

NOTICE UNDER CLAUSE 9.1.1. OF NATIONAL ELECTRICITY CODE

Notice is hereby given pursuant to clause 9.1.1(h) of the National Electricity Code in force under section 6 of the *National Electricity Law* set out in the Schedule to the *National Electricity (South Australia) Act 1996 (SA)* that:

- (a) Schedule 9G of the National Electricity Code concerning ancillary services which is incorporated by clause 9.24.2 into the ACT's jurisdictional derogations is amended, which amendments can be viewed on the Internet website of the National Electricity Code Administrator Limited (ACN 073 942 775) ("NECA") at www.neca.com.au in the document entitled "Commencement Amendments"; and
- (b) the Australian Competition and Consumer Commission has granted interim authorisation to the amendments to the jurisdictional derogations outlined in paragraph (a) by letter dated 3 December 1998 to NECA, a copy of which is set out below.

Dated this Ninth day of December 1998:

Brendan Michael Smyth MLA
Minister for Urban Services

ACCC AUTHORISATION

Our Ref: CA 98/22

3 December, 1998

Mr. Stephen Kelly
Managing Director
National Electricity Code Administrator
Level 4, 41 Currie Street
ADELAIDE SA 5000

Dear Mr Kelly

National Electricity Code - Applications for authorisation nos: A90671, A90672, and A90673

I refer to your applications for authorisation of the National Electricity Code, as submitted to the Commission on 28 August 1998 and amended on 16 September, 22 September, 2 October, 6 October, 20 October, 26 October, 5 November and 20 November 1998.

The Commission has reviewed the information contained in your application and in supplementary material provided by NECA.

I note your request that the Commission:

1. revoke its current interim authorisation in respect of the applications nos: A90671, A90672, and A90673; and
2. grant a new interim authorisation in respect of the applications.

Pursuant to subsection 91(2) of the Act, the Commission now revokes the interim authorisation dated 9 October 1998 and hereby grants interim authorisation for the applications A90671, A90672 and A90673 subject to compliance with the following conditions:

C3.1 Clause 9.35.6A of the Code must be amended to provide that:

NECA must monitor and report on the operation of the process for dispatch price determination during rate of change dispatch intervals which occur during the six-month period commencing on market commencement. The report must:

- (1) be provided to the ACCC and to all market participants no later than 8 months after market commencement;

- (2) review the circumstances in which rate of change dispatch intervals occurred in the Queensland region resulting in a recalculation of the dispatch price in accordance with clause 9.35.6A(b);
- (3) analyse the impact on Market Participants of any recalculation of the dispatch price in accordance with clause 9.35.6A(b);
- (4) consider whether clause 9.35.6A should continue in force; and
- (5) address such other matters as NECA considers appropriate.

C3.2 Clause 9.26.1(a) of the Code must be amended such that:

Clause 9.26.1(a) shall only take effect when Osborne Cogeneration withdraws their objection to the proposed derogation.

This interim authorisation applies to:

- (a) The National Electricity Code in the form granted interim authorisation on 7 October 1998 and as amended in your submissions of 22 September, 6 October, 20 October, 26 October, 5 November and 20 November 1998.
- (b) all conduct to be engaged in under the National Electricity Code as amended.

These interim authorisations took effect from Wednesday 25 November 1998 and will lapse when the Commission reaches a final determination in regard to each application.

The Commission will endeavour to commence its statutory public consultation process regarding the applications as soon as possible, and hopes to release its draft determination in early 1999. Please note that under subsection 91(2) of the Trade Practices Act, the Commission may revoke an interim authorisation at any time.

Further I wish to advise that the changes submitted to the Commission on 20 November 1998 in respect of condition C3.1 satisfy that condition.

If you have any queries about any issue raised in this letter, please contact myself on (02) 6243 1256 or John Wilman on (02) 6243 1260

Yours sincerely

Michael Rawstron
Senior Assistant Commissioner
Australian Competition and Consumer Council