BLAKE DAWSON WALDRON

L A W Y E R S

Vesting Contract

Electricity Generation Corporation

ABN 586 738 301 06

Electricity Retail Corporation

ABN 717 434 468 39

1 April 2006

Level 32, Exchange Plaza
2 The Esplanade
PERTH WA 6000
Telephone: (08) 9366 8000
Fax: (08) 9366 8111

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CONTENTS

Vesting Contract

PARTIES

Electricity Generation Corporation ABN 586 738 301 06 a body corporate established under section 4(1)(a) of the Electricity Corporations Act of Levels 11 and 12, Australia Place, 15 William Street, Perth, Western Australia (**Generation**)

Electricity Retail Corporation ABN 717 434 468 39 a body corporate established under section 4(1)(c) of the Electricity Corporations Act of 363 Wellington Street, Perth, Western Australia (**Retail**)

RECITALS

A. Pursuant to section 4(1) of the Electricity Corporations Act, three bodies corporate, including Retail and Generation, were established to replace Western Power Corporation's role relating to the provision of electricity in the area covered by the SWIS in Western Australia.

B. In accordance with Part 4 of the Electricity Corporations Act, the Minister may prescribe the terms and conditions of the initial contractual arrangements between the newly established bodies corporate referred to in Recital A.

C. Further to Recital B, this document is a "prescribed contract" created pursuant to section 82(1) of the Electricity Corporations Act, prescribing the terms and conditions of the initial contractual arrangements between Retail and Generation relating to the supply of Capacity Credits and electricity to Retail in the SWIS.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

In this document (unless the context otherwise requires):

Actual Genco Generation Revenue (**AGGR**) means the amount calculated in accordance with clause 2.1 of schedule 5.

Additional Capacity Cap (**ACC**) means the amount calculated in accordance with clause 4.2 of schedule 2.

Additional Day Ahead Fixed Quantity (**ADAFQ**) means the quantity of Additional Energy to be supplied and sold by Generation to Retail as nominated by Retail for each Trading Interval of each Trading Day.

Additional Energy means any electricity supplied and sold by Generation to Retail following a nomination by Retail in accordance with clause 6.3(c).

Additional Energy Margin means the factor specified in schedule 8.

Adjustment Process has the meaning given to that term in the Market Rules.

Adjusting Payment has the meaning given to that term in clause 3.3A.

Affected Charges has the meaning given to that term in clause 10.15(f).

Affected Trading Interval means a Trading Interval in which:

(a) in the case of a Force Majeure Notice given by Generation, one of Generation's Facilities or the Network has been affected by a Force Majeure Event; and

(b) in the case of a Force Majeure Notice given by Retail, the Network or the electrical installation of any customer of Retail has been affected by a Force Majeure Event.

Aggregate Churn Capacity (**ACHC**) means 0.95 times the derived Individual Reserve Capacity Requirement of all customers of Retail who are not ISC Customers or VC Customers.

Ancillary Service Settlement Amount (**ASSA**) means the amount paid by Retail in the relevant period pursuant to clause 9.9 of the Market Rules.

Annual Displacement Statement of Opportunities means the statement referred to in clause 3 of the Vesting Contract Ministerial Direction.

Average Energy Profile (**AVEP**) means the amount calculated in accordance with clause 5.6 of schedule 2.

Average Monthly Load Factor (**AMLF**) means the factor referred to in, or calculated in accordance with, clause 2.4 of schedule 2.

Average Refund Rate (**ARR**) means the average of the Monthly Reserve Capacity Prices determined in accordance with clause 4.29.1 of the Market Rules over a Capacity Year.

Average Vesting Price has the meaning given to that term in the Vesting Contract Ministerial Direction.

Authorisation means:

(a) an authorisation, approval, consent, licence, permit, declaration or exemption, however it is described; and

(b) in relation to anything which will be prohibited or restricted in whole or in part by Law if a Governmental Agency intervenes or acts in a manner within a specified period after notification to it, the expiry of that period without intervention or action by the relevant Governmental Agency.

Authorised Deviation Quantity (**ADQ**) has the meaning given to the term "Authorised Deviation Quantity (ADQ (p,q,t))" in the Market Rules, where Market Participant "p" is Retail and Trading Interval "t" is the relevant Trading Interval.

Balancing Energy means for a Market Participant, the Authorised Deviation Quantity for that Market Participant in a Trading Interval.

Balancing Invoice means the invoice that Generation must provide to Retail for each Trading Month under clause 10.5(a).

Balancing Limit means the percentage specified in schedule 8.

Balancing Statement means the statement that Generation must provide to Retail for each Trading Month under clause 10.4(a).

Band 1 Imbalance Volume (**BIV**) has the meaning given to that term in clause 8.7.

Band 1 Limit Factor means the factor specified in schedule 8.

Band 1 Percentage means the percentage specified in schedule 8.

Bank Bill Rate has the meaning given to that term in the Market Rules.

Bilateral Submission has the meaning given to that term in the Market Rules.

Bilateral Submission Amount means the quantity of electricity to be supplied and sold by Generation to Retail in a Trading Interval under this document as submitted by Generation in its Bilateral Submission.

Business Day has the meaning given to that term in the Market Rules.

Calendar Netback Month means the last whole calendar month that occurs in the relevant Data Collection Period.

Capacity Cap (**CC**) means the electrical generating capacity (in MW) for the relevant Reset Period, determined in accordance with schedule 2. Subject to clause 14, the Capacity Cap is the same in each Trading Interval, Trading Day and Trading Month of a Reset Period.

Capacity Cost Refund has the meaning given to that term in the Market Rules.

Capacity Credit has the meaning given to that term in the Market Rules.

Capacity Credit Allocation Submission has the meaning given to that term in the Market Rules.

Capacity Credit Quantity means a number of Capacity Credits equivalent to the Capacity Cap for each Reset Period (expressed in MW to the nearest 0.1MW).

Capacity Effect (**CE**) means:

(a) in relation to Generation, the electricity (expressed in MW) that is not capable of being supplied by one or more of Generation's Facilities to the SWIS in the Affected Trading Interval as a result of a Force Majeure Event; and

(b) in relation to Retail, the difference between Retail's Normal Capacity in respect of the Affected Trading Interval and the electricity (expressed in MW) actually supplied to the customers of Retail in the Affected Trading Interval.

Capacity Refund Expectation (**CRE**) means the amount calculated in accordance with clause 3.13 of schedule 3.

Capacity Year has the meaning given to that term in the Market Rules.

Carry Over Amount means the amount determined in accordance with clause 1 of schedule 5, and for the avoidance of doubt, a Carry Over Amount operates as an adjustment of the amounts paid by Retail to Generation in respect of the Reset Period for which it is calculated and is not an amount which is carried over into the next Reset Period.

Carry Over Invoice means the invoice that Generation must provide to Retail under clause 10.10.

Carry Over Processing Period means a three week period ending on 1 May.

Change Event means:

(a) a Change in Law which has a net impact on the financial position of a party, either positive or negative, of at least $500,000 per annum on a recurring basis or $5,000,000 on a single effect basis; or

(b) a Change in Market Rules or a Market Disruption Event which has a net impact on the financial position of a party, either positive or negative, of at least $500,000 per annum on a recurring basis or $5,000,000 on a single effect basis, or which has a material impact on any of the terms and conditions of this document (including formulae and parameters).

Change in Law means:

(a) a change in an existing Law, or the imposition of a new Law;

(b) the imposition of a new Authorisation not required as at the Commencement Date;

(c) a change in the terms of any Authorisation required at the Commencement Date; or

(d) any change in the interpretation of any Law or Authorisation resulting from a decision of a Governmental Agency,

which occurs on or after the Commencement Date.

Change in Market Rules means:

(a) a change in the Market Rules;

(b) the introduction of a new Market Rule; or

(c) any change in the interpretation of any Market Rule resulting from a decision of a Governmental Agency,

which occurs on or after the Commencement Date.

Cold SunPubday means all public holidays and all Sundays that are not public holidays from and including the first day of May to the last day of September.

Cold Saturday means all Saturdays that are not public holidays from and including the first day of May to the last day of September.

Cold Weekday means all weekdays that are not public holidays from and including the first day of May to the last day of September.

Commencement Date means the date that Part 2 of the Electricity Corporations Act is proclaimed to have effect.

Commitment and Outage Compensation Settlement Amount (**COCSA**) means the amount paid by Retail for the relevant period pursuant to clause 9.10 of the Market Rules.

Commonwealth means the Commonwealth of Australia.

Continuation Request has the meaning given to that term in clause 4.7(a).

contestable means, in relation to a customer, that the amount of electricity transferred to that customer at its exit point on the SWIS is at least the threshold for contestability prescribed under section 93 of the *Electricity Transmission and Distribution System (Access) Act 1994* (WA) and a **contestable contract** means a contract with such a customer for the supply of that electricity.

Contract Administrator means the Minister but only to the extent he or she is undertaking the tasks given to the "Contract Administrator" under this document, and any person or persons to whom the Minister delegates the tasks given to the "Contract Administrator" under this document.

Contract Objectives means the objectives set out in clause 3.2(b).

Coordinator of Energy means the person appointed as Coordinator of Energy under the *Energy Coordination Act 1994* (WA).

Cost of Balancing (**COB**) means the amount calculated in accordance with clause 2.3 of schedule 5.

Credited Capacity Adjustment Amount (**CCAA**) means the amount specified in schedule 8 for a Reset Period.

Cumulative Maximum Negotiated Displacement Amount means, in respect of a Displacement Date, an amount of Capacity Credits set against that date in the column headed "Cumulative Maximum Negotiated Displacement Amount" in Table 1 in schedule 10.

Cumulative Minimum Total Displacement Amount (**MTD**) means, in respect of a Displacement Date, an amount of Capacity Credits set against that date in the column headed "Cumulative Minimum Total Displacement Amount (Sum of Negotiated Displacement Amount and Tendered Displacement Amount)" in Table 1 in schedule 10.

Daily Energy Profile (**EP**) means the amount determined in accordance with clause 5.5 of schedule 2.

Daily Nomination has the meaning given to that term in clause 6.2(b).

Daily SubMINN Nomination Charge has the meaning given to that term in clause 7.7.

Daily Uplift Allowance (**DUA**) means the amount calculated in accordance with clause 5.4 of schedule 2.

Daily Uplift Factor (**DUF**) means the factor specified in schedule 8.

Data Collection Period (**DCP**) means a period of 12 Trading Months ending at the end of the Trading Day which precedes the Reset Date to which that period relates by a period equal to the Market Data Lag Period plus the Processing Period taken consecutively, except that:

(a) in relation to the first Reset Date and, if there is a Market Start Reset, the second Reset Date, the Data Collection Period may be a period other than 12 Trading Months as required by this document; and

(b) in the event that the Market Data Lag Period preceding the Reset Date is a shorter period than the Market Data Lag Period for the previous Reset Period, the Data Collection Period will be extended by a period equal to the difference between the two Market Data Lag Periods.

Day Ahead Fixed Quantity (**DAFQ**) means the quantity of electricity (excluding any Additional Energy) to be supplied and sold by Generation to Retail as nominated by Retail for each Trading Interval of each Trading Day.

Daylight Saving Act means the *Daylight Saving Act (No. 2) 2006* (WA).

daylight saving period means any period during which summer time is declared by the Daylight Saving Act to be in advance of standard time.

Day Type (d) means the type of day specified in schedule 8.

Deferral Request has the meaning given to that term in clause 4.6(a).

Demand Side Management (**DSM**) means Demand Side Management (as that term is defined in the Market Rules) which:

(a) has been taken into account in an annual setting or a monthly adjustment of Retail's Individual Reserve Capacity Requirement under Appendix 5 of the Market Rules; and

(b) has been certified as Reserve Capacity by the IMO under Chapter 4 of the Market Rules.

Dispatchable Load has the meaning given to that term in the Market Rules.

Displacement means the reduction in the number of Capacity Credits to be made available by Generation and provided to Retail under this document which results or would result from compliance with the requirements of clause 4.4 of this document by Retail.

Displacement Date means each date in the column headed "Date at which Displacement is measured" in Table 1 in schedule 10.

Duration means, for an ISC Contract, the fraction determined in accordance with schedule 4 for each of the types of ISC Contracts, which for the avoidance of doubt can also be 1 or 0.

Electricity Corporations Act means the *Electricity Corporations Act 2005* (WA).

Electricity Non Supply Amount has the meaning given to that term in clause 4.7(a).

Electronic Funds Transfer means the transfer of immediately available funds into a bank account by electronic means.

Emu Downs Minimum Quantity (**EMUQV**) means the amount specified in schedule 8.

EMU Downs Price (**EMU Price**) means the amount specified in schedule 8.

EMUQ means the amount specified in schedule 8.

Energy Market Commencement has the meaning given to that term in the Market Rules.

Energy Payments means the amount calculated in accordance with clause 2.1 of schedule 5.

Energy Price for each Trading Interval is set out in schedule 6.

Estimated Energy Component (**EEC**) means the amount calculated in accordance with clause 3.10 of schedule 3.

Excess Capacity Cost (**ECC**) is Retail's share of the cost to the IMO of acquiring other Capacity Credits under clause 4.28.1(b) of the Market Rules, as specified in the Non-STEM Settlement Statement provided to Retail by the IMO under clause 9.18 of the Market Rules.

Excess Energy Margin means the amount specified in schedule 8.

Expected Forced Outage Rate (**EFOR**) means the amount specified in schedule 8.

Expected Nomination (**EN**) means the amount calculated in accordance with clause 5.3 of schedule 2.

Facility has the meaning given to that term in the Market Rules.

Fixed and Energy Charge Invoice means the invoice that Generation must provide to Retail for each Trading Month under clause 10.1(a).

Fixed Amount means the amount calculated in accordance with clause 2.1 of schedule 5.

Force Majeure Caused Refund has the meaning given to that term in clause 14.7(b).

Force Majeure Event means, subject to the second sentence of this definition, any event or circumstance not within the reasonable control of the party affected by it, including:

(a) a declared or undeclared war or a revolution or any riot or civil commotion;

(b) an act of God including fire (other than a fire that starts within one of Generation's Facilities), flood or other natural disaster;

(c) an act of sabotage or vandalism;

(d) an act of terrorism;

(e) an accident caused by a third party;

(f) a failure, withdrawal or breakdown of all or part of the Network; or

(g) a failure of a supplier to supply goods or services, but only if the failure was caused by one or more of the events listed in paragraphs (a) to (f) of this definition,

which alone, or which when taken together with any such event or events, has the effect for at least 48 hours of:

(h) in relation to Generation, reducing the electricity (expressed in MW) capable of being supplied by one or more of Generation's Facilities to the SWIS by a proportion equal to or greater than 20% of Generation's Normal Capacity; or

(i) in relation to Retail, reducing the electricity (expressed in MW) supplied to the customers of Retail connected to the SWIS by a proportion equal to or greater than 20% of Retail's Normal Capacity.

The following events do not constitute Force Majeure Events:

(a) lightning strikes;

(b) industrial action of any kind;

(c) fire, explosions or chemical contamination that start within one of Generation's Facilities;

(d) any form of mechanical breakdown of any of Generation's Facilities, unless it is caused by one or more of the events described in paragraphs (a) to (f) of this definition; or

(e) failure of any of Generation's fuel or other suppliers to deliver fuel or other supplies, unless that failure was caused by one of the events described in paragraphs (a) to (f) of this definition.

Force Majeure Notice means a notice given by either party under clause 14.1(a).

FRC means the date on which all electricity customers in the area covered by the SWIS become contestable, regardless of the quantity of electricity they consume.

Future Affected Trading Interval means each Affected Trading Interval other than Affected Trading Intervals the subject of a then current Daily Nomination.

Genco ISC Revenue Component (**Genco ISCRC**) means the amount calculated in accordance with clause 3.9 of schedule 3.

Genco ISC Revenue Component (CO) (**Genco ISCRC(CO)**) means the Genco ISC Revenue Component as calculated for the purposes of the calculation of the Carry Over Amount in clause 2.2(a) of schedule 5.

Genco VC Revenue Component (**Genco VCRC**) means the amount calculated in accordance with clause 3.8 of schedule 3.

Genco VC Revenue Component (CO) (**Genco VCRC(CO)**) means the Genco VC Revenue Component as calculated for the purposes of calculation of the Carry Over Amount in clause 2.2(a) of schedule 5.

Generation Balancing Energy (**GBE**) means the Balancing Energy supplied by Generation to the IMO.

Generation Proportion (**GP**) means the factor for the relevant Reset Period determined in accordance with schedule 7.

Generation Total ISC Netback means the amount calculated in accordance with clause 3.2 of schedule 3.

Generation Total ISC Netback (CO) means the amount calculated in accordance with clause 2.2(c) of schedule 5.

Generation Total VC Netback means the amount calculated in accordance with clause 3.1 of schedule 3.

Generation Total VC Netback (CO) means the amount calculated in accordance with clause 2.2(b) of schedule 5.

Governmental Agency means any government or governmental, semi-governmental, administrative, fiscal or judicial body, responsible Minister, department, office, commission, delegate, authority, instrumentality, tribunal, board, agency, entity or organ of government, whether Commonwealth, State, territorial or local, statutory or otherwise, in respect of a sovereign state.

GST means the same as in the GST Law.

GST Law means the same as "GST law" means in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Hot SunPubday means all public holidays and Sundays which are not public holidays from the first day of November to the last day of March.

Hot Saturday means all Saturdays that are not public holidays from the first day of November to the last day of March.

Hot Weekday means all weekdays that are not public holidays from and including the first day of November to the last day of March.

Imbalance Tolerance Limit Factor means the factor specified in schedule 8.

IMO Bilateral Submission Time means the latest time by which a market generator must make a Bilateral Submission to the IMO on a Scheduling Day for a Trading Day under the Market Rules.

Independent Market Operator (IMO) has the meaning given to the term "IMO" in the Market Rules.

Initial Transitional Capacity Credit Hole Item (**ITCCHI**) means:

(a) in respect of the first Reset Period and, if there is a Market Start Reset, for the second Reset Period, an amount equal to the net financial imposition or impact on Retail which is directly attributable to the Muja Non Certification, which may occur, for example, as a result of the IMO acquiring Capacity Credits to cover the Reserve Capacity Requirement in any Trading Month during that Reset Period, and must also take into account, for example, any refund, rebate, credit, offset or reduced Individual Reserve Capacity Requirement available to Retail by the IMO based on or connected with the impact of the Muja Non Certification on Retail; and

(b) in respect of any subsequent Reset Period, zero.

Individual Reserve Capacity Requirement (**IRCR**) has the meaning given to that term in the Market Rules.

Initial Capacity Credits (ICC) means the number of Capacity Credits specified in schedule 8.

Interest Rate Margin means the percentage specified in schedule 8.

Invoicing Date has the meaning given to that term in the Market Rules.

ISC Contract means a Retail Contract that was in existence at the Commencement Date and which at the relevant time has a Duration greater than zero.

ISC Customer means a customer of Retail who is a counterparty to an ISC Contract.

ISC Energy Fraction ($BF(e)_{mi}$) means the fraction specified in schedule 8.

ISC Estimated Energy Component (**ISC EEC**) means the amount calculated in accordance with clause 3.12 of schedule 3.

ISC Fixed Charge means the amount for the relevant Reset Period set out in clause 1.1(b) of schedule 3 or determined in accordance with clause 2.2 of schedule 3.

ISC Fixed Payment (**ISCFP**) means the amount specified in schedule 8.

ISC Latent CMD (**ISCLCMD**) means, in respect of a Reset Period, the contract maximum demand under an ISC Contract which existed at the Commencement Date:

(a) where the ISC Customer's right to take electricity up to that contract maximum demand only commences during the Reset Period (and, in the case of Simcoa, includes a variation to the contract maximum demand only where the variation results from the exercise of a right that is in existence at the Commencement Date under its electricity supply agreement with Retail); and

(b) which is not replacing a previously existing ISC Contract which comes to an end during that Reset Period.

ISC Load means the Metered Schedule for all ISC Customers in a given Trading Interval.

ISC Margin Payment (**ISCMP**) means the payment specified in schedule 8**.**

ISC Quantity (Q) means the total Metered Schedule for an ISC Customer over a specified period.

ISC Revenue Fraction ($BF(r)_{mi}$) means the fraction specified in schedule 8.

ISC Vesting Component (**ISC VC**) means the amount calculated in accordance with clause 3.4 of schedule 3.

Law means:

(a) the common law (as it applies to the State);

(b) all present and future Acts of the Parliament of the Commonwealth and of the Parliament of the State, including Acts relating to taxation, duties, imposts, environmental impositions, levies, fees or charges; and

(c) all regulations, codes, ordinances, local laws, by-laws, orders, judgments, licences, rules, permits, agreements and requirements of all Governmental Agencies.

Load has the meaning given to that term in the Market Rules.

Load Factor Adjustment Percentage (**LFAP**) is the factor specified in schedule 8.

Load Following Service Payment Cost (**LFSPC**) means that amount of the payment for Load Following Services under clause 3.13.1 of the Market Rules which is rebated to Retail by the IMO under clause 9.7.1 of the Market Rules.

Loss Factor has the meaning given to that term in the Market Rules.

Loss Factor adjusted has the meaning given to that term in the Market Rules.

Lowest Trading Interval Energy Profile Factor (**LTIEPF**) means the lowest Trading Interval Energy Profile Factor for any Trading Interval for the relevant Day Type in a Trading Month.

Marginal Cost Administered Price (**MCAP**) has the meaning given to that term in the Market Rules.

Market Customer has the meaning given to that term in the Market Rules.

Market Data Lag Period (**MDLP**) means the period ending on the commencement of the Processing Period and commencing on that Trading Day on which the last to be submitted of Meter Data Submissions for a Trading Month, are submitted by a Metering Data Agent to the IMO, and which is before, but is the closest to, the commencement of the Processing Period.

Market Disruption Event means any of the following events:

(a) the temporary or permanent discontinuance of the Wholesale Electricity Market;

(b) the failure of the IMO to announce or publish MCAP or the necessary information for the calculation of Retail's ADQ for any Trading Interval;

(c) the failure of the IMO to announce or publish Retail's IRCR for any Trading Month;

(d) where a value referred to in this document is a value that at the Energy Market Commencement is determined, announced or published by the IMO, the failure of the IMO to determine, announce or publish that value; or

(e) any index, quotation, publication, price or the like referred to in this document (including the schedules) that is published by a third party ceases to be published or to be published and available on the same basis as at the Commencement Date.

Market Fees (**MF**) are the market fees determined and published by the IMO under clause 2.24.2 of the Market Rules for the IMO's market operation services, system planning services and market administration services.

Market Participant has the meaning given to that term in the Market Rules.

Market Rules means the Wholesale Electricity Market Rules (as amended from time to time) made under the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*.

Market Start Reset means the Energy Market Commencement unless the Energy Market Commencement occurs less than 183 days after the Commencement Date, in which case there is no Market Start Reset.

Meter Data Submission has the meaning given to that term in the Market Rules.

Metered Schedule has the meaning given to that term in the Market Rules.

Metering Data Agent has the meaning given to that term in the Market Rules.

Mild SunPubday means all public holidays and Sundays that are not public holidays during April and October.

Mild Saturday means all Saturdays that are not public holidays during April and October.

Mild Weekday means all weekdays that are not public holidays during April and October.

Minimum Energy Take Fraction (**MET Fraction**) means the fraction specified in schedule 8.

Minimum Nomination Adjustment Factor means the percentage specified in schedule 8.

Minimum Total Displacement Energy (**MTDE**) means, for a Capacity Year, the amount calculated in accordance with clause 2.5 of schedule 2.

Minister means the Minister responsible for administering the Electricity Corporations Act from time to time.

Monthly Additional Energy Cap (**MAEC**) means the amount (in MWh) for the relevant Reset Period determined in accordance with clause 4.1 of schedule 2.

Monthly Additional Energy Charge for a Trading Month means the amount calculated in accordance with clause 7.5.

Monthly Balancing Adjustment Amount (**MBAA**) for a Trading Month means the amount calculated in accordance with clause 8.2.

Monthly Bank Bill Rate means the average over a Trading Month of the Bank Bill Rate for each Trading Day as determined in accordance with the Market Rules.

Monthly Energy Amount (**MEA**) for a Trading Month means the amount calculated in accordance with clause 7.6(b).

Monthly Energy Cap (**MEC**) means the amount (in MWh) for the relevant Reset Period determined in accordance with clause 2.1 of schedule 2.

Monthly Energy Charge for a Trading Month means the amount calculated in accordance with clause 7.4.

Monthly Expected Energy (**MEE**) means the amount calculated in accordance with clause 2.2 of schedule 2.

Monthly ISC Fixed Charge (**MISCFC**) for each Trading Month in a Reset Period means the amount referred to in clause 7.3.

Monthly Minimum Energy Take (**MMET**) means the amount (in MWh) for each Trading Month in the relevant Reset Period determined in accordance with clause 3 of schedule 2.

Monthly SubMINN Nomination Charge has the meaning given to that term in clause 7.7.

Monthly Take or Pay Charge (**MTPC**) for a Trading Month means the amount calculated in accordance with clause 7.6(c).

Monthly Uplift Energy (**MUE**) means the amount calculated in accordance with clause 2.3 of schedule 2.

Monthly VC Fixed Charge (**MVCFC**) for each Trading Month in a Reset Period means the amount referred to in clause 7.2.

Muja Non Certification means Generation having fewer Capacity Credits available to allocate to Retail in a relevant Capacity Credit Allocation Submission because its coal fired power station known as Muja A/B was not assigned Certified Reserve Capacity by the IMO under clause 4.9 of the Market Rules (and it is to be assumed for the purposes of this definition that Generation would have allocated Capacity Credits to Retail up to the amount required by this document had those Capacity Credits been available to Generation).

Muja Reference Node has the meaning given to that term in clause 1.4(b).

MW means megawatts.

MWh means megawatt hours.

Negative Imbalance Amount (**NIA**) means the amount calculated in accordance with clause 8.3.

Negotiated Displacement Amount means the amount of Capacity Credits by which Retail has reduced the amount of the Capacity Cap in exercise of its rights under clause 4.3 of this document, but excludes the amount of Capacity Credits by which Retail has reduced the Capacity Cap as a result of the acquisition of Capacity Credits under a Tender Process required in accordance with clause 1 of the Vesting Contract Ministerial Direction.

Netback Month means a Trading Month in each Data Collection Period elected by the Contract Administrator, in consultation with Retail and Generation, prior to the Processing Period following that Data Collection Period. For the avoidance of doubt, the Contract Administrator has the absolute discretion to determine the Netback Month, provided he or she has consulted with Retail and Generation.

Network has the meaning given to that term in the Market Rules.

NonGenco ISC Supply Component (**NonGenco ISCSC**) means the amount calculated in accordance with clause 3.7 of schedule 3.

NonGenco VC Supply Component (**NonGenco VCSC**) means the amount calculated in accordance with clause 3.6 of schedule 3.

Non-STEM Settlement Date has the meaning given to that term in the Market Rules.

Non-STEM Settlement Statement has the meaning given to that term in the Market Rules.

Non Supply Period has the meaning given to that term in clause 4.7(a).

Normal Capacity (**NC**) means:

(a) in relation to Generation, the total Capacity Credits provided by all of Generation's Facilities under the Market Rules during the Capacity Year in which the Affected Trading Intervals fall; and

(b) in relation to Retail, the electricity (expressed in MW) which would have been supplied to the customers of Retail during the Affected Trading Intervals but for the Force Majeure Event.

Notified Party means a party which has been given a Force Majeure Notice under clause 14.1(a).

Notifying Party means a party which has given a Force Majeure Notice under clause 14.1(a).

Notional Wholesale Meter has the meaning given to that term in the Market Rules.

OtherCost (**VC**) means the amount calculated in accordance with clause 3.1 of schedule 3.

$OtherCost_i$ means the amount calculated in accordance with clause 3.2 of schedule 3.

Pass Through Option means an option contained in an ISC Contract under which Retail may elect to pass any increases in Network access costs, or in any other input costs, through to the ISC Customer, whether by way of an increased price, or a separate payment or offset.

Pass Through Right means a right contained in an ISC Contract under which Retail passes any increases in Network access costs, or in any other input costs, through to the ISC Customer, whether by way of an increased price, or a separate payment or offset.

Positive Imbalance Amount (**PIA**) means the amount calculated in accordance with clause 8.4.

PP2 Price means the price specified in schedule 8.

PP2 Quantity (**PP2Q**) means the amount specified in schedule 8.

PP2QV means the amount specified in schedule 8.

Processing Period means a period of 3 weeks commencing immediately at the end of the Market Data Lag Period and ending on the day before the Reset Date..

Prospective Tenderer means a person who proposes to submit a tender in a Tender Process to supply Capacity Credits and electricity to Retail.

Reconciliation Settlement Amount (**RSA**) means the amount paid to or by Retail for the relevant period pursuant to clause 9.11.1 of the Market Rules.

Redetermination Application Date has the meaning given to that term in clause 3.3A.

Redetermined Amount has the meaning given to that term in clause 3.3A.

Redetermination Request has the meaning given to that term in clause 3.3A.

Regulator Fees (**RF**) are the regulator fees determined and published by the IMO under clause 2.24.2 of the Market Rules for the Economic Regulation Authority's monitoring and regulation services.

Required Genco Revenue Component (**RGRC**) ($ per annum) means the amount calculated in accordance with clause 2.2(a) of schedule 5.

Reserve Capacity Obligation has the meaning given to that term in the Market Rules.

Reserve Capacity Price has the meaning given to that term in the Market Rules.

Reset Date means the first Trading Day of a Reset Period.

Reset Period means the periods referred to in clause 2.2.

Residual Imbalance Volume has the meaning given to that term in clause 8.8.

Residual Percentage means the percentage specified in schedule 8.

Retail Contract means a contract under which Retail sells electricity at a price other than a Vested Tariff to a customer on an interval meter, but does not include a SmartPower Contract.

Retail Vesting Demand (**RVD**) means, for a Trading Interval, the sum of:

(a) the Notional Wholesale Meter for Retail in the Trading Interval;

(b) the Metered Schedule in the Trading Interval for customers of Retail who are not parties to a contestable contract but whose load is measured using an Interval Meter; and

(c) the ISC Load in the Trading Interval.

Revenue (**R**) means, for each customer, the amount paid or owing by a customer to Retail or an amount invoiced by Retail to a customer but not paid or payable, for the sale of electricity to the customer over a relevant period.

Rollover Election has the meaning given to that term in clause 4.5(a).

schedule means one or more of schedules 1 to 11 to this document.

Scheduled Generator has the meaning given to that term in the Market Rules.

Scheduling Day has the meaning given to that term in the Market Rules.

Shared Reserve Capacity Cost (**SRCC**) means the Shared Reserve Capacity Cost allocated to Retail for the relevant period by the IMO under clause 4.28.4 of the Market Rules.

Simcoa means Simcoa Operations Pty Ltd (ABN 42 009 064 653).

SmartPower Contract means a contract under which Retail supplies a residential customer with electricity, the price for which depends upon the time of day or night during which the electricity is consumed and which requires the installation of a time interval meter called a SmartPower meter by Retail.

Spare Capacity has the meaning given to that term in clause 5.3(b).

Spare Capacity Credit has the meaning given to that term in clause 5.3(b).

Spare Capacity Notice means a notice given by Retail under clause 5.3(c).

SRVestNeed means the amount calculated in accordance with clause 3.3 of schedule 3.

standard time means the time declared by the *Standard Time Act 2005* (WA) to be standard time throughout the State.

State means the State of Western Australia.

SubMINNLimit means the percentage specified in schedule 8.

SubMINNTILimit means the amount specified in schedule 8.

SubMINNNomFactor means the percentage specified in schedule 8.

summer time means the time to be observed throughout the State as provided by sections 4 and 6 of the Daylight Saving Act.

SWIS has the meaning given to the term "South West Interconnected System (SWIS)" in the Market Rules.

System Operation Fees (**SOF**) are the system operation fees determined and published by the IMO under clause 2.24.2 of the Market Rules for System Management's system operation services.

Take Or Pay Price (**TOPP**) is the amount (in $/MWh) specified in schedule 8.

Tariff Energy Fraction (**BF(e)**) means the fraction specified in schedule 8.

Tariff Quantity ($\mathbf{Q_{vt}}$) means the total quantity of energy (in MWh) sold by Retail at a particular Vested Tariff over a specified period.

Tariff Revenue Fraction ($\mathbf{BF(r)_m}$) means the fraction specified in schedule 8.

Tax means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature that is imposed by any Governmental Agency in respect of any payment under this document, other than a stamp or similar tax.

Tender Process means a process by which Retail acquires Capacity Credits and electricity and which involves all of the elements contained in clause 2 of the Vesting Contract Ministerial Direction and does not involve any requirement or condition inconsistent with those elements.

Tendered Displacement Amount means, in respect of a Displacement Date, the difference between:

(a) the aggregate of the Cumulative Minimum Total Displacement Amounts for that Displacement Date; and

(b) the Cumulative Maximum Negotiated Displacement Amount for that Displacement Date.

Term means the period:

(a) starting on the Commencement Date; and

(b) ending at the time specified in clause 2.3.

Tolerance Imbalance Volume has the meaning given to that term in clause 8.6.

Total Balancing Energy (**TBE**) means the sum of the Balancing Energy for each Scheduled Generator and each Dispatchable Load in a Trading Interval.

Total Day Ahead Fixed Quantity (**TDAFQ**) has the meaning given to that term in clause 6.1(b).

Total Imbalance Limit Factor means the factor set out in schedule 8.

Total Imbalance Volume (**TIV**) has the meaning given to that term in clause 8.5.

Total Network Costs for ISC Customer ($\mathbf{N_i}$) for an ISC Customer, means the amount of the total costs incurred by Retail in having access to the SWIS which are allocated to that ISC Customer (and charged to that ISC Customer) over a specified period.

Total Network Costs for Vested Tariff ($\mathbf{N_{vt}}$) for a Vested Tariff, means the amount of the total costs incurred by Retail in having access to the SWIS which are allocated to a particular Vested Tariff (and included in that Vested Tariff) over a specified period.

Total Retail Energy Purchase (**TE**) means, for the relevant period where the term is used, the sum of all Metered Schedules determined for Retail (including the Notional Wholesale Meter) in each Trading Interval in the relevant period.

Total Revenue means:

(a) for a Vested Tariff, the sum of the Revenue invoiced to all VC Customers who were charged at that Vested Tariff, for a relevant period (whether or not the invoice has been paid); and

(b) for an ISC Customer, the Revenue invoiced to that ISC Customer for a relevant period (whether or not the invoice has been paid).

TP Fraction means the number of Trading Intervals in one hour.

Trading Day has the meaning given to that term in the Market Rules.

Trading Interval has the meaning given to that term in the Market Rules.

Trading Interval Energy Cap (**TIEC**) means the amount (in MWh) for the relevant Reset Period determined in accordance with clause 5.7 of schedule 2.

Trading Interval Energy Profile Factor (**TIEPF**) means the factor calculated in accordance with clause 5.6 of schedule 2.

Trading Interval Maximum Nomination (**MAXN**) means:

(a) for the first Reset Period and, if there is a Market Start Reset, the second Reset Period, the amount (in MWh) set out in schedule 8; and

(b) for each such subsequent Reset Period, the amount (in MWh) for the relevant Reset Period determined in accordance with clause 5.2 of schedule 2.

Trading Interval Minimum Nomination (**MINN**) means:

(a) for the First Reset Period and, if there is a Market Start Reset, the Second Reset Period, the amount (in MWh) set out in schedule 8; and

(b) for each such subsequent Reset Period, the amount (in MWh) for the relevant Reset Period determined in accordance with clause 5.1 of schedule 2.

Trading Month has the meaning given to that term in the Market Rules.

VC Customer means a customer of Retail who is sold electricity under:

(a) a Vested Tariff; or

(b) a contract that is not a Retail Contract.

VC Energy Fraction (**$BF(e)_{mi}$**) means the fraction specified in schedule 8.

VC Estimated Energy Component (**VC EEC**) means the amount calculated in accordance with clause 3.11 of schedule 3.

VC Fixed Charge (**VCFC**) means the amount for the relevant Reset Period set out in clause 1.1(a) of schedule 3 or determined in accordance with clause 2.1 of schedule 3.

VC Fixed Payment (**VCFP**) means the payment specified in schedule 8.

VC Margin Payment (**VCMP**) means the payment specified in schedule 8.

VC Revenue Fraction (**$BF(r)_{mi}$**) means the fraction specified in schedule 8.

VC Share means the fraction calculated in accordance with clause 3.5 of schedule 3.

VC Vesting Component (**VCVC**) means the amount that is calculated in accordance with clause 3.3 of schedule 3.

Vested Tariff means each of type of tariff that is charged by Retail to any VC Customer as prescribed under tariff by-laws made under the *Energy Operators (Powers) Act 1979* (WA).

Vesting Contract Ministerial Direction means the Ministerial Direction given to Retail by the Minister under section 111 of the Electricity Corporations Act on or shortly after the Commencement Date which directs Retail in relation to the Tender Process and the Annual Displacement Statement of Opportunities.

Volume Weighted Average Duration means the fraction calculated in accordance with clause 3.14 of schedule 3.

Week Ahead Forecast has the meaning given to that term in clause 6.4(b).

Weekday has the same meaning as Business Day.

Wholesale Electricity Market has the meaning given to that term in the Market Rules.

1.2 **Rules for interpreting this document**

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

(a) A reference to:

(i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

(ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;

(iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;

(iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and

(v) anything (including a right, obligation or concept) includes each part of it.

(b) A singular word includes the plural, and vice versa.

(c) A word which suggests one gender includes the other genders.

(d) If a word is defined, another part of speech has a corresponding meaning.

(e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.

(f) The word agreement includes an undertaking or other binding arrangement or understanding, whether or not in writing.

(g) Words defined in the GST Law have the same meaning in clauses concerning GST, unless the context makes it clear that a different meaning is intended.

(h) This document includes all schedules and appendices, including appendices to schedules.

1.3 **Definitions in Market Rules**

Words and terms which are defined in the Market Rules have the same meaning in this document unless the context otherwise requires.

1.4 **Reference Node**

(a) All electricity supplied under this document is taken to be supplied at the connection to the SWIS for the coal fired power station known as Muja A/B (**Muja Reference Node**), regardless of where it is actually transferred into the SWIS by Generation. A reference in this document to a quantity of electricity being "Loss Factor adjusted" is a reference to the adjustment contemplated in this clause 1.4 and not an additional or second adjustment.

(b) All prices, charges or tariffs which are calculated by reference to the amount of electricity supplied under this document are to be calculated as if the electricity was supplied at the Muja Reference Node.

1.5 **Rounding**

(a) All amounts which are required to be calculated or determined in accordance with this document must be calculated or determined and rounded to the number of decimal places regarded as appropriate by the Contract Administrator having regard to the number of decimal places to which similar amounts are expressed in schedule 8, except for amounts which are applied as a component in the calculation of another amount, which amounts shall be applied unrounded.

(b) All monetary amounts which are required to be calculated or determined in accordance with this document must be calculated or determined and rounded to the nearest cent.

1.6 Relevant Data Collection Period and Relevant Reset Period

Where the term:

(a) "relevant Reset Period" is used, it means the Reset Period starting from the Reset Date that applies in the calendar year in consideration; and

(b) "relevant Data Collection Period" is used, it means the Data Collection Period preceding the relevant Reset Period.

1.7 Daylight saving

Notwithstanding section 7 of the Daylight Saving Act, a reference in this document to any time or period is to be construed, with respect to each daylight saving period, as a reference to –

(a) standard time instead of summer time; or

(b) that period as determined by reference to standard time instead of summer time.

2. TERM

2.1 Commencement

(a) This document starts on the Commencement Date.

(b) However, clauses 4.1, 5, 6.5, 8, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9 and 10.15 do not start until Energy Market Commencement.

(c) The clauses set out in schedule 11 apply in substitution for clauses 4.1, 5, 6.5, 8, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9 and 10.15 for the period between the Commencement Date and Energy Market Commencement.

(d) This document and the Market Rules are to be read with such amendments as are necessary and appropriate to give effect to this document for the period between the Commencement Date and Energy Market Commencement.

2.2 Reset Periods

(a) The first Reset Period is the period starting at 8.00am on the day following the Commencement Date and ending at the start of the second Reset Period as determined in accordance with clause 2.2(b).

(b) The second Reset Period is the period:

(i) starting at the Market Start Reset unless there is no Market Start Reset, in which case the second Reset Period is the period starting at the start of the

Trading Day on the first 1 October to occur which is at least the period of 365 days (in addition to the period of the Market Data Lag Period and the Processing Period taken consecutively) after the Commencement Date; and

(ii) ending at the end of the Trading Day which finishes on 1 October immediately following.

(c) If the second Reset Period commences on the Market Start Reset, then the third Reset Period is the period:

(i) starting at the start of the Trading Day on the first 1 October to occur which is at least the period of 183 days (in addition to the period of the Market Data Lag Period and the Processing Period taken consecutively) after the Market Start Reset; and

(ii) ending at the end of the Trading Day which finishes on 1 October immediately following.

(d) Each subsequent Reset Period is the period starting at the start of the Trading Day on 1 October in a calendar year and ending at the end of the Trading Day which finishes on 1 October in the following calendar year.

2.3 Expiry

This document continues until the end of the first Reset Period in which the Capacity Cap is less than 150MW.

2.4 Effect of expiration

(a) Expiration of this document will not affect any rights or obligations which are expressly stated to survive expiration or which may have accrued prior to expiration including any rights or obligations in respect of prior breaches.

(b) Expiration does not affect a party's obligation to make payments:

(i) accrued before expiry; or

(ii) which relate to periods before expiry.

3. CONTRACT ADMINISTRATOR

3.1 Contract Administrator's Tasks

The parties authorise the Contract Administrator to undertake the following tasks in relation to this document:

(a) undertaking all relevant calculations and determining all relevant amounts required by or set out in the schedules; and

(b) acting as the arbitrator in disputes between the parties, especially in relation to Force Majeure Events (clause 14) and Change Events (clause 15).

3.2 **Contract Objectives**

(a) The parties intend the Contract Administrator to take into account the Contract Objectives when undertaking all tasks in relation to this document.

(b) The Contract Objectives are to:

(i) mitigate the market power of Generation by contracting a significant proportion of the electrical generating capacity related to, and the electricity generated by, its generating plant portfolio at the Commencement Date;

(ii) support the development of the Wholesale Electricity Market by providing appropriate incentives to both Generation and Retail, including to progressively negotiate electricity supply agreements on commercial terms outside of this document; and

(iii) support the financial viability of both Generation and Retail in the transition to a competitive electricity market.

3.3 **Processing Period**

(a) The parties intend the Contract Administrator to undertake all relevant calculations and determine all relevant amounts required by or set out in the schedules, other than schedule 5, during the Processing Period, and to notify Generation and Retail before the next Reset Date of all amounts which are to apply for the purposes of this document during the next Reset Period. The parties intend the Contract Administrator to undertake the relevant calculation and determine all relevant amounts required by or set out in schedule 5 during the Carry Over Processing Period and to notify Generation and Retail of the Carry Over Amount before the end of the Carry Over Proceessing Period.

(b) If the Contract Administrator makes available to the parties draft calculations or determinations or both prior to notifying them of the relevant amounts under clause 3.3(a), then the parties are to provide comments on the draft calculations or determinations to the Contract Administrator as soon as is reasonably practicable, but in any event within 5 Business Days of receiving the draft calculations or determinations.

3.3A **Redeterminations**

(a) The Contract Administrator may recalculate and redetermine one or more of the calculations undertaken and amounts notified by the Contract Administrator in accordance with clause 3.3, including an amount that is calculated by reference to an amount or amounts which he or she is recalculating and redetermining, if he or she considers that the data upon which the calculations and determinations were based was inaccurate or incomplete, or that the calculations and determinations were otherwise incorrect, in any material respect for any reason, including any of the reasons listed in clause 3.3A(b). Any recalculation or redetermination by the Contract Administrator in accordance with this clause 3.3A(a) shall comply with the process described in clause 3.3A(d), modified as necessary to accommodate that the

recalculation or redetermination is not undertaken in response to a Redetermination Request.

(b) Either Generation or Retail may request the Contract Administrator, to, recalculate and redetermine one or more of the calculations undertaken and amounts notified by the Contract Administrator in accordance with clause 3.3, including an amount that is calculated by reference to an amount or amounts which a party is also requesting be recalculated and redetermined (**Redetermination Request**), if it considers that the data upon which the calculations and determinations were based was inaccurate or incomplete, or that the calculations and determinations were otherwise incorrect, in any material respect for any reason, including:

(i) the data used was estimated and not actual, including in accordance with the requirements of clause 12.3, and the actual data when known was materially different;

(ii) the data provided by a third party such as the IMO or Western Power is corrected to a material extent by that party subsequent to the calculation and determination;

(iii) the data used is discovered to have contained a material error subsequent to the calculation and determination; or

(iv) the financial model or other computer program which was used in the calculation and determination is discovered to have contained a material error subsequent to the calculation and determination.

(c) The Redetermination Request is to be accompanied by the following information:

(i) details as to the inaccuracy or incompleteness of the data used in the calculations and determinations or the error in the financial model or computer program;

(ii) reasons why the inaccuracy, incompleteness or error may be expected to have a material affect on each amount the subject of the Redetermination Request.

(d) If the Contract Administrator approves a Redetermination Request, the parties intend the Contract Administrator to:

(i) recalculate and redetermine each amount the subject of the Redetermination Request;

(ii) notify Generation and Retail of each amount as recalculated and redetermined by the Contract Administrator (**Redetermined Amount**);

(iii) advise Generation and Retail of the time or times respectively from which each Redetermined Amount is to be taken to have applied, or is to apply, for the purposes of this document during the relevant Reset Period which may

be from the start of the relevant Reset Period (**Redetermination Application Date**); and

(iv) undertake all relevant calculations and determine the aggregate amount (if any) which is required to be paid between Generation and Retail to adjust the amounts paid between them during or in respect of the relevant Reset Period under this document from the Redetermination Application Date so that the amounts paid between them are based on and reflect each Redetermined Amount from the Redetermination Application Date until the payment is made (**Adjusting Payment**); and

(v) require Generation or Retail to pay to the other party the Adjusting Payment within the time specified by the Contract Administrator.

(e) Neither party is to be regarded as being in breach of this document because it has performed its obligations or paid amounts, or both, due by it in accordance with the amounts originally notified by the Contract Administrator under clause 3.3 up until notification is given to a party of the redetermination of an amount or amounts under this clause 3.3A, even though the Redetermination Application Date for the Redetermined Amount or Redetermined Amounts is a date before the notification of the Redetermined Amount or Redetermined Amounts, except if a party fails to pay an Adjusting Payment within the time requested by the Contract Administrator.

3.4 Final and Binding

Except for computational errors made in undertaking relevant calculations or determining relevant amounts:

(a) the parties acknowledge that any decisions of the Contract Administrator are final and binding; and

(b) neither party may raise any dispute or commence any litigation if it does not agree with a decision of the Contract Administrator.

3.5 Delegation

The parties acknowledge that the Contract Administrator may delegate the undertaking of any of the tasks given to the "Contract Administrator" under this document to the Coordinator of Energy or any member of staff of the Office of Energy of the State.

4. CAPACITY AND ENERGY

4.1 Capacity

Generation must at all times have available and provide to Retail Capacity Credits equal to the Capacity Cap in each Reset Period, subject to the terms of this document and, in particular, clause 5.

4.2 **Energy**

Generation must supply electricity to Retail in the SWIS equal to or greater than the Trading Interval Minimum Nomination and up to the Trading Interval Energy Cap in each Trading Interval, subject to the terms of this document and, in particular, clause 6.

4.3 **Negotiated Reduction in Capacity**

Retail may reduce the amount of Capacity Credits which Generation is to have available and provide to Retail under this document on or before each of the Displacement Dates in aggregate by no more than the Cumulative Maximum Negotiated Displacement Amount relevant to that Displacement Date.

4.4 **Mandatory Reduction in Capacity**

The amount of Capacity Credits which Generation is to have available and provide to Retail under this document must reduce on or before each of the Displacement Dates by at least the amount of the Cumulative Minimum Total Displacement Amount relevant to that Displacement Date. For the avoidance of doubt, this reduction is taken into account in the calculation of the Capacity Cap for a Reset Period under clause 1.3 of schedule 2 by the factor "MTD_{rp}".

4.5 **Rollover of Reduction**

(a) Retail may elect to bring forward or defer by 1 year (a **Rollover Election**) the Displacement of up to the amount set out in Table 2 in schedule 10 of Capacity Credits (and electricity) which would otherwise be included in the Cumulative Minimum Total Displacement Amount for the Capacity Year against which that amount is set in Table 2 in schedule 10.

(b) Retail must give Generation and the Contract Administrator at least the period of notice set out against the relevant Capacity Year in Table 2 in schedule 10 of a Rollover Election for that Rollover Election to be valid.

(c) Upon Retail giving a Rollover Election, the Cumulative Minimum Total Displacement Amounts in Table 1 in schedule 10 are amended to reflect the amount of Capacity Credits the Displacement of which has been brought forward by 1 year or deferred by 1 year in accordance with that Rollover Election.

4.6 **General Deferral of Reductions**

(a) Retail may request that the Contract Administrator approve a deferral of the requirements for Displacement of Capacity Credits set out in Table 1 in schedule 10 in the circumstances set out in this clause 4.6 (**Deferral Request**) up to the amounts of Capacity Credits set out in Table 3 in schedule 10 for the Capacity Year against which that amount is set out in Table 3 in schedule 10.

(b) Retail must give the Deferral Request to the Contract Administrator by at least the period set out against the relevant Capacity Year in Table 3 in schedule 10 before

the Displacement which is intended to be deferred, for that Deferral Request to be valid.

(c) If it becomes apparent to Retail during a Tender Process that the prices (which are to be aggregated for the purposes of this clause 4.6(c) if separate prices are tendered for Capacity Credits and electricity) for the supply of Capacity Credits and electricity tendered by all Prospective Tenderers are likely to be higher than the forecast Average Vesting Price likely to be paid by Retail for Capacity Credits and electricity under this document, Retail may make a Deferral Request. The Deferral Request is to be accompanied by the following information:

(i) (A) evidence that less than 3 Prospective Tenderers made pre-qualification submissions that complied with the requirements as to the maximum price that would be acceptable to Retail as a result of the Tender Process; or

(B) a summary of indicative bids (which does not indicate the identity of the Prospective Tenderers) certified to be an accurate summary by a suitably qualified and experienced expert independent of each of the parties, showing that no Prospective Tenderer offered a price less than the price then paid under this document (which summary must include a present value calculation of the prices offered by the Prospective Tenderers using an appropriate risk weighted discount rate); and

(ii) calculations which demonstrate the impact on Retail's net margin in buying and selling electricity if it accepted the best price offered by a Prospective Tenderer.

(ca) As soon as possible after receiving a Deferral Request from Retail under clause 4.6(c), the Contract Administrator must:

(i) notify Generation that the Deferral Request has been received;

(ii) request that Generation provide the Contract Administrator with calculations which demonstrate the impact on Generation's net margin in generating and selling electricity if Retail's Deferral Request is granted; and

(iii) specify a reasonable time period within which Generation may provide the calculations referred to in sub-clause (ca)(ii) above.

(d) If the Contract Administrator approves a deferral of the requirements for Displacement following a Deferral Request in the circumstances described in clause 4.6(c), then the requirements for the Displacement of Capacity Credits set out in Table 1 in schedule 10 for the Capacity Year for which the request for deferral has been made and for each subsequent Capacity Year are deferred by 1 year.

(e) Retail is to make all deferrals of the requirements for the Displacement of Capacity Credits publicly available.

4.7 **Emergency Continuation of Supply by Generation**

(a) If:

(i) a Tender Process is unable to be completed because of a Force Majeure Event; or

(ii) a person who has entered into a contract with Retail to supply any part of the Negotiated Displacement Amount or the Tendered Displacement Amount suffers one or more of the events described in paragraphs (a) to (g) of the definition of Force Majeure Event within 6 months of the commencement date of that contract which prevents that person from supplying a significant part of the electricity which it has contracted to supply,

then Retail may make a request to the Contract Administrator that Generation be obliged to continue to supply the electricity which that person is prevented from supplying (**Continuation Request**) within 6 months of the occurrence of the event.

(b) A Continuation Request is to be accompanied by the following information:

(i) details of the event;

(ii) the amount of electricity that will not be supplied to Retail as a result of the event (**Electricity Non Supply Amount**) and the duration for which that non-supply is likely to continue (**Non Supply Period**); and

(iii) the amount of electricity that Retail can procure from all existing sources and the Load that Retail is contracted to supply, over the Non Supply Period.

(c) Retail must give a copy of the Continuation Request to Generation at the same time that it gives it to the Contract Administrator.

(d) If Generation considers that it cannot provide electricity equal to the Electricity Non Supply Amount during the Non Supply Period, it must provide details which support this opinion to the Contract Administrator and must indicate the portion of the Electricity Non Supply Amount that it can supply.

(e) If the Contract Administrator approves a continuation of the supply of electricity by Generation during the Non Supply Period following a Continuation Request, then Generation must supply the amount of electricity so approved by the Contract Administrator during the Non Supply Period on the terms and conditions of this document and at the Energy Price, despite clause 4.4 and the provisions of this document which provide for a lesser amount of electricity to be supplied during all or any part of the Non Supply Period.

5. CAPACITY CREDITS

5.1 Allocation

(a) Generation must allocate to Retail an amount of Capacity Credits equal to the Capacity Credit Quantity for each Reset Period, subject to clauses 5.1(b) and 5.3.

(b) The maximum amount of Capacity Credits which Generation is required to allocate to Retail for each Trading Month during the first Reset Period and, if there is a Market Start Reset, during the second Reset Period, is the amount of the Initial Capacity Credits, from which are subtracted the Spare Capacity Credits for that Trading Month (for the avoidance of doubt, as a result of the operation of clause 5.3(e)).

5.2 Capacity Credit Allocation Submissions

(a) Generation must make valid Capacity Credit Allocation Submissions to the IMO for each Trading Month of the Term:

(i) by the times specified in the Market Rules; and

(ii) otherwise in accordance with the requirements of the Market Rules.

(b) Each Capacity Credit Allocation Submission must:

(i) specify a number of Capacity Credits equal to the Capacity Credit Quantity for the Reset Period in which the Trading Month falls; and

(ii) identify Retail as the Market Participant to which those Capacity Credits are to be allocated for settlement purposes.

5.3 Spare Capacity Credits

(a) This clause 5.3 applies for all Trading Months where the amount of Capacity Credits which Generation must allocate to Retail for a Trading Month under clause 5.1 exceeds SRVestNeed for the Trading Month.

(b) The quantity by which the amount of Capacity Credits which Generation must allocate to Retail for a Trading Month under clause 5.1 exceeds SRVestNeed for a Trading Month is called Spare Capacity. A number of Capacity Credits equivalent to the Spare Capacity are called Spare Capacity Credits.

(ba) For the purposes of clause 5.3(b), the SRVestNeed shall be calculated by Retail for every Trading Month in accordance with the formula in clause 3.3 of schedule 3 amended as follows:

$$SRVestNeed_{tm} = IRCR_{tm} + DSM_{tm} - ACHC_{tm} - MTD_{tm} - EMUQ + ISCLCMD_{tm}$$

where

$IRCR_{tm}$	=	the Individual Reserve Capacity Requirement of Retail at the beginning of the relevant Trading Month;
DSM_{tm}	=	the Demand Side Management for Loads for which Retail is the Market Customer at the beginning of the relevant Trading Month;
$ACHC_{tm}$	=	the Aggreate Churn Capacity at the beginning of the relevant Trading Month;
MTD_{tm}	=	the Culmative Minimum Total Displacemnet Amount at the beginning of the relevant Trading Month;
$EMUQ_{tm}$	=	the EMUQ as specified in schedule 8;
$ISCLCMD_{tm}$	=	the sum of each ISC Latent CMD at the beginning of the relevant Trading Month; and
$_{tm}$	=	the relevant Trading Month.

(c) Retail shall notify Generation of the Spare Capacity Credits for a Trading Month within 2 Business Days of being informed by the IMO of its IRCR for that Trading Month.

(d) Generation must ensure that the Spare Capacity Credits notified to it by Retail in a Spare Capacity Notice under clause 5.3(c) are not allocated to Retail as Capacity Credits in the Capacity Credit Allocation Submission for the relevant Trading Month.

(e) Clauses 5.1 and 5.2(b)(i) are subject to this clause 5.3. The number of Capacity Credits referred to in clauses 5.1 and 5.2(b)(i) are reduced by the number of Spare Capacity Credits notified by Retail in a Spare Capacity Notice for the Trading Month.

6. NOMINATIONS AND SUBMISSIONS

6.1 Total Day Ahead Fixed Quantity

(a) Retail must make nominations to Generation of the quantity of electricity to be supplied and sold by Generation to Retail for each Trading Interval of each Trading Day.

(b) The nomination quantity (in MWh) for each Trading Interval comprises the total of:

(i) the DAFQ for the Trading Interval; and

(ii) the ADAFQ (if any) for the Trading Interval,

and is called the Total Day Ahead Fixed Quantity (TDAFQ).

6.2 **Daily Nominations**

(a) Retail must provide Generation with a nomination of the TDAFQ for each Trading Interval for each Trading Day.

(b) A nomination of the TDAFQ for each Trading Interval for a Trading Day which is provided before the time specified in clause 6.2(e) is called a Daily Nomination.

(c) Each Daily Nomination of the TDAFQ for each Trading Interval for a Trading Day provided before the time specified in clause 6.2(e) and which is taken to be valid under clause 6.2(j), supersedes and replaces each earlier Daily Nomination.

(d) Daily Nominations must be made in a written or electronic form agreed between Generation and Retail.

(e) The latest time at which Retail may provide Generation with a Daily Nomination is 30 minutes before the IMO Bilateral Submission Time on the Scheduling Day to which the Daily Nomination relates.

(f) A Daily Nomination must specify a DAFQ, an ADAFQ (which may be zero MWh) and a TDAFQ for each Trading Interval in a Trading Day.

(g) Upon receiving a Daily Nomination from Retail prior to the time specified in clause 6.2(e), Generation must confirm receipt of the Daily Nomination and notify Retail whether or not the Daily Nomination is valid in accordance with the requirements of clause 6.2(j).

(h) If Generation confirms receipt of a valid Daily Nomination under clause 6.2(g), Generation must include that Daily Nomination in Generation's Bilateral Submission for that Trading Day, unless the Daily Nomination is superseded and replaced by a subsequent Daily Nomination in accordance with clause 6.2(c), in which case if Generation confirms receipt of the subsequent valid Daily Nomination under clause 6.2(h), Generation must include that subsequent Daily Nomination in Generation's Bilateral Submission for the Trading Day.

(i) If Retail fails to provide a Daily Nomination in accordance with clause 6.2(a), Generation is to use the latest Week Ahead Forecast for all relevant periods provided by Retail in accordance with clause 6.4 as the Daily Nomination or the TDAFQ (or both) for those periods.

(j) A Daily Nomination provided by Retail is to be taken to be valid for the purposes of this clause 6.2 if it:

(i) specifies a DAFQ, an ADAFQ (which may be zero MWh) and a TDAFQ for each Trading Interval in a Trading Day; and

(ii) otherwise complies with the requirements of clause 6.3.

6.3 **Limits on Daily Nominations**

(a) The DAFQ for each Trading Interval specified in a Daily Nomination:

(i) must be in units of MWh;

(ii) subject to clause 6.3(b) and 6.3(ba), must not be less than the Trading Interval Minimum Nomination;

(iii) must not exceed the Trading Interval Maximum Nomination;

(iv) must be expressed to a precision of 0.001 MWh; and

(v) must be Loss Factor adjusted.

(b) The sum of the DAFQ for all Trading Intervals in a Trading Month must not exceed the Monthly Energy Cap for that Trading Month. Once the Monthly Energy Cap for a Trading Month is reached, Retail may not make any further nominations of DAFQ during that Trading Month.

(ba) During the Trading Months of December, January, February and March only, Retail may nominate up to SubMINNLimit below the Trading Interval Minimum Nomination for no more than SubMINNTILimit Trading Intervals during that four month period.

(c) The ADAFQ for each Trading Interval specified in a Daily Nomination (if any):

(i) must be in units of MWh;

(ii) must not be less than 0 MWh ;

(iii) must be expressed to a precision of 0.001 MWh; and

(iv) must be Loss Factor adjusted.

(d) The sum of the ADAFQ for all Trading Intervals in a Trading Month must not exceed the Monthly Additional Energy Cap for that Trading Month. Once the Monthly Additional Energy Cap for a Trading Month is reached, Retail may not make any further nominations of ADAFQ during that Trading Month.

(e) The sum of the DAFQ and the ADAFQ for any Trading Interval must not exceed the Trading Interval Energy Cap.

6.4 **Week Ahead Forecasts**

(a) On each Trading Day, Retail must provide Generation with a forecast of the DAFQ and the ADAFQ for each Trading Interval of the following 7 consecutive Trading Days.

(b) The forecast of the DAFQ and the ADAFQ for each Trading Interval of the following 7 consecutive Trading Days is called the Week Ahead Forecast.

(c) The Week Ahead Forecast must:

(i) be made in a written or electronic form agreed between Generation and Retail;

(ii) be made by 8.00am on each Trading Day; and

(iii) represent a good faith estimate by Retail of the expected DAFQ and ADAFQ for each Trading Interval of the following 7 consecutive Trading Days.

(d) The Week Ahead Forecast is not binding, except where it is being used by Generation as the Daily Nomination or the TDAFQ (or both) under clause 6.2(i).

6.5 **Bilateral Submissions**

(a) Generation must make Bilateral Submissions to the IMO for each Trading Day in accordance with the timetable and process for making Bilateral Submissions under the Market Rules.

(b) The Bilateral Submissions must include the information contained in the valid Daily Nomination made by Retail for the Trading Day which is made before but closest to the time specified in clause 6.2(e).

(c) Each Bilateral Submission made by Generation must be Loss Factor adjusted.

6.6 **Errors**

(a) If Generation makes an error in a Bilateral Submission such that the Bilateral Submission Amount for a Trading Interval is less than the TDAFQ for the Trading Interval:

(i) Generation must pay to Retail an amount equal to the difference (expressed as a positive) between the Bilateral Submission Amount and the TDAFQ multiplied by MCAP for the relevant Trading Interval; and

(ii) for the purpose of clause 8.5, the ADQ for the Trading Interval will be deemed to be an amount equal to the actual ADQ for the Trading Interval plus the difference (expressed as a positive) between the Bilateral Submission Amount and the TDAFQ.

(b) If Generation makes an error in a Bilateral Submission such that the Bilateral Submission Amount for a Trading Interval is greater than the TDAFQ for the Trading Interval:

(i) Retail must pay to Generation an amount equal to the difference (expressed as a positive) between the Bilateral Submission Amount and the TDAFQ multiplied by MCAP for the relevant Trading Interval; and

(ii) for the purpose of clause 8.5, the ADQ for the Trading Interval will be deemed to be an amount equal to the actual ADQ for the Trading Interval

less the difference (expressed as a positive) between the Bilateral Submission Amount and the TDAFQ.

7. FIXED AND ENERGY CHARGES

7.1 Retail's Obligation

Retail must pay each of the following charges to Generation monthly in arrears for each Trading Month:

(a) the Monthly VC Fixed Charge;

(b) the Monthly ISC Fixed Charge;

(c) the Monthly Energy Charge;

(d) the Monthly Additional Energy Charge;

(e) the Monthly Take or Pay Charge; and

(f) Monthly SubMINN Nomination Charge.

7.2 Monthly VC Fixed Charge

The Monthly VC Fixed Charge is an amount equal to one twelfth of the VC Fixed Charge.

7.3 Monthly ISC Fixed Charge

The Monthly ISC Fixed Charge is an amount equal to one twelfth of the ISC Fixed Charge.

7.4 Monthly Energy Charge

(a) The Monthly Energy Charge for a Trading Month is the sum of the Daily Energy Charge for each Trading Day in the Trading Month.

(b) The Daily Energy Charge for a Trading Day (**DEC_d**) is an amount calculated in accordance with the following formula:

$$DEC_d = \sum_{t=1}^{t=n} DAFQ_t \times EP_t$$

where:

$DAFQ_t$ = the DAFQ for Trading Interval "t";

EP_t = the Energy Price for Trading Interval "t";

t = each Trading Interval in the Trading Day; and

n = the number of Trading Intervals in the Trading Day.

7.5 Monthly Additional Energy Charge

(a) The Monthly Additional Energy Charge for a Trading Month is the sum of the Daily Additional Energy Charge for each Trading Day in the Trading Month.

(b) The Daily Additional Energy Charge for a Trading Day (**$DAEC_d$**) is an amount calculated in accordance with the following formula:

$$DAEC_d = \sum_{t=1}^{t=n} ADAFQ_t \times AEP_t$$

where:

$ADAFQ_t$ = the ADAFQ for Trading Interval "t";

AEP_t = the Energy Price for Trading Interval "t" multiplied by the Additional Energy Margin;

t = each Trading Interval in the Trading Day; and

n = the number of Trading Intervals in the Trading Day.

7.6 Monthly Take or Pay Charge

(a) The Monthly Take or Pay Charge is payable by Retail to Generation in each Trading Month when the Monthly Energy Amount is less than the Monthly Minimum Energy Take.

(b) The Monthly Energy Amount for a Trading Month (**MEA_m**) is an amount calculated in accordance with the following formula:

$$MEA_m = \sum_{t=1}^{t=n} DAFQ_t$$

where:

$DAFQ_t$ = the DAFQ for Trading Interval "t";

t = each Trading Interval in the Trading Month; and

n = the number of Trading Intervals in the Trading Month.

(c) The Monthly Take or Pay Charge (**$MTPC_m$**) is an amount calculated in accordance with the following formula:

$$MTPC_m = (MMET_m - MEA_m) \times TOPP_m$$

where:

MEA_m = the Monthly Energy Amount, calculated in accordance with clause 7.6(b);

$MMET_m$ = the Monthly Minimum Energy Take for the Reset Period in which the Trading Month falls; and

$TOPP_m$ = the Take or Pay Price for the Reset Period in which the Trading Month falls.

7.7 Monthly SubMINN Nomination Charge

(a) The Monthly SubMINN Nomination Charge for a Trading Month is the sum of the Daily SubMINN Nomination Charge for each Trading Day in the Trading Month.

(b) The Daily SubMINN Nomination Charge ($DMPC_d$)for a Trading Day is an amount calculated in accordance with the following formula:

$$DMPC_d = \sum_{t=1}^{t=n} DAFQSubMINN_t \times EP_t \times SubMINNNomFactor$$

where

$DAFQSubMINN_t$ = 0, if $(MINN_t\text{-}DAFQ_t) \leq 0$,

= $MINN_t\text{-}DAFQ_t$, otherwise;

$MINN_t$ = the Trading Interval Minimum Nomination for Trading Interval "t";

$DAFQ_t$ = the DAFQ for Trading Interval "t"

EP_t = the Energy Price for Trading Interval "t";

SubMINNNomFactor = as defined in schedule 8;

$_t$ = each Trading Interval in the Trading Day; and

$_n$ = the number of Trading Intervals in the Trading Day.

8. BALANCING ADJUSTMENT

8.1 Payment Obligation

(a) If the Monthly Balancing Adjustment Amount for a Trading Month is positive, then Retail must pay the Monthly Balancing Adjustment Amount to Generation.

(b) If the Monthly Balancing Adjustment Amount for a Trading Month is negative, then Generation must pay the absolute value of the Monthly Balancing Adjustment Amount to Retail.

8.2 Monthly Balancing Adjustment Amount

The Monthly Balancing Adjustment Amount for a Trading Month (**$MBAA_m$**) is an amount calculated in accordance with the following formula:

$$MBAA_m = NIA_m + PIA_m$$

where:

NIA_m = the Negative Imbalance Amount, calculated in accordance with clause 8.3; and

PIA_m = the Positive Imbalance Amount, calculated in accordance with clause 8.4.

8.3 Negative Imbalance Amount

The Negative Imbalance Amount for a Trading Month (**NIA_m**) is an amount calculated in accordance with the following formula:

$$NIA_m = \sum_{nit=1}^{nit=nin} \{[(MCAP_{nit} - ITStrike_{nit}) \times TOLIV_{nit}] + [(MCAP_{nit} - BINStrike_{nit}) \times BIV_{nit}] + [(MCAP_{nit} - RINStrike_{nit}) \times RIV_{nit}]\}$$

where:

$MCAP_{nit}$ = MCAP for Trading Interval "nit";

$ITStrike_{nit}$ = the Energy Price for Trading Interval "nit";

$TOLIV_{nit}$ = the Tolerance Imbalance Volume for Trading Interval "nit", determined in accordance with clause 8.6(b);

$BINStrike_{nit}$ = the Energy Price for Trading Interval "nit" x (1 + Band 1 Percentage);

BIV_{nit} = the Band 1 Imbalance Volume for Trading Interval "nit" determined in accordance with clause 8.7(b);

$RINStrike_{nit}$ = the Energy Price for Trading Interval "nit" x (1 + Residual Percentage);

RIV_{nit} = the Residual Imbalance Volume for Trading Interval "nit" determined in accordance with clause 8.8(a);

nit = each Trading Interval in the Trading Month in which the ADQ is a negative number; and

nin = the number of Trading Intervals in the Trading Month in which the ADQ is a negative number.

8.4 Positive Imbalance Amount

The Positive Imbalance Amount for a Trading Month (**PIA_m**) is an amount calculated in accordance with the following formula:

$$PIA_m = \sum_{pit=1}^{pit=pin} \{[(MCAP_{pit} - ITStrike_{pit}) \times TOLIV_{pit}] + [(MCAP_{pit} - BIPStrike_{pit}) \times BIV_{pit}] + [(MCAP_{pit} - RIPStrike_{pit}) \times RIV_{pit}]\}$$

where:

$MCAP_{pit}$ = MCAP for Trading Interval "pit";

$ITStrike_{pit}$ = the Energy Price for Trading Interval "pit";

$TOLIV_{pit}$ = the Tolerance Imbalance Volume for Trading Interval "pit" determined in accordance with clause 8.6(c);

$BIPStrike_{pit}$ = the Energy Price for Trading Interval "pit" multiplied by (1 – Band 1 Percentage);

BIV_{pit} = the Band 1 Imbalance Volume for Trading Interval "pit" determined in accordance with clause 8.7(c);

$RINStrike_{pit}$ = the Energy Price for Trading Interval "pit" multiplied by (1 – Residual Percentage);

RIV_{pit} = the Residual Imbalance Volume for Trading Interval "pit" determined in accordance with clause 8.8(b);

pit = each Trading Interval in the Trading Month in which the ADQ is a positive number; and

pin = the number of Trading Intervals in the Trading Month in which the ADQ is a positive number.

8.5 Total Imbalance Volume

(a) If the ADQ in a Trading Interval is a negative number, then the Total Imbalance Volume for the Trading Interval (**TIV_{nit}**) is an amount which is the greatest (i.e. the least negative) of the amounts calculated in accordance with the following formulae:

$$TIV_{nit} = TI_{nit} \times GP_{nit}$$

where:

TI_{nit} = the ADQ for the Trading Interval; and

GP_{nit} = the Generation Proportion for the Reset Period in which the Trading Interval falls;

or,

$TIV_{nit} = DAFQ_{nit} - TIEC_{nit}$

where:

$DAFQ_{nit}$ = the DAFQ for the Trading Interval; and

$TIEC_{nit}$ = the Trading Interval Energy Cap for the Trading Interval.

or,

TIVnit = -DAFQnit × Balancing Limit

where:

DAFQnit = the same meaning as previously given in this clause 8.5(a); and

Balancing Limit = as defined in schedule 8.

(b) If the ADQ in a Trading Interval is a positive number, then the Total Imbalance Volume for the Trading Interval (**TIV_{pit}**) is an amount which is the least of the amounts calculated in accordance with the following formulae:

$TIV_{pit} = TI_{pit} \times GP_{pit}$

where:

TI_{pit} = the ADQ for the Trading Interval; and

GP_{pit} = the Generation Proportion for the Reset Period in which the Trading Interval falls;

or,

$TIV_{pit} = MINN_{pit} \times$ Total Imbalance Limit Factor

where:

$MINN_t$ = the Trading Interval Minimum Nomination for the Trading Interval.

or,

$TIV_{pit} = DAFQ_{pit} \times$ Balancing Limit

where:

$DAFQ_{pit}$	=	the DAFQ for the Trading Interval; and
Balancing Limit	=	as defined in schedule 8.

8.6 **Tolerance Imbalance Volume**

(a) The Tolerance Imbalance Limit (**TIL_t**) for a Trading Interval is an amount calculated in accordance with the following formula:

$TIL_t = DAFQ_t$ x Imbalance Tolerance Limit Factor

where:

$DAFQ_t$ = the DAFQ (in MWh) for the Trading Interval.

(b) If the Total Imbalance Volume in a Trading Interval is a negative number, then the Tolerance Imbalance Volume for the Trading Interval is as follows:

(i) if the absolute value of the Total Imbalance Volume for the Trading Interval is less than or equal to the Tolerance Imbalance Limit for the Trading Interval, then the Tolerance Imbalance Volume for the Trading Interval is equal to the Total Imbalance Volume for the Trading Interval; and

(ii) if the absolute value of the Total Imbalance Volume for the Trading Interval is greater than the Tolerance Imbalance Limit for the Trading Interval, then the Tolerance Imbalance Volume for the Trading Interval is equal to zero minus the Tolerance Imbalance Limit for the Trading Interval.

(c) If the Total Imbalance Volume in a Trading Interval is a positive number, then the Tolerance Imbalance Volume for the Trading Interval is as follows:

(i) if the Total Imbalance Volume for the Trading Interval is less than or equal to the Tolerance Imbalance Limit for the Trading Interval, then the Tolerance Imbalance Volume for the Trading Interval is equal to the Total Imbalance Volume for the Trading Interval; and

(ii) if the Total Imbalance Volume for the Trading Interval is greater than the Tolerance Imbalance Limit for the Trading Interval, then the Tolerance Imbalance Volume for the Trading Interval is equal to the Tolerance Imbalance Limit for the Trading Interval.

8.7 **Band 1 Imbalance Volume**

(a) The Band 1 Imbalance Limit (**$B1IL_t$**) for a Trading Interval is an amount calculated in accordance with the following formula:

$B1IL_t = DAFQ_t$ x Band 1 Limit Factor

where:

$DAFQ_t$ = the Day Ahead Fixed Quantity for the Trading Interval.

(b) If the Total Imbalance Volume in a Trading Interval is a negative number, then the Band 1 Imbalance Volume for the Trading Interval is as follows:

(i) if the absolute value of the Total Imbalance Volume for the Trading Interval is less than or equal to the Tolerance Imbalance Limit for the Trading Interval, then the Band 1 Imbalance Volume for the Trading Interval is zero;

(ii) if the absolute value of the Total Imbalance Volume for the Trading Interval is greater than or equal to the Band 1 Imbalance Limit for the Trading Interval, then the Band 1 Imbalance Volume for the Trading Interval is equal to the Tolerance Imbalance Limit for the Trading Interval less the Band 1 Imbalance Limit for the Trading Interval; and

(iii) if the absolute value of the Total Imbalance Volume for the Trading Interval is greater than the Tolerance Imbalance Limit for the Trading Interval but less than the Band 1 Imbalance Limit for the Trading Interval, then the Band 1 Imbalance Volume for the Trading Interval is equal to the Total Imbalance Volume plus the Tolerance Imbalance Limit for the Trading Interval.

(c) If the Total Imbalance Volume in a Trading Interval is a positive number, then the Band 1 Imbalance Volume for the Trading Interval is as follows:

(i) if the Total Imbalance Volume for the Trading Interval is less than or equal to the Tolerance Imbalance Limit for the Trading Interval, then the Band 1 Imbalance Volume for the Trading Interval is zero;

(ii) if the Total Imbalance Volume for the Trading Interval is greater than or equal to the Band 1 Imbalance Limit for the Trading Interval, then the Band 1 Imbalance Volume for the Trading Interval is equal to the Band 1 Imbalance Limit for the Trading Interval less the Tolerance Imbalance Limit for the Trading Interval; and

(iii) if the Total Imbalance Volume for the Trading Interval is greater than the Tolerance Imbalance Limit for the Trading Interval but less than the Band 1 Imbalance Limit for the Trading Interval, then the Band 1 Imbalance Volume for the Trading Interval is equal to the Total Imbalance Volume less the Tolerance Imbalance Limit for the Trading Interval.

8.8 **Residual Imbalance Volume**

(a) If the Total Imbalance Volume in a Trading Interval is a negative number, then the Residual Imbalance Volume for the Trading Interval is as follows:

(i) if the absolute value of the Total Imbalance Volume for the Trading Interval is less than or equal to the Band 1 Imbalance Limit for the Trading Interval, then the Residual Imbalance Volume for the Trading Interval is zero; and

(ii) if the absolute value of the Total Imbalance Volume for the Trading Interval is greater than the Band 1 Imbalance Limit for the Trading Interval, then the Residual Imbalance Volume for the Trading Interval is equal to the Total Imbalance Volume plus the Band 1 Imbalance Limit for the Trading Interval.

(b) If the Total Imbalance Volume in a Trading Interval is a positive number, then the Residual Imbalance Volume for the Trading Interval is as follows:

(i) if the Total Imbalance Volume for the Trading Interval is less than or equal to the Band 1 Imbalance Limit for the Trading Interval, then the Residual Imbalance Volume for the Trading Interval is zero; and

(ii) if the Total Imbalance Volume for the Trading Interval is greater than the Band 1 Imbalance Limit for the Trading Interval, then the Residual Imbalance Volume for the Trading Interval is equal to the Total Imbalance Volume less the Band 1 Imbalance Limit for the Trading Interval.

9. CARRY OVER AMOUNT

9.1 **Generation to Pay Carry Over Amount**

If the Carry Over Amount for a Reset Period is positive, then Generation must pay the Carry Over Amount to Retail.

9.2 **Retail to Pay Carry Over Amount**

If the Carry Over Amount for a Reset Period is negative, then Retail must pay the absolute value of the Carry Over Amount to Generation.

10. INVOICES, STATEMENTS AND PAYMENTS

10.1 **Invoices for Fixed and Energy Charges**

(a) Within 5 Business Days of the end of each Trading Month, Generation must send Retail an invoice setting out the following charges for that Trading Month:

(i) the Monthly VC Fixed Charge;

(ii) the Monthly ISC Fixed Charge;

(iii) the Monthly Energy Charge;

(iv) the Monthly Additional Energy Charge (if any);

(v) the Monthly Take or Pay Charge (if any);

(va) the Monthly SubMINN Nomination Charge (if any);

(vi) any amount payable under clause 6.6, with amounts payable by Retail to Generation expressed as a positive and amounts payable by Generation to Retail expressed as a negative;

(vii) any outstanding amounts owing from one party to the other, with amounts payable by Retail to Generation expressed as a positive and amounts payable by Generation to Retail expressed as a negative; and

(viii) the interest payable on any amounts referred to in clause 10.1(a)(vii).

(b) The amounts referred to in clause 10.1(a)(vii) include any outstanding charges or amounts under clause 10.1(a) or any of the other provisions of this document.

(c) Each Fixed and Energy Charge Invoice must include details of how each of the amounts in clause 10.1(a) were calculated.

10.2 **Payment of Fixed and Energy Charges**

(a) Subject to clause 10.2(b), Retail must pay the total amount set out in each Fixed and Energy Charge Invoice and Monthly SubMINN Nomination Charge invoice (if any):

(i) by Electronic Funds Transfer to the bank account nominated from time to time by Generation; and

(ii) on or before 5 Business Days after receiving the Fixed and Energy Charge Invoice or Monthly SubMINN Nomination Charge invoice (if any) from Generation.

(b) If the amount set out in a Fixed and Energy Charge Invoice and Monthly SubMINN Nomination Charge invoice (if any) is negative, Generation must pay to Retail the absolute value of that amount:

(i) by Electronic Funds Transfer to the bank account nominated from time to time by Retail; and

(ii) on or before 5 Business Days after sending the Fixed and Energy Charge Invoice or Monthly SubMINN Nomination Charge invoice (if any).

10.3 **Information on Balancing**

(a) Within 2 Business Days of receiving each Non-STEM Settlement Statement from the IMO, Retail must provide to Generation details of the ADQ for each Trading Interval in the Trading Month to which the Non-STEM Settlement Statement relates.

(b) If Retail receives an adjusted Non-STEM Settlement Statement from the IMO which varies the ADQ or MCAP for any Trading Interval, Retail must provide to Generation details of the varied ADQ or MCAP for each Trading Interval within 2 Business Days of receiving each adjusted Non-STEM Settlement Statement from the IMO.

10.4 **Statements for Monthly Balancing Adjustment Amount**

(a) Within 5 Business Days of receiving the information from Retail under clause 10.3(a), Generation must send Retail a statement setting out the Monthly Balancing Adjustment Amount for the relevant Trading Month.

(b) Each Balancing Statement must include details of how the Monthly Balancing Adjustment Amount was calculated.

10.5 **Invoices for Monthly Balancing Adjustment Amount**

(a) Within 5 Business Days of receiving the information from Retail under clause 10.3(a), Generation must send Retail an invoice for the Monthly Balancing Adjustment Amount for the relevant Trading Month.

(b) Each Balancing Invoice must include all Balancing Statements to which the invoice relates.

10.6 **Payment of Monthly Balancing Adjustment Amount**

(a) Retail must pay the amount set out in each Balancing Invoice:

(i) by Electronic Funds Transfer to the bank account nominated from time to time by Generation; and

(ii) within 5 Business Days of receiving the Balancing Invoice in accordance with clause 10.5.

(b) If the amount set out in a Balancing Invoice is negative, Generation must pay to Retail the absolute value of that amount:

(i) by Electronic Funds Transfer to the bank account nominated from time to time by Retail; and

(ii) within 5 Business Days after sending the Balancing Invoice in accordance with clause 10.5.

10.7 **Statements for adjusted Monthly Balancing Adjustment Amounts**

(a) Within 5 Business Days of receiving the information from Retail under clause 10.3(b), Generation must send Retail an adjusted Balancing Statement for each relevant Trading Month.

(b) Subject to clause 10.7(c), the adjusted Balancing Statement must be in the same form as the original Balancing Statement, but where data is modified between the

issuance of the original Balancing Statement and the adjusted Balancing Statement, Generation must record both values and provide an explanation of the change.

(c) An adjusted Balancing Statement must include details of the adjustment to be paid by or to Retail being:

(i) the adjustment which will need to be paid by or to Retail to put the parties in the position they would have been in at the time payment was made in respect of the original Balancing Statement if the adjusted Non-STEM Settlement Statement had been issued as the original Non-STEM Settlement Statement (but taking into account any adjustments previously made under this clause 10.7); plus

(ii) interest on the amount referred to in paragraph (i), which accrues daily at the Bank Bill Rate from (and including) the payment due date for the Balancing Invoice issued for the original Balancing Statement up to (but excluding) the actual date of payment for the Balancing Invoice issued for the adjusted Non-STEM Settlement Statement.

10.8 **Invoices for adjusted Monthly Balancing Adjustment Amounts**

(a) Within 5 Business Days of receiving the information from Retail under clause 10.3(b), Generation must send Retail an adjusted Balancing Invoice for any adjusted Monthly Balancing Adjustment Amount for the relevant Trading Month.

(b) Each adjusted Balancing Invoice must include all adjusted Balancing Statements to which the invoice relates.

10.9 **Payment of adjusted Monthly Balancing Adjustment Amounts**

(a) Retail must pay the amount set out in each adjusted Balancing Invoice:

(i) by Electronic Funds Transfer to the bank account nominated from time to time by Generation; and

(ii) within 5 Business Days of receiving the adjusted Balancing Invoice in accordance with clause 10.8.

(b) If the amount set out in an adjusted Balancing Invoice is negative, Generation must pay to Retail the absolute value of that amount:

(i) by Electronic Funds Transfer to the bank account nominated from time to time by Retail; and

(ii) within 5 Business Days after sending the adjusted Balancing Invoice in accordance with clause 10.8.

10.10 **Invoices for Carry Over Amount**

Within 10 Business Days after the end of each Carry Over Processing Period, Generation must send Retail an invoice setting out the Carry Over Amount for that Reset Period.

10.11 **Payment of Carry Over Amount**

(a) Generation must pay to Retail the amount set out in a Carry Over Invoice:

(i) by Electronic Funds Transfer to the bank account nominated from time to time by Retail; and

(ii) on or before the last Business Day of the first Trading Month after the Carry Over Processing Period.

(b) If the amount set out in a Carry Over Invoice is negative, Retail must pay to Generation the absolute value of that amount:

(i) by Electronic Funds Transfer to the bank account nominated from time to time by Generation; and

(ii) on or before the last Business Day of the first Trading Month after the Carry Over Processing Period.

10.12 **Interest on unpaid amounts**

(a) If a party fails to pay an amount owing under this document when due (which includes any amount which is disputed and not paid by a party in accordance with clause 10.13(a) but which is determined to be payable by that party), it must pay interest on that amount to the other party.

(b) Interest referred to in clause 10.12(a) accrues daily at the Bank Bill Rate plus the Interest Rate Margin from (and including) the date that payment was due up to (but excluding) the date of payment.

10.13 **Disputed invoices**

(a) If either party disputes the amount payable by it under a Fixed and Energy Charge Invoice under clause 10.2, or if Retail disputes the amount payable by it under a Balancing Invoice under clause 10.6, an adjusted Balancing Invoice under clause 10.9 or a Carry Over Invoice under clause 10.11, that party must pay the amount which is not in dispute and half the amount which is in dispute in the manner and by the time provided in clauses 10.2, 10.6, 10.9 and 10.11 respectively.

(b) If Retail disagrees with an amount in a Fixed and Energy Charge Invoice, a Carry Over Invoice, a Balancing Invoice or an adjusted Balancing Invoice, it may send a notice to that effect to Generation within 6 months of receiving the invoice.

(c) If Generation considers that it has made an error in an a Fixed and Energy Charge Invoice, a Carry Over Invoice, a Balancing Invoice or an adjusted Balancing Invoice, it may send a notice to that effect to Retail within 6 months of the date it sends the invoice.

(d) A notice under clause 10.13(b) or 10.13(c) must include a list of information in the invoice that the party disagrees with, including:

(i) the reason for the disagreement; and

(ii) what the party believes the correct value should be, if this is known.

(e) If either party notifies the other under clauses 10.13(b) or 10.13(c), the parties must attempt to resolve the disagreement as soon as possible.

(f) If the parties subsequently agree or it is determined by the Contract Administrator that a party has overpaid an amount to the other, the other party must refund the overpayment together with interest, which interest accrues daily in accordance with clause 10.12, from (and including) the day the overpayment was made until (but excluding) the day the overpayment is refunded.

(g) If the parties subsequently agree or it is determined by the Contract Administrator that a party has underpaid an amount to the other, the party must make the underpayment together with interest, which interest accrues daily in accordance with clause 10.12, from (and including) the day the underpayment was due until (but excluding) the day the underpayment is paid.

10.14 **Deduction or Withholding for Tax**

(a) All payments under this document must be made without deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law.

(b) If a party is required by law to withhold or deduct any Tax from any payment under this document, then the party must:

(i) promptly notify the other party of the requirement;

(ii) pay to the relevant Governmental Agency the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid under this clause) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against the other party; and

(iii) promptly forward to the other party an official receipt (or a certified copy), or other documentation reasonably acceptable to the other party, evidencing such payment to such Government Agency.

10.15 **Information and Audit**

(a) Retail agrees to authorise in writing the IMO to make available to Generation all information which is necessary for the calculations of charges under this clause 10, including all information which is necessary to calculate the Monthly Balancing Adjustment Amount, even though the information may otherwise be confidential to Retail.

(b) Retail agrees to make available to Generation as soon as it is available to Retail, all information which is necessary for the calculation of charges under this clause 10, which information is not available to the IMO, including all information which is necessary to calculate the Monthly Balancing Adjustment Amount.

(c) If information provided by Retail is used to calculate the charges under this clause 10, Generation may request the Contract Administrator to verify the accuracy of the information provided by Retail for each Trading Month since the Contract Administrator last conducted a verification.

(d) Retail must make available to the Contract Administrator all readings, books and records which are relevant to the information provided by Retail under clause 10.15(b).

(e) Generation may not request the Contract Administrator to verify the accuracy of information more than twice in any Capacity Year.

(f) If the Contract Administrator considers any of the information provided by Retail is not accurate:

(i) the parties intend that the Contract Administrator is to notify each party of the inaccurate information and the effect which the inaccurate information has had on charges previously calculated under this document (**Affected Charges**); and

(ii) Generation must recalculate and notify Retail (with full details of all calculations) of the adjustment to the Affected Charges which is appropriate to compensate for the previous calculation of Affected Charges based on the inaccurate information.

(g) The party which is to make an adjusting payment to reflect the adjustment to the charges notified by Generation under clause 10.15(f), must do so within 5 Business Days of that notification.

11. RETAIL'S CUSTOMER CONTRACTS

Retail must exercise each Pass Through Option and must enforce each Pass Through Right.

12. INFORMATION REQUIREMENTS

12.1 Retail's Obligation

Retail must provide to the Contract Administrator for each Reset Period:

(a) all of the information under the heading "Information" in Part 1 of schedule 9; and

(b) all other information required by the Contract Administrator to undertake all relevant calculations and determine all relevant amounts required by or set out in the schedules, including the derived Individual Reserve Capacity Requirement of all customers of Retail who are not ISC Customers or VC Customers calculated using

the same methodology as for the Individual Reserve Capacity Requirement for a Market Customer under the Market Rules and in MW,

as soon as that information is available to Retail but in any event no later than by the second Business Day after the end of the Market Data Lag Period relevant to that Reset Period.

12.2 **Generation's Obligation**

Generation must provide to the Contract Administrator for each Reset Period:

(a) all of the information under the heading "Information" in Part 2 of schedule 9; and

(b) all other information required by the Contract Administrator to undertake all relevant calculations and determine all relevant amounts required by or set out in the schedules,

as soon as that information is available to Generation but in any event no later than the second Business Day after the end of the Market Data Lag Period relevant to that Reset Period.

12.3 **Estimated Information**

(a) Except as provided in this clause 12.3, all information provided by either party to the Contract Administrator under this document must be accurate and complete.

(b) If the information available to Retail as to the following items is not available, accurate and complete for a Data Collection Period relevant to a Reset Period as at the last Business Day of the Market Data Lag Period relevant to that Reset Period then, subject to clause 12.3(c), Retail may provide to the Contract Administrator its best estimates made in good faith of that information:

(i) Total Revenue for each Vested Tariff;

(ii) Tariff Quantity for each Vested Tariff; and

(iii) Total Network Costs for Vested Tariff for each Vested Tariff.

(c) Retail must not provide to the Contract Administrator estimates of the information specified in clause 12.3(b) for any more than the last 2 Trading Months in the relevant Data Collection Period, and all other information provided in respect of that Data Collection Period must be accurate and complete.

(d) Retail must advise the Contract Administrator of the information for any Data Collection Period which is estimated rather than accurate and complete at the same time as Retail provides that information to the Contract Administrator.

(e) On the first occasion that Retail provides estimated information to the Contract Administrator under clause 12.3(b), Retail must also provide to the Contract Administrator details of the base data, methodologies, assumptions, extrapolations and interpolations used in estimating the information provided to the Contract

Administrator, and on each subsequent occasion on which Retail changes any of those methodologies, assumptions, extrapolations or interpolations, Retail must inform the Contract Administrator of that change at the same time as Retail provides the estimated information to the Contract Administrator.

(f) If Retail has provided the Contract Administrator with estimated information for part of a Data Collection Period, then as soon as the actual accurate and complete information is available to Retail, Retail must provide to the Contract Administrator:

(i) the estimated information previously provided; and

(ii) the accurate and complete information for the same period for which the estimated information was provided.

13. COMPUTATIONAL ERRORS

13.1 Amendments

(a) Either party may ask the Contract Administrator to amend any calculation made under this document within 15 Business Days of that party receiving the details of that calculation if it believes there has been an error made in making the calculation.

(b) The Contract Administrator may:

(i) amend any calculation made under this document; and

(ii) require a party to make a payment to the other in relation to the amended calculation,

whether or not a party has asked the Contract Administrator to do so.

(c) The Contract Administrator may also take any error into account when determining the charges payable by either party under this document and may make amendments to those charges to take into account the error.

13.2 Requests for Information

(a) The Contract Administrator may ask either party to provide it with any information it considers necessary to determine whether or not an error has been made in any calculation under this document.

(b) Any request under clause 13.2(a) must identify the information required and the time within which the information must be provided.

(c) Any time specified under clause 13.2(b) must be reasonable and take into account the likely length of time that the party will require to obtain or prepare that information or both, considering the nature and availability of the information requested.

13.3 **Comply with Requests**

If the Contract Administrator makes a request referred to in clause 13.2(a), the relevant party must comply with the request within the specified time.

14. FORCE MAJEURE

14.1 **Force Majeure Notices**

(a) If a party wants the Trading Interval Minimum Nomination or the Trading Interval Maximum Nomination to be reduced in any Trading Interval as a result of a Force Majeure Event, it must give a notice to the other party.

(b) A Force Majeure Notice may be given at any time after the Notifying Party has formed the opinion, in good faith, that a Force Majeure Event has occurred and the Notifying Party is or will in the future be affected by the Force Majeure Event so that Generation will not be able to supply the Trading Interval Maximum Nomination, or Retail will not be able to take the Trading Interval Minimum Nomination in any Trading Interval (as the case may be).

(c) A Force Majeure Notice must specify reasonable details of the Force Majeure Event and the Notifying Party's opinion, given in good faith, of:

(i) the date and time of commencement and likely duration of the Force Majeure Event;

(ii) the estimated or actual Capacity Effect for each Affected Trading Interval;

(iii) the estimated or actual Normal Capacity for each Affected Trading Interval;

(iv) the likely first Affected Trading Interval; and

(v) the likely last Affected Trading Interval.

(d) As soon as practicable after the Notifying Party becomes aware of any information which causes the Notifying Party to have an opinion which is different to that set out in the immediately preceding Force Majeure Notice, it must give the Notified Party an updated Force Majeure Notice specifying each of the matters listed in clause 14.1(c).

(e) As soon as practicable after the Force Majeure Event ceases, the Notifying Party must send the Notified Party a notice to that effect.

(f) The Notified Party may ask the Notifying Party to provide reasonable details of how each of the matters specified in a Force Majeure Notice were determined by the Notifying Party. The Notifying Party must comply with such a request within a reasonable period of time.

14.2 **Reduction in Trading Interval Minimum Nomination**

(a) If a party has given a Force Majeure Notice, the Trading Interval Minimum Nomination in respect of each Future Affected Trading Interval is reduced as follows.

New MINN = Old MINN x [1 - (CE/NC)]

where:

New MINN = the Trading Interval Minimum Nomination in respect of the Future Affected Trading Interval after the variation;

Old MINN = the Trading Interval Minimum Nomination for the Reset Period in which the Future Affected Trading Interval falls, before any variation is effected under this clause 14.2;

CE = the Capacity Effect in respect of the Future Affected Trading Interval; and

NC = the Normal Capacity in respect of the Future Affected Trading Interval.

(b) Except in the case of a manifest error or where an estimate has not been given in good faith:

(i) the Trading Interval Minimum Nomination will be reduced for each Future Affected Trading Interval as specified in the most current Force Majeure Notice given by the Notifying Party; and

(ii) the values for the Capacity Effect and the Normal Capacity for each Future Affected Trading Interval will be as specified in the most current Force Majeure Notice given by the Notifying Party.

14.3 **Reduction in Trading Interval Maximum Nomination**

(a) If a party has given a Force Majeure Notice, the Trading Interval Maximum Nomination in respect of each Future Affected Trading Interval is reduced as follows.

New MAXN = Old MAXN x [1 - (CE/NC)]

where:

New MAXN = the Trading Interval Maximum Nomination in respect of the Future Affected Trading Interval after the variation;

Old MAXN = the Trading Interval Maximum Nomination for the

Reset Period in which the Future Affected Trading Interval falls, before any variation is effected under this clause 14.3;

CE = the Capacity Effect in respect of the Future Affected Trading Interval; and

NC = the Normal Capacity in respect of the Future Affected Trading Interval.

(b) Except in the case of a manifest error or where an estimate has not been given in good faith:

(i) the Trading Interval Maximum Nomination will be reduced for each Future Affected Trading Interval as specified in the most current Force Majeure Notice given by the Notifying Party; and

(ii) the values for the Capacity Effect and the Normal Capacity for each Future Affected Trading Interval will be as specified in the most current Force Majeure Notice given by the Notifying Party.

14.4 **Consequential Minimum Take Reductions**

(a) If the Trading Interval Minimum Nomination and the Trading Interval Maximum Nomination are reduced for a Future Affected Trading Interval under clauses 14.2 and 14.3, the Monthly Minimum Energy Take is correspondingly reduced during each Trading Interval of the Force Majeure Period.

(b) Retail may not nominate any Additional Day Ahead Fixed Quantity for any Affected Trading Interval.

14.5 **Reduction in Monthly Fixed VC Charges**

If the Trading Interval Minimum Nomination and the Trading Interval Maximum Nomination are reduced for a Future Affected Trading Interval under clauses 14.2 and 14.3, the Monthly Fixed VC Charge for a Trading Month in which the Future Affected Trading Interval falls is reduced as follows:

$$NMFVCC = \sum_{t=i}^{t=n}\left(\frac{OMFVCC}{n} \times \frac{NMAXN_t}{OMAXN_t}\right)$$

where:

NMFVCC = the Monthly Fixed VC Charge for the Trading Month, after the variation;

OMFVCC = the Monthly Fixed VC Charge for the Trading Month, before any variation is effected under this clause 14.5;

$NMAXN_t$ = the New MAXN under clause 14.3(a) for the Trading Interval;

$OMAXN_t$	=	the Old MAXN under clause 14.3(a) for the Trading Interval;
t	=	each Trading Interval in the Trading Month; and
n	=	the total number of Trading Intervals in the Trading Month.

For all Trading Intervals in the Trading Month that are not Future Affected Trading Intervals, $NMINN_i$ and $OMINN_i$ equal each other.

14.6 **Reduction in Monthly Fixed ISC Charges**

If the Trading Interval Minimum Nomination and the Trading Interval Maximum Nomination are reduced for a Future Affected Trading Interval under clauses 14.2 and 14.3, the Monthly Fixed ISC Charge for a Trading Month in which the Future Affected Trading Interval falls is reduced as follows:

$$NMFISCC = \sum_{t=i}^{t=n} \left(\frac{OMFISCC}{n} \times \frac{NMAXN_t}{OMAXN_t} \right)$$

where:

NMFISCC	=	the Monthly Fixed ISC Charge for the Trading Month, after the variation;
OMFISCC	=	the Monthly Fixed ISC Charge for the Trading Month, before any variation is effected under this clause 14.6;
$NMAXN_t$	=	the New MAXN under clause 14.3(a) for the Trading Interval;
$OMAXN_t$	=	the Old MAXN under clause 14.3(a) for the Trading Interval;
t	=	each Trading Interval in the Trading Month; and
n	=	the total number of Trading Intervals in the Trading Month.

For all Trading Intervals in the Trading Month that are not Future Affected Trading Intervals, NMINNi and OMINNi equal each other.

14.7 **Repayment of IMO Refunds**

(a) If Retail receives a Capacity Cost Refund from the IMO it must notify Generation of the receipt and provide all details of the Capacity Cost Refund to Generation.

(b) If Generation considers that all or any part of the Capacity Cost Refund has derived from refunds Generation has paid to the IMO under clause 4.26.1 of the Market Rules because of a failure of Generation to comply with its Reserve Capacity Obligations due to a Force Majeure Event affecting Generation (**Force Majeure Caused Refund**), Generation may specify to Retail the amount of the Force

Majeure Caused Refund, with full details of the information and calculations it has used to determine the amount of the Force Majeure Caused Refund.

(c) Retail is to pay the amount of the Force Majeure Caused Refund to Generation within 10 Business Days of receiving the amount and the details specified in clause 14.7(b).

14.8 Notices to Contract Administrator

(a) If either party is affected by a Force Majeure Event, it must send a notice to the Contract Administrator within 4 weeks of the occurrence of the Force Majeure Event.

(b) A notice under clause 14.8(a) must specify details of the Force Majeure Event and all costs and savings that resulted from it.

14.9 Changes to the Agreement

The parties acknowledge that the Contract Administrator may require changes to be made to this document as a result of a Force Majeure Event taking into account:

(a) the ability of Retail to pass through any additional costs as a result of the Force Majeure Event to its customers;

(b) the financial impact of the Force Majeure Event on the relevant party;

(c) the net benefit of passing through any additional costs of the Force Majeure Event to Retail's customers or sharing the additional costs between Generation and Retail; and

(d) any other relevant factors.

15. CHANGE EVENTS

15.1 Meeting of the Parties

(a) If there is a Change Event, the parties must meet within one week of either party becoming aware of the event to discuss the implications of the event on this document and the parties.

(b) If the Change Event is not publicly announced, the party which first becomes aware of the Change Event must notify the other party and the parties must meet within one week of the notification of the Change Event for the purpose specified in clause 15.1(a).

15.2 Agreed Payments and Changes

(a) Within 15 Business Days of the meeting under clause 15.1, the parties must attempt to agree on:

(i) any payments to be made to each other; and

(ii) any changes to be made to this document,

to take into account the Change Event.

(b) Any payments or changes must be consistent with the Contract Objectives and must take into account the following further factors, to the extent they are relevant:

(i) the ability of Retail to pass through any additional costs as a result of a Change Event to its customers;

(ii) the financial impact of the Change Event on the relevant party;

(iii) the net benefit of passing through any additional costs of the Change Event to Retail's customers or sharing the additional costs between Generation and Retail; and

(iv) any other relevant factors.

(c) A party seeking a payment from the other party or a change in this document to compensate it for any actual or anticipated increase in costs as a result of a Change Event must provide detailed evidence to the other party of:

(i) the actual or anticipated increase in costs; and

(ii) the method it has used to calculate any proposed payment or determine any proposed change to this document.

(d) If the parties agree on the payments and changes within the 15 Business Days under clause 15.2(a), they must make the agreed payments and send details of the proposed changes to the Contract Administrator.

(e) The Contract Administrator may then decide whether or not he or she will, in the capacity of Minister, amend this document under section 84 of the Electricity Corporations Act to take into account the agreed changes.

15.3 **Payments not Agreed**

(a) If the parties cannot agree on the payments to be made to each other within the 15 Business Days under clause 15.2(a), both parties must propose the payments that should be made and send details of the proposed payments to each other and the Contract Administrator.

(b) The Contract Administrator may then decide which of the two payment proposals are acceptable and direct one or both parties to make payments to each other.

15.4 **Changes not Agreed**

(a) If the parties cannot agree on the changes to be made to this document within the 15 Business Days under clause 15.2(a), both parties must propose changes to this document and send details of the proposed changes to each other and the Contract Administrator.

(b) The Contract Administrator may then decide which of the two sets of proposed contract changes are acceptable and may then decide whether or not he or she will, in the capacity of Minister, amend this document under section 84 of the Electricity Corporations Act to take into account those changes.

16. DISPUTE RESOLUTION

16.1 Contract Administrator

Any disputes under this document must be notified to the other party and to the Contract Administrator.

16.2 No Other Form of Dispute Resolution

Unless the Contract Administrator consents in writing, neither party may commence any proceedings before any court in respect of any matter the subject of a dispute under this document.

16.3 Resolution of Disputes

(a) The parties are to meet to seek to resolve a dispute within 5 Business Days of the notice of the dispute under clause 16.1.

(b) If the parties have not resolved the dispute within 20 Business Days of the notice of the dispute under clause 16.1, the Contract Administrator may resolve the dispute in any manner in which he or she considers appropriate.

(c) In resolving any disputes, the parties intend the Contract Administrator to have regard to the Contract Objectives and the commercial intent of the parties as reflected in this document.

16.4 Implementation of Decisions

Once the Contract Administrator makes a decision as to the resolution of a dispute, the parties must implement the decision within 10 Business Days of the decision being made.

17. TERMINATION

Neither party may terminate this document for any reason.

18. AMENDMENT AND ASSIGNMENT

18.1 Amendment

(a) The parties may not vary, add to, supplement, cancel, replace or novate this document.

(b) This document may only be varied, added to, cancelled or replaced by the Minister by an order made under section 84(2) of the Electricity Corporations Act.

18.2 **Assignment**

Neither party may dispose of, declare a trust over or otherwise create an interest in its rights under this document.

19. GST

19.1 **Amounts exclusive of GST**

The consideration for a Supply expressed under this document is exclusive of any GST imposed on the Supply.

19.2 **GST payable**

If GST, is, or will be, payable on a Supply under or in connection with this document (including any Supply evidenced by a payment, reimbursement or indemnity under this document):

(a) the recipient of the Supply must pay, in addition to the other consideration payable or to be provided for the Supply, an additional amount equal to the GST; and

(b) the recipient must pay the additional amount to the supplier at the same time as the other consideration.

However, the recipient need not pay the additional amount until the supplier gives the recipient a Tax Invoice, unless the recipient is required to issue a Tax Invoice for that Supply.

19.3 **Adjustment of additional amount**

If the additional amount differs from the amount of GST payable by the supplier on the Supply:

(a) the supplier must promptly issue an Adjustment Note to the recipient, unless the recipient is required to issue a Tax Invoice for that Supply; and

(b) an amount equal to the difference must be paid by the supplier to the recipient, or by the recipient to the supplier, as appropriate.

19.4 **Reimbursement**

If any party is entitled to payment of any costs or expenses by way of reimbursement or indemnity, the payment must exclude any part of that cost or expense which is attributable to GST for which that party is entitled to an Input Tax Credit.

19.5 **Charge calculated by reference to turnover**

If the consideration for a Supply under or in connection with this document is calculated by reference to the consideration for other Supplies (not being an acquisition of the supplier of the Supply under this document), in making that calculation the consideration for those other Supplies excludes any amount in respect of GST payable on those Supplies.

19.6 **Recipient Created Tax Invoices**

(a) Where the recipient must issue a Tax Invoice or an Adjustment Note for a Supply made under or in connection with this document, the recipient must pay any amount in respect of GST on the Supply at the same time and in the same manner as all other amounts in relation to the Supply are required to be paid under this document or if that time has already occurred, within 7 days of a written request from the supplier for payment of the amount of GST.

(b) The supplier:

(i) warrants to the recipient that at the time of:

(A) entering into this document;

(B) each Supply occurring or being deemed to have occurred under this document; and

(C) each Tax Invoice or Adjustment Note being issued by the recipient to the supplier under this document,

the supplier will be registered for GST;

(ii) indemnifies the recipient against any loss resulting from the supplier not being so registered;

(iii) must produce written evidence satisfactory to the recipient of that registration if the recipient requests it;

(iv) must notify the recipient within 7 days if the supplier ceases to be registered for GST; and

(v) agrees that it will not issue a Tax Invoice or Adjustment Note for Supplies the supplier makes under or in connection with this document in respect of which the recipient must issue a Tax Invoice or Adjustment Note.

(c) The recipient:

(i) warrants to the supplier that at the time of:

(A) entering into this document;

(B) each Supply occurring or being deemed to have occurred under this document; and

(C) each Tax Invoice or Adjustment Note being issued by the recipient to the supplier under this document,

the recipient will be registered for GST;

(ii) indemnifies the supplier against any loss resulting from the recipient not being so registered;

(iii) must produce written evidence satisfactory to the supplier of such registration if the supplier requests it;

(iv) must notify the supplier within 7 days if the recipient ceases to be registered for GST or if it does not or ceases to satisfy any of the requirements of the Commissioner for the recipient to issue Tax Invoices or Adjustment Notes;

(v) must issue the original or a copy of a Tax Invoice to the supplier within 28 days of the making, or determining the value of, the Taxable Supply and the recipient will retain, as appropriate, the original or a copy of the Tax Invoice;

(vi) must issue the original or a copy of an Adjustment Note to the supplier for Supplies in respect of which the recipient has issued a Tax Invoice within 28 days of the occurrence of an adjustment and the recipient will retain, as appropriate, the original or a copy of the Adjustment Note;

(vii) will reasonably comply with its obligations under taxation Laws; and

(viii) will not issue a document that would otherwise be a Tax Invoice or Adjustment Note on or after the date when the requirements of the Commissioner for the recipient to issue Tax Invoices or Adjustment Notes fail to be satisfied.

(d) This clause 19.6 only applies to Supplies made by Retail to Generation under the terms of this document.

20. NOTICES

20.1 How to give a notice

A notice, consent or other communication under this document is only effective if it is:

(a) in writing, signed by or on behalf of the person giving it;

(b) addressed to the person to whom it is to be given; and

(c) either:

(i) delivered or sent by pre-paid mail to that person's address; or

(ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full.

20.2 **When a notice is given**

A notice, consent or other communication that complies with this clause is regarded as given and received:

(a) if it is delivered or sent by fax:

(i) by 5.00 pm (local time in the place of receipt) on a Business Day - on that day; or

(ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day; and

(b) if it is sent by mail:

(i) within Australia - 3 Business Days after posting; or

(ii) to or from a place outside Australia - 7 Business Days after posting.

20.3 **Address for notices**

A person's address and fax number are those set out below, or as the person notifies the sender:

Generation
Address: Levels 11 & 12, 15-17 William Street, Perth WA 6000
Fax number: (08) 9424 1899
Attention: Mr Jason Waters

Retail
Address: 228 Adelaide Terrace, Perth WA 6000
Fax number: (08) 6212 1036
Attention: Mr Tony Perrin

Contract Administrator
Minister:
Address: 10th Floor, London House, 216 St George's Terrace, Perth WA 6000
Fax number: (08) 9222 8951
Attention: Mr Francis Logan MLA

Coordinator of Energy:
Address: Level 9, Governor Stirling Tower, 197 St George's Terrace, Perth WA 6000
Fax number: (08) 9420 5700
Attention: Mr Jason Banks

20.4 **Electronic Notices**

The provisions of clauses 20.1 and 20.2 do not apply to:

(a) the giving of Daily Nominations; or

(b) the giving of any other notices that Generation and Retail agree may be given by electronic means.

21. CONFIDENTIALITY

21.1 Not generally confidential

The provisions of this document are not confidential, except as provided in clause 21.3.

21.2 Definition

In this clause 21, "Confidential Information" means:

(a) the information contained in clause 1.1 of schedule 3;

(b) the information contained in the column headed "Energy Price" in the table in clause 2 of schedule 6;

(c) the following items in schedule 8:

(i) EMU Price;

(ii) PP2 Price;

(iii) ISCFP;

(iv) ISCMP;

(v) VCFP;

(vi) VCMP; and

(vii) $TOPP_m$.

(d) information which is provided by Retail or the IMO to Generation in accordance with clause 10.15.

21.3 Confidential Information

Subject to clauses 21.4 and 21.5, neither party will disclose or permit the disclosure of the Confidential Information without the prior written consent of the other party.

21.4 Exceptions to Confidentiality

Any party may disclose Confidential Information which:

(a) at the time when it is disclosed or communicated to or created, ascertained, discovered or derived by the party, is publicly known;

(b) at the time when it is disclosed, is already known to the party through some independent means not involving breach of any confidentiality undertaking owed pursuant to clause 21.3;

(c) after the time when it is disclosed or communicated to or created, ascertained, discovered or derived by the party, comes into the public domain otherwise than as a result of any breach of the confidentiality undertaking owed pursuant to clause 21.3; or

(d) is required to be disclosed by any applicable laws, judicial processes, government, governmental or semi-governmental or judicial entity, ministry, inspectorate, official, public or statutory person or other statutory, administrative, supervisory or regulatory entity, federal, state or local, or the rules or regulations of any recognised stock exchange, to the extent so required, and the disclosing party will promptly notify the other party of that requirement.

21.5 **Permitted Disclosure**

Any party may disclose Confidential Information to:

(a) its directors and employees;

(b) its consultants, lawyers, auditors, accountants, financial institution or rating agencies and to the extent required in relation to the financing of a party's business activities, its lawyers, bankers and financial advisers;

(c) a related body corporate of a party (or any of its directors, employees, consultants, financiers, accountants, auditors, bankers, financial advisers or lawyers); or

(d) the Contract Administrator and the Coordinator of Energy,

to the extent those persons have a need to know the Confidential Information, provided that the disclosing party is responsible for ensuring those persons keep the Confidential Information confidential and that those persons comply with the confidentiality obligations of the disclosing party set out in this clause 21.

21.6 **Publishing Document**

Generation and Retail must each publish a full copy of this document (excluding all Confidential Information) as amended from time to time, on their respective web sites, in a place on each web site which is easily accessible without a password or code.

21.7 **Survival of Clause**

This clause 21 survives the end of this document.

22. GENERAL

22.1 **Governing law**

This document is governed by the law in force in Western Australia.

22.2 **Liability for expenses**

Each party must pay its own expenses incurred in drafting, negotiating, executing, stamping and registering this document.

22.3 **Giving effect to this document**

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that any other party may reasonably require to give full effect to this document.

22.4 **Waiver of rights**

A right may only be waived in writing, signed by the party giving the waiver and approved and signed by the Contract Administrator, and:

(a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;

(b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and

(c) the exercise of a right does not prevent any further exercise of that right or of any other right.

22.5 **Operation of this document**

(a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.

(b) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.

22.6 **Operation of Provisions**

Clauses 10, 14.7, 15, 16 and 19 to the extent that they give rise to a liability to pay money which remains unpaid at the date of the expiry or termination of the document, survive the expiry or termination of this document.

22.7 **Consents**

Where this document contemplates that a party may agree or consent to something (however it is described), the party may:

(a) agree or consent, or not agree or consent, in its absolute discretion; and

(b) agree or consent subject to conditions,

unless this document expressly contemplates otherwise.

22.8 **Time is of the essence**

Time is of the essence in respect of the parties' obligations under this document.

22.9 **Severance of terms**

If any term or other part of this document is or becomes for any reason invalid or unenforceable at law, the remainder of this document shall continue to be valid and enforceable and such term or other part of this document shall be severed or modified without affecting the remainder of this document, unless this would materially change the intended effect of this document..

22.10 **Exercise of rights**

(a) A party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy.

(b) A single or partial exercise of a right, power or remedy by a party does not prevent a further exercise of that or any other right, power or remedy.

(c) Failure by a party to exercise or delay in exercising a right, power or remedy does not prevent its exercise.

22.11 **Remedies cumulative**

The rights, powers and remedies provided in this document are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this document.

22.12 **Publicity**

A party may not make press or other announcements or releases relating to this document and the transactions the subject of this document without the approval of the other party and the Contract Administrator as to the form and manner of the announcement or release.

SCHEDULE 1

GLOSSARY

1. GLOSSARY

The words and expressions and corresponding acronyms set out in this glossary shall bear the same meaning as set out in the definitions in clause 1.1. The "Type" in relation to an acronym indicates the following:

(a) "Calc" means that the term is calculated in the corresponding clause;

(b) "CD" means cost data provided by the relevant party;

(c) "SD" means data that is specified in schedule 1 to schedule 10 or otherwise in this document;

(d) "MD" means measured data derived under the Market Rules; and

(e) "Nom" means data that is nominated by the relevant party.

The reference to a clause is where the term is first calculated or, if it is not calculated, where it is first used in schedule 2 to schedule 11.

GLOSSARY

Acronym	Defined Term	Units	Type	Schedule	Clause
ACC	Additional Capacity Cap	MW	Calc	2	4.2
ACHC	Aggregate Churn Capacity	MW	SD	2	1.3(a)
ADAFQ	Additional Day Ahead Fixed Quantity	MWh	Nom	-	Clause 6.1
ADQ	Authorised Deviation Quantity	MWh	MD	-	Clause 6.6
AGGR	Actual Genco Generation Revenue	$	Calc	5	2.1
AMLF	Average Monthly Load Factor	Factor	Calc	2	2.4
ARR	Average Refund Rate	$/MW	SD	3	3.13
ASSA	Ancillary Service Settlement Amount	$	MD	3	3.1
AVEP	Average Energy Profile	MWh	Calc	2	5.6
BF(e)	Tariff Energy Fraction	-	SD	8	-
$BF(e)_m$	VC Energy Fraction	-	SD	8	-
$BF(e)_{mi}$	ISC Energy Fraction	-	SD	8	-
BF(r)	Tariff Revenue Fraction	-	SD	8	-
$BF(r)_m$	VC Revenue Fraction	-	SD	8	-
$BF(r)_{mi}$	ISC Revenue Fraction	-	SD	8	-
BQ	Total Imbalance Volume	MWh	MD	5	2.2
B1IL	Band 1 Imbalance Limit	MWh	Calc	-	Clause 8.7
CC	Capacity Cap	MW	Calc	2	1.3
CCAA	Credited Capacity	MW	SD	8	-

Acronym	Defined Term	Units	Type	Schedule	Clause
	Adjustment Amount				
CE	Capacity Effect	MW	Calc	-	Clause 14.2
COB	Cost of Balancing	$	Calc	5	2.3
COCSA	Commitment and Outage Compensation Settlement Amount	$	MD	3	3.1
CRE	Capacity Refund Expectation	$	Calc	3	3.13
D	Day Type	-	-	8	-
$DAEC_d$	Daily Additional Energy Charge	$	Calc	-	Clause 7.5
DAFQ	Day Ahead Fixed Quantity	MWh	MD	-	Clause 6.1
DCP	Data Collection Period	Time	SD	5	1.2
DEC_d	Daily Energy Charge	$	Calc	-	Clause 7.4
$DMPC_d$	Daily SubMINN Nomination Charge	$	Calc	-	Clause 7.7
DSM	Demand Side Management	MW	MD	2	1.3
DUA	Daily Uplift Allowance	MWh	Calc	2	5.4
DUF	Daily Uplift Factor	-	SD	8	-
EEC	Estimated Energy Component	MWh	Calc	3	3.10
EFOR	Expected Forced Outage Rate	-	SD	8	-
EMU Price	Emu Downs Price	$	SD	8	-
EMUQ	EMUQ	MW	SD	8	-
EMUQV	Emu Downs Minimum Quantity	MWh	SD	8	-

Acronym	Defined Term	Units	Type	Schedule	Clause
EN	Expected Nomination	MWh	Calc	2	5.3
EP_{dt}	Daily Energy Profile	MWh	Calc	2	5.5
EP	Energy Price	$	CD	-	Clause 7.4
GBE	Generation Balancing Energy	MW	MD	7	3.2
Genco ISCRC	Genco ISC Revenue Component	$	Calc	3	3.9
Genco ISCRC (CO)	Genco ISC Revenue Component (CO)	$	Calc	5	2.2(a)
Genco VCRC	Genco VC Revenue Component	$	Calc	3	3.8
Genco VCRC (CO)	Genco VC Revenue Component (CO)	$	Calc	5	2.2(a)
GP	Generation Proportion	Factor	Calc	7	3.2
I	Each individual ISC customer	-	-	3	3.2
ICC	Initial Capacity Credits	MW	SD	2	1.3
IMO	Independent Market Operator	-	-	-	-
IRCR	Individual Reserve Capacity Requirement	MW	MD	2	3.1
ISC EEC	ISC Estimated Energy Component	$	Calc	3	3.12
ISCFP	ISC Fixed Payment	$	SD	8	-
ISCLCMD	ISC Latent CMD	MW	Calc	2	1.3
ISCMP	ISC Margin Payment	$/MWh	SD	8	-
ISCVC	ISC Vesting Component	$	Calc	3	3.4
LFAP	Load Factor Adjustment Percentage	-	SD	8	-

Acronym	Defined Term	Units	Type	Schedule	Clause
LFSPC	Load Following Service Payment Cost	$	MD	3	3.1
LTIEPF	Lowest Trading Interval Energy Profile Factor	-	MD	2	5.1
MAEC	Monthly Additional Energy Cap	MWh	Calc	2	4.1
MAXN	Trading Interval Maximum Nomination	MWh	Calc	2	5.2
$MBAA_m$	Monthly Balancing Adjustment Amount	$	Calc	-	Clause 8.2
MCAP	Marginal Cost Administered Price	$	MD	-	Clause 6.6
MDLP	Market Data Lag Period	Time	SD	9	-
MEA_m	Monthly Energy Amount	MWh	Calc	-	Clause 7.6
MEC	Monthly Energy Cap	MWh	Calc	2	2.1
MEE	Monthly Expected Energy	MWh	Calc	2	2.2
MET Fraction	Minimum Energy Take Fraction	Fraction	SD	8	-
MF	Market Fees	$	MD	3	3.1
MMET	Monthly Minimum Energy Take	MWh	Calc	2	3
MINN	Trading Interval Minimum Nomination	MWh	Calc	2	5.1
MTD	Cumulative Minimum Total Displacement Amount	MW	SD	2	1.3
MTDE	Minimum Total Displacement Energy	MW	CD	2	2.5
$MTPC_m$	Monthly Take or Pay	$MWh	Calc	-	Clause

Acronym	Defined Term	Units	Type	Schedule	Clause
	Charge				7.6
MUE	Monthly Uplift Energy	MWh	Calc	2	2.3
MW	Megawatts	-	-	-	-
MWh	Megawatt Hours	-	-	-	-
NC	Normal Capacity	MW	Calc	-	Clause 14.2
ND_d	The number of Trading Days that Interval "t" in Day Type "d" occurs n the relevant Data Collection Period	-	-	2	5.6
N_i	Total Network Costs for ISC Customer	$	CD	3	3.2
NIA_m	Negative Imbalance Amount	MWh	Calc	-	Clause 8.3
NonGenco ISCSC	NonGenco ISC Supply Component	$	Calc	3	3.7
NonGenco VCSC	NonGenco VC Supply Component	$	Calc	3	3.6
N_{vt}	Total Network Costs for Vested Tariff	$	CD	3	3.1
PIA_m	Positive Imbalance Amount	MWh	Calc	-	Clause 8.4
PP2 Price	PP2 Price	$/MWh	SD	8	-
PP2Q	PP2 Quantity	MW	SD	8	-
PP2QV	PP2QV	MWh	SD	8	-
Q_i	ISC Quantity	MWh	MD	3	3.2

Acronym	Defined Term	Units	Type	Schedule	Clause
Q_v	Tariff Quantity	MWh	MD	3	3.1
R	Revenue	$	CD	3	3.1
RF	Regulator Fees	$	MD	3	3.1
RGRC	Required Genco Revenue Component	$	Calc	5	2.2
Rp	Relevant Reset Period	-	-	-	-
RSA	Reconciliation Settlement Amount	$	CD	3	3.1
RVD	Retail Vesting Demand	MWh	MD	2	5.5
SOF	System Operation Fees	$	MD	3	3.1
$SRVestNeed_{rp}$	$SRVestNeed_{rp}$	$	Calc	3	3.3
SWIS	South West Interconnected System	-	-	-	-
T	Trading Interval	-	-	-	-
TBE	Total Balancing Energy	MWh	MD	7	3.2
TDAFQ	Total Day Ahead Fixed Quantity	MWh	Nom	-	Clause 6.1
TE	Total Retail Energy Purchase	$	MD	3	3.1
TIEC	Trading Interval Energy Cap	MWh	Calc	2	5.7
TIEPF	Trading Interval Energy Profile Factor	Factor	Calc	2	5.6
TIL	Tolerance Imbalance Limit	MWh	Calc	-	Clause 8.6
TIV	Total Imbalance Volume	MWh	Calc	-	Clause 8.5
TOPP	Take Or Pay Price	$/MWh	SD	8	-

Acronym	Defined Term	Units	Type	Schedule	Clause
VCEEC	VC Estimated Energy Component	$	Calc	3	3.11
VCFC	VC Fixed Charge	$	SD	3	2.1
VCFP	VC Fixed Payment	$	SD	8	-
VCMP	VC Margin Payment	$/MWh	SD	8	-
VCVC	VC Vesting Component	$	Calc	3	3.3
V	Vested Tariff	-	-	3	3.1
VWAD	Volume Weighted Average Duration	Fraction	Calc	3	3.14

SCHEDULE 2

VOLUME

1. **CAPACITY CAP**

1.1 **Initial Capacity Cap**

The Capacity Cap for the first Reset Period, and if there is a Market Start Reset, for the second Reset Period, is 3,305 MW.

1.2 **Subsequent Capacity Caps**

(a) The Capacity Cap for each subsequent Reset Period will be an amount determined by the Contract Administrator for the relevant Reset Period in accordance with clause 1.3 of this schedule 2.

(b) If there is a delay in determining the Capacity Cap for any subsequent Reset Period, the Capacity Cap for the subsequent Reset Period will be the same as the Capacity Cap for the previous Reset Period until the new Capacity Cap is determined.

1.3 **Capacity Cap Calculation**

Subject to clauses 1.1 and 1.2 of this schedule 2, the Capacity Cap in a relevant Reset Period (**CC_{rp}**) is an amount (in MW) being the lowest of the following:

(a) an amount (**CC_{rp}**) in MW calculated as follows:

$$CC_{rp} = IRCR_{rp} + DSM_{rp} - ACHC_{rp} - MTD_{rp} - EMUQ + ISCLCMD_{rp}$$

where:

$IRCR_{rp}$	=	the Individual Reserve Capacity Requirement of Retail at the relevant Reset Date;
DSM_{rp}	=	the Demand Side Management for Loads for which Retail is the Market Customer at the relevant Reset Date;
$ACHC_{rp}$	=	the Aggregate Churn Capacity at the relevant Reset Date;
MTD_{rp}	=	the Cumulative Minimum Total Displacement Amount at the relevant Reset Date;
EMUQ	=	the EMUQ as specified in schedule 8;
$ISCLCMD_{rp}$	=	the sum of each ISC Latent CMD for the relevant Reset Period; and

Rp = the relevant Reset Period;

(b) an amount calculated as follows:

$CC_{rp} = ICC_{rp} – CCAA_{rp}$

where:

ICC_{rp} = a capacity (in MW) equivalent to the number of Initial Capacity Credits specified in schedule 8; and

$CCAA_{rp}$ = the Credited Capacity Adjustment Amount at the relevant Reset Date as specified in schedule 8; or

(c) an amount calculated as follows:

$CC_{rp} = CC_{rp-1} + ISCLCMD_{rp}$

where:

CC_{rp-1} = the Capacity Cap in the previous Reset Period; and

$ISCLCMD_{rp}$ = the sum of each ISC Latent CMD for the relevant Reset Period.

2. MONTHLY ENERGY CAP

2.1 Calculation

The Monthly Energy Cap for Trading Month "m" (MEC_m) during the relevant Reset Period is an amount (in MWh) calculated as follows:

$MEC_m = MEE_m + MUE_m$

where:

MEE_m = the Monthly Expected Energy for the relevant Trading Month "m"; and

MUE_m = the Monthly Uplift Energy for the relevant Trading Month "m".

2.2 Monthly Expected Energy

The Monthly Expected Energy for Trading Month "m" (MEE_m) is an amount (in MWh) calculated as follows:

$$MEE_m = \frac{CC_{rp} \times n \times AMLF_m}{TPFraction}$$

where:

CC_{rp}	=	the Capacity Cap for the Reset Period in which Trading Month "m" falls;
n	=	the number of Trading Intervals in Trading Month "m";
$AMLF_m$	=	the Average Monthly Load Factor for Trading Month "m" as determined in accordance with clause 2.4 of this schedule 2; and
TPFraction	=	the number of Trading Intervals in one hour.

2.3 Monthly Uplift Energy

The Monthly Uplift Energy for Trading Month "m" (MUE_m) is an amount (in MWh) calculated as follows:

$$MUE_m = \frac{CC_{rp} \times n \times LFAP}{TPFraction}$$

where:

CC_{rp}	=	the Capacity Cap for the Reset Period in which Trading Month "m" falls;
n	=	the number of Trading Intervals in Trading Month "m";
LFAP	=	the Load Factor Adjustment Percentage; and
TPFraction	=	the number of Trading Intervals in one hour.

2.4 Average Monthly Load Factor

(a) For each Trading Month in the first Reset Period and if there is a Market Start Reset, in the second Reset Period, of the Term, the $AMLF_m$ for Trading Month "m" is a value set out for the relevant Trading Month in schedule 8.

(b) Subject to clause 2.4(a) of this schedule 2, the Average Monthly Load Factor for Trading Month "m" ($AMLF_m$) in a Reset Period is based on the information collected for the equivalent Trading Month in the relevant Data Collection Period and is calculated as a factor as follows:

$$AMLF_m = \frac{\sum_{t=1}^{t=n} TTV_t + \sum_{t=1}^{t=n} TISC_t}{\left(IRCR_{rp} - ACHC_{rp}\right) x \frac{n}{TPFraction}}$$

where:

t	=	each Trading Interval in the Trading Month in the relevant Data Collection Period which is equivalent to Trading Month "m";
n	=	the number of Trading Intervals in the Trading Month in the relevant Data Collection Period which is equivalent to Trading Month "m";
TTV_t	=	the Tariff Quantity for all Vested Tariffs in the Trading Month which is equivalent to Trading Month "m", using the data for that Trading Month collected in the relevant Data Collection Period in which that Trading Month falls;
$TISC_t$	=	the ISC Quantity for all ISC Customers in the Trading Month which is equivalent to Trading Month "m", using the data for that Trading Month collected in the relevant Data Collection Period in which that Trading Month falls;
$IRCR_{rp}$	=	the Individual Reserve Capacity Requirement of Retail for the previous Reset Period (and for the Reset Period commencing on 1 October 2007, will be the Individual Reserve Capacity Requirement of Retail as at Energy Market Commencement);
$ACHC_{rp}$	=	the Aggregate Churn Capacity for the previous Reset Period (and for the Reset Period commencing on 1 October 2007, will be zero); and
TPFraction	=	the number of Trading Intervals in one hour.

(c) Where there is no Trading Month in the relevant Data Collection Period which is equivalent to Trading Month "m" because the month which would otherwise have been that Trading Month occurs before the Energy Market Commencement, then for the purpose of the formula in clause 2.4(b) of this schedule 2, "TTV_t" and "$TISC_t$" are to be taken to be the equivalent quantities for that month of the Tariff Quantity for all Vested Tariffs, and the ISC Quantity for all ISC Customers respectively, measured and determined in the same way as if that month were a Trading Month, using information provided by Retail to the Contract Administrator.

(d) Retail must provide to the Contract Administrator as soon as is reasonably possible after the end of a month referred to in clause 2.4(c) of this schedule 2 all information, including metered data, required by the Contract Administrator to

enable the Contract Administrator to determine the equivalent quantities for that month of the Tariff Quantity for all Vested Tariffs, and the ISC Quantity for all ISC Customers, in the same way as if that month were a Trading Month.

(e) For the purposes of clause 2.4(b), "previous Reset Period" means the Reset Period before the Reset Period in which Trading Month "m" occurs.

2.5 **Minimum Total Displacement Energy**

The Minimum Total Displacement Energy for the relevant Reset Period (**$MTDE_{rp}$**) is calculated as follows:

$$MTDE_{rp} = \sum_{m=1}^{m=12} \frac{MTD_{rp} \times AMLF_m \times n}{TPFraction}$$

where:

MTD_{rp}	=	the Cumulative Minimum Total Displacement Amount at the relevant Reset Date;
$AMLF_m$	=	the Average Monthly Load Factor for Trading Month "m" as determined in accordance with clause 2.4 of this schedule 2
TPFraction	=	the number of Trading Intervals in one hour;
$_m$	=	each Trading Month in the Reset Period; and
n	=	the number of Trading Intervals in Trading Month "m".

3. **MONTHLY MINIMUM ENERGY TAKE**

The Monthly Minimum Energy Take for Trading Month "m" (**$MMET_m$**) is an amount (in MWh) calculated as follows:

$MMET_m = MEE_m$ x MET Fraction

where:

MEE_m	=	the Monthly Expected Energy for Trading Month "m"; and
MET Fraction	=	the MET Fraction as specified in schedule 8.

4. **MONTHLY ADDITIONAL ENERGY CAP**

4.1 **Monthly Additional Energy Cap**

The Monthly Additional Energy Cap for Trading Month "m" (**$MAEC_m$**) is an amount (in MWh) calculated as follows:

$$MAEC_m = ACC_{rp} \times n \times (AMLF_m + LFAP)$$

where:

ACC_{rp} = the Additional Capacity Cap for the Reset Period in which Trading Month "m" falls;

n = the number of hours in Trading Month "m";

$AMLF_m$ = the Average Monthly Load Factor for Trading Month "m"; and

LFAP = the Load Factor Adjustment Percentage.

4.2 **Additional Capacity Cap**

(a) The Additional Capacity Cap for each Trading Month in the first Reset Period is zero.

(b) The Additional Capacity Cap for each Trading Month in each subsequent Reset Period is an amount (in MW) equal to the greater of:

(i) zero; and

(ii) an amount calculated as follows:

$$ACC_{rp} = IRCR_{rp} + DSM_{rp} - ACHC_{rp} - MTD_{rp} - EMUQ - CC_{rp} + ISCLCMD_{rp}$$

where:

$IRCR_{rp}$, DSM_{rp}, $ACHC_{rp}$, MTD_{rp}, EMUQ and $ISCLCMD_{rp}$ have the respective meanings as set out in clause 1.3(a) of this schedule 2 for the relevant Reset Period; and

CC_{rp} is the Capacity Cap for the relevant Reset Period.

5. **TRADING INTERVAL NOMINATION LIMITS**

5.1 **Trading Interval Minimum Nomination**

The Trading Interval Minimum Nomination for each Trading Interval of a Day Type that occurs in Trading Month "m" (**$MINN_t$**) is an amount (in MWh) calculated as follows:

$$MINN_t = LTIEPF \times \frac{MEE_m}{n} \times (1 - MinNAF)$$

where:

LTIEPF = the Lowest Trading Interval Energy Profile Factor for any Trading Interval of the relevant Day Type in Trading Month "m";

MEE_m = the Monthly Expected Energy for Trading Month "m"; and

n = the number of Trading Intervals in Trading Month "m".

MinNAF = the Minimum Nomination Adjustment Factor.

5.2 Trading Interval Maximum Nomination

The Trading Interval Maximum Nomination for a Trading Interval (**$MAXN_t$**) for each Day Type in a relevant Trading Month "m" is an amount (in MWh) calculated as follows:

$$MAXN_t = EN_t + DUA_t$$

where:

EN_t = the Expected Nomination for the relevant Trading Interval "t"; and

DUA_t = the Daily Uplift Allowance for the relevant Trading Interval "t".

5.3 Expected Nomination

The Expected Nomination for a Trading Interval that occurs in Trading Month "m" (**EN_t**) is an amount (in MWh) calculated as follows:

$$EN_t = \frac{TIEPF_{dt} \times MEE_m}{n}$$

where:

$TIEPF_{dt}$ = the Trading Interval Energy Profile Factor for the relevant Trading Interval and Day Type in Trading Month "m";

MEE_m = the Monthly Expected Energy for Trading Month "m";

n = the number of Trading Intervals in Trading Month "m"; and

m = the relevant Trading Month.

5.4 Daily Uplift Allowance

The Daily Uplift Allowance for a Trading Interval that occurs in Trading Month "m" (**DUA_t**) is an amount (in MWh) calculated as follows:

$$DUA_t = \frac{TIEPF_{dt} \times MEE_m \times DUF_d}{n}$$

where:

$TIEPF_{dt}$ = the Trading Interval Energy Profile Factor for the relevant Trading Interval and Day Type in Trading Month "m";

MEE_m = the Monthly Expected Energy for the relevant Trading Month "m";

n = the number of Trading Intervals in Trading Month "m";

DUF_d = the Daily Uplift Factor for the Day Type specified in schedule 8;

m = the relevant Trading Month; and

d = the relevant Day Type.

5.5 Daily Energy Profile

(a) There is no need to calculate the Daily Energy Profile for each Trading Interval for each Day Type for the first Reset Period and, if there is a Market Start Reset, for the second Reset Period, as the Trading Interval Energy Profile Factor for each of these Trading Intervals is set out in schedule 8, and the Daily Energy Profile is used only to calculate the Trading Interval Energy Profile Factor under clause 5.6(b) of this schedule 2.

(b) The Daily Energy Profile for each Trading Interval for each Day Type for the second and each subsequent Reset Period (**EP_{dt}**) occurring at a specific time in a Day Type is an amount (in MWh) based on the information collected for the equivalent Trading Interval in the relevant Data Collection Period and is calculated as follows:

$$EP_{dt} = \frac{\sum_{t=1}^{t=n} RVD_t}{n}$$

where:

RVD_t = the Retail Vesting Demand for the equivalent Trading Interval in the relevant Data Collection Period;

n = the total number of Trading Intervals which occur at the same time in the relevant Day Type in the relevant Data Collection Period; and

t = each Trading Interval which occurs at the same time in the relevant Day Type in the relevant Data Collection Period.

5.6 Trading Interval Energy Profile Factor

(a) The Trading Interval Energy Profile Factor for each Trading Interval for each Day Type in the first Reset Period and if there is a Market Start Reset, for the second Reset Period, is set out in schedule 8.

(b) For each Trading Interval for each Day Type for the second and each subsequent Reset Period, the Trading Interval Energy Profile Factor (TIEPFdt) is a factor calculated as follows:

$$TIEPF_{dt} = \frac{EP_{dt}}{AVEP_{rp}}$$

where:

EP_{dt} = the Daily Energy Profile for Trading Interval "t" in Day Type "d"; and

$AVEP_{rp}$ = the Average Energy Profile, which is calculated below:

$$AVEP_{rp} = \frac{\sum_{t=1}^{t=p} \left(\sum_{d=1}^{d=9} EP_{dt} \times ND_{d} \right)_{t}}{n}$$

where:

EP_{dt} = the Daily Energy Profile for Trading Interval "t" in Day Type "d";

ND_{d} = the number of Trading Days that Trading Interval "t" in Day Type "d" occurs in the relevant Data Collection Period;

d = a Day Type in the relevant Data Collection Period;

t = a Trading Interval in the relevant Data Collection Period;

p = all Trading Intervals "t" in all Day Types "d" in the relevant Data Collection Period (being 48 Trading Intervals in each of 9 Day Types); and

n = the total number of Trading Intervals in the relevant Data Collection Period.

5.7 Trading Interval Energy Cap

The Trading Interval Energy Cap for each Trading Interval in a Reset Period, (**$TIEC_t$**) is an amount (in MWh) calculated as follows:

$$TIEC_t = \frac{CC_{rp}}{TP\ Fraction}$$

where:

CC_{rp}	=	the Capacity Cap for the Reset Period; and
TPFraction	=	the number of Trading Intervals in one hour.

SCHEDULE 3

FIXED CHARGES

1. FIXED CHARGE AMOUNTS

1.1 Initial Fixed Charge

(a) The VC Fixed Charge in the first Reset Period, and if there is a Market Start Reset, in the second Reset Period, is $ per annum.

(b) The ISC Fixed Charge in the first Reset Period , and if there is a Market Start Reset, in the second Reset Period, is $ per annum.

1.2 Subsequent Fixed Charges

(a) The VC Fixed Charge and the ISC Fixed Charge for each subsequent Reset Period will be an amount determined by the Contract Administrator for the relevant Reset Period in accordance with clauses 2.1 and 2.2 of this schedule 3 (respectively).

(b) If there is a delay in determining the VC Fixed Charge or the ISC Fixed Charge for any subsequent Reset Period, the respective VC Fixed Charge and ISC Fixed Charge for the subsequent Reset Period will be the same as the respective VC Fixed Charge and ISC Fixed Charge for the previous Reset Period until the respective new charge is determined.

2. FIXED CHARGE CALCULATIONS

2.1 VC Fixed Charge Calculation

The VC Fixed Charge for the relevant Reset Period (**VC Fixed Charge$_{rp}$**) ($) is an amount calculated as follows:

$$\text{VC Fixed Charge}_{rp} = \text{Genco VCRC}_{rp} - \text{VC EEC}_{rp} + \left(\text{CRE}_{rp} \times \text{VC Share}_{rp}\right)$$

where:

GencoVCRC_{rp}	=	the Genco VC Revenue Component for the relevant Reset Period;
VC EEC_{rp}	=	the VC Estimated Energy Component for the relevant Reset Period;
CRE_{rp}	=	the Capacity Refund Expectation for the relevant Reset Period; and
VC Share_{rp}	=	the VC Share for the relevant Reset Period.

2.2 ISC Fixed Charge calculation

The ISC Fixed Charge for the relevant Reset Period (**ISC Fixed Charge$_{rp}$**) ($) is an amount calculated as follows:

$$\text{ISC Fixed Charge}_{rp} = \text{Genco ISCRC}_{rp} - \left(\text{ISC EEC}_{rp} \times \text{VWAD}\right) + \left(\text{CRE}_{rp} \times \left(1 - \text{VC Share}_{rp}\right)\right)$$

where:

Genco ISCRC$_{rp}$	=	the Genco ISC Revenue Component for the relevant Reset Period;
ISC EEC$_{rp}$	=	the ISC Estimated Energy Component for the relevant Reset Period;
CRE$_{rp}$	=	the Capacity Refund Expectation for the relevant Reset Period; and
VC Share$_{rp}$	=	the VC Share for the relevant Reset Period.
VWAD	=	the Volume Weighted Average Duration for the relevant Reset Period.

3. UNDERLYING CALCULATIONS

3.1 Generation Total VC Netback

The Generation Total VC Netback for the relevant Reset Period (**Generation Total VC Netback$_{rp}$**) ($) is an amount calculated as follows:

$$\begin{pmatrix}\text{Generation}\\ \text{Total VC}\\ \text{Netbackrp}\end{pmatrix} = \frac{\sum_{vt=1}^{vt=no} R_{vt}}{BF(r)_m} - \frac{\sum_{vt=1}^{vt=no} N_{vt}}{BF(r)_m} - \left(\text{VCMP} \times \frac{\sum_{vt=1}^{vt=no} Q_{vt}}{BF(e)_m}\right) - \text{Constant VCFP Portion} - \text{Adjusted VCFP Portion} - \text{OtherCost(VC)}$$

where:

vt	=	each Vested Tariff;
R_{vt}	=	the Total Revenue for Vested Tariff "vt" for the Calendar Netback Month;
$BF(r)_m$	=	the Tariff Revenue Fraction for the Calendar Netback Month;
N_{vt}	=	the Total Network Costs for Vested Tariff "vt" for the Calendar Netback Month;
VCMP	=	the VC Margin Payment for the relevant Reset Period as specified in schedule 8;

Q_{vt} = the Tariff Quantity for Vested Tariff "vt" for the Netback Month;

$BF(e)_m$ = the Tariff Energy Fraction for the Calendar Netback Month;

Constant VCFP Portion = 70% of the VC Fixed Payment for the relevant Reset Period as specified in schedule 8;

Adjusted VCFP Portion = $\text{VCFP x } 0.3 \text{ x } \frac{CC}{IRCR}$

where:

VCFP = the VC Fixed Payment for the relevant Reset Period as specified in schedule 8;

CC = the Capacity Cap (in MW) for the relevant Reset Period;

IRCR = the Individual Reserve Capacity Requirement of Retail (in MW) at the relevant Reset Date;

no = the number of Vested Tariffs existing during the relevant Data Collection Period; and

$$\text{OtherCost(VC)} = (\text{ASSA} - \text{LFSPC} + \text{COCSA} + \text{RSA} + \text{MF} + \text{SOF} + \text{RF} + \text{ECC}) \times \frac{\sum_{vt=1}^{vt=no} Q_{vt}}{TE_{nm}}$$

where:

ASSA = the Ancillary Service Settlement Amount paid by Retail for the relevant Data Collection Period;

LFSPC = the Load Following Service Payment Cost received by Retail for the relevant Data Collection Period;

COCSA = the Commitment and Outage Compensation Settlement Amount paid by Retail for the relevant Data Collection Period;

RSA = the Reconciliation Settlement Amount (where a debit is considered to be positive in the above calculation) paid by Retail for the relevant Data Collection Period;

TE_{nm} = the Total Retail Energy Purchase in the Netback Month;

MF	=	the Market Fees paid by Retail for the relevant Data Collection Period;
SOF	=	the System Operation Fees paid by Retail for the relevant Data Collection Period;
RF	=	the Regulator Fees paid by Retail for the relevant Data Collection Period;
Q_{vt}	=	as above;
no	=	the number of Vested Tariffs existing during the relevant Data Collection Period; and
ECC	=	the Excess Capacity Cost for the relevant Data Collection Period.

3.2 Generation Total ISC Netback

The Generation Total ISC Netback for a relevant Reset Period (**Generation Total ISC Netback$_{rp}$**) ($) is an amount calculated as follows:

$$\begin{pmatrix}\text{Generation}\\ \text{Total ISC}\\ \text{Netback}_{rp}\end{pmatrix} = \left\{\sum_{i=1}^{i=n}\left(\frac{Ri}{BF(r)mi} - \frac{Ni}{BF(r)mi} - ISCMP \times \frac{Qi}{BF(e)mi} - ISCFPi - OtherCost_i\right) \times Duration_i\right\}$$

where:

i	=	each individual ISC Customer;
n	=	the total number of individual ISC Customers at the end of the Calendar Netback Month;
R_i	=	the Total Revenue for ISC Customer "i" under its ISC Contract in the Calendar Netback Month;
$BF(r)_{mi}$	=	the ISC Revenue Fraction for the Calendar Netback Month;
N_i	=	the Total Network Costs for ISC Customer "i" in the Calendar Netback Month;
ISCMP	=	the ISC Margin Payment for the relevant Reset Period as specified in schedule 8;
Q_i	=	the ISC Quantity for ISC Customer "i" as delivered in the Netback Month;
$BF(e)_{mi}$	=	ISC Energy Fraction for the Calendar Netback Month;

$ISCFP_i$ = ISC Fixed Payment x $\frac{Q_i}{\sum_{i=1}^{i=n} Q_i}$

where:

ISC Fixed Payment is the amount for the relevant Reset Period as specified in schedule 8;

Q_i = as above;

i = each ISC Customer in the Netback Month;

n = the number of ISC Customers in the Netback Month;

$OtherCost_i$ = $(ASSA - LFSPC + COCSA + RSA + MF + SOF + RF + ECC) \times \frac{Q_i}{TE_{nm}}$

where:

ASSA = the Ancillary Service Settlement Amount paid by Retail for the relevant Data Collection Period;

LFSPC = the Load Following Service Payment Cost received by Retail for the relevant Data Collection Period;

COCSA = the Commitment and Outage Compensation Settlement Amount paid by Retail for the relevant Data Collection Period;

RSA = the Reconciliation Settlement Amount (where a debit is considered to be positive in the above calculation) paid by Retail for the relevant Data Collection Period;

TE_{nm} = the Total Retail Energy Purchase in the Netback Month;

MF = the Market Fees paid by Retail for the relevant Data Collection Period;

SOF = the System Operation Fees paid by Retail for the relevant Data Collection Period;

RF = the Regulator Fees paid by Retail for the relevant Data Collection Period;

Q_i = as above; and

ECC = the Excess Capacity Cost for the relevant Data Collection Period; and

$Duration_i$ = that fraction (expressed as a decimal) for the relevant Reset Period for which the ISC Contract for ISC Customer "i" will continue, as defined in schedule 4.

3.3 VC Vesting Component

(a) Subject to clause 3.3(c), the VC Vesting Component for the relevant Reset Period (**$VCVC_{rp}$**) ($) is an amount calculated as follows:

$$VCVC_{rp} = \left(\begin{matrix}\text{Generation Total} \\ \text{VC Netback}_{rp}\end{matrix}\right) \times \left(\frac{CC_{rp}}{SRVestNeed_{rp}}\right)$$

where:

Generation Total VC Netback$_{rp}$	=	the Generation Total VC Netback for the relevant Reset Period;
CC_{rp}	=	the Capacity Cap for the relevant Reset Period; and
$SRVestNeed_{rp}$	=	$IRCR_{rp}$+ DSM_{rp} - $ACHC_{rp}$ - MTD_{rp} - $EMUQ_{rp}$ + $ISCLCMD_{rp}$ all which have the respective meanings as set out in clause 1.3(a) of schedule 2, for the relevant Reset Period.

(b) If the factor $\frac{\mathbf{CC_{rp}}}{\mathbf{SRVestNeed_{rp}}}$ in the formula in clause 3.3(a) of this schedule 3 is greater than 1, then that factor is to be replacd by 1 in that formula.

(c) For the Reset Period commencing on 1 October 2008 only, the VC Vesting Component is an amount calculated in accordance with the following formula:

$$VCVC = \text{Generation Total VC Netback}_{rp} \times \left(\frac{7}{12} + \frac{5}{12} \times \frac{CC_{rp}}{SRVestNeed_{rp}}\right)$$

where:

Generation Total VC Netback$_{rp}$	=	the Generation Total VC Netback for the Reset Period commencing on 1 October 2008;
CC_{rp}	=	the Capacity Cap for the Reset Period commencing on 1 October 2008; and
$SRVestNeed_{rp}$	=	$IRCR_{rp}$+ DSM_{rp} - $ACHC_{rp}$ - MTD_{rp} - $EMUQ_{rp}$ + $ISCLCMD_{rp}$ all which have the respective meanings as set out in clause 1.3(a) of schedule 2, for the Reset Period commencing on 1

October 2008.

3.4 ISC Vesting Component

(a) Subject to clause 3.4(c), the ISC Vesting Component for the relevant Reset Period (**ISC VC_{rp}**) ($) is an amount calculated as follows:

$$ISVC_{rp} = \left(\begin{matrix}\text{Generation Total} \\ \text{ISC Netback}_{rp}\end{matrix}\right) \times \left(\frac{CC_{rp}}{SRVestNeed_{rp}}\right)$$

where:

Generation Total ISC Netback$_{rp}$	=	the Generation Total ISC Netback for the relevant Reset Period;
CC_{rp}	=	the Capacity Cap for the relevant Reset Period; and
$SRVestNeed_{rp}$	=	the amount calculated in accordance with clause 3.3 of this schedule 3, for the relevant Reset Period.

(b) If the factor $\frac{\mathbf{CC_{rp}}}{\mathbf{SRVestNeed_{rp}}}$ in the formula in clause 3.4(a) of this schedule 3 is greater than 1, then that factor is to be replacd by 1 in that formula

(c) For the Reset Period commencing on 1 October 2008 only, the ISC Vesting Component is an amount calculated in accordance with the following formula:

$$ISVC = \text{Generation Total ISC Netback}_{rp} \times \left(\frac{7}{12} + \frac{5}{12} \times \frac{CC_{rp}}{SRVestNeed_{rp}}\right)$$

where:

Generation Total ISC Netback$_{rp}$	=	the Generation Total ISC Netback for Reset Period commencing on 1 October 2008;
CC_{rp}	=	the Capacity Cap for the Reset Period commencing on 1 October 2008; and
$SRVestNeed_{rp}$	=	the amount calculated in accordance with clause 3.3 of this schedule 3 for the Reset Period commencing on 1 October 2008.

3.5 VC Share

The VC Share, for the relevant Reset Period (**VC Share$_{rp}$**) is a fraction calculated as follows:

$$\text{VC Share}_{rp} = \frac{\text{TRVD - TISC Load}}{\text{TRVD}}$$

where:

$$\text{TRVD} = \sum_{i=1}^{i=n} \text{RVD}_i$$

where:

RVD_i = Retail Vesting Demand in Trading Interval "i";

i = each Trading Interval in the relevant Data Collection Period; and

n = the total number of Trading Intervals in the relevant Data Collection Period; and

$$\text{TISC Load} = \sum_{i=1}^{i=n} \text{ISC Load}_i$$

where:

ISC Load_i = the ISC Load in Trading Interval "i";

i = each Trading Interval in the relevant Data Collection Period; and

n = the total number of Trading Intervals in the relevant Data Collection Period.

3.6 NonGenco VC Supply Component

The NonGenco VC Supply Component for the relevant Reset Period (**NonGenco VCSC$_{rp}$**) ($) is an amount calculated as follows:

$$\text{NonGencoVCSC}_{rp} = \begin{pmatrix}\text{VC}\\ \text{Share}_{rp}\end{pmatrix} \times \left\{ \left(\text{MTDE}_{rp} - \text{PP2QV}\right) \times \frac{\left(\text{VCVC}_{rp}\right)}{Q_V} \right\} + \left(\text{PP2QV} \times \text{PP2Price}\right)$$

where:

VC Share_{rp} = the VC Share for the relevant Reset Period;

PP2QV = the PP2 Quantity (MWh) for the relevant Reset Period as specified in schedule 8;

PP2 Price = the PP2 Price ($/MWh) for the relevant Reset Period as specified in schedule 8;

$MTDE_{rp}$ = the Minimum Total Displacement Energy for the relevant Reset Period;

$VCVC_{rp}$ = the VC Vesting Component for the relevant Reset Period; and

Qv = the total Tariff Quantity for the relevant Reset Period calculated as follows:

$$\sum_{i=1}^{i=no} Qvt$$

where:

no = the number of Vested Tariffs during the relevant Data Collection Period; and

Q_{vt} = the Tariff Quantity for each Vested Tariff over the relevant Data Collection Period.

3.7 NonGenco ISC Supply Component

The NonGenco ISC Supply Component for the relevant Reset Period (**NonGenco $ISCSC_{rp}$**) ($) is an amount calculated as follows:

$$\text{NonGencoISCSC}_{rp} = (1 - \text{VCShare}_{rp}) \times \left\{ (\text{MTDE}_{rp} - \text{PP2QV}) \times \frac{(\text{ISCVC}_{rp})}{\text{Qi}_{rp}} \right\} + (\text{EMUQV} \times \text{EMUPrice})$$

where:

EMUQV = the Emu Downs Minimum Quantity for the relevant Reset Period as specified in schedule 8;

EMU Price = the Emu Downs Price for the relevant Reset Period as specified in schedule 8;

$VC\ Share_{rp}$ = the VC Share for the relevant Reset Period;

$MTDE_{rp}$ = the Minimum Total Displacement Energy for the relevant Reset Period;

$ISC\ VC_{rp}$ = the ISC Vesting Component for the relevant Reset Period;

PP2QV = the PP2 Quantity (MWh) for the relevant Reset Period as specified in schedule 8; and

Qi_{rp} = the total ISC Quantity for the relevant Reset Period calculated as follows:

$$\sum_{i=1}^{i=n} Q_i$$

where:

n = the number of ISC Customers during the relevant Data Collection Period; and

Q_i = the ISC Quantity for each ISC Customer over the relevant Data Collection Period.

3.8 **Genco VC Revenue Component**

The Genco VC Revenue Component for the relevant Reset Period (**Genco $VCRC_{rp}$**) ($) is an amount calculated as follows:

$$GencoVCRC_{rp} = VCVC_{rp} - NonGencoVCSC_{rp}$$

where:

$VCVC_{rp}$ = the VC Vesting Component for the relevant Reset Period; and

NonGenco $VCSC_{rp}$ = the NonGenco VC Supply Component for the relevant Reset Period.

3.9 **Genco ISC Revenue Component**

The Genco ISC Revenue Component for the relevant Reset Period (**Genco $ISCRC_{rp}$**) ($) is an amount calculated as follows:

$$Genco\ ISCRCr_p = ISCVC_{rp} - NonGenco\ ISCSC_{rp}$$

where:

ISC VC_{rp} = the ISC Vesting Component for the relevant Reset Period; and

NonGenco $ISCSC_{rp}$ = the NonGenco ISC Supply Component for the relevant Reset Period.

3.10 **Estimated Energy Component**

The Estimated Energy Component for the relevant Reset Period (**EEC_{rp}**) ($) is an amount calculated as follows:

$$EEC_{rp} = \sum_{t=1}^{t=n} EN_t \times Energy\ Price_t$$

where:

t	=	each Trading Interval "t" that occurs in the relevant Reset Period;
n	=	the total number of Trading Intervals that occurs in the relevant Reset Period;
EN_t	=	the Expected Nomination for Trading Interval "t" calculated in accordance with clause 5.3 of schedule 2; and
Energy $Price_t$	=	the Energy Price ($/MWh) for Trading Interval "t" based on the time and Day Type in which the Trading Interval occurs.

3.11 **VC Estimated Energy Component**

The VC Estimated Energy Component for the relevant Reset Period (**VC EEC_{rp}**) ($) is an amount calculated as follows:

VC EEC_{rp} = EEC_{rp} x VC $Share_{rp}$

where:

EEC_{rp}	=	the Estimated Energy Component for the relevant Reset Period; and
VC $Share_{rp}$	=	the VC Share for the relevant Reset Period.

3.12 **ISC Estimated Energy Component**

The ISC Estimated Energy Component for the relevant Reset Period (**ISC EEC_{rp}**) ($) is an amount calculated as follows:

ISC EEC_{rp} = EEC_{rp} x (1-VC $Share_{rp}$)

where:

EEC_{rp}	=	the Estimated Energy Component for the relevant Reset Period; and
VC $Share_{rp}$	=	the VC Share for the relevant Reset Period.

3.13 **Capacity Refund Expectation**

The Capacity Refund Expectation for the relevant Reset Period (**CRE_{rp}**) ($) is an amount calculated as follows:

$$CRE_{rp} = CC_{rp} \times EFOR \times ARR_{mnb}$$

where:

CC_{rp}	=	the Capacity Cap for Reset Period in which the Netback Month

falls, except in the case of the first Reset Period and if there is a Market Start Reset, the second Reset Period, in which case it is the amount (in MW) equivalent to the number of Initial Capacity Credits;

EFOR = the Expected Forced Outage Rate as specified in schedule 8; and

ARR_{mnb} = the Average Refund Rate ($/MW) for the Netback Month.

3.14 Volume Weighted Average Duration

The Volume Weighted Average Duration for the relevant Reset Period is a fraction calculated as follows:

$$VWAD = \frac{\sum_{i=1}^{n}\left(\text{Duration}_i \times \frac{Qi}{BF(e)_{mi}}\right)}{\sum_{i=1}^{n}\left(\frac{Qi}{BF(e)_{mi}}\right)}$$

where:

i = as defined in clause 3.2 of schedule 3.

$Duration_i$, = as defined in clause 3.2 of schedule 3.

Qi = as defined in clause 3.2 of schedule 3.

$BF(e)_{mi}$ = as defined in clause 3.2 of schedule 3.

SCHEDULE 4

DURATION CALCULATIONS

1. **DEFINITIONS**

In this Schedule (unless the context otherwise requires):

Early Terminated Contract means an ISC Contract which is:

(a) terminated for any reason; or

(b) materially renegotiated as to either price or quantities, or both,

prior to its specified expiry date.

Early Terminated Contract Termination Date means the date on which an Early Terminated Contract is:

(a) terminated for any reason; or

(b) materially renegotiated as to either price or quantities, or both,

prior to its specified expiry date.

Evergreen Contract means an Evergreen Contract Type 1, an Evergreen Contract Type 2, an Evergreen Contract Type 3, or an Evergreen Contract Type 4.

Evergreen Contract Type 1 means an ISC Contract where either Retail or the ISC Customer may elect to terminate the contract (other than as a consequence of a default) on or after a date occurring before 30 November 2008.

Evergreen Contract Type 2 means an ISC Contract where either Retail or the ISC Customer may elect to terminate the contract (other than as a consequence of a default) but only on or after a date occurring after 30 November 2008.

Evergreen Contract Type 3 means an ISC Contract where only the ISC Customer has the right to elect to terminate the contract (other than as a consequence of a default), and includes an ISC Contract which expires, and any right of renewal is exercisable only by the ISC Customer and after 30 November 2008.

Evergreen Contract Type 4 means an ISC Contract where only Retail has the right to elect to terminate the contract (other than as a consequence of a default).

Evergreen Contract Expiry Date means:

(a) for an Evergreen Contract Type 1, the Evergreen Contract Type 1 Expiry Date;

(b) for an Evergreen Contract Type 2, the Evergreen Contract Type 2 Expiry Date;

(c) for an Evergreen Contract Type 3, the Evergreen Contract Type 3 Expiry Date; and

(d) for an Evergreen Contract Type 4, the Evergreen Contract Type 4 Expiry Date.

Evergreen Contract Type 1 Expiry Date means the earlier of 30 November 2008 or the date on which either Retail or the ISC Customer elects to terminate the ISC Contract.

Evergreen Contract Type 2 Expiry Date is the date on which either Retail or the ISC Customer may first elect to terminate the ISC Contract.

Evergreen Contract Type 3 Expiry Date is the date on which the ISC Customer elects to terminate the ISC Contract.

Evergreen Contract Type 4 Expiry Date is the later of 30 November 2008, or the date on which Retail may first elect to terminate the ISC Contract.

Long-term Contract means an ISC Contract which expires, and any right of renewal is exercisable only by Retail and after 30 November 2008.

Long-term Contract Original Expiry Date means the date that a Long-term Contract expires if a right of renewal is not exercised.

Medium-term Contract means an ISC Contract which includes a right of renewal exercisable before 30 November 2008, and, where if it is exercised, the term of the contract would expire after 30 November 2008.

Medium-term Contract Expiry Date means, if a right of renewal under the Medium-term Contract is exercised, 30 November 2008.

Medium-term Contract Original Expiry Date means the date that a Medium-term Contract expires if the right of renewal is not exercised.

Short-term Contract means an ISC Contract which expires before 30 November 2008 or an ISC Contract which includes a right of renewal exercisable before 30 November 2008, and, where if it is exercised, the term of the contract would expire before 30 November 2008.

2. ISC CUSTOMER CONTRACT DURATION

2.1 Duration

The Duration of each type of ISC Contract for a relevant Reset Period is determined as follows.

2.2 Short-term Contracts

(a) If a Short-term Contract (whether or not the right of renewal has been exercised) expires after the end of the Reset Period, then the Duration of the Short-term Contract is 1.

(b) If a Short-term Contract (including where the right of renewal has been exercised) expires during the Reset Period, then the Duration of the Short-term Contract is

number of days from the start of the Reset Period up to and including the expiry date divided by the number of days in the Reset Period.

(c) In any other case, the Duration of the Short-term Contract is zero.

2.3 **Medium-term Contracts**

(a) If:

(i) the Medium-term Contract Original Expiry Date occurs after the last day of the Reset Period; or

(ii) where the right of renewal has been exercised and the Medium-term Contract Expiry Date occurs after the last day of the Reset Period,

then the Duration of the Medium-term Contract is 1.

(b) If the Medium-term Contract Original Expiry Date occurs during the Reset Period and the right of renewal has not been exercised, then the Duration of the Medium-term Contract is the number of days from the start of the Reset Period up to and including the Medium-term Contract Original Expiry Date divided by the number of days in the Reset Period.

(c) If the Medium-term Contract Expiry Date occurs during the Reset Period, then the Duration of the Medium-term Contract is the number of days from the start of the Reset Period up to and including the Medium-term Contract Expiry Date divided by the number of days in the Reset Period.

(d) In any other case, the Duration of the Medium-term Contract is zero.

2.4 **Long-term Contracts**

(a) If the Long-term Contract Original Expiry Date occurs after the last day of the Reset Period, then the Duration of the Long-term Contract is 1.

(b) If the Long-term Contract Original Expiry Date occurs during the Reset Period, then the Duration of the Long-term Contract is the number of days from the start of the Reset Period up to and including the Long-term Contract Original Expiry Date divided by the number of days in the Reset Period.

(c) In any other case, the Duration of the Long-term Contract is zero.

2.5 **Evergreen Contract**

(a) If the Evergreen Contract Expiry Date occurs after the last date of the Reset Period, then the Duration of the Evergreen Contract is 1.

(b) If the Evergreen Contract Expiry Date occurs during the Reset Period, then the Duration of the Evergreen Contract is the number of days from the start of the Reset Period up to, and including the Evergreen Contract Expiry Date, divided by the number of days in the Reset Period.

(c) In any other case, the Duration of the Evergreen Contract is zero.

2.6 **Early Terminated Contracts**

(a) If the Early Terminated Contract Termination Date occurs after the last day of the Reset Period, then the Duration of the Early Terminated Contract is 1.

(b) If the Early Terminated Contract Termination Date occurs during the Reset Period then the Duration of the Early Terminated Contract is the number of days from the start of the Reset period up to and including the Early Terminated Contract Termination Date, divided by the number of days in the Reset Period.

(c) In any other case, the Duration of the Early Terminated Contract is zero.

SCHEDULE 5

CARRY OVER

1. CARRY OVER AMOUNT

1.1 First Reset Period

If there is a Market Start Reset, there is no Carry Over Amount for the first Reset Period.

If there is no Market Start Reset, the Carry Over Amount for the first Reset Period is the amount ($) calculated in accordance with this schedule 5 at the Reset Date at the end of that Reset Period, by reference to the amounts calculated based on the data available following Energy Market Commencement.

1.2 Subsequent Reset Periods

Subject to clause 1.1 of this schedule 5, the Carry Over Amount for a Reset Period (**$CarryOver_{rp}$**) ($) is calculated in the Carry Over Processing Period following that Reset Period by reference to the actual amounts calculated over the Data Collection Period expiring before the Carry Over Processing Period as follows:

$$\text{Carry Over}_{dcp} = \left(AGGR_{dcp} - RGRC_{dcp} - COB_{dcp} + ITCCHI\right) \times \frac{(1- r^{12})}{12 \times (1-r)}$$

where:

$AGGR_{dcp}$	=	the Actual Genco Generation Revenue for the relevant Data Collection Period;
$RGRC_{dcp}$	=	the Required Genco Generation Revenue for the relevant Data Collection Period;
COB_{dcp}	=	the Cost of Balancing for the relevant Data Collection Period;
ITCCHI	=	the Initial Transitional Capacity Credit Hole Item for the relevant Data Collection Period; and
r	=	(1 + i/12)

where:

i is the annual interest rate equivalent to the average of each of the 12 monthly Bank Bill Rates in the relevant Data Collection Period.

2. FORMULA INPUTS

2.1 Actual Genco Generation Revenue

For the purposes of the calculation of the Carry Over Amount, the Actual Genco Generation Revenue for the Data Collection Period prior to the relevant Reset Date (**AGGR**) ($) is an amount calculated as follows:

$$AGGR_{dcp} = Fixed\ Amount_{dcp} - CRE_{dcp} + Energy\ Payments_{dcp}$$

where:

$Fixed\ Amount_{dcp}$	=	the sum of each Monthly VC Fixed Charge and Monthly ISC Fixed Charge for each Trading Month over the relevant Data Collection Period;
$Energy\ Payments_{dcp}$	=	the sum of the Monthly Energy Charge and the Monthly Take or Pay Charge for each Trading Month over the relevant Data Collection Period; and
CRE_{dcp}	=	the sum of the Capacity Refund Expectations for each Trading Month over the relevant Data Collection Period.

2.2 Required Genco Revenue Component

(a) For the purposes of the calculation of the Carry Over Amount, the Required Genco Revenue Component for the Data Collection Period prior to the Reset Date (**$RGRC_{rp}$**) ($) is an amount calculated as follows:

$$RGRC_{dcp} = Genco\ VCRC(CO)_{dcp} + Genco\ ISCRC(CO)_{dcp} + EEP_{dcp}$$

where:

$Genco\ VCRC(CO)_{dcp}$	=	the Genco VC Revenue Component which is calculated in accordance with the formulae and terms used in clause 3.8 of schedule 3 for the Data Collection Period prior to the Reset Date but on the basis that the term "Generation Total VC Netback" in clause 3.1 of schedule 3 is replaced by "Generation Total VC Netback (CO)" as calculated below;
$Genco\ ISCRC(CO)_{dcp}$	=	the Genco ISC Revenue Component which is calculated in accordance with the formulae and terms used in clause 3.9 of schedule 3 for the Data Collection Period prior to the Reset Date but on the basis that the term "Generation Total ISC Netback" in clause 3.2 of schedule 3 is replaced by "Generation Total ISC Netback (CO)" as calculated below; and
EEP_{dcp}	=	the Excess Energy Payment which is the greater of

zero and the amount produced by the following formula:

$$\left[\left(\sum_{t=1}^{t=i} DAFQ - \sum_{t=1}^{t=i} BQ_t\right) - \left(\left(\sum_{vt=1}^{vt=no} Q_{vty} + \sum_{i=1}^{i=n} Q_{iy}\right) - MTDE_{rp} - EMUQV\right)\right] \text{ x } (\text{Average Vesting Price x Excess Energy Margin})$$

where:

$\sum_{t=1}^{t=i} DAFQ_t$	=	the Day Ahead Fixed Quantity (in MWh) in each Trading Interval "t" in the Data Collection Period prior to the Reset Date summed over all Trading Intervals in the Data Collection Period;
$\sum_{t=1}^{t=i} BQ_t$	=	the Total Imbalance Volume (in MWh) for Trading Interval "t" in the Data Collection Period prior to the Reset Date summed over all Trading Intervals in the Data Collection Period;
Q_{vty}	=	the Tariff Quantity for the Data Collection Period prior to the Reset Date for Vested Tariff "vt";
Q_{iy}	=	the ISC Quantity for the Data Collection Period prior to the Reset Date for ISC Customer "i";
MTDE	=	the Minimum Total Displacement Energy (in MWh) for the Displacement Date on or immediately before the Reset Date;
EMUQV	=	the Emu Downs Minimum Quantity for the Data Collection Period prior to the Reset Date as specified in schedule 8;
Average Vesting Price	=	the Average Vesting Price for the Data Collection Period prior to the Reset Date;
Excess Energy Margin	=	the Excess Energy Margin for the Data Collection Period prior to the Reset Date as specified in schedule 8;
no	=	the number of Vested Tariffs existing during the relevant Data Collection Period;
n	=	the number of ISC Customers in the relevant Data Collection Period; and
i	=	the total number of Trading Intervals in the relevant Data Collection Period.

(b) The Generation Total VC Netback (CO) for a relevant Reset Period (**Generation Total VC Netback (CO)** $_{rp}$) ($) is an amount calculated as follows:

$$\begin{pmatrix}\text{Generation}\\ \text{Total VC}\\ \text{Netback (CO)}_{rp}\end{pmatrix} = \sum_{vt=1}^{vt=no} R_{vty} - \sum_{vt=1}^{vt=no} N_{vty} - VCMP \times \sum_{vt=1}^{vt=no} Q_{vty} - Constant\ VCFP\ Portion - Adjusted\ VCFP\ Portion - OtherCost(VC)_y$$

where:

vt = each Vested Tariff;

no = the number of Vested Tariffs existing during the relevant Data Collection Period;

R_{vty} = the Total Revenue for Vested Tariff "vt" for the calendar period equivalent to the relevant Data Collection Period;

N_{vty} = the Total Network Costs for Vested Tariff "vt" for the calendar period equivalent to the relevant Data Collection Period;

VCMP = the VC Margin Payment for the relevant Reset Period as specified in schedule 8;

Q_{vty} = the Tariff Quantity for Vested Tariff "vt" for the calendar period equivalent to the relevant Data Collection Period;

Constant VCFP Portion = 70% of the VC Fixed Payment for the financial year in which the Reset Date occurs as specified in schedule 8; and

Adjusted VCFP Portion = $VCFP \times 0.3 \times \frac{CC}{IRCR}$

where:

VCFP = the VC Fixed Payment for the relevant Reset Period as specified in schedule 8;

CC = the Capacity Cap (in MW) for the relevant Reset Period;

IRCR = the Individual Reserve Capacity Requirement of Retail (in MW) in the relevant Netback Month; and

$OtherCost(VC)_y = (ASSA - LFSPC + COCSA + RSA + MF + SOF + RF + ECC) \times \frac{\sum_{t=1}^{t=no} Q_{vty}}{TE_y}$

where:

LFSPC	=	the Load Following Service Payment Cost received by Retail for the relevant Data Collection Period;
ASSA	=	the Ancillary Service Settlement Amount paid by Retail for the relevant Data Collection Period;
COCSA	=	the Commitment and Outage Compensation Settlement Amount paid by Retail for the relevant Data Collection Period;
RSA	=	the Reconciliation Settlement Amount (where a debit is considered to be positive in the above calculation) paid by Retail for the relevant Data Collection Period;
Q_{vty}	=	as above;
TE_y	=	the Total Retail Energy Purchase in the relevant Data Collection Period;
MF	=	the Market Fees paid by Retail for the relevant Data Collection Period;
SOF	=	the System Operation Fees paid by Retail for the relevant Data Collection Period;
RF	=	the Regulator Fees paid by Retail for the relevant Data Collection Period;
no	=	the number of Vested Tariffs existing during the relevant Data Collection Period; and
ECC	=	the Excess Capacity Cost for the relevant Data Collection Period.

(c) The Generation Total ISC Netback (CO) for a relevant Reset Period (**Generation Total ISC Netback $(CO)_{rp}$**) ($) is an amount calculated as follows:

$$\begin{pmatrix}\text{Generation}\\ \text{Total ISC}\\ \text{Netback } (CO)_{rp}\end{pmatrix} = \left\{\sum_{i=1}^{i=n}\left(R_{iy} - N_{iy} - ISCMP \times Q_{iy} - ISCFP_{iy} - OtherCost_{iy}\right)\right\}$$

where:

i	=	each individual ISC Customer;
n	=	the number of ISC Customers in the relevant Data Collection Period;
R_{iy}	=	the Total Revenue for ISC Customer "i" under its ISC

Contract in the relevant Data Collection Period;

N_{iy} = the Total Network Costs for ISC Customer "i" in the relevant Data Collection Period;

ISCMP = the ISC Margin Payment for the relevant Reset Period as specified in schedule 8;

Q_{iy} = the ISC Quantity for ISC Customer "i" as delivered in the relevant Data Collection Period;

$ISCFP_{iy}$ = $$\text{ISC Fixed Payment} \times \frac{Q_{iy}}{\sum_{i=1}^{i=n} Q_{iy}}$$

where:

ISC Fixed Payment is the amount for the relevant Reset Period as specified in schedule 8;

$_{i}$ = each ISC Customer in the relevant Data Collection Period;

$_{n}$ = the number of ISC Customers in the relevant Data Collection Period; and

Q_{iy} = as above.

$OtherCost_{iy}$ = $$\left(ASSA - LFSPC + COCSA + RSA + MF + SOF + RF + ECC\right) \times \frac{Q_{iy}}{TE_{y}}$$

where:

ASSA = the Ancillary Service Settlement Amount paid by Retail for the relevant Data Collection Period;

LFSPC = the Load Following Service Payment Cost received by Retail for the relevant Data Collection Period;

COCSA = the Commitment and Outage Compensation Settlement Amount paid by Retail for the relevant Data Collection Period;

RSA = the Reconciliation Settlement Amount (where a debit is considered to be positive in the above calculation) paid by Retail for the relevant Data Collection Period;

MF = the Market Fees paid by Retail for the relevant Data Collection Period;

SOF	=	the System Operation Fees paid by Retail for the relevant Data Collection Period;
RF	=	the Regulator Fees paid by Retail for the relevant Data Collection Period;
no	=	the number of Vested Tariffs existing during the relevant Data Collection Period;
Q_{iy}	=	as above; and
ECC	=	the Excess Capacity Cost for the relevant Data Collection Period.
TE_y	=	the Total Retail Energy Purchase in the relevant Data Collection Period.

2.3 **Cost of Balancing**

For the purposes of the calculation of the Carry Over Amount, the Cost of Balancing for the relevant Data Collection Period (**COB_{dcp}**) ($) is calculated as follows:

$$COB_{dcp} = \sum_{t=1}^{t=n} BQ_t \times EP_t$$

where:

BQ_t	=	the Total Imbalance Volume in Trading Interval "t";
EP_t	=	the Energy Price applicable to Trading Interval "t";
t	=	each Trading Interval in the relevant Data Collection Period; and
n	=	the total number of Trading Intervals in the relevant Data Collection Period.

SCHEDULE 6

PRICES

1. **VARIABLE ENERGY PRICE**

The Energy Price for a Trading Interval will vary depending on the time of day, time of week and time of year in which the Trading Interval falls.

2. **ENERGY PRICE**

The Energy Prices (in $/MWh) for all Reset Periods are the amounts set out in the following table. The Energy Prices will not be subsequently reset for any Reset Periods.

DEFINITION	TYPE OF DAY	SEASON	TIME PERIOD	ENERGY PRICE
Hot Weekday Peak	Weekdays	November to March	11.00 am to 5.00 pm	
Cold Weekday Peak	Weekdays	May to September	11.00 am to 5.00 pm	
Mild Weekday Peak	Weekdays	April and October	11.00 am to 5.00 pm	
Hot Weekday Off-Peak	Weekdays	November to March	9.00 pm to 12.00 pm 00.00 am to 7.00 am	
Cold Weekday Off-Peak	Weekdays	May to September	9.00 pm to 12.00 pm 00.00 am to 7.00 am	
Mild Weekday Off-Peak	Weekdays	April and October	9.00 pm to 12.00 pm 00.00 am to 7.00 am	
Hot Weekday Shoulder	Weekdays	November to March	7.00 am to 11.00 am 5.00 pm to 9.00 pm	
Cold Weekday Shoulder	Weekdays	May to September	7.00 am to 11.00 am 5.00 pm to 9.00 pm	
Mild Weekday Shoulder	Weekdays	April and October	7.00 am to 11.00 am 5.00 pm to 9.00 pm	
Hot Saturday Peak	Saturdays	November to March	11.00 am to 5.00 pm	
Cold Saturday Peak	Saturdays	May to	11.00 am to 5.00 pm	

DEFINITION	TYPE OF DAY	SEASON	TIME PERIOD	ENERGY PRICE
		September		
Mild Saturday Peak	Saturdays	April and October	11.00 am to 5.00 pm	
Hot Saturday Off-Peak	Saturdays	November to March	9.00 pm to 12.00 pm 00.00 am to 7.00 am	
Cold Saturday Off-Peak	Saturdays	May to September	9.00 pm to 12.00 pm 00.00 am to 7.00 am	
Mild Saturday Off-Peak	Saturdays	April and October	9.00 pm to 24.00 pm 00.00 am to 7.00 am	
Hot Saturday Shoulder	Saturdays	November to March	7.00 am to 11.00 am 5.00 pm to 9.00 pm	
Cold Saturday Shoulder	Saturdays	May to September	7.00 am to 11.00 am 5.00 pm to 9.00 pm	
Mild Saturday Shoulder	Saturdays	April and October	7.00 am to 11.00 am 5.00 pm to 9.00 pm	
Hot SunPub Peak	Sunday and Public Holidays	November to March	11.00 am to 5.00 pm	
Cold SunPub Peak	Sunday and Public Holidays	May to September	11.00 am to 5.00 pm	
Mild SunPub Peak	Sunday and Public Holidays	April and October	11.00 am to 5.00 pm	
Hot SunPub Off-Peak	Sunday and Public Holidays	November to March	9.00 pm to 12.00 pm 00.00 am to 7.00 am	
Cold SunPub Off-Peak	Sunday and Public Holidays	May to September	9.00 pm to 12.00 pm 00.00 am to 7.00 am	
Mild SunPub Off-Peak	Sunday and Public Holidays	April and October	9.00 pm to 12.00 pm 00.00 am to 7.00 am	

DEFINITION	TYPE OF DAY	SEASON	TIME PERIOD	ENERGY PRICE
Hot SunPub Shoulder	Sunday and Public Holidays	November to March	7.00 am to 11.00 am 5.00 pm to 9.00 pm	
Cold SunPub Shoulder	Sunday and Public Holidays	May to September	7.00 am to 11.00 am 5.00 pm to 9.00 pm	
Mild SunPub Shoulder	Sunday and Public Holidays	April and October	7.00 am to 11.00 am 5.00 pm to 9.00 pm	

3. TAKE OR PAY PRICE

The Take or Pay Price is the price specified in schedule 8.

SCHEDULE 7

GENERATION PROPORTION

1. INITIAL GENERATION PROPORTION

(a) The Generation Proportion for any part of the first Reset Period prior to Energy Market Commencement if there is not a Market Start Reset, and for the first Reset Period if there is a Market Start Reset, is zero.

(b) The Generation Proportion for any part of the first Reset Period after Energy Market Commencement if there is not a Market Start Reset, and for the second Reset Period if there is a Market Start Reset, is one.

2. SECOND RESET PERIOD

The Generation Proportion for the second Reset Period if there is not a Market Start Reset, and for the third Reset Period if there is a Market Start Reset, is one.

3. SUBSEQUENT RESET PERIODS

3.1 Delays

(a) The Generation Proportion for each subsequent Reset Period will be an amount determined by the Contract Administrator for the relevant Reset Period in accordance with clause 3.2 of this schedule 7.

(b) If there is delay in determining the Generation Proportion for any subsequent Reset Period, the Generation Proportion for the subsequent Reset Period will be the same as the Generation Proportion for the previous Reset Period until the new Generation Proportion is determined.

3.2 Calculation of Generation Proportion

The Generation Proportion (expressed as a fraction) for a Reset Period (**GP_{rp}**) is an amount calculated as follows:

$$GP_{rp} = \frac{\sum_{t=1}^{t=n} GBE_t}{\sum_{t=1}^{t=n} TBE_t}$$

where:

t	=	each Trading Interval in the relevant Data Collection Period;
n	=	the number of Trading Intervals in the relevant Data Collection Period;
GBE_t	=	Generation Balancing Energy for Trading Interval "t"; and
TBE_t	=	the Total Balancing Energy for Trading Interval "t".

SCHEDULE 8

SPECIFIED DATA

Data	Units	Specified Data
Additional Energy Margin	Factor	1.05
Average Monthly Load Factor	Factor	Month Factor July 0.4209 August 0.4147 September 0.3967 October 0.4044 November 0.4192 December 0.4353 January 0.4501 February 0.4653 March 0.4559 April 0.4291 May 0.4266 June 0.4432
Balancing Limit	Percent	15%
Band 1 Limit Factor	Factor	0.10
Band 1 Percentage	Percent	3%
$BF(e)_m$	Fraction	Month Fraction July 0.0826 August 0.0807 September 0.0735 October 0.0798 November 0.0803 December 0.0869 January 0.0902 February 0.0842 March 0.0909 April 0.0817 May 0.0840 June 0.0852
$BF(e)_{mi}$	Fraction	Month Fraction July 0.0849 August 0.0859 September 0.0838 October 0.0801 November 0.0796

Data	Units	Specified Data
		December 0.0831 January 0.0847 February 0.0790 March 0.0871 April 0.0833 May 0.0853 June 0.0833
$BF(r)_m$	Fraction	Month Fraction July 0.0851 August 0.0835 September 0.0760 October 0.0790 November 0.0795 December 0.0859 January 0.0889 February 0.0829 March 0.0896 April 0.0812 May 0.0835 June 0.0850
$BF(r)_{mi}$	Fraction	Month Fraction July 0.0846 August 0.0856 September 0.0832 October 0.0798 November 0.0798 December 0.0838 January 0.0845 February 0.0795 March 0.0878 April 0.0836 May 0.0853 June 0.0827
CCAA	MW	Year (Capacity Year) Accumulated Capacity 2007 -202 MW (For the avoidance of doubt, this means that 202 MW is added to, and not subtracted from, the Initial Capacity Credits in clause 1.3(b) of schedule 2.)

Data	Units	Specified Data
		2008 212 MW 2009 and each Capacity Year thereafter 406 MW
EFOR	Fraction	2%
EMU Price	$/MWh	
EMUQ	MW	22.6 MW
EMUQV	MWh	Reset Period (commencing 1 October) MWh 2006 0 MWh 2007 onwards 198,000 MWh
Excess Energy Margin	Factor	1.1
Initial Capacity Credits	MW	3,103 MW
Imbalance Tolerance Limit Factor	Factor	0.05
Interest Rate Margin	Percent	2%
ISCFP	$	Reset Period (commencing 1 October) $ 2006 $ 2007 $ 2008 $ 2009 onwards $
ISCMP	$/MWh	Reset Period (commencing 1 October) $/MWh 2006 $ 2007 $ 2008 $ 2009 $ 2010 onwards $
Load Factor Adjustment Percentage	Percent	8%
MAXN	MWh	See Table below entitled "MAXN"
MET Fraction	Fraction	0.70
MINN	MWh	See Table below entitled "MINN"

Data	Units	Specified Data
Minimum Nomination Adjustment Factor	Percent	8%
PP2 Price	$/MWh	
PP2Q	MW	Reset Period (commencing 1 October) MW 2006 0MW 2007 0MW 2008 0MW 2009 onwards 152MW
PP2QV	MWh	Reset Period (commencing 1 October) MWh 2006 0MWh 2007 0MWh 2008 0MWh 2009 onwards 1,030,760MWh
Residual Percentage	Percent	8%
SubMINNLimit	Percent	7%
SubMINNTILimit	Value	175
SubMINNNomFactor	Percent	20%
$TOPP_m$	$/MWh	
Total Imbalance Limit Factor	Factor	0.70
VCFP	$	

Data	Units	Specified Data	
VCMP	$/MWh	Reset Period (commencing 1 October)	$/MWh
		2006	$
		2007	$
		2008	$
		2009	$
		2010 onwards	$

DAILY UPLIFT FACTOR

	Peak	Offpeak	Shoulder
Cold Saturday	0.26	0.27	0.36
Cold SunPubday	0.37	0.32	0.43
Cold Weekday	0.23	0.29	0.33
Hot Saturday	0.51	0.28	0.48
Hot SunPubday	0.52	0.33	0.49
Hot Weekday	0.58	0.43	0.56
Mild Saturday	0.22	0.20	0.29
Mild SunPubday	0.17	0.23	0.27
Mild Weekday	0.28	0.17	0.25

TRADING INTERVAL ENERGY PROFILE FACTOR

(and each Day Type)

Trading Period commencing:	Cold Saturday	Cold SunPubday	Cold Weekday	Hot Saturday	Hot SunPubday	Hot Weekday	Mild Saturday	Mild SunPubday	Mild Weekday
0:00	0.815491	0.781576	0.814397	0.829711	0.819333	0.849028	0.769141	0.744704	0.783429
0:30	0.784261	0.761408	0.772611	0.810229	0.797394	0.816229	0.750349	0.729406	0.750903
1:00	0.759014	0.744876	0.744741	0.793373	0.779399	0.793743	0.733199	0.713669	0.727494
1:30	0.738475	0.725965	0.729169	0.776956	0.763071	0.779975	0.717603	0.698001	0.714421
2:00	0.72222	0.70651	0.720346	0.762803	0.748894	0.771869	0.705576	0.686062	0.708697
2:30	0.710887	0.692482	0.713575	0.753245	0.738013	0.766474	0.697733	0.679025	0.705166
3:00	0.704476	0.686281	0.708484	0.747841	0.730373	0.762439	0.692656	0.674787	0.701492
3:30	0.701204	0.684328	0.707185	0.744289	0.725258	0.760164	0.689072	0.671532	0.699628
4:00	0.699342	0.682288	0.710627	0.741576	0.722495	0.760685	0.687579	0.670075	0.702341
4:30	0.700224	0.681043	0.719178	0.741131	0.722128	0.765279	0.690097	0.67216	0.710746
5:00	0.70811	0.685425	0.737015	0.745141	0.723462	0.77694	0.69835	0.67778	0.726816
5:30	0.726353	0.697644	0.773724	0.754972	0.725872	0.801612	0.71325	0.685374	0.756481
6:00	0.754506	0.714577	0.839017	0.77159	0.730938	0.84593	0.735253	0.694478	0.806836
6:30	0.790026	0.73272	0.933377	0.79647	0.74263	0.911472	0.764629	0.707188	0.878055
7:00	0.832316	0.754287	1.041032	0.830813	0.764266	0.98973	0.801089	0.726511	0.957726
7:30	0.882879	0.785347	1.133886	0.873443	0.795191	1.064027	0.842987	0.753429	1.026193
8:00	0.939705	0.82726	1.189288	0.919735	0.830823	1.120276	0.886547	0.78536	1.071176
8:30	0.992692	0.871673	1.205673	0.963052	0.866082	1.156622	0.925795	0.816854	1.09509
9:00	1.028307	0.905987	1.198614	0.99763	0.898361	1.180597	0.954311	0.841899	1.10671
9:30	1.040895	0.924232	1.184972	1.020861	0.927027	1.198915	0.968724	0.856787	1.111213
10:00	1.03684	0.930202	1.173027	1.034011	0.951555	1.213223	0.97112	0.86202	1.110543
10:30	1.026388	0.930304	1.163073	1.041335	0.971939	1.223923	0.967227	0.861675	1.108152
11:00	1.014912	0.927596	1.152898	1.047522	0.990216	1.233508	0.9618	0.860379	1.108265
11:30	1.002911	0.923071	1.142204	1.054505	1.009189	1.244194	0.95595	0.860305	1.111323
12:00	0.990495	0.918195	1.132934	1.060433	1.028671	1.254642	0.948607	0.860569	1.113879
12:30	0.978478	0.9133	1.126384	1.06247	1.044456	1.261923	0.939427	0.858947	1.113818
13:00	0.966245	0.905745	1.121022	1.060726	1.052583	1.266263	0.929377	0.853935	1.113059
13:30	0.952232	0.893365	1.114181	1.058508	1.054138	1.271104	0.919207	0.845706	1.113759
14:00	0.937652	0.879545	1.105923	1.058563	1.05415	1.277916	0.9091	0.836235	1.114519
14:30	0.927226	0.871464	1.099768	1.060486	1.05612	1.283665	0.900328	0.828909	1.113008
15:00	0.924499	0.872578	1.098642	1.062688	1.059439	1.285362	0.895764	0.826924	1.110727
15:30	0.928365	0.879712	1.101577	1.065635	1.062293	1.285197	0.897352	0.83084	1.111455
16:00	0.937131	0.89011	1.106878	1.070944	1.065093	1.287578	0.90384	0.838143	1.114977
16:30	0.955804	0.910256	1.1187	1.077202	1.069479	1.290952	0.913055	0.847148	1.11645
17:00	0.99528	0.953341	1.147027	1.079344	1.075084	1.286323	0.926943	0.862045	1.11445
17:30	1.060277	1.025022	1.197218	1.074513	1.079737	1.267144	0.951816	0.891751	1.116374
18:00	1.136136	1.110043	1.257999	1.067336	1.083265	1.239327	0.990324	0.940427	1.130771
18:30	1.190665	1.175193	1.302402	1.066055	1.088795	1.217147	1.032236	0.997028	1.154112

Trading Period commencing:	Cold Saturday	Cold SunPubday	Cold Weekday	Hot Saturday	Hot SunPubday	Hot Weekday	Mild Saturday	Mild SunPubday	Mild Weekday
19:00	1.199104	1.194909	1.308269	1.072818	1.098309	1.209001	1.056374	1.036456	1.168683
19:30	1.167912	1.174237	1.279054	1.079526	1.10765	1.209033	1.048193	1.03924	1.158034
20:00	1.124592	1.138458	1.237008	1.074941	1.107977	1.20244	1.015186	1.011177	1.123919
20:30	1.089039	1.105885	1.198285	1.055763	1.093034	1.178717	0.978465	0.97521	1.082102
21:00	1.061471	1.07643	1.161168	1.028133	1.063754	1.139124	0.951317	0.946335	1.043664
21:30	1.031443	1.039557	1.115384	0.998471	1.025121	1.091577	0.930123	0.920743	1.006664
22:00	0.992082	0.988089	1.057006	0.966839	0.981024	1.041816	0.903371	0.886811	0.964354
22:30	0.945381	0.925661	0.991762	0.930601	0.934057	0.991151	0.866606	0.842444	0.916006
23:00	0.897535	0.863918	0.927177	0.891603	0.888308	0.940105	0.826824	0.798308	0.867137
23:30	0.853447	0.81436	0.867198	0.856397	0.849101	0.891365	0.793422	0.76538	0.822512

MINN -MINIMUM NOMINATIONS (MWh)

Month	Day Type	All Hours
October	Mild Saturday	461.0
October	Mild SunPubday	449.3
October	Mild Weekday	469.1
November	Hot Saturday	516.1
November	Hot SunPubday	502.8
November	Hot Weekday	529.3
December	Hot Saturday	535.2
December	Hot SunPubday	521.5
December	Hot Weekday	548.9
January	Hot Saturday	553.7
January	Hot SunPubday	539.5
January	Hot Weekday	567.9
February	Hot Saturday	572.5
February	Hot SunPubday	557.8
February	Hot Weekday	587.2
March	Hot Saturday	561.1
March	Hot SunPubday	546.8
March	Hot Weekday	575.6
April	Mild Saturday	489.3
April	Mild SunPubday	476.8
April	Mild Weekday	497.9
May	Cold Saturday	495.0
May	Cold SunPubday	482.1
May	Cold Weekday	500.6
June	Cold Saturday	514.5
June	Cold SunPubday	501.1
June	Cold Weekday	520.3
July	Cold Saturday	488.3
July	Cold SunPubday	475.5
July	Cold Weekday	493.8
August	Cold Saturday	481.4
August	Cold SunPubday	468.8
August	Cold Weekday	486.8
September	Cold Saturday	459.7
September	Cold SunPubday	447.6
September	Cold Weekday	464.8

MAXN - MAXIMUM NOMINATIONS (MWh)

Mild

	April			October		
	Mild Saturday	Mild Sunday	Mild Weekday	Mild Saturday	Mild Sunday	Mild Weekday
0:00	658	653	651	620	615	614
0:30	642	639	624	605	603	588
1:00	627	626	605	591	590	570
1:30	614	612	594	579	577	560
2:00	604	601	589	569	567	555
2:30	597	595	586	563	561	552
3:00	593	592	583	559	557	550
3:30	590	589	582	556	555	548
4:00	588	587	584	554	554	550
4:30	591	589	591	556	555	557
5:00	598	594	604	563	560	569
5:30	610	601	629	575	566	593
6:00	629	609	671	593	574	632
6:30	654	620	730	617	584	688
7:00	734	657	855	692	619	806
7:30	773	681	916	728	642	863
8:00	813	710	956	766	669	901
8:30	849	739	978	800	696	921
9:00	875	761	988	824	717	931
9:30	888	775	992	837	730	935
10:00	890	780	991	839	735	934
10:30	887	779	989	836	734	932
11:00	837	718	1006	789	676	948

	April			October		
	Mild Saturday	Mild Sunday	Mild Weekday	Mild Saturday	Mild Sunday	Mild Weekday
11:30	832	718	1009	784	676	951
12:00	826	718	1011	778	676	953
12:30	818	717	1011	770	675	953
13:00	809	712	1010	762	671	952
13:30	800	705	1011	754	665	953
14:00	791	698	1012	746	657	953
14:30	784	691	1010	738	652	952
15:00	780	690	1008	735	650	950
15:30	781	693	1009	736	653	951
16:00	787	699	1012	741	659	954
16:30	795	707	1014	749	666	955
17:00	850	780	995	801	735	937
17:30	873	806	997	822	760	939
18:00	908	850	1009	855	801	951
18:30	946	902	1030	892	850	971
19:00	968	937	1043	913	883	983
19:30	961	940	1034	905	886	974
20:00	931	914	1003	877	862	945
20:30	897	882	966	845	831	910
21:00	814	830	868	767	782	818
21:30	796	807	837	750	761	789
22:00	773	777	802	728	733	756
22:30	742	739	762	699	696	718
23:00	708	700	721	667	659	679
23:30	679	671	684	640	632	644

Cold

	May			June			July		
	Cold Saturday	Cold Sunday	Cold Weekday	Cold Saturday	Cold Sunday	Cold Weekday	Cold Saturday	Cold Sunday	Cold Weekday
0:00	731	730	746	760	758	775	721	720	736
0:30	703	711	707	731	739	735	694	701	698
1:00	681	695	682	708	723	709	671	686	673
1:30	662	678	668	688	704	694	653	669	659
2:00	648	660	660	673	686	686	639	651	651
2:30	637	646	653	663	672	679	629	638	645
3:00	632	641	649	657	666	674	623	632	640
3:30	629	639	648	654	664	673	620	630	639
4:00	627	637	651	652	662	676	619	628	642
4:30	628	636	659	653	661	685	619	627	650
5:00	635	640	675	660	665	701	626	631	666
5:30	651	651	708	677	677	736	643	642	699
6:00	677	667	768	703	693	799	667	658	758
6:30	708	684	855	736	711	888	699	675	843
7:00	803	763	983	834	793	1022	792	752	969
7:30	851	794	1070	885	825	1113	840	783	1056
8:00	906	836	1123	942	869	1167	894	825	1108
8:30	957	881	1138	995	916	1183	944	869	1123
9:00	992	916	1132	1031	952	1176	978	904	1116
9:30	1004	934	1119	1043	971	1163	990	922	1104
10:00	1000	940	1107	1039	978	1151	986	928	1092
10:30	990	941	1098	1029	978	1141	976	928	1083
11:00	902	897	1006	938	932	1046	890	884	993
11:30	892	892	997	927	927	1036	880	880	983
12:00	881	887	989	915	922	1028	869	875	976

	May			June			July		
	Cold Saturday	Cold Sunday	Cold Weekday	Cold Saturday	Cold Sunday	Cold Weekday	Cold Saturday	Cold Sunday	Cold Weekday
12:30	870	883	983	904	918	1022	858	871	970
13:00	859	875	978	893	910	1017	847	864	965
13:30	847	863	973	880	898	1011	835	852	959
14:00	834	850	965	867	884	1003	822	839	952
14:30	824	842	960	857	876	998	813	831	947
15:00	822	843	959	854	877	997	811	832	946
15:30	825	850	962	858	884	999	814	839	949
16:00	833	860	966	866	894	1004	822	849	953
16:30	850	880	976	883	915	1015	838	868	963
17:00	960	964	1083	998	1002	1126	947	951	1068
17:30	1023	1036	1130	1063	1077	1175	1009	1022	1115
18:00	1096	1122	1188	1139	1167	1234	1081	1107	1172
18:30	1148	1188	1230	1194	1235	1278	1133	1172	1213
19:00	1156	1208	1235	1202	1256	1284	1141	1192	1218
19:30	1126	1187	1207	1171	1234	1255	1111	1171	1191
20:00	1085	1151	1168	1127	1196	1214	1070	1135	1152
20:30	1050	1118	1131	1092	1162	1176	1036	1103	1116
21:00	952	1005	1063	989	1045	1105	939	991	1049
21:30	925	970	1021	961	1009	1062	912	957	1007
22:00	890	922	968	925	959	1006	878	910	955
22:30	848	864	908	881	898	944	836	852	896
23:00	805	806	849	837	838	882	794	796	837
23:30	765	760	794	796	790	825	755	750	783

Cold

	August			September		
	Cold Saturday	Cold Sunday	Cold Weekday	Cold Saturday	Cold Sunday	Cold Weekday
0:00	711	710	725	679	678	692
0:30	684	691	688	653	660	657
1:00	662	676	663	632	646	633
1:30	644	659	649	615	629	620
2:00	630	641	641	601	612	612
2:30	620	629	635	592	600	607
3:00	614	623	631	587	595	602
3:30	611	621	630	584	593	601
4:00	610	619	633	582	591	604
4:30	611	618	640	583	590	612
5:00	618	622	656	590	594	627
5:30	633	633	689	605	605	658
6:00	658	649	747	628	619	713
6:30	689	665	831	658	635	794
7:00	781	742	956	745	708	913
7:30	828	772	1041	791	737	994
8:00	881	813	1092	842	777	1043
8:30	931	857	1107	889	818	1057
9:00	964	891	1100	921	851	1051
9:30	976	909	1088	932	868	1039
10:00	972	915	1077	929	873	1028
10:30	963	915	1068	919	873	1020
11:00	877	872	979	838	833	934
11:30	867	868	970	828	828	926

	August			September		
	Cold Saturday	Cold Sunday	Cold Weekday	Cold Saturday	Cold Sunday	Cold Weekday
12:00	856	863	962	818	824	918
12:30	846	858	956	808	820	913
13:00	835	851	952	798	813	909
13:30	823	840	946	786	802	903
14:00	811	827	939	774	789	896
14:30	802	819	934	765	782	891
15:00	799	820	933	763	783	890
15:30	803	827	935	766	790	893
16:00	810	837	940	774	799	897
16:30	826	856	950	789	817	907
17:00	933	937	1053	891	895	1006
17:30	994	1008	1099	949	962	1050
18:00	1066	1091	1155	1017	1042	1103
18:30	1117	1155	1196	1066	1103	1142
19:00	1125	1175	1201	1074	1122	1147
19:30	1095	1154	1174	1046	1102	1121
20:00	1055	1119	1136	1007	1069	1084
20:30	1021	1087	1100	975	1038	1050
21:00	926	977	1034	884	933	987
21:30	899	944	993	859	901	948
22:00	865	897	941	826	857	899
22:30	824	840	883	787	802	843
23:00	783	784	826	747	749	788
23:30	744	739	772	711	706	737

Hot

	November			December			January		
	Hot Saturday	Hot Sunday	Hot Weekday	Hot Saturday	Hot Sunday	Hot Weekday	Hot Saturday	Hot Sunday	Hot Weekday
0:00	740	757	846	767	785	877	794	812	907
0:30	722	736	813	749	764	843	775	790	872
1:00	707	720	791	734	746	820	759	772	848
1:30	693	705	777	718	731	806	743	756	834
2:00	680	692	769	705	717	797	730	742	825
2:30	672	682	764	697	707	792	721	731	819
3:00	667	674	760	692	699	788	715	724	815
3:30	664	670	757	688	695	785	712	719	812
4:00	661	667	758	686	692	786	709	716	813
4:30	661	667	762	685	692	791	709	715	818
5:00	664	668	774	689	693	803	713	717	830
5:30	673	670	799	698	695	828	722	719	857
6:00	688	675	843	714	700	874	738	724	904
6:30	710	686	908	737	711	942	762	736	974
7:00	854	796	1078	886	825	1118	916	854	1157
7:30	898	828	1159	931	858	1202	963	888	1244
8:00	945	865	1221	980	897	1266	1014	928	1310
8:30	990	902	1260	1026	935	1307	1062	967	1352
9:00	1025	935	1286	1063	970	1334	1100	1003	1380
9:30	1049	965	1306	1088	1001	1355	1126	1035	1402
10:00	1063	991	1322	1102	1027	1371	1140	1063	1418
10:30	1070	1012	1334	1110	1049	1383	1148	1085	1431
11:00	1099	1049	1354	1140	1088	1404	1180	1126	1453
11:30	1107	1069	1366	1148	1109	1416	1187	1147	1465

	November			December			January		
	Hot Saturday	Hot Sunday	Hot Weekday	Hot Saturday	Hot Sunday	Hot Weekday	Hot Saturday	Hot Sunday	Hot Weekday
12:00	1113	1090	1377	1154	1130	1428	1194	1169	1477
12:30	1115	1107	1385	1156	1148	1436	1196	1187	1486
13:00	1113	1115	1390	1155	1157	1441	1194	1197	1491
13:30	1111	1117	1395	1152	1158	1447	1192	1198	1497
14:00	1111	1117	1403	1152	1158	1455	1192	1198	1505
14:30	1113	1119	1409	1154	1160	1461	1194	1201	1512
15:00	1115	1123	1411	1157	1164	1463	1197	1204	1514
15:30	1118	1126	1411	1160	1167	1463	1200	1208	1513
16:00	1124	1129	1413	1166	1170	1466	1206	1211	1516
16:30	1131	1133	1417	1172	1175	1469	1213	1216	1520
17:00	1109	1119	1402	1150	1161	1454	1190	1201	1504
17:30	1104	1124	1381	1145	1166	1432	1185	1206	1481
18:00	1097	1128	1350	1138	1169	1400	1177	1210	1449
18:30	1096	1133	1326	1136	1175	1375	1176	1216	1423
19:00	1103	1143	1317	1143	1186	1366	1183	1227	1413
19:30	1110	1153	1317	1151	1196	1366	1190	1237	1413
20:00	1105	1153	1310	1146	1196	1359	1185	1237	1406
20:30	1085	1138	1284	1125	1180	1332	1164	1221	1378
21:00	917	982	1135	951	1019	1177	984	1054	1217
21:30	890	947	1087	923	982	1128	955	1016	1167
22:00	862	906	1038	894	939	1076	925	972	1113
22:30	830	863	987	861	894	1024	890	925	1059
23:00	795	820	936	824	851	971	853	880	1005
23:30	764	784	888	792	813	921	819	841	953

Hot

	February			March		
	Hot Saturday	Hot Sunday	Hot Weekday	Hot Saturday	Hot Sunday	Hot Weekday
0:00	821	839	938	804	823	920
0:30	801	817	902	786	801	884
1:00	785	798	877	769	783	860
1:30	769	782	862	753	766	845
2:00	755	767	853	740	752	836
2:30	745	756	847	730	741	830
3:00	740	748	843	725	733	826
3:30	736	743	840	722	728	823
4:00	734	740	841	719	725	824
4:30	733	740	846	719	725	829
5:00	737	741	859	722	726	842
5:30	747	744	886	732	729	868
6:00	763	749	935	748	734	916
6:30	788	761	1007	772	746	987
7:00	947	883	1196	929	865	1173
7:30	996	918	1286	976	900	1261
8:00	1049	959	1354	1028	940	1327
8:30	1098	1000	1398	1076	980	1370
9:00	1137	1037	1427	1115	1017	1399
9:30	1164	1071	1449	1141	1049	1420
10:00	1179	1099	1466	1156	1077	1437
10:30	1187	1122	1479	1164	1100	1450
11:00	1220	1164	1502	1196	1141	1472
11:30	1228	1186	1515	1203	1163	1485
12:00	1235	1209	1528	1210	1185	1497

	February			March		
	Hot Saturday	Hot Sunday	Hot Weekday	Hot Saturday	Hot Sunday	Hot Weekday
12:30	1237	1228	1536	1213	1203	1506
13:00	1235	1237	1542	1211	1213	1511
13:30	1232	1239	1548	1208	1214	1517
14:00	1233	1239	1556	1208	1214	1525
14:30	1235	1241	1563	1210	1217	1532
15:00	1237	1245	1565	1213	1221	1534
15:30	1241	1249	1565	1216	1224	1534
16:00	1247	1252	1568	1222	1227	1537
16:30	1254	1257	1572	1229	1232	1541
17:00	1231	1241	1555	1206	1217	1524
17:30	1225	1247	1532	1201	1222	1501
18:00	1217	1251	1498	1193	1226	1468
18:30	1215	1257	1471	1191	1232	1442
19:00	1223	1268	1461	1199	1243	1432
19:30	1231	1279	1461	1206	1254	1432
20:00	1226	1279	1453	1201	1254	1425
20:30	1204	1262	1425	1180	1237	1397
21:00	1017	1090	1259	997	1068	1234
21:30	988	1050	1206	968	1029	1182
22:00	956	1005	1151	937	985	1128
22:30	921	957	1095	902	938	1074
23:00	882	910	1039	864	892	1018
23:30	847	870	985	830	853	966

SCHEDULE 9

INFORMATION REQUIREMENTS

PART 1: RETAIL

The Individual Reserve Capacity Requirement of Retail at the Reset Date

The Demand Side Management for Loads for which Retail is the Market Customer at the Reset Date

The Aggregate Churn Capacity at the Reset Date

The sum of the ISC Latent CMD for all ISC Customers for the Reset Period

The Tariff Quantity for all Vested Tariffs in each Trading Month in the Data Collection Period

The ISC Quantity for all ISC Customers in each Trading Month in the Data Collection Period

The Retail Vesting Demand for each Trading Interval in the Data Collection Period

The Total Revenue for each Vested Tariff for the Calender Netback Month

The Total Network Costs for each Vested Tariff for the Calendar Netback Month

The number of Vested Tariffs existing during the Data Collection Period

The Ancillary Service Settlement Amount paid by Retail for the Data Collection Period

The Load Following Service Payment Cost received by Retail for the Data Collection Period

The Commitment and Outage Compensation Settlement Amount paid by Retail for the Data Collection Period

The Reconciliation Settlement Amount paid by Retail for the Data Collection Period

The Total Retail Energy Purchase in the Netback Month

The Market Fees paid by Retail for the Data Collection Period

The System Operation Fees paid by Retail for the Data Collection Period

The Regulator Fees paid by Retail for the Data Collection Period

The Excess Capacity Cost for the Data Collection Period

The total number of individual ISC Customers during the whole or part of the Data Collection Period

The Total Revenue for each ISC Customer under its ISC Contract in the Calender Netback Month

The Total Network Costs for each ISC Customer in the Calender Netback Month

The number of ISC Customers in the Netback Month

The Duration of each ISC Contract for the Reset Period

The ISC Load for each Trading Interval in the Data Collection Period

The Total Revenue for each Vested Tariff for the Data Collection Period

The Total Network Costs for each Vested Tariff for the Data Collection Period

The Total Retail Energy Purchase in the Data Collection Period

The total number of ISC Customers during the whole or part of the Data Collection Period

The Total Revenue for each ISC Customer under its ISC Contract in the Data Collection Period

The Total Network Costs for each ISC Customer for the Data Collection Period

The Initial Transitional Capacity Credit Hole Item for the Data Collection Period

PART 2: GENERATION

Generation's Certified Reserve Capacity at the Reset Date

The amount of Balancing Energy supplied by Generation for each Trading Interval during the relevant Data Collection Period

The total amount of Balancing Energy required by the Wholesale Electricity Market for each Trading Interval during the relevant Data Collection Period

SCHEDULE 10

REDUCTIONS IN CAPACITY

Table 1: Displacement Timetable

Year (Capacity Year)	**Date at which Displacement is measured**	**Cumulative Maximum Negotiated Displacement Amount**	**Cumulative Minimum Total Displacement Amount (Sum of Negotiated Displacement Amount and Tendered Displacement Amount)**	**Displacement Eligible to be Deferred (or Brought Forward) by One Year**
2006	Reset Date in 2006	100MW	0MW	0MW
2007	Reset Date in 2007	100MW	0MW	0MW
2008	Reset Date in 2008	150MW	300MW	0MW
2009	Reset Date in 2009	150MW	500MW	200MW
2010	Reset Date in 2010	200MW	750MW	200MW
Each year after 2010 but before FRC	Reset Date for relevant Capacity Year	Previous year plus 30% of the amount by which the Cumulative Minimum Total Displacement Amount at that Reset Date exceeds the Cumulative Minimum Total Displacement Amount at the previous Reset Date	Previous year plus higher of 20% of Current Vesting Capacity Cap and 150MW	The higher of 20% of Current Vesting Capacity Cap and 150MW
Year FRC is introduced	Reset Date for relevant Capacity Year	No limit	Previous year plus one third of Capacity Cap in the Capacity Year FRC is	0MW

			introduced	
First year after FRC	Reset Date for relevant Capacity Year	No limit	Previous year plus one third of Capacity Cap in the Capacity Year FRC is introduced	0MW
Second year after FRC	Reset Date for relevant Capacity Year	No limit	Previous year plus one third of Capacity Cap in the Capacity Year FRC is introduced	0MW

Where:

"Current Vesting Capacity Cap" is the Capacity Cap set by the Contract Administrator in the most recent Reset Period.

The following rules also apply to Table 1:

1. If the Capacity Cap in the most recent Reset Period is less than 150MW, then:

   (a) Retail does not have to run a Tender Process;

   (b) The remaining volume is included in the Cumulative Maximum Negotiated Displacement Amount;

   (c) The Capacity Cap falls to zero in the next Reset Period (and hence this document terminates);

2. The capacity defined as PP2Q will be included as part of the Tendered Displacement Amount in the 2008 Capacity Year for the purposes of the Vesting Contract Ministerial Direction; and

3. Retail may choose to include any PP2 quantities that have not been specifically included in vesting (i.e. any quantities above PP2Q) as part of the Negotiated Displacement Amount for the purposes of the Vesting Contract Ministerial Direction at its discretion.

Table 2: Option Notice Periods

Year (Capacity Year)	Date at which Displacement is measured	Maximum Displacement Eligible to be Deferred (or Brought Forward) by One Year	Advance Notice Required
2006	Reset Date in 2006	0MW	Not applicable
2007	Reset Date in 2007	0MW	Not applicable
2008	Reset Date in 2008	0MW	Not applicable
2009	Reset Date in 2009	200MW	3 years
2010	Reset Date in 2010	200MW	3 years
Each year after 2010 but before FRC	Reset Date for relevant Capacity Year	200MW	2 years
Year FRC is introduced	Reset Date for relevant Capacity Year	0MW	Not applicable
First year after FRC	Reset Date for relevant Capacity Year	0MW	Not applicable
Second year after FRC	Reset Date for relevant Capacity Year	0MW	Not applicable

Table 3: Deferral Timetable

Year (Capacity Year)	Date at which Displacement is measured	Latest Date for Submission of Application to Defer	Maximum quantity which may be deferred
2006	Reset Date in 2006	Not applicable	Not applicable
2007	Reset Date in 2007	Not applicable	Not applicable
2008	Reset Date in 2008	Not applicable	Not applicable
2009	Reset Date in 2009	3 years prior to Displacement date	200MW (which is the maximum capacity that may need to be tendered)
2010	Reset Date in 2010	3 years prior to Displacement date	200MW (which is the maximum capacity that may need to be tendered)
Each year after 2010 but before FRC	Reset Date for relevant Capacity Year	2 years prior to Displacement date	The value equal to the Tendered Displacement Amount in the Annual Displacement Statement of Opportunities published one year prior to the deferral deadline
Year FRC is introduced	Reset Date for relevant Capacity Year	No deferral allowed	Not applicable
First year after FRC	Reset Date for relevant Capacity Year	No deferral allowed	Not applicable
Second year after FRC	Reset Date for relevant Capacity Year	No deferral allowed	Not applicable

If no application is received by the notice period then the Displacement Date becomes fixed and firm, subject only to a continuation of supply following a Continuation Request in the circumstances described in clause 4.7 of this document.

SCHEDULE 11

(CLAUSES WHICH APPLY FOR THE PERIOD BETWEEN THE COMMENCEMENT DATE AND ENERGY MARKET COMMENCEMENT)

1. Clause 4.1

4.1 **Capacity**

Generation must at all times have in relation to its Facilities in the SWIS electrical generating capacity and must make such of that electrical generating capacity available for the generation of electricity for supply to Retail in accordance with the terms of this document equal to the Capacity Cap.

2. 5 **CAPACITY CREDITS**

Not used

3. 6.5 **Bilateral Submissions**

Not used

4. 8 **BALANCING ADJUSTMENT**

8.1 **Supply of Balancing Energy**

(a) If the quantity of electricity taken by Retail from the SWIS during any Trading Interval is greater than the TDAFQ for that Trading Interval as nominated in the relevant Daily Nomination (the amount of the excess being the **Negative Balancing Energy**), then Generation must supply and sell, and is taken to have supplied and sold, the Negative Balancing Electricity to Retail.

(b) If the quantity of electricity taken by Retail from the SWIS during any Trading Interval is less than the TDAFQ for that Trading Interval as nominated in the relevant Daily Nomination (the amount of the deficiency being the **Positive Balancing Energy**) then Retail must supply and sell, and is taken to have supplied and sold, the Positive Balancing Electricity to Generation.

8.2 **Price of Balancing Energy**

The price at which:

(a) Generation sells to Retail the Negative Balancing Energy; and

(b) Retail sells to Generation the Positive Balancing Energy,

is the Energy Price.

8.3 **Balancing Energy Charge**

At the end of each Trading Month the party which has sold the lesser amount of electricity to the other party under clause 8.1 must pay to the other party the difference between:

(a) the value for the greater amount of electricity supplied during that Trading Month calculated in accordance with clause 8.2; and

(b) the value for the lesser amount of electricity supplied during that Trading Month calculated in accordance with clause 8.2;

(**the Balancing Energy Charge**).

8.4 **Balancing Information**

Retail must provide to Generation all information relating to:

(a) the metering, quantification or calculation of the Negative Balancing Energy and the Positive Balancing Energy sold during a Trading Month; and

(b) the calculation of the Balancing Energy Charge for that Trading Month,

including information which comes from the IMO or the Electricity Networks Corporation, by the fifth Business Day of the second month following that Trading Month.

8.5 Invoices for Balancing Energy Charge

(c) Within 5 Business Days of Retail providing the information to Generation under clause 8.4, Generation must send Retail an invoice for the Balancing Energy Charge for the relevant Trading Month.

(d) The party which in accordance with the requirements of clause 8.3 is required to pay an amount to the other party, must pay the amount specified in the invoice for the Balancing Energy Charge within 5 Business Days of the invoice being sent to that party.

5. 10.3 **Information on Balancing**

Not used.

6. 10.4 **Statements for Monthly Balancing Hedge Amount**

Not used.

7. 10.5 **Invoices for Monthly Balancing Hedge Amount**

Not used.

8. 10.6 **Payment of Balancing Hedge Amount**

Not used.

9. 10.7 **Statement for adjusted monthly Balancing Hedge Amounts**

Not used.

10. 10.8 **Invoices for Adjusted Monthly Balancing Hedge Amounts**

Not used.

11. 10.9 **Payment of Adjusted Monthly Balancing Hedge Amounts**

Not used.

12. 10.15 **Information and Audit**

Not used.