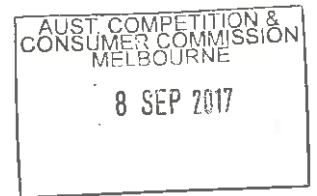


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4<sup>th</sup> September, 2017



Mr Chris Pattas  
General Manager – Networks  
Australian Energy Regulator  
GPO Box 520  
Melbourne Vic 3001

Dear Mr Pattas,

Re: Energex and Ergon Ring-fencing waiver application

I am writing to raise concerns regarding the waiver application and request the Australian Energy Regulator (AER) conduct the waiver review through a public consultation process whereby submissions from affected parties are called for and the waiver application is scrutinised.

Master Electricians Australia (MEA) is a modern trade association representing electrical contractors. A driving force in the electrical industry and a major factor in the continued success and security of electrical contractors, MEA is recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. The organisation's website is: [www.masterelectricians.com.au](http://www.masterelectricians.com.au).

We have reviewed the application and have received numerous phone calls and emails from electrical contractors regarding the application.

In accordance with the AER's Ring-Fencing Guidelines we acknowledge the power of the AER to rule an interim decision without conducting a review. We believe that the current application, if granted an interim order, would severely prejudice any future decision and enable Ergon to proceed in contravention with the Guidelines and the National Electricity Law.

In summary, our concerns are raised in the following areas of the guidelines

1. Legal separation,
2. Obligations not to discriminate
3. Office, Staff, Branding and promotion obligations

It is our view that the application has seriously understated the effects on the community, has failed to identify significant services that are planned to be undertaken by the organisation that are not those of a DSNP and possibly overestimated costs in complying with the Ring-fencing guidelines.

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We say, the public and other interested parties, be allowed to

- investigate and analyse the assumptions and data that have been relied upon in the application.
- Investigate and analyse the systems and processes in place to ensure no cross subsidisation or breach of cross promotion occurs
- Investigate how and when the relevant data for other electricity services that is not classified as DSNP work is shared with other providers to ensure fair and even competition.
- Investigate and review the processes for staff sharing / co-location to ensure no breaches are undertaken and who is responsible for the compliance auditing of such processes.

MEA is concerned that this waiver has the potential if granted to undermine the objectives of the National Electricity laws and the intent of the Ring-fencing guidelines to a point where neither will be effective. As such this will impact on 740,000 consumers in Queensland and should be examined in an open and transparent manner.

Yours faithfully,



Malcolm Richards  
**Chief Executive Officer**