



ActewAGL
Always.

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ActewAGL House 221 London Circuit Canberra ACT 2600 • GPO Box 366 Canberra ACT 2601
Telephone 13 14 93 Facsimile 02 6249 7237 www.actewagl.com.au

General Manager
ACCC Adjudications Branch, Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra, ACT, 2601

“BY HAND”

4 September 2008

Dear Sirs,

Notification of proposed third line forcing conduct by AGL ACT Retail Investments Pty Ltd (ABN 53 093 631 586), ACTEW Retail Ltd (ABN 23 074 371 207) and TransACT Capital Communications Pty Ltd (ABN 23 093 966 888)

Please find enclosed:

- a notification lodged by AGL ACT Retail Investments Pty Ltd and ACTEW Retail Ltd;
- a notification lodged by TransACT Capital Communication Pty Ltd; and
- a cheque for an amount of \$300.00.

The notifications are in respect of conduct proposed to be entered into by AGL ACT Retail Investments Pty Ltd and ACTEW Retail Ltd, and TransACT Capital Communications Pty Ltd relating to electricity, gas, fixed line and mobile telephony, broadband and ISP services in New South Wales.

The notifications seek statutory protection for each of AGL ACT Retail Investments Pty Ltd and ACTEW Retail Ltd and TransACT Capital Communications Pty Ltd in relation to the proposed conduct.

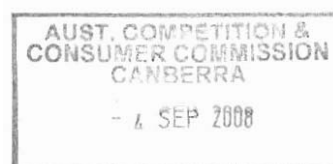
Pursuant to Regulation 28 and Schedule 1B of the *Trade Practices Regulations 1974* the cheque applies to the abovementioned notifications as follows:

- \$100.00 in relation to ACTEW Retail Ltd;
- \$100.00 in relation to AGL ACT Retail Investments Pty Ltd; and
- \$100.00 in relation to TransACT Capital Communications Pty Ltd

Please contact the writer if you have any queries in relation to this letter, the enclosed cheque or notifications.

Yours faithfully,

Alec Aloni
Legal Adviser, ActewAGL
Tel: (02) 6248 3129
Fax: (02) 6248 3377
Email: Alec.Aloni@actewagl.com.au



Let's power ahead.

Form G

Commonwealth of Australia

Trade Practices Act 1974 — subsection 93 (1)

NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47(6) or (7), of that Act in which the person giving notice engages or proposes to engage.

1. Applicant

(a) Name of person giving notice:

N93569 AGL ACT Retail Investments Pty Limited (ABN 53 093 631 586) and
N93570 ACTEW Retail Limited (ABN 23 074 371 207), trading as "ActewAGL Retail" (ABN 46 221 314 841).

(b) Short description of business carried on by that person:

The business currently conducted by ActewAGL (and its related companies) includes the provision of:

- electricity and natural gas utility based in the ACT;
- supplier of electricity to customers in the ACT and contestable customers outside the ACT;
- supplier of natural gas to ACT, and the Capital Region of NSW (including the Bega Valley, Bombala, Boorowa, Cooma-Monaro, Eurobodalla, Goulburn, Harden, Mulwaree, Palerang, Queanbeyan, Shoalhaven, Snowy River, Tumut, Upper Lachlan, Yass Valley and Young shires);
- supplier of water and sewerage billing services to ACT customers on behalf of ACTEW Corporation Ltd (Network asset owner);
- Broadband, dial-up ISP services, and broadband internet access through Grapevine Ventures (in partnership with TransACT).

(c) Address in Australia for service of documents on that person:

ActewAGL House, 221-223 London Circuit, Canberra City, 2601.

2. Notified arrangement

(a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

See Attachment A.

(b) Description of the conduct or proposed conduct:

See Attachment A.

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

(a) Class or classes of persons to which the conduct relates:

Existing and potential residential customers of ActewAGL in New South Wales, within the footprint of the ActewAGL network.

(b) Number of those persons:

(i) At present time:

Nil, this bundled product has not been released to the NSW market.

(ii) Estimated within the next year:

The number of persons to which the proposed conduct will relate within the next year is not known, but it is likely to exceed 50.

(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Not applicable.

4. Public benefit claims

(a) Arguments in support of notification:

See Attachment A.

(b) Facts and evidence relied upon in support of these claims:

See Attachment A.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

See Attachment A.

6. Public detriments

(a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of

goods or services in other affected markets:

See Attachment A.

(b) Facts and evidence relevant to these detriments:

See Attachment A.

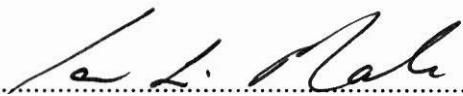
7. Further information

(a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Ian L. Male
Manager, Legal Compliance and Complaints
ActewAGL House
221-223 London Circuit
Canberra City, ACT, 2601.

Dated 4 September 2008

Signed by/on behalf of the applicant


.....
(Signature)

Ian L. Male
Manager, Legal Compliance and Complaints
ActewAGL

ATTACHMENT A

1. EXECUTIVE SUMMARY

ActewAGL and TransACT Capital Communications Pty Limited (“TransACT”) intend entering into an agreement under which the parties will co-operate to contribute one or more of the services they supply to residential customers (“Customers”) throughout the Capital Region of NSW (see 1(b) above). Customers may select various combinations of available services from both ActewAGL and TransACT and will receive a discount on either the ActewAGL electricity component or the TransACT component of the selected services.

ActewAGL is seeking statutory immunity under section 93 of the *Trade Practices Act 1974* (Cth) for the proposed conduct. ActewAGL is aware that TransACT has also lodged a notification with the Commission to this effect.

2. CORPORATIONS INVOLVED

2.1 ActewAGL

ActewAGL Retail (ABN 46 221 314 841) is partnership between ACTEW Retail Limited and AGL ACT Retail Investments Limited, subsidiaries of ACTEW Corporation Limited (ABN 86 069 381 960) (“ACTEW”) and AGL Energy Limited (ACN 115 061 375) (“AGL”) respectively.

ACTEW is a Territory Owned Corporation of the ACT Government. AGL is an energy company supplying energy products and services including natural gas, electricity and liquid petroleum gas to customers in Australia and overseas through various subsidiaries.

ActewAGL provides:

- electricity to customers in the ACT, and contestable customers outside the ACT;
- natural gas to the ACT, and various parts of the Capital Region in NSW;
- water and sewerage billing services to ACT customers on behalf of ACTEW Corporation Ltd (network asset owner); and
- dial-up, broadband internet services, and broadband internet access through Grapevine Ventures in partnership with TransACT Capital Communications Pty Limited.

ActewAGL is licensed to supply electricity and natural gas to ACT and NSW customers.

Further information about ActewAGL may be obtained from www.actewagl.com.au.

2.2 TransACT Capital Communications

TransACT Capital Communications Pty Ltd (ABN 23 093 966 888) is a wholly owned subsidiary of TransACT Communications Pty Ltd (ABN 32 091 752 297).

TransACT Communications Pty Ltd is jointly owned by ACTEW Corporation Limited, TVG TransACT Holdings SPRL, Australian Capital Ventures Limited, MTAA Superannuation Fund (TransACT) Utilities Pty Ltd, Westcheme Pty Ltd, TVG Neighborhood Cable Holdings SPRL, Jemena ATA Pty Ltd and Prime Media Group Limited.

TransACT Capital Communications Pty Ltd owns and operates a broadband communications network in the Australian Capital Territory, which is capable of delivering voice, data and video (including subscription television).

TransACT also provides a local carriage resale (LCS) service allowing fixed line phone services to be delivered to the ACT and the Capital Region of NSW.

In addition to the above, TransACT Capital Communications Pty Ltd and ActewAGL Retail operate in partnership, an ISP service trading as Grapevine Ventures (ABN 49 135 731 130).

Further information regarding TransACT Communications Pty Limited may be obtained from www.transact.com.au.

3. DESCRIPTION OF THE GOODS AND SERVICE TO WHICH THIS NOTICE RELATES

3.1 Description of the Services

The services to be supplied by ActewAGL and TransACT to Customers, and to which this notice relates are as follows:

- ActewAGL Services:
 - Electricity
 - Electricity – Renewable Generation (“Greenchoice”).
 - Natural Gas
 - Broadband, dial-up ISP Services and broadband internet access through Grapevine Ventures (in partnership with TransACT)
- TransACT Services:
 - Fixed line telephony services
 - Broadband internet access
 - Mobile telephony services

- Broadband, dial-up ISP services and broadband internet access through Grapevine Ventures (in partnership with ActewAGL).

4. PROPOSED CONDUCT

4.1 Summary of Proposed Conduct

ActewAGL and TransACT would invite residential Customers within the Capital Region of NSW (including Queanbeyan and Jerrabomberra) to acquire services from each of the parties in one of the package combinations (“Bundle”) set out in the table at paragraph 4.2. Depending upon the number of services acquired, the Customer would be eligible for a discount applied to either the ActewAGL electricity account (including Greenchoice where applicable) or the TransACT account for the selected services. The discount will not be applied to any government taxes or miscellaneous fees and charges included in those accounts.

Selection of the Bundle of services is at the option of the Customer

The level of discount applicable to the various Bundles of selected services is specified in the table below. Each of ActewAGL, TransACT and Grapevine will continue to independently determine the prices at which they sell the respective products and services.

In addition, depending on the Bundle selected, Customers may also be eligible to receive a free Privileges Card, valid for two (2) years (retail price \$329) – see further information about the Privileges Card at paragraphs 4.2 and 4.8.

In order to obtain the applicable discount, the Customer must enter into a 24 – month service agreement (“Bundle Agreement”), noting that ActewAGL electricity and natural gas and TransACT fixed-line telephony (where available) are compulsory services to include in each Bundle. The Customer will enter into separate service agreements with ActewAGL (to acquire the ActewAGL services), TransACT (to acquire the TransACT services), and where applicable, Grapevine (to access the ISP services). Existing payment options, including direct debit (compulsory for Grapevine ISP services) and online payment systems will be available.

The price of each of the services will be readily available to the Customer. The Customer would receive a bill from each service provider in relation to the selected services, in accordance with the normal billing cycles.

From time to time, ActewAGL, TransACT may also offer customers other special prices, packages, discounts, giveaways or products in relation to a Bundle, in addition to those set out in this document.

The services would be jointly marketed by ActewAGL, TransACT and Grapevine.

4.2 Discount Scheme to be applied

The discount to be applied to the available package of services is set out below:

E = Electricity
 G = Natural Gas (where available)
 B = Broadband
 I = Internet Service Provision by Grapevine
 T = Fixed Line Telephone
 M = Mobile Telephone (TransMOBILE)
 C = Greenchoice electricity (renewable)

Offer	Valid Combinations	Discount/Reward
2 Eligible Services	ET; EM; EI; EC.	5% discount on ActewAGL electricity invoice OR TransACT invoice.
3 Eligible Services	ETG; ETM; ETC; ETI; ETB EGM; EGC; EGI; EMC; EMI; ECI;	7% discount on ActewAGL electricity invoice OR TransACT invoice.
4 Eligible Services	ETGM; ETGC; ETGI; ETGB; ETMC; ETMI; ETMB; ETCI; ETCB; ETIB EGMC; EGMI; EGCI; EMCI	12% discount on ActewAGL electricity invoice OR TransACT invoice. Free 24-month Privileges Card valued at \$329.
5 Eligible Services	ETGMC; ETGMI; ETGMB; ETGCI; ETGCB; ETGIB; ETMCI; ETMCB; ETMIB; ETCIB EGMCI	15% discount on ActewAGL electricity invoice OR TransACT invoice. Free 24-month Privileges Card valued at \$329.
6 Eligible Services	ETGMCI; ETGMCB; ETGMIB; ETGCIB; ETMCIB	20% discount on ActewAGL electricity invoice OR TransACT invoice. Free 24-month Privileges Card valued at \$329.
7 Eligible Services	ETGMCIB	20% discount on ActewAGL electricity invoice OR TransACT invoice. Free 24-month Privileges Card valued at \$329.

NOTE: The total discount available to Customers in any 12 month period is capped at \$500.

Additional Details

Compulsory Services

Electricity, natural gas and TransACT fixed line telephony are compulsory services to include in every Bundle.

However, where:

- ActewAGL is unable to provide natural gas and/or the customer does not have an existing connection for natural gas; and/or
- TransACT cannot provide fixed line telephony services due to network limitations,

the requirement for the compulsory inclusion of either or both of natural gas or fixed-line telephony will be waived. However, in such cases, Customers will have to choose one or more of the eligible services that are available to them in order to make up a Bundle of at least two services, one of which will be electricity.

Broadband and ISP

Customers in NSW will be able to access broadband and internet services (ISP) in one of two ways.

Areas served by TransACT's ADSL network

- Broadband is only available as part of a packaged service with TransACT fixed line telephony. However, the broadband and fixed line telephony components will count as two separate services for the purposes of making up a bundle.
- In the event Customers in these areas wish to include a Grapevine ISP plan in a bundle, only Grapevine plans on the TransACT network are eligible. In this event the broadband service and ISP plan will count as two separate services.
- Grapevine dial-up ISP plans are not eligible to be bundled under the proposed offer.
- Customers who live in these areas may be offered Grapevine plans on the National network where there are capacity constraints on the TransACT network. Grapevine plans on the National network count as one service (see below).

Areas not served by the TransACT ADSL Network

- Only Grapevine plans on the National Network are eligible.

Grapevine plans on the National Network combine the capacity of a connection ("broadband") with data allowance ("ISP") but will only count as one service if selected.

- Grapevine dial-up ISP plans are not eligible to be bundled under the proposed offer.

All Grapevine ISP plans are denoted by “T” in the table above.

Other Details

- All Greenchoice plans except the 10% consumption based plan are eligible to be bundled.
- All residential TransACT mobile service plans will be eligible for the Bundle, except Mult-SIM plans and plans in respect of Blackberry devices.

Subject to the above, mobile telephony, broadband, Greenchoice and Grapevine ISP Plans are eligible to make up a Bundle of between 2 and 7 services.

Upon signing the Bundle Agreement, Customers must choose whether to have the discount applied to their ActewAGL electricity account (including Greenchoice where this service has been included in the Bundle) or their TransACT account.

The discount will commence when all services included in the Bundle have been activated in the service provider’s systems.

Customers signing up to Bundles of 4 or more Services will also be eligible for a free Privileges Card, supplied by ActewAGL, valid for 2 years (see further details about the Privileges Card at paragraph 4.8).

ActewAGL and TransACT do not intend to actively promote the 6 or 7 service Bundle. This is because some of the eligible services are not available to all residential customers in the relevant regions of NSW. However, ActewAGL and TransACT consider there to be a benefit to Customers if they are able to access a discount where the relevant services can be provided and a Customer wishes to bundle those services.

For TransACT Services (except TransMOBILE) standard installation fees will also be waived, representing further significant savings for the Customer.

4.3 Compulsory Requirement of ActewAGL Service

In order to qualify for the applicable discount as set out in 4.2, the Customer is required to enter into a 24 month contract with ActewAGL for electricity. If natural gas is selected as well as electricity, the Customer must enter a 24 month contract with ActewAGL for both electricity and natural gas.

4.4 Compulsory Requirement of TransACT Service

In order to qualify for the applicable discount as set out in 4.2, the Customer must enter into a 24 month contract for the TransACT services, which must include fixed-line telephone (where available).

4.5 Where Grapevine ISP Services are selected

In order to qualify for the applicable discount as set out in 4.2, if selecting a Bundle which includes ISP services from Grapevine, the Customer may be required to enter into a 24 month contract with Grapevine.

4.6 Fixed Term Supply Agreement

The Bundle Agreement is subject to a 24 month term. This lowers the running costs of providing available services by reducing overheads associated with Customer management. In order to meet associated administrative costs, a cancellation administration fee will be payable by a Customer who terminates the Bundle Agreement prior to the expiry of the initial 24 month term. The amount of the cancellation administration fee will depend on the number of eligible services that were included in the Bundle.

However, cancellation administration fees will not apply where it is no longer possible for ActewAGL, TransACT or Grapevine to provide the services, for example, where a Customer moves to an area that cannot be supplied by ActewAGL, TransACT or Grapevine.

4.7 Provision of information to Customers

The Bundle offers available to ActewAGL, TransACT and Grapevine Customers will be communicated through call centres, press campaigns, the parties' respective websites and other means. ActewAGL, TransACT and Grapevine will ensure their Customers are aware of:

- the offer, if the Customer elects to Bundle services from ActewAGL, TransACT and Grapevine; and
- any terms and conditions applicable to the offer.

Customers will therefore be in full possession of all material relevant to a purchase decision prior to purchasing any services and entering into a Bundle Agreement.

4.8 Privileges Card

The Privileges Card offers a variety of benefits and savings to recipients at over 300 leisure and entertainment venues including popular restaurants and cafes, major tourist attractions, movie tickets and other benefits as notified to Card holders from time to time.

A Privileges Card will be issued by ActewAGL to eligible Customers. The Privileges Card will remain the property of the Customer whilst the Bundle Agreement remains active.

Although the Privileges Card is issued to eligible Customers will display the ActewAGL and TransACT logos, the benefits available will be identical to a Privileges Card bought independently of a Bundle Agreement (valued at \$329).

5. PUBLIC BENEFITS

The impact of the proposed conduct is not such that, under the test laid down in section 93(3A)(b) of the *Trade Practices Act 1974* (Cth) the likely benefit to the public will be outweighed by the likely detriment to the public.

The proposed conduct would result in the following major public benefits:

- discounts applied to essential services;
- encouragement of investment in advanced local broadband communications infrastructure; and
- facilitation of competition within the telecommunications and energy industries.

5.1 Rewards applied to Essential Services

Persons who elect to purchase one of the available Bundle of services will benefit from the application of rewards as specified at paragraph 4.2. The specific discount to be applied to the available services depends upon the number of services the Customer includes in the Bundle.

Electricity, natural gas, ISP and mobile and fixed-line telephony will continue to be available to customers separately from ActewAGL, TransACT and Grapevine, as well as through other service providers.

The bundling of energy supply contracts with the services of TransACT and/or Grapevine should create a degree of stability in both ActewAGL's electricity and natural gas customer supply base and TransACT's customer base, allowing ActewAGL and TransACT greater scope to secure and offer more competitive energy and telecommunications pricing.

5.2 Increased competition in the markets in which ActewAGL services are supplied.

ActewAGL believes that the proposed conduct may provide Customers with an opportunity of acquiring services from ActewAGL at a lower price than the price currently charged by other competitors. This should, in-turn, stimulate competition in the supply of energy in NSW.

5.3 Competition within the Telecommunications Industry

The proposed conduct of ActewAGL and TransACT will promote the long-term interests of telecommunications users by increasing competition in the telecommunications industry and promoting investment in advanced broadband communications infrastructure.

The proposed conduct will also encourage competition in the various markets in which other components of the services are supplied. For example, while qualifying for the discount and rewards set out in paragraph 4.2, Customers may continue to have other services supplied by other energy and telecommunications providers.

The proposed conduct therefore does not reduce the choice available to Customers as it allows them to construct packages of telecommunications services and energy services from a range of providers.

5.4 Increased Competition in the Internet Services Market

The proposed inclusion of Grapevine plans on the National Network as an eligible service will increase competition in the relevant areas through offering Customers in those areas where TransACT is not able to offer a broadband product due to network limitations, an additional choice of provider for broadband and ISP services, noting that Grapevine plans on the National Network combine broadband internet access with data download (“ISP”).

5.5 Promoting Renewable Energy

Greenchoice electricity is ActewAGL’s ‘green energy’ product, and has been generated from renewable sources such as wind power, solar, mini-hydro and biomass – these sources do not produce the greenhouse gases that contribute to global warming.

The Greenchoice product has been independently assessed by the National Green Power Accreditation Program, which ensures that the renewable energy purchased by ActewAGL comes from government approved renewable energy sources.

The inclusion of Greenchoice as an eligible service for this promotion sends a clear signal to the community of the importance with which ActewAGL considers reducing greenhouse gas emissions.

It also evidences ActewAGL’s commitment to providing its Customers with substantial opportunities to reduce their greenhouse gas emissions and environmental footprint.

Although Greenchoice is an individual service, the relevant charges will be subject to the relevant discount, where the Customer includes Greenchoice in a Bundle and chooses to have their discount applied to their electricity bill.

6. PUBLIC DETRIMENT

It is ActewAGL’s view that there will be no detriment to the public arising from the proposed conduct. The markets affected by the proposed conduct are those of electricity, natural gas, and telecommunications (including mobile and fixed-line telephony, and internet services).

6.1 No Lessening of competition in energy supply

The electricity and natural markets in NSW are fully contestable with numerous suppliers of both electricity and natural gas.

ActewAGL believes that there will be no lessening of competition given the number of energy suppliers in and around NSW, the large customer base of many of those suppliers and that full retail contestability has already occurred in NSW with retailers being seasoned operators in a contestable environment.

In ActewAGL's view, it is open to other energy retailers to offer a similar bundling of services with other telecommunications and/or internet service providers within the energy market of NSW.

6.2 No Lessening of Competition in the Internet Services Market

The Grapevine partnership between ActewAGL and TransACT (launched 19 April 2005) only has a small share of the internet services market.

Grapevine competes with numerous local (such as Velocity, Netspeed, Apex, Cyber One) and national internet service providers (Telstra, Optus, iiNet, Soul, iPrimus and TPG).

The bundled services will not be detrimental to competition given the large number of other internet services providers, and the highly competitive nature of this market.

6.3 ActewAGL is dedicated to customer protection

ActewAGL is committed to ensuring that all customers and potential customers are provided with ample information relevant to the decision to purchase the products supplied by ActewAGL.

ActewAGL strives to ensure that its managers, representatives and approved dealers are aware of their responsibilities under the *Trade Practices Act 1974* (Cth) and their obligations to protect both the competitive process and the interests of consumers.

ActewAGL holds trade practices training sessions for its staff, at which issues of consumer protection are discussed. ActewAGL also provides a trade practices compliance guide to employees emphasising these issues.

6.4 Conduct Voluntary

It should be noted that the proposed conduct would be voluntary on the part of the Customer. The services will available separately from ActewAGL, TransACT and Grapevine.

Form G

Commonwealth of Australia

Trade Practices Act 1974 — subsection 93 (1)

NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47(6) and (7) of that Act in which the person giving notice engages or proposes to engage.

1. Applicant

(a) Name of person giving notice:

N93571 TransACT Capital Communications Pty Limited (ABN 23 093 966 888) ("TransACT").

(b) Short description of business carried on by that person:

The business currently conducted by TransACT (and its related companies) includes the provision of:

- fixed line and mobile telephone services to customers within the footprint of the TransACT cable network within the ACT and NSW;
- subscription television services to customers within the footprint of the TransACT network within the ACT;
- network access to a range of internet services providers who provide services to customers within the footprint of the TransACT network within the ACT and NSW;
- pre-select, and local carriage resale telephony services to customers within the ACT and surrounding regions of NSW;
- Broadband, dial-up ISP services, and broadband internet access through Grapevine Ventures (in partnership with ActewAGL).

(c) Address in Australia for service of documents on that person:

TransACT Capital Communications Pty Limited
3rd floor, TransACT House
470 Northbourne Avenue
Dickson, ACT, 2602.

2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:**

See Attachment A.

- (b) Description of the conduct or proposed conduct:**

See Attachment A.

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) Class or classes of persons to which the conduct relates:**

Existing and potential residential customers of TransACT in New South Wales within the footprint of the TransACT network.

- (b) Number of those persons:**

- (i) At present time:**

Nil, this bundled product has not yet been released to the NSW market.

- (ii) Estimated within the next year:**

The number of persons to which the proposed conduct will relate within the next year is not known, but it is likely to exceed 50.

- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:**

Not applicable.

4. Public benefit claims

- (a) Arguments in support of notification:**

See Attachment A.

- (b) Facts and evidence relied upon in support of these claims:**

See Attachment A.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or

acquisition of the relevant goods or services (for example geographic or legal restrictions):

See Attachment A.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:**

See Attachment A.

- (b) Facts and evidence relevant to these detriments:**

See Attachment A.

7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:**

Anthony Allen

Company Secretary

TransACT Capital Communications Pty Ltd
3rd floor, TransACT House
470 Northbourne Avenue
Dickson, ACT, 2602.

Dated: 4 September 2008

Signed by/on behalf of the applicant


.....
(Signature)

Anthony Allen
Company Secretary
TransACT Capital Communication Pty Ltd

ATTACHMENT A

1. EXECUTIVE SUMMARY

TransACT Capital Communications Pty Limited (“TransACT”) and ActewAGL Retail (ABN 46 221 314 841) (“ActewAGL”) intend entering into an agreement under which the parties will co-operate to contribute one or more of the services they supply to residential customers (“Customers”) throughout the Capital Region of NSW. Customers may select various combinations of available services from both TransACT and ActewAGL and will receive a discount on either the TransACT component or the ActewAGL electricity component of the selected services.

TransACT is seeking statutory immunity under section 93 of the *Trade Practices Act 1974* (Cth) for the proposed conduct. TransACT is aware that ActewAGL has also lodged a notification with the Commission to this effect.

2. CORPORATIONS INVOLVED

2.1 TransACT Capital Communications

TransACT Capital Communications Pty Ltd (ABN 23 093 966 888) is a wholly owned subsidiary of TransACT Communications Pty Ltd (ABN 32 091 752 297).

TransACT Communications Pty Ltd is jointly owned by ACTEW Corporation Limited, TVG TransACT Holdings SPRL, Australian Capital Ventures Limited, MTAA Superannuation Fund (TransACT) Utilities Pty Ltd, Westcheme Pty Ltd, TVG Neighbourhood Cable Holdings SPRL, Jemena ATA Pty Ltd and Prime Media Group Limited.

TransACT Capital Communications Pty Ltd owns and operates a broadband communications network in the Australian Capital Territory, which is capable of delivering voice, data and video (including subscription television).

TransACT also provides a local carriage resale (LCS) service allowing fixed line phone services to be delivered to the ACT and the Capital Region of NSW.

In addition to the above, TransACT Capital Communications Pty Ltd, in partnership with ActewAGL Retail, provide ISP services and broadband internet access through Grapevine Ventures (ABN 49 135 731 130).

Further information regarding TransACT Communications Pty Limited may be obtained from www.transact.com.au.

2.2 ActewAGL

ActewAGL Retail (ABN 46 221 314 841) is partnership between ACTEW Retail Limited and AGL ACT Retail Investments Limited, subsidiaries of ACTEW Corporation Limited (ABN 86 069 381 960) (“ACTEW”) and AGL Energy Limited (ACN 115 061 375) (“AGL”) respectively.

ACTEW is a Territory Owned Corporation of the ACT Government. AGL is an energy company supplying energy products and services including natural gas, electricity and liquid petroleum gas to customers in Australia and overseas through various subsidiaries.

ActewAGL provides:

- electricity to customers in the ACT, and contestable customers outside the ACT;
- natural gas to the ACT, and the Capital Region of NSW;
- water and sewerage billing services to ACT customers on behalf of ACTEW Corporation Ltd (network asset owner); and
- dial-up, broadband internet services, and broadband internet access through Grapevine Ventures in partnership with TransACT Capital Communications Pty Limited.

ActewAGL is licensed to supply electricity and natural gas to ACT and NSW customers.

Further information about ActewAGL may be obtained from www.actewagl.com.au.

3. DESCRIPTION OF THE GOODS AND SERVICE TO WHICH THIS NOTICE RELATES

3.1 Description of the Services

The services to be supplied by ActewAGL and TransACT to Customers, and to which this notice relates are as follows:

- TransACT Services:
 - Fixed line telephony services
 - Broadband internet access
 - Mobile telephony services
 - ISP services and broadband internet access through Grapevine Ventures (in partnership with ActewAGL).
- ActewAGL Services:
 - Electricity
 - Electricity – Renewable Generation (“Greenchoice”).
 - Natural Gas
 - ISP Services and broadband internet access through Grapevine (in partnership with TransACT).

4. PROPOSED CONDUCT

4.1 Summary of Proposed Conduct

TransACT and ActewAGL will invite residential Customers within the Capital Region of NSW (including Queanbeyan and Jerrabomberra) to acquire services from each of the parties in one of the package combinations (“Bundle”) set out in the table at paragraph 4.2. Depending upon the number of services acquired, the Customer would be eligible for a discount applied to either the TransACT account for the selected services or the ActewAGL electricity account (including Greenchoice where applicable). The discount will not be applied to any government taxes, or miscellaneous fees and charges included in those accounts.

Selection of the Bundle of services is at the option of the Customer.

The level of discount applicable to the various Bundles of selected services is specified in the table below. Each of TransACT, ActewAGL and Grapevine will continue to independently determine the prices at which they sell the respective products and services.

In addition, depending on the Bundle selected, Customers may also be eligible to receive a free Privileges Card, valid for two (2) years (retail price \$329) – see further information about the Privileges Card at paragraphs 4.2 and 4.8.

In order to obtain the applicable discount, the Customer must enter into a 24 – month service agreement (“Bundle Agreement”), noting that TransACT fixed-line telephony (where available) and ActewAGL electricity and natural gas (where available) are compulsory services to include in each Bundle. The Customer will enter into separate service agreements with TransACT (to acquire the TransACT services), ActewAGL (to acquire the ActewAGL services), and where applicable, Grapevine (to access the ISP services). Existing payment options, including direct debit (compulsory for Grapevine ISP services) and online payment systems will be available.

The price of each of the services will be readily available to the Customer. The Customer would receive a bill from each service Provider in relation to the selected services, in accordance with the normal billing cycles.

From time to time, TransACT, ActewAGL and Grapevine may also offer customers other special prices, packages, discounts, giveaways or products in relation to a Bundle, in addition to those set out in this document.

The services would be jointly marketed by both TransACT, ActewAGL and Grapevine.

4.2 Discount Scheme to be applied

The discount to be applied to the available package of services is set out below:

E = Electricity
G = Natural Gas (where available)
B = Broadband
I = Internet Service Provision by Grapevine

T = Fixed Line Telephone
M = Mobile Telephone (TransMOBILE)
C = Greenchoice electricity (renewable)

Offer	Valid Combinations	Discount/Reward
2 Eligible Services	ET; EM; EC; EI	5% discount on ActewAGL electricity invoice OR TransACT invoice.
3 Eligible Services	ETG; ETM; ETC; ETI; ETB EGM; EGC; EGI; EMC; EMI; ECI	7% discount on ActewAGL electricity invoice OR TransACT invoice.
4 Eligible Services	ETGM; ETGC; ETGI; ETGB; ETMC; ETMI; ETMB; ETCI; ETCB; ETIB EGMC; EGMI; EGCI; EMCI	12% discount on ActewAGL electricity invoice OR TransACT invoice. Free 24-month Privileges Card valued at \$329.
5 Eligible Services	ETGMC; ETGMI; ETGMB; ETGCI; ETGCB; ETGIB; ETMCI; ETMCB; ETMIB; ETCIB EGMCI	15% discount on ActewAGL electricity invoice OR TransACT invoice. Free 24-month Privileges Card valued at \$329.
6 Eligible Services	ETGMCI; ETGMCB; ETGMIB; ETGIB; ETMCIB;	20% discount on ActewAGL electricity invoice OR TransACT invoice. Free 24-month Privileges Card valued at \$329.
7 Eligible Services	ETGMCIB	20% discount on ActewAGL electricity invoice OR TransACT invoice. Free 24-month Privileges Card valued at \$329.

NOTE: The total discount available to Customers in any 12 month period is capped at \$500.

Additional Details

Compulsory Services

Electricity, natural gas and TransACT fixed line telephony are compulsory services to include in every Bundle.

However, where:

- ActewAGL is unable to provide natural gas and/or the customer does not have an existing connection for natural gas; and/or
- TransACT cannot provide fixed line telephony services due to network limitations,

the requirement for the compulsory inclusion of either or both of natural gas or fixed-line telephony will be waived. However, in such cases, Customers will have to choose one or more of the eligible services that are available to them in order to make up a Bundle of at least two services, one of which will be electricity.

Broadband and ISP

Customers in NSW will be able to access broadband and internet services (ISP) in one of two ways.

Areas served by TransACT's ADSL network

- Broadband is only available as part of a packaged service with TransACT fixed line telephony. However, the broadband and fixed line telephony components will count as two separate services for the purposes of making up a bundle.
- In the event Customers in these areas wish to include a Grapevine ISP plan in a bundle, only Grapevine plans on the TransACT network are eligible. In this event the broadband service and ISP plan will count as two separate services.
- Grapevine dial-up ISP plans are not eligible to be bundled under the proposed offer.
- Customers who live in these areas may be offered Grapevine plans on the National network where there are capacity constraints on the TransACT network. Grapevine plans on the National network count as one service (see below).

Areas not served by the TransACT ADSL Network

- Only Grapevine plans on the National Network are eligible.

Grapevine plans on the National Network combine the capacity of a connection ("broadband") with data allowance ("ISP") but will only count as one service if selected.
- Grapevine dial-up ISP plans are not eligible to be bundled under the proposed offer.

All Grapevine ISP plans are denoted by "I" in the table above.

Other Details

- All Greenchoice plans except the 10% consumption based plan are eligible to be bundled.
- All residential TransACT mobile service plans will be eligible for the Bundle, except Multit-SIM plans and plans in respect of Blackberry devices.

Subject to the above, mobile telephony, broadband, Greenchoice and Grapevine ISP Plans are eligible to make up a Bundle of between 2 and 7 services.

Upon signing the Bundle Agreement, Customers must choose whether to have the discount applied to their TransACT account or their ActewAGL electricity account (including Greenchoice where this service has been included in the Bundle).

The discount will commence when all services included in the Bundle have been activated in the service provider's systems.

Customers signing up to Bundles of 4 or more Services will also be eligible for a free Privileges Card, supplied by ActewAGL and TransACT, valid for 2 years (see further details about the Privileges Card at paragraph 4.8).

TransACT and ActewAGL do not intend to actively promote the 6 or 7 service Bundle. This is because some of the eligible services are not available to all residential customers in the relevant regions of NSW. However, TransACT and ActewAGL consider there to be a benefit to Customers if they are able to access a discount where the relevant services can be provided and a Customer wishes to bundle those services.

For TransACT Services (except TransMOBILE) standard installation fees will also be waived, representing further significant savings for the Customer.

4.3 Compulsory Requirement of TransACT Service

In order to qualify for the applicable discount, the Customer must enter into a 24 month contract for the TransACT services, which must include fixed-line telephone (where available).

4.4 Compulsory Requirement of ActewAGL Service

In order to qualify for the applicable discount, the Customer is required to enter into a 24 month contract with ActewAGL for electricity. If natural gas is selected as well as electricity, the Customer must enter a 24 month contract with ActewAGL for both electricity and natural gas.

4.5 Where Grapevine ISP Services are selected

In order to qualify for the applicable discount, if selecting a Bundle which includes ISP services from Grapevine, the Customer may be required to enter into a 24 month contract with Grapevine.

4.6 Fixed Term Supply Agreement

The Bundle Agreement is subject to a 24 month term. This lowers the running costs of providing available services by reducing overheads associated with Customer management. In order to meet associated administrative costs, a cancellation administration fee will be payable by a Customer who terminates the Bundle Agreement prior to the expiry of the initial 24 month term. The amount of the cancellation administration fee will depend on the number of eligible services that were included in the Bundle.

However, cancellation administration fees will not apply where it is no longer possible for TransACT, ActewAGL or Grapevine to provide the services, for example, where a Customer moves to an area that cannot be supplied by TransACT, ActewAGL or Grapevine.

4.7 Provision of information to Customers

The Bundle offers available to TransACT, ActewAGL and Grapevine Customers will be communicated through call centres, press campaigns, the parties' respective websites and other means. TransACT, ActewAGL and Grapevine will ensure their Customers are aware of:

- the offer, if the Customer elects to Bundle services from TransACT, ActewAGL and Grapevine; and
- any terms and conditions applicable to the offer.

Customers will therefore be in full possession of all material relevant to a purchase decision prior to purchasing any services and entering into a Bundle Agreement.

4.8 Privileges Card

The Privileges Card offers a variety of benefits and savings to recipients at over 300 leisure and entertainment venues, including popular restaurants and cafes, major tourist attractions, movie tickets and other benefits as notified to Card holders from time to time.

A Privileges card will be issued by TransACT and ActewAGL to eligible Customers. The Privileges Card will remain the property of the Customer whilst the Bundle Agreement remains active.

Although the Privileges Card is issued to eligible Customers will display the TransACT and ActewAGL logos, the benefits available will be identical to a Privileges Card bought independently of a Bundle Agreement (valued at \$329).

5. PUBLIC BENEFITS

The impact of the proposed conduct is not such that, under the test laid down in section 93(3A)(b) of the *Trade Practices Act 1974* (Cth) the likely benefit to the public will be outweighed by the likely detriment to the public.

The proposed conduct would result in the following major public benefits:

- discounts applied to essential services;
- encouragement of investment in advanced local broadband communications infrastructure; and
- facilitation of competition within the telecommunications and energy industries.

5.1 Rewards applied to Essential Services

Persons who elect to purchase one of the available Bundles of services will benefit from the application of rewards as specified at paragraph 4.2. The specific discount to be applied to the available services depends upon the number of services the Customer includes in the Bundle.

Mobile and fixed-line telephony, electricity, natural gas and ISP plans will continue to be available to customers separately from TransACT, ActewAGL and Grapevine, as well as through other service providers.

The bundling of energy supply contracts with the services of TransACT and/or Grapevine should create a degree of stability in both TransACT's customer base and ActewAGL's electricity and natural gas customer supply base and , allowing TransACT and ActewAGL greater scope to secure and offer more competitive energy and telecommunications pricing.

5.2 Investment in Advanced Local Communications Infrastructure

TransACT is currently deploying an advanced, fibre to the curb access network which is capable of providing a comprehensive range of narrowband and broadband telecommunications services.

The major services currently offered by TransACT to its customers throughout the ACT include:

- telephony services including basic access, local calls, long distance, fixed to mobiles calls, mobiles and international calls;
- data services including dark fibre, leased lines, virtual private networks and high speed internet access;
- video services to support the broadcast of free to air television, subscription television and video on demand; and
broadband and dial-up ISP services in partnership with ActewAGL.

TransACT is now seeking to further extend the reach of specified services, such as the local carriage resale service to Customers within the Capital Region of NSW surrounding the ACT.

TransACT is one of a small number of telecommunications enterprises that is making significant investment in the construction and deployment of advanced telecommunications infrastructure. TransACT customers within the ACT and the surrounding regions of NSW will continue to extract benefit from the provision of leading edge telecommunications facilities and services.

5.3 Competition within the Telecommunications Industry

Consistent with the stated policy objectives of the Federal Government, the proposed conduct of ActewAGL and TransACT will promote the long-term interests of telecommunications users by increasing competition in the telecommunications industry and promoting investment in advanced broadband communications infrastructure.

The proposed conduct will also encourage competition in the various markets in which other components of the services are supplied. For example, while qualifying for the discount and rewards set out in paragraph 4.2, Customers may continue to have other services supplied by other energy and telecommunications providers.

The proposed conduct therefore does not reduce the choice available to Customers as it allows them to construct packages of telecommunications services and energy services from a range of providers.

5.4 Increased Competition in the Internet Services Market

The proposed inclusion of Grapevine plans on the National Network as an eligible service will increase competition in the relevant areas through offering Customers in those areas where TransACT is not able to offer a broadband product due to network limitations, an additional choice of provider for broadband and ISP services, noting that Grapevine plans on the National Network combine broadband internet access with data download (“ISP”).

6. PUBLIC DETRIMENT

It is TransACT’s view that there will be no detriment to the public arising from the proposed conduct. The markets affected by the proposed conduct are those of telecommunications (including mobile and fixed-line telephony, and internet services) and energy (electricity and natural gas).

6.1 No Lessening of competition in the Telecommunications Market.

TransACT competes with many other telecommunications providers operating in the ACT and surrounding regions of NSW. Similar services are offered by a range of other companies including but not limited to Telstra and Optus (telephony, dial-up

and broadband internet services, subscription TV), Vodafone (mobile telephony and broadband internet) AAPT and iPrimus.

These companies currently offer bundled services which enable their customers who select a number of services to qualify for discounts.

The proposed conduct will not be detrimental to competition given the size and number of telecommunications operators, and the highly competitive nature of the telecommunications market to which the bundled services relate.

6.2 No Lessening of Competition in the Internet Services Market

The Grapevine partnership between ActewAGL and TransACT (launched 19 April 2005) only has a small share of the internet services market.

Grapevine competes with numerous local (such as Velocity, Netspeed, Apex, Cyber One) and national internet service providers (Telstra, Optus, iiNet, Soul, IPrimus and TPG).

The bundled services will not be detrimental to competition given the large number of other internet services providers, and the highly competitive nature of this market.

6.3 Conduct Voluntary

It should be noted that the proposed conduct would be voluntary on the part of the Customer. The services will available separately from TransACT, ActewAGL and Grapevine.