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28 September 2018

Mr Richard Sibly
General Manager - Regulation and Compliance
South Australia Power Networks
By email: richard.sibly@sapowernetworks.com.au

Dear Mr Sibly

Notice of ring-fencing waiver: South Australia Power Networks (SAPN) - Ring-fencing waiver application - September 2018

The AER issues this notice pursuant to clauses 5.3.1 and 5.7(b) of the AER Electricity Distribution Ring-fencing Guideline, October 2017 (the Guideline).

The AER has granted a waiver of SAPN's obligation to comply with clause 3.1 of the Guideline from 1 October 2018 until 30 June 2021 to allow SAPN to continue to provide maintenance and construction services under 21 existing contracts as in force on 28 September 2018.

This waiver is granted on condition that SAPN notify the AER 30 days prior to entering into an extension of any of the relevant contracts. For clarity, this condition does not apply if the extension arises from the relevant customer exercising an option already present within the terms of the contract to extend or vary the agreement.

The AER expects SAPN to comply with the Guideline in all other circumstances, and in all other respects.

SAPN is required by clause 5.7 of the Guideline to include this waiver on its waiver register, which must be publicly available on SAPN's website.

Yours sincerely

Sarah Proudfoot
General Manager, Consumers and Markets

Sent by email on: 03.10.2018