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25 November 2016

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Ms Laura Ann Reed and Mr Ashley Barker
Directors
Ausgrid Asset Partnership
c/- AustralianSuper
Level 33, 50 Lonsdale Street
MELBOURNE VIC 3000

Dear Mr Barker and Ms Reed

Re: Ausgrid Asset Partnership - application for exemption and approval of an intermediary; and approval of Ausgrid Model Standing Offers

Thank you for the application for exemption from registration and approval of an intermediary under clause 2.9.3 of the National Electricity Rules (NER) by each of the partners in the Ausgrid Operator Partnership (ABN 78 508 211 731) (Operator Partnership) and the Ausgrid Asset Partnership (ABN 48 622 605 040) (Asset Partnership). We understand this application is in relation to Ausgrid's electricity transmission and distribution system. In this letter we also approve the application dated 20 October 2016 for new or amended Model Standing Offers (MSOs) for Ausgrid.

The application provides that Ausgrid will lease its electricity transmission and distribution system to the Asset Partnership and the Asset Partnership will sublease that electricity transmission and distribution system to the Operator Partnership. Your application also states that pursuant to clause 2.9.3(a) of the NER, the Asset Partnership is applying to the AER for an exemption from the requirement to register as a Network Service Provider by notifying the AER that pursuant to clause 2.9.3(b)(1) of the NER, the Operator Partnership (the intermediary) is to be registered instead of the Asset Partnership. Also, pursuant to clause 2.9.3(b)(2) of the NER you have provided the written consent of the Operator Partnership to act as an intermediary.

As you may be aware, under clause 2.9.3(c) of the NER, the AER must approve the Operator Partnership as an intermediary if the Australian Energy Market Operator (AEMO) is reasonably satisfied that, from a technical perspective, the Operator Partnership can be treated for the purposes of the NER as the Asset Partnership with respect to Ausgrid's electricity transmission and distribution system. On 25 November 2016, the AER received written advice that AEMO has approved the registration of the Operator Partnership in the participant categories of network service provider – (transmission and distribution) and distribution system operator.

As the delegate, I am pleased to advise that the AER approves the Operator Partnership as an intermediary under clause 2.9.3(c) and as such, pursuant to clause 2.9.3(b) allows the exemption requested by the Asset Partnership.

The partners in the Asset Partnership subject to this network exemption are:

1. Blue Asset Partner Pty Ltd (ACN 615 217 493) as trustee for Blue Asset Partner Trust;
2. ERIC Alpha Asset Corporation 1 Pty Ltd (ACN 612 974 044) as trustee for ERIC Alpha Asset Trust 1;
3. ERIC Alpha Asset Corporation 2 Pty Ltd (ACN 612 975 023) as trustee for ERIC Alpha Asset Trust 2;
4. ERIC Alpha Asset Corporation 3 Pty Ltd (ACN 612 975 032) as trustee for ERIC Alpha Asset Trust 3; and
5. ERIC Alpha Asset Corporation 4 Pty Ltd (ACN 612 975 078) as trustee for ERIC Alpha Asset Trust 4.

The partners in the Operator Partnership subject to this approval of an intermediary are:

6. Blue Op Partner Pty Ltd (ACN 615 217 500) as trustee for Blue Op Partner Trust;
7. ERIC Alpha Operator Corporation 1 Pty Ltd (ACN 612 975 096) as trustee for ERIC Alpha Operator Trust 1;
8. ERIC Alpha Operator Corporation 2 Pty Ltd (ACN 612 975 121) as trustee for ERIC Alpha Operator Trust 2;
9. ERIC Alpha Operator Corporation 3 Pty Ltd (ACN 612 975 185) as trustee for ERIC Alpha Operator Trust 3; and
10. ERIC Alpha Operator Corporation 4 Pty Ltd (ACN 612 975 210) as trustee for ERIC Alpha Operator Trust 4.

As the delegate, I am pleased to also advise that the AER approves the six revised Ausgrid documents as submitted on 20 October 2016, namely:

1. Model Standing Offer for Standard Connection Services - Contestable ASP1 Premises Connections No Greater than 11kV
2. Model Standing Offer for Basic Connection Services – up to 100 Amps Connections Low Voltage;
3. Model Standing Offer for Basic Connection Services – Connections over 100 Amps;
4. Model Standing Offer for Basic Connection Services – Micro Embedded Generation Connections;
5. Model Standing Offer for Standard Connection Services – Augmentation (Substation Upgrade) Works; and
6. Model Standing Offer for Standard Connection Services – Off-site Augmentation Works.

As AEMO has advised that registration of the Operator Partnership is to take effect from 1 business day after the date that the Asset Partnership notifies AEMO that the transfer of ownership of the facility has taken effect, the amended MSOs will take effect on that same day.

Should you have any questions about my decision, please contact Paul Dunn, Director - Networks on 03 9290 1426.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Pattas', with a stylized, cursive script.

Chris Pattas
General Manager - Networks

Sent by email on: 25.11.2016

