

Ausgrid Electricity Ring-Fencing Guideline Annual Compliance Report – 2018 Regulatory Year

30 October 2018



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1. Overview

The AER released its final version of the Ring-fencing Guideline - Electricity Distribution (**Guideline**) on 17 October 2017. The Guideline is made under clause 6.17.2 of the National Electricity Rules (**NER**) and is binding on all Distribution Network Service Providers (**DNSPs**).

The period 1 December 2016 to 31 December 2017 was a transitional period under the Guideline for existing services with full compliance to be achieved by 1 January 2018.

Clause 6.2 of the Guideline requires each DNSP to prepare an annual ring-fencing compliance report each regulatory year; this document is Ausgrid's report in compliance with this obligation.

The regulatory year for this report is 1 July 2017 to 30 June 2018 with the first six months of the period being part of the transitional period.

If the AER has any questions or requires clarification on any aspect of this document, please do not hesitate to contact:

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2. Transitional Period

Prior to the introduction of the Guideline, Ausgrid offered both Direct Control Services (**DCS**) and Contestable Electricity Services (**CES**) to its customers. The Guideline prevented Ausgrid from delivering CES from 1 January 2018.

Ausgrid undertook detailed analysis to determine the correct classification for each service it delivered to its customers for which an unregulated income was received. The services classified as CES were further analysed to identify which staff and teams delivered these services. During the transitional period, a new division was created called Emerging Energy Solutions (**EES**) and all staff identified as performing CES were transferred to this division on 1 September 2017.

2.1. Legal Separation

PLUS ES was created as a separate (but affiliated) entity to Ausgrid. PLUS ES was established as a partnership carried on by several newly incorporated entities, each of whom are wholly-owned by the entities that ultimately own Ausgrid. Except for one area of breach, since 1 January 2018 all CES has been performed by the EES division under the PLUS ES brand.

This two pillar operating model was described in section 2.1.1 of Ausgrid's Compliance Strategy dated 31 July 2017. This approach is based on the principles that from 1 January 2018:

- Ausgrid, as the DNSP, only provides Direct Control Services (**DCS**) i.e. Standard Control Services (**SCS**) and Alternative Control Services (**ACS**) and ceased to provide all non-DCS;
- PLUS ES, a legally separate affiliated entity provides all CES i.e. Other Distribution Services (**ODS**), Other Electricity Services (**OES**), and Other Non-Electricity Services (**ONES**);
- Ausgrid and PLUS ES share a number of Ausgrid's corporate services, under a Corporate Services Agreement, compliant with the Guideline; and
- PLUS ES and Ausgrid negotiated several services agreements which enable PLUS ES to provide metering services (DCS, UDS and CES), electrical and fibre services, and testing services (**Service Agreements**) as a service provider. These Service Agreements were negotiated between the parties on an arm's length basis.

2.2. Functional Separation

During the transitional period Ausgrid did an extensive review of its intranet, website and IT systems resulting in recommendations to the Steering Committee (refer Section 3.1 Governance). The resulting actions include:

- confirming there was no promotion of CES or PLUS ES on the Ausgrid website;
- creating a website for PLUS ES, managed by their own staff;
- restricting access to Ausgrid's Intranet and providing a PLUS ES standalone Intranet for PLUS ES staff;
- identifying key Ausgrid IT systems that contained Electricity Information; and
- instructing PLUS ES staff that they can only use Ausgrid IT systems that contain electricity information to perform services that enable and/or assist Ausgrid to supply DCS under the Service Agreements; and advising they cannot use the same IT systems whilst performing CES.

2.2.1. Physical separation / co-location

Ausgrid made a decision not to utilise shared offices, as defined in the Guideline (with the exception of Ausgrid's Dee Why depot identified in section 3.2). Once the staff who performed CES were identified, an accommodation plan was developed for each depot/office to ensure that PLUS ES staff were not co-located with Ausgrid staff. This included:

- Silverwater depot/office - reconfiguring the depot/office to ensure the physical separation of Ausgrid and PLUS ES staff, noting that PLUS ES marketing staff have dedicated office spaces;
- Wallsend depot - dedicating two office spaces for all PLUS ES staff. Ausgrid staff were subsequently relocated to alternate locations within the depot to ensure physical separation. Street frontage of one of the buildings enables visitors easy access to PLUS ES;
- Head office building, Sydney - locating all PLUS ES staff onto one floor and relocating all other Ausgrid staff from that floor to other floors of the building. PLUS ES staff retain access to the communal break out area on level 4 of the building;
- Zetland depot - installing a door at the depot to prevent PLUS ES staff accessing Ausgrid office/depot space;
- Homebush depot - installing a door at the depot to prevent PLUS ES staff accessing Ausgrid depot/office space (noting the warehouse facilities were relocated to a single location); and
- Ourimbah - reconfiguring the warehouse facilities at the Ourimbah depot to enable PLUS ES to access its own warehouse, which is not shared with Ausgrid staff.

Ausgrid and PLUS ES staff continue to share amenities, kitchen facilities, cafeterias and some meeting rooms.

Once all the building works and relocations were completed, a new PLUS ES profile was created in the security system and PLUS ES branded access cards were issued to all PLUS ES staff with access limited to their offices and depots only. Exceptions to this are Fire Wardens who require access to all buildings for the depot to which they are assigned.

3. Compliance measures

3.1. Governance

Ausgrid created a dedicated project team within its Strategy & Regulation Division to manage the business changes required to achieve compliance with the Guideline. This team is supported by a cross-divisional working group that reports to an Executive Steering Committee that has met regularly since September 2016.

A centralised ring-fencing register of Guideline obligations and internal controls has been created to assist in monitoring compliance. The register assigns each obligation to the appropriate contributors within Ausgrid and annually each contributor is required to identify the controls that have been implemented to meet compliance. The register has been sighted by the independent assessor as part of its review of compliance with the Guideline.

3.2. Functional separation compliance measures

The functional separation compliance measures introduced by Ausgrid include:

- creating a dedicated ring-fencing email address to allow staff to ask questions or seek reassurance on how to comply with the Guideline. The email address is managed by the Regulatory Compliance team;
- developing a Ring-fencing page on the Ausgrid intranet with information for staff on how to maintain compliance with the Guideline;
- restricting PLUS ES staff access to Ausgrid's intranet and establishing PLUS ES standalone Intranet;
- developing a Ring-fencing page on the Ausgrid website with information for customers on what services Ausgrid is unable to provide under the Guideline and copies of its office and staff registers. Ausgrid's website was examined to ensure it does not promote PLUS ES or CES. A standalone website was created for PLUS ES, which is managed by a dedicated PLUS ES Marketing Manager;
- implementing new ICT protocols and procedures that only provide PLUS ES staff with access to Ausgrid systems that contain Electricity Information where such access is necessary under the Services Agreements for that staff member to perform their roles, functions or duties;
- issuing targeted communications to Ausgrid and PLUS ES staff identifying their obligations to comply with the Guidelines, explaining the functional separation controls that Ausgrid implemented and setting out the expectations of staff. Examples of the communications prepared are shown in Appendix E;
- developing an online training program on the key obligations of the Guideline that was rolled out across the business with over 97%¹ of Ausgrid staff (including those in EES) completing the training. Examples of the training scenarios developed are shown in Appendix F;
- developing targeted training programs for three key areas of the business, Program Delivery, Field Services and Customer divisions. This training included the development of Ausgrid related scenarios and was rolled out to all impacted staff across Ausgrid with almost 100% completing the training. Examples of the training scenarios developed are shown in Appendix F;

¹ Figures include staff on long-term leave

- delivering face-to-face training to impacted managers by Ausgrid's Legal team to ensure managers are cognisant of their obligations under the Guideline and the impacts to their area of the business;
- creating and distributing a company-wide Ring-fencing Policy. The Policy is available on the Ausgrid Intranet. The Policy can be viewed in Appendix G;
- executing a Corporate Services Agreement (**CSA**) between Ausgrid and PLUS ES detailing the corporate services, and associated costs, that Ausgrid provides to PLUS ES. The CSA includes clauses requiring PLUS ES to comply with the Guideline;
- executing four non-exclusive Service Agreements between Ausgrid and PLUS ES for ACS Metering Services, SCS Metering Services, Electrical and Fibre Services, and Testing Services that PLUS ES will provide to Ausgrid. These agreements include clauses requiring PLUS ES to comply with the Guideline. PLUS ES staff who require access to Ausgrid ICT systems to deliver services to Ausgrid under these agreements have received communications and training instructing them not to access Electricity Information whilst performing CES;
- relocating staff and undertaking building works to ensure there are no shared offices as defined by the Guideline. The one exception to this is Dee Why Depot where two PLUS ES field staff use a shared office to complete administrative tasks for a few hours each week. Analysis on the role of these field staff determined they are not in a position to use electricity information to discriminate in favour of PLUS ES;
- issuing communications on a regular basis to all PLUS ES staff on the changes to their work practices that are required to comply with the Guideline. These communications included use of IT systems, use of access cards and keys, uniforms and logos;
- creating a PLUS ES profile on the Ausgrid Property Security Access System and issuing PLUS ES branded access cards to all PLUS ES staff with the new profile;
- reviewing of contact centre scripts to ensure customers are informed of changes to the services that Ausgrid can provide pursuant to the Guideline and that there is no cross-promotion with PLUS ES; and
- amending our procurement templates to include clauses for service providers that comply with the Guideline.

3.3. *Waivers*

Ausgrid applied for three waivers for:

- Services to be classified or reclassified. This is a short term waiver (18 months) to bridge the period until the AER service classifications approved for the 2019-24 regulatory control period take effect. This waiver was granted by the AER.
- Non-distribution services (Other Services). This was a short term waiver (to 1 July 2018) to allow time for Ausgrid to implement resourcing arrangements to deliver Other Services from PLUS ES. This waiver was granted by the AER and has now expired.
- Non-distribution supply restoration services. This waiver was to permit Ausgrid to restore power to residential customers in limited circumstances to minimise the impact of the Guideline. This waiver was not granted by the AER. However, Ausgrid notified the AER that it has developed a vulnerable customer protocol with associated training and a procedure, while also recognising that when Ausgrid does

restore supply to a vulnerable customer it is breaching the Guideline. Ausgrid continues to self-report any such assistance as a breach.

A link to the AER's waiver decision and Ausgrid's application is on the ring-fencing page of Ausgrid's website.

3.4. Breaches

Ausgrid has built a ring-fencing compliance management system (CMS) modelled on similar existing in-house CMS systems, and established protocols for staff to report breaches of the Guideline. The requirement for reporting of breaches is communicated in its Ring-Fencing Policy (see Appendix G) and has been reinforced by various communications and training programs.

Ausgrid has reported breaches during FY18 to the AER in accordance with the Guideline. The breaches reported in FY18 are listed in Appendix B.

4. Independent auditor

Ausgrid has engaged Deloitte as its independent authority as required by the Guideline. Deloitte's assessment of Ausgrid's compliance with the Guideline is attached to this report.

5. Relationship with PLUS ES

PLUS ES is a separate (but affiliated) entity to Ausgrid. Ausgrid and PLUS ES negotiated a labour services agreement (**LSA**), which has allowed Ausgrid employees performing CES in the EES division to operate solely under the PLUS ES brand since 1 January 2018. Pursuant to the LSA, staff in the EES division remain Ausgrid employees, however PLUS ES is required to pay Ausgrid for all costs associated with the remuneration of the EES staff and any additional on-costs associated with the work they perform under the LSA.

Ausgrid continues to engage PLUS ES to perform services that enable and/or assists Ausgrid to supply DCS under four non-exclusive Service Agreements. A number of Ausgrid staff operating under the PLUS ES brand continue to enable and/or assist Ausgrid to supply DCS while also performing CES under the PLUS ES brand. Where the work is to be performed for a third party, Ausgrid is the interface between the third party and PLUS ES, which is engaged on an arms length basis.

On 30 May 2018, Ausgrid's metering business (including metering assets) and infrastructure services business were transferred to PLUS ES under the business sale agreement to give effect to the legal separation of Ausgrid's former CES business.

PLUS ES staff who require access to Ausgrid ICT systems to deliver services under these agreements have received communications and training instructing them not to access Electricity Information whilst performing CES.

PLUS ES staff occupy their own offices, as defined by the Guideline.

PLUS ES staff have been issued a PLUS ES access card which only provides access to their offices; the exception to this is Fire Wardens who retain access to all areas of the depot for which they are a warden, and staff who continue to perform services for Ausgrid under one of the executed Services Agreements. This arrangement is no different to other contractors who regularly require access to Ausgrid properties when performing work under a contract with Ausgrid. PLUS ES staff currently retain their Ausgrid access cards with their

historical access permissions. However staff have been instructed through various communication channels not to use their Ausgrid access card while performing work under the PLUS ES brand or to access offices/depots used by Ausgrid staff performing DCS.

New email addresses “@pluses.com.au” were created for PLUS ES staff who were instructed not to use their Ausgrid email addresses from 1 January 2018. Staff continue to retain their Ausgrid email addresses but do not have the ability to forward and/or reply to emails using their Ausgrid email address.

Access to the Ausgrid Intranet has been removed and a standalone intranet has been developed for PLUS ES staff.

During the transitional period analysis was undertaken to determine the corporate services that PLUS ES requires from Ausgrid. Each corporate service was assigned a fixed annual cost (with the exception of procurement services, which is a consumption based charge; and rent, which is included in the lease agreement for each property). PLUS ES pays these fees to Ausgrid quarterly in accordance with the terms of the CSA. There is provision to review this CSA when requested by either party. The initial term is to 30 June 2020 which will then require a compulsory review.

PLUS ES is required to apply to access/use any Ausgrid materials to provide CES on the same or substantially similar terms and conditions as other ASPs.

Appendix A – Acronyms

The following table sets out key defined terms and acronyms used in this Compliance Strategy.

Defined term - Entities	Definition
Accredited Service Provider (ASP)	Means a provider who has been granted accreditation to carry out contestable services on the Ausgrid network under a grant of accreditation.
Affiliated Entity (AE)	In relation to a DNSP, means a legal entity: (a) which is a direct or indirect shareholder in the DNSP or otherwise has a direct or indirect legal or equitable interest in the DNSP; (b) in which the DNSP is a direct or indirect shareholder or otherwise has a direct or indirect legal or equitable interest; or (c) in which a legal entity referred to in paragraph (a) or (b) is a direct or indirect shareholder or otherwise has a direct or indirect legal or equitable interest.
Alternative Control Service (ACS)	A distribution service that is a DCS but not a SCS.
Corporate Services Agreement(CSA)	An agreement between Ausgrid and PLUS ES for Ausgrid to provide Corporate Services.
Compliance Management System (CMS)	Ausgrid system to manage compliance.
Contestable Electricity Services (CES)	ODS and OES.
Direct Control Network Service (DCS)	An electricity network service which the National Electricity Rules (NER) specify as a service the price for which, the AER specifies, in a Ausgrid determination as a service the price for which, or the revenue to be earned from which, must be regulated under the Ausgrid determination.
Distribution Network Service Provider (DNSP)	A person who engages in the activity of owning, controlling, or operating a distribution system (i.e. Ausgrid).
Distribution Service	A service provided by means of, or in connection with, a distribution system.
Electricity Services	Services that are necessary or incidental to the supply of electricity to consumers of electricity, including the generation of electricity; electricity network services; the sale of electricity (relevant to definition of electricity information).
Emerging Energy Solutions (EES)	A division of Ausgrid established to focus on new growth business.
Labour Services Agreement (LSA)	Labour Service Agreement allowing Ausgrid employees to perform CES in EES.
Other Distribution Services (ODS)	A distribution services other than DCS. Note: As Ausgrid does not provide negotiated distribution services this applies only to distribution services that are not classified (i.e. UDS).
Other Electricity Services (OES)	Services for the supply of electricity or that are necessary or incidental to the supply of electricity, other than transmission services or distribution services.
Other Non-Electricity Service (ONES)	An Other Service that is not an OES.
Other Services	Services other than transmission services or distribution services.
Related Electricity Service Provider (RESP)	In relation to a DNSP, includes an affiliated entity of the DNSP; and the part of the DNSP that provides contestable electricity services.
Service Agreements	Non-exclusive Service Agreements where PLUS ES provides services to Ausgrid.
Standard Control Service (SCS)	A DCS that is subject to a control mechanism based on Ausgrid's total revenue requirement.
Unclassified Distribution Services (UDS)	This is not a defined term in the National Electricity Law (NEL) or Rules, or through the AER's Framework and Approach. However, a UDS is a distribution service that is not classified as DCS or negotiated distribution services by the AER.

Appendix B - Breaches and Complaints

During the reporting period the AER referred one complaint to Ausgrid which has since been resolved.

Three breaches were reported, they are detailed in the table below.

Date	Obligation breached	Description	Details
March 2018	3.1 (b)	Obligation not to provide other services	Repaired private pillar with burnt and unserviceable service fuse supplied via a T-joint
April 2018	3.1 (b)	Obligation not to provide other services	Simple repairs to earthing bridge to make safe
May 2018	3.1 (b)	Obligation not to provide other services	Completion of a small number of contestable projects that Ausgrid had commenced prior to January 2018 (all completed in FY18)

In May 2018 Ausgrid notified the AER that it had 15 projects that it had not completed in the transitional period and would complete post 1 January 2018, after corresponding over a period of time with the AER it was agreed that the completion of these works constituted a breach of the Guideline. Ausgrid no longer offers the services performed during these projects.

Vulnerable Customers

In December 2017, Ausgrid notified the AER that it will continue to support 'vulnerable' customers with the restoration of supply in certain circumstances. This decision was made in line with Ausgrid's values and follows Ausgrid's customer commitment statement to listen to and respect customers and placing customers at the centre of everything they do.

Between 1 January 2018 to 30 June 2018, Ausgrid developed a robust process supported by a suite of tools, including an assessment criteria to determine a customer's vulnerability. This includes a protocol, working instruction and online tool for field staff.

In June 2018, the Steering Committee directed staff to implement the vulnerable customer protocol on a manual basis to ensure that no qualifying customers were left without power during winter.

Training has been finalised and the vulnerable customer tool was rolled out to all staff in August 2018.

Ausgrid has provided the AER with a breach report in each instance it has implemented the vulnerable customer protocol. These breaches do not appear in this report given they did not occur within the reporting period.

Appendix C – Summary of transactions with PLUS ES

PLUS ES provides the following range of services to Ausgrid:

PLUS ES Service	Overview of Services
Electrical and Fibre Services	<ul style="list-style-type: none"> • Ausgrid Fibre Optic Network • External third Party Fibre Optic Duct Study Request – Facilities Access • Customer Works Associated with Substation Replacement/Removal • Undergrounding of Service Mains • Property STN Maintenance • Specialist Projects.
Testing Services	<ul style="list-style-type: none"> • Chemical Testing Services • Calibration Services • Electrical Testing Services • Conduct of Tests – Electrical Testing • Test Documentation – Electrical Testing • Record Retention and Ownership – Electrical Testing • Applicability of Reports and Certificates – Electrical Testing • Postponement of Testing – Electrical Testing • Consulting Services – Electrical Testing.
Metering Related (Alternative Control Services)	<ul style="list-style-type: none"> • Provide Metering Services to enable Ausgrid Network to provide Alternate Control Services and related Ancillary Network Services
Metering Related (Standard Control Services)	<ul style="list-style-type: none"> • Provide Metering and related Services for the Ausgrid Network to enable it to provide Standard Control Services with respect to the Metering Points.

These are provided under the terms of four non-exclusive service agreements. The monthly cost of these services is approximately \$3.5 million.

Ausgrid provides the following range of services to PLUS ES

Corporate Service	Overview of Services
Human Resources/Employee Relations	<ul style="list-style-type: none"> • Management and provision of training services • Administration and implementation of organisational development, employee management and performance development and recognition programs • Supporting recruitment processes • Provision of regular reporting • Employee relations management • Providing ad hoc advice in relation to HR/ER treatment issues
Procurement	<ul style="list-style-type: none"> • Managing procurement sourcing as directed by PLUS ES • Contract management and administration services • Conducting credit checks • Purchase requisition to order transaction services • Creation and maintenance of outline agreements
Tax	<ul style="list-style-type: none"> • Preparing and lodging all required Lodged Documents and distribution statements • Reviewing monthly payroll tax calculations • Managing all inter-group tax invoices • Monthly reporting • Providing ad hoc advice in relation to the correct tax treatment of transactions
Insurance	<ul style="list-style-type: none"> • Placement of liability and other insurance policies (as appropriate) through the addition of PLUS ES to Ausgrid's existing policies and placement of specific policies • Placement of worker's compensation insurances through the addition to Ausgrid's existing self-insurance program or the placement of specific policies
Treasury	<ul style="list-style-type: none"> • Managing required banking relationships of behalf of PLUS ES • Funding and cash management • Managing bank guarantees • Periodic reporting

Corporate Service	Overview of Services
Health, Safety and Environment	<ul style="list-style-type: none"> • Provision and management of HSE systems, including Safe Working Method Statements • Provision of health and wellbeing programs • Incident management • Safety and environmental system assurance and compliance • External stakeholder management • Providing ad hoc advice risk assessments and advice • Facilitating meeting environmental compliance obligations through the provision and implementation of an environmental compliance framework and system • Incident and complaint management • Environmental management system • Management of permits, licences, approvals, certifications, allowances and exemptions • Preparation and review of environmental impact assessments and construction and environment management plans • Preparing regular reports • Providing ad hoc advice risk assessments and advice
Fleet	<ul style="list-style-type: none"> • Provision of 'Light Fleet' vehicles in a dedicated PLUS ES light vehicle pool • Provision of use of 'Heavy Fleet' vehicles from the Ausgrid vehicle pool • Access to Ausgrid vehicle pool • Provision of vehicle usage data • Ad hoc consulting in relation to the capabilities and use of vehicles in the Ausgrid vehicle pool • Access to Ausgrid's novated lease program for appropriate personnel of PLUS ES
ICT – Corporate	<ul style="list-style-type: none"> • Help and support • IT infrastructure and application services • Workplace services
Finance	<ul style="list-style-type: none"> • Accounts payable • Accounts receivable • General ledger • Asset management • Standard reporting and analysis • Invoicing • Debtor management • Expense management • Ad hoc reporting and analysis

Corporate Service	Overview of Services
Legal	<ul style="list-style-type: none"> • Managing the required panel of firms and relationships with firms on behalf of PLUS ES • Preparing and updating precedent agreements for use by PLUS ES • Drafting and negotiating contracts between PLUS ES and third parties • Management of litigation and major claims against PLUS ES • Providing ad hoc advice on regulatory and legal issues as required
Company Secretary and Office of CEO	<ul style="list-style-type: none"> • Managing and coordinating Board activities • Managing and coordinating the activities of Board committees • Developing and maintaining Board policies, delegations and powers of attorney • Managing ASIC and other corporate registrations and trade mark registrations • Provision of the required services to support the office of the CEO
Audit	<ul style="list-style-type: none"> • Conducting Internal Audits • Providing reports relating to internal audit findings and recommendations and results of third party audits • Providing investigation of corrupt conduct and whistleblowing hotline services
Corporate Affairs	<ul style="list-style-type: none"> • Media strategy and implementation • Government and stakeholder relations strategy and implementation • Corporate social responsibility strategy and implementation
ICT – M&DS	<ul style="list-style-type: none"> • Maintenance • Enhancements • Delivery • Development and testing • Quality • communications
Property & Facilities	<ul style="list-style-type: none"> • Assisting with location and securing property • Managing the facilities

The charges for all corporate services provided by Ausgrid to PLUS ES have been determined in accordance with Ausgrid's approved Cost Allocation Methodology (CAM). The corporate services PLUS ES requires from Ausgrid have been assigned a fixed annual cost; procurement services are a consumption-based charge; and rent is included in the lease agreement for each property.

The monthly charges are approximately \$5.5 million.

Appendix D – Customer Feedback

One of Ausgrid's values is to be Customer Focussed. By complying with the Guideline Ausgrid is no longer able to restore supply to residential customers even when a simple fix is required. Ausgrid understood this would confuse and disappoint our customers, particularly where Ausgrid is no longer able to restore supply in simple cases.

A number of controls were developed to assist customers including:

1. A media release informing customers of the services that Ausgrid can no longer perform and providing high level advice on how to engage the appropriate contractor.
2. A customer card for field staff to give to customers to assist in explaining that Ausgrid can no longer assist in the restoration of supply and providing assistance on how to engage the appropriate contractor. The card is shown below.



Dear customer,

We would love to help get your power back but under the new National Electricity Rules* we are no longer allowed to work beyond the point where you connect to the electricity network (except for your meter).

Depending on what work is needed you may require the services of an electrical contractor or an Accredited Service Provider (ASP). You will need to seek your own quote.

We are not allowed to make any recommendations or referrals for electrical contractors.

You can find a full list of Accredited Service Providers (Level 1/2/3) at:

www.resourcesandenergy.nsw.gov.au/asp

or you can call Service NSW on **13 77 88** (Monday to Friday 7am – 7pm).

*More information about the Electricity Ring-fencing Guideline and National Electricity Rules is available at www.aer.gov.au and www.aemc.gov.au

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Appendix E – Ring-fencing Communications

Below are examples of communications issued to staff.

Information Sheet

Examples of what Ausgrid will keep doing

Do carry out simple restoration work on Life Support customer installations.
Do follow existing processes to restore supply in emergency situations such as car-hit-pole and where field service work results in damage to customer supply, services or equipment.
Do follow your usual processes when assisting other DNSPs in an emergency.
Do relocate assets where the relocation was initiated by a third party (including the customer) and could impact the safety and security of the network.
Do carry out specialist services (which may involve the design related activities and oversight/inspections of works) where the design or construction is non-standard, technically complex or environmentally sensitive.
Do provide engineering consulting advice related to the shared distribution network. An example is advice on complex light rail projects.
Do continue to provide approved materials and equipment to ASPs but only where they will form part of the shared distribution network and where doing so will not breach the Competition and Consumer laws.
Do ask your Manager for further guidance on the work that Ausgrid will and will not carry out.

Examples of what Ausgrid will not keep doing

Don't undertake contestable design or construction services.
Don't carry out fibre work in our pit and duct system, oil filled cable and other maintenance and repairs for the external market or construction and design work for the external market.
Don't carry out work on private electrical installations including hot water systems unless it is a simple fix for a Life Support customer.

No cross subsidies

Do maintain accounts that allocate and attribute costs as required by the Ring-fencing Guideline.
Do ensure that new and enhanced corporate services are provided to PLUS ES on arm's length terms applying the approved pricing methodology.
Do ensure that there is no linkage between the Ausgrid and PLUS ES websites.
Don't refer business to PLUS ES.
Don't allow crews or vehicles with the Ausgrid logo to carry out PLUS ES work.
Don't use the Ausgrid logo alongside the PLUS ES logo.
Don't seek to leverage Ausgrid's trusted reputation as a marketing tool for PLUS ES.

No discrimination

Do provide other service providers with the same opportunities that you make available to Plus ES.
Don't treat PLUS ES more favourably than any of its competitors, for instance with respect to provision of equipment from Ausgrid stores or information that would help them bid for work on the network.
Don't think that being fair means taking steps to disadvantage PLUS ES.

Electricity Information and confidentiality

(including office, staff and information registers)

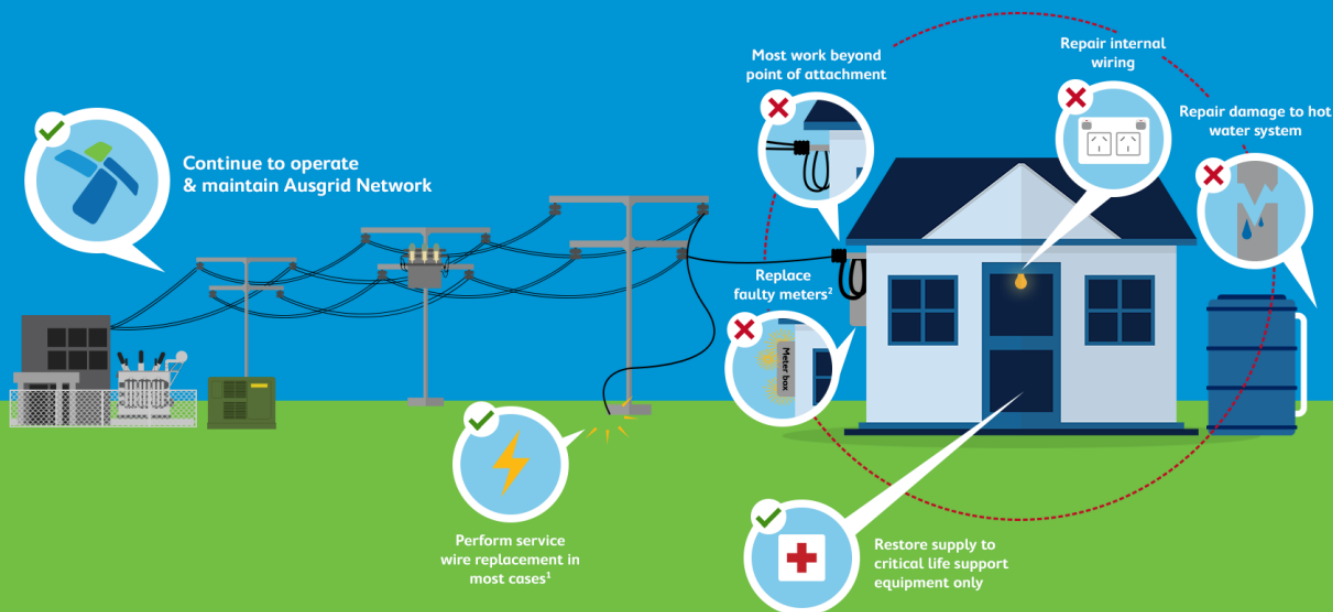
Do adhere to confidentiality obligations in contracts with service providers including PLUS ES.
Do take responsibility for understanding the information sharing protocol and the types of information requests that need to be recorded in the information register. See "Questions" towards the end of this policy if you think you may have received an information request that needs inclusion in the register.
Do take responsibility for understanding the office and staff register obligations when locations change or new staff positions are created. See "Questions" section of this policy if you think you may need to notify an additional office or position for inclusion in the register.
Do ask Legal & Company Secretary for assistance if you are not sure about the information obligations under the Guideline.
Do take responsibility for understanding the office access controls that apply to you and let security know if a defect has arisen.
Don't make information about Ausgrid services and requirements available to PLUS ES unless this information is also available to PLUS ES's competitors in the same way and on the same terms. Examples are information about connection services and access to the network, network standards and other technical information.

Clauses in contracts with Service Providers If the AER calls or something goes wrong

Do ensure that legally approved contracts containing the required clauses are used when Ausgrid procures services.
Do call Legal & Company Secretary for assistance.
Don't rush an answer to a request from the AER about compliance with the Ring-fencing Guideline.
Don't delay talking to your Manager if you think there might have been a breach of the Ring-fencing Guideline.

✔ What Ausgrid can do

✘ What Ausgrid cannot do



Illustrative example of services Ausgrid can and cannot provide from 1 January 2018

¹Ausgrid will continue to make the network safe. A decision to restore or repair a service wire will be made following an on-site inspection. ²Ausgrid may be able to bypass a faulty meter to restore supply.

Ausgrid Better Together



What the AER Ring-fencing Guideline means for Ausgrid

Employee Briefing Pack



Background and Purpose

What is happening

The Australian Energy Regulator (AER) published its Ring-fencing Guideline on 30 November 2016.

Who it applies to

All of the National Electricity Market.

Why is it being introduced

Purpose of Ring-fencing is to support the development of competition across energy services markets and to provide customers with more cost efficient services.

When is it effective

Compliance must be met by 1 January 2018.



What does this mean for Ausgrid?

From 1 January 2018, Ausgrid:

- **Will only be allowed to operate and maintain its electricity network.** It is no longer permitted to undertake competitive and contestable electricity services.
- **Cannot cross subsidise** parts of its business that provide contestable electricity services with the revenue it earns from its regulated services.
- **Cannot provide an unfair advantage** to its contestable business by sharing commercially sensitive information it has acquired through its regulated business.



How Ausgrid will meet the Ring-fencing Guideline

Ausgrid will meet compliance by:

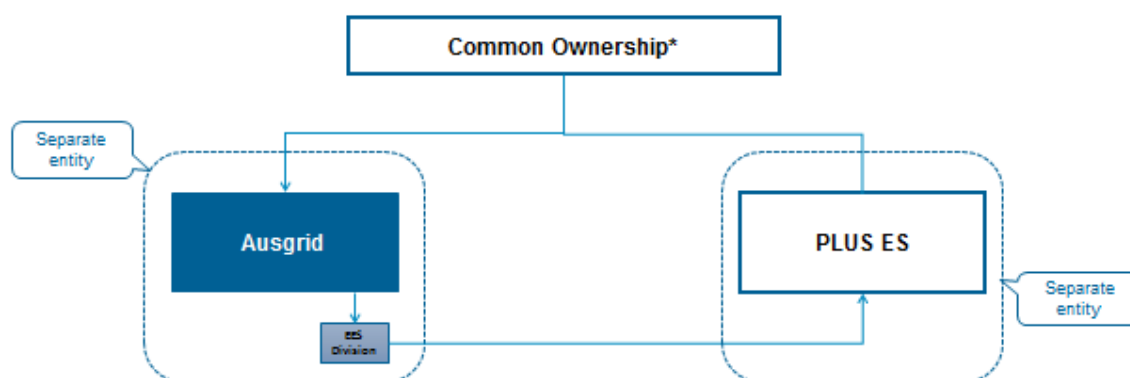
- separating the competitive and regulated parts of its network business.

Ausgrid as a regulated network business will:

- Only provide Direct Control Services including:
 - Standard Control Services (capital works, system maintenance and operation)
 - Alternative Control Services
 - Ancillary Network Services
 - Street lighting services
 - Specific regulated type 5/6 meter services
- Will cease to provide all non-Direct Control Services.



Structure established to achieve legal separation



*Ultimate owners are State of NSW, IFM Investors and AustralianSuper.



Draft for discussion – subject to consultation

2

More about the Affiliated Entity

- Relationship with Affiliated Entity **will be the same as with our ASPs.**
- Electricity and confidential information created by Ausgrid **can not be shared with the Affiliated Entity except in relation to the provision of regulated activities.**
- The Affiliate Entity **is not to gain any commercial advantage or perceived advantage from Ausgrid.**

The Affiliated Entity **will not** have access to:

- Storage equipment in Ausgrid warehouses
- The Ausgrid intranet (The Wire) which contains electricity information
- Ausgrid offices (can only enter as visitors).



What this means for Ausgrid employees

- Ausgrid DNSP staff will be required to ensure that:
 - ASP and AE staff are **treated equally and fairly** when undertaking contestable services
 - ASP and AE staff have **access to the same information, data, systems** and are **subject to the same processes** when undertaking contestable services
 - Customers requesting contestable services are made aware of their **right to choose a provider** and that Ausgrid is unable to offer contestable services
- Staff communications and education programs are being implemented for Ausgrid and AE staff.

Affiliated Entity (AE) Employees

AE staff will be required to ensure they:

- **Identify as the AE and not Ausgrid** when marketing their services and when undertaking contestable services.
- **Do not utilise or attempt to utilise non-approved Ausgrid**
 - Systems
 - Resources
 - Communication channels or
 - Services when providing contestable services
- **Meet Ausgrid's standards, policies and processes** for undertaking contestable services in Ausgrid's franchise area.



Getting ready for Ring-fencing

All staff are to complete the mandatory e-learning module by 1 December 2017

- To help staff understand the basics
- Available from Ausgrid's e-learning system
- Please ensure your staff complete this training

Targeted training will be provided to impacted staff.

- More in-depth information about divisional impacts
- To roll out early December

More information

- Reach out to your Work Stream Lead (details available from the Ring-fencing Wire page)
- Visit the Ring-fencing Wire page
(<http://thewire.energy.com.au/business-services/projects/Ringfencing/Pages/default.aspx>)



Appendix F – Ring-fencing Training Scenarios

The following are a selection of scenarios that were developed and animated for Ausgrid staff and delivered through e-learning modules.

Induced fault on customer premises

Scenario: Field Services crews are working in a residential street, carrying out service wire replacement works. Customers have been advised of the works and are expecting the planned outage.

As the crew prepares to isolate a property, one of the technicians operates the main switch on the customer's meter board. While carrying out this action, the main switch is damaged and cannot be re-activated.

In the given scenario, before January 1, 2018, the Field Supervisor would contact the owner and advise them of the problem, stating that Ausgrid could repair or replace the switch at no cost to the owner. Alternatively, the owner could engage their own provider to carry out repairs, and then lodge a claim for the cost with Ausgrid.

If the owner chose to have Ausgrid perform the repairs, the Field Supervisor would request an Emergency Service Officer to attend to carry out the required repairs, at no cost to the owner. The service wire replacement would then be completed, the main switch repaired, and the power restored to the property.

What we can do: Now let's see how this same scenario should be handled under the new AER Ring Fencing Guidelines. Under the new AER Ring Fencing Guidelines, the actions to restore supply to this owner have not changed. The fault is a direct result of Ausgrid carrying out planned work, and it is a straightforward fix, so the repairs could still be carried out by Ausgrid staff.

Remote location/hardship

Scenario: The Ausgrid contact centre receives a call at 8pm on a Friday night from a distressed elderly customer, living in a remote rural location, stating that she has no power.

The Customer Service representative follows the prescribed scripting, and, after searching the address in the Outage Management System, is not able to confirm whether or not the customer is affected by the current network outage. The job is passed on to the on-call staff on duty. Due to the remote location, two staff members attend the call for safety reasons.

Upon arriving, they diagnose the fault on the load side of the central metering point (that is, on the customer's side of the supply point). They are aware that the customer requires supply to not only provide basic electrical services but also to operate the pump that supplies the property with water. It is a Friday night of a long weekend and any other form of assistance is over an hour away. In the given scenario, before the Ring Fencing Guidelines came into play, the on-call crew would have advised the customer that the fault was not related to the Ausgrid network, but was instead an issue with the customer's equipment. They would have let the customer know that she could choose to have her own electrical repairer fix the fault or that Ausgrid could complete the repair at the customer's cost. If the customer chose to have Ausgrid complete the repairs she would have signed a short form contract so that the repairs could be completed to restore supply.

What we can do: Now let's see how this same scenario should be handled under the new AER Ring Fencing Guidelines. Under the new AER Ring Fencing Guidelines, the contact centre staff will now notify the customer that if the fault is not the result of an Ausgrid network issue then the customer will need to engage her own contractor to complete the restoration works.

After checking Ausgrid's supply is in order, the customer is advised by the Field Services Crew that Ausgrid are no longer able to offer to carry out standard repairs on the customer load side of the metering point, or the point of supply. The Field Services crew will instead reiterate the message that was provided by the Customer Service Representative.

However, if the field crew assess the situation and deem necessary they can operate in accordance with the Ausgrid protocol for supporting vulnerable or hardship customers. This may include offering to perform the repairs at the customer's expense.

Staff may also provide the customer with an information card outlining how to find an appropriate repairer for their needs. Field Services staff should record any customer feedback in the Ring Fencing customer feedback

application (or smart-form) that has been developed to capture any customer-related issues that arise from the implementation of the Ring Fencing Guideline.

Life support situation

Scenario: The Ausgrid contact centre receives a call from a registered life-support customer advising that he has lost power to his life-support equipment. The Customer Service Representative follows the prescribed scripting, and after searching the address in the Outage Management System, is not able to confirm whether or not the customer is affected by a current network outage.

The job is entered into the system and is prioritised to reflect its urgency. An Emergency Service Officer is despatched to the premises to attend to the call.

In the given scenario, before the Ring Fencing Guideline came into play, the Emergency Service Officer would have checked whether Ausgrid's supply was in order. If so, the officer would have advised the customer that the outage was not related to the Ausgrid network and that the fault was an issue with the customer's electrical equipment.

The Emergency Service Officer would have also let the customer know that the customer could choose to have his own electrical repairer fix the fault, or that Ausgrid could complete the repair at the customer's cost. If the customer chose to use Ausgrid, the customer would have signed-off to initiate the repairs, and the officer would do the repairs needed to restore supply to the customer's life-support equipment.

What we can do: Now let's see how this same scenario should be handled under the new AER Ring Fencing Guideline. Under the new AER Ring Fencing Guideline, repairs to reinstate supply to life-support equipment are a priority that can be completed by Ausgrid. Once the Emergency Service Officer has identified that the fault is within the customer's premises, the officer can advise the customer of the issue and request permission to proceed with fixing the fault – at no cost to the customer.

In the event that the customer does not want to let the Emergency Service Officer carry out the investigation and/or repairs, then the emergency service officer must report it back to the contact centre to be recorded against the callout. However, under the new Guideline, the Emergency Service Officer is not able to offer to restore power to the customer's non-critical appliances, and should instead provide the customer with an information card outlining how to find a suitable repairer.

The EmSO must follow the same scripting as the Ausgrid Contact Centre to confirm with the customer that as the fault does not relate to an Ausgrid network, that the customer must engage their own electrical contractor to complete the restoration works for their non-critical appliances.

The Emergency Service Officer should record any customer feedback in the ring fencing customer feedback application (smart-form) that has been developed to capture any customer related issues that arise from the implementation of the Ring Fencing Guideline.

Contestable relocation- underground

Scenario: The Ausgrid Contact Centre receives a call from a customer in a high density residential area regarding the relocation/removal of a pillar that would be replaced with an underground service T-Joint.

The customer requests the services of Ausgrid to quote for replacement for aesthetic reasons. (Not spoken but displayed on screen: This would be a similar scenario for a service termination box attached to a customer's property.)

Before Ring fencing, when a request was received for a customer driven asset relocation request, and if Ausgrid agreed to the proposal, it was processed and a quote was generated. If accepted by the customer, the work was scheduled for completion as negotiated with the customer.

What we can do: Under the new AER Ring Fencing Guideline, if Ausgrid agrees to customer asset relocation requests (in this case it is for aesthetic reasons), this would be contestable works, which Ausgrid can no longer carry out. The only exception/s are when the works are required to be carried out as ancillary control services by Ausgrid, if it could impact the safety or security of the network.

Ausgrid Customer Service Representatives are trained to assist customers within the ring fencing requirements. In this case, they would redirect them to the Customer Connections group to clarify Ausgrid policy, and record any customer feedback.

Contestable relocation request

Scenario: An Ausgrid employee receives a call from a Local Council representative who urgently needs to relocate an Ausgrid power pole. They advise that they are happy to pay for the work to be done after business hours as it has become critical for their capital works program, and they want Ausgrid to complete the relocation as soon as possible.

Before January 1, 2018 if Ausgrid agreed with the proposal to relocate distribution network assets, we would have advised the customer that it is contestable work in accordance with our policy. Ausgrid would have ensured that the customer was aware of their option to have the relocation completed by an Accredited Service Provider (ASP) in a competitive market. If the customer confirmed their understanding of their options and still requested Ausgrid complete the asset relocation (at the customer's cost), then Ausgrid facilitated approval for a variation to the relocation policy, and a quote was generated. After acceptance by the customer, the work was scheduled for completion.

What we can do: The new AER Ring Fencing Guideline require that Ausgrid must not complete contestable work (such as asset relocations) unless there is a network safety, operational or reliability risk. Ausgrid DNSP employees must not promote or refer a customer to the Affiliated Entity (AE) to complete competitive and contestable electrical services. The Local Council representative is advised that the relocation of Ausgrid network assets is contestable works and Ausgrid can't complete this job. They are provided guidance on how to proceed with a contestable project.

Dealing with an affiliate entity

Scenario: An Ausgrid employee receives a call from a friend who now works within the new Affiliated Entity requesting information from the Engineering Information System and details regarding substation network loads. Before Ring fencing, Ausgrid employees completing contestable works as an Accredited Service Provider had access to this type of information.

What we can do: Now let's see how this same scenario should be handled under the new AER Ring Fencing Guideline. The Guideline now requires that Ausgrid must not provide its affiliated entity with access to information that is not available to other accredited service providers as this would create an unfair advantage in a competitive market. As a result, Ausgrid employees must deny requests for information from the affiliated entity when that information is not available to other accredited service providers.

Partial loss of supply (hot water)

Scenario: The Ausgrid contact centre receives a call from a residential customer advising that they have no hot water. The Customer Service Representative follows the prescribed scripting and after searching the address in Outage Management System is not able to confirm whether or not it is affected by a current network outage. The job is entered into the system and is prioritised to reflect its urgency. An Emergency Service Officer is despatched to the premises to attend to the call.

After checking Ausgrid's supply is in order he diagnoses that the customer's hot water element is defective and that there are no problems found with Ausgrid's distribution network or off-peak relay. In the given scenario, before January 1, 2018, the emergency service officer would have checked if Ausgrid's supply was in order. If there were no network faults, the officer would have diagnosed the fault as an issue with the customer's hot water system. The customer would have then been advised that the problem was with their equipment. And that they could choose to have their own electrical repairer fix the fault, or that Ausgrid could complete the repair at the customers' cost. If the customer chose to use Ausgrid, they would have signed-off to initiate the repairs, and the Emergency Service Officer could then begin to repair the hot water system.

What we can do: Now let's see how this same scenario should be handled under the new AER Ring Fencing Guidelines. The new AER Ring Fencing Guidelines require that Ausgrid employees must not complete competitive electrical services. The customer must seek an electrical contractor themselves to complete the repair of their private electrical installation.

The customer is advised that if the cause of the problem is not associated with Ausgrid's distribution network or equipment on the customer's main switchboard, then Ausgrid will not be able to repair. We will make it safe and

they will need to arrange for an electrical professional to repair their equipment. Staff may also provide the customer with an information card outlining how to find an appropriate repairer for their needs. Field Services staff should record any customer feedback in the Ring Fencing customer feedback application (or smart-form) that has been developed to capture any customer-related issues that arise from the implementation of the Ring Fencing Guideline.

Appendix G – Ring-fencing Policy

Policy – Encouraging competition through Ring-fencing

Purpose	To set out the obligations, principles and approach that Ausgrid will follow to comply with the Ring-fencing Guideline (Guideline).
Applies to	All employees of Ausgrid and any person carrying out work on behalf of Ausgrid.
Introduction	<p>The Australian Energy Regulator (AER) introduced the Electricity Distribution Guideline, which is made under clause 6.17.2 of the National Electricity Rules.</p> <p>You can find the Guideline at: https://www.aer.gov.au.</p> <p>To comply with the Guideline, from 1 January 2018, Ausgrid will no longer provide services in the competitive marketplace (contestable services).</p> <p>However, PLUS ES, as an affiliate of Ausgrid, may provide these services, provided that Ausgrid complies with the Guideline.</p> <p>The Guideline requires Ausgrid to comply with two key obligations. That is, Ausgrid must not:</p> <ol style="list-style-type: none">1. use its distribution services to cross subsidise the activities of PLUS ES in the competitive marketplace; or2. discriminate against competitors of PLUS ES. <p>Ausgrid is committed to operating in an environment that encourages fair dealing with its customers and competitors.</p> <p><i>This policy explains how Ausgrid will provide its services and engage with PLUS ES in a way that prevents cross subsidies and discrimination. Please also see example DOs and DON'Ts in APPENDIX1.</i></p>
Key obligation no. 1 - Prevention of cross subsidies	<p>Ausgrid cannot provide cross subsidies to PLUS ES. This means Ausgrid cannot provide financial support to PLUS ES from its earnings from its distribution or transmission services. PLUS ES has to account for its own costs to win business.</p> <p>There are several ways by which Ausgrid will comply with this obligation.</p> <p>Legal separation</p> <p>Even though Ausgrid and PLUS ES have the same ultimate owners, both are separate partnerships.</p> <p>Ausgrid will continue to provide distribution and transmission services, but will not provide contestable services. PLUS ES will provide contestable services.</p> <p>Ausgrid may provide corporate services to PLUS ES (such as the provision of accounting support, finance support, HR support, legal support etc.). However, PLUS ES must pay for these services per the CAM.</p> <p>Ausgrid provides a range of corporate services for PLUS ES under various arm's length agreements, principally the corporate services agreement. Importantly, under these agreements, PLUS ES must pay for the services provided. The amounts payable for these services have been calculated under the "Cost Allocation Methodology" (also known as "CAM").</p> <p>If you have any questions about the services, please contact John Thomson or Maria Hunter (see "Questions" below for contact details).</p> <p>Accounting separation</p> <p>Ausgrid will maintain separate accounts that show its transactions with PLUS ES. It will allocate/attribute costs between distribution and non-distribution services to demonstrate arm's length relations between the entities. This is consistent with the Guideline's requirement for Ausgrid to maintain an approved CAM.</p>

Branding Separation

Ausgrid and PLUS ES will brand their respective services separately. This means Ausgrid will not advertise or promote PLUS ES services and Ausgrid branding cannot be used on PLUS ES documentation or material. However, there are two exceptions: (a) Ausgrid branding can be used for shared assets (e.g. distribution assets such as electricity poles that enable Ausgrid to create new revenues and pass on some of the savings to consumers of direct control services) and (b) Ausgrid and other DNSPs do not have to use separate branding when assisting each other in an emergency.

Key obligation no. 2 - Non-discrimination obligation

To create a level playing field, Ausgrid cannot give preferential treatment to PLUS ES. Ausgrid must deal with PLUS ES on substantially the same terms as Ausgrid deals with any of PLUS ES' competitors.

There are several ways by which Ausgrid will comply with this obligation.

Information Management

Protection and confidentiality of Electricity Information

Ausgrid and PLUS ES must respect the confidentiality of their customers and stakeholders. This includes keeping confidential all **Electricity Information** that is not publicly available and using it only for the purpose for which it was acquired or generated.

Ausgrid cannot provide PLUS ES with **Electricity Information** that could provide PLUS ES with an unfair advantage.

Electricity Information broadly captures most network/customer/electricity services information arising from Ausgrid's services. It does not include financial information or service performance information where that information does not identify customers individually or as a class.

Ausgrid will only disclose **Electricity Information** that is not publicly available with the explicit informed consent of the relevant customer; or where the disclosure is necessary for Ausgrid to provide services or comply with the law; or where Ausgrid satisfies the below 'sharing information' obligations.

Equal sharing of Electricity Information

Ausgrid may provide confidential information to PLUS ES and its competitors provided it is on fair and equal terms.

Competitors and prospective competitors of PLUS ES can request that Ausgrid give them access to **Electricity Information** not publicly available and shared with PLUS ES. This does not apply where a customer explicitly consented to Ausgrid making the disclosure to PLUS ES or where the disclosure is necessary for Ausgrid to provide services or comply with the law.

Ausgrid has published on its website an information sharing protocol about how, what and when it will provide such access (including conditions to ensure confidentiality is maintained) and a register of all entities requesting access. This can be accessed [on the Ausgrid website](#).

Functional Separation

Separate Offices

Whilst office sharing is acceptable for Ausgrid employees providing corporate services to Ausgrid and/or PLUS ES, the non-discrimination obligation still applies to the work they do.

Ausgrid employees whose role/function/duties give them the opportunity to use **Electricity Information** in a discriminatory way will be situated in offices that do not allow unescorted access to offices occupied by employees of PLUS ES or any Ausgrid employees providing services to PLUS ES.

These restrictions do not apply to Ausgrid and other Distribution Network Service Providers (DNSPs) while assisting each other in an emergency

Office and Staff Registers

Ausgrid will publish on its website a register describing the classes of offices and the positions (roles/functions/ duties) where staff involved in the provision or marketing of Ausgrid's direct control services are co-located or shared with staff involved in the provision or marketing of **contestable services**.

These registers can be accessed [on the Ausgrid website](#).

Service Providers	<p>The Guideline extends some of its obligations to service providers (contractors) of Ausgrid. Therefore, Ausgrid will require service providers to comply with the non-discrimination, separate office, separate branding and staff sharing requirements of the Guideline as if the service provider was Ausgrid.</p>
Compliance and Enforcement	<p>The AER may require Ausgrid to provide written responses where complaints or compliance concerns are raised.</p> <p>Ausgrid will establish and maintain appropriate internal procedures to ensure compliance with the Guideline and will submit an annual compliance report to the AER. The report will be accompanied by a compliance assessment by a suitably qualified independent authority.</p> <p>Ausgrid will notify the AER of any material breach within 5 business days of becoming aware of it.</p> <p>If you become aware of, or suspect any breach of the Guideline, contact [REDACTED] or [REDACTED] (see “Questions” below for contact details).</p>
Policy Implementation	<p>Ausgrid will support this policy by appropriate training, procedures and work instructions. These can be accessed on The Wire.</p>
Questions	<p>If you have questions about this policy, contact [REDACTED], Compliance Reporting Manager, [REDACTED] or [REDACTED], Senior Legal Counsel, [REDACTED].</p>
Policy Ownership and Oversight	<p>Legal & Company Secretary/Strategy & Regulation is the document owner for this policy and has responsibility for oversight of its implementation.</p> <p>This policy will be reviewed [12 months] from the Approved Date.</p>

APPENDIX 1

<p>Examples of what Ausgrid will keep doing</p>	<p>Do carry out simple restoration work on Life Support customer installations.</p> <p>Do follow existing processes to restore supply in emergency situations such as car-hit-pole and where field service work results in damage to customer supply, services or equipment.</p> <p>Do follow your usual processes when assisting other DNSPs in an emergency.</p> <p>Do relocate assets where the relocation was initiated by a third party (including the customer) and could impact the safety and security of the network.</p> <p>Do carry out specialist services (which may involve the design related activities and oversight/inspections of works) where the design or construction is non-standard, technically complex or environmentally sensitive.</p> <p>Do provide engineering consulting advice related to the shared distribution network. An example is advice on complex light rail projects.</p> <p>Do continue to provide approved materials and equipment to ASPs but only where they will form part of the shared distribution network and where doing so will not breach the Competition and Consumer laws (i.e.: cannot be anti-competitive).</p> <p>Do ask your Manager for further guidance on the work that Ausgrid will and will not carry out.</p>
<p>Examples of what Ausgrid will not keep doing</p>	<p>Don't undertake contestable design or construction services.</p> <p>Don't carry out fibre work in our pit and duct system, oil filled cable and other maintenance and repairs for the external market or construction and design work for the external market.</p> <p>Don't carry out work on private electrical installations including hot water systems unless it is a simple fix for a Life Support customer.</p>
<p>No cross subsidies</p>	<p>Do maintain accounts that allocate and attribute costs as required by the Ring-fencing Guideline.</p> <p>Do ensure that new and enhanced corporate services are provided to PLUS ES on arm's length terms applying the CAM.</p> <p>Do ensure that there is no linkage between the Ausgrid and PLUS ES websites.</p> <p>Don't refer business to PLUS ES.</p> <p>Don't allow crews or vehicles with the Ausgrid logo to carry out PLUS ES work.</p> <p>Don't use the Ausgrid logo alongside the PLUS ES logo.</p> <p>Don't seek to leverage Ausgrid's trusted reputation as a marketing tool for PLUS ES.</p>
<p>No discrimination</p>	<p>Do provide other service providers with the same opportunities that you make available to Plus ES.</p> <p>Don't treat PLUS ES more favourably than any of its competitors, for instance with respect to provision of equipment from Ausgrid stores or information that would help them bid for work on the network.</p> <p>Don't think that being fair means taking steps to disadvantage PLUS ES.</p>

<p>Electricity Information and confidentiality</p> <p>(including office, staff and information registers)</p>	<p>Do adhere to confidentiality obligations in contracts with service providers including PLUS ES.</p> <p>Do take responsibility for understanding the information sharing protocol and the types of information requests that need to be recorded in the information register. See “Questions” towards the end of this policy if you think you may have received an information request that needs inclusion in the register.</p> <p>Do take responsibility for understanding the office and staff register obligations when locations change or new staff positions are created. See “Questions” section of this policy if you think you may need to notify an additional office or position for inclusion in the register.</p> <p>Do ask Legal & Company Secretary for assistance if you are not sure about the information obligations under the Guideline.</p> <p>Do take responsibility for understanding the office access controls that apply to you and let security know if a defect has arisen.</p> <p>Don’t make information about Ausgrid services and requirements available to PLUS ES unless this information is also available to PLUS ES’s competitors in the same way and on the same terms. Examples are information about connection services and access to the network, network standards and other technical information.</p>
<p>Clauses in contracts with Service Providers</p>	<p>Do ensure that legally approved contracts containing the required clauses are used when Ausgrid procures services.</p>
<p>If the AER calls or something goes wrong</p>	<p>Do call Legal & Company Secretary for assistance.</p> <p>Don’t rush an answer to a request from the AER about compliance with the Ring-fencing Guideline.</p> <p>Don’t delay talking to your Manager if you think there might have been a breach of the Ring-fencing Guideline.</p>