



Mr Moston Neck
Director Network Regulation
Australian Energy Regulator
400 George Street
Brisbane, QLD, 4000

3 August 2017

Dear Moston

Draft amended ring fencing guideline

CitiPower and Powercor welcome the opportunity to respond to the Australian Energy Regulator's (AER) draft amended ring fencing guideline.

We support the AER's proposed guideline amendments. The amendments address two concerns we had with the guideline, being:

- the guideline may have inadvertently placed ring fencing obligations between CitiPower and Powercor (i.e. the regulated businesses), which operate as a single business to create efficiencies. In our waiver application to the AER, we requested the guideline be amended or a No Action Letter from the AER in respect to any ring fencing implications that may arise. The draft amended guideline removes ring fencing restrictions between CitiPower and Powercor by amending the definition of a related electricity service provider; and
- the guideline may have limited distributors' ability to provide information to non-affiliated parties to conduct research, such as research directed at improving the distribution network's operation. The amended guideline makes provision for information to be shared for research purposes.

We would be pleased to discuss any aspect of this letter with the AER. Please contact Frans Jungerth on 03 9683 2022 or fjungerth@powercor.com.au.

Yours Sincerely

A handwritten signature in blue ink that reads 'Brent Cleeve'.

Brent Cleeve
Head of Regulation

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