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Our Ref: 53544
Contact Officer: Tanya Hobbs
Contact Number: 02 6243 1029

4 February 2014

Ms Alice Muhlebach Partner Ashurst Australia

By email: david.fleming@ashurst.com

Dear Ms Muhlebach

Third line forcing notifications N97165 - N97172 lodged by the AGL Group

I refer to the above third line forcing notifications lodged with the Australian Competition and Consumer Commission (the ACCC) on 20 December 2014. The notifications have been placed on the ACCC's public register.

Eight notifications have been lodged by a related group of companies: AGL Energy Limited, AGL Retail Energy Ltd, AGL Sales Pty Ltd, AGL South Australia Pty Ltd, AGL Sales (Queensland) Pty Ltd, AGL Sales (Queensland Electricity) Pty Ltd, AGL Energy Sales & Marketing Ltd, AGL Energy Services Pty Ltd (collectively the AGL Group).

The AGL Group proposes to offer loyalty program services to eligible customers which acquire particular goods or services from the AGL Group or a related entity on condition that the customer:

- has or will acquire 'Flybuys' membership services from Loyalty Pacific; and in some cases
- acquires relevant goods or services from an AGL Smarter Living Franchisee (which
 is unrelated to the AGL Group).

Legal protection conferred by the notifications commenced on 3 January 2014.

On the basis of the information that you have provided it is not intended that further action be taken in this matter at this stage.

As with any notification, please note that the ACCC may act to remove the legal protection provided by these notifications at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

This assessment has been made on the basis that the AGL Group and AGL Smarter Living Franchisees will disclose all relevant terms and conditions to prospective customers.

A copy of this letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Tanya Hobbs on 02 6243 1029.

Yours sincerely

Dr Richard Chadwick General Manager

Adjudication Branch