

13 August 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 – Notice of variation

We refer to:

1. the AER's Notice of ring-fencing waiver dated 28 September 2018 allowing regarding SAPN's performance under certain maintenance and construction services until 30 June 2021 ("Waiver"); and
2. the extension to the Waiver granted 3 June 2021 allowing SAPN to continue to provide maintenance and construction services, under the Contract, until 30 June 2023 ("Extension").

Proposed variation to the Contract

In combination with the Extension, the Customer has prepared a Variation Agreement which it seeks to execute on or before 30 June 2021 ("Variation Agreement").

A (draft) copy of the Variation Agreement, including the relevant Schedule, is attached as a confidential appendix to this letter.

The primary purpose of the Variation Agreement is to *clarify* the scope of the Services provided under the Contract. Noting the nature of the Services, and in order to provide greater precision and certainty for projects under the Contract, the Customer (and SAPN) seek to clarify the scope of Services by providing greater detail and precision.

The Services (as described in the Variation Agreement) have always been purported to be within scope of the Contract and have been performed by SAPN pursuant to the Contract and the Waiver but were not expressly included within the definition of Services.

Accordingly, SAPN and the Customer do not consider that the scope of Services is being 'extended' under the Variation Agreement.

The Variation Agreement also seeks to provide for minor ancillary amendments (in the context of ring-fencing obligations) to the Contract, including requirements for SAPN to comply with:

1. privacy obligations;
2. storage of personal information and data breach reporting obligations; and
3. Modern Slavery Act provisions.

Summary

Part 4.4. of the Waiver requires SAPN to notify the AER and seek a further waiver in respect of variations to contracts under the Waiver.

Accordingly SAPN requests the AER's approval to the Variation Agreement, and by extension a variation to the Waiver (as extended by the Extension).

Should you require further information on these matters, please contact our Head of Regulation, Richard Sibly.

Yours sincerely



Patrick Makinson
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