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18 December 2017

Ms Jenny Doyle
General Manager Regulation and Pricing
Energy Queensland
By email: jenny.doyle@energyq.com.au

Dear Ms Doyle

Notice of ring-fencing waiver: Energex - Ring-fencing waiver application - August 2017

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 grants a waiver of Energex's obligation to comply with clauses 3.1, 4.2.1, 4.2.2 and 4.2.3 of the Guideline from 18 December 2017 until 30 June 2020 in relation to the following services:

- emergency recoverable works
- public lighting and nightwatchman lights
- high load escorts
- property services
- network related training courses
- rental and hire services
- sale of inventory.

The AER also grants a waiver of Energex's obligation to comply with clause 3.1 of the Guideline from 18 December 2017 until 30 June 2018 so that Energex may novate existing contracts for Other Services to Energex's affiliated entity.

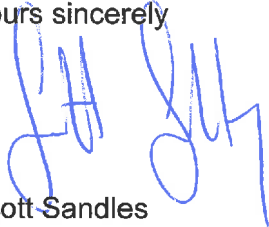
The AER also grants a waiver of Energex's obligation to comply with clause 4.2.3 of the Guideline from 18 December 2017 until 31 December 2019 so that Energex may continue to use Energex branding on uniforms and fleet used in the provision of the following other services:

- test, inspect and calibrate services
- contracting services to other network service providers
- operation and maintenance of customer assets
- equipment services
- training to external parties
- type 1-4 metering services.

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

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

Yours sincerely



Scott Sandles
A / General Manager
Networks

Sent by email on: 18.12.2017