

National Electricity Rules Version 21

Status Information

This is a draft consolidation based on the latest electronically available version of the National Electricity Rules as at 1 July 2008.

This draft consolidated version of the National Electricity Rules includes the following draft amendment:

Draft National Electricity Amendment (Queensland Generator Technical Performance Standards Derogation) Rule 2008

This version of the National Electricity Rules only contains the Chapters of the National Electricity Rules that are amended by the Draft Rule.

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CHAPTER 9

9. Jurisdictional Derogations and Transitional Arrangements

9.1 Purpose and Application

9.1.1 Purpose

- (a) This Chapter contains the *jurisdictional derogations* that apply in relation to each *participating jurisdiction*.
- (b) This Chapter prevails over all other Chapters of the *Rules*.

9.1.2 Jurisdictional Derogations

The *jurisdictional derogations* that apply in relation to each *participating jurisdiction* are set out in this Chapter as follows:

- (a) Part A - Victoria;
- (b) Part B - New South Wales;
- (c) Part C - Australian Capital Territory;
- (d) Part D - South Australia;
- (e) Part E - Queensland; and
- (f) Part F – Tasmania.

Part G sets out the Schedules to this Chapter 9.

Part A – Jurisdictional Derogations for Victoria

9.2 [Deleted]

9.3 Definitions

9.3.1 General Definitions

For the purposes of this Part A:

- (1) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (2) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
Counterparties	In relation to the <i>Smelter Agreements</i> , means Portland Smelter Services Pty Ltd, Alcoa of Australia Limited or any other party to one or more of the <i>Smelter Agreements</i> (other than <i>SEC</i>).
CPI	The Consumer Price Index: All Groups Index Number Melbourne compiled by the Australian Bureau of Statistics.
distribution licence	A <i>licence</i> to distribute and supply electricity.
Distributor	A person who holds a <i>distribution licence</i> .
EI Act	Electricity Industry Act 2000 (Vic).
EI (RP) Act	Electricity Industry (Residual Provisions) Act 1993 (Vic).
ESC	The Essential Services Commission established under section 7 of the <i>ESC Act</i> .
ESC Act	The Essential Services Commission Act 2001 (Vic).
Information requirements guidelines	The <i>submission guidelines</i> referred to in clause 6A.10.2.
licence	A licence within the meaning of the <i>EI Act</i> or deemed to be issued under the <i>EI Act</i> by operation of clause 5 of Schedule 4 to the <i>EI (RP) Act</i> .
maximum allowable aggregate revenue	The maximum allowable aggregate revenue for a <i>financial year</i> or <i>relevant regulatory period</i> (as the case may be) determined under clause 9.8.4C(d), as adjusted from time to time under clause 9.8.4C(g3) or (g4).
Quarter	The respective 3 monthly periods adopted by the Australian Bureau of Statistics for the compilation and issue of the CPI.

Column 1	Column 2
Regulated owner	An owner (whether <i>SPI PowerNet</i> or any other person) of the <i>Victorian Transmission Network</i> or a part of the <i>Victorian Transmission Network</i> : (a) who transmits electricity pursuant to a <i>transmission exemption</i> or <i>transmission licence</i> ; (b) who is subject to the operation of the <i>Rules</i> ; and (c) whose <i>aggregate annual revenue requirement</i> for <i>transmission services</i> is regulated under Chapter 6.
relevant regulatory period	A period comprising not less than 5 <i>financial years</i> .
SEC	State Electricity Commission of Victoria established under the State Electricity Commission Act 1958 (Vic).
shared network services	Services relating to the use of the <i>Victorian Transmission Network</i> or a part of the <i>Victorian Transmission Network</i> provided by a <i>Regulated owner</i> to <i>VENCorp</i> , whether in accordance with a <i>transmission exemption</i> or <i>transmission licence</i> or under an agreement with <i>VENCorp</i> .
shared transmission network use charges	Charges for the locational and non-locational components of <i>prescribed TUOS services</i> and/or <i>prescribed common transmission services</i> and any other charges through which <i>VENCorp</i> is allowed, under Part J of Chapter 6A as modified by clause 9.8.4F, to recover any proportion of its <i>maximum allowable aggregate revenue</i> .
Smelter Agreements	Agreements, contracts and deeds referred to in Part A of schedule 3 to the <i>EI (RP) Act</i> in their form as at 1 July 1996 other than the Portland and Point Henry Flexible Tariff Deeds between <i>SEC</i> and the State Trust Corporation of Victoria.
Smelter Trader	<i>SEC</i> in its capacity as <i>Smelter Trader</i> .
SPI PowerNet	<i>SPI PowerNet Pty Ltd</i> (ACN 079 798 173), or any successor or assignee of any asset of <i>SPI PowerNet</i> used for the provision of <i>transmission services</i> .

Column 1	Column 2
statutory electricity transmission-related costs	<p>In relation to <i>VENCorp</i>, the sum of the following costs for a <i>relevant regulatory period</i>:</p> <ol style="list-style-type: none"> (1) <i>VENCorp</i>'s aggregate actual costs in operating and planning the <i>Victorian Transmission Network</i>; (2) all <i>network</i> charges payable by <i>VENCorp</i> to <i>SPI PowerNet</i> or any other owner of the <i>Victorian Transmission Network</i> or a part of the <i>Victorian Transmission Network</i>, including charges relating to <i>augmentations</i>; (3) all other charges payable by <i>VENCorp</i> to providers of <i>network</i> support services and other services which <i>VENCorp</i> uses to provide <i>network services</i> that are <i>transmission services</i>; and (4) any other costs that directly arise out of <i>VENCorp</i>'s functions under the <i>EI Act</i> relating to the transmission of electricity, the application of the <i>Rules</i> to <i>VENCorp</i> or the conditions imposed on <i>VENCorp</i> under its <i>transmission licence</i> relating to the transmission of electricity, for which there is no alternative method (legislative or contractual) for the recovery of those costs.
System Code	The code of that name sealed by the Office of the Regulator-General under the Office of the Regulator-General Act 1994 (Vic) on 3 October 1994 and saved and continued in operation by section 67 of the <i>ESC Act</i> .
Tariff Order	Has the same meaning as in the <i>EI Act</i> .
transmission exemption	An exemption granted under section 17 of the <i>EI Act</i> under which the person to whom it has been granted is exempted from the requirement to obtain a <i>licence</i> to transmit electricity.
transmission licence	A <i>licence</i> to transmit electricity.
VENCorp	Victorian Energy Networks Corporation established under Division 2A of Part 2 of the Gas Industry Act 1994 (Vic) and continued under Part 8 of the Gas Industry Act 2001 (Vic).
Victorian Distribution Network	In relation to a person that holds a <i>distribution licence</i> , the <i>distribution systems</i> in Victoria to which that <i>licence</i> relates and includes any part of those systems.
Victorian Minister	The Minister who, for the time being, administers the National Electricity (Victoria) Act 1997 (Vic).
Victorian Switching Operator	The person or persons who operate the Victorian Network Switching Centre.

Column 1	Column 2
Victorian Transmission Network	The <i>transmission systems</i> situated in whole or in part in Victoria in respect of which <i>VENCorp</i> (or any successor entity appointed by Victoria to carry out those functions) exercises the functions specified in clause 9.3.2(a)(1)(i) and part 1 of the table in clause 9.3.2, and includes any part of those <i>transmission systems</i> .
Wholesale Metering Code	The code of that name sealed by the Office of the Regulator-General under the Office of the Regulator-General Act 1994 (Vic) on 3 October 1994, as in force immediately before <i>market commencement</i> .

9.3.2 Network Service Provider

- (a) For a provision of the *Rules* that refers to a *Network Service Provider*, in determining the *Network Service Provider* in relation to the *Victorian Transmission Network* or a part of the *Victorian Transmission Network*, the following rules apply:
- (1) subject to this clause and to anything to the contrary in the *Rules* or this Part A, the *Network Service Provider* is:
 - (i) *VENCorp*, if the provision relates to:
 - (A) the planning, development or *augmentation* of a *transmission network* or part of a *transmission network*; or
 - (B) the provision of *common services* or *network services* that are *transmission services* (other than *entry services* or *exit services*);
 - (ii) *SPI PowerNet* or any other owner of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network*, if the provision relates to:
 - (A) the *connection* to, or modification of a *connection* to, a *transmission system*; or
 - (B) the provision of *connection services*;

- (iii) *SPI PowerNet*, if the provision relates to any function of, or service provided by, the *Victorian Switching Operator* in respect of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network*;
- (2) in the case of each clause of the *Rules* referred to in part 1 of the following table, as modified by the description in that table, the *Network Service Provider* is *VENCorp*;
- (3) in the case of each clause of the *Rules* referred to in part 2 of the following table, as modified by the description in that table, the *Network Service Provider* is *SPI PowerNet* or any other owner of the *Victorian Transmission Network* or part of the *Victorian Transmission Network*; and
- (4) in the case of each clause of the *Rules* referred to in part 3 of the following table, as modified by the description in that table, the *Network Service Provider* is the *Victorian Switching Operator*.

Clause	Clause Description
Part 1 (VENCorp)	
3.13.3(d), (e), (f)(1), (f)(2), (g)(so far as it applies to clauses 3.13.3(f)(1) and (f)(2) and (i))	Standing data concerning expected network capability
4.5.1(b) and (c)	Determining the limits of the operation of the <i>power system</i> associated with <i>voltage</i> failure and translation of limits into key location operational settings or limits
4.7.1(a)	Submission of settings for <i>plant</i> required to maintain <i>power system</i> stability
5.2.3(b)	<i>Power system</i> performance and quality of <i>supply</i> standards of <i>transmission network</i>
5.2.3(d)(12), 5.6.2(n)	Reports about <i>network augmentation</i>
5.6.1	Forecasts for <i>connection points</i> to <i>transmission network</i>
5.6.2	Development of <i>networks</i> within a <i>region</i>
5.6.2A (except 5.6.2A(b)(2))	<i>Annual Planning Reports</i> for that part of the <i>transmission network</i> used for the provision of <i>common services</i> or <i>network services</i> that are <i>transmission services</i> (other than <i>entry services</i> or <i>exit services</i>)
5.6.6	Planning for the development, construction or <i>augmentation</i> of <i>new large transmission</i>

Clause	Clause Description
	<i>network assets that are not connection assets</i>
5.6.6A	Planning for the development, construction or <i>augmentation of new small transmission network assets that are not connection assets</i>
5.6.6B	Planning for the development, construction or <i>augmentation of funded augmentations that are not connection assets</i>
5.7.6	Tests of <i>generating units</i> requiring changes to normal operation
5.7.7 (except 5.7.7(e))	Inter-regional <i>power system tests</i>
Schedule 5.1, clause S5.1.2.3	<i>Power transfer capability between regions</i>
Schedule 5.3, clause S5.3.5	Power factor requirements of <i>loads</i>

Clause	Clause Description
Part 2 (SPI PowerNet or any other owner of the Victorian Transmission Network or part of the Victorian Transmission Network)	
4.6.5	Partial outage of power protection systems
4.11.1	Remote control and monitoring devices
4.11.2(a) and (d)	Provision and maintenance of communications facilities for control, operational metering and indications from local sites
5.2.3(e) and (e1) (except 5.2.3(e1)(2))	Management, maintenance, operation and restoration of <i>network</i>

Clause	Clause Description
Part 3 (Victorian Switching Operator)	
4.3.1(d)	High voltage switching procedures and arrangements
5.9.3	Involuntary disconnection
5.9.4	Disconnection to implement a court order
5.9.6	Obligation to reconnect
Schedule 5.1, clause S5.1.10.3(a)	Functional testing of <i>load shedding facilities</i>
Schedule 5.2, clause S5.2.3(8)	Switching and <i>isolation facilities</i>

- (b) Notwithstanding anything in clause 9.3.2(a), the obligations of *VENCorp*, *SPI_PowerNet* and any other owner of the *Victorian Transmission Network* or part of the *Victorian Transmission Network* under the *Rules* are several, and not joint nor joint and several.
- (c) *VENCorp*:
 - (1) is a *Network Service Provider* in respect of the provisions of the *Rules* as set out in clause 9.3.2(a), even when *VENCorp* does not own, control or operate a *transmission system*; and
 - (2) is required to be registered by *NEMMCO* as a *Network Service Provider* under clause 2.5, even when *VENCorp* does not own, control or operate a *transmission system*.

9.4 Transitional Arrangements for Chapter 2 - Registered Participants, Registration and Cross Border Networks

9.4.1 [Deleted]

9.4.2 Smelter Trader

- (a) For the purposes of the *Rules*:
 - (1) *Smelter Trader* is deemed to be entitled to register as a *Customer* in respect of the *connection points* used to supply the electricity supplied under the *Smelter Agreements*;
 - (2) *Smelter Trader* is deemed to be registered as a *Customer* and as a *Market Customer* in relation to the electricity supplied under the *Smelter Agreements*;
 - (3) the electricity supplied under the *Smelter Agreements* is deemed to have been classified as a *market load* and the *connection points* used to supply that electricity are deemed to have been classified as *Smelter Trader's market connection points*;
 - (4) *Smelter Trader* is deemed to be the person that must register as the *Generator* in relation to the *generating systems* forming part of Anglesea Power Station;
 - (5) *Smelter Trader* is deemed to be registered as a *Generator* and a *Market Generator* in relation to the *generating systems* forming part of the Anglesea Power Station;
 - (6) *Smelter Trader* is only a *Market Generator* in respect of the *generating systems* forming part of the Anglesea Power Station to the extent to which the electricity generated by those *generating systems*

is available to the *Smelter Trader* for sale under the *Smelter Agreements*;

- (7) none of the *Counterparties* is or is to be taken to be entitled to become a *Market Participant*, an *Intending Participant* or a *Customer* in respect of the electricity supplied under the *Smelter Agreements*;
 - (8) none of the *Counterparties* or any person that operates or controls the *generating systems* forming part of the Anglesea Power Station (other than *Smelter Trader*) is or is to be taken to be entitled to register as a *Generator* in relation to the *generating systems* forming part of the Anglesea Power Station; and
 - (9) each of the *Counterparties* and any person that owns, controls or operates the *generating systems* forming part of the Anglesea Power Station (other than *Smelter Trader*) is taken to have been exempted from the requirement to register as a *Generator* in relation to the *generating systems* forming part of the Anglesea Power Station.
- (b) This clause 9.4.2 ceases to have effect upon the termination of the last of the *Smelter Agreements*.

9.4.3 **Smelter Trader: compliance**

- (a) If complying with a requirement of the *Rules* (the “Rules Requirement”) would result in the *Smelter Trader* being in breach of a provision of one or more of the *Smelter Agreements* (the “Contractual Requirement”), then the *Smelter Trader* is not required to comply with the Rules Requirement to the extent of the inconsistency between the Rules Requirement and the Contractual Requirement.
- (b) If the *Smelter Trader* does not comply with a Rules Requirement in the circumstances described in clause 9.4.3(a), then the *Smelter Trader* must:
 - (1) give written notice to the *AER* of:
 - (i) the Rules Requirement which has not been complied with;
 - (ii) details of each act or omission which partly or wholly constitutes non-compliance with that Rules Requirement; and
 - (iii) details of each Contractual Requirement which is said by the *Smelter Trader* to be inconsistent with the Rules Requirement,as soon as practicable and in any event within 30 *days* after the non-compliance with the Rules Requirement occurs or commences; and
 - (2) provide the *AER* with any documents or information in the possession or control of the *Smelter Trader* which evidence the matters referred

to in clause 9.4.3(b)(1) within 14 *days* (or any longer period agreed by the *AER*) of receiving a written request from the *AER*.

- (c) If:
- (1) the *Smelter Trader* requires the co-operation of a *Counterparty* to a *Smelter Agreement* to comply with a requirement of the *Rules*;
 - (2) the *Smelter Trader* has used reasonable endeavours to obtain the *Counterparty's* co-operation in order to enable the *Smelter Trader* to comply with that requirement; and
 - (3) under the *Smelter Agreements*, *SEC* has no ability to require the *Counterparty* to so co-operate with *SEC* and the *Counterparty* is not in breach of the *Smelter Agreements* by refusing to so co-operate with *SEC*,

then the *Smelter Trader* is not required to comply with that requirement.

- (d) If the *Smelter Trader* does not comply with a requirement of the *Rules* in the circumstances described in clause 9.4.3(c), then the *Smelter Trader* must:
- (1) give written notice to the *AER* of:
 - (i) the requirement of the *Rules* that has not been complied with;
 - (ii) details of each act or omission which partly or wholly constitutes non-compliance with that requirement of the *Rules*; and
 - (iii) details of the endeavours made by the *Smelter Trader* to obtain the co-operation of the *Counterparty* to enable the *Smelter Trader* to comply with the requirement of the *Rules*,

as soon as reasonably practical and in any event before the expiration of 30 *days* after the non-compliance with the requirement of the *Rules* occurs or commences; and

- (2) provide the *AER* with any documents or information in the possession or control of the *Smelter Trader* which evidence the matters referred to in clause 9.4.3(d)(1) within 14 *days* (or any longer period agreed by the *AER*) of receiving a written request from the *AER*.
- (e) To avoid any doubt, if:
- (1) after reviewing any written notice provided by the *Smelter Trader* under clause 9.4.3(b)(1) and any additional documents or information provided by the *Smelter Trader* under clause 9.4.3(b)(2), the *AER* forms the view that compliance with the relevant *Rules Requirement*

would not have resulted in the *Smelter Trader* being in breach of the relevant Contractual Requirement; or

- (2) after reviewing any written notice provided by the *Smelter Trader* under clause 9.4.3(d)(1) and any additional documents or information provided by the *Smelter Trader* under clause 9.4.3(d)(2), the *AER* forms the view that any of the requirements of clause 9.4.3(c) were not satisfied in respect of the subject of the notice,

then the matter may be dealt with by the *AER* as a breach of the *Rules*.

- (f) The *Smelter Trader* must give any notice or other information required to be given under this clause 9.4.3 (called in this clause “required information”) in advance if it becomes aware of the potential for the circumstances giving rise to its obligation to give the required information to arise. If any required information is given under this clause 9.4.3(f), then:
 - (1) the required information is taken to have been given in accordance with this clause 9.4.3; and
 - (2) notwithstanding clause 9.4.3(f)(1), notice must be given of the non-compliance and further information provided to the *AER* upon request under clause 9.4.3(b) or clause 9.4.3(d) (as the case may be) after the non-compliance occurs or commences.
- (g) If non-compliance with the *Rules* is continuing, the notice of non-compliance with the *Rules* provided under clause 9.4.3(b) or clause 9.4.3(d) (as the case may be) will be effective in relation to that non-compliance until that non-compliance ends if the relevant notice specifies that the non-compliance is continuing. The *Smelter Trader* must notify the *AER* of the end of the non-compliance no later than 30 *days* after the non-compliance ends.
- (h) Clauses 9.4.3(a) and 9.4.3(c) do not affect *SEC*’s obligations with respect to registration with *NEMMCO* or making payments in respect of *Participant fees, prudential requirements* or *settlement amounts*.

9.4.4 Report from AER

Within 30 *days* of the end of each *Quarter*, the *AER* must prepare a report for the previous *Quarter* and make it available on request to all *Registered Participants* and to those *participating jurisdictions* that participated in the *market* during the *Quarter* covered by the report. The report must include:

- (a) a summary of the acts or omission of the *Smelter Trader* constituting non-compliance with any requirement of the *Rules*, as disclosed in written notices received by the *AER* under clause 9.4.3 during the *Quarter* covered by the report; and

- (b) an assessment by the *AER* of the effect that those acts or omissions have had on the efficient operation of the *market* during the *Quarter* covered by the report.

9.4.5 Cross Border Networks

- (a) If:
 - (1) the *Victorian Minister* considers that a *transmission network* or *distribution network* situated in Victoria is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and
 - (2) the *Minister* for that other *participating jurisdiction* consents,then the *Victorian Minister* and the *Minister* for that other *participating jurisdiction* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.
- (b) If a nomination is made under clause 9.4.5(a), then the *jurisdictional derogations* for Victoria do not apply to the extended part of the relevant *network* which is situated in Victoria.
- (c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for Victoria should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Victorian Minister* consents, the *jurisdictional derogations* for Victoria are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.5 [Deleted]

9.6 Transitional Arrangements for Chapter 4 - System Security

9.6.1 Operating Procedures (clause 4.10.1)

- (a) For the purposes of clause 4.10.1(b), the System Operating Procedures as defined in the *System Code* as at 13 December 1998 (with the necessary changes to be made by *VENCorp*) are the *regional specific power system operating procedures* that apply from that date in respect of the *Victorian Transmission Network*.
- (b) This clause is not to be taken as limiting in any way the operation of any other provision of the *Rules* relating to the review, updating and amendment of the *regional specific power system operating procedures*.

9.6.2 Nomenclature Standards (clause 4.12)

For the purposes of clause 4.12, the Nomenclature Standards as defined in the *System Code* as at 13 December 1998 are taken to be the *nomenclature standards* agreed between a *Network Service Provider* in respect of the *Victorian Transmission Network* or a *Victorian Distribution Network* and *NEMMCO* until *NEMMCO* and the relevant *Network Service Provider* agree otherwise under clause 4.12(a) or *NEMMCO* determines otherwise under clause 4.12(a).

9.7 Transitional Arrangements for Chapter 5 - Network Connection

9.7.1 [Deleted]

9.7.2 Application for Connection

- (a) This clause applies in respect of a *transmission network* (including a part of a *transmission network*) situated in Victoria in respect of which *VENCorp* and one or more other persons that hold a *transmission licence* is a *Network Service Provider*. In this clause, such a person (not *VENCorp*) is called a “*Connection Service Provider*”.
- (b) The requirements of Chapter 5 in relation to access to, *connection* to, *augmentation* of, the modification of a *connection* to, the provision of *network services* or *transmission use of system services*, or a modification to the provision of *network services* or *transmission use of system services*, in respect of, a *transmission network* to which this clause applies are subject to this clause 9.7.2.
- (c) If a *Connection Service Provider* receives a *connection* enquiry or an *application to connect* in respect of a *transmission network* to which this clause applies and the *connection* enquiry or *application to connect* relates in whole or part to the provision of *network services* or *transmission use of system services*, or a modification to the provision of *network services* or *transmission use of system services*, in respect of, a *transmission network* to which this clause applies, then the *Connection Service Provider* must give *VENCorp* the information provided by the person making the enquiry or the application under Chapter 5 in relation to the enquiry or application.
- (d) For the purposes of determining under clause 5.3.2(e) whether *VENCorp* or a *Connection Service Provider* is the *Network Service Provider* that should process and respond to a *connection* enquiry and provide the information required under clauses 5.3.3(b)(3) and 5.3.3(b)(4) in response to a *connection* enquiry in relation to a *transmission network* to which this clause applies, regard must be had to the following:
 - (1) *VENCorp* is the *Network Service Provider* in respect of those aspects of the *application* that relate to the provision of *network services* or *transmission use of system services*; and

- (2) the relevant *Connection Service Provider* is the *Network Service Provider* in respect of the provision of *connection services*.
- (e) For the purposes of the following provisions of the *Rules*:
 - (1) responses to a *connection* enquiry under clause 5.3.3;
 - (2) provision of information about *connection* requirements under clause 5.3.4(b);
 - (3) an offer to *connect* under clauses 5.3.5 and 5.3.6;
 - (4) the terms of a *connection agreement* under clause 5.3.7; and
 - (5) the requirement to enter into a *connection agreement* under clause 5.3.7(a);

the *Network Service Provider* in respect of a *transmission network* to which this clause applies is:

- (6) *VENCorp*, in respect of the provision of *network services* or *transmission use of system services*; and
- (7) the relevant *Connection Service Provider*, in respect of the provision of *connection services*.

9.7.3 [Deleted]

9.7.4 Regulation of Distribution Network Connection

- (a) In this clause:

appropriate regulator means:

- (1) if there has been no transfer of regulatory responsibility to the *AER* under a law of Victoria – the *ESC*;
- (2) if there has been a transfer of regulatory responsibility to the *AER* under a law of Victoria – the *AER*.

- (b) This clause 9.7.4:

- (1) applies in respect of the regulation of access to, *connection* to, the modification of a *connection* to, the *augmentation* of, the provision of *network services* or *distribution use of system services*, and the modification of the provision of *network services* or *distribution use of system services*, in respect of, a *distribution network* (including any part of a *distribution network*) situated in Victoria; and

- (2) expires on the date fixed under the *National Electricity (Victoria) Act 2005* as the Victorian distribution pricing determination end date.

Note:

The date is 31 December 2010 or a later date fixed in a Victorian distribution pricing determination as the date on which the determination will cease to have effect.

- (c) Notwithstanding anything to the contrary in the *Rules*, the appropriate regulator is responsible for the regulation of access to, *connection* to, the modification of a *connection* to, the *augmentation* of, the provision of *network services* and *distribution use of system services*, and the modification of the provision of *network services* and *distribution use of system services*, in respect of, any *distribution network* to which this clause applies.
- (d) For the purposes of clause 5.3.6(c), any question as to the fairness and reasonableness of an offer to *connect* in relation to a *distribution network* to which this clause applies is to be decided by the appropriate regulator on the basis of the appropriate regulator's opinion of the fairness and reasonableness of the offer.
- (e) If a dispute arises in relation to any of access to, *connection* to, the modification of a *connection* to, the *augmentation* of, the provision of *network services* or *distribution use of system services*, or the modification of the provision of *network services* or *distribution use of system services*, in respect of, any *distribution network* to which this clause applies, then that dispute must be resolved in accordance with procedures specified by the appropriate regulator and clause 8.2 does not apply to that dispute.

9.7.5 [Deleted]

9.7.6 [Deleted]

9.7.7 [Deleted]

9.8 Transitional Arrangements for Chapter 6 - Network Pricing

9.8.1 [Deleted]

9.8.2 [Deleted]

9.8.3 [Deleted]

9.8.4 Transmission Network Pricing

(a) Notwithstanding Chapter 6A, in determining *transmission service* pricing and revenues in respect of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network*, the AER must:

- (1) [Deleted]
- (2) apply, as the case requires and subject to clauses 9.8.4A to 9.8.4F, Parts A – H of Chapter 6A; and
- (3) ensure that each *Distributor* has the benefit or burden of an equalisation adjustment for each *financial year* equal to the amount of the adjustment specified for that *Distributor* in the column headed “Equalisation Adjustment” in the following table:

TABLE	
Business	Equalisation Adjustment (\$'000) Note 2)
TXU Electricity Ltd	(4,939)
Powercor Australia Ltd	(19,011)
AGL Electricity Limited	5,171
CitiPower Pty Ltd	5,920
United Energy Ltd	12,859

multiplied by the relevant factor determined in accordance with the following table:

TABLE	
If the <i>financial year</i> falls within the period:	then the relevant factor is:
1 July 2001 - 30 June 2005	.80
1 July 2005 - 30 June 2010	.60
1 July 2010 - 30 June 2015	.40
1 July 2015 - 30 June 2020	.20
thereafter	0

(b) [Deleted]

9.8.4A Modification of Chapter 6A in its application to Victoria

The application of Chapter 6A in respect of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network* is subject to the modifications set out in clauses 9.8.4B to 9.8.4F.

9.8.4B Transmission service revenues

- (a) Despite anything to the contrary in Chapter 6A or in this Chapter 9, the applicable *transmission* revenue regulatory regime for the regulation of *transmission service* revenues in respect of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network* is:
- (1) in relation to any *transmission services* provided by a *Regulated owner*, the *transmission* revenue regulatory regime set out in Chapter 6A and, for that purpose, every reference in Chapter 6A to a *Transmission Network Service Provider* is to be read as a reference to a *Regulated owner*; and
 - (2) in relation to any *transmission services* provided by *VENCorp*, the *transmission* revenue regulatory regime set out in Chapter 6A as modified by clauses 9.8.4B to 9.8.4E, and for that purpose every reference in Chapter 6A to:
 - (i) a *Transmission Network Service Provider* is to be read as a reference to *VENCorp*;
 - (ii) the *maximum allowed revenue* for a *Transmission Network Service Provider* for a *regulatory year* of a *regulatory control period* is to be read as a reference to the *maximum allowable aggregate revenue*;

- (iii) a *regulatory control period* is to be read as a reference to a *relevant regulatory period*; and
 - (iv) *prescribed transmission services* is to be read as a reference to services in respect of which *VENCorp* may determine *shared transmission network use charges*.
- (b) In clause 9.8.4B(a)(1), *transmission services* includes *shared network services*.

9.8.4C Transmission revenue regulatory regime for transmission services provided by VENCORP

- (a) The *transmission* revenue regulatory regime that applies to *VENCorp* must comply with the following principles:
- (1) the amount of *VENCorp's maximum allowable aggregate revenue* for a *relevant regulatory period* must not exceed *VENCorp's statutory electricity transmission-related costs*; and
 - (2) *VENCorp's maximum allowable aggregate revenue* must be determined on a full cost recovery but no operating surplus basis.
- (a1) For the avoidance of doubt, *transmission services* offered by *VenCorp* are not taken to be offered on a contestable basis by reason only of *VENCorp* having procured those services through a competitive tender or similar process.
- (a2) The procedure set out paragraphs (b)-(g4) applies in relation to *transmission services* provided by *VenCorp* and Part E of Chapter 6A is modified in so far as it applies to the regulation of revenues.
- (b) Not less than 7 months before the commencement of a *relevant regulatory period*, *VENCorp* must, for the purpose of enabling the *AER* to determine *VENCorp's maximum allowable aggregate revenue* for a *relevant regulatory period*, submit its revenue application for that *relevant regulatory period* to the *AER* that sets out:
- (1) its proposed *maximum allowable aggregate revenue* for each *financial year* in that *relevant regulatory period*;
 - (2) its forecast *statutory electricity transmission-related costs* for each *financial year* in that *relevant regulatory period*; and
 - (3) **[Deleted]**

- (4) a statement reconciling its most recent forecast of:
 - (i) the revenue that will be recovered by way of *shared transmission network use charges*; and
 - (ii) the *statutory electricity transmission-related costs*,
for the *relevant regulatory period* immediately preceding the *relevant regulatory period* to which the application relates.
- (c) The application must be:
 - (1) consistent with the principles set out in clause 9.8.4C(a); and
 - (2) in a form that meets the *Information requirements guidelines* but only to the extent to which those guidelines are relevant and applicable to *VENCorp*.
- (d) Subject to clause 9.8.4C(e), (f), (g), (g3) and (g4), the *AER* must determine *VENCorp's maximum allowable aggregate revenue* for a *relevant regulatory period*.
- (e) A determination under clause 9.8.4C(d):
 - (1) must apply the principles set out in clause 9.8.4C(a);
 - (2) must comply with the requirements set out in clause 6A.14.2, modified as necessary to apply to the revenue regulatory regime under this clause 9.8.4C;
 - (3) must take into account:
 - (i) *VENCorp's* functions under the *EI Act*, the application of the *Rules* to *VENCorp* and the conditions imposed on *VENCorp* under its *transmission licence*; and
 - (ii) **[Deleted]**
 - (iii) the difference (if any) between the forecasts referred to in clause 9.8.4C(b)(4); and
 - (4) must set out the *maximum allowable aggregate revenue* for each *financial year* in that *relevant regulatory period*.
- (f) If, after considering the application, the *AER* finds that there is a difference of the kind referred to in clause 9.8.4C(e)(3)(iii), the *AER* must apply that difference in any determination it makes under clause 9.8.4C(d).

- (g) If the *AER* does not make a determination under clause 9.8.4C(d) before the commencement of the *relevant regulatory period* in respect of which the application was made, the *AER* is to be taken to have made a determination as to *VENCorp's maximum allowable aggregate revenue* in respect of each *financial year* in that *relevant regulatory period* on the same terms as the application.
- (g1) If, at any time during a *relevant regulatory period*, a *Regulated owner* proposes to send a notice to the *AER* which could have the effect (directly or indirectly) of varying a charge, or introducing a new charge, payable by *VENCorp* to the *Regulated owner* during that *relevant regulatory period* for *shared network services*, the *Regulated owner* must first provide a copy of that notice to *VENCorp*.
- (g2) If *VENCorp's statutory electricity transmission-related costs* for a *financial year* have exceeded, or *VENCorp* anticipates (as a result of receiving a notice from a *Regulated owner* under clause 9.8.4C(g1) or otherwise) that they will exceed, the amount of the *statutory electricity transmission-related costs* for that *financial year* assumed by the *AER* in making the determination of *VENCorp's maximum allowable aggregate revenue*, *VENCorp* may apply to the *AER* for an adjustment to the *maximum allowable aggregate revenue* for each affected *financial year* in the *relevant regulatory period* of an amount, set out in the application, equal to the amount required to ensure that the *maximum allowable aggregate revenue* complies with the principles in clause 9.8.4C(a).
- (g3) Following an application by *VENCorp* under clause 9.8.4C(g2), the *AER* must determine the amount, if any, by which *VENCorp's maximum allowable aggregate revenue* for each affected *financial year* in the *relevant regulatory period* is to be adjusted so that it complies with the principles in clause 9.8.4C(a).
- (g4) If the *AER* does not make a determination under clause 9.8.4C(g3) within 30 *business days* after the application by *VENCorp* under clause 9.8.4C(g2), the *AER* is to be taken to have made a determination that *VENCorp's maximum allowable aggregate revenue* for each affected *financial year* in the *relevant regulatory period* is to be adjusted by the amount set out in *VENCorp's* application.
- (h) **[Deleted]**

9.8.4D Information disclosure by VENCorp

VENCorp must comply with Part F of Chapter 6A, but only to the extent to which it is relevant and applicable to *VENCorp*.

9.8.4E [Deleted]

9.8.4F Pricing for connection to and use of Victorian transmission network

- (a) The operation of Part J of Chapter 6A, as it operates in respect the *Victorian Transmission Network* or a part of the *Victorian Transmission Network*, is modified by this clause 9.8.4F so that the allocation of the *aggregate annual revenue requirement* and its equivalent determined under clause 9.8.4C, and the allocation of transmission costs and the conversion of those allocated *transmission costs* to *prescribed transmission service prices* and charges as provided for under Part J of Chapter 6A, reflects the arrangements in place in relation to the *Victorian Transmission Network* or a part of the *Victorian Transmission Network* under the *EI Act*, the *ESC Act* and the *Tariff Order*.
- (b) **[Deleted]**
- (c) Part J of Chapter 6A applies in respect of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network* in the following manner:
- (1) references to *prescribed transmission services* are to be read (as applicable) as including *shared network services*;
 - (2) subject to clauses 9.8.4F(d), (f) and (h) (as the case requires), applies to:
 - (i) where a provision relates to the provision of *prescribed TUOS services* or *prescribed transmission common services*, a *Regulated owner* and *VENCorp* and, for that purpose, references in Part J to:
 - (A) a *Transmission Network Service Provider* are to be read as a reference to the *Regulated owner* or *VENCorp* (as the case requires); and
 - (B) *prescribed TUOS services* or *prescribed common transmission services* are to be read as, in the case of a *Regulated owner*, a reference to *shared network services*; and
 - (C) the *aggregate annual revenue requirement* are to be read as, in the case of *VENCorp*, a reference to the *maximum allowable aggregate revenue* for the relevant *financial year*;
 - (ii) where a provision of Part J of Chapter 6A relates to the provision of *prescribed entry services* or *prescribed exit services*, a *Regulated owner* and, for that purpose, every

reference in that provision to a *Transmission Network Service Provider* is to be read as a reference to the *Regulated owner*;

- (3) rules 6A.27-6A.28 apply to:
- (i) where a provision of any of these rules relates to the provision of *prescribed entry services* or *prescribed exit services*, a *Regulated owner* and, for that purpose, every reference in that provision to a *Transmission Network Service Provider* is to be read as a reference to the *Regulated owner*;
 - (ii) where a provision of any of these clauses relates to the provision of *prescribed TUOS services* or *prescribed common transmission services*, *VENCorp* and, for that purpose, every reference in that provision to a *Transmission Network Service Provider* is to be read as a reference to *VENCorp*.
- (d) A *Regulated owner* must, on allocating its *aggregate annual revenue requirement* amongst all of its assets utilised in the provision of *shared network services*, immediately notify *VENCorp* of the actual amount of the *aggregate annual revenue requirement* allocated in respect of each of its assets utilised in the provision of those services.
- (e) In addition to the modifications set out in clause 9.8.4F(c)(3), clause 6A.23.4 applies to a *Regulated owner* as if:
- (1) there were substituted: “(3) *shared network services cost*” for the words in clause 6A.23.4(b)(3)-(5); and
 - (2) there were inserted in clause 6A.23.4, the following words:

“The portion of the *aggregate annual revenue requirement* referable to *shared network services* is recoverable by a *Regulated owner* from *VENCorp*.”
- (f) *VENCorp* is to be taken to be:
- (1) the *Co-ordinating Network Service Provider* appointed under rule 6A.29 responsible for the allocation of all relevant *aggregate annual revenue requirements* relating to the provision of *transmission services* which are *transmission use of system services* or *common services* within the *Victorian region* in accordance with the relevant clauses of Part J of Chapter 6A; and
 - (2) the *Transmission Network Service Provider* referred to in clause 6A.29.2 which must liaise with *Network Service Providers* in other *interconnected regions* which are similarly responsible for the allocation of all relevant *aggregate annual revenue requirements*

relating to the provision of *transmission services* which are *transmission use of system services* or *common services*.

- (g) **[Deleted]**
- (h) *VENCorp* must, in allocating the portion of its *shared transmission network use charges* that is to be recovered from each *Distributor* to which it provides *prescribed TUOS services* and *prescribed transmission common services* in each *financial year* of a *relevant regulatory period*, adjust that portion in accordance with clause 9.8.4(a)(3).

9.8.4G Transitional provisions

Despite anything to the contrary in clauses 9.8.4A to 9.8.4D, any determination of the *ACCC* setting *VENCorp's revenue cap* that is in force immediately before 1 January 2003 is deemed to be a determination of the *AER* under clause 9.8.4C(d), and for that purpose, clauses 9.8.4A to 9.8.4D and the provisions of Part B of Chapter 6 as modified by clauses 9.8.4A to 9.8.4D, apply accordingly.

9.8.5 Distribution Network Pricing – Victorian Jurisdictional Regulator

- (a) The *ESC* remains as the *Jurisdictional Regulator* for Victoria until a transfer of regulatory responsibility is made to the *AER* under a law of Victoria.
- (b) This clause expires on 1 January 2011.

9.8.6 [Deleted]

9.8.7 Distribution network pricing – transitional application of former Chapter 6

- (a) Subject to this clause, the former Chapter 6 continues to apply in relation to Victorian distribution networks during the transitional period.
- (b) The appropriate regulator has the powers and functions of the *Jurisdictional Regulator* under the former Chapter 6 as if appointed for Victoria as the *Jurisdictional Regulator* for the purposes of clause 6.2.1(b) of the former Chapter 6.
- (c) The following apply only to the extent they are consistent with clause 2.1 of the *Tariff Order*:
 - (1) national guidelines for *distribution service* pricing (so far as applicable to Victorian distribution networks) formulated under clause 6.2.1(c) of the former Chapter 6;
 - (2) guidelines and rules formulated for Victoria under clause 6.2.1(f) of the former Chapter 6,

- (d) The arrangements outlined in Parts D and E of the former Chapter 6 must also be applied by the appropriate regulator subject to clause 2.1 of the *Tariff Order*.
- (e) The value of sunk assets determined under clause 6.2.3(e)(5)(ii) of the former Chapter 6 must be consistent with clause 2.1 of the *Tariff Order*.
- (f) In regulating *distribution service* pricing for a Victorian distribution network:
 - (1) the appropriate regulator must specify explicit price capping as the form of economic regulation to be applied in accordance with clause 6.2.5(b) of the former Chapter 6; and
 - (2) the appropriate regulator must comply with clause 2.1 of the *Tariff Order*.
- (g) Neither this clause, nor the provisions of former Chapter 6 as continued in force by this clause, are relevant to a distribution determination that is to have effect after the end of the transitional period.
- (h) In this clause:

appropriate regulator means:

- (1) if there has been no transfer of regulatory responsibility to the *AER* under a law of Victoria – the *ESC*;
- (2) if a transfer of regulatory responsibility has been made to the *AER* under a law of Victoria – the *AER*.

transitional period means the period commencing on the commencement of this clause and ending on its expiry.

Victorian distribution network means a *distribution network* situated wholly or partly in Victoria.

- (i) This clause expires on the date fixed under the *National Electricity (Victoria) Act 2005* as the Victorian distribution pricing determination end date.

Note:

The date is 31 December 2010 or a later date fixed in a Victorian distribution pricing determination as the date on which the determination will cease to have effect.

9.8.8 Exclusion of AER's power to aggregate distribution systems and parts of distribution systems

The following provisions of Chapter 6 apply to *distribution systems* situated in Victoria as if, in each case, the words “unless the AER otherwise determines” were omitted:

- (a) clause 6.2.4(c);
- (b) clause 6.2.4(d);
- (c) clause 6.8.2(e);
- (d) clause 6.8.2(f).

Note:

The effect of these modifications is to exclude the AER's power to consolidate, under the ambit of a single distribution determination, 2 or more distribution systems, or 2 or more parts of a single distribution system that had, before the commencement of Chapter 6, been separately regulated.

9.9 Transitional Arrangements for Chapter 7 - Metering

9.9.1 Metering Installations To Which This Schedule Applies

The transitional arrangements set out in this clause 9.9 apply in relation to a *metering installation* (including a *check metering installation*) in use at *market commencement* that was required to comply with, and did comply with, the *Wholesale Metering Code* at *market commencement*.

9.9.2 [Deleted]

9.9.3 [Deleted]

9.9.4 [Deleted]

9.9.5 [Deleted]

9.9.6 [Deleted]

9.9.7 [Deleted]

9.9.8 [Deleted]

9.9.9 Periodic Energy Metering (clause 7.9.3)

- (a) Subject to clause 9.9.9(b), for the purposes of clause 7.9.3, *NEMMCO*, the *Local Network Service Provider* and the *Market Participant* are taken to have agreed that the data referred to in clause 7.9.3 which is obtained from a *metering installation* to which this clause 9.9 applies may be collated in 15 minute intervals.
- (b) This clause 9.9.9 ceases to apply in respect of a *metering installation* if *NEMMCO*, the relevant *Local Network Service Provider* or the relevant *Market Participant* gives notice requiring an agreement to be reached under clause 7.9.3.

9.9.10 Use of Alternate Technologies (clause 7.13)

- (a) Subject to this clause 9.9.10, if at *market commencement* the *Wholesale Metering Code* provides for the use of alternate technologies or processes for the purpose of calculating the consumption of energy by a non-franchise customer (as defined in the *EI (RP) Act* and in force immediately before the commencement of section 39(a) of the *Electricity Industry Act 1995 (Vic)*), then the use of these technologies or processes is taken to have been agreed for the purposes of clause 7.13(a) but only to the extent to which the alternate technology or process was in use at *market commencement* in relation to that non-franchise customer.
- (b) *NEMMCO*, the relevant *Local Network Service Provider* or the relevant *Market Participant* may give notice requiring agreement to be reached under clause 7.13(a) in respect of a technology or process referred to in clause 9.9.10(a) and clause 9.9.10(a) ceases to apply to that technology or process from the date specified in the notice.

9.9A [Deleted]

Schedule 9A1.1 – [Deleted]

Schedule 9A1.2 – [Deleted]

Schedule 9A1.3 – [Deleted]

Schedule 9A2 – [Deleted]

Schedule 9A3 – Jurisdictional Derogations Granted to Generators

1. Interpretation of tables

In this schedule 9A3:

- (a) a reference to a *Generator* listed in a table is a reference to a *Generator* listed in column 1 of the relevant table;
- (b) a reference to a *generating unit* listed in a table in relation to a *Generator* is a reference to each *generating unit* listed opposite the *Generator* in the relevant table;
- (c) a reference to a *Network Service Provider* in relation to a *generating unit* or a *Generator* listed in a table is to be taken to be:
 - (1) in the case of a *generating unit connected to a transmission network*, a reference to *VENCorp*; and
 - (2) in the case of a *generating unit connected to a distribution network*, a reference to the person that is the *Network Service Provider* in relation to that *distribution network*; and
- (d) a reference to a modification or variation of the *Rules* or an item taken to have been agreed for the purposes of the *Rules* listed in a table applies in respect of each *generating unit* listed opposite that modification, variation or agreed item in the table.

2. Continuing effect

In this schedule 9A3, a reference to:

- (a) a particular *Generator* in relation to a *generating unit*; or
- (b) a particular *Network Service Provider* in relation to a *Generator*,

at any time after the 13 December 1998 is to be taken as a reference to the person or persons who is or are (or who is or are deemed to be) from time to time registered with *NEMMCO* as the *Generator* in respect of that *generating unit* for the purposes of the *Rules* or the *Network Service Provider* from time to time in respect of the *transmission network* or *distribution network* to which the *generating unit* is connected.

3. Subsequent agreement

Where, under a provision of this schedule 9A3, a particular matter is taken to have been agreed for the purposes of schedule 5.2 of the *Rules* in relation to a *generating unit*, then that provision ceases to apply in respect of that *generating*

unit if all the parties required to reach agreement in relation to that matter under the *Rules* so agree expressly in writing.

4. Additional services that may be required (clause S5.2.2 of schedule 5.2)

4.1 A *Generator* listed in Table 1 is taken to have been required by the relevant *Network Service Provider* to provide *power system stabilising facilities* for the *generating units* listed in Table 1.

4.2 Clause 4.1 ceases to apply in respect of a *generating unit* if the relevant *Generator*, *NEMMCO* and the relevant *Network Service Provider* so agree expressly in writing.

Table 1:

Generator	Generating Units
Generation Victoria	Jeeralang Power Station A, Units 1 to 4
Generation Victoria	Jeeralang Power Station B, Units 1 to 3

5. Reactive Power Capability (clause S5.2.5.1 of schedule 5.2)

Clause S5.2.5.1 of schedule 5.2 of the *Rules* is replaced for a *Generator* listed in Table 2 in respect of those *generating units* listed in column 2 of Table 2 by the following:

For the purpose of this clause S5.2.5.1:

'*rated active power output*' means the 'Rated MW (Generated)' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*; and

'*nominal terminal voltage*' means the 'Nominal Terminal Voltage' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*.

- (a) Each of the *synchronous generating units*, while operating at any level of *active power* output, must be capable of:
 - (1) supplying at its terminals an amount of *reactive power* of at least the amount that would be supplied if the *generating unit* operated at *rated active power output*, *nominal terminal voltage* and a lagging power factor of 0.9; and
 - (2) absorbing at its terminals an amount of *reactive power* of at least the amount that would be absorbed if the *generating unit* operated at *rated*

active power output, nominal terminal voltage and a leading power factor set out in respect of that *generating unit* in column 3 of Table 2.

- (b) In the event that any of the relevant power factors referred to in paragraph (a) above cannot be provided in respect of a *generating unit*, the relevant *Generator* must reach a commercial arrangement under its *connection agreement* with the relevant *Network Service Provider*, or with another *Registered Participant*, for the supply of the deficit in *reactive power* as measured at that *generating unit's* terminals.

Table 2:

Generator	Generating Units	Leading Power Factor
Loy Yang Power Ltd	Loy Yang Power Station A Units 1, 3 and 4	0.944
Loy Yang Power Ltd	Loy Yang Power Station A Unit 2	0.952
Yallourn Power Ltd	Yallourn Power Station W Units 1 and 2	0.954
Yallourn Power Ltd	Yallourn Power Station W Units 3 and 4	0.941
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8	0.989
Smelter Trader	Anglesea Power Station Unit 1	0.991
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Unit 1	(-)
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 2, 3 and 4	(-)
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Unit 5	0.979
Generation Victoria	Jeeralang A Power Station Units 1 to 4	0.978
Southern Hydro Ltd	Dartmouth Power Station Unit 1	0.972
Edison Mission Energy	Loy Yang B Power Station	0.941

Australia Limited	Units 1 and 2	
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6. Generating unit response to disturbances (clauses S5.2.5.3, S5.2.5.4 and S5.2.5.5 of schedule 5.2)

- 6.1 A *Generator* listed in Table 3.1 is, in respect of a *generating unit* listed in column 2 of Table 3.1, taken to comply with the requirements of clause S5.2.5.3, S5.2.5.4 and S5.2.5.5 of schedule 5.2 of the *Rules* if the *generating unit* complies with clause 6.3 below.
- 6.2 A *Generator* listed in Table 3.2 is, in respect of a *generating unit* listed in column 2 of Table 3.2, taken to comply with the requirements of clause S5.2.5.3, S5.2.5.4 and S5.2.5.5 of schedule 5.2 of the *Rules* if the *generating unit* complies with clause 6.4 below.
- 6.3 The *generating unit* must be able to maintain continuous uninterrupted operation in the event of:
- (a) *disconnection* of the single largest *generating unit* on the *power system* provided that system *frequency* does not fall below 49.5 Hz and recovers to above 49.9 Hz within four minutes; and
 - (b) a two-phase to ground line fault adjacent to the power station switch yard cleared in primary protection time.
- 6.4 The *generating unit* must be able to maintain continuous uninterrupted operation in the event of *disconnection* of the single largest *generating unit* on the *power system* provided that system *frequency* does not fall below 49.5 Hz and recovers to above 49.9 Hz within four minutes.

Table 3.1:

Generator	Generating Units
Loy Yang Power Ltd	Loy Yang A Power Station Units 1 to 4
Generation Victoria	Newport D Power Station Unit 1

Table 3.2:

Generator	Generating Units
Yallourn Energy Ltd	Yallourn W Power Station Units 1 to 4
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 1 to 5

Generation Victoria	Jeeralang A Power Station Units 1 to 4
Generation Victoria	Jeeralang B Power Station Units 1 to 3
Southern Hydro Ltd	Dartmouth Power Station Unit 1 Eildon Power Station Units 1 and 2 Clover Power Station Units 1 and 2 McKay Creek Power Station Units 1 to 6 West Kiewa Power Station Units 1 to 4
Edison Mission Energy Australia Limited	Loy Yang B Power Station Units 1 and 2

7. Partial load rejection (clause S5.2.5.7 of schedule 5.2)

7.1 For a *Generator* listed in Table 4.1, in respect of those *generating units* listed in column 2 of Table 4.1, clause S5.2.5.7(c) of schedule 5.2 of the *Rules* is modified by the addition of the following after “*nameplate rating*”:

“and system *frequency* remains within 47 Hz to 52 Hz provided that system *frequency* returns to:

- (i) within the range 48.5 Hz to 50.5 Hz within 60 seconds; and
- (ii) within the range 49.5 Hz to 50.5 Hz within 60 minutes,”

Table 4.1:

Power Station	Generating Units
Loy Yang Power Ltd	Loy Yang A Power Station Units 1 to 4
Generation Victoria	Newport D Power Station Unit 1
Yallourn Energy Ltd	Yallourn W Power Station Units 1 to 4
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 1 to 5
Generation Victoria	Jeeralang A Power Station Units 1 to 4 Jeeralang B Power Station Units 1 to 3

Edison Mission Energy Australia Limited	Loy Yang B Power Station Units 1 and 2
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7.2 For a *Generator* listed in Table 4.2, the application of clause S5.2.5.4(a) of schedule 5.2 of the *Rules* to those *generating units* listed in column 2 of Table 4.2 is varied by replacing “30%” with “25%”.

Table 4.2

Generator	Generating Units
Loy Yang Power Ltd	Loy Yang A Power Station Units 1 to 4
Yallourn Energy Ltd	Yallourn W Power Station Units 1 to 4
Hazelwood Power Corporation	Hazelwood Power Station Units 1 to 8
Energy Brix Australia Corporation	Morwell Power Station Units 1 to 5
Edison Mission Energy Australia Limited	Loy Yang B Power Station Units 1 and 2

7.3 For a *Generator* listed in Table 4.3, in respect of a *generating units* listed in column 2 of Table 4.3, clause S5.2.5.4(a) of schedule 5.2 of the *Rules* is modified by the addition of the following after “*nameplate rating*”: “and allowing that the *generating unit's* output may be manually adjusted to avoid rough running bands following automatic control action”.

Table 4.3:

Generator	Generating Units
Southern Hydro Ltd	Dartmouth Power Station Unit 1 Eildon Power Station Units 1 and 2 Clover Power Station Units 1 and 2 West Kiewa Power Station Units 1 to 4

8. [Deleted]

9. [Deleted]

10. **Protection systems that impact on system security (clause S5.2.5.9 of schedule 5.2)**

For the purposes of clause S5.2.5.9 of schedule 5.2 of the *Rules*, in the case of a *Generator* listed in Table 7, in respect of those *generating units* listed in column 2 of Table 7:

- (a) the relevant *Network Service Provider* is taken to have agreed that the *Generator* is to provide protections for those *generating units* to perform the following functions except where indicated otherwise in column 3 of Table 7:
 - (1) protection for faults on the line and connections to the unit transformer of the *generating unit* and *transmission network* or *distribution network* (as the case may be);
 - (2) protection for faults within the generator transformer of the *generating unit*;
 - (3) protection for faults within the *generating unit*;
 - (4) protection for excitation system faults;
 - (5) protection for faults in the phase isolated bus or its terminations between the *generating unit* and the generator transformer of the *generating unit*; and
 - (6) protection for faults within the generator transformer of the *generating unit*;
- (b) where indicated in column 3 of Table 7, the protection system is not required to be duplicated; and
- (c) the *Generator* must ensure that only settings approved by the relevant *Network Service Provider* in writing are applied on the *protection systems* of the *generating unit* and must not change any of those settings without the prior written approval of the relevant *Network Service Provider*.

Table 7:

Power Station	Generating Units	Derogations
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8	Not required to duplicate protections for excitation system faults.
Generation	Jeeralang A Power	Not required to duplicate protections

Victoria	Station Units 1 to 4	for faults in the unit transformers of the <i>generating unit</i> .
Generation Victoria	Jeeralang B Power Station Units 1 to 3	Not required to duplicate protection for excitation system faults or for faults in the unit transformers of the <i>generating unit</i> .
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 1 to 5	Not required to duplicate any protections. Not required to provide protection for faults within transformers (and connections thereto) which do not form part of the power station.

Power Station	Generating Units	Derogations
Southern Hydro Ltd	Eildon Power Station Units 1 and 2	Not required to duplicate protections for faults within the unit transformers of the <i>generating unit</i> .
Southern Hydro Ltd	Clover Power Station Units 1 and 2	Not required to duplicate any of the protections.

11. Asynchronous operation (clause S5.2.5.10 of schedule 5.2)

A *Generator* listed in Table 8 is not required to have protection to prevent pole slipping or asynchronous operation in respect of those *generating units* listed in column 2 of Table 8.

Table 8:

Generator	Generation units
Southern Hydro Ltd	Clover Power Station Units 1 and 2

12. [Deleted]

13. Governor Systems (load control) (clause S5.2.5.11 of schedule 5.2)

For the purposes of clause S5.2.5.11 of schedule 5.2 of the *Rules*, a *Generator* listed in Table 10 is not required to include *facilities* for *load* control for those *generating units* listed in column 2 of Table 10.

Table 10:

Generator	Generating Unit
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8
Smelter Trader	Anglesea Power Station Unit 1

14. Governor control equipment (clause S5.2.5.11 of schedule 5.2)

14.1 For the purposes of clause S5.2.5.11 of schedule 5.2 of the *Rules*, a *Generator* listed in Tables 11.1 to 11.4 is taken to have agreed the overall response requirements set out in clause 14.2 below with the relevant *Network Service Provider* in respect of those *generating units* listed in column 2 of Tables 11.1 to 11.4.

14.2 For a *Generator* listed in Tables 11.2 to 11.4, the overall response of a *generating unit* listed in the relevant Table to system *frequency* excursions must achieve an increase in the *generating unit's* generated output of 5% for a 0.1 Hz reduction in system *frequency* and a reduction in the *generating unit's* generated output of 5% for a 0.1 Hz increase in system *frequency*, subject to the following:

- (a) for those *generating units* listed in Table 11.1, this clause only applies when operating in speed control mode;
- (b) for those *generating units* listed in Table 11.2, the *generating unit* is only required to achieve a change in the *generating unit's* generated output in accordance with the requirements of British Standard BS EN 60045-1: 1993 with a droop setting of 4%;
- (c) for those *generating units* listed in Table 11.3, the *generating unit* is only required to achieve a change in the *generating unit's* generated output in accordance with the requirements of the relevant British Standard for governors for hydro-electric generating units with an overall droop setting of 4% and a deadband of not more than 0.1 Hz; and
- (d) for those *generating units* listed in Table 11.4, the requirements of this clause are subject to requirements for steam pressure control for briquette plant operation.

Table 11.1:

Generator	Generating Unit
Generation Victoria	Jeeralang A Power Station Units 1 to 4
Generation Victoria	Jeeralang B Power Station Units 1 to 3

Table 11.2:

Generator	Generating Unit
Yallourn Energy Ltd	Yallourn W Power Station Units 1 to 4
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 1 to 4

Table 11.3:

Generator	Generating Unit
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Southern Hydro Ltd	Eildon Power Station Units 1 and 2 McKay Power Station Units 1 to 6 West Kiewa Power Stations Units 1 to 4
Southern Hydro Ltd	Clover Power Station Units 1 and 2

Table 11.4:

Generator	Generating Unit
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 2 to 4

15. Reactive current compensation (clause S5.2.5.13 schedule 5.2)

For the purposes of clause S5.2.5.13(b)(3)(x) of schedule 5.2 of the *Rules*, a *Generator* listed in Table 12 is taken to have agreed with the relevant *Network Service Provider* that in respect of those *generating units* listed in column 2 of Table 12, the *excitation control system* of the *generating unit* need not be capable of providing reactive current compensation settable for boost or droop.

Table 12:

Generator	Generating Units
Yallourn Power Ltd	Yallourn Power Station W Units 1 to 4

16. Excitation Control System (clause S5.2.5.13 of schedule 5.2)

For the purposes of clause S5.2.5.13(b) of schedule 5.2 of the *Rules*, a *Generator* listed in Table 13 is not required to provide *power system* stabilising action in relation to those *generating units* listed in column 2 of Table 13.

Table 13:

Power Station	Generating Units
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 1 to 5
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8
Smelter Trader	Anglesea Power Station Unit 1

Part B – Jurisdictional Derogations for New South Wales

9.10 [Deleted]

9.11 Definitions

9.11.1 Definitions used in this Part B

For the purposes of this Part B:

- (a) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (b) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
EnergyAustralia	The energy distributor known as "EnergyAustralia" and established under the Energy Services Corporations Act 1995 (NSW).
ES Act	Electricity Supply Act 1995 (NSW).
IPART	The New South Wales Independent Pricing and Regulatory Tribunal established under the <i>IPART Act</i> .
IPART Act	Independent Pricing and Regulatory Tribunal Act 1992 (NSW).
Minister	The Minister administering the <i>ES Act</i> from time to time.
Mount Piper Cross Border Leases	The various agreements, documents and deeds relating to the leasing, ownership and operation of the <i>generating systems</i> comprising the <i>Mount Piper Power Station</i> entered into at the request of, or for the benefit of, one or more of Delta Electricity, New South Wales Treasury Corporation and the State of New South Wales and whether or not any of Delta Electricity, New South Wales Treasury Corporation or the State of New South Wales is a party to those agreements, documents and deeds.

Column 1	Column 2
Mount Piper Participants	The parties to the <i>Mount Piper Cross Border Leases</i> from time to time.
Mount Piper Power Station	The <i>power station</i> known as the “Mount Piper Power Station” located at Portland, New South Wales.
Mount Piper Trader	Delta Electricity or such other of the <i>Mount Piper Participants</i> from time to time which is operating the <i>Mount Piper Power Station</i> .
NSW Electricity Market Code	The code entitled NSW State Electricity Market Code, as in force immediately before 13 December 1998.
Power Supply Agreements	<p>Each of the following agreements in their form as at 1 July 1996:</p> <ul style="list-style-type: none"> (a) Power Supply Agreement dated 23 January 1991 between Macquarie Generation, Tomago Aluminium Company Pty Ltd and others; (b) the contract known as the BHP Port Kembla Slab and Plate Products Contract between Delta Electricity (formerly known as First State Power) and BHP Steel (AIS) Pty Ltd ACN 000 019 625 (formerly known as Australian Iron & Steel Ltd), being the contract that arises from the two agreements dated 24 May 1955, the agreement dated 27 November 1958 and the agreement dated 1 December 1969 (as amended and supplemented before 1 July 1996); (c) the contract known as the BHP Newcastle Rod and Bar Products Contract between Delta Electricity (formerly known as First State Power) and The Broken Hill Proprietary Company Ltd ACN 004 028 077, being the contract that arises from the agreement dated 13 August 1959 (as amended and supplemented before 1 July 1996).

Column 1	Column 2
Power Trader	Each of Delta Electricity (formerly known as First State Power), Macquarie Generation and such other person as may be nominated by the <i>Minister</i> to perform any obligation under a <i>Power Supply Agreement</i> .
TransGrid	The energy transmission operator known as "TransGrid" and established under the Energy Services Corporations Act 1995 (NSW).

9.12 Transitional Arrangements for Chapter 2 - Generators, Registered Participants, Registration and Cross Border Networks

9.12.1 Registration as a Generator

- (a) For the purposes of the *Rules*:
- (1) **[Deleted]**
 - (2) **[Deleted]**
 - (3) *Mount Piper Trader* is deemed to be the person that must register as a *Generator* in relation to the *generating systems* forming part of the *Mount Piper Power Station*; and
 - (4) the *Mount Piper Participants* (other than the *Mount Piper Trader*) are not to, and are not to be taken to be entitled to, and are taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating systems* forming part of the *Mount Piper Power Station*.
- (b) **[Deleted]**
- (c) Clause 9.12.1(a)(3) and (4) ceases to have effect upon the expiry or earlier termination of the last of the *Mount Piper Cross Border Leases*.

9.12.2 Customers

For the purposes of clause 2.3.1(e), and for the purposes of clause 2.4.2(b) in so far as it relates to *Customers*, a person satisfies the requirements of New South Wales for classification of a *connection point* of that person if that person is the holder of a retail supplier's licence issued under the *ES Act* or is a wholesale customer (as defined in the *ES Act*).

9.12.3 Power Traders

- (a) Each *Power Trader* for the purpose of supplying electricity under a *Power Supply Agreement* (the “*Power Supply Agreement*”) is deemed to be and at all relevant times to have been (and must register with *NEMMCO* as) a *Market Customer* in relation to electricity supplied under the *Power Supply Agreement*, which electricity is deemed to be and at all relevant times to have been a *market load*.
- (b) If complying with a requirement of the *Rules* (“the *Rules Requirement*”) would result in a *Power Trader* being in breach of a provision of a *Power Supply Agreement* to which it is a party (“the *Contractual Requirement*”), the *Power Trader* is not required to comply with the *Rules Requirement* to the extent of the inconsistency between the *Rules Requirement* and the *Contractual Requirement*.
- (c) If a *Power Trader* does not comply with a *Rules Requirement* in the circumstances described in clause 9.12.3(b), then the *Power Trader* must:
 - (1) give written notice to the *AER* of:
 - (i) the *Rules Requirement* which has not been complied with;
 - (ii) details of each act or omission which partly or wholly constitutes non-compliance with that *Rules Requirement*; and
 - (iii) details of each *Contractual Requirement* which is said by the *Power Trader* to be inconsistent with the *Rules Requirement*,by no later than *7 days* after the non-compliance with the *Rules Requirement* occurs or commences; and
 - (2) provide the *AER* with any documents or information in the possession or control of the *Power Trader* which evidence the matters referred to in clause 9.12.3(c)(1), within *14 days* (or any further period agreed to by the *AER*) of receiving a written request from the *AER*.
- (d) If:
 - (1) a *Power Trader* requires the co-operation of any other party to a *Power Supply Agreement* (a “*counterparty*”) to comply with a requirement of the *Rules* (the “*Rules Requirement*”);
 - (2) the *Power Trader* has used all reasonable endeavours to obtain the *counterparty's* co-operation in order to enable the *Power Trader* to comply with the *Rules Requirement*; and

- (3) under the *Power Supply Agreement* the *Power Trader* has no ability to require the counterparty to so co-operate with the *Power Trader* and the counterparty is not in breach of the *Power Supply Agreement* by refusing to so co-operate with the *Power Trader*,

then the *Power Trader* is not required to comply with that Rules Requirement.

- (e) If a *Power Trader* does not comply with a Rules Requirement in the circumstances described in clause 9.12.3(d), then the *Power Trader* must:

- (1) give written notice to the *AER* of:
- (i) the Rules Requirement which has not been complied with;
 - (ii) details of each act or omission which partly or wholly constitutes non-compliance with that Rules Requirement; and
 - (iii) details of the endeavours made by the *Power Trader* to obtain the counterparty's co-operation to enable the *Power Trader* to comply with the Rules Requirement,

by no later than 7 *days* after the non-compliance with the Rules Requirement occurs or commences; and

- (2) provide the *AER* with any documents or information in the possession or control of the *Power Trader* which evidence the matters referred to in clause 9.12.3(e)(1), within 14 *days* (or any further period agreed to by the *AER*) of receiving a written request from the *AER*.

- (f) To avoid any doubt, if:

- (1) after reviewing any written notice provided by a *Power Trader* under clause 9.12.3(c)(1) and any additional documents or information provided by the *Power Trader* under clause 9.12.3(c)(2), the *AER* forms the view that compliance with the relevant Rules Requirement would not have resulted in the *Power Trader* being in breach of the relevant Contractual Requirement; or
- (2) after reviewing any written notice provided by a *Power Trader* under clause 9.12.3(e)(1) (the "Notice") and any additional documents or information provided by the *Power Trader* under clause 9.12.3(e)(2), the *AER* forms the view that any of the requirements of clause 9.12.3(d) were not in fact satisfied in respect of the subject matter of the Notice,

then the matter may be dealt with by the *AER* as a breach of the *Rules*.

- (g) A *Power Trader* may provide notice and information to the *AER* as required in clauses 9.12.3(c) or (e), as the case requires, in advance if it becomes aware of the potential for the circumstances described in clauses 9.12.3(b) or (d) to arise. Such notice and information will be deemed to have been given in accordance with clauses 9.12.3(c) or (e), as the case requires.
- (h) Notwithstanding the provision of notice and information in advance in accordance with clause 9.12.3(g), the *Power Trader* must give notice of non-compliance with the *Rules* and provide such other documents or information as required in accordance with clauses 9.12.3(c) or (e), as the case requires, after such non-compliance has occurred or commenced.
- (i) If non-compliance with the *Rules* is continuing, the notice of non-compliance with the *Rules* provided under clauses 9.12.3(c) or (e), as the case requires, will be effective in relation to that non-compliance until that non-compliance ends provided that:
 - (1) the notice specifies that the non-compliance is continuing; and
 - (2) the *Power Trader* notifies the *AER* of the end of the non-compliance no later than 7 days after the non-compliance ends.
- (j) Clauses 9.12.3(b) and (d) do not affect a *Power Trader's* obligation with respect to registration with *NEMMCO* or making payments in respect of:
 - (1) *Participant fees*;
 - (2) *prudential requirements*; or
 - (3) *settlement amounts*.
- (k) Within 30 days of the end of each quarter in each calendar year, the *AER* must prepare a quarterly report for the previous quarter and make it available on request to all *Registered Participants* and to the *participating jurisdictions* which participated in the *market* during the quarter covered by the report. The quarterly report must include:
 - (1) a summary of the acts or omissions of *Power Traders* constituting non-compliance with any *Rules Requirement*, as disclosed in written notices received by the *AER* under clauses 9.12.3(c) or (e) during the quarter covered by the report; and
 - (2) an assessment by the *AER* of the effect that those acts or omissions have had on the efficient operation of the *market* during the quarter covered by the report.
- (l) This clause 9.12.3 ceases to have effect in respect of a *Power Supply Agreement* upon termination of that agreement.

9.12.4 Cross Border Networks

(a) If:

(1) the *Minister* considers that a *transmission network* or *distribution network* situated in New South Wales is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and

(2) the *Minister* for that other *participating jurisdiction* consents,

then those *Ministers* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.

(b) If a nomination is made under clause 9.12.4(a), then the *jurisdictional derogations* for New South Wales do not apply to the extended part of the relevant *network* which is situated in New South Wales.

(c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for New South Wales should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Minister* in respect of New South Wales consents, the *jurisdictional derogations* for New South Wales are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.13 [Deleted]

9.14 Transitional Arrangements for Chapter 4 - System Security

9.14.1 Power System Operating Procedures

For the purposes of clause 4.10.1, the *regional specific power system operating procedures* that apply in respect of operations on the *network* situated in New South Wales are, with the inclusion of any operating procedures set out in such operating manuals and other documents as are specified by *TransGrid* and provided to *NEMMCO*, the *regional specific power system operating procedures* reviewed and updated under clause 4.10.2(e).

9.15 Transitional Arrangements for Chapter 5 - Network Connection

9.15.1 [Deleted]

9.15.2 Disputes Relating to a NSW Distribution Network

(a) If:

- (1) a dispute arises between or involving two or more *Registered Participants* in respect of:
 - (i) access to;
 - (ii) *connection* to;
 - (iii) use of; or
 - (iv) *distribution network service* pricing for,
a *distribution network* situated in New South Wales; and
- (2) **[Deleted]**
- (3) the dispute is not resolved by agreement of the parties in dispute within 10 *business days* (or such other period as the parties agree to be an acceptable period) after the dispute first arose,

then the matter in dispute must be referred by the parties in dispute to the appropriate regulator to act as the *Adviser*. If the appropriate regulator:

- (4) thinks it appropriate for a dispute; and
- (5) does not reasonably consider that acting as the *Adviser* and the *dispute resolution panel* will prejudice the appropriate regulator's ability to implement a fair and efficient dispute resolution process,

IPART may also act as the *dispute resolution panel* under the dispute resolution procedures set out in Chapter 8, provided that, if *IPART* elects to act as both the *Adviser* and the *DRP*, it must make such arrangements as are necessary to ensure that, in carrying out its functions as the *DRP*, no party may be adversely affected by *IPART* having previously acted as the *Adviser*. If *IPART* is unable or unwilling to make such arrangements, then it must appoint a *DRP* in accordance with the *Adviser's* functions in Chapter 8.

- (b) In this clause:

appropriate regulator means:

- (1) if the NSW Minister has made no transfer of regulatory responsibility to the *AER* under clause 11.14.4 – *IPART*;
- (2) if the NSW Minister has made a transfer of regulatory responsibility to the *AER* under clause 11.14.4 – the *AER*.

- (c) This clause expires on 1 July 2009.

9.16 Transitional Arrangements for Chapter 6 - Network Pricing

9.16.1 [Deleted]

9.16.2 [Deleted]

9.16.3 Jurisdictional Regulator

- (a) *IPART* remains as the *Jurisdictional Regulator* for New South Wales until the NSW Minister makes a transfer of regulatory responsibility to the *AER* under clause 11.14.4.
- (b) However, the definitions of *local area* and *Local Network Service Provider* are to be read as if the reference to the authority responsible for administering the jurisdictional electricity legislation in the relevant participating jurisdiction were replaced by a reference to the laws of the State of New South Wales.
- (c) Paragraph (a) expires on 1 July 2009.

9.16.4 Deemed Regulated Interconnector

For the purposes of the *Rules*, the *interconnector* between Armidale in New South Wales and Tarong in Queensland, to the extent that it forms part of the *power system* in New South Wales, is deemed to be a *regulated interconnector*.

9.16.5 Revenue Cap

- (a) For the purposes of clause 6.2.4, in respect of the regulation of *transmission service pricing* in New South Wales, the *revenue cap* for the *financial year* commencing on 1 July 2004 (the "Period") will be deemed to be:
- (1) for *TransGrid*, the *maximum allowed revenue* for the Period in the ACCC's "Draft Decision NSW and ACT Transmission Network Revenue Caps – TransGrid 2004/05-2008/09" dated 28 April 2004 (the "Draft TransGrid Revenue Cap Decision"); and
 - (2) for *EnergyAustralia*, the *maximum allowed revenue* for the Period in the ACCC's "Draft Decision NSW and ACT Transmission Network Revenue Cap – EnergyAustralia 2004/05-2008/09" dated 28 April 2004 (the "Draft EA Revenue Cap Decision").
- (b) For the purposes of clauses 6.3 to 6.4, 6.5.1 to 6.5.6, 6.7.3, 6.7.4 and 6.8 to 6.9, the prices applying in the Period for *prescribed transmission services*

provided by means of the *transmission networks* and associated *connection assets* located in New South Wales applying to individual *transmission network connection points* located in New South Wales during the Period, must be determined on the following basis:

- (1) the *aggregate annual revenue requirement* for *TransGrid* will be the *maximum allowed revenue* for the Period specified in the Draft *TransGrid Revenue Cap Decision*; and
 - (2) the *aggregate annual revenue requirement* for *EnergyAustralia* will be the *maximum allowed revenue* for the Period specified in the Draft *EA Revenue Cap Decision*.
- (c) For the purposes of applying clause 6.4.3C for the *financial year* commencing on 1 July 2005, *EnergyAustralia* and *TransGrid* each must subtract the *maximum allowed revenue* determined in accordance with clause 9.16.5(a) from:
- (1) in the case of *TransGrid*, the "Maximum Allowed Revenue" for the Period in any final decision which is expressed to apply to the Period; and
 - (2) in the case of *EnergyAustralia*, the "Maximum Allowed Revenue" for the Period in any final decision which is expressed to apply to the Period,

and then:

- (3) if the result of that subtraction is an amount less than zero then, in addition to the other amounts mentioned in clause 6.4.3C(b), the absolute value of that amount must be deducted from the portion of the *aggregate annual revenue requirement* referred to in clause 6.4.3C(b); and
- (4) if the result of that subtraction is an amount greater than zero then, in addition to the other amounts mentioned in clause 6.4.3C(c), that amount must be added to the portion of the *aggregate annual revenue requirement* referred to in clause 6.4.3C(c),

prior to the application of interest in accordance with clause 6.4.3C(b) or 6.4.3C(c) as the case may be.

- (d) For the purposes of clause 6.2.4, in respect of the regulation of *transmission service pricing* in New South Wales, a *revenue cap* applying to a *Transmission Network Service Provider* determined by the ACCC for the period commencing on 1 July 2004 until the end of 30 June 2009 will be deemed to be for a period of five years notwithstanding that such *revenue*

cap did not take effect until after 1 July 2004 or that such *revenue cap* was determined by the ACCC after 1 July 2004.

9.17 Transitional Arrangements for Chapter 7 - Metering

9.17.1 Extent of Derogations

- (a) **[Deleted]**
- (b) **[Deleted]**
- (c) The transitional arrangements set out in clauses 9.17.2 and 9.17.4 apply to all *metering installations* (including *check metering installations*) that were in use at 13 December 1998 and that were required to comply with (and did comply with) the *NSW Electricity Market Code* as at 13 December 1998.

9.17.2 Initial Registration (clause 7.1.2)

- (a) Subject to clause 9.17.2(b), if:
 - (1) a *metering installation* to which this clause 9.17 applies was registered with *TransGrid* under the *NSW Electricity Market Code* as at 13 December 1998; and
 - (2) the details registered with *TransGrid* were provided to *NEMMCO* on or before 13 December 1998,

then the *metering installation* is taken to be registered with *NEMMCO* for the purposes of clause 7.1.2(a).

- (b) The *responsible person* in respect of a *metering installation* which is taken to be registered under clause 9.17.2(a) must ensure that the requirements for registration of a *metering installation* under Chapter 7 are met by 13 December 1999 or such other time as may be agreed with *NEMMCO*.

9.17.3 Amendments to Schedule 9G1

The transitional metering provisions set out in schedule 9G1, amended as follows, apply to New South Wales in respect of Chapter 7:

- (a) **[Deleted]**
- (b) **[Deleted]**
- (c) If, in respect of a *metering installation* commissioned before 13 December 1998, the *responsible person* has obtained an exemption prior to 13 December 1998 from *TransGrid* pursuant to clause 2.2(c) of Schedule 7.2 of the *NSW Electricity Market Code*, then that exemption is deemed to

continue as an exemption granted by *NEMMCO* pursuant to clause S7.2.2(c) of schedule 7.2 of the *Rules*.

- (d) **[Deleted]**
- (e) **[Deleted]**
- (f) **[Deleted]**

9.17.4 Compliance with AS/NZ ISO 9002 (clause S7.4.3(f) of schedule 7.4)

Category 1A, 2A and 3A *Metering Providers* must be able to exhibit the requirements of clause S7.4.3(f)(1) of schedule 7.4 of the *Rules* by the date which is 2 years after the date the *Metering Provider* applied to be registered as a *Metering Provider* with *NEMMCO*.

9.17A [Deleted]

9.18 [Deleted]

Part C – Jurisdictional Derogations for the Australian Capital Territory

9.19 [Deleted]

9.20 Definitions and Transitional Arrangements for Cross-Border Networks

9.20.1 Definitions

For the purposes of this Part C:

- (a) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (b) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
Minister	The Minister from time to time administering the Utilities Act 2000 (ACT) or other applicable ACT legislation.

9.20.2 Cross Border Networks

- (a) If:
 - (1) the *Minister* considers that a *transmission network* or *distribution network* situated in the Australian Capital Territory is a continuation of a *network* situated in New South Wales and should be considered to be a part of the New South Wales *network*; and
 - (2) the *Minister* for New South Wales consents,

then those *Ministers* may nominate that the *network* is deemed to be entirely in New South Wales and the *Rules* including any relevant *jurisdictional derogations* for New South Wales are deemed to apply to the *network* as if the *network* were located entirely within New South Wales.

- (b) If a nomination is made under clause 9.20.2(a), then the *jurisdictional derogations* for the Australian Capital Territory do not apply to the extended part of the relevant *network* which is situated in the Australian Capital Territory.
- (c) If the *Minister* for New South Wales nominates that the *jurisdictional derogations* for the Australian Capital Territory should apply to a *network* part of which is situated in New South Wales, then if the *Minister* for the Australian Capital Territory consents, the *jurisdictional derogations* for the Australian Capital Territory are also to apply to that part of the *network* situated in New South Wales.

9.21 [Deleted]

9.22 [Deleted]

9.23 Transitional Arrangements for Chapter 6 - Network Pricing

9.23.1 [Deleted]

9.23.2 [Deleted]

9.23.3 [Deleted]

9.23.4 [Deleted]

9.24 Transitional Arrangements

9.24.1 Chapter 7 - Metering

The transitional metering provisions set out in schedule 9G1 apply to the Australian Capital Territory in respect of Chapter 7.

9.24.2 [Deleted]

9.24A [Deleted]

Part D – Jurisdictional Derogations for South Australia

9.25 Definitions

9.25.1 [Deleted]

9.25.2 Definitions

(a) For the purposes of this Part D, a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the table in clause 9.25.2(b).

(b) For the purposes of this Part D, a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
customer	A customer as defined in the <i>Electricity Act</i>
Distribution Lessor Corporation	A subsidiary of the Treasurer of the State of South Australia established by the Public Corporations (Distribution Lessor Corporation) Regulations 1999 and known as "Distribution Lessor Corporation" and includes any entity which replaces or assumes rights or obligations of Distribution Lessor Corporation under a <i>South Australian Distribution Network Lease</i> , by way of succession, assignment, novation, ministerial direction, or otherwise.
Electricity Act	<i>Electricity Act</i> 1996 (SA).
ETSA Corporation	The statutory corporation established pursuant to the Electricity Corporations Act 1994 and known as "ETSA Corporation" and includes its successors and assigns
ETSA Power	The statutory corporation established as a subsidiary of <i>ETSA Corporation</i> by the Public Corporations (ETSA Power) Regulations 1995, and includes its successors and assigns.

Column 1	Column 2
ETSA Transmission Corporation	The statutory corporation established pursuant to the Electricity Corporations Act 1994 and known as "ETSA Transmission Corporation" and includes any party which replaces or assumes rights or obligations of ETSA Transmission Corporation as a party to the <i>South Australian Transmission Lease</i> , by way of succession, assignment, novation, ministerial direction, or otherwise.
Generation Lessor Corporation	A subsidiary of the Treasurer of the State of South Australia established by the Public Corporations (Generation Lessor Corporation) Regulations 1999 and known as "Generation Lessor Corporation" and includes any entity which replaces or assumes rights or obligations of Generation Lessor Corporation under the <i>South Australian Generation Leases</i> , by way of succession, assignment, novation, ministerial direction, or otherwise.
Northern Power Station agreements	The various agreements, documents and deeds in their form as at 1 July 1996 relating to the leasing and ownership of the <i>generating system</i> and associated <i>generating units</i> comprising the Northern Power Station entered into by <i>ETSA Corporation</i> and now under the control of <i>SA Generation Corporation</i>
Northern Power Station Participants	The parties to the <i>Northern Power Station agreements</i> other than <i>SA Generation Corporation</i> .
Osborne agreement	The Agreement dated 4 June 1996 (in its form as at 1 July 1996) between <i>ETSA Corporation</i> and Osborne Cogeneration Pty Ltd and known as the "Osborne Power Purchase Agreement".
South Australian Distribution Network Lease	Any lease with respect to the electricity <i>distribution network</i> , plant and equipment owned by <i>Distribution Lessor Corporation</i> from time to time.
SA Generation Corporation	The statutory corporation established pursuant to the Electricity Corporations Act 1994 and known as "SA Generation Corporation" (trading as Optima Energy), and includes its successors and assigns
South Australian Generation Leases	Leases with respect to electricity <i>generating systems</i> and associated <i>generating units</i> owned by <i>Generation Lessor Corporation</i> from time to time.

Column 1	Column 2
South Australian network	A <i>network</i> situated in South Australia or deemed to be situated in South Australia by operation of clause 9.4.5.
South Australian Transmission Lease	The various agreements, documents and deeds in their form as at 31 August 1998 relating to the leasing and ownership of the <i>transmission network</i> in South Australia entered into by <i>ETSA Transmission Corporation</i> .
South Australian Transmission Lease Participants	The parties to the <i>South Australian Transmission Lease</i> other than <i>ETSA Transmission Corporation</i> .
South Australian Transmission Network Sub Sub Sub Lease	Any sub sub sub-lease (together with any lease or agreement to lease extending beyond the termination date of such sub sub sub lease) with respect to the electricity <i>transmission network</i> , plant and equipment of which <i>ETSA Transmission Corporation</i> is sub sub sub-lessor from time to time.

- (c) **[Deleted]**
- (d) For the purposes of the *Rules* "*applicable regulatory instruments*" includes the following South Australian instruments in relation only to the regulation of *networks*, *network services* and retail sales of electricity in South Australia:
- (i) the *Electricity Act*;
 - (ii) all codes and regulations made and licences issued under the *Electricity Act*;
 - (iii) all regulatory instruments applicable under those licences;
 - (iv) the Electricity Pricing Order made under section 35B of the *Electricity Act*;
 - (v) the *Electricity Corporations (Restructuring and Disposal) Act 1999*;
 - (vi) the *Essential Services Commission Act 2002*; and
 - (vii) all regulations and determinations made under the *Essential Services Commission Act 2002*.

9.26 Transitional Arrangements for Chapter 2 - Registered Participants, Registration And Cross Border Networks

9.26.1 Registration as a Generator

For the purposes of the *Rules*:

- (a) *ETSA Power* and any one person that replaces or assumes rights or obligations of *ETSA Power* as party to the *Osborne agreement*, by way of succession, assignment, novation, ministerial direction, or otherwise, is deemed to be, and at all relevant times to have been, the person who must register as the *Generator* in relation to the *generating system* and associated *generating units* which are the subject of the *Osborne agreement*;
- (b) Osborne Cogeneration Pty Ltd is not to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating system* and associated *generating units* which are the subject of the *Osborne agreement*;
- (c) *SA Generation Corporation* and any person that replaces or assumes rights or obligations of *SA Generation Corporation* as party to the *Northern Power Station agreements*, by way of succession, assignment, novation, ministerial direction, or otherwise, is deemed to be, and at all relevant times to have been, the person that must register as the *Generator* (unless otherwise exempt) in relation to the *generating system* and associated *generating units* which are the subject of the *Northern Power Station agreements*;
- (d) the *Northern Power Station Participants* are not to, and are not to be taken to be entitled to, and are taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating system* and associated *generating units* which are the subject of the *Northern Power Station agreements*;
- (e) clauses 9.26.1(a) and (b) will cease to have effect on the termination of the *Osborne agreement*;
- (f) clauses 9.26.1(c) and (d) will cease to have effect on the termination of the last of the *Northern Power Station agreements*;
- (g) *Generation Lessor Corporation* is not obliged to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating system* and associated *generating units* in South Australia which are the subject of the *South Australian Generation Leases*; and
- (h) clause 9.26.1(g) will apply in respect of each *South Australian Generation Lease* from the time that lease becomes effective and will cease to have effect on the termination of that lease (or the termination of any renewal of that lease).

9.26.2 Registration as a Customer

For the purposes of clause 2.3.1(e), a person may classify its electricity purchased at a *connection point* in South Australia if the person is:

- (a) licensed to retail electricity under the *Electricity Act* and regulations; or
- (b) a *customer* pursuant to the *Electricity Act* and regulations.

9.26.3 Cross Border Networks

- (a) If:
 - (1) the *Minister* considers that a *transmission network* or *distribution network* situated in South Australia is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and
 - (2) the *Minister* for that other *participating jurisdiction* consents,then those *Ministers* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.
- (b) If a nomination is made under clause 9.26.3(a), then the *jurisdictional derogations* for South Australia do not apply to the extended part of the relevant *network* which is situated in South Australia.
- (c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for South Australia should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Minister* in respect of South Australia consents, the *jurisdictional derogations* for South Australia are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.26.4 [Deleted]

9.26.5 Registration as a Network Service Provider

For the purpose of the *Rules*:

- (a) the *South Australian Transmission Lease Participants* are not obliged to, and are taken to have been exempted from the requirement to, register as a *Network Service Provider* in relation to the *transmission network* in South Australia which is the subject of the *South Australian Transmission Lease*.

- (b) Clause 9.26.5(a) will cease to have effect on the termination, extension or variation of the *South Australian Transmission Lease*.
- (c) *Distribution Lessor Corporation* is not obliged to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Network Service Provider* in relation to the *distribution network* in South Australia which is the subject of the *South Australian Distribution Network Lease*.
- (d) *ETSA Transmission Corporation* (notwithstanding that it is the owner and sub sub sub lessor of the *transmission network* in South Australia) is not obliged to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Network Service Provider* in relation to the *transmission network* in South Australia which is the subject of the *South Australian Transmission Network Sub Sub Sub Lease*.
- (e) Clause 9.26.5(c) will have effect for the period of each *South Australian Distribution Network Lease* (including the period of any renewal).
- (f) Clause 9.26.5(d) will have effect for the period of each *South Australian Transmission Network Sub Sub Sub Lease* (including the period of any renewal).

9.27 [Deleted]

9.28 Transitional Arrangements for Chapter 5 - Network Connection

9.28.1 Application of clause 5.2

For the purposes of clause 5.2:

- (a) for *facilities* existing at *market commencement*, *Registered Participant* exemptions may be sought from *NEMMCO* in accordance with the *Rules* for particular *facilities* where material departures from the *Rules* are reasonably expected. Any necessity to alter the existing arrangements for *facilities* is to be negotiated and agreed by affected *Registered Participants*;
- (b) South Australia reserves the right to seek further exemptions from *NEMMCO* in accordance with the *Rules* for existing *power stations* if they are unable to meet the requirements of the *Rules* and those exemptions will not result in system damage; and
- (c) **[Deleted]**

- (d) **[Deleted]**
- (e) the provisions in this clause 9.28 apply until there are corresponding changes to the *Rules* which deliver equivalent outcomes to the satisfaction of the South Australian Government.

9.28.2 Regulation of Distribution Network Connection

- (a) Notwithstanding anything to the contrary in the *Rules*, the *Jurisdictional Regulator* appointed for South Australia is responsible for the regulation of access in respect of any *distribution network* situated in South Australia concerning:
 - (i) *connection*;
 - (ii) modification of a *connection*;
 - (iii) *augmentation*;
 - (iv) provision of *network services* and *distribution use of system services*;
 - (v) modification of the provision of *network services* and *distribution use of system services*.
- (b) For the purpose of clause 5.3.6(c), any question as to the fairness and reasonableness of an offer to *connect* in relation to a *distribution network* situated in South Australia is to be decided by the *Jurisdictional Regulator* on the basis of the opinion of the *Jurisdictional Regulator* as to the fairness and reasonableness of the offer.
- (c) If:
 - (1) a dispute arises between or involving two or more *Registered Participants* in respect of:
 - (i) access to;
 - (ii) *connection* to;
 - (iii) use of; or
 - (iv) *distribution network service* pricing for,

a *distribution network* situated in South Australia; and

- (2) the dispute is not resolved by agreement of the parties in dispute within 5 *business days* (or such other period as the parties agree to be an acceptable period) after the dispute first arose,

then the matter in dispute must be referred by the parties in dispute to the *Jurisdictional Regulator* to act as the *Adviser*. If the *Jurisdictional Regulator* thinks it appropriate, it may also act as the *dispute resolution panel* under the dispute resolution procedures set out in Chapter 8, provided that, if the *Jurisdictional Regulator* elects to act as both the *Adviser* and the *dispute resolution panel*, it must make such arrangements as are necessary to

ensure that, in carrying out its functions as the *dispute resolution panel*, no party may be adversely affected by the *Jurisdictional Regulator* having previously acted as the *Adviser*. If the *Jurisdictional Regulator* is unable or unwilling to make such arrangements, then it must appoint a *dispute resolution panel* in accordance with the *Adviser's* functions in Chapter 8.

- (d) This clause expires on 1 July 2010.

9.28.3 System Planning

- (a) In South Australia, the Electricity Supply Industry Planning Council (“*ESIPC*”), established under the *Electricity Act*, will be responsible for network planning as required by this clause 9.28.3.
- (aa) The obligations of *Network Service Providers* with respect to *networks* in South Australia under clauses 5.6.2 and 5.6.2A are varied as follows:
- (i) Except where expressly provided, nothing in this clause 9.28.3 relieves *Network Service Providers* operating in South Australia from their obligations under clause 5.6.
- (ii) The results of planning activities undertaken by *Network Service Providers* pursuant to clause 5.6.2 must be communicated to the *ESIPC* in a manner, form and within a time reasonably determined by the *ESIPC*.
- (iii) Relevant *Network Service Providers* must, as soon as possible, advise the *ESIPC* of the details of any *augmentation* plans arising under clause 5.6.2(c).
- (iv) *Network Service Providers* must, as soon as possible, provide the *ESIPC* with the forecasts, technical limits and details of the proposed corrective actions that are developed in accordance with clause 5.6.2(e).
- (v) The *ESIPC* must prepare the *Annual Planning Report* required under clause 5.6.2A for *networks* in South Australia. Relevant *Network*

Service Providers must prepare the information specified in clause 5.6.2A(b) and supply it to the *ESIPC* by April 30 each year, or by some later date as directed in writing by the *ESIPC*.

- (ab) For the purposes of clause 5.6.3(b), *ESIPC* is the representative of South Australia on the *Inter-regional Planning Committee*.
- (ac) An applicant who proposes to establish a *new large transmission network asset* under clause 5.6.6 must provide the *ESIPC* with a draft summary of the *application notice* 10 *business days* prior to providing a summary of the *application notice* to *NEMMCO*.
- (b) The *ESIPC*:
 - (i) must be an incorporated body;
 - (ii) must register with *NEMMCO* as a *Network Service Provider* under the *Rules*; and
 - (iii) as a registered *Network Service Provider*, must comply with the relevant obligations of a *Network Service Provider*, but does not have to comply with the obligations of clauses 2.11.2 and 5.6.2(e)-(m).
- (c) [Deleted]

9.29 Transitional Arrangements for Chapter 6 - Economic Regulation of Distribution Services

9.29.1 Jurisdictional Regulator

- (a) The South Australian *Essential Services Commission* remains as the *Jurisdictional Regulator* for South Australia until the SA Minister makes a transfer of regulatory responsibility to the *AER* under clause 11.14.4.
- (b) This clause expires on 1 July 2010.

9.29.2 [Deleted]

9.29.3 [Deleted]

9.29.4 [Deleted]

9.29.5 Distribution Network Pricing – South Australia

- (a) In this clause:

price determination means Part B of the 2005–2010 Electricity Distribution Price Determination made under the *Essential Services Commission Act 2002* (SA).

SA Distributor means the *Distribution Network Service Provider* whose *distribution network* is situated in South Australia.

relevant distribution determination means the distribution determination for the *SA Distributor* for the *regulatory control period* that commences in 2010.

small customer has the same meaning as in the *Electricity Act 1996* (SA).

statement of regulatory intent means the *statement of regulatory intent* in regard to the electricity distribution efficiency carryover mechanism issued by the Essential Services Commission on 23 March 2007 under clause 7.4 of the Electricity Pricing Order made by the Treasurer under section 35B of the *Electricity Act 1996* (SA) on 11 October 1999.

- (b) The relevant distribution determination:
- (1) must incorporate appropriate transitional arrangements to take into account the change from a pre-tax to a *post-tax revenue model* (which must be consistent with any agreement between the *AER* and the *SA Distributor* about the arrangements necessary to deal with the transition); and
 - (2) must allow the *SA Distributor* to carry forward impacts associated with the calculation of Maximum Average Distribution Revenue under the price determination into the 2010/11 and 2011/12 *regulatory years*.
- (c) The *efficiency benefit sharing scheme* under the relevant distribution determination must be consistent with the *statement of regulatory intent*.
- (d) The following side constraint is to be applied to tariffs for small customers for the *regulatory control period* to which the relevant distribution determination applies:
- The fixed supply charge component of the tariff must not increase by more than \$10 from one *regulatory year* to the next.
- (e) In preparing its *framework and approach paper* for the distribution determination that is to follow the relevant distribution determination, the *AER* must consider whether the above side constraint should continue with or without modification.
- (f) Any reduction in *transmission network* charges as a result of a regulatory reset (excluding reductions resulting from the distribution of *settlements*

residue and settlements residue auction proceeds) must be paid to all *customers*.

9.29.6 Capital contributions, prepayments and financial guarantees

- (a) The amount that a South Australian *Distribution Network Service Provider* may receive by way of capital contribution, prepayment and/or financial guarantee in respect of a *South Australian network* will be determined by the appropriate regulator in accordance with *applicable regulatory instruments*.
- (b) This clause operates to the exclusion of clause 6.7.2(b) of the former Chapter 6 (as it continues in force under transitional provisions) and clause 6.21.2(2) of the present Chapter 6.
- (c) In this clause:

appropriate regulator means:

- (1) if the South Australian Minister has made no transfer of regulatory responsibility to the *AER* under clause 11.14.4 – the South Australian *Essential Services Commission*;
- (2) if the South Australian Minister has made a transfer of regulatory responsibility to the *AER* under clause 11.14.4 – the *AER*.

9.29.7 Ring fencing

On the *AER's* assumption of responsibility for the economic regulation of *distribution services* in *South Australia*, the *guidelines entitled Operational Ring-fencing Requirements for the SA Electricity Supply Industry: Electricity Industry Guideline No. 9* dated June 2003 (including amendments and substitutions made up to the date the *AER* assumes that responsibility) will be taken to be *distribution ring-fencing guidelines* issued by the *AER* under Rule 6.17.

9.29A Monitoring and reporting

- (a) *NEMMCO* must provide to the *ESIPC* upon request:
 - (i) any information that relates to *interconnectors* into South Australia; and
 - (ii) South Australian market data,

where such information is within *NEMMCO's* control and it is reasonably required to support the performance of the role of jurisdictional Responsible Officer by an officer or employee of the *ESIPC* under the National

Electricity Market Memorandum of Understanding on the Use of Emergency Powers and the regulations under the *Electricity Act*.

- (b) The information referred to in clause 9.29A(a) must be provided by *NEMMCO* via a real time data link or, where that is not available, within a reasonable time.
- (c) Where the cost incurred by *NEMMCO* in providing the information referred to in clause 9.29A(a) exceeds the usual costs which *NEMMCO* incurs in providing any *Market Participant* with information in accordance with the *Rules*, the *ESIPC* must pay the additional costs.

9.30 Transitional Provisions

9.30.1 Chapter 7 - Metering

- (1) The transitional metering provisions set out in schedule 9G1 apply to South Australia in respect of Chapter 7.
- (2) [Deleted]
- (3) [Deleted]
- (4) [Deleted]
- (5) [Deleted]

9.30.2 [Deleted]

Schedule 9D1 - [Deleted]

Part E – Jurisdictional Derogations for Queensland

9.31 [Deleted]

9.32 Definitions and Interpretation

9.32.1 Definitions

(a) For the purposes of this Part E:

- (1) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (2) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
connection agreement	Includes all “Connection and Access Agreements” established in Queensland prior to <i>market commencement</i> .
Contestable Customer	A customer prescribed by a regulation made under the <i>Electricity Act</i> as a contestable customer.
Electricity Act	The Electricity Act 1994 (Qld).
exempted generation agreement	An agreement between a <i>State Electricity Entity</i> and the owner or operator of a <i>generating system</i> , as listed at schedule 9E1, and any amendment of such agreement made prior to 13 December 1998 or, if made in accordance with clause 9.34.6(s), thereafter.
GOC Act	The Government Owned Corporations Act 1993 (Qld).
Minister	The Minister administering the <i>Electricity Act</i> from time to time.
Nominated Generator	A <i>State Electricity Entity</i> determined by the <i>Minister</i> for the purposes described in clause 9.34.6 for a <i>generating system</i> to which an <i>exempted generation agreement</i> applies.
Powerlink Queensland	Queensland Electricity Transmission Corporation Ltd, a corporation established under the <i>GOC Act</i> .

Column 1	Column 2
Queensland Competition Authority	The Queensland Competition Authority established under the <i>Queensland Competition Authority Act</i> .
Queensland Competition Authority Act	The Queensland Competition Authority Act 1997 (Qld).
Queensland distribution network	A <i>distribution network</i> (including any part of a <i>distribution network</i>) situated in Queensland.
Queensland Grid Code	The Code of that name first issued by the Department of Mines and Energy (Qld) on 28 November 1994, as amended from time to time.
Queensland system	The sum of the <i>transmission network</i> located in Queensland operating at a nominal <i>voltage</i> of 275 kV, the <i>connection assets</i> associated with that <i>network</i> and any <i>transmission or distribution system connected</i> to that <i>network</i> and also located in Queensland.
Queensland transmission network	A <i>transmission network</i> (including any part of a <i>transmission network</i>) situated in Queensland.
retail authority	An authority of that name issued under the <i>Electricity Act</i> .
Retail Entity	A retail entity as defined in the <i>Electricity Act</i> .
Small Generator	A <i>Generator</i> whose <i>generating system</i> is <i>connected</i> to the <i>Queensland system</i> and has a <i>nameplate rating</i> of less than 5MW.
special approval	An approval of that name issued under the <i>Electricity Act</i> .
Stanwell Corporation Ltd	A corporation established under the <i>GOC Act</i> .
Stanwell Cross Border Leases	The various agreements, documents and deeds relating to the leasing, ownership and operation of the <i>generating systems</i> comprising the <i>Stanwell Power Station</i> entered into, or to be entered into, at the request of, or for the benefit of, one or more of <i>Stanwell Corporation Ltd</i> and the State of Queensland and whether or not any of <i>Stanwell Corporation Ltd</i> or the State of Queensland is a party to those agreements, documents and deeds.
Stanwell Power Station	The <i>power station</i> known as the “Stanwell Power Station” located at Stanwell, Queensland.

Column 1	Column 2
State Electricity Entity	A State electricity entity as defined in the <i>Electricity Act</i> .
transmission authority	An authority of that name issued under the <i>Electricity Act</i> .

- (b) For the purposes of the *Rules*, to the extent that any *network* is located in Queensland, a *network* or part of a *network* is a *transmission network* if and only if it satisfies the following definition of “*transmission network*” and the definition of “*transmission network*” given in the glossary in Chapter 10 does not apply in those circumstances:

transmission network	Despite clause 6A.1.5(b) and the glossary of the <i>Rules</i> , in Queensland the <i>transmission network</i> assets are to be taken to include only those assets owned by <i>Powerlink Queensland</i> or any other <i>Transmission Network Service Provider</i> that holds a <i>transmission authority</i> irrespective of the <i>voltage</i> level and does not include any assets owned by a <i>Distribution Network Service Provider</i> whether or not such <i>distribution</i> assets are operated in parallel with the <i>transmission system</i> .
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9.32.2 Interpretation

In this Part E, a reference to any authority, corporation or body whether statutory or otherwise, in the event of that authority, corporation or body ceasing to exist or being reconstituted, renamed or replaced or its powers, duties or functions being transferred to or assumed by any other authority, corporation or body, will, as the case requires, be taken to refer to the authority, corporation or body replacing it or the authority, corporation or body, succeeding to or assuming the powers, duties or functions of it.

9.33 Transitional Arrangements for Chapter 1

9.33.1 [Deleted]

9.34 Transitional Arrangements for Chapter 2 - Registered Participants and Registration

9.34.1 Application of the Rules in Queensland (clauses 2.2 and 2.5)

Any person who engages in the activity of owning, controlling or operating:

- (a) a *generating system* that *supplies* electricity to a *transmission or distribution system* of a kind referred to in clause 9.34.1(b); or
- (b) a *transmission or distribution system* in Queensland which does not form part of the *national grid*,

is not to, and is not to be taken to be entitled to, and is taken to have been exempted from the requirement to, register as a *Registered Participant* in relation to that activity.

9.34.2 Stanwell Cross Border Leases (clause 2.2)

- (a) *Stanwell Corporation Ltd* is deemed to be the person that must register as a *Generator* in relation to the *generating systems* which are the subject of the *Stanwell Cross Border Leases*.
- (b) The parties (other than *Stanwell Corporation Ltd*) to the *Stanwell Cross Border Leases* are not to be and are not to be entitled to, and are taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating systems* which are the subject of the *Stanwell Cross Border Leases*.
- (c) Clauses 9.34.2(a) and (b) cease to have effect upon the expiry or earlier termination of the last of the *Stanwell Cross Border Leases*.

9.34.3 [Deleted]

9.34.4 Registration as a Customer (clause 2.3.1)

- (a) **[Deleted]**
- (b) Subject to clause 9.34.4(c), for the purpose of clause 2.3.1(e), a person satisfies the requirements of Queensland for classification of a *connection point* if that person is:
 - (1) a *Contestable Customer* in relation to that *connection point*; or
 - (2) a *Retail Entity* who is:
 - (i) authorised by a *retail authority* to sell electricity to the person *connected* at that *connection point*; or
 - (ii) the *Local Retailer* for the *local area* in which the *connection point* is located; or
 - (iii) the holder of a *special approval* which authorises the person to:
 - (A) purchase electricity in the *market* in respect of that *connection point*; or

- (B) sell electricity to the person *connected* at that *connection point*; or
- (iv) a person exempted under the *Electricity Act* from the operation of section 89(1) of the *Electricity Act* in relation to the sale of electricity to the person *connected* at that *connection point*.
- (c) For the purpose of clause 2.3.1(e), a person does not satisfy the requirements of Queensland for classification of its electricity purchased at a *connection point* in Queensland if the electricity is supplied through a *transmission or distribution system* which does not form part of the *national grid*.
- (d) **[Deleted]**

9.34.5 There is no clause 9.34.5

9.34.6 Exempted generation agreements (clause 2.2)

- (a) For the purpose of supplying electricity under any *exempted generation agreement*, for each *generating system* which forms part of one of the *power stations* listed in schedule 9E1 the Minister may determine, in consultation in each case with the owner of the relevant *generating system*, whether a *State Electricity Entity* (the “*Nominated Generator*”), rather than another person engaging in the activity of owning, operating or controlling the *generating system*, should be the *Generator* in respect of the *generating system*.
- (b) For the purposes of the *Rules* if the *Minister* has determined a *Nominated Generator* for any *generating system* as described in clause 9.34.6(a):
 - (1) the *Nominated Generator* is taken to be, and at all relevant times to have been, and is the person that must register as, a *Generator* in relation to that *generating system*; and
 - (2) any person engaging in the activity of owning, controlling or operating that *generating system*, not being the *Nominated Generator*, is not to, is not entitled to, and is taken to have been exempted from the requirement to, register as a *Generator* in relation to that *generating system*.
- (c) If complying with a requirement of the *Rules* (“the *Rules Requirement*”) would result in a *Nominated Generator* being in breach of a provision of an *exempted generation agreement* to which it is a party (the “*contractual requirement*”), the *Nominated Generator* is not required to comply with the *Rules requirement* to the extent of the inconsistency between the *Rules requirement* and the *contractual requirement* provided that this

clause 9.34.6(c) must not be interpreted to relieve a *Nominated Generator* of the obligation to submit offers in respect of a *scheduled generating unit* or to operate the *generating unit* in accordance with *dispatch instructions* determined under Chapter 3.

(d) If:

- (1) a *Nominated Generator* requires the co-operation of one or more of the parties to an *exempted generation agreement* (a “*counterparty*”) in order to enable the *Nominated Generator* to comply with the *Rules requirement*;
- (2) the *Nominated Generator* has used its reasonable endeavours to obtain the *counterparty's* co-operation in order to enable the *Nominated Generator* to comply with the *Rules requirement*; and
- (3) the *Nominated Generator* has no ability to require the *counterparty* to so co-operate with the *Nominated Generator* and the *counterparty* is not in breach of the *exempted generation agreement* by refusing to so co-operate,

then the *Nominated Generator* is not required to comply with the *Rules requirement*.

(e) If a *Nominated Generator* does not comply with a *Rules requirement* in the circumstances set out in clause 9.34.6(c) or (d), the *Nominated Generator* must:

- (1) give notice to the *AER* as soon as practicable, and in any event before the expiration of *7 days* after the non-compliance with the *Rules requirement* occurs or commences, of:
 - (a) details of the *Rules requirement* which has not been or will not be complied with;
 - (b) details of each act or omission which partly or wholly constitutes non-compliance with that *Rules requirement*;
 - (c) in the case of circumstances described in clause 9.34.6(c), unless explicitly prohibited by the terms of the relevant *exempted generation agreement*, details of each *contractual requirement* which is considered by the *Nominated Generator* to be inconsistent with the *Rules requirement*; and
 - (d) in the case of circumstances described in clause 9.34.6(d), details of the endeavours made by the *Nominated Generator* to obtain the *counterparty's* co-operation to enable the *Nominated Generator* to comply with the *Rules requirement*; and

- (2) unless explicitly prohibited by the terms of the relevant *exempted generation agreement*, give the *AER* any documents or information in the possession or control of the *Nominated Generator* which evidence the matters referred to in clause 9.34.6(e)(1) within 14 *days* (or any further period agreed to by the *AER*) of receiving a written request from the *AER*.
- (f) To avoid any doubt, if after reviewing a notice and any documents or information given by the *Nominated Generator* under clause 9.34.6(e), the *AER* forms the view that:
 - (1) in the case of circumstances described in clause 9.34.6(c), compliance with the *Rules requirement* would not have resulted in the *Nominated Generator* being in breach of the relevant *contractual requirement*; or
 - (2) in the case of circumstances described in clause 9.34.6(d), any of the requirements of clause 9.34.6(d) were not in fact satisfied,

then the matter may be dealt with by the *AER* as a breach of the *Rules*.

- (g) **[Deleted]**
- (h) A *Nominated Generator* may give notice and information to the *AER* as required in clause 9.34.6(e) in advance if it becomes aware of the potential for the circumstances described in clause 9.34.6(c) or 9.34.6(d) to arise, and the giving of that notice and information will be taken to satisfy the requirements of the *Nominated Generator* in clause 9.34.6(e)(1) in respect of those circumstances.
- (i) Notwithstanding the provision of notice and information in advance in accordance with clause 9.34.6(h), the *Nominated Generator* must provide such other documents or information as may be required in accordance with clause 9.34.6(e) after such non-compliance has occurred or commenced.
- (j) If non-compliance with the *Rules* is continuing, the notice of non-compliance with the *Rules* provided under clause 9.34.6(e) will be effective in relation to that non-compliance until that non-compliance ends provided that:
 - (1) the notice specifies that the non-compliance is continuing; and
 - (2) the *Nominated Generator* notifies the *AER* of the end of the non-compliance no later than 7 days after the non-compliance ends.
- (k) Clauses 9.34.6(c) and 9.34.6(d) do not affect the obligations of a *Nominated Generator* with respect to registration with *NEMMCO* or to making payments under the provisions of the *Rules* in respect of:
 - (1) *Participant fees*;

- (2) *prudential requirements*; or
 - (3) *settlement amounts*.
- (l) Within 30 *days* of the end of each quarter in each calendar year, the *AER* must prepare a quarterly report for the previous quarter and make it available upon request to all *Registered Participants* and those *participating jurisdictions* that participated in the *market* during the quarter covered by the report. The quarterly report must include:
- (1) a summary of the acts or omissions of the *Nominated Generator* constituting non-compliance with any requirement of the *Rules*, as disclosed in written notices received by the *AER* under this clause 9.34.6 during the quarter covered by the report: and
 - (2) an assessment by the *AER* of the effect that those acts or omissions have had on the efficient operation, during the quarter covered by the report, of the *spot market*.
- (m) **[Deleted]**
- (n) No amendment, other than an amendment to correct a typographical error, may be made to an *exempted generation agreement* unless the parties to the *exempted generation agreement* submit to the *AER*:
- (1) the proposed amendment, a copy of the *exempted generation agreement* and such supporting information as the parties consider necessary (the “*EGA amendment material*”);
 - (2) a request that the *AER* seek advice from the *ACCC* as to whether the *ACCC* considers that the proposed amendment would or may:
 - (i) **[Deleted]**
 - (ii) **[Deleted]**
 - (iii) contravene a provision of the Trade Practices Act 1974 (Cth) or the Competition Code of a *participating jurisdiction*; and
 - (3) if requested by the *AER* to do so, such further information as may be required by the *AER* in order for the *ACCC* to consider the matters referred to in clause 9.34.6(n)(2),
- and the proposed amendment is not prohibited under clause 9.34.6(q).
- (o) When the parties to an *exempted generation agreement* submit *EGA amendment material* to the *AER* in accordance with clause 9.34.6(n), they may include as part of the material submitted a written request that the *AER*

and the ACCC treat the EGA amendment material as confidential. In such a case the *AER*:

- (1) must comply with that request until such time as the parties to the *exempted generation agreement* notify the *AER* in writing that the *AER* is no longer under an obligation to do so; and
- (2) must not provide any EGA amendment material to the ACCC unless the parties to the *exempted generation agreement* have notified the *AER* in writing that they have agreed acceptable confidentiality arrangements in relation to the EGA amendment material with the ACCC and that the *AER* should provide the EGA amendment material to the ACCC.

(p) **[Deleted]**

(q) If, within 10 *business days* of receiving the material referred to in clause 9.34.6(n) or such other period as is agreed between the *AER* and the parties to the *exempted generation agreement*, the *AER* responds that:

- (1) the ACCC considers that the proposed amendment would or may have any or all of the effects referred to in clause 9.34.6(n)(2); or
- (2) the ACCC considers that it is unable, because of:
 - (i) insufficient information before it; or
 - (ii) any confidentiality arrangements in relation to the EGA amendment material agreed between the ACCC and the parties to the *exempted generation agreement*,

to reasonably consider whether the proposed amendment would have any or all of the effects referred to in clause 9.34.6(n)(2),

then the proposed amendment must not be made.

(r) If the *AER* has not provided a response to a request made in accordance with clause 9.34.6(n)(2) within:

- (1) 10 *business days* of receiving the material referred to in clause 9.34.6(n); or
- (2) such other period as is agreed between the *AER* and the parties to the *exempted generation agreement*,

the ACCC is deemed to have no objection to the proposed amendment.

(s) If the *AER* notifies the parties to the *exempted generation agreement* that the ACCC has no objection to the proposed amendment, or if the ACCC is deemed under clause 9.34.6(r) to have no objection to the proposed

amendment, the parties to the *exempted generation agreement* may make the proposed amendment.

- (t) This clause 9.34.6 ceases to have effect in respect of a *generating system* the subject of an *exempted generation agreement* upon the termination of that agreement.

9.35 [Deleted]

9.36 [Deleted]

9.37 Transitional Arrangements for Chapter 5 - Network Connection

9.37.1 [Deleted]

9.37.2 Existing connection and access agreements (clause 5.2)

- (a) The technical connection and network pricing requirements of the Interconnection and Power Pooling Agreement dated 30 March 1994 between the owners of the Gladstone Power Station and the Queensland Electricity Commission (as amended prior to 18 January 1998) are to be taken to be a *connection agreement* in respect of both the Gladstone Power Station and the Boyne Island aluminium smelter unless replacement *connection agreements* are entered into in respect of the power station and smelter.
- (b) Despite anything to the contrary in clause 5.2.2, if the *generating system* at Gladstone Power Station meets the technical connection requirements of the Interconnection and Power Pooling Agreement, or the technical requirements of a replacement *connection agreement* no less onerous than those in the Interconnection and Power Pooling Agreement, the relevant *generating system* is to be deemed to comply with all the technical connection requirements of the *Rules* in respect of the Gladstone Power Station.
- (c) Despite anything to the contrary in clause 5.2.2, if the Boyne Island aluminium smelter meets the technical connection requirements of the Interconnection and Power Pooling Agreement, or the technical requirements of a replacement *connection agreement* no less onerous than those in the Interconnection and Power Pooling Agreement, the Boyne Island aluminium smelter is to be deemed to comply with all the technical connection requirements of the *Rules* in respect of the Boyne Island aluminium smelter.
- (d) Despite anything to the contrary in clause 5.2.2, if Queensland Rail complies with the technical requirements in the *connection agreements* for Queensland Rail *connections* as at 18 January 1998, Queensland Rail is to

be deemed to comply with all the technical connection requirements of the *Rules*.

- (e) *Small Generators* are not required to comply with the conditions of *connection* set out in schedule 5.2 of the *Rules*.

9.37.3 [Deleted]

9.37.4 Regulation of distribution network connection (clause 5.3)

- (a) This clause 9.37.4 applies in respect of the regulation of *connection* to a *Queensland distribution network*.
- (b) Despite anything to the contrary in the *Rules*, the appropriate regulator is responsible for the regulation of *connection* to a *Queensland distribution network*.
- (c) The appropriate regulator is:
 - (1) until the date the *AER* assumes responsibility for the regulation of *connection* to the *Queensland distribution network* – the *Jurisdictional Regulator* for Queensland; and
 - (2) from that date – the *AER*.
- (d) For the purposes of clause 5.3.6(c), any question as to the fairness and reasonableness of an offer to *connect* to a *Queensland distribution network* is to be decided by the appropriate regulator on the basis of the appropriate regulator's opinion of the fairness and reasonableness of the offer.
- (e) If a dispute arises in relation to *connection* to a *Queensland distribution network*, then that dispute must be resolved in accordance with Chapter 8 and for this purpose a reference in Chapter 8 to “*power system*” is deemed to be a reference to the “*Queensland system*”.
- (f) This clause expires on 1 July 2010.

9.37.5 Forecasts for connection points to transmission network (clause 5.6.1)

If a *Network Service Provider*, on the *Queensland system*, modifies forecast information in accordance with clause 5.6.1(d), then that *Network Service Provider* is not required to notify the relevant *Registered Participant* if it has conflicting confidentiality obligations to other *Registered Participants*.

9.37.6 There is no clause 9.37.6

9.37.7 Cross Border Networks

(a) If:

(1) the *Minister* considers that a *transmission network* or *distribution network* situated in Queensland is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and

(2) the *Minister* for that other *participating jurisdiction* consents,

then those *Ministers* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.

(b) If a nomination is made under clause 9.37.7(a), then the *jurisdictional derogations* for Queensland do not apply to the continuation of the relevant *network* which is situated in Queensland.

(c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for Queensland should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Minister* in respect of Queensland consents, the *jurisdictional derogations* for Queensland are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.37.8 [Deleted]

9.37.9 Credible contingency events (clause S5.1.2.1 of schedule 5.1)

(a) The *protection systems* installed on any 110/132kV lines located in Queensland and existing at *market commencement* are deemed to comply with clause S5.1.2.1(d) of schedule 5.1 of the *Rules* except where such *protection system* has a material effect in degrading the stability and security of the *Queensland system* or the *power system*.

9.37.10 Reactive power capability (clause S5.2.5.1 of schedule 5.2)

Clause S5.2.5.1 of schedule 5.2 of the *Rules* is replaced for each of the *generating units* situated at the relevant *power station* listed in the following table by the following:

For the purpose of this clause S5.2.5.1:

'*rated active power output*' means the 'Rated MW (Generated)' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*; and

'*nominal terminal voltage*' means the 'Nominal Terminal Voltage' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*.

- (a) Each of the *generating units*, while operating at any level of *active power output*, must be capable of:
- (1) supplying at its terminals an amount of *reactive power* of at least the amount that would be supplied if the *generating unit* operated at *rated active power output*, *nominal terminal voltage* and a lagging power factor of 0.9; and
 - (2) absorbing at its terminals an amount of *reactive power* of at least the amount that would be absorbed if the *generating unit* operated at *rated active power output*, *nominal terminal voltage* and a leading power factor set out in respect of that *generating unit* in column 3 of the following table.
- (b) In the event that any of the relevant power factors referred to in paragraph (a) above cannot be provided in respect of a *generating unit*, the relevant *Generator* must reach a commercial arrangement under its *connection agreement* with the relevant *Network Service Provider*, or with another *Registered Participant*, for the supply of the deficit in *reactive power* as measured at that *generating unit's* terminals.

<u>Power station</u>	<u>Generating units</u>	<u>Leading power factor</u>
<u>Gladstone</u>	<u>Units 1 to 4</u>	<u>0.99</u>
<u>Gladstone</u>	<u>Units 5 & 6</u>	<u>0.94</u>
<u>Collinsville</u>	<u>Units 1 to 5</u>	<u>0.95</u>

Power station	Generating units	Leading power factor
Gladstone	Units 1 to 4	0.99
Gladstone	Units 5 & 6	0.94
Tarong	Units 1 to 4	0.95
Callide "A"	Units 1 to 4	0.95
Callide "B"	Units 1 & 2	0.95
Stanwell	Units 1 to 4	0.95

Swanbank “B”	Units 1 to 4	0.97
Mount Stuart	Units 1 & 2	0.95
Collinsville	Units 1 to 5	0.95

9.37.11 [Deleted]

9.37.12 Voltage fluctuations (clause S5.1.5 of schedule 5.1)

For application in Queensland, clause S5.1.5 of schedule 5.1 of the *Rules* is replaced with the following:

"A *Network Service Provider* whose *network* is a *Queensland transmission network* or a *Queensland distribution network* must include conditions in *connection agreements* in relation to the permissible variation with time of the power generated or load taken by a *Registered Participant* to ensure that other *Registered Participants* are supplied with a power-frequency voltage which fluctuates to an extent that is less than the limit defined by the “Threshold of Perceptibility” or the “Threshold of Irritability” as the case may be for the conditions specified in the paragraph below, in Figure 1 of *Australian Standard AS2279, Part 4*.

A *Network Service Provider* whose *network* is a *Queensland transmission network* or a *Queensland distribution network* must ensure that voltage fluctuations caused by the switching or operation of *network plant* does not exceed the following amounts referenced to Figure 1 of *Australian Standard AS 2279, Part 4*:

- (1) Above 66kV:
 - (A) the “Threshold of Perceptibility” when all *network plant* is in service; and
 - (B) the “Threshold of Irritability” during any *credible contingency event* which is reasonably expected to be of short duration;
- (2) 66kV and below: the “Threshold of Irritability” when all *network plant* is in service.

The requirements of paragraphs (1) and (2) above do not apply to events such as switching of *network plant* to or from an abnormal state or to *network faults* which occur infrequently (ie. less than one event per day).

Where the *Rules* (other than this Part E) refer to clause S5.1.5(a) or (b) of schedule 5.1 of the *Rules* then, in so far as that reference relates to a *Network Service Provider* whose *network* is a *Queensland transmission network* or a *Queensland distribution network* or to a *network* which is a *Queensland*

transmission network or a *Queensland distribution network*, that reference must be construed as a reference to the immediately preceding paragraph.

A *Network Service Provider* whose *network* is a *Queensland transmission network* or a *Queensland distribution network* is responsible only for excursions in *voltage* fluctuations outside the range defined in the first two paragraphs of this clause S5.1.5 caused by *network plant* and the pursuit of all reasonable measures available under the *Rules* to remedy the situation in respect of *Registered Participants* whose *plant* does not perform to the standards defined by clause S5.2.5.2(c) of schedule 5.2 of the *Rules* for *Generators*, the standards set out in the first paragraph below for *Customers* and the standards set out in the second paragraph below for *Market Network Service Providers*.

Each *Customer* must ensure that variations in current at each of its *connection points* including those arising from the *energisation*, *de-energisation* or operation of any *plant* within or supplied from the *Customer's substation* are such that the contribution to the magnitude and rate of occurrence of the resulting *voltage* disturbance does not exceed the following limits:

- (i) where only one *Customer* has a *connection point* associated with the point of *supply*, the limit is 80% of the threshold of perceptibility set out in Figure 1 of *Australian Standard AS2279, Part 4*; or
- (ii) where two or more *Distribution Network Service Providers* or *Customers* causing *voltage* fluctuations have a *connection point* associated with a point of *supply*, the threshold of perceptibility limit is to be shared in a manner to be agreed between the *Distribution Network Service Provider* and the *Registered Participant* in accordance with *good electricity industry practice* that recognises the number of *Registered Participants* in the vicinity that may produce *voltage* fluctuations.

Each *Market Network Service Provider* must ensure that variations in current at each of its *connection points* arising from the *energisation*, *de-energisation* or operation of any of its *plant* involved in the provision of *market network services* are such that the contribution to the magnitude and rate of occurrence of the resulting *voltage* disturbance does not exceed the following limits:

- (i) where only one *Market Network Service Provider* has a *connection point* associated with the point of *supply*, the limit is 80% of the threshold of perceptibility set out in Figure 1 of *Australian Standard AS2279, Part 4*; or
- (ii) where two or more *Distribution Network Service Providers*, *Market Network Service Providers* or *Customers* causing *voltage* fluctuations

have a *connection point* associated with a point of *supply*, the threshold of perceptibility limit is to be shared in a manner to be agreed between the *Distribution Network Service Provider* and the *Registered Participant* in accordance with *good electricity industry practice* that recognises the number of *Registered Participants* in the vicinity that may produce *voltage* fluctuations.

For these purposes, references to *Australian Standard AS2279* are references to that standard as it existed prior to it being superseded by AS/NZS 61000.3.7:2001."

9.37.13 [Deleted]

9.37.14 [Deleted]

9.37.15 [Deleted]

9.37.16 [Deleted]

9.37.17 [Deleted]

9.37.18 [Deleted]

9.37.19 Generating unit response to disturbances (clause S5.2.5.3 of schedule 5.2)

- (a) Despite the provisions of clause S5.2.5.3 of schedule 5.2 of the *Rules*, the *generating units* listed in the following table are not required to operate continuously outside the corresponding *frequency band* specified in column three of the following table:

<u>Power station</u>	<u>Generating units</u>	<u>Frequency band</u>
<u>Gladstone</u>	<u>Units 1 to 6</u>	<u>47.5 Hz to 51.5 Hz</u>
<u>Collinsville</u>	<u>Units 1 to 4</u>	<u>48.0 Hz to 51 Hz</u>
<u>Collinsville</u>	<u>Unit 5</u>	<u>48.0 Hz to 52 Hz</u>

Power station	Generating units	Frequency band
Tarong	Units 1 to 4	47.5 Hz to 51 Hz
Callide “B”	Units 1 & 2	47.5 Hz to 51 Hz
Stanwell	Units 1 to 4	47.5 Hz to 51 Hz
Gladstone	Units 1 to 6	47.5 Hz to 51.5 Hz

Collinsville	Units 1 to 4	48.0 Hz to 51 Hz
	Unit 5	48.0 Hz to 52 Hz

(b) [Deleted]

(b1) [Deleted]

9.37.20 ~~[Deleted] Frequency control (clause S5.2.5.11 of schedule 5.2)~~

~~For each of the *generating units* situated at the *power stations* listed in the following table, the application of clause S5.2.5.11 of schedule 5.2 of the *Rules* is modified by deleting clause S5.2.5.11(b)(3) and replacing it with the following:~~

~~“(d) A *Generator* must ensure that each of its *scheduled generating units* is capable of automatically increasing its *active power output* by 4% for a 0.1 Hz reduction in *system frequency*”.~~

Power station	Generating units
Tarong	Units 1 to 4
Callide “A”	Units 1 to 4
Callide “B”	Units 1 & 2
Stanwell	Units 1 to 4
Swanbank “A”	Units 1 to 6
Swanbank “B”	Units 1 to 4

9.37.21 Excitation control system (clause S.5.2.5.13 of schedule 5.2)

(a) For each of the *generating units* listed in the following table:

- (1) the application of clause S5.2.5.13(a) of schedule 5.2 of the *Rules* is modified by amending it to ensure that the short-time average *generating unit stator voltage* at highest rated power output level is not required to be more than 5% above nominal *stator voltage*; and
- (2) the application of clause S5.2.5.13(b) of schedule 5.2 of the *Rules* is modified by deleting the words “all operating conditions” and replacing them with the words “all normal operating conditions and all *single credible contingency events*”.

<u>Power station</u>	<u>Generating units</u>
<u>Gladstone</u>	<u>Units 1 to 6</u>
<u>Collinsville</u>	<u>Units 1 to 5</u>

- (b) ~~[Deleted] For Wivenhoe Power Station, the application of clause S5.2.5.13(e) of schedule 5.2 of the Rules is modified by replacing sub-clause (e) with the words “providing a five second ceiling excitation voltage to a maximum of 730 V excitation voltage.”~~
- (c) **[Deleted]**
- (d) For Collinsville Power Station, any variation to the minimum performance requirements specified in clause S5.2.5.13 of schedule 5.2 of the *Rules* is to be limited to figures agreed with the *Network Service Provider* to whose *network* the Collinsville Power Station is *connected*.

Power station	Generating units
Tarong	Units 1 to 4
Callide “A”	Units 1 to 4
Callide “B”	Units 1 & 2
Stanwell	Units 1 to 4
Swanbank “A”	Units 1 to 6
Swanbank “B”	Units 1 to 4
Wivenhoe	Units 1 & 2
Barron Gorge	Units 1 & 2
Kareeya	Units 1 to 4
Gladstone	Units 1 to 6
Collinsville	Units 1 to 5

- (e) A *Generator* whose *generating unit* is situated in Queensland must ensure that each new *synchronous generating unit* of greater than 100MW is fitted with a *static excitation system* or some other *excitation control system* which will provide *voltage* regulation to within 0.5% of the selected setpoint value unless otherwise agreed with the relevant *Network Service Provider*.

9.37.22 [Deleted]

9.37.23 Annual forecast information for planning purposes (schedule 5.7)

Each *Registered Participant* that has a *connection point* to a *Queensland transmission network* must submit to the relevant *Queensland Transmission Network Service Provider* a forecast of the annual *energy* consumption associated with each *connection point* together with the information set out in schedule 5.7 of the *Rules*.

9.38 Transitional Arrangements for Chapter 6 - Network Pricing

9.38.1 [Deleted]

9.38.2 [Deleted]

9.38.3 Arrangements for regulation of distribution pricing

- (a) The *Queensland Competition Authority* remains *Jurisdictional Regulator* for Queensland until the Queensland Minister makes a transfer of regulatory responsibility to the *AER* under clause 11.14.4.
- (b) Subject to clause 11.14.3, the regulation of *distribution network* service pricing for a *Queensland distribution network* must be in accordance with the *Electricity Act* and the *Queensland Competition Authority Act*.
- (c) This clause expires on 1 July 2010 or an earlier date nominated by the Queensland Minister.

9.38.4 Interconnectors between regions

For the purposes of the *Rules*, the *interconnector* between Armidale in New South Wales and Tarong in Queensland, to the extent that it forms part of the *Queensland system*, is deemed to be a *regulated interconnector*.

9.38.5 Transmission pricing for exempted generation agreements

- (a) Notwithstanding the provisions of Chapter 6, the amounts payable for *transmission services* in respect of a *generating system* or a *load* the subject of an *exempted generation agreement* by a *Generator* or *Customer* which is referred to in an *exempted generation agreement*, or the relevant *State Electricity Entity* nominated pursuant to clause 9.34.6(a), as the case may be, will be the amounts payable under the *connection agreement* in respect of that *generating system* or *load*.
- (b) If the amounts payable for *transmission services* under clause 9.38.5(a) differ to those that would have been payable if the amounts had been calculated in accordance with the provisions of Chapter 6 (as modified by

this clause 9.38) then the amount of that difference is to be recovered in accordance with clause 6.5.6(a).

- (c) For the purpose of clause 9.38.5(b), the amount of any difference is to be recovered from *Transmission Customers* located in Queensland and connected to the *Queensland system* and is not otherwise to be taken into account in determining *Transmission Customer common service charges* under clause 6.5.6(a).
- (d) For the application of clause 9.38.5(a) to the *generating system* at Gladstone Power Station and the *load* at the Boyne Island aluminium smelter, the *connection agreement* referred to is the Interconnection and Power Pooling Agreement dated 30 March 1994 between the owners of the Gladstone Power Station and the Queensland Electricity Commission (as amended prior to 18 January 1998), or any *connection agreements* entered into in respect of those *connection points* in replacement of that agreement, provided that in the latter case any difference to be recovered pursuant to clause 9.38.5(b) must not exceed that which would have applied had that agreement continued.
- (e) Clause 9.38.5(a) continues to apply in respect of the *generating system* at Gladstone Power Station and the *load* at the Boyne Island aluminium smelter despite the entering into *connection agreements* in replacement of the Interconnection and Power Pooling Agreement as envisaged in clause 9.38.5(d).

9.39 Transitional Arrangements for Chapter 7 - Metering

9.39.1 Metering installations to which this clause applies

- (a) The transitional *metering* provisions set out in schedule 9G1 apply to Queensland in respect of Chapter 7.
- (b) Notwithstanding the application of schedule 9G1 in Queensland, the transitional arrangements set out in this clause 9.39 apply in relation to a *metering installation* (including a *check metering installation*) that meets the following criteria:
 - (1) at 1 October 1997, the *metering installation*:
 - (i) was a *metering installation* to which the *Queensland Grid Code* applied; and
 - (ii) complied with the metering requirements of the *Queensland Grid Code*; and
 - (2) excepting normal repair and maintenance, no part of the *metering installation* has been modified or replaced since 1 October 1997.

9.39.2 [Deleted]

9.39.3 [Deleted]

9.39.4 [Deleted]

9.39.5 [Deleted]

9.40 Transitional Arrangements for Chapter 8 - Administration
Functions

9.40.1 [Deleted]

9.40.2 [Deleted]

9.40.3 [Deleted]

9.41 [Deleted]

Schedule 9E1 - Exempted Generation Agreements

Station Name	Owner or Operator of Station	Date of Agreement
Gladstone Power Station	GPS Participants ¹	30 March 1994
Collinsville Power Station	Collinsville Participants ²	30 November 1995
Townsville Power Station	Transfield Townsville Pty Ltd A.C.N. 075 001 991	2 August 1996
Oakey Power Station	Oakey Power Pty Ltd A.C.N. 075 258 114	10 September 1996
Mt Stuart Power Station	Origin Energy Mt Stuart, a general partnership between Origin Energy Mt Stuart BV (ARBN 079 232 572) & Origin Energy Australia Holdings BV (ARBN 079 234 165)	5 August 1996
Various Sugar Mills	Queensland Sugar Power Pool Pty Ltd A.C.N. 072 003 537	21 December 1995
Somerset Dam Hydro	Hydro Power Pty Ltd A.C.N. 010 669 351	1 June 1996
Browns Plains Landfill Gas	EDL LFG (QLD) Pty Ltd A.C.N. 071 089 579 and Energex Limited A.C.N. 078 849 055	31 July 1996

1

GPS Participants Each of: GPS Power Pty Ltd, A.C.N. 009 103 422;
GPS Energy Pty Ltd, A.C.N. 063 207 456;
Sunshine State Power B.V., A.R.B.N. 062 295 425;
Sunshine State Power (No 2) B.V., ARBN 063 382 829;
SLMA GPS Pty Ltd, A.C.N. 063 779 028;
Ryowa II GPS Pty Ltd, A.C.N. 063 780 058; and
YKK GPS (Queensland) Pty Ltd, A.C.N. 062 905 275.

2

Collinsville Participants Each of: Transfield Collinsville Pty Ltd, A.C.N. 058 436 847; and
Transfield Services Collinsville B.V., A.R.B.N. 070 968 606.

Part F – Jurisdictional Derogations for Tasmania

9.41A [Deleted]

9.42 Definitions and interpretation

9.42.1 Definitions

For the purposes of this Part F:

- (a) a word or expression defined in the glossary in chapter 10 has the meaning given to it in the glossary, unless it is referred to in column 1 of the following table; and
- (b) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
Aurora	Aurora Energy Pty Ltd (ABN 85 082 464 622).
Basslink	The project for the interconnection, by means of a DC electricity transmission link, of the Victorian and Tasmanian <i>transmission systems</i> .
ESI Act	The Electricity Supply Industry Act 1995 (Tas).
George Town Substation	The electricity substation located on the land comprised in Certificate of Title Volume 34076 Folio 1.

Column 1	Column 2
Hydro Tasmania	The Hydro-Electric Corporation (ABN 48 072 377 158).
Interconnection Date	The date on which <i>Basslink</i> enters into commercial operation, being the Commissioning Date as defined in the Basslink Project Interpretation Memorandum dated 29 November 2002 between the Crown in right of the State of Tasmania, Basslink Pty Ltd, National Grid Transco plc, National Grid Holdings Limited and <i>Hydro Tasmania</i> .
Minister	The Minister for the time being responsible for administering the <i>ESI Act</i> .
National Electricity Code	The code of conduct called the National Electricity Code approved, in accordance with section 6(1) of the Old National Electricity Law, as the initial Code for the purposes of that Law, and as amended from time to time in accordance with its terms and the Old National Electricity Law.
Old National Electricity Law	The Schedule to the National Electricity (South Australia) Act 1996 (SA) as in force from time to time before the commencement of section 12 of the National Electricity (South Australia) (New National Electricity Law) Amendment Act 2005 (SA).
Price Control Regulations	The Electricity Supply Industry (Price Control) Regulations made under the <i>ESI Act</i> .
Reliability and Network Planning Panel	The panel of that name established by the <i>Tasmanian Electricity Regulator</i> of the <i>Tasmanian Code</i> .
Retail Licence	A licence authorising the retailing of electricity issued under the <i>ESI Act</i> .

Column 1	Column 2
Tasmanian Code	The Tasmanian Electricity Code issued under section 49A of the <i>ESI Act</i> .
Tasmanian Code Participant	A person who is a Code Participant within the meaning of the <i>Tasmanian Code</i> .
Tasmanian Determination on Power System Frequency Operating Standards	The Determination on Frequency Operating Standards for the Tasmanian Power System issued by the <i>Reliability and Network Planning Panel</i> .
Tasmanian Electricity Regulator	The office of the Regulator established pursuant to section 5 of the <i>ESI Act</i> .
Tasmanian Network Service Provider	A person who is a <i>Network Service Provider</i> in respect of a <i>network</i> located in Tasmania (including the <i>Network Service Provider</i> in respect of <i>Basslink</i>).
Tasmanian power system security and reliability standards	The standards governing security and reliability of the power system located in Tasmania determined by the <i>Reliability and Network Planning Panel</i> in accordance with the <i>Tasmanian Code</i> , including the <i>Tasmanian Determination on Power System Frequency Operating Standards</i> and the standards for capacity reserves.
Third Tranche Commencement Date	The day which the <i>Minister</i> notifies <i>NEMMCO</i> is the day on which customers taking an amount of electricity equal to or in excess of 0.75GWh/yr and less than 4GWh/yr at a <i>connection point</i> in Tasmania first become contestable customers (within the meaning of the <i>ESI Act</i>).
Transend	Transend Networks Pty Limited (ABN 57 082 586 892).
Transition Date	The date on and from which section 6 of the Electricity - National Scheme (Tasmania) Act 1999 commences.

9.42.2 Interpretation

In this Part F, references to Tasmania do not include King Island or Flinders Island unless the context otherwise requires.

9.42.3 National grid, power system and related expressions

Notwithstanding anything else in the *Rules*, but subject to the other provisions of this Part F, on and from the *Transition Date*:

- (a) the *connected transmission systems* and *distribution systems* located in Tasmania are to be treated as forming part of the *national grid* and the interconnected *transmission* and *distribution networks*; and
- (b) the electricity power system located in Tasmania, including associated *generation* and *transmission* and *distribution networks* for the *supply* of electricity, is to be treated as forming part of the *power system* and the electricity system,

even if they are not *connected* to a *network* or *networks* in other *participating jurisdictions*.

9.43 Transitional arrangements for Chapter 1 - Introduction - Validity of certain actions taken prior to Transition Date

If:

- (a) the *AEMC*, the *AER*, *NEMMCO*, any *Rules body*, any *Registered Participant*, the *Tasmanian Electricity Regulator* or any *Tasmanian Code Participant* takes any action to enable any entity to perform functions under, or obligations imposed by, a provision of the *Rules* before the *Transition Date* in anticipation of the relevant provision applying in Tasmania on the *Transition Date*; and
- (b) the action was taken so far as reasonably practicable in accordance with the provision (as though the provision applied in Tasmania at the time the relevant action was taken),

then the action is deemed to have been validly taken in accordance with that provision with effect on and from the *Transition Date*. For the avoidance of doubt:

- (c) any action taken for the purposes of this clause 9.43 by the *Tasmanian Electricity Regulator* prior to the *Transition Date* to enable the *Jurisdictional Regulator* to perform functions under, or obligations imposed by, a provision of the *Rules* in anticipation of that provision coming into effect on the *Transition Date* is deemed to have been taken by the *Jurisdictional Regulator*; and

- (d) the *AEMC*, the *AER*, *NEMMCO*, any *Rules body* or other person (“Recipient”) may treat any submission, application, approval, statement or document (“application”) given to it by a person in anticipation of a provision of the *Rules* applying in Tasmania as having been given to the Recipient under that provision of the *Rules* and may take action under the *Rules* on the basis of that application or taking into account that application.

9.44 Transitional arrangements for Chapter 2 – Registered Participants and Registration - Customers (clause 2.3.1(e))

For the purposes of clause 2.3.1(e), and for the purposes of clause 2.4.2(b) in so far as it relates to *Customers*, a person satisfies the requirements of Tasmania for classification of a *connection point* of that person if that person is the holder of a *Retail Licence* or is a contestable customer within the meaning of the *ESI Act* in respect of that *connection point*.

9.45 Transitional arrangements for Chapter 3 - Market Rules

9.45.1 Tasmanian Region (clause 3.5)

- (a) Notwithstanding clause 3.5, the State of Tasmania is, and must be, one *region* and that *region* must not include any areas which fall outside of the State of Tasmania.
- (b) Notwithstanding clause 3.5.1(c), the *regional reference node* for the Tasmanian *region* is the 220kV *busbar* located at the *George Town Substation*.
- (c) Clauses 9.45.1(a) and (b) cease to have effect from the beginning of the *Third Tranche Commencement Date*.

9.45.2 Administered Price Cap (clause 3.14.1)

Until a different *administered price cap* is developed, authorised and published in accordance with clause 3.14.1(a) for the Tasmanian *region*, the administered price cap for the Tasmanian region is:

- (1) \$100/MWh between 7.00 am and 11.00 pm on a *business day*; and
- (2) \$50/MWh at all other times.

9.45.3 Settlement Residue Auctions (clause 3.18.1)

- (a) To avoid doubt, *Basslink* is not a *directional interconnector* for the purposes of clause 3.18.
- (b) Clause 9.45.3(a) ceases to have effect at the end of the second anniversary of the *Transition Date*.

9.46 Transitional arrangements for Chapter 4 - Power System Security

9.46.1 Satisfactory Operating State (clause 4.2.2)

If the *frequency* at a *busbar* located in Tasmania is within the containment range for a load event as specified in the *Tasmanian Determination on Power System Frequency Operating Standards*, then that *frequency* will be taken to be within:

- (1) the *normal operating frequency excursion band* for the purposes of the *Rules*; and
- (2) any *frequency band* (whatever it is called) specified in or under the *Rules* or the *power system security and reliability standards* which is applied by *NEMMCO* or any other person for a similar purpose as the *normal operating frequency excursion band* is applied under clause 4.2.2(a).

9.46.2 Secure operating state and power system security (clause 4.2.6(c))

In applying the *power system security* principle specified in clause 4.2.6(c) in relation to Tasmania, *NEMMCO* must have regard to the *power frequency bands* specified in the *Tasmanian Determination on Power System Frequency Operating Standards* in substitution for the *frequency bands* contemplated by that clause.

9.46.3 Market Customer obligations (clause 4.3.5(b))

Notwithstanding clause 4.3.5(b), *Market Customers* must provide their *interruptible load* in respect of *connection points* located in Tasmania in manageable blocks spread over a number of steps within under-*frequency bands* down to the lower limit of the “extreme frequency excursion tolerance limits” (as specified in the *Tasmanian Determination on Power System Frequency Operating Standards*) and not 47.0Hz as specified in clause 4.3.5(b).

9.46.4 Power System Frequency Control Responsibilities (clause 4.4.1)

Notwithstanding clause 4.4.1 and the *power system security and reliability standards*, *NEMMCO* must use reasonable endeavours to ensure that, in Tasmania, the *frequency levels* specified in the *Tasmanian Determination on Power System Frequency Operating Standards* are achieved.

9.47 Transitional arrangements for Chapter 5- Network Connection

9.47.1 Existing Connection Agreements

The following agreements are each to be taken to be a *connection agreement* for the purposes of clause 5.2:

- (a) the Connection Agreement dated 1 July 1998 between *Aurora* and *Hydro Tasmania*;
- (b) the Connection and Network Services Agreement dated 1 July 1998 between *Transend* and *Aurora*;
- (c) the Connection and Network Services Agreement dated 1 July 1998 between *Transend* and *Hydro Tasmania*;
- (d) the Basslink Connection Agreement dated 28 January 2000 between National Grid International Limited and *Transend*; and
- (e) any other connection agreement entered into prior to the *Transition Date* in accordance with the *Tasmanian Code*.

9.47.2 [Deleted]

9.47.3 Frequency variations (clauses S5.1.3 and S5.1.10)

In performing the functions contemplated by clauses S5.1.3 and S5.1.10 of schedule 5.1 of the *Rules* in relation to that part of the *power system* located in Tasmania, *NEMMCO* and *Tasmanian Network Service Providers* must apply the *power system frequency bands* specified in the *Tasmanian Determination on Power System Frequency Operating Standards* in Tasmania in substitution for the *frequency bands* specified in the *power system security and reliability standards*.

9.47.4 Fault clearance times (clauses S5.1.9 and S5.1a.8 and table S5.1a.2)

- (a) Notwithstanding clause S5.1.9 of schedule 5.1 of the *Rules* and clause S5.1a.8, and table S5.1a.2, of schedule 5.1a of the *Rules*, if:
 - (1) there is no system for communication between the faulted end and the remote end of a power line located in Tasmania; or
 - (2) there is a maintenance *outage* of the system for communication between the faulted end and the remote end of a power line located in Tasmania,

then the remote end maximum *fault clearance time* in respect of that power line is 600 milliseconds.

- (b) Notwithstanding clause S5.1.9 of schedule 5.1 of the *Rules* and clause S5.1a.8, and table S5.1a.2, of schedule 5.1a of the *Rules*, if there is no circuit breaker failure protection in respect of a power line located in Tasmania, then the breaker fail maximum *fault clearance time* for that line is 1100 milliseconds.
- (c) Clauses 9.47.4(a) and (b) cease to have effect at the end of the first anniversary of the *Transition Date*.

9.48 Transitional arrangements for Chapter 6 - Transmission and Distribution Pricing

9.48.1 [Deleted]

9.48.2 Transmission Service Pricing

- (a) A "Pre-NEM Determination" is a determination, decision or ruling made or set by the *ACCC* which:
 - (1) is made under any of the *ESI Act*, the *Price Control Regulations* or the *Tasmanian Code* (together called the "Tasmanian regulatory regime");
 - (2) relates to or is connected with transmission pricing (including, without limitation, a determination, decision or ruling relating to the setting or re-setting of a revenue cap);
 - (3) is made prior to the *Transition Date*, but applies until a date which falls after the *Transition Date*; and
 - (4) is equivalent to or has substantially the same effect as a determination, decision or ruling ("Equivalent Determination") which the *AER* may make or set under the *Rules* or which is contemplated by the *Rules*.
- (b) Subject to clause 9.48.2(d), a Pre-NEM Determination is:
 - (1) deemed to have been validly made or set under the *Rules* in accordance with any procedures or steps which apply to the making of an Equivalent Determination; and
 - (2) deemed to be an Equivalent Determination under the *Rules*.
- (c) Subject to clause 9.48.2(d), any action taken by a *Tasmanian Code Participant* as a result of, or to implement or following a Pre-NEM Determination under the Tasmanian regulatory regime in accordance with the instruments comprising that regime is deemed to have been validly taken in accordance with the *Rules*.
- (d) If, at any time after the *Transition Date*, it appears to the *AER* that:

- (1) a Pre-NEM Determination or action referred to in clause 9.48.2(c) is inconsistent with the relevant principles in the *Rules* in a material way; and
- (2) the inconsistency is due to a material difference between the Tasmanian regulatory regime and the *Rules* or the *National Electricity Code* (in the form the instruments comprising that regime and the *Rules* or the *National Electricity Code* (as the case may be) were in at the time of the Pre-NEM Determination or action),

then the *AER* may re-open the Pre-NEM Determination or disallow the action by written notice to the *Minister*. A notice under this clause 9.48.2(d) must set out a summary of the reasons why the *AER* is giving the notice. Clause 9.48.2(b) or (c) (as applicable) ceases to apply to a Pre-NEM Determination or action the subject of a notice under this clause 9.48.2(d) from the time specified in the notice.

- (e) To avoid doubt, the *AER* may make or set a determination, decision or ruling in accordance with the *Rules* that replaces a Pre-NEM Determination re-opened under clause 9.48.2(d).
- (f) **[Deleted]**
- (g) If:
 - (1) Chapter 6 of the *National Electricity Code* was amended after 22 November 2000 and before the *Transition Date* or Chapter 6 of the *Rules* is amended before the *Transition Date*;
 - (2) those amendments contemplate a change in the allocation of costs amongst users of *transmission networks*; and
 - (3) those amendments contemplate transitional arrangements for the phasing in of that change,

then equivalent transitional arrangements also apply to users of *transmission networks* located in Tasmania, and the prices which apply immediately before the *Transition Date* are the starting point for the phase-in.

9.48.3 Distribution Service Pricing – Jurisdictional Regulator

- (a) The *Tasmanian Electricity Regulator* remains *Jurisdictional Regulator* for Tasmania until the Tasmanian Minister makes a transfer of regulatory responsibility to the *AER* under clause 11.14.4.
- (b) This clause expires on 1 July 2012 or an earlier date fixed by the Tasmanian Minister and notified in the Tasmanian Government Gazette.

9.48.4 Distribution Service Pricing

- (a) For the purposes of clause 11.14.3(a), but subject to clauses 11.14.3, 11.14.4 and 11.14.6, the regulation of *distribution service* pricing for any *distribution network* situated in Tasmania must be in accordance with the *ESI Act* and the *Tasmanian Code* to the exclusion of provisions or former provisions of these Rules that would otherwise be applicable.
- (b) This clause expires on 1 July 2012 or an earlier date fixed by the Tasmanian Minister and notified in the Tasmanian Government Gazette.

9.48.4A Ring fencing

On the *AER's* assumption of responsibility for the economic regulation of *distribution services* in Tasmania, the following guidelines (as amended or substituted from time to time) will be taken to be distribution ring-fencing guidelines issued by the *AER* under Rule 6.17:

- (1) *Guideline for Ring-fencing in the Tasmanian Electricity Supply Industry* (dated October 2004); and
- (2) *Electricity Distribution and Retail Accounting Ring-fencing Guidelines: Electricity Guideline No 2.2, Issue No 3, May 2005.*

Note:

The AER will assume responsibility for the economic regulation of distribution services on the transfer of regulatory responsibility under clause 11.14.4.

9.48.4B Uniformity of tariffs for small customers

- (a) In making a distribution determination or approving a *pricing proposal* for a Tasmanian *Distribution Network Service Provider*, the *AER* must ensure that distribution tariffs for small customers of a particular class are uniform regardless of where in mainland Tasmania the customer is supplied with electricity.
- (b) In this clause, *small customer* has the same meaning as in regulations under the *Electricity Supply Industry Act 1995* (Tas).

9.48.5 Transmission network

For the purpose of the *Rules*, a *network* operating at "extra high voltage" (as that term is defined in the *ESI Act*) is deemed to be a *transmission network*.

9.48.6 Deemed regulated interconnector

For the purposes of the *Rules*, any *interconnector* between *regions* in Tasmania in existence when those *regions* are established, to the extent that it forms part of the *power system* in Tasmania, is deemed to be a *regulated interconnector*.

9.49 Transitional arrangements for Chapter 8 - Administrative Functions

9.49.1 Frequency Standards (clause 8.8.1)

Notwithstanding anything else in the *Rules*, but subject to the other provisions of this Part F:

- (a) on and from the *Transition Date* until the start of the *Interconnection Date*, the *power system security and reliability standards* applicable in Tasmania are the *Tasmanian power system security and reliability standards* and not those determined by the *Reliability Panel* under clause 8.8;
- (b) on and from the *Interconnection Date* until the end of the second anniversary of the *Transition Date*, the standards governing *frequency* in respect of that part of the *power system* located in Tasmania are those set out in the *Tasmanian Determination on Power System Frequency Operating Standards* and not those in the *power system security and reliability standards* or applying elsewhere in or under the *Rules*; and
- (c) after the second anniversary of the *Transition Date*, the standards governing *frequency* in respect of that part of the *power system* located in Tasmania are those set out in the *power system security and reliability standards* determined as contemplated in clause 9.49.3 and not those in any other set of standards or applying elsewhere in or under the *Rules*,

and provisions of the *Rules* referring to or relating to *frequency*, *frequency operating standards*, *frequency bands*, *frequency ranges* or *frequency limits* must be interpreted accordingly.

9.49.2 Termination of frequency derogations

Clauses 9.46.1, 9.46.2, 9.46.3, 9.46.4 and 9.47.3 cease to have effect from the end of the second anniversary of the *Transition Date*.

9.49.3 Reliability Panel

Before the first anniversary of the *Transition Date*, the *Reliability Panel* must determine *power system security and reliability standards* under clause 8.8 that, in so far as they apply in respect of Tasmania, reflect the principles set out in clause 9.49.4.

9.49.4 Principles to be applied by Reliability Panel

In determining and amending *power system security and reliability standards* the *Reliability Panel* must ensure that, in so far as they apply in respect of Tasmania, those standards reflect the following principles:

- (a) in so far as they relate to *frequency*, such standards must be made having regard to the following:
 - (1) any existing standards in relation to those matters;
 - (2) the costs and benefits of any change proposed to those existing standards; and
 - (3) the size and characteristics of the separate systems that make up the *power system*;
- (b) where the *network* or *networks* located in a particular area or *region* in Tasmania is or are only *connected* to other areas or *regions* by means of an asynchronous link, the *power system security and reliability standards*, in so far as they relate to *frequency*, may incorporate different standards for the first area or *region* to those applying elsewhere in the *power system*; and
- (c) the *power system security and reliability standards*, in so far as they relate to *frequency*, must allow less stringent standards for the *frequency* of a *network* or *networks* located in a particular area or *region* in Tasmania when that area or *region* is isolated from the remainder of the *power system*.

Part G - Schedules to Chapter 9

Schedule 9G1 - Metering Transitional Arrangements

1. Introduction

- (a) The following minimum requirements apply in respect of *metering installations* commissioned before 13 December 1998.
- (b) [Deleted]

2. [Deleted]

3. General Principle

The general principle is that *meters* are required and a *metering installation(s)* capable of recording half-hour *energy* flows and of providing electronic data for transfer to the *metering database* is to be in place for each *Market Participant's connection point(s)* before the *Market Participant* is permitted to participate in the *market*, and there will be no relaxation of this principle in the *jurisdictional derogations*.

4. [Deleted]

5. Accuracy Requirements

5.1 Existing Metering Installations Transitional Exemptions

In addition to those allowances in clause S7.2.2 of schedule 7.2 - "Metering installations commissioned prior to 13 December 1998", the following conditions/exemptions apply:

- (a) For *Generators*, *generated* quantities together with estimates for *generating unit* auxiliary loads may be used provided there is an agreed method with *NEMMCO* for determining *sent-out* energy. [refer to clause 7.3.2]
- (b) The *check metering* requirements of the *Rules* do not have to be met for Type 1 *metering installations*. A minimum of partial *check metering* is required for Types 1 and 2 *metering installations*. [refer to clause S7.2.4 of schedule 7.2 of Chapter 7]
- (c) Joint use of secondary circuits for *revenue metering* is permitted for Type 1 *metering installations*. [refer to cl.S7.2.6.1(a) of schedule 7.2 of Chapter 7]

- 5.2** [Deleted]
- 6.** [Deleted]
- 7.** [Deleted]
- 8.** [Deleted]
- 9.** [Deleted]
- 10.** [Deleted]