



23 September 2019

Ms Sarah Proudfoot
General Manager, Consumers and Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Email: ringfencing@aer.gov.au

Dear Ms Proudfoot

RE: SUBMISSION TO AER DISTRIBUTION RING-FENCING GUIDELINE UPDATE - WORKSHOP

Origin Energy appreciate the opportunity to provide a submission to the Australian Energy Regulator's (AER) review of its electricity distribution ring-fencing guideline (the guideline).

The recent AER workshop provided a useful overview of issues identified by the AER following its review of the distribution network service providers' (DNSPs') annual ring-fencing compliance reports. The workshop also provided an indication of potential amendments to the guideline proposed by the AER. We note that the AER consider that only minor amendments to the guideline are required, with a focus on strengthening the guideline and clarifying certain obligations in order to further improve compliance.

Origin consider that effective ring-fencing of DNSPs and their affiliates operating in competitive environments is essential in promoting the long-term interest of consumers. Accordingly, Origin are supportive of the AER's preliminary views expressed at the workshop. In particular, we endorse moves to clarify the allocation of costs between DNSPs and their affiliates and tighten obligations around staff and office sharing to ensure that shared staff with electricity information have no opportunity to use it. In addition, we support the AER's proposal with respect to the reporting of potential guideline breaches and moves to improve compliance reporting. Origin consider that timely and accurate reporting of ring-fencing compliance is fundamental to ensuring that the ring-fencing guideline is operating as intended.

Origin look forward to further participating in the AER's review of the ring-fencing guideline. If you have any questions regarding this submission, please contact Gary Davies in the first instance at gary.davies@originenergy.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Sean Greenup".

Sean Greenup
Group Manager Regulatory Policy
(07) 3867 0620 sean.greenup@originenergy.com.au