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Dear Chris

Draft Amended Ring-fencing Guideline – Electricity Distribution, July 2017

Jemena Electricity Networks (Vic) Ltd (**JEN**) thanks the Australian Energy Regulator (**AER**) for the opportunity to provide feedback on the Draft Amended Ring-fencing Guideline for Electricity Distribution (**Guideline**).

We welcome the AER's proposed amendments to the Guideline. The draft amendments provide important clarity to distributors about particular obligations under the Guideline. This will allow distributors to ensure they design and implement efficient approaches to compliance which minimise costs to customers, while still allowing the Guideline to achieve its objective of promoting the National Electricity Objective and promoting competition in the provision of electricity services.

For example, the amended definition of 'related electricity service provider' confirms that this should be read to capture only affiliated entities which provide contestable electricity services, rather than all affiliated entities of a distribution network service provider. In Jemena's case, this provides clarity that some of our affiliated entities (such as those which provide gas distribution services) will not be impacted by various obligations under the Guideline. Given these entities don't provide contestable electricity services, this would not have contributed to the Guideline's objective, while potentially causing consumers to incur unnecessary costs.

As set out in JEN's ring-fencing waiver application dated 31 July 2017, we have applied for waivers—and designed our compliance approach—on the assumption that the draft amendments to the Guideline will be made by the AER. We would therefore seek an opportunity to engage with the AER should it not proceed with making the draft amendments in their current form.

Should you have any questions, please contact me on (03) 9173 8231 or at matthew.serpell@ jemena.com.au.

Yours sincerely

[signed]

Matthew Serpell
Manager Asset Regulation and Strategy