



**NATIONAL ELECTRICITY CODE  
ADMINISTRATOR LIMITED**  
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1 March 2005

Mr Sebastian Roberts  
General Manager  
Regulatory Affairs – Electricity  
GPO Box 520J  
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Dear Mr Roberts

#### **VARIATION TO THE NEM ACCESS CODE**

On 10 May 2002, NECA sought for the ACCC to vary the approved National Electricity Market (NEM) Access Code in accordance with section 44ZZAA(6) of the *Trade Practices Act 1974* (TPA).

The variations that were sought to be included in the approved NEM Access Code were:

- ◆ all provisions of the authorised National Electricity Code (NEC) not subject to the Commission's approval of the NEM Access Code granted on 20 January 1999 (including Chapter 3 of the NEC for the first time); and
- ◆ those changes to the authorised NEC which received final authorisation between 20 January 1999 and 10 May 2002.

On 3 March 2004, the ACCC consented to NECA's variations of the NEM Access Code, with the exception that it did not consent to the inclusion of Chapter 3 of the NEC into the NEM Access Code.

Since this application was lodged with the ACCC, there have been a number of Code changes advanced by NECA and authorised by the ACCC which have varied those components of the NEC which comprise the approved NEM Access Code or affect the approved NEM Access Code. NECA seeks to vary the NEM Access Code to take account of these developments and improve the administration of the NEM Access Code.

Code changes since 10 May 2002 that have received final authorisation by the ACCC are listed in the attached Schedule A. Each of these Code changes has been assessed as part of the ACCC's determination in Division 1 of Part VII of the TPA. These Code changes have been the subject of industry and public consultation through the Code change processes set out in Chapter 8 of the NEC and the ACCC's authorisation process.



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

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

The version of the NEC on which this authorisation is sought is referred to as version 1 amendment 9.4. Underlining identifies those changes in the NEC that only have interim authorisation.

Yours sincerely

**John Eastham**  
**Director**



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## Schedule A

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### **Gazetted NECA Code changes since last access regime approval**

Despatching the market - interim arrangements (authorised 9 February 2005)  
Publication date – statement of opportunities  
New South Wales derogation – minor variation to transmission pricing  
Site specific loss-factors for small generators  
Hydro-Tasmania derogation – metering  
Despatching the market interim arrangements extension (authorised 28 April 2004)  
Inter-regional settlement agreements  
Victoria derogation relating to Victorian transmission regulatory arrangements  
Generator registration and inter-network testing  
Improvements to the prudential framework and settlement residue auction arrangements  
Regional pricing of ancillary services  
Ombudsman access to metering data  
Extension of reserve trader sunset  
ACT derogation – full retail competition  
(Review of generator) technical standards  
Minor variation – review of directions in the national electricity market  
Changes to bidding and rebidding rules  
Queensland derogation – inter-regional loss factors  
Queensland derogation – technical standards  
South Australia derogations – full retail competition and system planning  
Safety net provisions and reserve contracting derogation  
Review of directions in the NEM  
Stage 1 of integrating the energy market and network services (REIMNS: 3 parts)  
Interim extension of existing technical derogations