

## SUPPLEMENTARY GAZETTE



**THE SOUTH AUSTRALIAN  
GOVERNMENT GAZETTE**

PUBLISHED BY AUTHORITY

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ADELAIDE, MONDAY, 28 JUNE 1999

NATIONAL ELECTRICITY (SOUTH AUSTRALIA) ACT 1996  
*Notices Under National Electricity Law and National Electricity Code*

NOTICE is hereby given pursuant to section 6(2) (b) of the National Electricity Law which forms the Schedule to the National Electricity (South Australia) Act 1996 and Clauses 8.3.9 (d) and 9.1.1 (h) of the National Electricity Code approved under section 6 of the National Electricity Law, that the following clauses of the National Electricity Code are amended:

- (a) Clauses 1.11, 2.8A, 2.12, 3.6.5, 3.13.5A, 3.18, 6.19 (c) and various definitions in chapter 10 (Settlements Residue Auction provisions);
- (b) Clause 9.28.2 (South Australian Derogation—Regulation of Distribution Network Connection);
- (c) Clause 9.28.3 (South Australian Derogation—System Planning);
- (d) Clause 9.29.4 (South Australian Derogation—Network Pricing—Transmission);
- (e) Clause 9.29.5 (South Australian Derogation—Network Pricing—Distribution);
- (f) Clause 9.29.6 (South Australian Derogation—Capital Contributions);
- (g) Clause 9.35.7 (Queensland Derogation—Ancillary Services in the Queensland Market); and
- (h) Schedule 9G (Ancillary Services Provisions).

These amendments to the National Electricity Code commence at the beginning of 30 June 1999.

The ACCC has granted interim authorisations in respect of these amendments by letters dated 9 June 1999, 16 June 1999 and 22 June 1999, which authorisations the ACCC has advised constitute an approval on an interim basis of these amendments in accordance with Clause 9.1.1 (e) of the National Electricity Code.

As required by Clause 9.1.1 (h) of the National Electricity Code, copies of:

- (1) the notice from the South Australian Treasurer notifying NECA of the amendments to Clauses 9.28.2,

9.28.3, 9.29.5 and 9.29.6 of the National Electricity Code; and

- (2) the ACCC's letters dated 9 June 1999, 16 June 1999 and 22 June 1999, are set out below.

The amendments referred to in paragraphs (a)-(h) above and a copy of the ACCC's letters of 9 June 1999, 16 June 1999 and 22 June 1999 are set out in full in the relevant documents entitled 'Settlement Residue Auction', 'Ancillary Services Derogation' or 'South Australian Derogations' which can be viewed on the Internet website of National Electricity Code Administrator Limited (ACN 073 942 775) ('NECA') at [www.neca.com.au](http://www.neca.com.au) under 'The code' section of that website. The amendments referred to as Attachments A and B in the notice from the South Australian Treasurer set out below are the amendments set out in full in the 'Ancillary Services Derogation' and 'South Australian Derogations' documents under 'The Code' section of the NECA website.

The National Electricity Code can be viewed on the NECA Internet website at [www.neca.com.au](http://www.neca.com.au) and at the offices of NECA and National Electricity Market Management Company Limited (ACN 072 010 327) ('NEMMCO'). A list of addresses where the code can be viewed is available on the NECA website.

Dated 28 June 1999.

ROB LUCAS, Treasurer

*National Electricity Code—Amendments to Chapter 9  
Clause 9.1.1 South Australia*

WITH effect from the beginning of 30 June 1999, I make the changes set out in Attachment A to Schedule 9G of the National Electricity Code as it applies to South Australia and the changes set out in the Attachment B to clauses 9.28.2, 9.28.3, 9.29.4, 9.29.5 and 9.29.6 of the National Electricity Code.

Dated 19 June 1999.

ROB LUCAS, Treasurer

*ACCC Letters of Authorisation*

9 June 1999

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

Attention: Alex Cruickshank

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, 20 November 1998 and 7 June 1999.

Pursuant to subsection 91 (2) of the Trade Practices Act (the Act), the Commission now revokes the interim authorisation dated 6 January 1999 and hereby grants interim authorisation for the applications A90671, A90672 and A90673.

This interim authorisation applies to:

- (a) the National Electricity Code in the form granted interim authorisation on 6 January 1999, as amended by Attachments B and C to your submission dated 4 June 1999 and received by the Commission on 7 June 1999;
- (b) the South Australian derogations submitted to the Commission on 6 October 1998 regarding:
  - Clause 9.28.2—Regulation of distribution network connection;
  - Clause 9.28.3—System planning;
  - Clause 9.29.5—Network pricing—transmission; and
  - Clause 9.29.6—Capital contributions; and
- (c) all conduct to be engaged in under the National Electricity Code.

These interim authorisations take effect from Wednesday, 9 June 1999, and will lapse when the Commission reaches a final determination in regard to each application.

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

If you have any queries about any issue raised in this letter, please contact myself on (02) 6243 1249 or Kaye Johnston on (02) 6243 1258.

Yours sincerely,

M. RAWSTRON, Senior Assistant Commissioner

16 June 1999

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

Attention: Alex Cruickshank

Dear Mr Kelly

*National Electricity Code—Applications for Authorisation Nos.:  
 A90688, A90689 and A90690*

I refer to your applications for authorisation of proposed changes to the National Electricity Code, to facilitate auctions of the inter-regional settlements surplus. These applications were submitted by letter dated 19 May 1999 and received by the Commission on 20 May 1999.

Pursuant to subsection 91 (2) of the Trade Practices Act (the Act), the Commission hereby grants interim authorisation for the code changes outlined in Attachment 1 to application numbers A90688, A90689 and A90690, subject to the following conditions:

Clause 3.18.2 must be amended to state that the eligibility criteria set out in the auction rules may only exclude:

- (a) persons that have not entered into an auction participation agreement; or

- (b) transmission network service providers; or

- (c) persons registered under the Code as Generators and licensed to generate electricity under the Electricity Act 1996 (South Australia) or exempted from the requirement to obtain such a licence, as at 1 January 1999, but only in relation to bidding for and purchasing units of settlements residues relating to the Victoria to South Australia directional interconnector; or

- (d) persons who have:
  - (i) defaulted on payment obligations under an auction participation agreement; or
  - (ii) defaulted under Clause 3.15.21 of the code; or

- (e) any person acting on behalf of or in concert with a person described in paragraphs (a) to (d) above.

The Commission notes that the proposed code changes also contemplate contracts, arrangements or understandings relating to the auctioning of the inter-regional settlements residue which were not submitted for authorisation. The interim authorisation does not apply to conduct arising out of those contracts, arrangements or understandings. However, the Commission has identified the eligibility criteria as of particular concern, and hence has imposed the above condition of authorisation to ensure that the interim authorisation applies to the eligibility criteria.

These interim authorisations take effect from Wednesday, 16 June 1999, and will lapse when the Commission reaches a final determination in regard to each application. Please note that under subsection 91 (2) of the Act, the Commission may revoke an interim authorisation at any time.

The Commission will continue its statutory public consultation process regarding the applications, and hopes to release its draft determination shortly.

If you have any queries about any issue raised in this letter, please contact myself on (02) 6243 1249 or Mary Scacheri on (02) 6243 1068.

Yours sincerely,

M. RAWSTRON, Senior Assistant Commissioner

22 June 1999

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

Attention: Alex Cruickshank

Dear Mr Kelly

*National Electricity Code—Applications for Authorisation Nos.:  
 A90671, A90672 and A90673*

I refer to the letter I sent to you on 9 June 1999, which granted interim authorisation to the above applications for authorisation, 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, 20 November 1998 and 7 June 1999.

Discussions with an official from the South Australian Electricity Reform and Sales Unit have highlighted some uncertainty over paragraph (b) at the bottom of Page 1 of the letter. To clarify, this paragraph should read:

‘(b) The South Australian derogations submitted to the Commission on 6 October 1998 regarding:

- Clause 9.28.2—Regulation of distribution network connection;
- Clause 9.28.3—System planning;
- Clause 9.29.4—Network pricing—transmission;
- Clause 9.29.5—Network pricing—distribution; and
- Clause 9.29.6—Capital contributions.’

The effect of this change is to extend the interim authorisation to Clause 9.29.4 and 9.29.5. Consistent with commitments given by the South Australian Government, the former derogation,

when read in conjunction with other Code clauses, gives the ACCC the role of administering the South Australian Electricity Pricing Order from 1 January 2001.

Interim authorisation for these derogations is granted on the same basis as those outlined in the letter of 9 June 1999. Interim authorisation will lapse when the Commission reaches a final determination in regard to each application. Please note that under subsection 91 (2) of the Trade Practices Act, the Commission may revoke an interim authorisation at any time.

If you have any queries about any issue raised in this letter, please contact me on (02) 6243 1249 or Gavin Fox on (02) 6243 1252.

Yours sincerely,

M. RAWSTRON, Senior Assistant Commissioner

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