

NATIONAL ENERGY RETAIL LAW

SECTION 308

INFRINGEMENT NOTICE ISSUED TO

**BLUE OP PARTNER PTY LTD AS TRUSTEE FOR THE BLUE OP PARTNER
TRUST
ERIC ALPHA OPERATOR CORPORATION 1 PTY LTD AS TRUSTEE FOR ERIC
ALPHA OPERATOR TRUST 1
ERIC ALPHA OPERATOR CORPORATION 2 PTY LTD AS TRUSTEE FOR ERIC
ALPHA OPERATOR TRUST 2
ERIC ALPHA OPERATOR CORPORATION 3 PTY LTD AS TRUSTEE FOR ERIC
ALPHA OPERATOR TRUST 3
ERIC ALPHA OPERATOR CORPORATION 4 PTY LTD AS TRUSTEE FOR ERIC
ALPHA OPERATOR TRUST 4

BEING THE AUSGRID OPERATOR PARTNERSHIP CARRYING ON BUSINESS
AS 'AUSGRID'**

TO: Ausgrid
570 George Street
Sydney NSW 2000

Infringement Notice No.: AER31-2016

1. The Australian Energy Regulator (AER):

(a) has reason to believe that:

- (i) Blue Op Partner Pty Ltd (ACN 615 217 500) as trustee for the Blue Op Partner Trust, ERIC Alpha Operator Corporation 1 Pty Ltd (ACN 612 975 096) as trustee for ERIC Alpha Operator Trust 1, ERIC Alpha Operator Corporation 2 Pty Ltd (ACN 612 975 121) as trustee for ERIC Alpha Operator Trust 2, ERIC Alpha Operator Corporation 3 Pty Ltd (ACN 612 975 185) as trustee for ERIC Alpha Operator Trust 3; and ERIC Alpha Operator Corporation 4 Pty Ltd (ACN 612 975 210) as trustee for ERIC Alpha Operator Trust 4, being the Ausgrid Operator Partnership (ABN 78 508 211 731) and carrying on a business as 'Ausgrid' (**Ausgrid**);**
- (ii) Ausgrid is a *distributor* within the meaning of the *National Energy Retail Law* (**Retail Law**);**
- (iii) Ausgrid has breached rule 125(2)(d) of the Retail Law, in the manner set out in Schedule 1 to this Infringement Notice (**the alleged breach**); and**

- (b) has decided to serve this Infringement Notice on Ausgrid under section 277 of the National Gas Schedule to the *National Gas (South Australia) Law 2008* (**National Gas Law**) as applied by section 308 of the Retail Law.
2. Rule 125 of the Retail Law is a civil penalty provision within the meaning of the Retail Law.
 3. The infringement penalty is \$20,000.

WHAT CAN AUSGRID DO IN RESPONSE TO THIS INFRINGEMENT NOTICE?

4. Ausgrid can choose whether or not to comply with this Infringement Notice. If Ausgrid chooses not to comply with this Infringement Notice, the AER may commence proceedings against it in relation to the alleged breach. Ausgrid is entitled to disregard this Infringement Notice and to defend any proceedings in respect of the alleged breach.
5. If Ausgrid chooses to comply with this Infringement Notice, it must pay the infringement penalty by **15 February 2017**, being not less than 28 days from the date of service of this Infringement Notice, beginning on the day after the day on which this Infringement Notice is served (**the compliance period**).
6. To ensure payment is made in accordance with this Infringement Notice, payment must be received on or before **15 February 2017**.
7. If Ausgrid pays the infringement penalty within the compliance period, the AER will not institute proceedings in respect of the alleged breach unless the Infringement Notice is withdrawn before the end of the compliance period in accordance with section 282 of the National Gas Law as applied by section 308 of the Retail Law.

HOW DOES AUSGRID PAY THE INFRINGEMENT PENALTY?

8. Ausgrid may pay the \$20,000 infringement penalty in two ways:
 - (a) by cheque made out to the “ACCC Official Administered Account”,* enclosing a copy of this Infringement Notice to:

Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

you should allow at least 5 business days for payment to be received

or

- (b) by electronic funds transfer to the following account:*

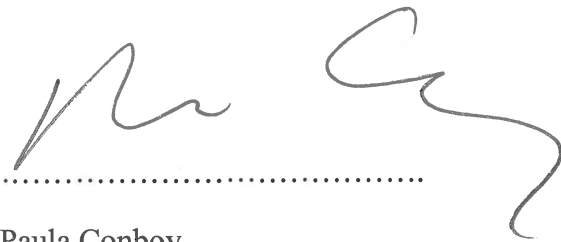
Account name: ACCC Official Administered Account
BSB: 032-730
Account: 146550
Description: AER31-2016

you should allow at least 2 business days for payment to be received.

* The Australian Competition and Consumer Commission handles the receipt of infringement penalty payments for the AER on behalf of the Commonwealth of Australia. All payments received are paid into the Consolidated Revenue Fund.

9. Please allow sufficient time for your payment to be received within the compliance period.
10. Ausgrid will be issued with a Tax Invoice following payment of the \$20,000 infringement penalty.

DATE OF ISSUE: 21 December 2016

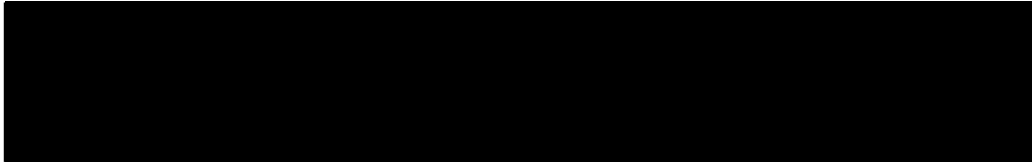
A handwritten signature in black ink, appearing to read 'Paula Conboy', is written over a horizontal dotted line.

Paula Conboy
Chair
Australian Energy Regulator

SCHEDULE 1

MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: RULE 125(2)(d) OF THE NATIONAL ENERGY RETAIL RULES

1. Ausgrid is a 'distributor' within the meaning of section 2 of the Retail Law.
2. Prior to 9 July 2016, the following premises were registered as having life support equipment (collectively **the premises**):



3. By the reason of rule 125(1) and Schedule 3 (Part 4, section 2) of the Retail Rules, Ausgrid was required to comply with rule 125(2) of the Retail Rules in relation to the premises.
4. Pursuant to rule 125(2)(d) of the Retail Rules, Ausgrid was required to give the customer at the premises at least 4 business days written notice of any planned interruptions to supply at the premises.
5. On 14 September 2016, Ausgrid conducted a planned interruption which interrupted the supply of electricity at the premises for around 4 hours.
6. Ausgrid did not give customers at the premises at least 4 business days' written notice of a planned interruption to supply at the premises.