

Super Investment Management Pty Limited

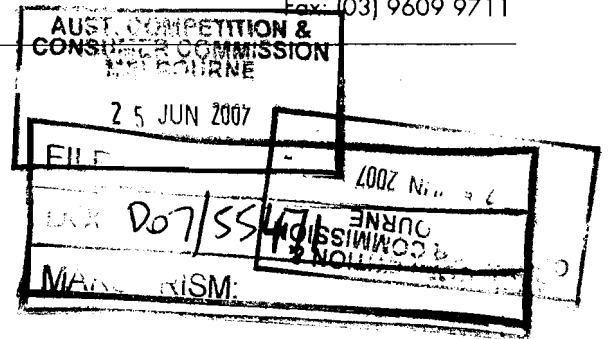
A.C.N. 079 706 657

Level 38, 140 William Street
Melbourne, VIC 3000

Phone: (03) 9609 9700
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19 June 2007

Mr Paul Dunn
Australian Energy Regulator
PO Box 520
Melbourne VIC 3000



Dear Mr Dunn,

140 William Street, Melbourne Vic 3000 - Application for specific exemption from the requirement to register as a Network Service Provider under Chapter 2.5.1 (d) (1) of the National Electricity Rules.

The Essential Services Commission Victoria (the Commission) issued a certificate of exemption to Retail Employee Superannuation Pty Ltd, as trustee of Retail Employee Superannuation Fund and beneficial owner of the freehold property at the above address, under clause 5 of the general exemption order by the Governor in Council on 1 May 2002, in accordance with the provisions of section 17 of the Electricity Industry Act 2000 (Vic).

Copies of the application and certificate are attached, together with an Information Paper by the Commission, setting out the conditions of the exemption and noting in particular that:

- The application and certificate relate solely to the intermediate distribution of electricity
- The applicant has no wish to be a reseller of electricity
- All tenants will continue to have unfettered rights to choose a retailer of their choice, using metering that complies with Chapter 7 of the National Electricity Rules
- The network charges faced by tenants' retailers will continue to be determined by reference to the regulated charges of the Local Network Service Provider, that is, tenants network charges will be the same as they would otherwise be, were they to be serviced directly by the local network service provider, thereby preserving equity
- The certificate is granted conditionally on the parties undertaking to comply with all relevant parts of the above (Victorian) general exemption order

Additional specific exemption is now sought from AER under Chapter 2.5.1 (d) (1) of the National Electricity Rules.

It is anticipated that such special exemption would be granted, subject to the same undertakings as those required under the general (Victorian) exemption order referred to above.

In consideration of this application for specific exemption, it is further noted that:

- The requirement for Retailers to sign a Use of System Agreement with REST as distributor is covered under relevant Victorian license conditions.
- The administrative arrangements for the intermediate distribution of electricity at 140 William Street will comply with MSATS Procedures: CATS Procedures Part 1 Principles and Obligations, Document number MT_RT1700v002.6, effective date 30 August 2006, thereby requiring no change to the market rules. That is, the NMs are registered in MSATS and tenants each have their own electricity retailer and associated Type 4 metering; and
- Systemic problems exist for market participants in providing accurate billing, especially where difference metering exists. Under the proposed arrangement it will be possible for energy flows to be

accurately reconciled to the half hour between parent and child NMIs on a monthly basis, so that billing errors can be substantially eliminated, thereby serving the best interests of customers.

Yours Sincerely,



Mr. Neil Matthews

Director – Property Investments



Mr. George Zieliński

Chief Investment Officer

For an on behalf of Retail Employees Superannuation Trust

Encl: Copy – Power of Attorney, High Voltage Electricity Network, 140 William Street Melbourne
Copy – Embedded Network Application, Victoria
Copy – Certificate of Exemption, Victoria

This Power of Attorney

is made on *4 December 2006* by:

RETAIL EMPLOYEES SUPERANNUATION PTY LTD ACN 001 987 739
(Principal)

1. Appointment

The Principal appoints each person described in Item 1 of the Schedule acting jointly with at least one other person described in Item 1 of the Schedule as the Principal's attorney until written notice of revocation is given to the Attorney by the Principal.

2. Powers

The Attorney has power to:

- (a) execute under hand or under seal and deliver (conditionally or unconditionally) or exchange each document described in Item 2 of the schedule (each an **Approved Document**) as the Attorney thinks fit;
- (b) complete any blanks in an Approved Document;
- (c) amend or vary an Approved Document as the Attorney thinks fit (including but not limited to, amending or varying the parties), and execute under hand or seal and deliver (conditionally or unconditionally) or exchange any document which effects or evidences the amendment or variation;
- (d) do any thing which in the Attorney's opinion is necessary, expedient or incidental to, or in any way relates to:
 - (1) any document referred to in clauses 2(a) and 2(c); or
 - (2) any transaction contemplated by any document referred to in clauses 2(a) and 2(c);
- (e) do any thing which ought to be done by the Principal under any Approved Document to which it is a party; and
- (f) do any other thing (whether or not of the same kind as the above) which in the Attorney's opinion is necessary, expedient or desirable to give effect to the provisions of this deed.

3. Ratification

The Principal undertakes to ratify and confirm any act of the Attorney in exercise of the Attorney's powers under this deed, including any act done between the time of the revocation of this power of attorney and the time of the revocation becoming known to the Attorney.

4. Delegation and substitution

The Attorney may not appoint any substitute, delegate or sub-attorney.

5. No warranty

The exercise by the Attorney of any power under this deed does not imply:

- (a) a warranty, express or implied, by the Attorney as to the validity of this deed; or
- (b) an assumption of personal liability by the Attorney in exercising the power.

6. Indemnity

The Principal indemnifies the Attorney against all claims, demands, losses, damages, costs and expenses which the Attorney suffers or incurs in any way in respect of the exercise of any of the Attorney's powers under this deed.

7. Evidence of powers

A declaration by the Attorney that this power of attorney has not been revoked is conclusive evidence of that fact.

Schedule

Item 1

Item 1. Attorneys

- 1 George Zielinski, Neil Matthews and Perry Clausen

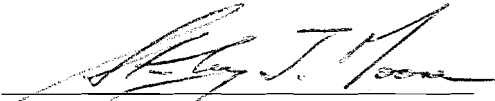
Item 2. Approved Documents

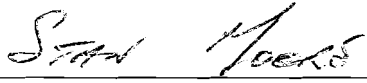
Any of the following documents to which the Principal is a party:

- 1 Documents and agreements necessary to appoint a specialist electricity contractor for a high voltage electricity network at 140 William Street, Melbourne which will include, but not be limited to, addressing the registration, administration and negotiation of providing a high voltage electricity network.
- 2 Any other document, whether or not of the same kind as those listed above, which in the Attorney's opinion is necessary or expedient to give effect to the provisions of each Approved Document or relate to the administration of a high voltage electricity network.

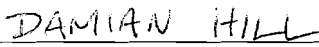
Executed as a deed:

EXECUTED by RETAIL EMPLOYEES
SUPERANNUATION PTY LTD in
accordance with Section 127 of the
Corporations Act:


Signature of Director


Name of Director (Block Letters)


Signature of Director/Secretary


Name of Director/Secretary (Block Letters)

30 November 2006

Mr Richard Bunting
Manager, Licensing
Essential Services Commission
Level 2, 35 Spring Street
MELBOURNE VICTORIA 3000

Dear Mr Bunting,

APPLICATION FOR A CERTIFICATE UNDER CLAUSE 5 OF THE EXEMPTION ORDER (ELECTRICITY INDUSTRY ACT 2000) IN RELATION TO 140 WILLIAM STREET, MELBOURNE, VIC 3000

Retail Employee Superannuation Pty Ltd (REST), as the trustee of the Retail Employees Superannuation Fund and beneficial owner of the freehold property at the above address, applies for a Certificate stating that, in the opinion of the Commission, the activity described below constitutes the intermediary distribution or supply of electricity. For the avoidance of doubt, REST does not wish to become a retailer or reseller of electricity, but to continue to support all tenants in exercising retailer choice.

Details of the applicant

REST's ABN and registered business office details are provided above. The company directors are as follows:

- Joe de Bruyn, National Secretary SDA
- Sue-Anne Burnley, Industrial Union Officer SDA
- Don Farrell, National President SDA
- Jim Maher AO, Immediate Past National President SDA
- Rohan Jeffs, General Manager Corporate Services Woolworths
- Stan Moore, Former Chief Executive Officer Australian Retailers Association, Principal, Issues Management Consulting
- Phil Turss, General Manager Remuneration and Benefits Coles Myer Ltd.
Duncan Shaw Executive Director, Australian Retailers Association (NSW)

REST has appointed Exigency Management Pty Ltd, (ABN: 90 105 456 915) to assist with the preparation of this applicant and subsequent administration of REST's obligations under the Exemption Order

Details of premises

140 William Street is an office block located in Melbourne CBD, providing office accommodation to around 25 commercial tenants on long term leases.

Electricity is supplied to the property via two 11kV feeders by the Local Network Service Provider. REST's own (2x4MVA) transformers take the supply to two 6.6kV ring mains serving 1500 kVA substations at Basement, Level 23 and Level 42, where it is transformed to 415 volts before being supplied to tenants. All tenants are able to exercise choice in the electricity retail market, through the provision of dedicated type 4 metering, for which the Retailer is the responsible person.

Name of owner and/or occupier carrying on the activity

REST is the owner of the property. A copy of the certificate of title for 140 William Street is attached at appendix.

Details of the particular activity

The applicant proposes to undertake the intermediary distribution or supply of electricity, to business customers, all of whom are within the limits of the premises owned or occupied by REST.

Business processes involved in the intermediate distribution of electricity

The network is already operated and maintained by Senelec Pty Ltd, a third party service provider. Exigency will provide administrative processes including:

- Exemption application
- Management of undertakings as set out in the exemption order
- Negotiation of Use of System Agreements with Retailers
- Collection, and validation of meter data for network billing purposes
- Provision of network billing information for CBRE (property manager) for invoicing and collection purposes
- Addressing ad-hoc regulatory requirements as they arise

REST seeks this certification as a preliminary step in seeking the granting of an exemption from holding a Distribution licence, by Order in Council. Subject to the granting of appropriate certification, REST will then apply for the granting of an exemption from holding a distribution licence via an Order in Council, subject to specified undertakings.

Yours Sincerely,

Mr. Neil Matthews

Director – Property Investments

Mr. George Zielinski

Chief Investment Officer

For an on behalf of Retail Employees Superannuation Trust

Encl: Copy – Power of Attorney 140 William Street Melbourne

ELECTRICITY INDUSTRY ACT 2000
CERTIFICATE ISSUED UNDER CLAUSE 5 OF THE
GENERAL EXEMPTION ORDER
ESSENTIAL SERVICES COMMISSION

1. BACKGROUND

The Governor in Council has made a General Exemption Order (**Order**) under section 17 of the *Electricity Industry Act 2000* (EI Act). The Order took effect on 1 May 2002.

A person who meets the requirements of the Order is not required to obtain a licence pursuant to the EI Act before engaging in, among other things, the distribution, supply or sale of electricity in Victoria.

Under clause 5 of the Order the Essential Services Commission (**Commission**) may, on application by a person whose interests are affected, issue a certificate stating that, in the opinion of the Commission¹, a particular activity does or does not constitute:

- the intermediary distribution or supply of electricity (**intermediary distribution**); or
- the metered intermediary sale of electricity (**intermediary sale**),

and if it does so, that activity does or does not, as applicable, constitute the intermediary distribution or supply or the intermediary sale of electricity, as the case may be, for the purposes of the Order.

'Intermediary distribution or supply of electricity' and 'metered intermediary sale of electricity' are defined in clause 4 of the Order.

2. RELEVANT ACTIVITY

The person identified in item 1 of Schedule 1 (**Applicant**) has applied to the Commission for the issue of a certificate stating that, in the opinion of the Commission, the activity identified in item 2 of the Schedule (**Relevant Activities**), as carried out by the person identified in item 3 of the Schedule (**Relevant Person**) does respectively constitute **intermediary distribution** for the purpose of the Order.

¹ It is to be noted that by this Certificate the Commission does not authorise the carrying on of any activity by any person.

3. CERTIFICATION

The Commission states that, in its opinion, the Relevant Activity does constitute the **intermediary distribution** of electricity because:

- the Relevant Person is the owner or occupier of the property located at 140 William Street, Melbourne Vic 3000 (**the property**).
- electricity will be conveyed through the property located at 140 William Street, Melbourne Vic 3000 after electricity leaves a supply facility owned or operated by a licensed distributor and before being supplied to only short term residents, long term residents, small business customers or large business customers (**the permitted electricity users**) located at the property;
- The Relevant Person is a person other than a licensed distribution company;
- A licensed distributor means Citipower Pty and
- as at the date of the Order, it is customary for electricity to be so supplied; and

Where this Certificate is used by the Relevant Person as evidence of the opinion of the Commission it is to be noted:

1. That the opinion expressed by the Commission in this Certificate is limited to the date upon which it is given and may relate to prospective matters and plans which are provided to the Commission rather than the actual carrying on of the Relevant Activities of the Relevant Person, and
2. The issue of this Certificate by the Commission **does not** have the effect of making the Relevant Person exempt for the purposes of the Order. It is incumbent upon the Relevant Person to ensure that at all times it satisfies the exemption criteria and conditions of the Order.

The **Common Seal** of the **Essential Services Commission** was affixed to this certificate with the authority of the Commission.



Date: **21** December 2006

Commission Chairperson

Schedule 1

Item 1 Applicant

Exigency Management Pty Ltd ABN 90 105 456 915, as agent for Retail Employee Superannuation Pty Ltd ACN 001 987 739

Item 2 Relevant Activity

↳The conveyance or proposed conveyance, of electricity through facilities at the property after the electricity leaves a supply facility owned or operated by a licensed electricity distributor and before being supplied to the permitted electricity users located at the property

Item 3 Relevant Person and Registered Business Office

Exigency Management Pty Ltd ABN 90 105 456 915 - the registered office of which is located at 22 – 28 Boundary Street, South Melbourne Vic 3205

as agent for

Retail Employee Superannuation Pty Ltd ACN 001 987 739 – the registered office of which is located at Level 10, 50 Carrington Street, Sydney NSW 2000