of the NEM and are managed as an isolated power system. Hydro Tasmania has contracted TasNetworks to manage the distribution system on the BSI with TasNetworks providing a number of distribution system related services (as described in the waiver document). Hydro Tasmania supports TasNetworks' proposed ring-fencing waiver for to the BSI and believe that Hydro Tasmania's operations on the BSI could be significantly impacted if the waiver is not granted.

It is Hydro Tasmania's intention that distribution system services currently provided by TasNetworks will be managed within our own business at the end of the current contract. The waiver will enable TasNetworks to continue to offer distribution services on the BSI until the end of the contract. Hydro Tasmania believes that customer service issues, and safety risks, will arise if the waiver is not granted.

Yours sincerely



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