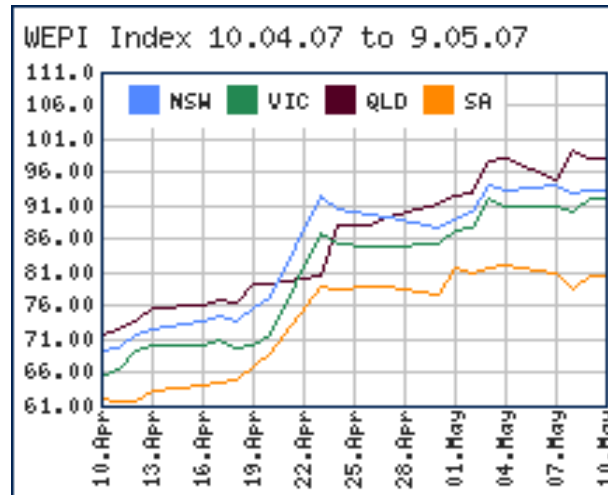


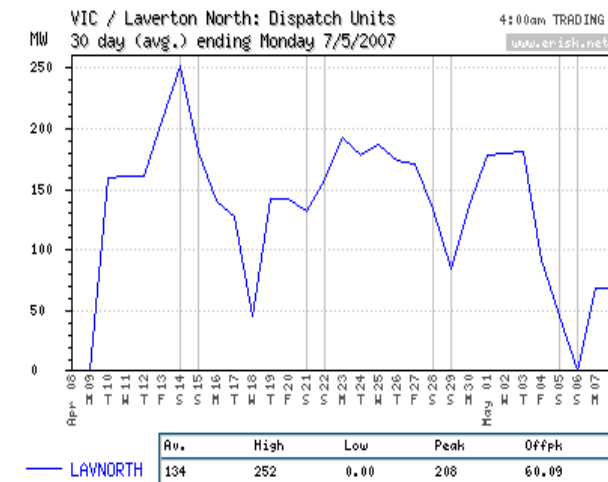
Water crisis compounded as Laverton banned 8 - 5pm weekdays; and Latrobe gen turns to internet water market

The 90 days to date 2007 average pool price neared \$60/MWh as generators across the NEM faced a water-shortage crisis, underlying futures prices were about \$20 above that. (see above right, and p.2). The Snowy Laverton Victorian peak-load power station owned by Snowy Hydro was on 9 May banned from operating during business hours after noise complaints by its neighbour. (see more inside, p.4)

Contracts surge upwards



Laverton output, down



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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.

Top price for NEM week #438 Dry Creek at \$94.00

EWN publishing

TAS			
Generator	Income (\$)	Output (MWh)	Av Price (/MWh)
Liap/Way/Cat	\$846,461	11,627	\$72.80
Bell Bay Power	\$197,915	3,504	\$56.48
John Butters	\$597,011	7,804	\$76.50
Tungatinah	\$506,910	6,594	\$76.87
Poatina	\$1,045,165	13,602	\$76.84
Tarraleah	\$566,757	8,016	\$69.46
Reece	\$830,715	10,888	\$76.29
Cethana	\$382,305	5,423	\$70.49
Tribute	\$182,552	2,522	\$72.37
Lemonthyme/Wilmot	\$402,019	5,660	\$71.03
Trevallyn	\$437,019	6,090	\$71.76
Mackintosh	\$189,478	2,290	\$82.73
Bastyan	\$239,959	2,922	\$82.12
Woolnorth Wind	-	-	-
Gordon	\$3,643,965	51,579	\$70.65
Vic->Tas	\$2,694,686	40,981	\$65.76
Devils Gate	\$318,615	4,431	\$71.90
Fisher	-	-	-
Meadowbank	126127.8743	1811.33	\$69.63
Lake Echo	125372.4499	1794.15	\$69.88
Repulse	-	-	-
Paloona	-	-	-
Cluny	-	-	-

2008, 09, 10 prices

Prices as at COB Wed 9 May 2007

Base	NSW	QLD	SA	VIC
CAL08	70.20	75.51	57.95	67.24
CAL09	57.50	52.75	42.61	55.68
CAL10	50.00	38.81	40.15	48.50
WEPI	93.12	97.94	80.37	91.90
APS	Australian Power Strip			58.76

SA			
Generator	Income (\$)	Output (MWh)	Av Price (/MWh)
North'n Power	\$5,676,825	89,235	\$63.62
Ladbroke	\$76,967	930	\$82.72
Osborne	\$1,705,008	26,395	\$64.60
Pelican Pt	\$239,042	5,247	\$45.56
Torrens Is. B	\$3,497,078	51,392	\$68.05
Vic->SA	\$642,338	11,161	\$57.55
MLink->SA	\$11,598	215	\$53.82
Torrens Is. A	\$981,044	13,953	\$70.31
Mintaro	\$397,439	5,027	\$79.06
Dry Creek	\$28,956	308	\$94.00
Playford	\$984,264	14,623	\$67.31
Snuggery	\$1,675	18	\$91.10
Pt Lincoln	-	-	-
Quarantine	\$463,081	6,719	\$68.92
Angaston Power	-	-	-
Hallett Power	\$734,712	9,231	
Lonsdale	-	-	-
Terminal Storage	-	-	-
Lake Bonney Wind	-	-	-

VIC			
Generator	Income (\$)	Output (MWh)	Av Price (/MWh)
Loy Yang A	\$16,304,749	257,755	\$63.26
Loy Yang B	\$10,954,834	174,425	\$62.81
Hazelwood	\$14,397,408	229,531	\$62.73
Yallourn	\$11,655,124	185,882	\$62.70
Anglesea	\$1,559,992	24,900	\$62.65
Energy Brix	\$1,359,866	21,669	\$62.76
Newport	\$4,666,974	69,742	\$66.92
MLink->Vic	\$234,779	3,371	\$69.65
SA->Vic	\$469,459	6,228	\$75.38
Snowy->Vic	\$1,040,119	13,891	\$74.87
Tas->Vic	\$167,004	1,721	\$97.02
Jeeralang	-	-	-
West Kiewa	\$80,920	1,047	\$77.32
Bairnsdale	\$786,063	12,116	\$64.88
Dartmouth	-	-	-
Eildon	\$5,185	85	\$61.24
Hume Vic	-	-	-
McKay Power	\$1,795	24	\$76.13
Clover	-	-	-
Valley Power	\$429,271	5,789	\$74.16
Rubicon	-	-	-
Laverton North	1625507.439	21574.12	
Somerton Power	432184.1085	5289.62	
Sunshine Energy	-	-	-
Longford	-	-	-

NSW			
Generator	Income (\$)	Output (MWh)	Av Price (/MWh)
Bayswater	\$14,271,414	215,815	\$66.13
Liddell	\$16,729,263	254,404	\$65.76
Mt Piper	\$12,614,030	191,360	\$65.92
Wallerawang	\$7,747,162	117,981	\$65.66
Vales Point	\$6,834,365	106,982	\$63.88
Munmorah	\$1,828,196	27,589	\$66.26
Eraring	\$18,879,255	293,498	\$64.32
Redbank	\$1,595,263	24,902	\$64.06
Smithfield	\$1,415,561	20,235	\$69.96
Snowy->NSW	\$6,898,865	84,143	\$81.99
Shoalhaven	\$617,612	10,802	\$57.18
Hunter Valley	-	-	-
Hume Hydro	-	-	-
Blowering	-	-	-
Northern Gas	-	-	-
Burrinjuck	-	-	-
Brown Mountain	-	-	-
Keepit	-	-	-
Broken Hill	-	-	-
Ergon Energy	-	-	-
DL Q->N	\$783,969	12,021	\$65.22
QLD->NSW	\$5,350,459	82,693	\$64.70
Pindari Hydro	-	-	-
West Nowra	-	-	-
Country En (NSW)	-	-	-

QLD			
Generator	Income (\$)	Output (MWh)	Av Price (/MWh)
Tarong	\$7,407,257	116,530	\$63.57
Millmerran	\$8,777,770	143,569	\$61.14
Swanbank	\$1,436,405	22,700	\$63.28
Stanwell	\$12,388,481	199,577	\$62.07
Callide B	\$7,019,603	114,381	\$61.37
Callide Power	\$8,832,915	141,671	\$62.35
Townsville	\$1,648,849	24,462	\$67.40
Gladstone	\$11,940,608	186,097	\$64.16
Collinsville	\$1,258,000	18,549	\$67.82
Swanbank C_D_E	\$3,121,231	47,705	\$65.43
Barcaldine	\$201,890	2,440	\$82.74
Callide A	-	-	-
Kareeya	\$893,771	14,617	\$61.15
Barron Gorge	\$211,764	2,886	\$73.37
Mt Stuart	\$5,571	134	\$41.49
Wivenhoe	\$1,199,100	20,829	\$57.57
Braemar Power	\$2,397,516	37,014	\$64.77
Mackay	\$200	5	\$37.80
Roma	-	-	-
Oakey	-	-	-
DL N->Q	-	-	-
NSW->QLD	\$70	2	\$35.92
Rocky Point	-	-	-
Tableland	-	-	-
Stapylton	-	-	-

2

Market madness: April Futures and Options traded the equivalent of 200pc of NEM Physical Demand (NSW, SA, QLD and VIC), and Wednesday, 2 May 2007 set a new daily record with 2,442 contracts trading; it was the 2nd largest volume week with 5,807 contracts trading.

- Snowy was importing electricity at about five times the rate of last year - in the month to date, buying an average of 230MW, to pump water up hill to run through Murray or Tumut 1 and 2; and
- In Victoria, Latrobe plants were reported as buying water from irrigators via internet water markets.

Snowys' world gets worse as Tribunal bans weekday gen by Laverton in Victoria

Snowy faced financial loss and the whole market faced ever higher prices after Victorian and Civil Administrative Tribunal deputy president, Helen Gibson, ruled the Snowy Hydro Laverton gas plant in Melbourne's west:

- must not operate between 8am and 5pm on weekdays;
- because noisy vibrations disrupted business; and
- made staff sick, at neighbouring Metroll, a building materials maker.

3

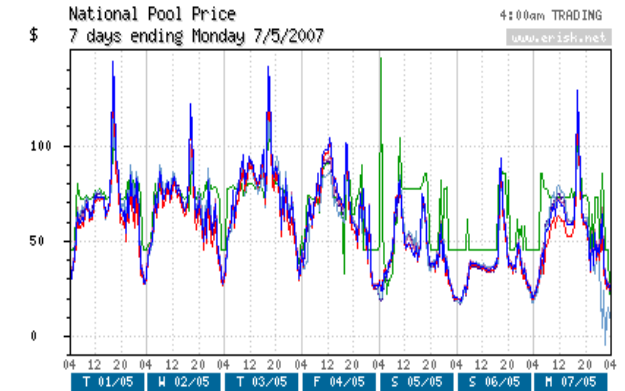
the week in detail

• **NSW:** Average price \$64.08/MWh down 21 per cent on the spike-affected \$80.73/MWh the previous week, up 224 per cent on the \$19.79/MWh of the comparable week last year; maximum price \$165.56/MWh for the 30-minute trading interval ended 1800EST Monday. Average demand 8424MW, up 1.3 per cent on the previous week, down 1.1 per cent on a year ago; maximum demand 10,259MW in the 1800EST Thursday interval, up 7MW on the 10,252MW the previous week.

• **Victoria:** Average price \$62.68/MWh, down 20 per cent on the spike-affected \$78.03/MWh the previous week, up 196 per cent on the \$21.20/MWh of the comparable week last year; maximum price \$148.63/MWh for the 30-minute trading interval ended 1830EST Monday. Average demand 5624MW, up 2.7 per cent on the previous week, down 3.4 per cent on a year ago; maximum demand 6887MW for the 1830EST Thursday interval, up 2.6 per cent on the 6715MW the previous week.

• **South Australia:** Average price \$63.40/MWh, down 19 per cent on the spike-affected \$78.54/MWh the previous week, up 147 per cent on the \$25.67/MWh the comparable week last year, maximum price \$144.11/MWh for the trading interval ended 1830EST Monday. Average demand 1336MW, down 1.3 per cent on the previous week, down 1.4 per cent on a year ago; maximum demand 1756MW for the 1900EST Monday interval, down 2.6 per cent on the 1802MW the previous week.

• **Queensland:** Average price \$61.26/MWh, down 22 per cent on the spike-affected \$78.70/MWh the previous week, up 249 per cent on the \$17.53/MWh of the comparable week last year; maximum price \$159.62/MWh for the trading interval ended 1800EST Monday. Average demand 5802MW up 1.1 per cent on the previous week, up 4.5 per cent on a year ago; maximum

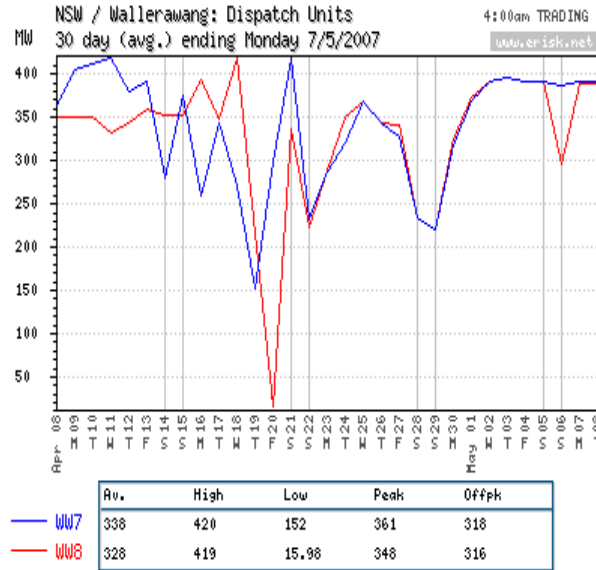


	Ave.	High	Low	Peak	Offpk
NSW disp Pool Price (\$)	59.23	143.82	19.04	76.27	45.48
QLD disp Pool Price (\$)	56.58	139.94	19.32	72.71	43.57
SA disp Pool Price (\$)	57.55	119.15	-4.00	74.47	43.90
Snowy disp Pool Price (\$)	59.29	129.79	19.21	74.92	46.69
VIC disp Pool Price (\$)	58.02	125.88	17.34	75.02	44.30
TAS disp Pool Price (\$)	67.35	145.77	22.17	76.82	59.70

demand 6956MW for the 1800EST Monday interval, up 1.1 per cent on the 6882MW the previous week.

• **Tasmania:** Average price \$69.76/MWh, down 18 per cent on the spike-affected \$85.40/MWh the previous week, up 222 per cent on the \$21.69/MWh of the comparable week last year; maximum price \$145.77/MWh for the trading interval ended 0500EST Saturday. Average demand 1105MW, down 3.1 per cent on the previous week, down 5.2 per cent on a year ago; maximum demand 1397MW for the 1830EST Monday interval, down 3.9 per cent on the 1453MW the previous week.

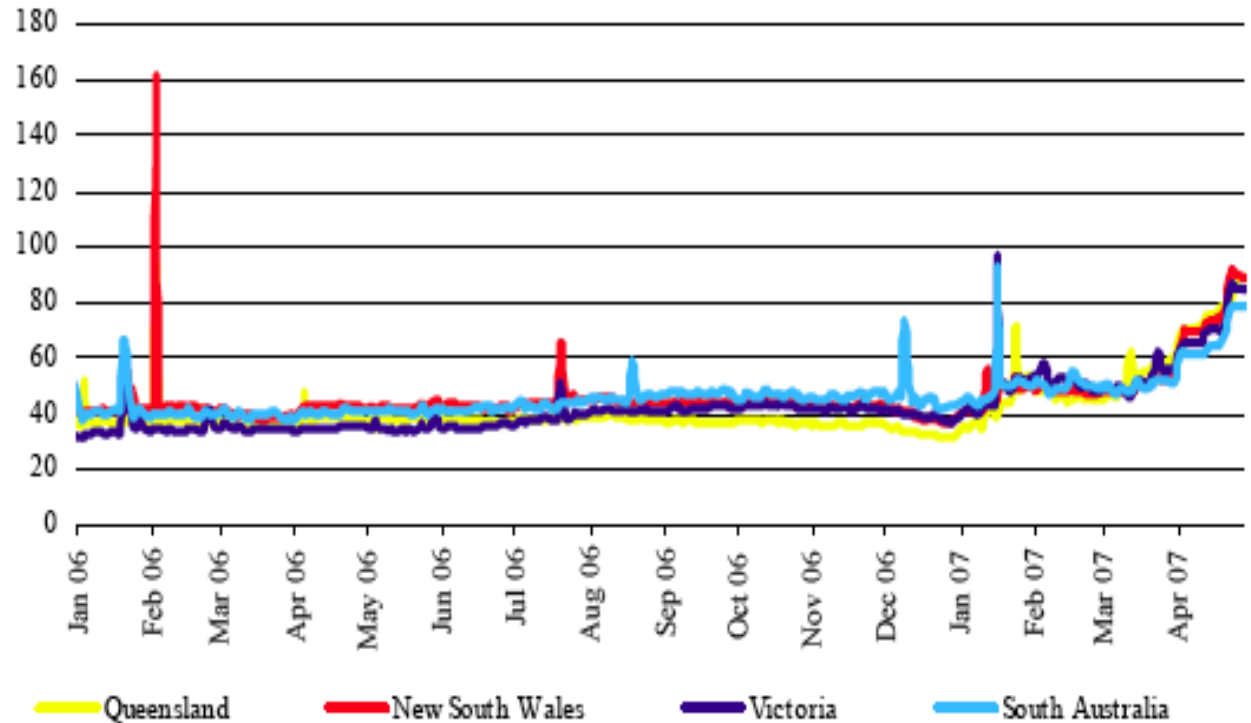
Wallerawang water woes



This was not good for Victoria – as a CitiPower study showed – Melbourne had the second lowest security of supply in a study of comparable cities around the world, the Essential Services Commission (ESC) of Victoria said. *(see more inside)*

Headaches, earaches, and nausea: The Victorian peak-load power station owned by Snowy Hydro was on 9 May banned from operating during business hours after noise complaints by its neighbour, raising concern about higher electricity prices during demand spikes. Metroll complained to the tribunal that the plant caused excessive noise and vibration triggering headaches, earaches, and nausea for its 70 staff, and Snowy had breached its planning permit.

22–28 April 2007 futures price trends



	Monday	Tuesday	Wednesday	Thursday	Friday
Queensland	80.27	88.03	NA	87.96	89.32
New South Wales	92.40	90.29	NA	89.56	89.09
Victoria	86.80	85.24	NA	84.79	84.76
South Australia	78.95	78.25	NA	78.83	78.93

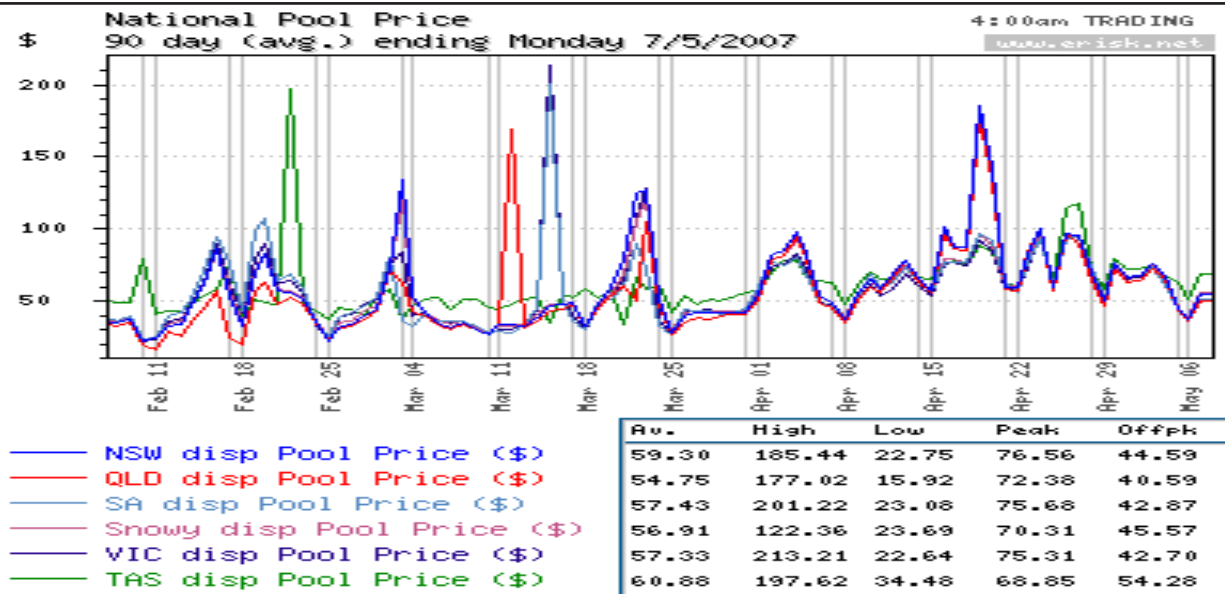
Snowy at panic stations: *The Australian Financial Review* (10/5/2007, p.3) reported Snowy Hydro was considering options before a hearing in July. If the ban continues, the market manager may have to reserve more power to avoid blackouts this summer, when electricity demand peaks from the mid-afternoon. A spokesperson for Energy Minister, Peter Batchelor, hoped the dispute was fixed so the plant can be accessed for “summer's peak demand”.

Some financial loss for Snowy Hydro: “I considered it was more important to protect the health of employees even though this may result in some financial loss for Snowy Hydro,” Gibson said. Snowy Hydro tried to fix the problem by installing rows of shipping containers between the plant and its neighbour but succeeded only in blocking out natural light.

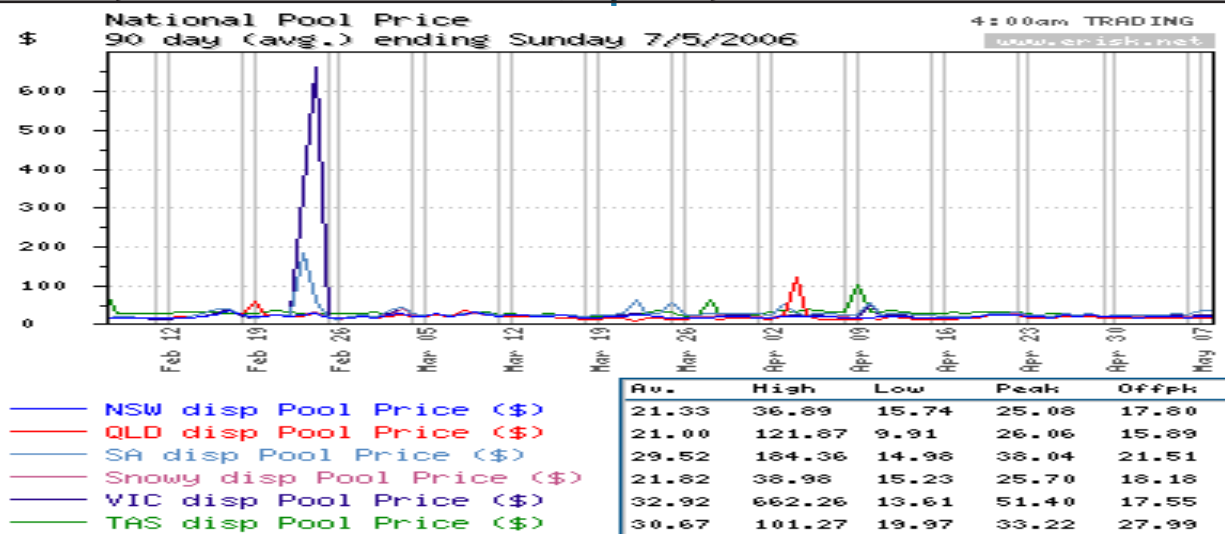
Vic wholesale water prices

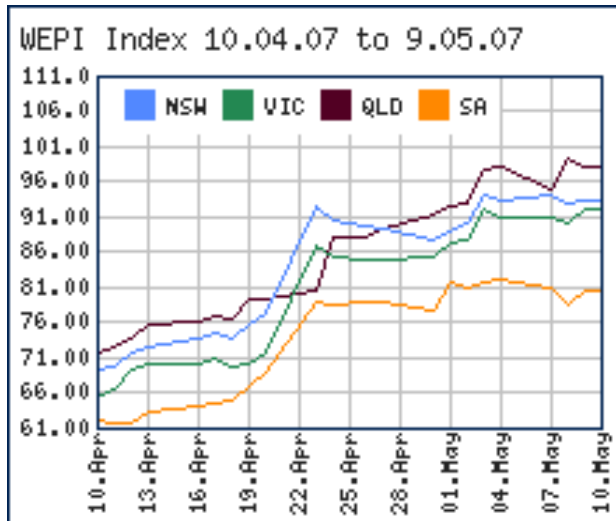
VIC 1A Goulburn	WX150A	500	461	549	67,360	12,341,698
VIC 1B Boort	WX151A	520	461	549	22,342	742,277
VIC 1st Mildura Irr. Trust	WX272A	460	-	-	5,754	859,815
VIC 3 Goulburn	WX154A	480	360	549	1,282	451,461
VIC 6 Hume	WX158A	450	360	480	11,707	1,929,314
VIC 7 Barmah	WX160A	480	360	480	52,414	7,268,356
VIC HIZ Merbein Irrigators	WX302A	450	-	420	428	138,620
VIC HIZ Private Diversers	WX271A	470	-	420	253	100,610
VIC HIZ Red Cliffs Irrigators	WX301A	460	-	420	796	238,210
VIC L2 Private Diversers	WX268A	490	-	420	15,268	2,570,690
VIC L3 Private Diversers	WX269A	450	-	420	35	15,750
VIC L4 Private Diversers	WX270A	480	-	420	1,853	447,620
VIC LMWL1	WX303A	460	-	420	9,661	237,800

90 DTD 2007 average pool price nears \$60/MWh



Same period in 2006, average pool price \$21- 30/MWh



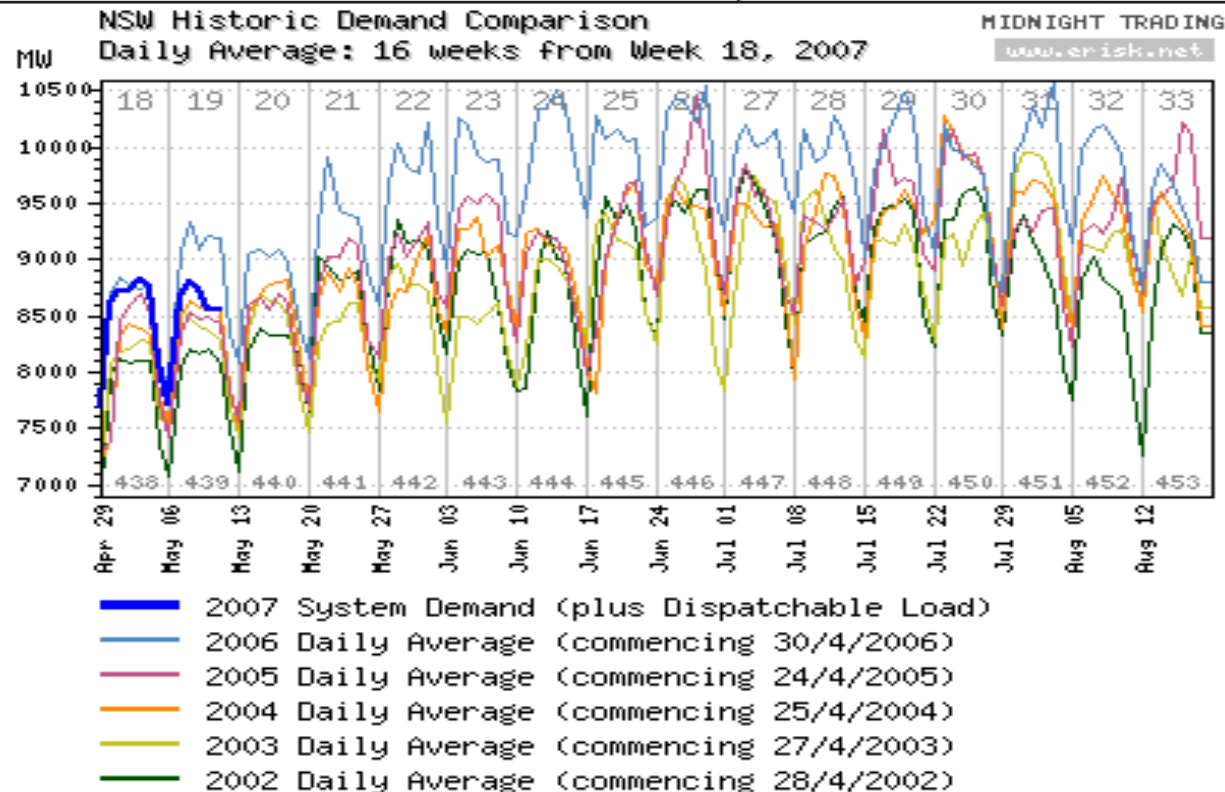


TRUenergy Yallourn buys water to keep capacity; up: price \$450 to \$490ML

Latrobe water for private diverters was selling above the \$450/ML mark last week, TRUenergy Yallourn purchased extra water from the State Government “to ensure electricity generation is not compromised because of the drought”. TRUenergy director operations and construction, Michael Hutchinson, told *Latrobe Valley News* that the company had been bidding for additional water from Blue Rock Dam on the private internet auction site ‘Watermove’.

Enough for May and June: While he would not reveal how much water had been purchased or the cost to the company for

NSW moves toward winter, with price at historic high



commercial reasons, Hutchinson said it was enough to get the generator through to the end of the water year on 30 June. "We've purchased not at the very high end but what we considered the amount needed to give us a high level of confidence to get to 30 June with some nominal inflows in May/June."

No water in rivers: TRUenergy Yallourn has a significant water allocation in Blue Rock Dam for its power station operations, however usually it is able to access much of the water it

needs from allocations from inflows in the Tanjil and Latrobe rivers. Because of the low flows this year there has been little or no water available from the rivers and the company has had to draw more from the dam.

Banned from using Blue Rock storage: But the amount of its allocation available from the dam is dependent on Blue Rock's capacity at any given time. The dam was at 52 per cent, down eight per cent from what it was just two months ago and as the company was not

allowed to use its full entitlement in Blue Rock Dam this year, it was forced to purchase more water.

No water comment from Loy Yang B: It was believed International Power/Mitsui Loy Yang B could also be under pressure to secure additional water, however a spokesperson said at this stage the company would not comment.

Blue Rock auction via Water Move: It is understood that since January 12,000 megalitres of water from Blue Rock have been auctioned through Watermove. While the reserve price was initially \$70 a megalitre, the cost had now risen significantly into the hundreds of dollars per megalitre.

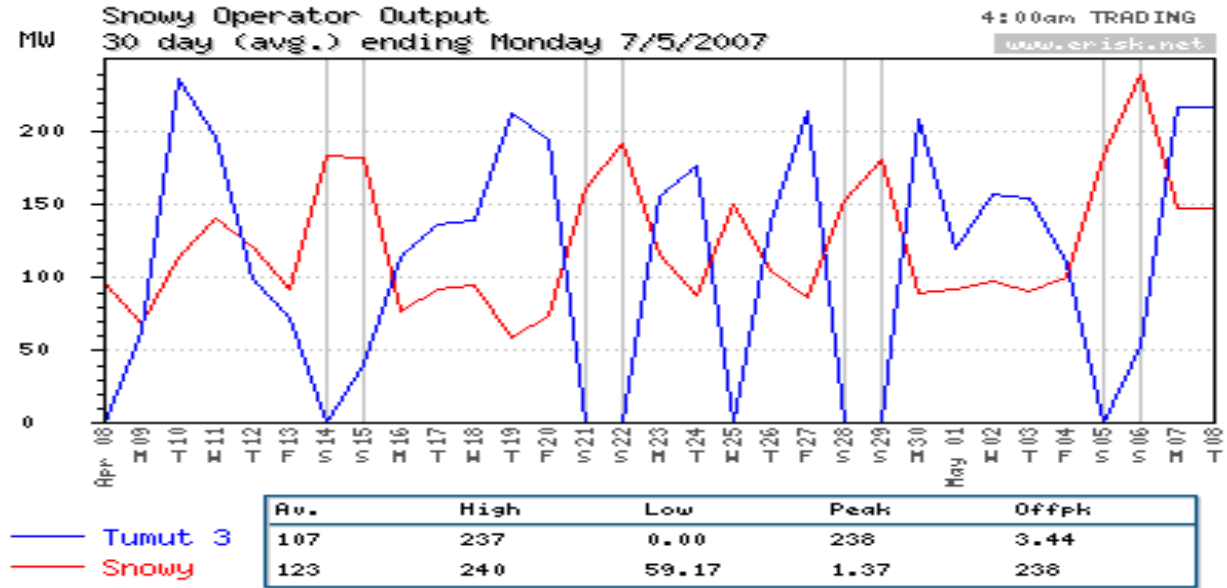
Loy Yang Power no water probs? Loy Yang Power chief executive, Ian Nethercote, said it had been able to manage its operations within its original water allocation entitlements and had not had to purchase additional water from the water market.

Hazelwood not saying: A spokesperson for Hazelwood Power Station said it continued to monitor water levels in its pondage but the situation had not changed in the last few months and levels were being maintained.

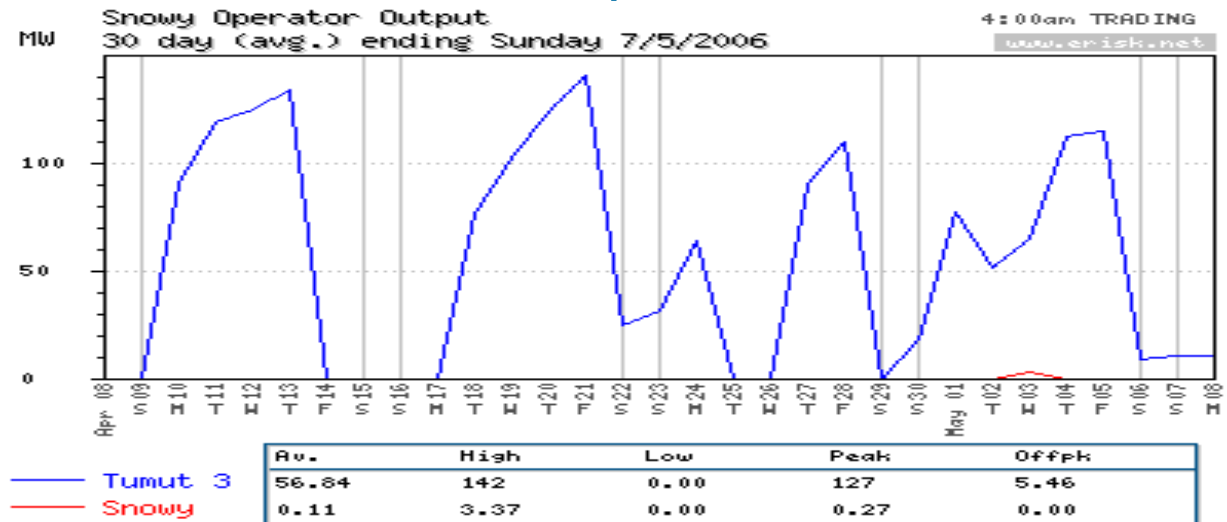
Delta's Wallerang at risk of water shortage: 20pc level

Delta's Mount Piper and Wallerawang power stations in NSW draw their water supplies from storages on the Coxs

Snowy now importing, 230MW average, to pump



Same time last year, 54MW pumping cost



River and the Oberon dam. In 2006 there was very little inflow to these storages and Delta's water allocations were reduced. Storage levels have continued to fall further and now reached record lows.

Wallerawang highest risk: Delta Electricity's Mt Piper and Wallerawang power stations in NSW water reserves down to about 20 per cent. Delta Electricity said its older 1000MW Wallerawang station near Lithgow might have to cut supplies if water conditions worsened.

Wallerawang water rights: Water was extracted for condensate cooling from fresh water sources including the Coxs River and Fish River. The annual usage was the order of 22,000 million litres.

- Delta Electricity extracts water from Coxs River at Lake Lyell under conditions outlined in a *Water Licence*, which establishes the conditions for water releases from Lake Lyell;
- Wallerawang Power Station has five licence discharge points for cooling tower blowdown, oil and grit facility overflow and ash dam discharges to the Coxs River.

Delta Electricity: Delta Electricity was entitled to take and use up to 23,000 ML/year from the Coxs River water source, for the operation of Mt Piper and Wallerawang Power.

- The allocation for each year starts on 1 July and concluded on 30 June.

The rules:

- When the daily volume of natural inflows into Lake Lyell is less than or equal to 13.6 ML/d, the volume of water that must be released from Lilyvale Dam shall be equivalent to the natural inflow volume.
- Stations must achieve average annual water use efficiency target of 1.65 ML/GWh at Mt Piper and 1.75 ML/GWh at Wallerawang;
- Any unused portion of the volume at the end of the water year is forfeited.
- In the event that Delta Electricity's Minimum Annual Quantity from the Fish River Water Supply is reduced by 30pc or greater, Delta Electricity is entitled to obtain an additional 2,000 ML/year from the Coxs River water source,

Drought rules: When the total active storage in Lake Lyell, Lake Wallace and Thompsons Creek Reservoir was less than 50,000ML Flow Releases were not required to be made by Delta Electricity, and the following provisions apply:

- When the total active storage in Lake Lyell, Lake Wallace and Thompsons Creek Reservoir is less than 50,000ML, Delta Electricity shall release the inflow volume up to a maximum of 9.0 ML/d from Lilyvale Dam.
- When the total active storage in Lake Lyell, Lake Wallace and Thompsons Creek Reservoir has been less than 50,000ML

for a continuous six month period, Delta Electricity shall release the inflow volume up to a maximum of 5.0 ML/d from Lilyvale Dam, regime has been developed in accordance with condition 4.5.

Delta water deficits

Dam	Active Storage (ML)	% of capacity
Thompsons Creek Reservoir	5,990	22.0
Lake Lyell	5,260	16.4
Lake Wallace	1,205	54.6
Total active storage	12,455	
Total storage capacity		20.2%

Water Management Licence: Administration Ministerial Corporation, under Part 9 of the Water Act 1912 (NSW) Prepared by Corporate Licensing Unit Department of Natural Resources Penrith, NSW Second Issue 20 October 2005.

Wallerawang water crisis, 19 April, saw NSW spike to top price of \$1161.42/MWh and Qld to \$1109.52/MWh

The simultaneous trips of Delta Electricity's two 500MW capacity Wallerawang units at 1540EST on Thursday, 19 April resulted in high prices in both NSW and Queensland on the Thursday and Friday, the Australian Energy Regulator (AER) said in its market analysis for the week from Sunday, 15 April to Saturday, 21 April.

High spikes continue the following day: NSW and Queensland had maximum prices of \$1161.42/MWh and \$1109.52/MWh respectively on Thursday and maximum prices of \$304.01/MWh and \$286.34/MWh on Friday when the two generators were still offline.

Generators back on Saturday: The generators returned to service on the Saturday.

Average spot prices over \$100/MWh in NSW and Qld: The AER analysis showed spot prices for the week averaged \$109/MWh in NSW, \$105/MWh in Queensland, \$79/MWh in South Australia and \$76/MWh in Victoria.

Reference: Australian Energy Regulator (AER) market analysis for week Sunday, 15 April to Saturday, 21 April. 27 April, 2007.

Changes in NEM contract prices "unprecedented" in terms of NEM; price surges very rare on worldwide basis

Recent contract price increases in the NEM were unprecedented and difficult to take into account, economist Tony Steinke told an *Independent Pricing And Regulatory Tribunal* public hearing into electricity retail on 23 April 2007.

Unprecedented price rises: Tony Steinke Frontier economics - manager of modelling - commissioned by IPART, said: "I guess firstly important are the changes in the contract

prices that we have seen in the market. My comment is that they are probably unprecedented in terms of the NEM and in the world we have not seen price increases of this magnitude happening very often. California comes to mind. But it is unprecedented. It is probably something that is very difficult to take into account".

Surprise increases: "Certainly a few months ago I don't think anybody would have envisaged that this would happen," Steinke added.

State-protected retailers lower risk: "... the costs or net margins of the standard retailers versus the costs of second tier retailers. They are different in the determination period because the ETEF, whilst it was still in place:

- in the first year of the determination period the standard retailers' costs are effectively 100 per cent covered by the ETEF, so the impact on their margins in terms of regulated customers would be negligible;
- in the second year I think they are still 80 per cent covered; and
- in the third year 40 per cent covered, so the price impacts we are seeing are offset to a large extent by the ETEF scheme, which remains in place but obviously is less over time".

Private retailers at very higher risk: "Second tier retailers don't have that access, so in terms of cost reflectivity and the impact that

has for competition I think the price impacts are certainly significant".

Reference: Independent pricing and regulatory tribunal public hearing into electricity retail review. Tribunal Members, Dr Michael Keating AC - Chairman, Mr James Cox, Ms Sibylle Krieger, Held at The Mint Auditorium, Macquarie Street, Sydney On Monday, 23 April 2007, at 9.30am 23/4/07, transcript produced by ComputerReporters.

Energy Australia's fears - it faces financial failure; if NSW tariffs stay flat, and wholesale electricity contracts, rise

At the Hearing into the *Electricity Retail Review* by the Independent Pricing and Regulatory Tribunal (IPART) (23/4/07, p.35), the IPART Chair, Dr Michael Keating said in summary the core issues were:

- **Energy Australia's risk uncertainty:** "The big issue raised in this session was Energy Australia's comments on risk uncertainty, a big issue for the whole half day that the hearing took. Moody pointed out that customers traditionally had the benefit of certainty with fixed prices, whereas retailers had anything but a fixed price and that then got reflected in the margin that retailers need when they were selling at a fixed price, but they were buying at a quite uncertain price. That is a fundamental reason for the margin".

- **How to make consumers pay spikes:** Keating said: "Equally, if some mechanism developed to transfer some of that risk to customers then the risk premium to the retailers should therefore go down and that is relevant to the idea of reopening under the rules or whatever, but that is in a sense a method of transferring some risk to customers. We will think about all that, but maybe you people would like to think about it too when putting in your submissions. It will certainly help us if you think about it."
- **NEM uncertainty:** "... the big issue was the energy cost. While there was discussion about all the elements of the proposed draft determination, the significant was the uncertainty about energy purchase costs at this point of time and how it should be handled in the future".

Reference: Independent Pricing and Regulatory Tribunal: Public Hearings Into Electricity Retail Review. Tribunal Members, Dr Michael Keating AC - Chairman, James Cox, Sibylle Krieger; Held at The Mint Auditorium, Macquarie Street, Sydney On Monday, 23 April 2007, at 9.30am 23/4/07; transcript produced by ComputerReporters.

10 Tuesday, 1 May: New high-price risk forecast for Qld, in November, 2007

NEMMCO made three changes to the medium term projected assessment of system adequacy (MT PASA) issued at

0949EST on Tuesday, 1 May to that issued on Tuesday, 24 April. The changes are:

- the omission for a forecast low reserve condition (LRC) of December for NSW in 2008; and
- the omission of February and April for NSW in 2009;
- addition of November for a forecast low reserve condition (LRC) for Queensland in November 2007; and
- the omission of December in 2008 for South Australia and Victoria+South Australia.

LRC forecasts for week days: In the 1 May MT PASA, NEMMCO said the reliability results forecast low reserve condition (LRC) for a number of week days in the following months:

2007

- Queensland: November and December; and
- South Australia: December.

2008

- Queensland: January, February, October, November and December;
- NSW: April;
- South Australia: January, February and March;
- Victoria+South Australia: January, February and March.

2009

- Queensland: February and March.
- South Australia: January and February; and
- Victoria + South Australia: January, February and March.

NSW Premier starts review into options for new NSW baseload generation plant for 2012

The NSW Premier, Morris Iemma, had commissioned a review into a new baseload power station ... despite repeatedly ruling out selling energy retailers during the March election campaign. The review, headed by Curtin University environmental economist Anthony Owen, came after the market manager found there was a potential need for new baseload generating capacity in NSW by 2012-13.

Terms of reference:

- the need and timing for new baseload generation;
- options to improve efficiency;
- measures to cut greenhouse gas emissions and the conditions needed to ensure investment in generation without jeopardising the state's triple A credit rating.

Almost certainly coal fired: lemma said the review would search for "the cleanest, lowest-emitting generating technology we can find". The review will not consider nuclear energy. While lemma had not ruled out public funding for a new baseload power station, he said his clear preference was for private sector involvement.

Tender model mooted: "[We will] allow the private sector to ... put forward their proposals and we'll have experts who will analyse that and provide some definitive advice to government," Mr lemma said.

Government subsidies to some generators, so big they exceed the profits

Government subsidies to some of Australia's electricity generation companies were so big they exceed the profits made by those companies, a report on energy and transport subsidies says. Government subsidies appear to be creating profits for coal-fired electricity generators.

- "Macquarie Generation, which operates the Liddell and Bayswater coal-fired power stations, earned a before-tax profit of \$267.1 million in 2005-06; and
- the annual fuel subsidy to Macquarie Generation is between \$122 million and \$304 million," the report said.

Government support for the coal industry and coal-fired electricity was so generous that in some cases it has led to the construction of coal-fired power plants when other types of electricity generation would have been cheaper, the report by the Institute for Sustainable Futures at the University of Technology Sydney has found, said *The Sydney Morning Herald* (8/5/2007, p.7).

Worth close to \$10 billion: Subsidies to fossil fuel energies, worth close to \$10 billion, result in a serious market distortion, create an unfair disadvantage to renewable energy, and help increase greenhouse gas pollution, said the report, written by the institute's research principal, Chris Riedy, and commissioned by Greenpeace. The report identified energy and transport subsidies in Australia during 2005-06 of between \$9.3 billion and \$10.1 billion.

96pc of subsidies for fossil fuels: More than 96 per cent of that money flowed to fossil fuel production and consumption, with the remainder going to renewable energy and energy efficiency. However, over 90 per cent of the subsidies identified in the report would increase greenhouse gas emissions, it said.

- road users benefit most from the subsidies, with about 74 per cent of taxpayer funds supporting fossil fuel industries flowing to the transport sector;
- another 18 per cent goes to electricity generation and 8 per cent to other kinds of stationary energy;

- the aluminium smelting industry – which had lobbied aggressively against putting a price on greenhouse gas pollution, has also benefited from subsidies.

It is estimated to use almost 15 per cent of Australia's electricity making it responsible for almost 6 per cent of greenhouse gas emissions. "The annual subsidy for electricity use at the six existing Australian aluminium smelters is at least \$210 million, and is likely over \$250 million," the report said. "This removes the incentive to reduce electricity usage and hence cut emissions."

Macdonald NSW Minister for Energy, State Development

Changes in both parliamentary composition and cabinet have followed the result of the NSW State election, reported *The Farm Post* Issue 18 (May 2007, p.8).

ALP loses some ground: In the aftermath of the NSW State election on 24/3/2007, the NSW ALP Government was returned to office for a fourth term with a reduced majority of 52 seats, with the following changes:

- Liberal Party won Goulburn; Port Stephens from ALP, Pittwater and Manly from Independents;
- National Party won Murray-Darling and Tweed from ALP; and

- Rural independents won Lake Macquarie and retained Dubbo, Tamworth, Northern Tablelands and Port Macquarie
- In the Legislative Council: ALP nine seats; Coalition eight seats; Greens two seats; Christian Democrats one seat and Shooters one seat.

Northern Tablelands Independent- Speaker:

The Speaker of the House will go to Northern Tablelands independent, Richard Torbay. Mr Torbay has agreed to take the position on the grounds that the NSW Government forms a Regional Taskforce.

Cabinet for new and old: Phil Koperberg was appointed Minister for Climate Change, Environment and Water and Nathan Rees was appointed the Minister for Emergency Services and Water Utilities. Ian Macdonald has retained Primary Industries and Mineral Resources and has also been appointed Minister for Energy and Minister for State Development. A major change to portfolios is the merging of the Department of Natural Resources and the Department of Environment under the Minister for Climate Change, Environment and Water. The Parliament will resume sitting on Tuesday 8 May 2007.

Rapid price surge since NSW Frontier assessment; but sustained or short-term?

Independent Pricing And Regulatory Tribunal chair Michael Keating told a public hearing into electricity retail on 23 April 2007 that there was some potential to make changes regarding electricity retailers' volatility allowances.

Electricity retailers accept methodology:

IPART chair Michael Keating said: "I guess the good news to come out of this session was [that] the methodology was broadly accepted by the electricity retailers, with a caveat perhaps on the volatility allowance where you wanted to think further about that. I am sure that if you need to, you can talk to Frontier in that context to make sure you get it right, exactly how that has been derived. That is the good news".

Price surge since analysis: "The bad news, of course, is that the prices have gone up considerably from where they were when Frontier put this work together and the critical issue there is of course will it be a sustained increase or is it a short-term increase. Mr Moody led us off on this and the specific points he pointed to were basically shortages of water in Brisbane and the Snowy".

Water levels won't return within one year:

Sean Kelly, AGL General Manager Energy Regulation, said: "What needs to be

recognised is that a lot of those water levels have been run down over a number of years and an expectation that they will be replenished over one year is unrealistic".

What-if water shortage in 2010:

Keating said: "I would equally point out the reason why we have such big dams in Australia, whereas they only store seven weeks of water overseas and we store years of water, is precisely because we have volatility, and I just repeat my comment that if you want to look at a year when dams filled very rapidly, go to 1988, where they did fill and they filled very rapidly. But in 2010 no one is planning for a water shortage".

Price path alternative still on the table: blends long-run marginal cost, market price

IPART chair Michael Keating told a public hearing into electricity retail on 23 April "Can I just say in terms of price paths, Mr Moody of EnergyAustralia raised the question of the price path and the fact that prices in the intermediate years were not the same, he felt he had lost out by using end year compared to reported prices, and I can understand that point. You should be aware that the Tribunal, before it adopted the methodology outlined in the draft report and incorporated in the draft determination, did seriously consider an alternative approach which was a blending of long-run marginal cost and a market price

having regard to the existence of the ETEF through that period, and I have to say that is not totally off the table. We could go back to that if there were other problems raised in terms of the new methodology. That is something we would certainly be prepared to look at again and it is also relevant balancing the various considerations that we had in mind when we did put it in the price path we did".

Reference: Independent pricing and regulatory tribunal public hearing into electricity retail review. Tribunal Members, Dr Michael Keating AC - Chairman, Mr James Cox, Ms Sibylle Krieger, Held at The Mint Auditorium, Macquarie Street, Sydney On Monday, 23 April 2007, at 9.30am 23/4/07, transcript produced by ComputerReporters

First week of May starts with a bang: 5707 futures contracts traded, up 392pc on last week

Trading in futures contracts (including cap futures) jumped 4547 (392.0 per cent) to 5707 in the week to 7 May on the 1160 in the week to 30 April, the d-cypha Trade/Sydney Futures Exchange (SFE) weekly summary shows.

Daily record on Wednesday: The week included a daily record of 2442 contracts being traded on Wednesday, 2 May.

5707 second largest recorded: The 5707 contracts in the week was the second largest volume recorded and was equal to nearly 41.6 per cent of the total 13,703 contracts traded in

April, which the second largest volume month on record.

Composition of futures contracts: The summary showed the futures contracts traded during the week comprised 5302 base futures, 405 peak futures and zero caps.

Calendar options up by 40: Calendar options traded for the week totalled 100, up 40 on the previous week. No quarterly options were traded, the same as the previous week.

No exchange for physicals: There were no exchange for physicals (EFP) this week, the same as the previous week.

3362 block trades: The volume of block trades rose by 2612 (348.3 per cent) to 3362 from 750 the previous week.

Huge rise in volume by MWh: The total megawatt hours (MWh) traded during the week was up 9,843,407 (323.2 per cent) to 12,889,023 on the 3,045,616 the previous week.

Open interest total also up: Open interest (including caps and options) at the close of business on Monday equalled 34,277 contracts, or about 82.71 million MWh, compared to 32,488 contracts, or about 78.24 million MWh, the previous week.

Reference: Media release on electricity futures by d-cypha Trade. 8 May 2007. Address: Level 32, ABN AMRO Tower. 88 Phillip Street. Sydney. NSW. 2000. Phone: (02) 8211 0615. Fax: (02) 8211 0640. Website: <http://www.d-cypha.com.au>

Daily record of 2422 contracts \$311m, Wednesday, 2 May

A daily record of 2422 quarterly contracts was set by d-cypha/ Sydney Futures Exchange (SFE) on Wednesday, 2 May.

Equivalent of 5.1 million megawatt hours: A media release said this equated to 5.1 million megawatt hours (MWh) of daily turnover with a face value of about \$311 million.

Up 163pc on previous record: This exceeded the previous record face value set on 18 January 2007 by 163 per cent.

Open interest face value now \$4.5 billion: Open interest increased by 824 futures contracts and 80 calendar options to make 33,678 contracts with a face value of \$4.5 billion at the close of business on Wednesday.

150 per cent rise since start of year: The face value of open interest had risen by 150 per cent that the beginning of the year to the close of business on 2 May.

Reference: Media release on electricity futures by d-cypha Trade. 3 May 2007. Address: Level 32, ABN AMRO Tower. 88 Phillip Street. Sydney. NSW. 2000. Phone: (02) 8211 0615. Fax: (02) 8211 0640. Website: <http://www.d-cypha.com.au>

NEMMCO plans new semi-scheduled generator rule to open door to more solar, wind, wave, new small-gen ideas

The National Electricity Market Management Company (NEMMCO) proposes to introduce a;

- new third classification of semi-scheduled generating unit; and
- an associated new participant category of semi-scheduled generator.

Standing exemption to be removed: In a report on “Semi-Dispatch Arrangements” said this proposal would remove the standing exemption for significant intermittent generation contained in the National Electricity Rules (NER) which define an intermittent generating unit as:

“generating unit that has an output that is not readily predictable including, without limitation, solar generators, wave turbine generators, wind turbine generators and hydro generators without any material storage capability.”

All subject to semi-dispatch arrangements: Under the proposed change, all semi-scheduled generators and their semi-scheduled generating units would be subject to the semi-dispatch arrangements, which included participation in Central Dispatch and projected assessment of system adequacy

(PASA) from the unit’s agreed registration effective date.

Criteria to determine semi-scheduled classification: Under the proposal, NEMMCO would approve an application to classify a new or existing generating unit as semi-scheduled if it determined the generating unit met the following semi-scheduled classification criteria:

- Generating unit had an output nameplate rating \geq 30MW (The generating unit was part of a group of generating units (a generating system) connected at a common connection point that had a combined output nameplate rating \geq 30 MW) or
- Generating unit had an output that was intermittent.

Reference: Proposal by National Electricity Market Management Company (NEMMCO) for new set of market arrangements called the “Semi-Dispatch Arrangements”. 3 May, 2007. Address: Level 12, 15 William Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. Website: <http://www.nemmco.com.au>

NEMMCO metering rules appear biased to supply-side gains, says AER: mates-rates culture seems set to unravel

Recommendations by the National Electricity Market Management Company (NEMMCO) to facilitate retail

competition for customers within embedded networks required further development, the Australian Energy Regulator (AER) said in its submission on the proposals.

New mood in the shop: *Electricity Week* This signals a new mood; as the rules have long-favoured retailers and distributor owners, and allocated them virtual monopolies under NEMMCO protection.

Unintended consequences: In a letter accompanying the submission, AER chief executive officer Michelle Groves said NEMMCO’s changes might have unintended consequences if adopted.

Compounding disincentives: The possible consequences listed were:

- compounding disincentives for the proprietors of embedded networks to support retail competition within their networks; or
- creating an undesirable increase in demand for new distributor registrations and/or for exemption from registration and the application of chapter 5 of the National Electricity Rules (NER) from network proprietors who propose to facilitate retail competition, leading to increased regulatory and compliance costs.

More needed: Groves said the AER considered initiatives to facilitate retail competition needed to go beyond the refinements to the metrology and MSATS procedures identified in NEMMCO’s proposal.

Comprehensive approach needed: A comprehensive approach was necessary to properly resolve issues around the promotion of retail competition within embedded networks.

Objectives of NEMMCO approach: The letter noted that stated objectives of the NEMMCO project were to:

- establish/clarify a National Electricity Market (NEM) framework to facilitate retail competition (choice of retailer) for consumers supplied by an embedded network; and
- clarify participant metrology obligations within the NEM framework for exempt networks.
- compound disincentives for the proprietors of embedded networks to support retail competition within their networks; or
- create an undesirable increase in demand for new distributor registrations and/or for exemption from registration and the application of chapter 5 of the National Electricity Rules (NER) from network proprietors who propose to facilitate retail competition, leading to increased regulatory and compliance costs.

Reference: Submission by Australian Energy Regulator (AER) on the National Electricity Market Management Company (NEMMCO) Embedded Networks and Retail Competition review. 30 April. AER address: Level 11, The Tower, 360 Elizabeth Street, Melbourne Central. Melbourne. Vic. 3000. GPO Box 520, Melbourne. Vic. 3001. Phone: (03) 9290 1444. Fax: (03) 9290 1457. NEMMCO address:

Level 12, 15 William Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. Website: <http://www.aer.gov.au> / <http://www.nemmco.com.au>

New “Semi-Dispatch” rule to bring small renewables gen under central dispatch and forecast requirements

The National Electricity Market Management Company (NEMMCO) is proposing a new set of market arrangements called the “Semi-Dispatch Arrangements” because of the expected increase in renewable generation, particularly from wind farms, over the next few years.

Rule changes lodged: The effect of the new arrangement will be to make all significant intermittent generation participate in central dispatch and projected assessment of system adequacy (PASA). NEMMCO said the arrangements would be underpinned by a proposed set of National Electricity Rule changes lodged with the Australian Energy Market Commission (AEMC) on 23 April.

Continuing strong growth: In a release accompanying the proposed arrangements, NEMMCO said the amount of renewable generation in the National Electricity Market (NEM), particularly of an intermittent nature such as wind farms, was expected to grow strongly over the next few years and into the foreseeable future.

Non-scheduled classification previously: Since the start of the NEM all intermittent generation had been automatically classified as non-scheduled and hence exempted from control through central dispatch.

Output not predictable: The reason for this was that its output could not be predictably controlled “on demand” as its energy source (for example, wind) was inherently uncontrollable.

Issues of network loading control: As a result, all intermittent generation effectively had dispatch priority over scheduled generation, resulting in issues of network loading control and market efficiency. These issues were expected to worsen over time as the number and size of intermittent generation sources steadily increased.

Reference: Proposal by National Electricity Market Management Company (NEMMCO) for new set of market arrangements called the “Semi-Dispatch Arrangements”. 3 May, 2007. Address: Level 12, 15 William Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. Website: <http://www.nemmco.com.au>

TransGrid and Country Energy plan \$62m on networks in NSW mid-North Coast

TransGrid, the major NSW transmission network service provider (TNSP), and distributor and retailer Country Energy, plan to spend \$62 million to augment the

transmission and distribution networks in the NSW mid-North Coast.

Doubling of circuit operation: The proposal involves increasing the present 66kV operation of the circuit of the 132kV line between Coffs Harbour and Kempsey to 132kV by mid-2009.

Three new 132kV substations: This is expected to involve the construction of three new 132kV substations at West Sawtell, Raleigh and Macksville and the augmentation of transformer capacity at TransGrid's Nambucca 132/66kV substation.

200,000 population: This section of the mid North Coast between Taree and Nambucca has a population of around 200,000.

Above-average growth: The population, and with it the demand for electricity in the Mid North Coast has grown above the State average for many years and this above average growth rate is expected to continue.

Deadline for submissions: TransGrid and Country Energy are inviting submissions on their proposal from interested parties. The deadline for submissions is 14 June 2007.

Reference: Notice by National Electricity Market Management Company (NEMMCO) of proposal by TransGrid and Country Energy for a new large distribution network asset on the NSW mid-North Coast. 2 May. Address: Level 12, 15 William Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. Website: <http://www.nemmco.com.au>

Fed govt to run scare campaign on higher petrol and electricity prices ahead of the next election

The federal government will run a scare campaign on higher petrol and electricity prices ahead of the next election in an effort to counter Labor's pitch for the green vote, reported *The Australian Financial Review* (4/5/2007, p.15).

Consumer resistance of price rise: In an interview ahead of next week's budget, Costello said consumers would resist significant price rises for either essential item. "People do want to engage in practical measures. I think the thing that worries people is that some responses could have quite adverse effects on consumers," he said. "If you doubled, tripled or quadrupled electricity prices I think you'd get a lot of consumer resistance." The comments come after Labor leader Kevin Rudd committed to cut Australian greenhouse gas emissions to 60 per cent of 2000 levels by 2050.

NSW extra month of daylight saving each year: first Sun in October to first Sunday in April

NSW will get an extra month of daylight saving each year.

- SouthAustralia and the Northern Territory

have not agreed to the move, but may sign up later;

- Western Australia will not be involved and Queensland does not have daylight saving.

The NSW Premier, Morris lemma, and his counterparts from Victoria, Tasmania and the ACT agreed on 12 April 2007 to pursue common starting and finishing dates for daylight saying time.

First Sunday in October: It was believed the plan involved:

- daylight saving starting on the first Sunday in October; and
- then a return to standard time on the first Sunday in April.

For NSW, it would mean daylight saying starting at least three week earlier and ending a week later. A government official said greater consistency would improve efficiency for businesses operating across state borders, and would make it more practical for people travelling interstate.

SKM study shows Melbourne has second lowest security of electricity supply

A study commissioned by Victorian electricity distributor and retailer CitiPower found that Melbourne had the second lowest security of supply in a study of

comparable cities around the world, the Essential Services Commission (ESC) of Victoria said.

Plan to improve supply security: The ESC referred to the study in notifying that it had received a proposal from CitiPower, the distributor for the Melbourne central business district (CBD) and inner suburbs of a proposal to increase the security of supply in its area.

Effect of upgrade: CitiPower was proposing to increase this security of supply to N-1 Secure, which would enable the CBD to withstand a second contingency event without a sustained interruption to electricity supply within 30 minutes of the first event occurring.

Possible inclusion in Distribution Code: The ESC said that if it were satisfied this increase was required it would include in the Distribution Code a requirement for CitiPower to maintain N-1 Secure in the CBD area.

Study on integrity of CBD security: The CitiPower proposal was based on the results of a study conducted by Sinclair Knight Merz (SKM) on the integrity of Melbourne's CBD security. The SKM study prepared two alternatives for upgrading security.

Regulatory Test applied: CitiPower assessed these options and applied the Regulatory Test under the National Electricity Rules (NER).

\$42.9 million estimate to undertake works: The ESC said CitiPower was seeking extra revenue of \$42.9 million in \$2006 over 2007-10 to undertake the works and another \$9.5 million in 2011 to complete the project. If

approved, the costs would be passed through to customers in CitiPower's distribution area.

Issues paper likely next month: The ESC said it expected to release an issues paper next month and would follow this with an open forum and draft decision before making a final decision. Copies of the CitiPower proposal were available on its website: <http://www.citipower.com.au>

Reference: Notice by Essential Services Commission (ESC) of Victoria on CitiPower proposal to increase Melbourne central business district (CBD) security of supply. 8 May 2007. ESC address: 2nd floor, 35 Spring Street, Melbourne. Vic. 3000. Phone (03) 9651 0222. Fax: (03) 9651 3688. Website: <http://www.esc.vic.gov.au>

Babcock & Brown/Singapore Power claims 27.8pc since listing: gen, 76.5 per cent

Babcock & Brown, through its managed funds, reported an annualised return of 27.8 per cent since listing from its investments including the Alinta Wind Farm project, the NewGen Kwinana Power Station and Westnet Rail. Babcock & Brown Infrastructure had a 2007/08 forecast yield of 8.0 per cent (based on BBI closing price of \$1.87 on 24 April 2007); and a market capitalisation of \$3.4 billion as at close 24 April 2007.

Generation the big winner: Babcock & BrownPower portfolio of power generation stations reported as annualised return since

listing 76.5 per cent; and a 2007/08 forecast yield of 7.9 per cent (based on BBP closing price of \$3.08 on 24 April 2007) fully tax deferred. It had a market capitalisation of \$1.1 billion as at close 24 April 2007. Website: <http://www.bbpower.com>

Wind Partners 27.3 per cent since listing: The wind group owned and operated a portfolio of 31 wind farms globally and recorded as annualised return of 27.3 per cent since listing. Its 2007/08 forecast yield of 8.4 per cent (based on BBW closing price of \$1.81 on 24 April 2007) fully tax deferred. The market capitalisation was \$1 billion as at close 24 April 2007. Website: <http://www.bbwindpartners.com>

Contact: Alinta offer shareholder information helpline, ph: 1800 774 356 website: <http://www.alintaoffer.com> / <http://www.bbinfrastructure.com>

Collie, SE WA: Verve Energy retires four coal-fired generating units at Muja power station

Verve Energy retired four coal-fired generating units at Muja power station near Collie in WA's southwest, reported *The Australian* (5/5/07, p.12).

Old units 60MW: Even though at only 60 megawatts each, the units are tiddlers compared with the single 750MW unit now being built by CS Energy at Kogan Creek in

Queensland, they were the biggest and best technology available 40 years ago. "These Muja units have served the state well. Muja staff have a soft spot for these robust machines, and there was a tinge of sadness when they were switched off for the last time. They've reached the end of their economic operating life and were the least efficient in Verve Energy's portfolio of coal, gas and liquid fuel-burning generators and renewable energy plant," said Shirley In't Veld, Verve Energy's Chief Executive Officer.

Verve to reduce generation: Under a controversial WA Government policy Verve has to reduce its generation capacity from around 3500MW to 3000MW, a strategy that was designed to encourage more private sector participation in the state's electricity supplies. But the shutting down of the Muja machines might not mean the end of their role in supplying power in the West.

Expressions of interest for units sought: In't Veld said they would be prepared for care and maintenance and their future determined by seeking expressions of interest in their possible use. The deadline for the EOI is the end of May. At least one start-up company has indicated an interest in using the machines to supply power for a possible minerals processing development. Without the four retired units, Muja power station has four other generators rated at up to 854MW with Verve investing around \$100 million improving their performance.

Transfers of small and large SA electricity customers pass half million mark in April, NEMMCO figures show

Transfers of small and large South Australia electricity customers rose by a combined 14,614 to exceed half a million in April 2007, according to the latest National Electricity Market Management Company (NEMMCO) figures.

ESCOSA figures replaced: The NEMMCO figures, which use national meter identified (NMI) totals, replaced the figures previously put out by the Essential Services Commission (ESCOSA) from October 2006.

Down 2107 on March: They show that small business transfers in April rose by 14,589, which was down 2107 (12.6 per cent) on the 16,696 increase in March.

499,026 small customer transfers: The 14,589 transfers took the total of small electricity customers transferred to 499,026.

Large customers transfers down: The 25 transfers of large electricity customers in April was down 11 (30.6 per cent) on the 36 in March. At the end of April, the total of large electricity customers transferred was 3181.

Combined total now 502,207: The combined total of small and large electricity customers at the end of April was 502,207, compared to 487,593 at the end of February.

Same definition of small customer: While both NEMMCO and ESCOSA defined a small electricity customer as using less than 160MWh a year, the ESCOSA figures referred to the number of completed small customer transfers to a market contract for electricity either with AGL SA or an alternative retailer for each month.

NEMMCO figures include large electricity customers: Another difference in the two sets of figures is that NEMMCO estimates transfers of large electricity customers on a monthly basis while ESCOSA did not provide these figures.

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 the latest figures supplied for small and large electricity customer transfers by NEMMCO for South Australia

Month	Small customer transfers	Progressive	Large customer transfers	Progressive	Total all customers
September 2006	-	386,813	-	-	389,645
October 2006	15,396	402,209	24	2856	405,065
November 2006	16,458	418,667	36	2892	421,559
December 2006	15,755	434,422	34	2926	437,348
January 2007	17,044	451,466	159	3085	454,551
February 2007	16,275	467,741	35	3120	470,861
March 2007	16,696	484,437	36	3156	487,593
April 2007	14,589	499,026	25	3181	502,207

Reference: National Electricity Market Management Company (NEMMCO) MSATS (market settlement and transfer solutions) retail transfer statistical data for

customers in South Australia for April 2007. 7 May 2007. Address: Level 16, 461 Bourke Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. Website: <http://www.nemmco.com.au>

Vic transfers of small and large electricity customers set to exceed two million in May 2007, NEMMCO figures show

The combined total of small and large Victorian electricity customers transferred reached 1,955,028 in April after rising by 49,102 in the month, according to the latest National Electricity Market Management Company (NEMMCO) transfer figures.

44,973 total needed in May: The 44,973 combined total needed to pass two million should be reached in May, given that the April total of 49,102 was affected by the Easter break.

Down 8806 on March: The figures show there were 49,025 transfers of small electricity customers in April, down 8806 (15.2 per cent) on the 57,831 in March 2007.

9617 more than April 2006: The April 2007 transfers to market contracts were up 9617 (24.4 per cent) on the 39,408 in April 2006.

Small customer transfers now 1,932,616: The April transfers took the total of small electricity customer transfers to 1,932,616 compared to 1,8883,591 compared at the end

of March and 1,327,441 at the end of April 2006.

Large customer transfers drop: Transfers of large electricity customers dropped by 41 (34.7 per cent) to 77 from the 118 in March. The 77 April 2007 transfers were down 9 (10.5 per cent) on the 86 in April 2006.

Large transfers now total 22,412: The April 2007 transfers of large customers took the total to 22,412, compared to 22,335, at the end of March. Transfers of large electricity customers at the end of April 2006 totalled 18,438.

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 total transfers of large and small customers for January, February, March and April 2007 with the 12 months in 2006 given for comparison purposes.

Time	Small Customers	Progressive	Large customers	Progressive	Total all customers
January 2006	37,890	1,200,447	217	18,150	1,218,597
February 2006	41,142	1,241,589	101	18,251	1,259,840
March 2006	46,444	1,288,033	101	18,352	1,306,385
April 2006:	39,408	1,327,441	86	18,438	1,345,879
May 2006:	50,892	1,378,333	110	18,548	1,396,881
June 2006:	44,941	1,423,274	110	18,658	1,441,932
July 2006	45,909	1,469,183	927	19,585	1,488,768
August 2006	48,103	1,517,286	240	19,825	1,537,111
September 2006	49,857	1,567,143*	167	19,992	1,587,135
October 2006	51,046	1,618,189*	169	20,161	1,638,350*
November 2006	48,884	1,667,073	170	20,331	1,687,404
December 2006	50,622	1,717,695	1431	21,762	1,739,457
January 2007	53,401	1,771,096	336	22,098	1,793,194
February 2007	54,664	1,825,760	119	22,217	1,847,977
March 2007	57,831	1,883,591	118	22,335	1,905,926
April 2007	49,025	1,932,616	77	22,412	1,955,028

Note: The figures have been adjusted for errors in the NEMMCO totals that began with wrong additions in September October and have not been corrected in this data.

Reference: National Electricity Market Management Company (NEMMCO) MSATS (market settlement and transfer solutions) retail transfer statistical data for customers in Victoria for March 2007. 11 April 2007. Address: Level 16, 461 Bourke Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. Website: <http://www.nemmco.com.au>

Transfers of small and large electricity customers in NSW pass million mark in April, NEMMCO figures show

Transfers of small and large electricity customers in NSW reached a combined total of 1,000,918 in April, according to National Electricity Market Management Company (NEMMCO) statistics on retail transfers.

977,868 small customers: The NEMMCO figures show that at the end of April the number of small electricity customers transferred was 977,868 and the number of large customers 23,050.

4645 drop on March figure: Transfers of small electricity customers dropped 4645 (13.4 per cent) in April to 29,905 compared to 34,550 in March.

Second lowest this year: The April total was the second lowest in 2007 behind January's 28,850 transfers, but was higher than eight of the 12 months in 2006.

Up 7519 on April 2006: The 2007 April transfers were up 7643 (34.3 per cent) on the 22,262 transfers in April 2006.

Transfers of large customers up slightly: Transfers of large electricity customers in April rose by five (7.5 per cent) to 72 from the 67 in March. The April 2007 total was down five (6.5 per cent) on the 77 in April 2006.

Total for large customers now 23,050: The transfers in April 2007 took the total of large customer transfers to 223,050.

Combined transfers now 1,000, 918: The combined total of small and large customer transfers at the end of April was 1,000,918, compared to 970,941 at the end of March and 634,766 at the end of April 2006.

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 for January, February, March and April 2007 and all 12 months in 2006 for comparison purposes.

Time	Small Customers	Progressive	Large customers	Progressive	Total all customers
31 December 2005	20,352	519,571	136	19,399	538,970
31 January 2006	21,882	541,453	711	20,110	561,563
28 February 2006	23,684	565,137	86	20,196	585,333
31 March 2006	27,031	592,168	63	20,259	612,427
30 April 2006	22,262	614,430	77	20,336	634,766
31 May 2006:	32,564	646,994	75	20,411	667,405
30 June 2006:	28,377	675,371	67	20,478	695,849
July 2006	28,267	703,638	868	21,346	724,984
August 2006	29,742	733,380	197	21,543	754,923
September 2006	28,460	761,840	131	21,674	783,514
October 2006	31,682	793,522	187	21,861	815,383
November 2006	31,421	824,943	126	21,987	846,930
December 2006	26,334	851,277	173	22,160	873,437
January 2007	28,850	880,127	671	22,831	902,958
February 2007	33,286	913,413	80	22,911	936,324
March 2007	34,550	947,963	67	22,978	970,941
April 2007	29,905	977,868	72	23,050	1,000, 918

Reference: National Electricity Market Management Company (NEMMCO) MSATS (market settlement and transfer solutions) retail transfer statistical data for customers in NSW for April 2007. 7 May 2007. Address: Level 16, 461 Bourke Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. Website: <http://www.nemmco.com.au>

TransGrid plans to spend \$16.2m increasing capacity at Sydney South substation and scrap 35-year-old 250MVA transformers

TransGrid, the major NSW transmission network service provider (TNSP), proposes to spend around \$16.2 million to increase the transformer capacity at Sydney South substation.

One of ring of substations: The Sydney South 330/132kV Substation is one of a ring of 330kV substations that individually provide supply to nearby suburban areas in Sydney and collectively provide supply to the Sydney CBD and surrounding suburbs.

Aim to lift capacity: TransGrid proposed constructing a new large transmission network asset to increase the transformer capacity at Sydney South.

What the proposal involves: The proposal involves replacing the existing 250 megavolt amperes (MVA) transformers # 3 and # 4 at Sydney South by new 375MVA units. TransGrid said the existing transformers were more than 35 years old and would be scrapped.

Related work: Related works included providing facilities to connect the new # 4 transformer to the 132kV busbar in emergencies and 132kV feeder rearrangements at Sydney South.

Deadline for submissions: The works were expected to be completed before the 2009/10 summer. The deadline for submissions on the proposal was 14 June.

Reference: Notice by National Electricity Market Management Company (NEMMCO) of proposal by TransGrid to increase e Sydney South 330/132kV transformer capacity. 2 May. Address: Level 12, 15 William Street, Melbourne. Vic. 3000. Phone: (03) 9648 8777. Fax: (03) 9648 8778. Website: <http://www.nemmco.com.au>