



TRADE PRACTICES ACT 1974

**UNDERTAKING TO THE AUSTRALIAN COMPETITION AND
CONSUMER COMMISSION GIVEN FOR THE PURPOSES OF**

SECTION 87B

BY

**THE AUSTRALIAN GAS LIGHT COMPANY (ACN 052 167 405),
GREAT ENERGY ALLIANCE CORPORATION PTY LIMITED (ACN 105 266 028) and
GEAC OPERATIONS PTY LIMITED (ACN 105 367 888)**

Background

1. A consortium comprising The Australian Gas Light Company , Tokyo Electric Power Company International B.V. (TEPCO) and certain financial investors including the Commonwealth Bank of Australia (Financial Investors) propose to acquire the electricity generation business in Victoria currently conducted by the partners in the Loy Yang Power Partnership and known as Loy Yang A, with AGL holding a 35% interest, and, at the time of acquisition, the Financial Investors holding a 30% interest and TEPCO holding 35% interest in that business through Great Energy Alliance Corporation Pty Limited and GEAC Operations Pty Limited (GEAC).
2. The Federal Court Decision of 19 December 2003 in the matter of The Australian Gas Light Company v The Australian Competition and Consumer Commission included an Undertaking (the Court Undertaking) upon which a Declaration was made. These Undertakings are in addition to the Court Undertaking and solely for the purpose of ensuring compliance with the Court Undertaking and the Trade Practices Act.

Definitions

3. Definitions in these Undertakings are as in the Court Undertaking upon which Declaration was made, and the following additional definition.

Hedge Position Statement means information in relation to hedge contracts, derivative contracts or power purchase agreements in the form set out in Schedule 1 or such other information or form that would be relevant to hedging arrangements, as the Commission, acting reasonably, may request in writing.

AGL Undertakings

- 4.1 AGL must provide the Commission with a Hedge Position Statement in respect of all hedges, derivative transactions and power purchase agreements relating to its Victorian load with all of its counterparties (excluding information which would identify counterparties other than Loy Yang Power Station) at the written request of the Commission which can only be made if and when the independent auditor reports under clause 6.1 that there has been a breach of clause 3.2 (c) of the Court Undertaking.
- 4.2 The Commission may at any time request in writing that AGL provide such written information that the Commission reasonably requires for the purpose of ensuring compliance with paragraphs 3.1 to 3.4 of the Court Undertaking.
- 4.3 AGL must promptly comply with any reasonable requests made by the Commission under paragraphs 4.1 and 4.2.

GEAC Undertakings

- 5.1 GEAC will procure that the entity appointed pursuant to clause 3.2(a) (the Agent) of the Court Undertaking will provide the Commission with a Hedge Position Statement in respect of all hedges, derivative transactions and power purchase agreements relating to the Loy Yang Power Station with all of its counterparties (excluding information which would identify the identity of non-AGL counterparties) at intervals of six months commencing from the date of this Undertaking; and as and when reasonably requested by the Commission in response to market circumstances which would not ordinarily be expected to occur in the ordinary workings of the NEM.
- 5.2 The Commission may at any time request in writing that GEAC provide such written information that the Commission reasonably requires for the purpose of ensuring compliance with paragraphs 3.1 to 3.4 of the Court Undertaking.
- 5.3 GEAC must promptly comply with, and procure the Agent to promptly comply with, any reasonable requests made by the Commission under paragraphs 5.1 and 5.2.

Independent Audit

- 6.1 GEAC and AGL undertake that on an annual basis they will jointly appoint an independent auditor (at their expense) from among the major accounting firms (such appointment to be approved before the independent auditor is appointed by the

Commission selecting one auditor from two alternative auditors nominated by GEAC and AGL) to undertake an audit on a six monthly basis of compliance with Clause 3.2(c) of the Court Undertaking. The independent auditor will provide a report to the Commission in the form of Schedule 2. In the event that the independent auditor's report notes any instance of non-compliance, at the written request of the Commission, AGL and GEAC will provide, and where appropriate GEAC will procure the Agent to provide, to the Commission all of the information provided by or on behalf of AGL and GEAC to the independent auditor.

Confidentiality

7. The Commission will ensure that all information received by it pursuant to these Undertakings will be kept confidential and not disclosed to any person, save and except as may be required in relation to any proceedings before a Court in respect of these Undertakings, the Court Undertaking or any enforcement action under the Trade Practices Act.

Enforcement Action Clause

8. For the avoidance of doubt, the Commission may take enforcement action at any time whether:
 - (a) during the period of these Undertakings; or
 - (b) after the period of these Undertakings,

in respect of any breach by AGL or GEAC of a term of these Undertakings which occurred before the expiry of these Undertakings.

Commencement and Cessation

9. These Undertakings commence on the date which is the later of their execution by AGL and GEAC and the acceptance of these Undertakings by the Commission.
10. Subject to clause 8, these Undertakings apply only for the period that the Court Undertaking is in force and these Undertakings cease if the Court Undertaking ceases.

The Commission

Name: The Australian Competition and Consumer Commission
Address: PO Box 1199, Dickson ACT 2602; 470 Northbourne Ave, Dickson, ACT 2602
Fax number: (02) 6243 1211
Attention: The Chairman

AGL

Name: The Australian Gas Light Company
Address: Level 13, 111 Pacific Highway, North Sydney
Fax number: 02 9922 3352
Attention: General Counsel

GEAC

Name: Great Energy Alliance Corporation Pty Limited
Address: Level 42, 101 Collins Street, Melbourne
Fax number: 03 9288 1567
Attention: The Company Secretary

Name: GEAC Operations Pty Limited
Address: Level 42, 101 Collins Street, Melbourne
Fax number: 03 9288 1567
Attention: The Company Secretary

**The Common Seal of THE AUSTRALIAN
GAS LIGHT COMPANY ACN 052 167 405**

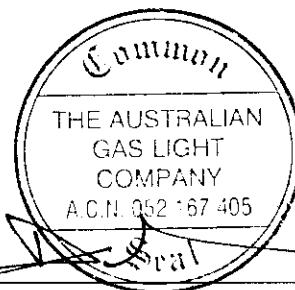
is fixed in the presence of:



Signature of Director

G. S. W. Martin

Name of Director (print)

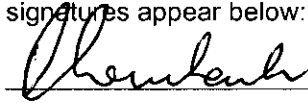


Signature of Director/Secretary

L. J. FISK.

Name of Director/Secretary (print)

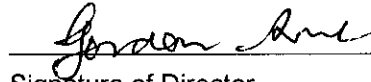
Executed by **GREAT ENERGY ALLIANCE CORPORATION PTY LIMITED ACN 105 266 028** by Gordon Sue and Ross Gersbach, two duly authorised directors whose signatures appear below:



Signature of Director

ROSS GERSBACH

Name of Director (print)

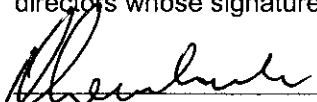


Signature of Director

GORDON SUE

Name of Director(print)

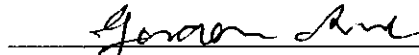
Executed by **GEAC OPERATIONS PTY LIMITED ACN 105 367 888** by Gordon Sue and Ross Gersbach, two duly authorised directors whose signatures appear below:



Signature of Director

ROSS GERSBACH

Name of Director (print)



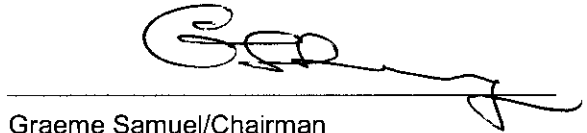
Signature of Director

GORDON SUE

Name of Director (print)

DATED 3 ^{March} ~~June~~ 2004

**ACCEPTED BY THE AUSTRALIAN
COMPETITION AND CONSUMER
COMMISSION**



Graeme Samuel/Chairman

DATED 3rd June 2004

Schedule 1
Hedge Position Statement

Part A: For each contract entered into with AGL:

Total peak quantity (MWh)*

Total off-peak quantity (MWh) *

Start date

Finish date or duration

Contract type (power purchase/swap/ cap/ other (including captions/swaptions and any other types of contract under which the price of electricity is hedged)

Part B: For each contract entered into with a party other than AGL:

Total peak quantity (MWh)*

Total off-peak quantity (MWh) *

Start date

Finish date or duration

Contract type (power purchase/swap/ cap/ other (including captions/swaptions and any other types of contract under which the price of electricity is hedged)

* *If the total quantity cannot be ascertained at the time of filing the Statement, a best estimate of the quantity will be provided*

Schedule 2
Form of Auditor's Report

To:

The Chairman
Australian Competition & Consumer Commission
Level 35
The Tower
360 Elizabeth Street
Melbourne Victoria 3000

GEAC
Great Energy Alliance Corporation
Level 42, 101 Collins Street, Melbourne, VIC
Fax: 03 9288 4567
Attention: Company Secretary

AGL
The Australian Gas Light Company
Level 13, 111 Pacific Highway, North Sydney, NSW
Fax: 02 9922 3352
Attention General Counsel

Strictly Confidential

[Date]

Dears Sirs

AGL compliance with Court Undertaking ("Undertaking")

[Auditor] has been engaged by GEAC and AGL to conduct a six monthly audit of the Loy Yang Business to determine whether AGL has complied with clause 3.2 (c) of the Court Undertaking and to prepare an auditor's report substantially in the form set out in Schedule 2 of the ACCC Undertaking.

[Auditor] acknowledges that it has been provided with a copy of the Court Undertaking and the ACCC Undertaking and is fully aware of the terms of the Undertakings.

Expressions defined in the Undertakings have the same meaning in this report.

Executive summary of audit findings

[Auditor] has conducted its audit of the Loy Yang Business in accordance with the methodology set out below, and based on that audit, is satisfied, save as set out below, that AGL have complied with clause 3.2(c) of the Court Undertaking as set out below:

Undertaking	Compliance/Non Compliance	Details of Non Compliance (if any)
Clause 3.2(c) of the Court Undertaking		

In reaching the above findings, we:

- (a) made all reasonable enquiries of relevant directors, key management and other key personnel of AGL, GEAC and the Agent, reviewed all information provided by AGL, GEAC and the Agent that in our professional judgment, were considered reasonable in the circumstances; and
- (b) received responses from AGL, GEAC and the Agent with respect to all enquiries made.