



NEMMCO fee for full retail competition exchange: \$16.71 million, or 9.1 cents/MWh

1

NEMMCO said fees for full retail competition (FRC) services for the next financial year, based on operational expenditure of \$14.09 million, and establishment costs of \$2.62 million, would be \$16.71 million, or 9.1 cents/MWh, compared to a budgeted \$16.59 million in 2004/2005.

Reference: Draft Statement of Corporate Intent and annual budget for 2005/06 for National Electricity Market Management Company (NEMMCO). 12 April 2005. <http://www.nemmco.com.au>

NEMMCO to lift total 2005/06 fees by \$800,000 (1.3pc) to \$62.58m, but entry of Tas means cost per MWh to drop

The National Electricity Market Management Company (NEMMCO) will increase fees to recover its costs by \$800,000 (1.3 per cent) to \$62.58 million in 2005/06, compared to \$61.78 million in 2004/05.

Extra costs incorporated: In the executive summary of its draft Statement of Corporate Intent (SCI) and annual budget for 2005/06, NEMMCO said the 2005/06 budget incorporated costs associated with:

- the retail harmonisation project;
- development of a new fee structure;
- costs associated with Tasmania entering the National Electricity Market (NEM); and
- a general contingency, which were additional costs above those allowed for in 2004/2005.

Entry of Tasmanian participants: NEMMCO said that taking into account the entry of Tasmanian participants, the fee revenue for 2005/2006 effectively translated to participants

cont. page 3

contents

- 3 Jan surge pushes March quarter large Qld transfers up 124 (51.5pc) to 365, for second highest quarter in two years
- 3 Transfer of Qld large users drops 20.9pc in Feb to 53: progressive total of 3787
- 3 March transfers of small NSW electricity customers at 12,289 down 11.3pc on February's 13,869: NEMMCO figures
- 5 Vic: only 0.45pc changed electricity retailer in 6 months to Dec 2004: competition working, with 14 retailers
- 6 Thursday, 14 April: Victoria in the unusual role of average price leader: tenth SA direction this month issued
- 6 NEMMCO sets higher standards in SA: double SA power station units failure
- 7 NEMMCO: Snuggery plant compo paid for five directions on 24, 29 and 30 March, Mount Gambier to Penola
- 7 SA directions solution: ETSA tenders for network support to Mt Gambier to Penola

Find out more at the subscriber section of www.erisk.net

Published by EWN Publishing, PO Box 148, Balmain, NSW 2041. Ph: +612 9818 8877. Fax: +612 9818 8473. Editor: Laurel Fox-Allen.

week in brief

SA directions solution: The wobbly SA grid suffered a direction a day (all to the Snuggery gas plant) to keep the grid smoothly delivering to the Kimberly-Clark pulp mill and toilet tissue factory.

Another solution: Kimberly-Clark could change its routines - it's the logical responder to the ETSA tender for network support to the Mount Gambier to Penola 33kV.

The ETSA preference? ETSA prepared its own Major Network Project for Mt Gambier to Penola 33kV power supply, and sought public submissions on the future adequacy of the troublesome Mt Gambier to Penola 33kV supply.

Money for NEMMCO orders: NEMMCO told the Snuggery gas-fired plant that compo would be paid for five directions to keep the Mt Gambier to Penola 33kV supply wheels turning.

ETSA Utilities' new plan: ETSA Utilities was to publish its *Electricity System Development Plan* and 3-year limitation details by 30 June.

SA ETSA Utilities grid prices: The *Final Price Determination on*

ETSA Utilities' Distribution Charges was published, along with a report on Energy Retail Competition in South Australia, in a March 2005 Statistical Report.

NEMMCO gets tough in SA: Last week new standards cut in for SA. After the 14 March blackout, NEMMCO set higher standards in SA, and last week SA power station units were combined in NEMMCO reliability-standards.

Wednesday, 13 April: Spikes appeared in NSW, Vic and SA as average prices rose up 4-6pc in Vic and four interconnectors were hit by a monitoring system crash.

Friday, 8 April: Average prices up 4-9pc to \$25.01-\$32.15/MWh on firmer demand.

Sunday, 10 April: Prices dropped 13-18pc to \$23.49-\$27.76/MWh range on weaker demand.

Week to Saturday, 9 April: Average prices rose 42-43 per cent in NSW, Victoria and Queensland and dropped 17 per cent in South Australia to a \$23.20/MWh range.

NSW supply bids fall: NSW finished the week with 660MW less capacity online. Mt Piper 2 was off in NSW.

Victoria supply bids fall: Victoria finished the week with 400MW less capacity online.

And in Qld: Queensland finished the week with 947MW less capacity online: Tarong North, Stanwell 2, Gladstone 2 were off.

Huge swags of wind for SA: There was potential for 1000MW extra of wind generation, mainly in SA, by 2006, said NEMMCO.

Jackgreen ready to retail in SA: NSW electricity retailer Jackgreen applied to ESCOSA for a SA retail electricity license.

The costs of competition: NEMMCO fees for full retail competition (FRC) for the year ahead were proposed by NEMMCO as 9.1 cents/MWh.

Qld industrial users swap: A January surge pushed the March quarter large Qld transfers up 124 (51.5pc) to 365, the second highest, but the transfer of Qld large customers dropped 20.9pc in February to 53 for a progressive total of 3787.

NSW small-user transfers: March transfers of small NSW electricity customers at 12,289 were down 11.3pc on February's 13,869.

Not much retail change in Vic: There was only a 0.45pc change in electricity retailers in the 6 months to Dec 2004.

Find out more at the subscriber section of www.erisk.net

Cont. from p. 1

paying 34 cents per megawatt hour (MWh) for the coming period compared to 35 cents/MWh last year.

\$4m in excess revenue to be returned:

Further, unlike in previous years, there would be no over/under recovery of fees to be applied to the required fee revenue. Rather, about \$4 million of excess fee revenue would be returned to participants and would be facilitated through the settlement statement process before 30 June 2005.

January surge pushes March quarter large Qld transfers up 124 (51.5pc) to 365, for second highest quarter in two years

Transfers of large customers in Queensland for the March quarter at 365 was 124 (51.5 per cent) more than the 241 transfers in the December 2004 quarter, the National Electricity Market Management Company (NEMMCO) transfer statistical data shows.

3

Previous highest 533 in Sept 2003: The March quarter transfers were the second highest in two years, behind the 533 in the September 2003 quarter. They were boosted by a 245 increase in January.

Up 265 per cent on previous March quarter: The March 2005 transfers were up 265 (265

per cent) on the 100 transfers for the March 2004 quarter and up 99 (37.2 per cent) on the 266 transfers in the March 2003 quarter.

Must use more than 160MWh a year: In Queensland, large customers (those using 160 megawatt hours a year or more) can choose their retailers. Full retail contestability (FRC) does not apply in Queensland for domestic customers using less than 160MWh a year.

Quarterly movements in transfers: The following table shows quarterly movements in transfers from the March 2003 quarter:

Quarter	Quarterly transfers	Progressive total
Mar-03	266	1819
Jun-03	125	1944
Sep-03	533	2477
Dec-03	187	2664
Mar-04	100	2764
Jun-04	109	2873
Sep-04	308	3181
Dec-04	241	3422
Mar-05	365	3787

Reference: National Electricity Market Management Company (NEMMCO) retail transfer statistical data for large Queensland customers for March 2005. 5 April 2005. Address: Level 16, 461 Bourke Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. <http://www.nemmco.com.au>

Transfer of Qld large users drops 20.9pc in February to 53: progressive total of 3787

Transfers of large non-wholesale customers in Queensland dropped by 14 (20.9 per cent) in March to 53, following

a sharp drop to 67 in February, the National Electricity Market Management Company (NEMMCO) transfer statistical data showed.

More than double March 2004 total: However, the March 2005 total was up 28 (112 per cent) on the 25 transfers in March 2004, which was the third lowest monthly total of the 2004 year.

Total 1.8pc higher: Total transfers of large customers at 31 March was 3734, which was 1.4 per cent more than the 3734 at 28 February.

How transfers have moved: The following table shows transfers for March 2005, with the December 2004 figures provided for comparison purposes.

Month	Transfers	Total transfers
31-Dec-04	81	3422
31-Jan-05	245	3667
28-Feb-05	67	3734
31-Mar-05	53	3787

Reference: NEMMCO retail transfer statistical data for large Queensland customers for March 2005. 5 April 2005. Address: Level 16, 461 Bourke Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. <http://www.nemmco.com.au>

March transfers of small NSW electricity customers at 12,289 down 11.3pc on February's 13,869: NEMMCO figures

NSW had 12,289 transfers of small electricity customers in March 2005, down 1580 (11.4 per cent) on the

13,869 in February 2005, according to the latest National Electricity Market Management Company (NEMMCO) transfer statistical data.

369,642 small customer transfers: This brought the total transfers of small customers to 369,642, compared to 357,353 at the end of February and 206,921 at the end of March 2004.

2929 down on March 2004: However, the rate of increase slowed in comparison with the previous March. The March increase was down 2929 (19.2 per cent) on the 15,218 rise in March 2004.

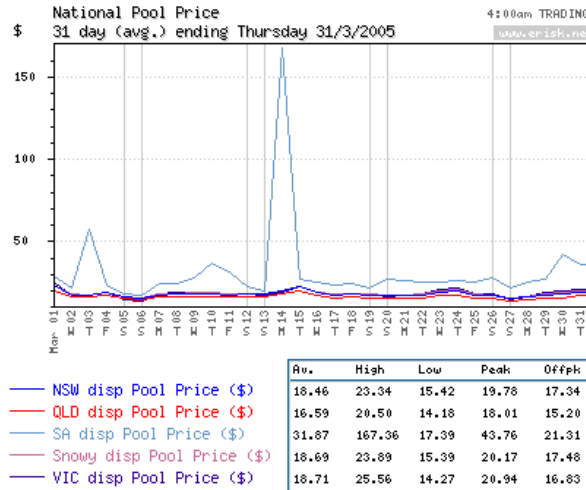
Transfers of large customers up: Transfers of large customers rose by 34 (61.8 per cent) to 89 in March. The total number of large customers transferred was 17,755.

387,397 total transfers: The combined total of small and large customers rose by 12,289 (3.3 per cent) to 387,397 at the end of March.

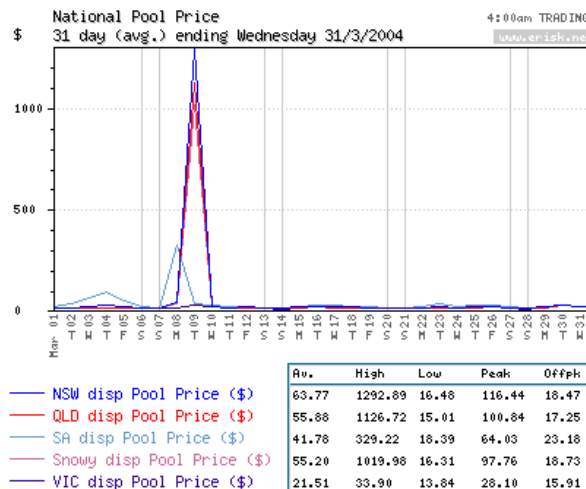
How customers are classified: NEMMCO said the transfers represented the total for both small and large national meter identifier (NMI) figures. A small NMI was classified as having less than 160MWh of consumption a year while a large NMI was a customer having more than 160MWh consumption a year.

Breakdown of transfers: The following table shows transfers of large and small customers in March, with the December 2004 figures given for comparison purposes.

March 2005



March 2004



March in detail

• **NSW:** Average price \$18.46/MWh, down \$14.38/MWh (44 per cent) on the average \$32.84/MWh in February, down \$45.31/MWh (71 per cent) on the \$63.77/MWh of March 2004. Average demand 8235MW, down 357MW (4.2 per cent) on the 8592MW of February, up 75MW (0.9 per cent) on the 8160MW of March 2004.

• **Victoria:** Average price \$18.71/MWh, down \$3.11/MWh (14 per cent) on the average \$21.82/MWh in February, down \$2.80/MWh (13 per cent) on the \$21.51/MWh of March 2004. Average demand 5511MW, down 114MW (2.0 per cent) on the 5625MW of February, down 11MW (0.2 per cent) on the 5522MW of March 2004.

• **South Australia:** Average price \$31.87/MWh, up \$5.88/MWh (23 per cent) on the average \$25.99/MWh in February, down \$9.91/MWh (24 per cent) on the \$41.78/MWh of March 2004. Average demand 1433MW, down 26MW (1.8 per cent) on the 1459MW of February, down 24MW (1.6 per cent) on the 1457MW of March 2004.

• **Queensland:** Average price \$16.59/MWh, down \$14.42/MWh (47 per cent) on the average \$31.01/MWh in February, down \$39.29/MWh (70 per cent) on the \$55.88/MWh of March 2004. Average demand 6171MW, down 62MW (1.0 per cent) on the 6233MW of February, up 470MW (8.2 per cent) on the 5701MW of March 2004.

Time	Small Customers	Progressive	Large customers	Progressive	Total all customers
31-Dec-04	14,501	331,113	91	17,432	348,545
31-Jan-05	12,371	343,484	179	17,611	361,095
28-Feb-05	13,869	357,353	55	17,666	375,019
31-Mar-05	12,289	369,642	89	17,755	387,397

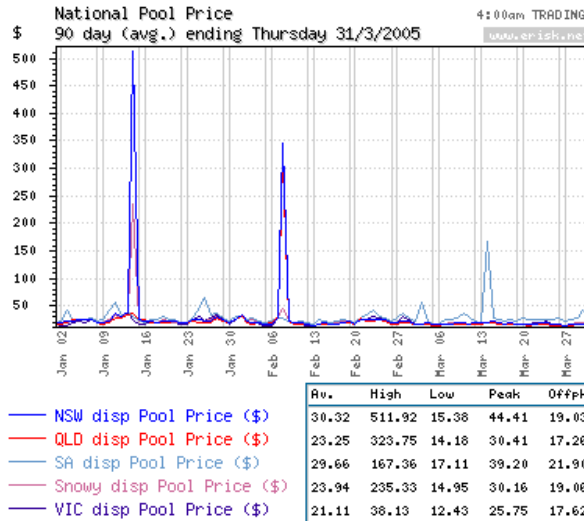
Reference: National Electricity Market Management Company (NEMMCO) retail transfer statistical data for customers in NSW for March 2005. 5 April 2005. Address: Level 16, 461 Bourke Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. <http://www.nemmco.com.au>

Vic: only 0.45pc changed electricity retailer in 6 months to Dec 2004: competition working, with 14 retailers

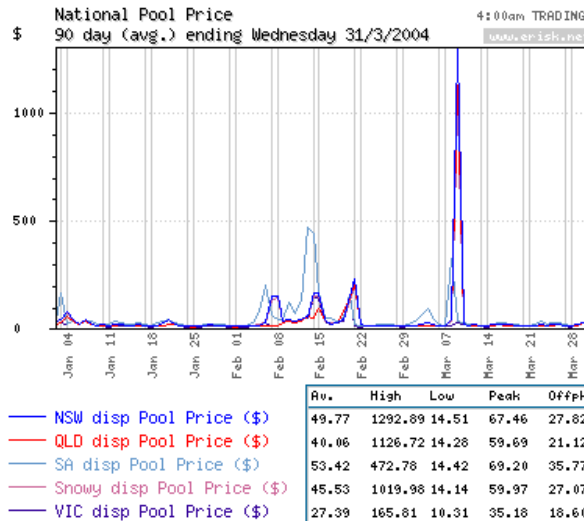
In 2004, promotional strategies undertaken by the ombudsman included community briefings, participation in forums, regional advertising, new fact sheets and the inclusion of information in 14 languages on Energy and Water Ombudsman (Victoria) (EWOV)'s website.

Only 0.45pc of consumers change: Retailers were also required to include the ombudsman's telephone details on their bills. The ombudsman's data showed that, from July to December 2004, of the 350,283 Victorian electricity and gas consumers who changed their energy retailer, only 1,683 cases were recorded by the ombudsman, representing 0.45 per cent of the number who decided to change retailer.

March Quarter 2005



March Quarter 2004



March Quarter in detail

• **NSW:** Average price \$ 30.32/MWh, down \$40.32/MWh (57 per cent) on the average \$70.64/MWh of the December 2004 quarter, down \$19.16/MWh (39 per cent) on the \$49.48/MWh of the March 2004 quarter. Average demand 8359MW, up 277MW (3.4 per cent) on the 8082MW of the December 2004 quarter, down 1MW on the 8360MW of the March 2004 quarter.

• **Victoria:** Average price \$21.11/MWh, down \$14.83/MWh (41 per cent) on the average \$35.94/MWh of the December 2004 quarter, down \$6.19/MWh (23 per cent) on the \$27.30/MWh of the March 2004 quarter. Average demand 5544MW, up 73MW (1.3 per cent) on the 5471MW of the December 2004 quarter, up 87MW (1.6 per cent) on the 5457MW of the March 2004 quarter.

• **South Australia:** Average price \$29.66/MWh, down \$16.77/MWh (36 per cent) on the average \$46.43/MWh of the December 2004 quarter, down \$23.41/MWh (44 per cent) on the \$53.07/MWh of the March 2004 quarter. Average demand 1455MW, up 37MW (2.6 per cent) on the 1418MW of the December 2004 quarter, down 36MW (2.4 per cent) on the 1491MW of the March 2004 quarter.

• **Queensland:** Average price \$23.25/MWh, down \$21.25/MWh (48 per cent) on the average \$44.50/MWh of the December 2004 quarter, down \$16.60/MWh (42 per cent) on the \$39.85/MWh of the March 2004 quarter. Average demand 6005MW, up 361MW (6.4 per cent) on the 5644MW of the December 2004 quarter, up 137MW (2.3 per cent) on the 5868MW of the March 2004 quarter.

Data fails to reflect market activity: The current data did not reflect actual market activity or benefits to consumers. Competition was working in Victoria. Consumers could choose from 14 energy retailers and energy prices because they would continue to be subjected to competitive pressures. In addition, the disconnection rate of 0.92 per cent was close to the 20 year average of 0.88 per cent for all 2.2 million Victorian energy consumers.

Reference: ERAA, 7/4/05. **Contact:** Deane Russell Executive Director Energy Retailers Association of Australia Mobile 0419 444 112

Thursday, 14 April: Victoria in the unusual role of average price leader: tenth SA direction this month issued

NEMMCO issued its tenth direction to a South Australian participant this month, lasting two hours 15 minutes between 0000EST and 0215EST Friday 15 April, to enable it to maintain power system security in South Australia's southeast 132kV network. In its first market notice on the direction at 0030EST, NEMMCO declared the next dispatch interval (DI) after the issue of the direction to be an intervention price dispatch interval. This direction failed the regional reference node (RRN) test. Dispatch and ancillary services continued to be set as required by the Code.

No intervention pricing: NEMMCO said it had not triggered intervention pricing during the period of the direction and had not selected market participant(s) to become affected participant(s). In an update at 0227EST, NEMMCO advised the direction was cancelled from 0215EST.

Snuggery problem: NEMMCO did not name the participant directed but generation data showed it was Synergen Power Pty Ltd for its Snuggery Power Station, which came online in the 30-minute intervals ending between 0030-0300EST Friday. The other nine directions in April were on 1 April, 2 April, 5 April, 6 April, 8 April, 9 April, 10 April, 11 April and 13 April.

NEMMCO sets higher standards in SA: double SA power station units failure

NEMMCO declared the simultaneous failure of the two 265MW capacity Northern Power station units a single credible contingency event from 1530EST Monday, 14 March until further notice. In a market notice at 0941EST on Wednesday, 13 April, NEMMCO said it invoked constraint set ID SNPS_SINGLE_CONT from 0935EST Wednesday until further notice. NEMMCO said this constraint set contained dynamic constraint equations that impacted on the dispatch of the two Northern units and the Victoria-South Australia interconnector in the Victoria-South Australia direction.

Another SA direction to maintain system: NEMMCO issued a direction to a South Australian participant lasting two hours 59 minutes from 1811EST until 2110EST on Wednesday, 13 April to enable it to maintain power system security in the southeast 132kV network of South Australia. NEMMCO said in a market notice at 1938EST on Wednesday that it declared the next dispatch interval (DI) after the issue of the direction to be an intervention price dispatch interval. This direction failed the regional reference node (RRN) test. Dispatch and ancillary service prices continued to be set as required in the Code. NEMMCO said it had not triggered intervention pricing during the direction or selected market participant(s) to become affected participant(s). In an update at 2209EST, NEMMCO said it cancelled the direction from 2110EST. NEMMCO did not name the directed participant but generation data shows it was the Synergen Power Pty Ltd Snuggery power station, which operated in the 30-minute intervals ending 1830EST to 2200EST. This was the ninth direction to a South Australia participant in April. The others were on 1 April, 2 April, 5 April, 6 April, 8 April, 9 April, 10 April, and 11 April.

Interconnectors affected for six hours: The reduced interconnector capabilities of the Snowy to Snowy, Queensland to NSW (QNI), Victoria to South Australia Heywood and Victoria to South Australia Directlink interconnectors from the outage of the real time oscillatory stability monitoring system (reported in Tuesday's *Market Report*) lasted

six hours five minutes from 0155EST to 0800EST Wednesday, 13 April. NEMMCO advised in a market notice at 0806EST that the monitoring system had been restored to service. It said constraint set ID I-PSYMETRIX was invoked for the duration of the outage.

NEMMCO: Snuggery plant compo paid for five directions on 24, 29 and 30 March, Mount Gambier to Penola

NEMMCO has advised participants (Synergen Power Pty Ltd, operator of Snuggery power station) that the five directions it issued on 24, 29 and 30 March attract compensation under the National Electricity Code.

Directions lasted a total of nearly 20 hours: The five directions on the three days lasted for a total of 19 hours 48 minutes. Compensation will have to include the generation time as well as start-up costs.

Same advice for other 7 March directions: NEMMCO gave the same advice for the other seven directions issued earlier in March relating to network problems in South Australia's southeast 132kV network.

Compensation: In all 12 cases involving the southeast network, NEMMCO said compensation would be determined under the Code provisions. These require NEMMCO to

appoint an independent expert to determine the fair price for the directions.

Independent expert to set fair payment: NEMMCO said it had appointed the independent expert. When the independent expert's fair payment price was published, NEMMCO would use this fair payment price to calculate the amount of compensation for each direction.

More than 30hrs plant time for March: The 12 directions to Synergen Power in March involved starting up the plant 12 times and running at least one unit for a total exceeding 30 hours.

Reference: Report by National Electricity Market Management Company (NEMMCO) on "Directions - South Australia Region 24,29 and 30 March 2005". 6 April 2005. Address: Level 12, 15 William Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. <http://www.nemmco.com.au>

SA directions solution: ETSA tenders for network support to Mt Gambier to Penola 33kV network, but stern conditions

ETSA Utilities said it would publicly announce the outcomes of their evaluation process. This announcement would include the total annualised cost to ETSA Utilities of the recommended option(s).

Public information: All details of proposals including cost information would be treated as public information unless clearly noted otherwise in writing by the proponent.

Indemnifying against liabilities: As part of any contractual arrangement or service agreement ETSA Utilities entered into for the provision of network support services, ETSA Utilities would require the contracting party to indemnify ETSA Utilities against any and all liabilities, including claims, losses, actions or proceedings it or a third party may suffer should the contracting party fail to deliver the support services in accordance with ETSA Utilities requirements and any applicable laws, including those governing the timeliness and the standard of services.

Inclusive of interim period: This would also apply for any claims or losses that would apply during an interim period; for example, when customers have lost supply when a generator is running up prior to supplying load, or when switching is being undertaken on the distribution network.

Reference: ETSA Utilities Request for Proposals RFP 003/05, Projected Distribution Network Constraint: Electricity Supply to the Mount Gambier to Penola 33kV Supply Network. Website: http://www.etsautilities.com.au/news_6.asp

SA: ETSA prepares own Major Network Project for Mt Gambier to Penola 33kV power supply network refit

ETSA Utilities has identified a possible Eligible Major Network Project (EMNP) to upgrade the Mt Gambier to Penola

33kV supply network, and has issued a request for public submissions in accordance with the Essential Services Commission of South Australia's *Electricity Industry Guideline 12*, according to an ETSA statement (5/4/2005).

Consultation required: In accordance with the requirements of the National Electricity Code and ESCOSA Guideline 12, ETSA Utilities was required to consult with Code participants, interested parties and customers regarding all projected EMNP's and issue a Request for Proposals to potential solution providers for these projects.

Request for Proposals: The "Request for Proposals: Reinforcement of the Mt Gambier to Penola 33kV Supply Network" document outlined the consultation process being undertaken and detailed the projected network limitations applying to the 33kV network north of Mt Gambier. It sought submissions from Code Participants, Interested Parties and customers for possible solutions that could economically and reliably meet the Mt Gambier to Penola 33kV Supply Network's future electricity needs.

Reasonableness Test: ETSA Utilities has undertaken a Reasonableness Test in accordance with Guideline 12 and found that the Mt Gambier to Penola 33kV Supply Network projected limitation meets the requirements of this test. The Request for Proposals document was being used to publicly announce the findings of the Reasonableness Test as well as issuing a Request for Proposals.

Reference: ETSA Utilities Request for Proposals RFP 003/05, Projected Distribution Network Constraint: Electricity Supply to the Mount Gambier to Penola 33kV Supply Network. Internet: http://www.etsautilities.com.au/news_6.asp

ETSA Utilities seeks public submissions on future adequacy of Mt Gambier to Penola 33kV supply network

South Australia's major electricity supplier, ETSA Utilities, was soliciting proposals from customers and interested parties on the future adequacy of the Mt Gambier to Penola 33kV supply network, according to an ETSA Utilities statement (5/4/2005).

Ownership: ETSA Utilities was the partnership of Cheung Kong Infrastructure Holdings Ltd (CKI) and Hong Kong Electric International Ltd (HEI). It was a privately owned company that had a 200 year lease for the development, design, construction, operation, and maintenance of the South Australian electricity distribution network.

Distribution responsibilities: ETSA Utilities was South Australia's principal Distribution Network Service Provider (DNSP), and was responsible for the distribution of electricity to all distribution grid connected customers within the state under a regulatory framework. ETSA Utilities designed, installed, upgraded, repaired and maintained the 'poles and wires' which made up the distribution network carrying the

electrical energy to South Australian homes and businesses.

Reference: ETSA Utilities Request for Proposals RFP 003/05, Projected Distribution Network Constraint: Electricity Supply to the Mount Gambier to Penola 33kV Supply Network. Internet: http://www.etsautilities.com.au/news_6.asp

ETSA Utilities to publish Electricity System Development Plan & 3-year limitation details by 30 June

As part of its consultation process, South Australian electricity distributor ETSA Utilities published its annual *Electricity System Development Plan* - which included details of projected system limitations for the next three years - by 30 June, according to an ETSA statement (5/4/2005).

Development Plan: This plan included details of projected limitations on the ETSA Utilities Distribution system for at least the next three-year period and provided the information needed for a party to register as an Interested Party as defined within Essential Services Commission of South Australia (ESCOSA) Guideline 12. *The Electricity System Development Plan* (ESDP) was available on the ETSA Utilities website: http://www.etsautilities.com.au/news_4.asp

System information: The ESDP acted as the catalyst in the consultation process by

informing interested parties of zone substation, subtransmission line or distribution feeder constraints within the next three years. By raising awareness of forthcoming system constraints, ETSA Utilities invited interested parties to comment on the ESDP by sending an e-mail to: requestforproposals@etsautilities.com.au. ESDP publication: The ESDP listed all Eligible Major Network Projects (EMNP) that were required to have a Request for Proposals (RFP) issued due to the Reasonableness Test. Interested Parties were informed by e-mail when the annual ESDP had been published on the ETSA Utilities website, <http://www.etsautilities.com.au>.

Reference: ETSA Utilities Request for Proposals RFP 003/05, Projected Distribution Network Constraint: Electricity Supply to the Mount Gambier to Penola 33kV Supply Network. Internet: http://www.etsautilities.com.au/news_6.asp

Mt Gambier to Penola 33kV supply network bids evaluated against network alternatives using Code's Regulatory Test

9 South Australian electricity distributor ETSA Utilities has stated that all submitted proposals on the future adequacy of the Mt Gambier to Penola 33kV supply network were evaluated against the network alternatives using the National Electricity Code's Regulatory Test, according to an ETSA statement (5/4/2005).

Regulatory Test: All complying submissions to ETSA Utilities' request for proposals (RFP) to address the future adequacy of the Mt Gambier to Penola 33kV supply network were evaluated against the network alternatives using the Regulatory Test that has been promulgated by the Australian Competition and Consumer Commission (ACCC) under the National Electricity Code (NEC). The results of the Regulatory Test and the RFP evaluation were used to determine the project that was implemented and the cost to Code Participants and ultimately electricity consumers for doing this.

Performance monitoring: ETSA Utilities continually monitored the performance of its power system and analysed its capability to reliably and economically meet existing and future load requirements. Through this monitoring and analysis, the need for future augmentation, upgrading, or modifications to the distribution system, could be identified and implemented in a timely manner.

Consultation process: ETSA Utilities was required to consult with affected parties, Code participants and interested parties under Essential Services Commission of South Australia (ESCOSA) Guideline 12 when the estimated cost of the distribution system augmentation reached a significant level. The consultation process that was being followed by ETSA Utilities has been developed to meet the joint requirements of the NEC and ESCOSA Guideline 12.

Development Plan: It involved the annual issue of an Electricity System Development Plan (ESDP), undertaking a Reasonableness Test, and if the Reasonableness Test was met, issuing a Request for Proposals (RFP) seeking alternative solutions to the projected distribution network limitation.

Reference: ETSA Utilities Request for Proposals RFP 003/05, Projected Distribution Network Constraint: Electricity Supply to the Mount Gambier to Penola 33kV Supply Network. Internet: http://www.etsautilities.com.au/news_6.asp

Final Price Determination on ETSA Utilities' distribution charges, SA, now released

On 5 April 2005, the Essential Services Commission of South Australia (ESCOSA) released its final Price Determination on ETSA Utilities' distribution charges for all customers for the period 1 July 2005 to 30 June 2010. The final determination is the culmination of over three years' work by the Commission. The final determination substantially confirms the Commission's December 2004 draft decision. The final determination balances the need to keep electricity distribution prices as low as possible with the need to provide ETSA Utilities with sufficient funds to deliver safe and reliable electricity supplies, to invest in the maintenance and improvement of the electricity distribution network across the state,

to replace aging infrastructure and to provide incentives for demand management.

Contact: ESCOSA, ph: (08) 8463 4444, fax: (08) 8463 4449, email: escosa@escosa.sa.gov.au website: <http://www.escosa.sa.gov.au>

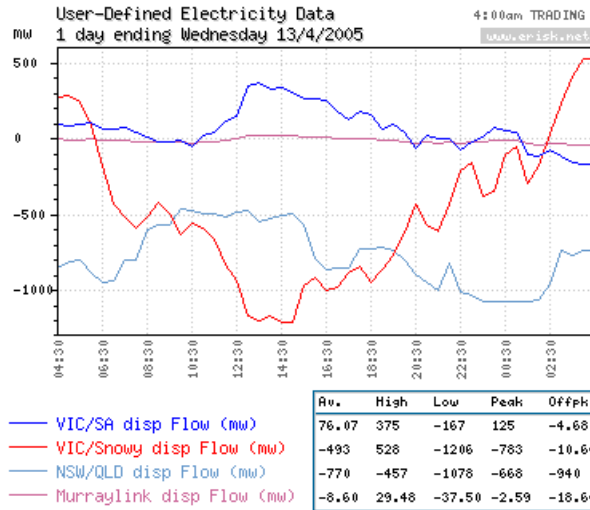
Energy Retail Competition in South Australia March 2005 Statistical Report published

The SA Essential Services Commission has released *Monitoring the Development of Energy Retail Competition in South Australia - March 2005 Statistical Report*. On 6 April 2005, the Essential Services Commission of South Australia has released the sixth in a regular series of reports on the development of Full Retail Contestability (FRC) in the South Australian electricity market, which is also the second report that reviews the development of the SA gas retail market.

Contact: Essential Services Commission, GPO Box 2605, Adelaide SA 5001, ph: (08) 8463 4444, fax: (08) 8463 4449, email: escosa@escosa.sa.gov.au website: <http://www.escosa.sa.gov.au>

Wednesday, 13 April: 4 interconnectors hit by monitoring system crash:

Reduced transfer capabilities were applied to the Snowy-Victoria interconnector, the Queensland-NSW



interconnector (QNI), the Victoria-South Australia Heywood interconnector and the Victoria-South Australia Murraylink interconnector because of an unplanned outage of the real time oscillatory stability monitoring system at 0147EST on Wednesday, 13 April. In a market notice at 0252EST, NEMMCO said it invoked constraint set ID I-PSYMETRIX from 0155EST on Wednesday until further notice.

Limits to apply: The following discretionary interconnector limits would apply: Snowy to Victoria <= 1700MW, Queensland to NSW <= 950MW, South Australia to Victoria (Heywood and Murraylink interconnectors) <=300MW. NEMMCO said network limits would continue to apply in addition to these limits.

NSW finished the week with 660MW less capacity online: Mt Piper 2 off in NSW

The 660MW capacity Mt Piper 2 went offline in the 0100EST interval on Wednesday and stuttered between 0.1-0.2MW at various times after that. The 660MW capacity Bayswater 4, the 500MW capacity Liddell 3, the 300MW capacity Munmorah 4, the 660MW capacity Eraring 4 and the 150MW capacity Redbank were idle all week. The 500MW capacity Wallerawang C7 operated in the intervals between 1700EST Monday and 1230EST Friday. The 29MW capacity hydro unit HumeNSW was offline in the intervals between 0900EST Tuesday and 1500EST Friday. The Shoalhaven hydro unit SHPump operated at various times during the week. NSW finished the week with 660MW less capacity online.

Victoria finished the week with 400MW less capacity online: 2 Hazelwood units off in Vic

The 200MW capacity Hazelwood 5 went off the grid in the 1500EST interval for the rest of the week. The 200MW capacity Hazelwood 6 was off in the intervals between 0930EST Tuesday and 0630EST Thursday, before going off again in the 0030EST Sunday interval. The 500MW

capacity Loy Yang B2, the 150MW capacity Anglesea and the 30MW capacity Morwell 2 were off all week. The 500MW capacity Newport operated from early morning until the evening on Monday-Saturday inclusive. The 29MW capacity hydro unit HumeV operated in the intervals between 0830EST Tuesday and 2130EST Friday and again between 1100-1500EST on Saturday. The 200MW capacity Hazelwood 7 was off the grid in the intervals between 0930EST Sunday and 1500EST Monday. The 200MW capacity Hazelwood 8 was off in the intervals between 1130EST Thursday and 0530EST Friday. The 380MW capacity Yallourn 3 was offline in the intervals between 0930EST Tuesday and 1800EST Thursday. Jeeralang units A2, A3 and A4, Jeeralang B1 and B2, the two West Kiewa units, the two Bairnsdale units, Dartmouth, the two Eildon units, the two McKay units and Valley Power units 1, 2, 3 and 4 operated at various times during the week. Victoria finished the week with 400MW less capacity online.

South Australia finished week with 558MW more capacity online: Pelican Point, Torrens Island B1 remain online

With maximum demand at the week's end high on Friday and Saturday because of high temperatures in Adelaide at 32 and 37 degrees, the 478MW capacity Pelican Point and the 200MW

capacity Torrens Island B1 were still online at the end of the week after quitting the grid in the 0700EST Monday and the 0900EST Monday intervals respectively. The 265MW capacity Northern 2, The 200MW capacity Torrens Island B2, the 120MW capacity Torrens Island A1, and the 120MW capacity Torrens Island A4 were off the grid all week. The 40MW capacity Ladbroke Grove was offline in the intervals between 1430-1830EST on Wednesday. The 120MW Torrens Island A2 operated in the intervals between 1100EST Sunday and 0900EST Monday, between 0930-1900EST on Tuesday, between 1000-1900EST on Wednesday, between 0900-1900EST on Friday and between 1030-2130EST on Saturday. The 120MW capacity Torrens Island A3 was off the grid in the intervals between 2100EST Sunday and 0600EST Thursday before going off for the rest of the week in the 2100EST interval on Thursday. Snuggery, the four Quarantine units, the two Angaston units, and Hallett operated at various times during the week. South Australia finished with 558MW more capacity online.

Queensland finished the week with 947MW less capacity online; Tarong North, Stanwell 2, Gladstone 2 off in Qld

The 443MW capacity Tarong North went offline in the 2200EST interval on Friday. The 350MW capacity Stanwell 2 quit operating in the 2100EST interval on

Wednesday. The 280MW Gladstone 2 went off in the 1430EST interval on Sunday. The 280MW capacity Gladstone 6 was offline all week. The 426MW capacity Millmerran 2 was off the grid in the intervals between 1230-2330EST on Sunday, between 0230-1600EST on Monday, between 1800-2000EST on Monday and between 2130EST Monday and 0130EST Tuesday. The 125MW capacity Swanbank B3 returned in the 0200EST interval on Friday. The 280MW capacity Gladstone 5 was offline in the intervals between 2300EST Sunday and 0500EST Monday. The 33MW capacity Collinsville 4 came back online in the 1600EST interval on Friday with the 32MW capacity Collinsville 3 going off the grid in the 2200EST interval on Friday. The 385MW capacity Swanbank E was off in the intervals between 0600EST Monday and 2030EST Saturday. The 160MW capacity Yabulu operated in the intervals between 0330EST Monday and 1500EST Saturday. The 82MW capacity Yabulu 2 operated in the intervals between 0630EST Monday and 1500EST Saturday. The 57MW capacity Barcardine operated in the intervals between 0930-1700EST on Wednesday. Queensland finished the week with 947MW less capacity online.

www.erisk.net

NSW electricity retailer Jackgreen applies to ESCOSA for SA retail electricity licence to serve mainly small users

The Essential Services Commission of South Australia (ESCOSA) has received an application from the NSW registered Jackgreen (International) Pty Limited for a licence to retail electricity in South Australia.

Sales plan: ESCOSA said Jackgreen (International) was a wholly owned subsidiary of the public company Jackgreen Ltd. Jackgreen planned to sell electricity predominantly to small electricity customers in metropolitan and regional areas of the state.

Support of large investors: The application to ESCOSA, which was published on the website, said the company had the support of large investors such as Babcock and Brown, should any further capital be required.

NSW retail licence since 2002: The company had held a retail electricity licence in NSW since 2002. The South Australian business would be managed by the general manager, sales and marketing, James Myatt. Myatt was previously responsible for the South Australian business activities of EnergyAustralia.

Small team to be employed in Adelaide: A small team would be employed in Adelaide to implement the company's business plans. Operations and systems for South Australia

would be managed by the general manager of strategic operations, Ashleigh Antflick, from the Sydney office.

Wholesale purchasing from Sydney:

Wholesale purchasing for the South Australian operations would be managed by the general manager, wholesale, Geoff Pollard, from the Sydney office.

Reference: Application by Jackgreen (International) Pty Ltd to Essential Services Commission of South Australia (ESCOSA) for the issue of a licence to retail electricity in South Australia. 6 April 2005. Address: 8th floor, 50 Pirie Street, Adelaide. SA. 5000. GPO Box 2605, Adelaide. SA. 5001. Phone:

Consumer protection system in Victoria working effectively and protecting the interests of energy consumers, says ERAA

The Energy Retailers Association of Australia says that the consumer protection system in Victoria was working effectively and protecting the interests of energy consumers in 2004, according to an Association statement (7/4/2005).

Ombudsman not required: In commenting on the release of the latest data from the Victorian Energy and Water Ombudsman, the ERAA said that of the "so called" 10,180 Victorian cases recorded in the six months to December, 2004 all were resolved with the consumer and not one required a notice of direction by the

Ombudsman. This confirms the ERAA's view that consumer protection is working.

Contact: Deane Russell Executive Director Energy Retailers Association of Australia. Mobile: 0419 444 112

Energy Retailers Assoc: the number of electricity and gas problems reported last year is not as bad as it seems

Deane Russell, executive director of the Energy Retailers Association of Australia explained the number of cases reported to the Ombudsman last year, in a recent Association statement (7/4/2005).

Solved without Ombudsman: Of the 9,575 electricity and gas 'cases' (which includes transmission, distribution and other unrelated numbers), all cases were resolved with the provider and there were no notices of direction issued by the Ombudsman.

21pc not related to electricity or gas: "Of the 10,180 'cases' recorded in the six months to December 2004, there were 2,136 cases not related to retailing electricity or gas, including 1,251 telephone calls about Full Retail Contestability, i.e. market competition.

Competition is working in Victoria: "The increase in the total number of 'cases' or telephone calls with the Ombudsman's office can also be attributed to the fact that competition is actually working in Victoria.

There is a correlation between the increase in the number of 'cases' and market activity," the statement said.

Contact: Deane Russell, Executive Director Energy Retailers Association of Australia. Mobile: 0419 444 112.

www.eweatheronline.com

eWeather Online provides:

- daily weather forecasts for four regions of the Australian National Electricity Market (NEM): NSW, Victoria, SA and Queensland.
- 8-day ahead NEM demand forecasts
- 8-day ahead weather maps (national and regional)
- 8-day ahead forecast summaries (max/ min temps, rainfall)
- long term seasonal forecasts
- 50 year historic weather statistics
- realtime STPASAs data
- realtime MTPASAs data
- realtime NEM system demand
- historic NEM demand comparison
- data as charts, tables, or file downloads

Subscribe to eWeather Online, please email to: subs@erisk.net for further information

May-July Temperature Outlook

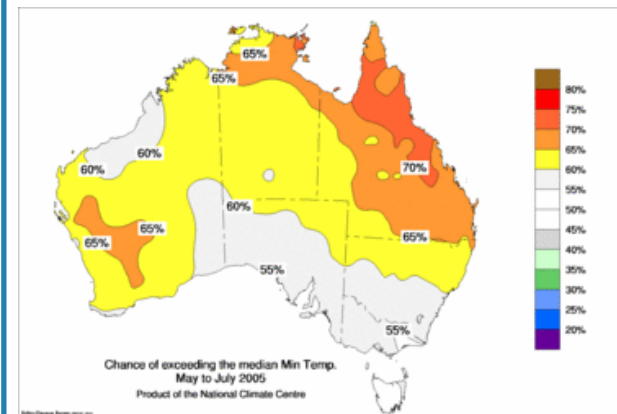
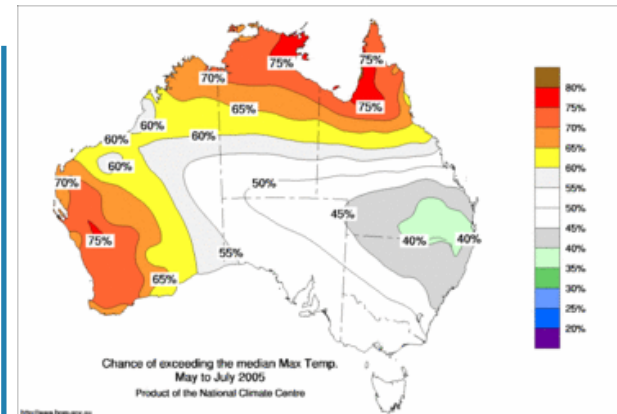
Increased seasonal temperatures for tropics & WA

There is a moderate to strong shift in the odds towards above average maximum temperatures for the May-July period across much of tropical and Western Australia, the Bureau of Meteorology announced today. For the rest of the country, there are no strong shifts in the odds towards either a warmer or cooler than average season. For the late autumn to mid-winter period, the chances of above average seasonal daytime temperatures exceed 60 per cent in the northern halves of Queensland and the NT, as well as across much of WA with the exception of the southeast and eastern interior. The probabilities exceed 75 per cent in the far north and a small area in the central-west of WA. So in years with ocean patterns like the current, about six to eight May-July periods out of every ten are expected to be warmer than average across northern and western Australia, with about two to four out of ten being cooler.

In southeast Queensland by way of contrast, the chances of exceeding the median maximum temperature for the coming three months are slightly below 40 per cent, meaning that a cooler than average season would be expected in about six years out of every ten. However, across the rest of Australia, the chances of above average seasonal maximum temperatures are between 40 and 60 per cent.

Outlook confidence is related to the consistency of the influence of Pacific and Indian Ocean temperatures on seasonal temperatures. During the May to July period, history shows this influence on maximum temperatures to be moderately consistent over large parts of the country, including those areas with large probability shifts, but only weakly consistent in the southern half of Queensland.

There is a moderate to strong shift in the odds towards above average minimum temperatures for the May to July quarter over Queensland, the NT, most of WA, as well as the northern parts of both SA and NSW. The probabilities are mostly in the 60 to 70 per cent range, reaching up to 75 per cent in parts of northern Queensland. In Victoria,



Tasmania, and most of NSW and SA, the chances of above normal overnight temperatures averaged over the next three months, are between 50 and 60 per cent.

History shows the oceans' influence on minimum temperatures in the May to July period to be strongly consistent over most of Queensland and southern Western Australia, and moderately consistent over the rest of WA, the NT and parts of Tasmania and northern NSW. Elsewhere there is only weak consistency.

Source: www.bom.gov.au

not a subscriber? subscribe today!

ewn publishing

Yes! I wish to subscribe to: (tick appropriate boxes)

Weekly Publications

- Electricity Week* (inc. MR & Green Pages) \$1,320.00 p.a.
 Gas Week \$1,320.00 p.a.
 Green Markets \$1,320.00 p.a.
 Global Green Markets NEW!!! \$1,320.00 p.a.
 Energy Risk Weekly \$1,204.50 p.a.
 Electricity Week Queensland \$1,320.00 p.a.
 The Water Report \$1,320.00 p.a.
 Water Markets Week \$660.00 p.a.

Daily Publications

- Energy Daily* (includes data and graphs) \$1,754.50 p.a.
 Water Daily (includes data and graphs) \$1,754.50 p.a.

Websites

- www.erisk.net (Subscribers only \$2,035*) \$4,070.00 p.a.
 eWeather website (Subscribers only \$2,035*) \$4,070.00 p.a.

* Discounted subscriber rate only applies in conjunction with newsletter subscription for same registered user.

All prices quoted are GST inclusive. A surcharge will be added if paid by credit card. These rates are for Single User Licences for use in Australia only and are subject to compliance with our Terms and Conditions of Subscription (see <http://www.erisk.net/terms>). For Multi User or International subscription rates, email subs@erisk.net

Subscriber details

Name of Recipient: _____
Title/Postition: _____
Company: _____
Email address: _____@_____
Phone: (____) _____ Fax: (____) _____
Invoicing Address: _____

Payment details

Pay later. Please send me an invoice. I realize I will not receive my first edition until payment is received.

Pay now to ensure immediate start. Please bill my credit card. I am aware of the surcharge that will be added to the amount (in brackets).

Mastercard (1.53%) Visa (1.53%) Amex (2.83%)

Card name: _____

Card no:

Exp date: / Signature: _____

Fax form to:

Email subs@erisk.net or call (02) 9818 8877 for further information.

02 9818 8473