



**NATIONAL ELECTRICITY CODE  
ADMINISTRATOR LIMITED**

ACN 073 942 775

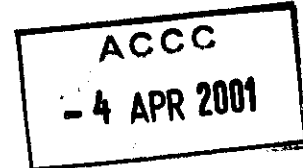
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FILE No
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3 April 2001



Mr M Rawstron  
General Manager  
Regulatory Affairs - Electricity  
ACCC  
PO Box 1199  
DICKSON ACT 2602

*Dear Mike,*

**NATIONAL ELECTRICITY CODE - Application nos: A90776, A90777 and A90778**

Enclosed are our proposed Code changes to implement the conditions to apply to the extension of the Snowy Hydro notional unit derogation. The Code changes are required to amend the expiry date of the derogation and to enable NEMMCO and Snowy to renegotiate the existing notional unit agreement. We are satisfied with the undertaking Snowy Hydro Trading Pty Limited has given us to prepare and submit monthly progress reports and note that they are currently preparing the first such report. We are also satisfied with their undertaking to negotiate in good faith with NEMMCO on the revision of the notional unit agreement and will watch that process.

I would be grateful if you could now confirm that these Code changes satisfy the conditions of interim authorisation as set out in your letter of 29 March 2001.

*Yours,*

*Stephen Kelly*

**Stephen Kelly  
Managing Director**

## Part 3

### Derogations Granted to Snowy Hydro Trading Pty Ltd

#### 1. Continuing Effect

In this *derogation*, a reference to a particular *Generator* in relation to a *generating unit* at any time after the *Code commencement date* is to be taken as a reference to the person or persons who is or are (or who is or deemed to be) from time to time registered with *NEMMCO* as the *Generator* in respect of that *generating unit* for the purposes of the *Code*.

#### 2. Notional Unit Derogation for Snowy Hydro

For the purposes of Chapter 3 of the *Code* (with the exception of clause 3.8.3) and Chapter 4 of the *Code* (except for clause 4.11.1), Snowy Hydro Trading Pty Ltd ("**Snowy**") shall be entitled to submit *dispatch offers* on the basis of notional units agreed with *NEMMCO* and each such notional unit shall, for those purposes, be deemed to be a *scheduled generating unit*, subject to:

(a) Snowy agreeing with *NEMMCO* from time to time and in writing the basis upon which each such notional unit is to be offered and treated for the purpose of *dispatch* and the procedures to be followed concerning the operation of Snowy *generating units*;

(b) Snowy complies with such agreement as is in force at the relevant time.

#### 3. Cessation of derogation

This *derogation* will cease to apply in relation to Snowy:

(a) after the end of 30 September 2001 ~~31 March 2001~~; or

(b) the day which is, agreed in writing between *NECA*, *NEMMCO* and Snowy as the day on which the *control system* to be installed by Snowy to enable it to submit offers for *scheduled generating units* on the basis of the *generating units* in respect of which Snowy is registered with *NEMMCO* as a *generator* becomes operational,

whichever is earlier.