

NATIONAL ELECTRICITY CODE ADMINISTRATOR LIMITED

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22 June 2005

Mr Sebastian Roberts
General Manager
Regulatory Affairs – Electricity
GPO Box 520J
MELBOURNE VIC 3000

Dear Mr Roberts,

VARIATION TO THE NEM ACCESS CODE

On 1 March 2005, NECA sought from the ACCC a variation to the approved National Electricity Market Access Code (NEM Access Code) in accordance with section 44ZZAA(6) of the *Trade Practices Act 1974* (TPA). That application sought to incorporate listed changes to the National Electricity Code (NEC) since 10 May 2002 that had been authorised by the ACCC, except to the extent that those changes related to chapter 3 of the NEC. On 1 June 2005, the ACCC approved NECA's request.

Since March, there have been a further six changes to the NEC gazetted by NECA which have varied those components of the NEC which comprise the approved NEM Access Code or affect the approved NEM Access Code. Most of those changes to the NEC were authorised by the ACCC during the period March to the present, however the code change gazetted on 28 April 2005 relating to Tasmania's entry to the National Electricity Market was authorised by the ACCC prior to March 2005 and only took effect upon gazettal.

With the change in governance arrangements from 1 July, and the subsequent shutting down of NECA, it is appropriate to seek one final variation to the NEM Access Code to take account of these developments and ensure, as far as possible, that the NEM Access Code and the NEC are aligned.

Code changes since the last application that have been gazetted by NECA are listed in the attached Schedule A. Each of these code changes has been assessed as part of the ACCC's authorisation determination in Division 1 of Part VII of the TPA. These code changes have been the subject of industry and public consultation through the code change processes set out in Chapter 8 of the NEC and the ACCC's authorisation process.

On this basis, NECA seeks the ACCC's consent to vary the approved NEM Access Code in accordance with section 44ZZAA(6) of the TPA to include those changes to the NEC in Schedule A, except to the extent that those changes relate to Chapter 3 of the NEC.

The granting of such an approval would mean that Chapters 1, 2, 4, 5, 6, 7, 8, 9 and 10 of the NEC would form the approved NEM Access Code, except for those changes which only have interim authorisation.

The version of the NEC on which this authorisation is sought is referred to as version 1 amendment 9.7. Underlining in the NEC identifies those changes that have only interim authorisation.

Yours sincerely

John Eastham

Director

Schedule A

Gazetted NECA Code changes since last access regime approval

New South Wales Full Retail Competition Metering Derogation (20 May 2005)

Extension of reserve trader sunset (5 May 2005)

Tasmania's entry to the National Electricity Market (28 April 2005)

Victoria Full Retail Competition Metering Derogation (21 April 2005)

New South Wales transmission revenue cap derogation (8 April 2005)

Market ancillary services for Tasmanian entry (17 March 2005)