

National Electricity Rules Version 33

Historical Information

This version of the National Electricity Rules was current from 12 November 2009 to 11 March 2010.

National Electricity Rules Version 33

Status Information

This is the latest electronically available version of the National Electricity Rules as at 12 November 2009.

This consolidated version of the National Electricity Rules was last updated on 12 November 2009 as a result of the commencement of the following amendments:

National Electricity Amendment (Confidentiality Provisions for Network Connections) Rule 2009 No. 20

Provisions in force

The provisions displayed in this consolidated version of the Rules have all commenced.

National Electricity Amendment (Negative Inter-regional Settlements Residue Amounts) Rule 2009 No. 17 has not commenced and all provisions will commence on 1 July 2010.

National Electricity Amendment (Bid and Offer Validation Data) Rule 2009 No. 21 has not commenced and all provisions will commence on 16 December 2010.

TABLE OF CONTENTS

1.	Introduction	2
1.1	Preliminary	2
1.1.1	References to the Rules	2
1.1.2	Italicised expressions	2
1.1.3	[Deleted]	2
1.2	Background	2
1.3	Nomenclature of and references to provisions of a Chapter	2
1.3.1	Introduction	2
1.3.2	Parts, Divisions and Subdivisions	2
1.3.3	Rules, clauses, paragraphs, subparagraphs and other items	3
1.4	Effect of renumbering of provisions of the Rules	4
1.5	[Deleted]	4
1.6	[Deleted]	4
1.7	Interpretation	4
1.7.1	General	4
1.8	Notices	5
1.8.1	Service of notices under the Rules	5
1.8.2	Time of service	6
1.8.3	Counting of days	6
1.8.4	Reference to addressee	6
1.9	Retention of Records and Documents	7
1.10	[Deleted]	7
1.11	AEMO Rule Funds	7
2.	Registered Participants and Registration	10
2.1	Registered Participants	10
2.1.1	Purpose	10
2.1.2	General	10
2.2	Generator	10
2.2.1	Registration as a Generator	10
2.2.2	Scheduled Generator	11
2.2.3	Non-Scheduled Generator	12
2.2.4	Market Generator	13
2.2.5	Non-Market Generator	13
2.2.6	Ancillary services generating unit	13
2.2.7	Semi-Scheduled Generator	15
2.3	Customer	16
2.3.1	Registration as a Customer	16
2.3.2	First-Tier Customer	17

2.3.3	Second-Tier Customer	17
2.3.4	Market Customer	18
2.3.5	Ancillary services load	18
2.4	Market Participant	20
2.4.1	Registration as a category of Market Participant	20
2.4.2	Eligibility	20
2.5	Network Service Provider	21
2.5.1	Registration as a Network Service Provider	21
2.5.2	Market Network Service	21
2.5.3	Scheduled Network Service	22
2.5A	Trader	23
2.5B	Reallocator	24
2.6	Special Participant	24
2.7	Intention to Commence Activities or Functions	25
2.8	Registered Participant Rights and Obligations	25
2.8.1	Rights and obligations	25
2.9	Application to be Registered as a Registered Participant	25
2.9.1	Applications for Registration	25
2.9.2	Registration as a Registered Participant	26
2.9.3	Registration as an Intermediary	26
2.9A	Transfer of Registration	28
2.9A.1	Definitions	28
2.9A.2	Applications for Transfer of Registration	28
2.9A.3	Approval for Transfer of Registration	29
2.10	Ceasing to be a Registered Participant	29
2.10.1	Notification of intention	29
2.10.2	Ceasing Participation	30
2.10.3	Liability after cessation	30
2.11	Participant Fees	31
2.11.1	Development of Participant fee structure	31
2.11.2	Payment of Participant fees	33
2.11.3	Budgeted revenue requirements	34
2.12	Interpretation of References to Various Registered Participants	35
2A.	Regional Structure	38
2A.1	Introduction to Chapter 2A	38
2A.1.1	Definitions	38
2A.1.2	AEMC determination of regions	38
2A.1.3	Publication of regions by AEMO	38
2A.2	Region change applications	38

2A.2.1	A complete region change application	38
2A.2.2	Identifying a congestion problem	39
2A.2.3	Explanation of economic efficiency of proposed region solution	39
2A.2.4	Region change application must be technically competent	40
2A.2.5	Alternative congestion management options	40
2A.2.6	Previous application relating to congestion problem	41
2A.2.7	AEMO to provide information to intending applicants	41
2A.2.8	AEMC may refuse to accept incomplete applications	42
2A.3	Acceptance of region change application by AEMC	42
2A.3.1	Acceptance of a region change application by AEMC	42
2A.3.2	Preliminary consultation prior to acceptance of a region change application	43
2A.4	First round consultation on region change application	43
2A.4.1	Notice of first round consultation	43
2A.4.2	Right to make written submissions during first round consultation period	44
2A.4.3	Alternative region solution put forward by third parties	44
2A.4.4	Acceptance as a formal alternative region solution by AEMC	45
2A.5	Provision of supplementary economic analysis	45
2A.5.1	AEMC may direct provision of supplementary analysis	45
2A.5.2	AEMC may direct AEMO to provide information	46
2A.6	Region determinations	46
2A.6.1	AEMC powers to make a region determination	46
2A.6.2	Matters for consideration in making region determination	47
2A.7	Draft region determination and second round consultation	48
2A.7.1	Publishing of draft region determination	48
2A.7.2	Second round consultation	48
2A.7.3	Right to make written submissions during second round consultation	48
2A.8	Final region determination	48
2A.8.1	Final determination for region change	48
2A.8.2	Formal publication of region determination	49
2A.9	Miscellaneous matters for region change process	49
2A.9.1	AEMC may extend periods of time specified in Chapter 2A	49
2A.9.2	Consultation meeting in relation to region change application	49
2A.10	Purpose and application of Part B	50
2A.10.1	Purpose of Part B	50
2A.10.2	Application of Part B	50
2A.11	Region Change Implementation Procedure	50
2A.11.1	Submission of draft Region Change Implementation Procedure	50
2A.11.2	Approved Region Change Implementation Procedure	51

	2A.12 AEMO region change implementation functions	51
	2A.12.1 General implementation functions	51
	2A.12.2 Implementation functions referable to published implementation procedure	51
	2A.12.3 Amendment of current or subsequent Regions and Loss Factors Publication	51
	2A.13 Continuity of regions	52
	Schedule 2A.1 Glossary for Chapter 2A	53
3.	Market Rules	57
	3.1 Introduction to Market Rules	57
	3.1.1 Purpose	57
	3.1.2 [Deleted]	57
	3.1.3 [Deleted]	57
	3.1.4 Market design principles	57
	3.1.5 Time for undertaking action	59
	3.2 AEMO's Market Responsibilities	59
	3.2.1 Market functions of AEMO	59
	3.2.2 Spot market	60
	3.2.3 Power system operations	60
	3.2.4 Ancillary services function	61
	3.2.5 [Deleted]	61
	3.2.6 Settlements	61
	3.3 Prudential Requirements	61
	3.3.1 Market Participant criteria	61
	3.3.2 Credit support	61
	3.3.3 Acceptable credit criteria	62
	3.3.4 Acceptable credit rating	62
	3.3.5 Amount of credit support	62
	3.3.6 Changes to credit support	63
	3.3.7 Drawings on credit support	63
	3.3.8 Maximum credit limit and prudential margin	64
	3.3.8A Security Deposits	64
	3.3.9 Outstandings	64
	3.3.10 Trading limit	65
	3.3.11 Call notices	65
	3.3.12 Typical accrual	66
	3.3.13 Response to Call Notices	67
	3.3.13A Application of monies in the security deposit fund	67
	3.3.14 Potential value of a transaction	69

3.3.15	Trading margin	69
3.3.16	Limitation on entry of transactions	69
3.3.17	Scheduled prices	69
3.3.18	Additional credit support	70
3.3.19	Consideration of other Market Participant transactions	70
3.4	Spot Market	70
3.4.1	Establishment of spot market	70
3.4.2	Trading day and trading interval	71
3.4.3	Spot market operations timetable	71
3.5	Regions	71
3.5.1	[Deleted]	71
3.5.2	[Deleted]	71
3.5.3	[Deleted]	71
3.5.4	[Deleted]	71
3.5.5	[Deleted]	71
3.5.6	Abolition of Snowy region	71
3.6	Network Losses and Constraints	72
3.6.1	Inter-regional losses	72
3.6.2	Intra-regional losses	74
3.6.2A	Load and generation data used to determine inter-regional loss factor equations and intra-regional loss factors	77
3.6.3	Distribution losses	78
3.6.4	Network constraints	82
3.6.5	Settlements residue due to network losses and constraints	82
3.7	Projected Assessment of System Adequacy	84
3.7.1	Administration of PASA	84
3.7.2	Medium term PASA	85
3.7.3	Short term PASA	87
3.7A	Congestion information resource	90
3.7B	Unconstrained intermittent generation forecast	92
3.7C	Energy Adequacy Assessment Projection	93
3.8	Central Dispatch and Spot Market Operation	97
3.8.1	Central Dispatch	97
3.8.2	Participation in central dispatch	99
3.8.3	Bid and offer aggregation guidelines	99
3.8.3A	Ramp rates	100
3.8.4	Notification of scheduled capacity	102
3.8.5	Submission timing	103
3.8.6	Generating unit offers for dispatch	104

3.8.6A	Scheduled network service offers for dispatch	106
3.8.7	Bids for scheduled load	107
3.8.7A	Market ancillary services offers	109
3.8.8	Validation of dispatch bids and offers	110
3.8.9	Default offers and bids	110
3.8.10	Network constraints	111
3.8.11	Ancillary services constraints	113
3.8.12	System scheduled reserve constraints	113
3.8.13	Notification of constraints	113
3.8.14	Dispatch under conditions of supply scarcity	113
3.8.15	[Deleted]	114
3.8.16	Equal priced dispatch bids and dispatch offers	114
3.8.17	Self-commitment	114
3.8.18	Self-decommitment	115
3.8.19	Dispatch inflexibilities	115
3.8.20	Pre-dispatch schedule	118
3.8.21	On-line dispatch process	119
3.8.22	Rebidding	121
3.8.22A	Variation of offer, bid or rebid	122
3.8.23	Failure to conform to dispatch instructions	122
3.8.24	Scheduling errors	124
3.9	Price Determination	125
3.9.1	Principles applicable to spot price determination	125
3.9.2	Determination of spot prices	126
3.9.2A	Determination of ancillary services prices	127
3.9.2B	Pricing where AEMO determines a manifestly incorrect input	128
3.9.3	Pricing in the event of intervention by AEMO	130
3.9.3A	Reliability standard and reliability settings review	131
3.9.4	Market Price Cap	131
3.9.5	Application of the Market Price Cap	132
3.9.6	Market Floor Price	132
3.9.6A	Application of the Market Floor Price	133
3.9.7	Pricing for constrained-on scheduled generating units	133
3.10	[Deleted]	134
3.11	Ancillary Services	134
3.11.1	Introduction	134
3.11.2	Market ancillary services	134
3.11.3	Acquisition of non-market ancillary services	135

3.11.4	Procedure for determining quantities of network control ancillary services	136
3.11.4A	Guidelines and objectives for acquisition of system restart ancillary services	137
3.11.4B	Determination of electrical sub-network boundaries	138
3.11.5	Tender process for non-market ancillary services	138
3.11.6	Procedures for the dispatch of non-market ancillary services by AEMO	141
3.11.7	Performance and testing	141
3.12	Market Intervention by AEMO	142
3.12.1	Intervention settlement timetable	142
3.12.2	Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention	142
3.12.3	Role of the Independent Expert in calculating payments in relation to intervention by AEMO	146
3.12A	Mandatory restrictions	149
3.12A.1	Restriction offers	149
3.12A.2	Mandatory restrictions schedule	151
3.12A.3	Acquisition of capacity	151
3.12A.4	Rebid of capacity under restriction offers	151
3.12A.5	Dispatch of restriction offers	152
3.12A.6	Pricing during a restriction price trading interval	152
3.12A.7	Determination of funding restriction shortfalls	152
3.12A.8	Cancellation of a mandatory restriction period	157
3.12A.9	Review by AEMC	157
3.13	Market Information	158
3.13.1	Provision of information	158
3.13.2	Systems and procedures	158
3.13.3	Standing data	159
3.13.4	Spot market	165
3.13.4A	Market ancillary services	169
3.13.5	Ancillary services contracting by AEMO	169
3.13.5A	Settlement residue auctions	170
3.13.6	[Deleted]	170
3.13.6A	Report by AEMO	170
3.13.7	Monitoring of significant variation between forecast and actual prices by AER	171
3.13.8	Public information	173
3.13.9	[Deleted]	173
3.13.10	Market auditor	173
3.13.11	[Deleted]	174

3.13.12	NMI Standing Data	174
3.13.13	Inter-network tests	177
3.14	Administered Price Cap and Market Suspension	178
3.14.1	Cumulative Price Threshold and Administered Price Cap	178
3.14.2	Application of Administered Price Cap	178
3.14.3	Conditions for suspension of the spot market	179
3.14.4	Declaration of market suspension	180
3.14.5	Pricing during market suspension	181
3.14.6	Compensation due to the application of an administered price, market price cap or market floor price	184
3.15	Settlements	187
3.15.1	Settlements management by AEMO	187
3.15.2	Electronic funds transfer	187
3.15.3	Connection point and virtual transmission node responsibility	187
3.15.4	Adjusted energy amounts - connection points	188
3.15.5	Adjusted energy - transmission network connection points	188
3.15.5A	Adjusted energy – virtual transmission nodes	189
3.15.6	Spot market transactions	189
3.15.6A	Ancillary service transactions	190
3.15.7	Payment to Directed Participants	198
3.15.7A	Payment to Directed Participants for services other than energy and market ancillary services	199
3.15.7B	Claim for additional compensation by Directed Participants	202
3.15.8	Funding of Compensation for directions	204
3.15.9	Reserve settlements	206
3.15.10	Administered price, market price cap or market floor price compensation payments	208
3.15.10A	Goods and services tax	209
3.15.10B	Restriction contract amounts	210
3.15.10C	Intervention Settlements	211
3.15.11	Reallocation transactions	214
3.15.11A	Reallocation procedures	215
3.15.12	Settlement amount	216
3.15.13	Payment of settlement amount	217
3.15.14	Preliminary statements	217
3.15.15	Final statements	217
3.15.15A	Use of estimated settlement amounts by AEMO	217
3.15.16	Payment by market participants	218
3.15.17	Payment to market participants	218

3.15.18	Disputes	218
3.15.19	Revised Statements and Adjustments	218
3.15.20	Payment of adjustments	221
3.15.21	Default procedure	221
3.15.22	Maximum total payment in respect of a billing period	224
3.15.23	Maximum total payment in respect of a financial year	225
3.15.24	Compensation for reductions under clause 3.15.23	226
3.15.25	Interest on overdue amounts	227
3.16	Participant compensation fund	227
3.16.1	Establishment of Participant compensation fund	227
3.16.2	Dispute resolution panel to determine compensation	228
3.17	AEMO Software	229
3.17.1	Acceptance of software	229
3.17.2	[Deleted]	229
3.18	Settlement Residue Auctions	229
3.18.1	Settlement residue concepts	229
3.18.2	Auctions and eligible persons	230
3.18.3	Auction rules	231
3.18.4	Proceeds and fees	232
3.18.5	Settlement residue committee	233
3.19	Market Management Systems Access Procedures	234
3.20	Reliability and Emergency Reserve Trader	235
3.20.1	Expiry of reserve and emergency reliability trader	235
3.20.2	Reliability and emergency reserve trader	235
3.20.3	Reserve contracts	236
3.20.4	Dispatch pricing methodology for unscheduled reserve contracts	237
3.20.5	AEMO's risk management and accounts relating to the reliability safety net	237
3.20.6	Reporting on RERT by AEMO	237
3.20.7	AEMO's exercise of the RERT	239
3.20.8	RERT Guidelines	240
3.20.9	Review of reserve and emergency reliability trader	240
Schedule 3.1	Registered Bid and Offer Data	242
	Scheduled Generating Unit Data:	242
	Semi-Scheduled Generating Unit Data:	243
	Scheduled Load Data:	243
	Scheduled Network Service Data:	243
	Dispatch Inflexibility Profile:	244
	Aggregation Data:	244

	Schedule 3.2 - [Deleted]	244
	Schedule 3.3 - Principles for Determination of Maximum Credit Limits & Prudential Margins	244
	S3.3.1 Principles for determining maximum credit limits	245
	S3.3.2 Principles for determining prudential margins	246
4.	Power System Security	248
	4.1 Introduction	248
	4.1.1 Purpose	248
	4.2 Definitions and Principles	248
	4.2.1 [Deleted]	248
	4.2.2 Satisfactory Operating State	248
	4.2.3 Credible and non-credible contingency events	249
	4.2.3A Re-classifying contingency events	250
	4.2.3B Criteria for re-classifying contingency events	251
	4.2.4 Secure operating state and power system security	252
	4.2.5 Technical envelope	252
	4.2.6 General principles for maintaining power system security	253
	4.2.7 Reliable Operating State	254
	4.2.8 Time for undertaking action	254
	4.3 Power System Security Responsibilities and Obligations	254
	4.3.1 Responsibility of AEMO for power system security	254
	4.3.2 System security	257
	4.3.3 The role of System Operators	259
	4.3.4 Network Service Providers	260
	4.3.5 Market Customer obligations	261
	4.4 Power System Frequency Control	261
	4.4.1 Power system frequency control responsibilities	261
	4.4.2 Operational frequency control requirements	262
	4.4.3 Generator protection requirements	262
	4.5 Control of Power System Voltage	262
	4.5.1 Power system voltage control	262
	4.5.2 Reactive power reserve requirements	263
	4.5.3 Audit and testing	263
	4.6 Protection of Power System Equipment	264
	4.6.1 Power system fault levels	264
	4.6.2 Power system protection co-ordination	264
	4.6.3 Audit and testing	264
	4.6.4 Short-term thermal ratings of power system	264
	4.6.5 Partial outage of power protection systems	264

4.7	Power System Stability Co-ordination	265
4.7.1	Stability analysis co-ordination	265
4.7.2	Audit and testing	265
4.8	Power System Security Operations	265
4.8.1	Registered Participants' advice	265
4.8.2	Protection or control system abnormality	266
4.8.3	AEMO's advice on power system emergency conditions	266
4.8.4	Declaration of conditions	266
4.8.5	Managing declarations of conditions	267
4.8.5A	Determination of the latest time for AEMO intervention	267
4.8.5B	Notifications of last time of AEMO intervention	268
4.8.6	[Deleted]	269
4.8.7	Managing a power system contingency event	269
4.8.8	[Deleted]	269
4.8.9	Power to issue directions and clause 4.8.9 instructions	269
4.8.9A	System security directions	271
4.8.10	Disconnection of generating units and market network services	271
4.8.11	[Deleted]	272
4.8.12	System restart plan and local black system procedures	272
4.8.13	[Deleted]	273
4.8.14	Power system restoration	273
4.8.15	Review of operating incidents	273
4.9	Power System Security Related Market Operations	275
4.9.1	Load forecasting	275
4.9.2	Instructions to Scheduled Generators and Semi-Scheduled Generators	276
4.9.2A	Dispatch Instructions to Scheduled Network Service Providers	277
4.9.3	Instructions to Registered Participants	278
4.9.3A	Ancillary services instructions	278
4.9.3B	Compliance with dispatch instructions	279
4.9.4	Dispatch related limitations on Scheduled Generators and Semi-Scheduled Generators	279
4.9.4A	Dispatch related limitations on Scheduled Network Service Providers	280
4.9.5	Form of dispatch instructions	280
4.9.6	Commitment of scheduled generating units	281
4.9.7	De-commitment, or output reduction, by Scheduled Generators	282
4.9.8	General responsibilities of Registered Participants	282
4.9.9	Scheduled Generator plant changes	283
4.9.9A	Scheduled Network Service Provider plant changes	283
4.9.9B	Ancillary service plant changes	283

4.10	Power System Operating Procedures	283
4.10.1	Power system operating procedures	283
4.10.2	Transmission network operations	284
4.10.3	Operating interaction with distribution networks	284
4.10.4	Switching of a Distributor's high voltage networks	285
4.10.5	Switching of reactive power facilities	285
4.10.6	Automatic reclose	285
4.10.7	Inspection of facilities by AEMO	285
4.11	Power System Security Support	286
4.11.1	Remote control and monitoring devices	286
4.11.2	Operational control and indication communication facilities	287
4.11.3	Power system voice/data operational communication facilities	287
4.11.4	Records of power system operational communication	288
4.11.5	Agent communications	288
4.12	Nomenclature Standards	289
4.13	[Deleted]	290
4.14	Acceptance of Performance Standards	290
4.15	Compliance with Performance Standards	291
4.16	Transitioning arrangements for establishment of performance standards	294
4.16.1	Definitions	294
4.16.2	Exclusions	296
4.16.3	Notification and acceptance of performance standards	297
4.16.4	Actual capability	302
4.16.5	Criteria for, and negotiation of, performance standards	303
4.16.6	Consultation with and assistance by Network Service Providers	305
4.16.7	Referral to expert determination	306
4.16.8	Prior actions	307
4.16.9	Deemed performance standards	307
4.16.10	Modification of connection agreements	307
4.17	Expert determination	308
4.17.1	Performance standards committee and appointment of performance standards experts	308
4.17.2	Referral to performance standards expert	309
4.17.3	Determinations of performance standards experts	310
4.17.4	Other matters	311
5.	Network Connection	313
5.1	Statement of Purpose	313
5.1.1	[Deleted]	313

5.1.2	Purpose	313
5.1.3	Principles	315
5.2	Obligations	316
5.2.1	Obligations of Registered Participants	316
5.2.2	Connection agreements	316
5.2.3	Obligations of network service providers	317
5.2.4	Obligations of customers	320
5.2.5	Obligations of Generators	321
5.3	Establishing or Modifying Connection	322
5.3.1	Process and procedures	322
5.3.2	Connection enquiry	323
5.3.3	Response to connection enquiry	323
5.3.4	Application for connection	326
5.3.4A	Negotiated access standards	327
5.3.5	Preparation of offer to connect	329
5.3.6	Offer to connect	330
5.3.7	Finalisation of connection agreements	331
5.3.7A	Application for connection to declared shared network	333
5.3.8	Provision and use of information	333
5.3.9	Procedure to be followed by a Generator proposing to alter a generating system	334
5.3.10	Acceptance of performance standards for generating plant that is altered	336
5.4	Design of Connected Equipment	337
5.4.1	Application	337
5.4.2	Advice of inconsistencies	337
5.4.3	Additional information	337
5.4.4	Advice on possible non-compliance	338
5.4A	Access arrangements relating to Transmission Networks	338
5.5	Access arrangements relating to Distribution Networks	341
5.6	Planning and Development of Network	345
5.6.1	Forecasts for connection points to transmission network	345
5.6.2	Network Development	345
5.6.2A	Annual Planning Report	349
5.6.3	AEMO's obligation to publish information and guidelines and provide advice	352
5.6.4	Last Resort Planning Power	354
5.6.5	[Deleted]	357
5.6.5A	Investments subject to the regulatory test	357
5.6.5B	Regulatory investment test for transmission	359

Principles	359
5.6.5C Investments subject to the regulatory investment test for transmission	364
5.6.5D Identification of a credible option	366
5.6.5E Review of Costs Thresholds	367
5.6.6 Regulatory investment test for transmission procedures	368
5.6.6B Construction of Funded Augmentations	378
5.6A National Transmission Planning	379
5.6A.1 Preliminary consultation	379
5.6A.2 Publication of NTNDP	380
5.6A.3 Development strategies for national transmission flow paths	382
5.6A.4 NTNDP database	383
5.6A.5 Jurisdictional planning bodies and jurisdictional planning representatives	383
5.7 Inspection and Testing	384
5.7.1 Right of entry and inspection	384
5.7.2 Right of testing	386
5.7.3 Tests to demonstrate compliance with connection requirements for generators	387
5.7.4 Routine testing of protection equipment	389
5.7.5 Testing by Registered Participants of their own plant requiring changes to normal operation	390
5.7.6 Tests of generating units requiring changes to normal operation	391
5.7.7 Inter-network power system tests	393
5.8 Commissioning	399
5.8.1 Requirement to inspect and test equipment	399
5.8.2 Co-ordination during commissioning	400
5.8.3 Control and protection settings for equipment	400
5.8.4 Commissioning program	401
5.8.5 Commissioning tests	402
5.9 Disconnection and Reconnection	402
5.9.1 Voluntary disconnection	402
5.9.2 Decommissioning procedures	403
5.9.3 Involuntary disconnection	403
5.9.4 Direction to disconnect	404
5.9.4A Notification of disconnection	404
5.9.5 Disconnection during an emergency	404
5.9.6 Obligation to reconnect	405
Schedule 5.1a - System standards	407
S5.1a.1 Purpose	407

S5.1a.2	Frequency	407
S5.1a.3	System stability	407
S5.1a.4	Power frequency voltage	408
S5.1a.5	Voltage fluctuations	409
S5.1a.6	Voltage waveform distortion	409
S5.1a.7	Voltage unbalance	409
S5.1a.8	Fault clearance times	410
Schedule 5.1 - Network Performance Requirements to be Provided or Co-ordinated by Network Service Providers		413
S5.1.1	Introduction	413
S5.1.2	Network reliability	414
S5.1.3	Frequency variations	416
S5.1.4	Magnitude of power frequency voltage	417
S5.1.5	Voltage fluctuations	418
S5.1.6	Voltage harmonic or voltage notching distortion	419
S5.1.7	Voltage unbalance	420
S5.1.8	Stability	421
S5.1.9	Protection systems and fault clearance times	422
S5.1.10	Load and network control facilities	426
S5.1.11	Automatic reclosure of transmission or distribution lines	427
S5.1.12	Rating of transmission lines and equipment	427
S5.1.13	Information to be provided	428
Schedule 5.2 - Conditions for Connection of Generators		429
S5.2.1	Outline of requirements	429
S5.2.2	Application of Settings	430
S5.2.3	Technical matters to be coordinated	430
S5.2.4	Provision of information	432
S5.2.5	Technical requirements	434
S5.2.6	Monitoring and control requirements	464
S5.2.7	Power station auxiliary supplies	467
S5.2.8	Fault current	467
Schedule 5.3 - Conditions for Connection of Customers		470
S5.3.1a	Introduction to the schedule	470
S5.3.1	Information	471
S5.3.2	Design standards	472
S5.3.3	Protection systems and settings	472
S5.3.4	Settings of protection and control systems	474
S5.3.5	Power factor requirements	475
S5.3.6	Balancing of load currents	476

S5.3.7	Voltage fluctuations	476
S5.3.8	Harmonics and voltage notching	477
S5.3.9	Design requirements for Network Users' substations	477
S5.3.10	Load shedding facilities	478
	Schedule 5.3a - Conditions for connection of Market Network Services	479
S5.3a.1a	Introduction to the schedule	479
S5.3a.1	Provision of Information	480
S5.3a.2	Application of settings	481
S5.3a.3	Technical matters to be co-ordinated	482
S5.3a.4	Monitoring and control requirements	483
S5.3a.5	Design standards	484
S5.3a.6	Protection systems and settings	485
S5.3a.7	[Deleted]	486
S5.3a.8	Reactive power capability	486
S5.3a.9	Balancing of load currents	487
S5.3a.10	Voltage fluctuations	487
S5.3a.11	Harmonics and voltage notching	488
S5.3a.12	Design requirements for Market Network Service Providers' substations	488
S5.3a.13	Market network service response to disturbances in the power system	489
S5.3a.14	Protection of market network services from power system disturbances	489
	Schedule 5.4 - Information to be Provided with Preliminary Enquiry	491
	Schedule 5.5 - Technical Details to Support Application for Connection and Connection Agreement	492
Schedule 5.5.1 -	[Deleted]	496
Schedule 5.5.2 -	[Deleted]	496
Schedule 5.5.3 -	Network and plant technical data of equipment at or near connection point	496
Schedule 5.5.4 -	Network Plant and Apparatus Setting Data	499
Schedule 5.5.5 -	Load Characteristics at Connection Point	500
	Schedule 5.6 - Terms and Conditions of Connection agreements	502
	Schedule 5.7 - Annual Forecast Information for Planning Purposes	504
Chapter 6	Economic Regulation of Distribution Services	507
6.1	Introduction to Chapter 6	507
6.1.1	AER's regulatory responsibility	507
6.1.2	Structure of this Chapter	507
6.1.3	Access to direct control services and negotiated distribution services	508
6.1.4	Prohibition of DUOS charges for the export of energy	508
6.2	Classification	509
6.2.1	Classification of distribution services	509

6.2.2	Classification of direct control services as standard control services or alternative control services	510
6.2.3	Term for which classification operates	511
6.2.4	Duty of AER to make distribution determinations	511
6.2.5	Control mechanisms for direct control services	511
6.2.6	Basis of control mechanisms for direct control services	513
6.2.7	Negotiated distribution services	513
6.2.8	Guidelines	513
6.3	Building block determinations	514
6.3.1	Introduction	514
6.3.2	Contents of building block determination	514
6.4	Post-tax revenue model	515
6.4.1	Preparation, publication and amendment of post-tax revenue model	515
6.4.2	Contents of post-tax revenue model	515
6.4.3	Building block approach	515
6.5	Matters relevant to the making of building block determinations	517
6.5.1	Regulatory asset base	517
6.5.2	Return on capital	518
6.5.3	Estimated cost of corporate income tax	520
6.5.4	Review of rate of return	521
6.5.5	Depreciation	523
6.5.6	Forecast operating expenditure	524
6.5.7	Forecast capital expenditure	526
6.5.8	Efficiency benefit sharing scheme	528
6.5.9	The X factor	529
6.6	Adjustments after making of building block determination.	530
6.6.1	Cost pass through	530
6.6.2	Service target performance incentive scheme	533
6.6.3	Demand management incentive scheme	534
6.7	Negotiated distribution services	535
6.7.1	Principles relating to access to negotiated distribution services	535
6.7.2	Determination of terms and conditions of access for negotiated distribution services	537
6.7.3	Negotiating framework determination	538
6.7.4	Negotiated Distribution Service Criteria determination	538
6.7.5	Preparation of and requirements for negotiating framework for negotiated distribution services	539
6.7.6	Confidential information	541
6.8	Regulatory proposal	542

6.8.1	AER's framework and approach paper	542
6.8.2	Submission of regulatory proposal	543
6.9	Preliminary examination and consultation	544
6.9.1	Preliminary examination	544
6.9.2	Resubmission of proposal	545
6.9.3	Consultation	545
6.10	Draft distribution determination and further consultation	545
6.10.1	Making of draft distribution determination	545
6.10.2	Publication of draft determination and consultation	545
6.10.3	Submission of revised proposal	546
6.11	Distribution determination	547
6.11.1	Making of distribution determination	547
6.11.2	Notice of distribution determination	547
6.11.3	Commencement of distribution determination	547
6.12	Requirements relating to draft and final distribution determinations	548
6.12.1	Constituent decisions	548
6.12.2	Reasons for decisions	550
6.12.3	Extent of AER's discretion in making distribution determinations	551
6.13	Revocation and substitution of distribution determination for wrong information or error	552
6.14	Miscellaneous	552
6.15	Cost allocation	553
6.15.1	Duty to comply with Cost Allocation Method	553
6.15.2	Cost Allocation Principles	553
6.15.3	Cost Allocation Guidelines	554
6.15.4	Cost Allocation Method	555
6.16	Distribution consultation procedures	556
6.17	Distribution Ring-Fencing Guidelines	558
6.17.1	Compliance with Distribution Ring-Fencing Guidelines	558
6.17.2	Development of Distribution Ring-Fencing Guidelines	558
6.18	Distribution Pricing Rules	559
6.18.1	Application of this Part	559
6.18.2	Pricing proposals	559
6.18.3	Tariff classes	560
6.18.4	Principles governing assignment or re-assignment of customers to tariff classes and assessment and review of basis of charging	561
6.18.5	Pricing principles	562
6.18.6	Side constraints on tariffs for standard control services	562

6.18.7	Recovery of charges for transmission use of system services	563
6.18.8	Approval of pricing proposal	563
6.18.9	Publication of information about tariffs and tariff classes	564
6.19.	Data Required for Distribution Service Pricing	565
6.19.1	Forecast use of networks by Distribution Customers and Embedded Generators	565
6.19.2	Confidentiality of distribution network pricing information	565
6.20	Billing and Settlements Process	565
6.20.1	Billing for distribution services	565
6.20.2	Minimum information to be provided in distribution network service bills	568
6.20.3	Settlement between Distribution Network Service Providers	568
6.20.4	Obligation to pay	568
6.21	Distribution Network Service Provider Prudential Requirements	568
6.21.1	Prudential requirements for distribution network service	568
6.21.2	Capital contributions, prepayments and financial guarantees	569
6.21.3	Treatment of past prepayments and capital contributions	570
6.22	Dispute Resolution	570
6.22.1	Dispute Resolution by the AER	570
6.22.2	Determination of dispute	570
6.22.3	Termination of access dispute without access determination	572
6.23	Separate disclosure of transmission and distribution charges	573
6.24	Dual Function Assets	574
6.24.1	Application of this Part	574
6.24.2	Dual Function Assets	574
6.25	AER determination of applicable pricing regime for Dual Function Assets	574
6.26	Division of Distribution Network Service Provider's revenue	576
S6.1.1	Information and matters relating to capital expenditure	578
S6.1.2	Information and matters relating to operating expenditure	579
S6.1.3	Additional information and matters	580
S6.2.1	Establishment of opening regulatory asset base for a regulatory control period	582
S6.2.2	Prudency and efficiency of capital expenditure	586
S6.2.3	Roll forward of regulatory asset base within the same regulatory control period	587
6A.	Economic Regulation of Transmission Services	590
6A.1	Introduction to Chapter 6A	590
6A.1.1	Economic regulation of transmission services generally	590
6A.1.2	Meaning of terms and conditions of access for transmission services	591

6A.1.3	Access to prescribed and negotiated transmission services	591
6A.1.4	National regulatory arrangements	592
6A.1.5	Application of Chapter 6A to Market Network Service Providers	592
6A.1.6	Application of Chapter 6A to AEMO and declared transmission system operators	593
6A.2	Transmission determinations	593
6A.2.1	Duty of <i>AER</i> to make transmission determinations	593
6A.2.2	Components of transmission determinations	593
6A.3	Allowed revenue from prescribed transmission services	594
6A.3.1	Allowed revenue for regulatory year	594
6A.3.2	Adjustment of maximum allowed revenue	594
6A.4	Revenue determinations	594
6A.4.1	Introduction	594
6A.4.2	Contents of revenue determination	595
6A.5	Post-tax revenue model	596
6A.5.1	Introduction	596
6A.5.2	Preparation, publication and amendment of post-tax revenue model	596
6A.5.3	Contents of post-tax revenue model	596
6A.5.4	Building blocks approach	597
6A.6	Matters relevant to the making of revenue determinations	598
6A.6.1	Regulatory asset base	598
6A.6.2	Return on capital	600
6A.6.3	Depreciation	603
6A.6.4	Estimated cost of corporate income tax	604
6A.6.5	Efficiency benefit sharing scheme	606
6A.6.6	Forecast operating expenditure	607
6A.6.7	Forecast capital expenditure	610
6A.6.8	The X factor	614
6A.7	Matters relevant to the adjustment of revenue cap after making of revenue determination	615
6A.7.1	Reopening of revenue determination for capital expenditure	615
6A.7.2	Network support pass through	617
6A.7.3	Cost pass through	619
6A.7.4	Service target performance incentive scheme	622
6A.8	Contingent Projects	624
6A.8.1	Acceptance of a Contingent Project in a revenue determination	624
6A.8.2	Amendment of revenue determination for contingent project	625
6A.9	Negotiated transmission services	629
6A.9.1	Principles relating to access to negotiated transmission services	629

6A.9.2	Determination of terms and conditions of access for negotiated transmission services	631
6A.9.3	Negotiating framework determination	631
6A.9.4	Negotiated transmission criteria determination	632
6A.9.5	Preparation of and requirements for negotiating framework	632
6A.9.6	Confidential information	634
6A.9.7	Commercial arbitration for negotiated transmission services	634
6A.10	Revenue Proposal, proposed negotiating framework and proposed pricing methodology	635
6A.10.1	Submission of proposal, framework, pricing methodology and information	635
6A.10.2	Submission guidelines	636
6A.11	Preliminary examination and consultation	638
6A.11.1	Preliminary examination and determination of non-compliance with relevant requirements	638
6A.11.2	Resubmission of proposal, framework, pricing methodology or information	639
6A.11.3	Resubmission of proposal, framework, pricing methodology or information	639
6A.12	Draft decision and further consultation	640
6A.12.1	Making of draft decision	640
6A.12.2	Publication of draft decision and consultation	640
6A.12.3	Submission of revised proposal, framework or pricing methodology	641
6A.13	Final decision	642
6A.13.1	Making of final decision	642
6A.13.2	Refusal to approve amounts, values, framework or pricing methodology	642
6A.13.3	Notice of final decision	643
6A.13.4	Making of transmission determination	644
6A.14	Requirements relating to draft and final decisions	644
6A.14.1	Contents of decisions	644
6A.14.2	Reasons for decisions	646
6A.14.3	Circumstances in which matters must be approved or accepted	646
6A.15	Revocation of revenue determination or amendment of pricing methodology for wrong information or error	649
6A.16	Miscellaneous	650
6A.17	Information disclosure by Transmission Network Service Providers	651
6A.17.1	Information to be provided to AER	651
6A.17.2	Information Guidelines	652
6A.18	[Deleted]	653

6A.19	Cost allocation	654
6A.19.1	Duty to comply with Cost Allocation Methodology	654
6A.19.2	Cost Allocation Principles	654
6A.19.3	Cost Allocation Guidelines	655
6A.19.4	Cost Allocation Methodology	656
6A.20	Transmission consultation procedures	657
6A.21	Transmission Ring-Fencing Guidelines	659
6A.21.1	Compliance with Transmission Ring-Fencing Guidelines	659
6A.21.2	Development of Transmission Ring-Fencing Guidelines	659
6A.22	Terms used in Part J	660
6A.22.1	Aggregate annual revenue requirement (AARR)	660
6A.22.2	Annual service revenue requirement (ASRR)	661
6A.22.3	Meaning of attributable cost share	661
6A.22.4	Meaning of attributable connection point cost share	661
6A.23	Pricing Principles for Prescribed Transmission Services	662
6A.23.1	Introduction	662
6A.23.2	Principles for the allocation of the AARR to categories of prescribed transmission services	662
6A.23.3	Principles for the allocation of the ASRR to transmission network connection points	663
6A.23.4	Price structure principles	664
6A.24	Pricing methodology	666
6A.24.1	Pricing methodologies generally	666
6A.24.2	Publication of pricing methodology and transmission network prices	667
6A.24.3	Basis for setting prices pending approval of pricing methodology	667
6A.24.4	Basis for setting prices pending approval of maximum allowed revenue	668
6A.25	Pricing methodology guidelines for prescribed transmission services	669
6A.25.1	Making and amending of pricing methodology guidelines	669
6A.25.2	Contents of pricing methodology guidelines	669
6A.26	Prudent discounts	670
6A.26.1	Agreements for prudent discounts for prescribed transmission services	670
6A.26.2	Application to AER for approval of proposed prudent discount amounts	671
6A.27	Billing Process	673
6A.27.1	Billing for prescribed transmission services	673
6A.27.2	Minimum information to be provided in network service bills	673
6A.27.3	Obligation to pay charges for prescribed transmission services	674
6A.27.4	Payments between Transmission Network Service Providers	674

6A.27.5 Calculation of financial transfers between Transmission Network Service Providers	674
6A.28 Prudential Requirements	675
6A.28.1 Prudential Requirements for prescribed transmission services	675
6A.28.2 Capital contribution or prepayment for a specific asset	675
6A.28.3 Treatment of past capital contributions	675
6A.29 Multiple Transmission Network Service Providers	676
6A.29.1 Multiple Transmission Network Service Providers within a region	676
6A.29.2 Single Transmission Network Service Provider within a region	676
6A.29.3 Allocation over several regions	677
6A.30 Commercial arbitration for prescribed and negotiated transmission services	677
6A.30.1 Notification of transmission services dispute	677
6A.30.2 Appointment of commercial arbitrator	677
6A.30.3 Procedures of commercial arbitrator	678
6A.30.4 Powers of commercial arbitrator in determining transmission services access disputes	679
6A.30.5 Determination of transmission services access disputes	680
6A.30.5 Costs of dispute	681
6A.30.6 Enforcement of agreement or determination and requirement for reasons	682
6A.30.7 Miscellaneous	682
Schedule 6A.1 - Contents of Revenue Proposals	682
S6A.1.1 Information and matters relating to capital expenditure	682
S6A.1.2 Information and matters relating to operating expenditure	683
S6A.1.3 Additional information and matters	684
Schedule 6A.2 - Regulatory Asset Base	687
S6A.2.1 Establishment of opening regulatory asset base for a regulatory control period	687
S6A.2.2 Prudency and efficiency of capital expenditure	692
S6A.2.3 Removal of assets from regulatory asset base	692
S6A.2.4 Roll forward of regulatory asset base within the same regulatory control period	694
Schedule 6A.3 – CRNP methodology and modified CRNP methodology	695
S6A.3.1 Meaning of optimised replacement cost	695
S6A.3.2 CRNP methodology	695
S6A.3.3 Modified CRNP methodology	696
Schedule 6A.4—Application of this Chapter to AEMO and declared transmission system operators	696
S6A.4.1 Application of this Chapter to AEMO etc	696

S6A.4.2	Exclusions, qualifications and modifications	697
7.	Metering	706
7.1	Introduction to the Metering Chapter	706
7.1.1	Purpose	706
7.1.2	Obligations of Market Participants to establish metering installations	706
7.2	Responsibility for Metering Installation	707
7.2.1	Responsible person	707
7.2.2	Responsibility of the Market Participant	707
7.2.3	Responsibility of the Local Network Service Provider	707
7.2.4	Joint metering installations	709
7.2.5	Role of the responsible person	709
7.2.6	[Deleted]	711
7.2.7	Registration of metering installations	711
7.2.8	Market Settlement and Transfer Solution Procedures	711
7.2A.1	B2B e-Hub	712
7.2A.2	Information Exchange Committee	712
7.2A.3	Method of making and changing B2B Procedures	716
7.2A.4	Content of the B2B Procedures	719
7.2A.5	Transition of B2B Communications from the Market Settlement and Transfer Solution Procedures	720
7.2A.6	Cost Recovery	721
7.3	Metering Installation Arrangements	722
7.3.1A	Metering Installation Requirements	722
7.3.1	Metering installation components	722
7.3.2	Connection and metering point	726
7.3.3	Use of metering data	726
7.3.4	Metering installation types and accuracy	726
7.3.5	Data collection system	728
7.3.6	Payment for metering	728
7.4	Metering Providers	730
7.4.1	Responsibility	730
7.4.2	Qualifications and registration of Metering Providers	730
7.4.3	Deregistration of Metering Providers	731
7.5	Register of Metering Information	732
7.5.1	Metering register	732
7.5.2	Metering register discrepancy	732
7.6	Inspection, Testing and Audit of Metering Installations	732
7.6.1	Responsibility for testing	732
7.6.2	Actions in event of non-compliance	734

7.6.3	Audits of metering data	735
7.6.4	Retention of test records and documents	735
7.7	Entitlement to metering data	736
7.8	Security of Metering Installations and Data	738
7.8.1	Security of metering installations	738
7.8.2	Security controls	739
7.8.3	Changes to metering equipment, parameters and settings	739
7.8.4	Changes to metering data	740
7.9	Processing of Metering Data for Settlements Purposes	740
7.9.1	Metering databases	740
7.9.2	Remote acquisition of data	741
7.9.3	Periodic energy metering	742
7.9.4	Data validation, substitution and estimation	742
7.9.5	Errors found in metering tests, inspections or audits	743
7.10	Confidentiality	743
7.11	Performance of Metering Installation	743
7.11.1	Metering data	743
7.11.2	Metering installation malfunctions	744
7.12	Time settings	745
7.13	Evolving Technologies and Processes and Development of the Market	745
7.14	Metrology procedure	747
7.14.1	Requirements of the metrology procedure	747
7.14.2	Jurisdictional metrology material in metrology procedure	748
7.14.3	Additional matters	750
7.14.4	Amendment of the metrology procedure	751
7.15	Miscellaneous	752
Schedule 7.1 - Responsibility for Metering		753
Schedule 7.2 - Types and Accuracy of Metering Installations		754
S7.2.1	General requirements	754
S7.2.2	Metering installations commissioned prior to 13 December 1998	754
S7.2.3	Accuracy requirements for metering installations	755
S7.2.4	Check metering	761
S7.2.5	Resolution and accuracy of displayed or captured data	761
S7.2.6	General design standards	762
Schedule 7.3 - Inspection and Testing Requirements		764
S7.3.1	General	764
S7.3.2	Technical Guidelines	766
Schedule 7.4 - Metering Provider		768

S7.4.1	General	768
S7.4.2	Categories of registration	768
S7.4.3	Capabilities of Metering Providers for metering installations types 1, 2, 3 and 4	769
S7.4.4	Capabilities of Metering Providers for metering installations types 5, 6 and 7	772
S7.4.5	Capabilities of the Accredited Service Provider category	772
	Schedule 7.5 - Metering Register	773
S7.5.1.	General	773
S7.5.2.	Metering register information	773
8.	Administrative Functions	777
8.1	Administrative functions	777
8.1.1	[Deleted]	777
8.1.2	[Deleted]	777
8.1.3	Structure of this Chapter	777
8.2	Dispute Resolution	778
8.2.1	Application and guiding principles	778
8.2.2	The Dispute Resolution Adviser	781
8.2.3	Dispute management systems of Registered Participants and AEMO	782
8.2.4	Stage 1 - dispute resolution through Registered Participants' DMS	782
8.2.5	Stage 2 - dispute resolution process	785
8.2.6A	Establishment of Dispute Resolution Panel	786
8.2.6B	Parties to DRP Proceedings	787
8.2.6C	Proceedings of the DRP	788
8.2.6D	Decisions of the DRP	789
8.2.6	[Deleted]	790
8.2.7	Legal representation	790
8.2.8	Cost of dispute resolution	790
8.2.9	Effect of resolution	790
8.2.10	Recording and publication	791
8.2.11	Appeals on questions of law	791
8.2.12	[Deleted]	791
8.2A	B2B Determination Disputes	791
8.2A.1	Application of rule 8.2	791
8.2A.2	How rule 8.2 applies	791
8.3	[Deleted]	794
8.4	[Deleted]	794
8.5	[Deleted]	794
8.6	Confidentiality	795

8.6.1	Confidentiality	795
8.6.2	Exceptions	796
8.6.3	Conditions	797
8.6.4	[Deleted]	797
8.6.5	Indemnity to AER, AEMC and AEMO	797
8.6.6	AEMO information	798
8.6.7	Information on Rules Bodies	798
Part D	Monitoring and reporting	798
8.7	Monitoring and Reporting	798
8.7.1	Monitoring	798
8.7.2	Reporting requirements and monitoring standards for Registered Participants and AEMO	799
8.7.3	Consultation required for making general regulatory information order (Section 28H of the NEL)	801
8.7.4	Preparation of network service provider performance report (Section 28V of the NEL)	802
8.7.5	[Deleted]	803
8.7.6	Recovery of reporting costs	803
Part E	Reliability panel	803
8.8	Reliability Panel	803
8.8.1	Purpose of Reliability Panel	803
8.8.2	Constitution of the Reliability Panel	805
8.8.3	Reliability review process	807
Part F	Rules consultation procedures	809
8.9	Rules Consultation Procedures	809
Part G	Consumer Advocacy Panel	812
8.10	Consumer advocacy funding obligation	812
Part H	Augmentations	812
8.11.1	Application	812
8.11.2	Object	812
8.11.3	Definitions	813
8.11.4	Planning criteria	813
8.11.5	Construction of augmentation that is not a contestable augmentation	814
8.11.6	Contestable augmentations	815
8.11.7	Construction and operation of contestable augmentation	815
8.11.8	Funded augmentations that are not subject to the tender process	817
8.11.9	Contractual requirements and principles	818
8.11.10	Annual planning review	818
S8.11.1	Risk allocation	819

S8.11.2	Minimum requirements for agreements relating to contestable augmentation	820
S8.11.3	Matters to be dealt with in relevant agreements	821
8A.	Participant Derogations	823
Part 1 –	Derogations Granted to TransGrid	824
8A.1	Derogation for the Treatment of Contingent Projects under Revenue Determination	824
8A.1.1	Expiry date	824
8A.1.2	Definitions	824
8A.1.3	Treatment of contingent projects	824
Part 2 -	Derogations Granted to EnergyAustralia	826
8A.2	Derogation from clause 3.18.2(g)(2) - Auctions and eligible persons	826
8A.2.1	Definitions	826
8A.2.2	Expiry date	826
8A.2.3	Derogation	826
8A.2A	Derogation from inspection and testing of metering installations	827
8A.2A.1	Definitions	827
8A.2A.2	Derogation	827
Part 3 [Deleted]		829
Part 4 [Deleted]		830
Part 5 [Deleted]		831
Part 6 -	Derogations Granted to Victorian Market Participants	832
	[Deleted]	832
Part 7 - [Deleted]		833
Part 8 [Deleted]		834
Part 9 [Deleted]		835
Part 10 [Deleted]		836
Part 11 - [Deleted]		837
Part 12 -	Ancillary Services Provisions	838
1.	Transitional Arrangements	838
2.	[Deleted]	838
Part 13 -	Derogation granted to Aurora Energy (Tamar Valley) Pty Ltd	839
8A.13	Derogation from clause S5.2.5.3 – Generating unit response to frequency disturbances	839
8A.13.1	Definitions	839
8A.13.2	Expiry date	839
8A.13.3	Derogation	839
9.	Jurisdictional Derogations and Transitional Arrangements	842
9.1	Purpose and Application	842
9.1.1	Purpose	842

9.1.2	Jurisdictional Derogations	842
9.2	[Deleted]	843
9.3	Definitions	843
9.3.1	General Definitions	843
9.3.2	[Deleted]	844
9.3A	Fault levels	844
9.4	Transitional Arrangements for Chapter 2 - Registered Participants, Registration and Cross Border Networks	845
9.4.1	[Deleted]	845
9.4.2	Smelter Trader	845
9.4.3	Smelter Trader: compliance	846
9.4.4	Report from AER	849
9.4.5	Cross Border Networks	849
9.5	[Deleted]	850
9.6	Transitional Arrangements for Chapter 4 - System Security	850
9.6.1	Operating Procedures (clause 4.10.1)	850
9.6.2	Nomenclature Standards (clause 4.12)	850
9.7	Transitional Arrangements for Chapter 5 - Network Connection	850
9.7.1	[Deleted]	850
9.7.2	[Deleted]	850
9.7.3	[Deleted]	850
9.7.4	Regulation of Distribution Network Connection	850
9.7.5	[Deleted]	852
9.7.6	[Deleted]	852
9.7.7	[Deleted]	852
9.8	Transitional Arrangements for Chapter 6 - Network Pricing	852
9.8.1	[Deleted]	852
9.8.2	[Deleted]	852
9.8.3	[Deleted]	852
9.8.4	Transmission Network Pricing	852
9.8.4A	[Deleted]	853
9.8.4B	[Deleted]	853
9.8.4C	[Deleted]	853
9.8.4D	[Deleted]	853
9.8.4E	[Deleted]	853
9.8.4F	[Deleted]	853
9.8.4G	[Deleted]	853
9.8.5	Distribution Network Pricing – Victorian Jurisdictional Regulator	853

9.8.6	[Deleted]	853
9.8.7	Distribution network pricing – transitional application of former Chapter 6	853
9.8.8	Exclusion of AER's power to aggregate distribution systems and parts of distribution systems	855
9.9	Transitional Arrangements for Chapter 7 - Metering	855
9.9.1	Metering Installations To Which This Schedule Applies	855
9.9.2	[Deleted]	856
9.9.3	[Deleted]	856
9.9.4	[Deleted]	856
9.9.5	[Deleted]	856
9.9.6	[Deleted]	856
9.9.7	[Deleted]	856
9.9.8	[Deleted]	856
9.9.9	Periodic Energy Metering (clause 7.9.3)	856
9.9.10	Use of Alternate Technologies (clause 7.13)	856
9.9A	[Deleted]	856
	Schedule 9A1.1 – [Deleted]	860
	Schedule 9A1.2 – [Deleted]	860
	Schedule 9A1.3 – [Deleted]	860
	Schedule 9A2 – [Deleted]	860
	Schedule 9A3 – Jurisdictional Derogations Granted to Generators	861
1.	Interpretation of tables	861
2.	Continuing effect	861
3.	Subsequent agreement	861
4.	Additional services that may be required (clause S5.2.2 of schedule 5.2)	862
5.	Reactive Power Capability (clause S5.2.5.1 of schedule 5.2)	862
6.	Generating unit response to disturbances (clauses S5.2.5.3, S5.2.5.4 and S5.2.5.5 of schedule 5.2)	864
7.	Partial load rejection (clause S5.2.5.7 of schedule 5.2)	865
8.	[Deleted]	867
9.	[Deleted]	867
10.	Protection systems that impact on system security (clause S5.2.5.9 of schedule 5.2)	867
11.	Asynchronous operation (clause S5.2.5.10 of schedule 5.2)	869
12.	[Deleted]	869
13.	Governor Systems (load control) (clause S5.2.5.11 of schedule 5.2)	869
14.	Governor control equipment (clause S5.2.5.11 of schedule 5.2)	869
15.	Reactive current compensation (clause S5.2.5.13 schedule 5.2)	871
16.	Excitation Control System (clause S5.2.5.13 of schedule 5.2)	871

9.10	[Deleted]	872
9.11	Definitions	872
9.11.1	Definitions used in this Part B	872
9.12	Transitional Arrangements for Chapter 2 - Generators, Registered Participants, Registration and Cross Border Networks	874
9.12.1	Registration as a Generator	874
9.12.2	Customers	874
9.12.3	Power Traders	875
9.12.4	Cross Border Networks	878
9.13	[Deleted]	878
9.14	Transitional Arrangements for Chapter 4 - System Security	878
9.14.1	Power System Operating Procedures	878
9.15	Transitional Arrangements for Chapter 5 - Network Connection	878
9.15.1	[Deleted]	878
9.15.2	Disputes Relating to a NSW Distribution Network	878
9.16	Transitional Arrangements for Chapter 6 - Network Pricing	880
9.16.1	[Deleted]	880
9.16.2	[Deleted]	880
9.16.3	Jurisdictional Regulator	880
9.16.4	Deemed Regulated Interconnector	880
9.16.5	Revenue Cap	880
9.17	Transitional Arrangements for Chapter 7 - Metering	882
9.17.1	Extent of Derogations	882
9.17.2	Initial Registration (clause 7.1.2)	882
9.17.3	Amendments to Schedule 9G1	882
9.17.4	Compliance with AS/NZ ISO 9002 (clause S7.4.3(f) of schedule 7.4)	883
9.17A	[Deleted]	883
9.18	[Deleted]	883
9.19	[Deleted]	884
9.20	Definitions and Transitional Arrangements for Cross-Border Networks	884
9.20.1	Definitions	884
9.20.2	Cross Border Networks	884
9.21	[Deleted]	885
9.22	[Deleted]	885
9.23	Transitional Arrangements for Chapter 6 - Network Pricing	885
9.23.1	[Deleted]	885
9.23.2	[Deleted]	885

9.23.3	[Deleted]	885
9.23.4	[Deleted]	885
9.24	Transitional Arrangements	885
9.24.1	Chapter 7 - Metering	885
9.24.2	[Deleted]	885
9.24A	[Deleted]	885
9.25	Definitions	886
9.25.1	[Deleted]	886
9.25.2	Definitions	886
9.26	Transitional Arrangements for Chapter 2 - Registered Participants, Registration And Cross Border Networks	889
9.26.1	Registration as a Generator	889
9.26.2	Registration as a Customer	890
9.26.3	Cross Border Networks	890
9.26.4	[Deleted]	890
9.26.5	Registration as a Network Service Provider	890
9.27	[Deleted]	891
9.28	Transitional Arrangements for Chapter 5 - Network Connection	891
9.28.1	Application of clause 5.2	891
9.28.2	Regulation of Distribution Network Connection	892
9.28.3	[Deleted]	893
9.29	Transitional Arrangements for Chapter 6 - Economic Regulation of Distribution Services	893
9.29.1	Jurisdictional Regulator	893
9.29.2	[Deleted]	893
9.29.3	[Deleted]	893
9.29.4	[Deleted]	893
9.29.5	Distribution Network Pricing – South Australia	893
9.29.6	Capital contributions, prepayments and financial guarantees	895
9.29.7	Ring fencing	895
9.29A	Monitoring and reporting	895
9.30	Transitional Provisions	896
9.30.1	Chapter 7 - Metering	896
9.30.2	Participant fees related to additional advisory functions	897
	Schedule 9D1 - [Deleted]	897
9.31	[Deleted]	898
9.32	Definitions and Interpretation	898
9.32.1	Definitions	898

9.32.2	Interpretation	900
9.33	Transitional Arrangements for Chapter 1	900
9.33.1	[Deleted]	900
9.34	Transitional Arrangements for Chapter 2 - Registered Participants and Registration	900
9.34.1	Application of the Rules in Queensland (clauses 2.2 and 2.5)	900
9.34.2	Stanwell Cross Border Leases (clause 2.2)	901
9.34.3	[Deleted]	901
9.34.4	Registration as a Customer (clause 2.3.1)	901
9.34.5	There is no clause 9.34.5	902
9.34.6	Exempted generation agreements (clause 2.2)	902
9.35	[Deleted]	907
9.36	[Deleted]	907
9.37	Transitional Arrangements for Chapter 5 - Network Connection	907
9.37.1	[Deleted]	907
9.37.2	Existing connection and access agreements (clause 5.2)	907
9.37.3	[Deleted]	908
9.37.4	Regulation of distribution network connection (clause 5.3)	908
9.37.5	Forecasts for connection points to transmission network (clause 5.6.1)	908
9.37.6	There is no clause 9.37.6	909
9.37.7	Cross Border Networks	909
9.37.8	[Deleted]	909
9.37.9	Credible contingency events (clause S5.1.2.1 of schedule 5.1)	909
9.37.10	Reactive power capability (clause S5.2.5.1 of schedule 5.2)	909
9.37.11	[Deleted]	910
9.37.12	Voltage fluctuations (clause S5.1.5 of schedule 5.1)	910
9.37.13	[Deleted]	913
9.37.14	[Deleted]	913
9.37.15	[Deleted]	913
9.37.16	[Deleted]	913
9.37.17	[Deleted]	913
9.37.18	[Deleted]	913
9.37.19	Generating unit response to disturbances (clause S5.2.5.3 of schedule 5.2)	913
9.37.20	[Deleted]	913
9.37.21	Excitation control system (clause S.5.2.5.13 of schedule 5.2)	913
9.37.22	[Deleted]	914
9.37.23	Annual forecast information for planning purposes (schedule 5.7)	914

9.38	Transitional Arrangements for Chapter 6 - Network Pricing	914
9.38.1	[Deleted]	914
9.38.2	[Deleted]	914
9.38.3	Arrangements for regulation of distribution pricing	914
9.38.4	Interconnectors between regions	915
9.38.5	Transmission pricing for exempted generation agreements	915
9.39	Transitional Arrangements for Chapter 7 - Metering	916
9.39.1	Metering installations to which this clause applies	916
9.39.2	[Deleted]	916
9.39.3	[Deleted]	916
9.39.4	[Deleted]	916
9.39.5	[Deleted]	916
9.40	Transitional Arrangements for Chapter 8 - Administration Functions	916
9.40.1	[Deleted]	916
9.40.2	[Deleted]	916
9.40.3	[Deleted]	916
9.41	[Deleted]	916
	Schedule 9E1 - Exempted Generation Agreements	917
9.41A	[Deleted]	919
9.42	Definitions and interpretation	919
9.42.1	Definitions	919
9.42.2	Interpretation	922
9.42.3	National grid, power system and related expressions	922
9.43	Transitional arrangements for Chapter 1 - Introduction - Validity of certain actions taken prior to Transition Date	922
9.44	Transitional arrangements for Chapter 2 – Registered Participants and Registration - Customers (clause 2.3.1(e))	923
9.45	Transitional arrangements for Chapter 3 - Market Rules	923
9.45.1	Tasmanian Region (clause 3.5)	923
9.45.2	Administered Price Cap (clause 3.14.1)	923
9.45.3	Settlement Residue Auctions (clause 3.18.1)	923
9.46	Transitional arrangements for Chapter 4 - Power System Security	924
9.46.1	Satisfactory Operating State (clause 4.2.2)	924
9.46.2	Secure operating state and power system security (clause 4.2.6(c))	924
9.46.3	Market Customer obligations (clause 4.3.5(b))	924
9.46.4	Power System Frequency Control Responsibilities (clause 4.4.1)	924
9.47	Transitional arrangements for Chapter 5- Network Connection	925

9.47.1	Existing Connection Agreements	925
9.47.2	[Deleted]	925
9.47.3	Frequency variations (clauses S5.1.3 and S5.1.10)	925
9.47.4	Fault clearance times (clauses S5.1.9 and S5.1a.8 and table S5.1a.2)	925
9.48	Transitional arrangements for Chapter 6 - Transmission and Distribution Pricing	926
9.48.1	[Deleted]	926
9.48.2	Transmission Service Pricing	926
9.48.3	Distribution Service Pricing – Jurisdictional Regulator	927
9.48.4	Distribution Service Pricing	928
9.48.4A	Ring fencing	928
9.48.4B	Uniformity of tariffs for small customers	928
9.48.5	Transmission network	928
9.48.6	Deemed regulated interconnector	929
9.49	Transitional arrangements for Chapter 8 - Administrative Functions	929
9.49.1	Frequency Standards (clause 8.8.1)	929
9.49.2	Termination of frequency derogations	929
9.49.3	Reliability Panel	929
9.49.4	Principles to be applied by Reliability Panel	930
	Schedule 9G1 - Metering Transitional Arrangements	931
1.	Introduction	931
2.	[Deleted]	931
3.	General Principle	931
4.	[Deleted]	931
5.	Accuracy Requirements	931
5.1	Existing Metering Installations Transitional Exemptions	931
5.2	[Deleted]	932
6.	[Deleted]	932
7.	[Deleted]	932
8.	[Deleted]	932
9.	[Deleted]	932
10.	[Deleted]	932
10.	GLOSSARY	934
11.	Savings and Transitional Rules	1038
11.1	Rules consequent on making of the National Electricity Amendment (Negative Inter-Regional Settlements Residue) Rule 2006 and on the making of the National Electricity	

Amendment (Negative Settlements Residue Recovery, Extension of Sunset) Rule 2009	1038
11.1.1 Recovery of accrued negative settlements residue	1038
11.1.2 Recovery of interest costs associated with accrued negative settlements residue	1038
11.2 Rules consequent on making of the National Electricity Amendment (System Restart Ancillary Services and pricing under market suspension) Rule 2006 No.6	1039
11.2.1 Transitional provision for acquisition of non-market ancillary services	1039
11.3 [Deleted]	1040
11.4 Rules consequent on making of the National Electricity Amendment (Dispute Resolution for Regulatory Test) Rule 2006	1040
11.4.1 Continuation of things done under old clause 5.6.6	1040
11.5 Rules consequential on the making of the National Electricity Amendment (Metrology) Rule 2006	1041
11.5.1 Definitions	1041
11.5.2 Metrology procedures continues to apply until 31 December 2006	1041
11.5.3 Responsible person	1041
11.5.4 NEMMCO's responsibility to develop a metrology procedure	1041
11.5.5 Jurisdictional metrology material in the metrology procedure	1042
11.6 Rules consequent on making of the National Electricity Amendment (Economic Regulation of Transmission Services) Rule 2006	1043
11.6.1 Definitions	1043
11.6.2 New Chapter 6A does not affect existing revenue determinations	1044
11.6.3 Old Part C and Schedules 6.2, 6.3, 6.4, 6.7 and 6.8 of old Chapter 6	1045
11.6.4 Old Part F of Chapter 6	1045
11.6.5 Application of new Chapter 6A to Transmission Network Service Providers	1045
11.6.6 Application of Chapter 6 to old distribution matters	1045
11.6.7 References to the old Chapter 6	1046
11.6.8 References to provisions of the old Chapter 6	1046
11.6.9 Roll forward of regulatory asset base for first regulatory control period	1046
11.6.10 Other adjustment carry-over mechanisms from current to first regulatory control period	1046
11.6.11 Clause consequent upon making National Electricity Amendment (Cost Allocation Arrangements for Transmission Services) Rule No 2009 No 3 - Transition to new Chapter 6A: existing prescribed connection services	1046
11.6.12 Powerlink transitional provisions	1050
11.6.13 ElectraNet easements transitional provisions	1053

11.6.14	TransGrid contingent projects	1054
11.6.15	Transmission determination includes existing revenue determinations	1054
11.6.16	References to regulatory control period	1055
11.6.17	Consultation procedure for first proposed guidelines	1055
11.6.18	Reliance on proposed guidelines for SP AusNet, VENCORP and ElectraNet	1055
11.6.19	EnergyAustralia transitional provisions	1056
11.6.20	Basslink transitional provisions	1058
11.6.21	SPI Powernet savings and transitional provision	1060
11.6.22	Interim arrangements pricing-related information	1062
11.7	Rules consequent on making of the National Electricity Amendment (Reform of the Regulatory Test Principles) Rule 2006 No.19	1062
11.7.1	Definitions	1062
11.7.2	Amending Rule does not affect old clause 5.6.5A	1063
11.8	Rules consequent on making the National Electricity Amendment (Pricing of Prescribed Transmission Services) Rule 2006	1063
11.8.1	Definitions	1063
11.8.2	Regulated interconnectors	1064
11.8.3	Application of new Part J of Chapter 6A to Transmission Network Service Providers	1064
11.8.4	Reliance on agreed interim guideline for ElectraNet, SPAusNet, and VenCorp	1065
11.8.5	Prudent discounts under existing agreements	1065
11.8.6	Application of prudent discounts regime under rule 6A.26	1065
11.8.7	Prudent discounts pending approval of pricing methodology	1065
11.9	Rules consequent on the making of the National Electricity Amendment (Reallocations) Rule 2007	1067
11.9.1	Definitions	1067
11.9.2	Existing and transitional reallocations	1067
11.10	Rules consequent on making of the National Electricity Amendment (Technical Standards for Wind Generation and other Generator Connections) Rule 2007	1068
11.10.1	Definitions	1068
11.10.2	Provision of information under S5.2.4 in registration application	1068
11.10.3	Access standards made under the old Chapter 5	1069
11.10.4	Modifications to plant by Generators	1069
11.10.5	Technical Details to Support Application for Connection and Connection Agreement	1069
11.10.6	Transitional arrangements for establishment of performance standards	1070

11.10.7	Jurisdictional Derogations for Queensland	1070
11.10A	Rules consequent on the making of the National Electricity Amendment (Central Dispatch and Integration of Wind and Other Intermittent Generation) Rule 2008	1070
11.10A.1	Definitions	1070
11.10A.2	Registration and reclassification of classified generating units	1071
11.10A.3	Registered generating unit	1071
11.10A.4	Classification of potential semi-scheduled generating unit	1072
11.10A.5	Participant fees	1072
11.10A.6	Timetable	1073
11.10A.7	Procedure for contribution factors for ancillary service transactions	1073
11.10A.8	Guidelines for energy conversion model information	1073
11.11	Rules consequent on making of the National Electricity Amendment (Cost Recovery of Localised Regulation Services) Rule 2007	1073
11.11.1	Definitions	1073
11.11.2	Action taken by NEMMCO for the purposes of Amending Rule	1074
11.12	Rules consequent on making of the National Electricity Amendment (Efficient Dispatch of Regulation Services) Rule 2007	1074
11.12.1	Definitions	1074
11.12.2	Action taken by NEMMCO for the purposes of Amending Rule	1074
11.13	Rules consequent on making the National Electricity Amendment (Abolition of Snowy Region) Rule 2007	1075
11.13.1	Definitions	1075
11.13.2	Purpose of rule 11.13	1076
11.13.3	Application of rule 11.13	1076
11.13.4	Implementation period	1076
11.13.5	Publishing of implementation plan by NEMMCO	1076
11.13.6	NEMMCO implementation functions	1076
11.13.7	Software modifications to implement abolition of Snowy region	1077
11.13.8	Allocation of transmission connection points as a result of abolition of Snowy region	1077
11.13.9	Location of region boundaries	1078
11.13.10	2008/09 Regions Publication and Loss Factors Publication	1079
11.13.11	Reserve margin calculations	1079
11.13.12	Re-calculation of network constraints and transmission loss factors	1079
11.13.13	Transition of settlements residue auction arrangements	1080
11.13.14	Continuity of regions	1081

Division 1	General Provisions	1081
11.14	General provisions	1081
11.14.1	Application of this Division	1081
11.14.2	Definitions	1081
11.14.3	Preservation of old regulatory regime	1082
11.14.4	Transfer of regulatory responsibility	1083
11.14.5	Special requirements with regard to ring fencing	1084
11.14.6	Additional requirements with regard to cost allocation	1085
11.14.7	Construction of documents	1085
Division 2	Special provisions applying to New South Wales and the Australian Capital Territory for the Regulatory Control Period 2009-2014	1085
11.15	Special provisions applying to New South Wales and the Australian Capital Territory	1085
11.15.1	Regulatory control period 2009-2014 for NSW and ACT	1085
11.15.2	Application of Chapter 6 to NSW and ACT for regulatory control period 2009-2014	1085
Division 3	Transitional arrangements for first distribution determination for Queensland Distribution Network Service Providers	1086
11.16	Transitional arrangements for first distribution determination for Queensland Distribution Network Service Providers	1086
11.16.1	Definitions	1086
11.16.2	Application of Part to Queensland 2010 distribution determinations	1087
11.16.3	Treatment of the regulatory asset base	1087
11.16.4	Efficiency Benefit Sharing Scheme	1087
11.16.5	Service Target Performance Incentive Scheme	1088
11.16.6	Framework and approach	1088
11.16.7	Regulatory Proposal	1088
11.16.8	Side constraints	1089
11.16.9	Cost pass throughs	1089
11.16.10	Capital Contributions Policy	1089
Division 4	Transitional provisions of specific application to Victoria	1090
11.17	Transitional provisions of specific application to Victoria	1090
11.17.1	Definitions	1090
11.17.2	Calculation of estimated cost of corporate income tax	1090
11.17.3	Decisions made in the absence of a statement of regulatory intent	1091
11.17.4	Cost allocation guidelines	1091
11.17.5	Modification of requirements related to cost allocation method	1091
11.17.6	AMI Order in Council	1092

11.18	Rules consequential on the making of the National Electricity Amendment (Registration of Foreign Based Persons and Corporations as Trader Class Participants) Rule 2007	1093
11.18.1	Definitions	1093
11.18.2	Auction rules	1093
11.19	Rules consequent on making of the National Electricity Amendment (Process for Region Change) Rule 2007	1093
11.19.1	Definitions	1093
11.19.2	Regions Publication	1094
11.20	Rules consequential on the making of the National Electricity Amendment (Integration of NEM Metrology Requirements) Rule 2008	1094
11.20.1	Definitions	1094
11.20.2	Metering installations for non-market generating units immediately prior to 30 June 2008	1094
11.20.3	First-tier load metering installations	1095
11.20.4	First-tier load metering installations in Victoria	1095
11.20.5	Minimalist Transitioning Approach in Queensland	1095
11.20.6	First-tier jurisdictional requirements publication	1096
11.20.7	Metrology procedure	1096
11.21	Rules consequential on the making of the National Electricity Amendment (NEM Reliability Settings: Information Safety Net and Directions) Rule 2008 No. 6	1096
11.21.1	Definitions	1096
11.21.2	EAAP guidelines	1096
11.21.3	[Deleted]	1097
11.21.4	[Deleted]	1097
11.21.5	Timetable	1097
11.21.6	Power system security and reliability standards	1097
11.21.7	Report on statement of opportunities	1097
11.21.8	Methodology for dispatch prices and ancillary services prices	1097
11.22	Rules consequential on the making of the National Electricity Amendment (Regulatory Test Thresholds and Information Disclosure on Network Replacements) Rule 2008	1098
11.22.1	Definitions	1098
11.22.2	Amending Rule does not affect existing regulatory test	1098
11.23	Rules consequential on the making of the National Electricity Amendment (Performance Standards Compliance of Generators) Rule 2008	1099
11.23.1	Definitions	1099

11.23.2	Application of rule 11.23 for compliance programs implemented immediately after the commencement of the Amending Rule	1099
11.23.3	Application of rule 11.23 for compliance programs implemented immediately prior to the commencement of the Amending Rule	1099
11.23.4	Application of rule 11.23 for compliance programs not implemented immediately prior to the commencement of the Amending Rule	1099
11.24	Rules consequential on the making of National Electricity Amendment (Compensation Arrangements under Administered Pricing) Rule 2008	1100
11.24.1	Definitions	1100
11.23.2	Compensation Guidelines	1100
11.25	Rule consequential on the making of the National Electricity Amendment (Confidentiality Arrangements in Respect of Information Required for Power System Studies) Rule 2009	1100
11.25.1	Definitions	1100
11.25.2	Transitional arrangements for the provision of information	1100
11.26	Rule consequential on the making of the National Electricity Amendment (WACC Reviews: Extension of Time) Rule 2009	1102
11.26.1	Definitions	1102
11.26.2	Extension of time to submit a regulatory proposal for the regulatory control period 2010-2015	1102
11.27	Rules consequent on the making of the National Electricity Amendment (National Transmission Statement) Rule 2009	1103
11.27.1	Definitions	1103
11.27.2	Purpose	1103
11.27.3	Application of rule 11.27	1103
11.27.4	National Transmission Statement	1104
11.27.5	Scope and Content of National Transmission Network Development Plan	1106
11.27.6	Energy Adequacy Assessment Projection	1106
11.27.7	Amendment to Last Resort Power	1106
11.27.8	Actions taken prior to commencement of Rule	1106
11.28	Rules consequential on the making of the National Electricity (Australian Energy Market Operator) Amendment Rules 2009	1106
11.28.1	Definitions	1106
11.28.2	Jurisdictional planning bodies and representatives	1107
11.28.3	Criteria and guidelines published by Inter-regional Planning Committee	1107
11.28.4	Augmentation technical reports	1108
11.28.5	Last Resort Planning Power	1108

11.28.6	Inter-network power system tests	1108
11.28.7	Control and protection settings for equipment	1108
11.29	Rules consequent on making of the National Electricity Amendment (Regulatory Investment Test for Transmission) Rule 2009	1109
11.29.1	Definitions	1109
11.29.2	Period when Amending Rule applies to transmission investment	1110
11.30	Rules consequent on the making of the National Electricity Amendment (Congestion Information Resource) Rule 2009	1110
11.30.1	Definitions	1110
11.30.2	Interim congestion information resource	1111
11.31	Rules consequent on the making of the National Electricity Amendment (Improved RERT Flexibility and Short-notice Reserve Contracts) Rule 2009	1113
11.31.1	Definitions	1113
11.31.2	Purpose	1113
11.31.3	Amendments to Reliability Panel's RERT Guidelines	1113
11.31.4	Amendments to AEMO's RERT procedures for exercising the RERT	1114
Chapter 6	Economic Regulation of Distribution Services	1116
6.1	Introduction to Chapter 6	1116
6.1.1	AER's regulatory responsibility	1116
6.1.2	Structure of this Chapter	1116
6.1.3	Access to direct control services and negotiated distribution services	1117
6.1.4	Prohibition of DUOS charges for the export of energy	1118
6.1.5	Application of this Chapter to certain transmission assets – ActewAGL, Country Energy and Integral Energy Australia	1118
6.1.6	Application of this Chapter to the EnergyAustralia transmission support network	1118
6.1.7	Definitions	1119
6.2	Classification	1121
6.2.1	*****	1121
6.2.2	*****	1121
6.2.3	*****	1121
6.2.3A	Classes and subclasses of distribution services	1121
6.2.3B	Classification for NSW Distribution Network Service Providers	1122
6.2.3C	Classification for ACT Distribution Network Service Provider	1124
6.2.4	Duty of AER to make distribution determinations	1125
6.2.5	Control mechanisms for direct control services	1126
6.2.6	Basis of control mechanisms for direct control services	1127
6.2.7	EnergyAustralia negotiated distribution services	1128

6.2.7A	Negotiable components of direct control services (NSW and ACT)	1128
6.2.8	Guidelines	1128
6.3	Building block determinations	1129
6.3.1	Introduction	1129
6.3.2	Contents of building block determination	1129
6.4	Post-tax revenue model	1130
6.4.1	Preparation, publication and amendment of post-tax revenue model	1130
6.4.2	Contents of post-tax revenue model	1130
6.4.3	Building block approach	1130
6.5	Matters relevant to the making of building block determinations	1132
6.5.1	Regulatory asset base	1132
6.5.2	Return on capital	1134
6.5.3	Estimated cost of corporate income tax	1136
6.5.4	*****	1137
6.5.5	Depreciation	1137
6.5.6	Forecast operating expenditure	1137
6.5.7	Forecast capital expenditure	1140
6.5.8	Efficiency benefit sharing scheme	1142
6.5.9	The X factor	1143
6.6	Adjustments after making of building block determination	1144
6.6.1	Cost pass through	1144
6.6.2	Service target performance incentive scheme	1148
6.6.3	Demand management incentive scheme	1150
6.7	Negotiated distribution services	1151
6.7.1	Principles relating to access to negotiated distribution services	1152
6.7.2	Determination of terms and conditions of access for negotiated distribution services	1153
6.7.3	Negotiating framework determination	1154
6.7.4	Negotiated Distribution Service Criteria determination	1154
6.7.5	Preparation of and requirements for negotiating framework for negotiated distribution services	1155
6.7.6	Confidential information	1157
6.7A	Negotiable components of direct control services	1157
6.7A.1	Principles relating to access to negotiable components	1158
6.7A.2	Determination of terms and conditions of access for negotiable components	1160
6.7A.3	Negotiating framework determination	1160
6.7A.4	Negotiable component criteria determination	1160
6.7A.5	Preparation of and requirements for negotiating framework	1161

6.7A.6 Confidential information	1163
6.8 Regulatory proposal	1164
6.8.1 *****	1164
6.8.2 Submission of regulatory proposal	1164
6.9 Preliminary examination and consultation	1165
6.9.1 Preliminary examination	1165
6.9.2 Resubmission of proposal	1165
6.9.3 Consultation	1165
6.10 Draft distribution determination and further consultation	1166
6.10.1 Making of draft distribution determination	1166
6.10.2 Publication of draft determination and consultation	1166
6.10.3 Submission of revised proposal	1167
6.11 Distribution determination	1168
6.11.1 Making of distribution determination	1168
6.11.2 Notice of distribution determination	1168
6.11.3 Commencement of distribution determination	1168
6.12 Requirements relating to draft and final distribution determinations	1169
6.12.1 Constituent decisions	1169
6.12.1A Division of EnergyAustralia's revenue	1171
6.12.2 Reasons for decisions	1172
6.12.3 Extent of AER's discretion in making distribution determinations	1172
6.13 Revocation and substitution of distribution determination for wrong information or error	1173
6.14 Miscellaneous	1174
6.15 Cost allocation	1174
6.15.1 Duty to comply with Cost Allocation Method	1174
6.15.2 *****	1175
6.15.3 *****	1175
6.15.4 *****	1175
Provisions applicable to the NSW Distribution Network Service Providers	1175
6.15.5 Cost Allocation Guidelines (NSW)	1175
6.15.6 Cost Allocation Method (NSW)	1175
Provisions applicable to the ACT Distribution Network Service Provider	1176
6.15.7 Cost Allocation Principles (ACT)	1176
6.15.8 Cost Allocation Method (ACT)	1177
6.17 Distribution Ring-Fencing Guidelines	1179
6.17.1 Compliance with Distribution Ring-Fencing Guidelines	1179
6.17.2 Development of Distribution Ring-Fencing Guidelines	1180

6.18	Distribution Pricing Rules	1181
6.18.1	Application of this Part	1181
6.18.2	Pricing proposals	1181
6.18.3	Tariff classes	1182
6.18.4	Principles governing assignment or re-assignment of customers to tariff classes and assessment and review of basis of charging	1182
6.18.5	Pricing principles	1183
6.18.6	Side constraints on tariffs for standard control services	1184
6.18.7	Recovery of charges for transmission use of system services	1185
6.18.8	Approval of pricing proposal	1185
6.18.9	Publication of information about tariffs and tariff classes	1186
6.19.	Data Required for Distribution Service Pricing	1186
6.19.1	Forecast use of networks by Distribution Customers and Embedded Generators	1186
6.19.2	Confidentiality of distribution network pricing information	1187
6.20	Billing and Settlements Process	1187
6.20.1	Billing for distribution services	1187
6.20.2	Minimum information to be provided in distribution network service bills	1189
6.20.3	Settlement between Distribution Network Service Providers	1190
6.20.4	Obligation to pay	1190
6.21	Distribution Network Service Provider Prudential Requirements	1190
6.21.1	Prudential requirements for distribution network service	1190
6.21.2	Capital contributions, prepayments and financial guarantees	1191
6.21.3	Treatment of past prepayments and capital contributions	1191
6.21.4	Application of IPART and ICRC guidelines regarding capital contribution charges	1192
6.22	Dispute Resolution	1192
6.22.1	Dispute Resolution by the AER	1192
6.22.2	Determination of dispute	1192
6.22.3	Termination of access dispute without access determination	1194
6.23	Separate disclosure of transmission and distribution charges	1195
Schedule 6.1	Contents of building block proposals	1196
S6.1.1	Information and matters relating to capital expenditure	1196
S6.1.2	Information and matters relating to operating expenditure	1197
S6.1.3	Additional information and matters	1198
Schedule 6.2	Regulatory Asset Base	1200
S6.2.1	Establishment of opening regulatory asset base for a regulatory control period	1200
S6.2.2	*****	1204

S6.2.3	Roll forward of regulatory asset base within the same regulatory control period	1204
--------	---	------