

Mr Warwick Anderson
General Manager
Network Finance and Reporting
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

5 September 2018

Dear Mr Anderson

ActewAGL Distribution (Evoenergy)

Voluntary provision of tax information to the AER tax review

Thank you for your letter of 17 August 2018, attached at Appendix 1, regarding the voluntary provision of tax information to the AER tax review for ActewAGL Distribution (Evoenergy).

Our responses to each of the items requested in the voluntary information request are set out below. Please note that all responses provided, including copies of information uploaded to the AER's secure upload portal, are confidential. We understand that as outlined in your letter of 17 August 2018 and as confirmed in our discussions with you on 24 August 2018, the AER intends to publish (with its October position paper) aggregated numerical analysis only that does not allow confidential data from any network service provider (NSP) to be individually identified.

Appendix A: Detailed description of items requested in voluntary information request

General information – entity structure

1. A diagram illustrating the group holding structure of ActewAGL Distribution (Evoenergy) as at 30 June 2018 is included at Appendix 2.

On 1 January 2018, in accordance with the AER's revised Ring-fencing Guideline, ActewAGL Distribution's energy networks business changed its name to Evoenergy. Evoenergy is part of the ActewAGL Distribution Partnership (AAD) owned equally by Icon Water Limited and Jemena Ltd via subsidiary companies.

2. There have been no changes to the group structure since 30 June 2018.

General information – tax returns and ATO reviews

3. A copy of the income tax returns lodged by AAD for the last 5 years has been uploaded to the AER's secure upload portal as requested.
4. Not applicable.
5. Not applicable.
6. The only non-routine engagement between the ATO and AAD during the last five years was an excise fuel and energy review conducted by the ATO for the period 1 October 2016 to 30 September 2017.
7. A copy of the formal clearance letter issued by the ATO with respect to the review noted in question 6 is attached at Appendix 3.

8. AAD has not entered into a tax deed with the ATO.

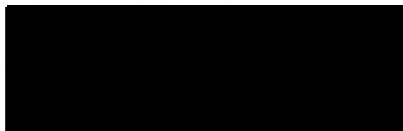
Fixed asset registers and policies

9. A copy of the tax fixed assets register has been uploaded to the AER's secure upload portal as requested.
10. Please note that further time is required to compile existing capitalisation policies of AAD for tax purposes which provides guidelines for distinguishing when expenditure is classified as capital or immediately deductible for tax purposes. This information will be provided in our response to the proposed Regulatory Information Notice (RIN), that we understand the AER intends to serve to ActewAGL Distribution (Evoenergy), sometime after 28 September 2018.
11. Please note that further time is required to compile a summary of total expenditure which is included in the regulatory fixed asset register, but has been treated as immediately deductible for income tax purposes, in respect of income tax returns lodged in the past five years. This information will be provided in our response to the proposed Regulatory Information Notice (RIN), that we understand the AER intends to serve to ActewAGL Distribution (Evoenergy), sometime after 28 September 2018.

Appendix B: Additional optional question

12. No response is provided as the majority of considerations mentioned in the question do not impact upon AAD.

Yours sincerely



Steven Skourakis
Chief Finance Officer
ActewAGL