

31 October 2017



Part of the Energy Queensland Group

Mr Sebastian Roberts  
General Manager  
Networks (Opex and Reset Coordination)  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001

Email: [sebastian.roberts@aer.gov.au](mailto:sebastian.roberts@aer.gov.au)

Dear Mr Roberts

### **REQUEST TO AMEND THE FRAMEWORK AND APPROACH**

Pursuant to Clause 6.8.1(c)(1) of Chapter 6 of the National Electricity Rules, Energex Limited (Energex) and Ergon Energy Corporation Limited (Ergon Energy) request that the Australian Energy Regulator (AER) amend or replace the framework and approach paper (F&A) for Energex and Ergon Energy for the current regulatory control period commencing 1 July 2015, published on 30 April 2014, and make a new F&A for the next regulatory control period commencing 1 July 2020.

Energex and Ergon Energy consider that it is timely to review the current F&A since some aspects of the F&A are now dated. For instance, changes to the classification of distribution services are necessary following the publication of the AER's national electricity distribution ring-fencing guideline, on 30 November 2016, as well as the service classification framework reforms foreshadowed by the Australian Energy Market Commission's current contestability of energy services rule change process.

Further, changes to the incentive schemes that will apply to Energex and Ergon Energy in the regulatory control period commencing 1 July 2020 are required as a result of the AER's current review of the service target performance incentive scheme, and development of the new demand management incentive scheme and innovation allowance mechanism.

Energex and Ergon Energy look forward to working collaboratively with the AER in the review of the F&A. Should you require additional information or wish to discuss any aspect of this letter, please do not hesitate to contact either myself on (07) 3851 6416 or Evan Mudge on (07) 3664 5120.

Yours Sincerely



Jenny Doyle  
General Manager - Regulation and Pricing  
Telephone: (07) 3851 6416  
Email: [jenny.doyle@energyq.com.au](mailto:jenny.doyle@energyq.com.au)