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27 February 2025

Stephanie Jolly  
Executive General Manager  
Consumers, Policy & Markets  
Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601

email: [REDACTED]

Dear Ms Jolly

**Addendum to Ergon Energy's application for a waiver of obligations under the Australian Energy Regulator's Ring-fencing Guideline – Mareeba and Charters Towers depots as regional offices**

Ergon Energy Corporation Limited (Ergon Energy) offers this letter of addendum to its 3 December 2024 application to renew an expiring two regional offices ring-fencing waiver. This waiver allows depots at Mareeba and Charters Towers to continue to be classified as regional offices for the purposes of ring-fencing.

The Ergon Energy application requested a waiver expiry date of 30 June 2035. Since submitting the application, AER officers have advised Ergon Energy there is an opportunity to incorporate the upcoming update to the AER's Ring-fencing Guideline (Electricity Distribution), which proposes to remove the limit on the maximum term of waivers from the guideline,<sup>1</sup> into the application. Ergon Energy welcomes this development and has provided a submission in support to the AER's relevant consultation.

On this basis, we believe there is a strong efficiency rationale for the AER to grant a new waiver ending on 30 June 2045,<sup>2</sup> noting our application illustrates the lack of projected population growth and therefore contestable markets growth in these locations out to 2046.

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<sup>1</sup> See [Update - Distribution Guideline updates | Australian Energy Regulator \(AER\)](#), noting the current guideline's clause 5.3.4 provides that the AER may grant a waiver that applies for a term that coincides with part or all of the distribution network service provider's current regulatory control period, next regulatory control period, or both periods.

<sup>2</sup> In alignment with the AER's five-yearly regulatory control periods for Ergon Energy.

Under the Guideline, the AER may in its absolute discretion grant an interim waiver.<sup>3</sup> Ergon Energy would appreciate the AER exercising this option, in the unlikely event it is unable to complete its assessment of this application prior to the current waiver expiring on 30 June 2025.

Ergon Energy looks forward to providing continued assistance to the AER in considering our application. Should you require additional information or wish to discuss any aspect of the application, please do not hesitate to contact myself, or [REDACTED], Policy and Regulatory Reform Specialist, on [REDACTED].

Yours sincerely

[REDACTED]

Alena Christmas

**Manager Regulatory Affairs**

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<sup>3</sup> The guideline's clause 5.3.3.