



11 November 2011

Chris Pattas
General Manager, Network Operations and Development Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Email: AERInquiry@aer.gov.au

Dear Mr Pattas,

RE: NETWORK SERVICE PROVIDER EXEMPTIONS

CitiPower and Powercor Australia (**the Businesses**) welcome the opportunity to make this submission to the Australian Energy Regulator (**AER**) regarding the AER's guidelines on network service provider (**NSP**) exemptions released on 18 October 2011. Under the National Electricity Rules (**NER**), the AER is responsible for issuing and revoking exemptions to classes of NSPs in accordance with guidelines issued by the AER.

The AER has released the following documents for consultation:

- *Electricity Network Service Provider Registration Exemption Guideline* dated 14 October 2011 (**the Guideline**); and
- *Draft Decision, Electricity Network Service Provider Registration Exemption Guideline* dated October 2011 (**the Draft Decision**).

(collectively the **Network Exemptions Papers**)

The Businesses acknowledge that, in conjunction with the Network Exemptions Papers, the AER is consulting on its approach to retail exemptions in a separate process. The Exempt Selling Papers outline classes of onselling activities which will be exempt from the requirement to hold a retailer authorisation under the National Energy Retail Law (**NERL**).

The Businesses note that General Condition 3 requires all private networks to comply with jurisdictional regulations. The Businesses advise that the Victorian jurisdictional provisions have yet to be confirmed ahead of the National Energy Customer Framework (**NECF**). The Businesses highlight that there is a risk that provisions with respect to technical standards and safety for private networks will

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not be carried forward in full under the NECF. The Businesses query whether the AER's proposed obligation to have a current safety management plan "or similar", will be imposed where no such obligation under jurisdictional regulations exist.

The Businesses appreciate the opportunity to make this submission to AER and welcome the opportunity to discuss any of the matters raised in this submission. If you have any questions, please contact me on (03) 9683 2023 or by email at bcleeve@powercor.com.au.

Yours sincerely



Brent Cleeve
MANAGER REGULATION