

13 May 2021

Mr M Feather
General Manager, Strategic Policy and Energy Systems Innovations
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Email: ringfencing@aer.gov.au

Dear Mr Feather

AER Notice of ring-fencing waiver, September 2018 – Application for extension

We refer to the AER's Notice of ring-fencing waiver dated 28 September 2018 allowing SAPN to continue to provide certain maintenance and construction services until 30 June 2021 ("Waiver").

The Waiver exempted SAPN's obligation to comply with clause 3.1 of the Guideline until 30 June 2021 in respect of 21 SAPN maintenance and construction services contracts in effect at the commencement of the AER's Distribution Ring-fencing Guideline.

Contract extension¹

The Contract is one of the 21 contracts subject to the Waiver under which SAPN provides the Services to the Customer.

The initial Contract term expires on 30 June 2021, which coincided with SAPN's original application for the Waiver. However, the Contract provides the Customer with a *unilateral* and *automatic* right to exercise various options to extend the Contract term.

The Customer has now informed us of its intention to extend the Contract term to **30 June 2023** in relation to the provision of a Portion of the Services provided by SAPN under the Contract.

As for the remaining Services provided under the Contract, the Customer and Enerven have entered into a Maintenance Services Agreement on 10 December 2020, under which it is intended that Enerven will undertake the majority of Services previously provided by SAPN under the Contract, from 1 July 2021 onwards.

SAPN hereby gives notice to the AER, in accordance with the Waiver, that the Customer has exercised an existing option to extend the relevant contract to 30 June 2023.

¹ Due to confidentiality obligations, the details of the Contract, Customer and Services are contained in the *confidential* Appendix to this waiver application and are not intended to be published.

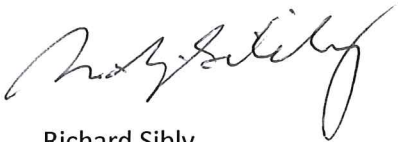
Summary

We are now seeking an extension of the Waiver until **30 June 2023** to coincide with the extended term of the Contract.

Can you please confirm the AER's approval of the Waiver extension as set out above.

Should you require further information on these matters, please contact myself or Chris Woodard on 0403 887 894 or chris.woodard@sapowernetworks.com.au.

Yours sincerely



Richard Sibly
HEAD OF REGULATION
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