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Mr Scott McEwan
Special Projects Manager
Brisbane Corporate Office – Growth & Strategy
Anglo Coal Australia Pty Ltd
GPO Box 1410
Brisbane QLD 4001

Dear Mr McEwan

Network Service Provider Exemptions

Thank you for your letter of 18 November 2005 requesting network service provider exemptions in relation to Anglo Coal (German Creek) Pty Ltd, Jena Pty Ltd, and Mitsui German Creek Investment Pty Ltd.

On 19 December 2005, the Australian Energy Regulator decided to grant each of the above applicants an exemption under clause 2.5.1 of the National Electricity Rules subject to conditions.

The decisions are set out at Attachments A to C to this letter.

Thank you for your assistance in this matter. Should you have any queries in relation to this letter, please do not hesitate to contact Paul Dunn on (03) 9290 1426.

Yours sincerely



Michelle Groves
Chief Executive

ATTACHMENT A

NETWORK SERVICE PROVIDER EXEMPTION

ANGLO COAL (GERMAN CREEK) PTY LTD

NOTICE OF DECISION TO GRANT EXEMPTION

On 19 December 2005, the Australian Energy Regulator ("AER") decided, pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law ("NEL"); and
- (c) clause 2.5.1 of the National Electricity Rules ("NER"),

to grant Anglo Coal (German Creek) Pty Ltd (ABN 99 081 022 415) ("Applicant") an exemption ("Exemption") from:

- (d) the requirement to register as a Network Service Provider ("NSP"); and
- (e) the operation of Chapter 5 of the NER,

subject to the following conditions.

Specified distribution system

1. The Exemption is limited to the distribution system ("Distribution System") specified in the exemption granted by the National Electricity Code Administrator Ltd on 30 June 2005 under clause 2.5.1(d)(2) of the National Electricity Code to Anglo Coal (Capcoal Management) Pty Ltd.

Note: In effect, the Exemption applies to the distribution system that is owned by Capricorn Coal Developments Joint Venture (consisting of Anglo Coal (German Creek) Pty Ltd, Jena Pty Ltd, and Mitsui German Creek Investment Pty Ltd) ("Capcoal Joint Venture") and comprises:

- (a) the 66 kV radial overhead electricity line, approximately 19 km in length, originating at Ergon Energy Corporation Ltd's Lilyvale substation and extending to Anglo Coal's Lease Boundary Substation ("overhead line"); and
- (b) parts of the Anglo Coal Lease Boundary Switchyard including the busbar, connections and electrical apparatus connected to the overhead line.

Licence

2. The Applicant must comply with any law of the State of Queensland requiring the Applicant to be authorised to own and/or control the Distribution System.

Note: The *Electricity Act 1994* (Qld) provides that a person, other than an electricity entity or special approval holder, must not operate an electric line beyond the person's property other than

under a regulation (section 227). The AER understands that the operator of the Distribution System (Anglo Coal (Capcoal Management) Pty Ltd ("Capcoal")) is a special approval holder, and that the Applicant does not require a special approval or distribution authority with respect to the Distribution System. The purpose of condition 2 is to require the Applicant to comply with any requirement, which may arise from time to time, for the licensing or exemption from licensing of the Distribution System.

Maintenance and technical standards

3. The Applicant must maintain the Distribution System at least to the standards specified in the Connection Agreement with Ergon Energy Corporation Ltd ("EECL") applying to the Distribution System.

Note 1: The AER understands that the Distribution System is connected to the EECL distribution system at the Lilyvale substation.

Note 2: For the avoidance of doubt, conditions 9(b) and 9(c) apply to the interpretation of condition 3.

Connection

4. (a) Subject to condition 4(b), the Applicant must promptly (and, in any event, within one month) notify the AER if there is a change to the persons whose premises are connected to the Distribution System.
- (b) Condition 4(a) does not apply where the person is:
 - (i) Energy Developments Ltd or a related body corporate (as defined in Chapter 10 of the NER) (together, "ED"); or
 - (ii) a commercial entity whose principal business is the provision of services to Capcoal Joint Venture, Capcoal and/or ED.

Commencement and expiry

5. The Exemption takes effect on and from 19 December 2005.
6. If the Applicant becomes aware that any condition of this Exemption is not satisfied, the Applicant must promptly (and, in any event, within one month) notify the AER.
7. The Exemption terminates on the date that:
 - (a) the Applicant is dissolved;
 - (b) the Applicant fails to satisfy condition 2 and/or 3; or
 - (c) the AER decides to repeal the Exemption in accordance with condition 8.
8. The AER may decide to amend or repeal the Exemption. The decision to amend or repeal the Exemption is exercisable in the same way, and subject to the same conditions, as the decision to grant the Exemption.

Note: For example, the AER may decide to repeal the Exemption in the event that condition 4 or 6 to the Exemption is not satisfied, or if there is a material change to the persons connected to the Distribution System.

Interpretation

9. In this Exemption, unless the contrary intention appears, a reference to:
- (a) a statute, regulation, law, rule or other law includes regulations and other instruments made under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (b) an agreement or a provision of an agreement includes an amendment or supplement to, or replacement or novation of, that agreement or that provision of that agreement;
 - (c) except in relation to references to the Applicant, a particular person includes a reference to the person's successors, substitutes (including persons taking by novation) and assigns.

Note: The Exemption is personal to the Applicant, and does not apply to any other person that owns, controls or operates the Distribution System at the time of the decision or in the future.

ATTACHMENT B

NETWORK SERVICE PROVIDER EXEMPTION

JENA PTY LTD

NOTICE OF DECISION TO GRANT EXEMPTION

On 19 December 2005, the Australian Energy Regulator ("AER") decided, pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law ("NEL"); and
- (c) clause 2.5.1 of the National Electricity Rules ("NER"),

to grant Jena Pty Ltd (ACN 008 571 079) ("Applicant") an exemption ("Exemption") from:

- (d) the requirement to register as a Network Service Provider ("NSP"); and
- (e) the operation of Chapter 5 of the NER,

subject to the following conditions.

Specified distribution system

1. The Exemption is limited to the distribution system ("Distribution System") specified in the exemption granted by the National Electricity Code Administrator Ltd on 30 June 2005 under clause 2.5.1(d)(2) of the National Electricity Code to Anglo Coal (Capcoal Management) Pty Ltd.

Note: In effect, the Exemption applies to the distribution system that is owned by Capricorn Coal Developments Joint Venture (consisting of Anglo Coal (German Creek) Pty Ltd, Jena Pty Ltd, and Mitsui German Creek Investment Pty Ltd) ("Capcoal Joint Venture") and comprises:

- (a) the 66 kV radial overhead electricity line, approximately 19 km in length, originating at Ergon Energy Corporation Ltd's Lilyvale substation and extending to Anglo Coal's Lease Boundary Substation ("overhead line"); and
- (b) parts of the Anglo Coal Lease Boundary Switchyard including the busbar, connections and electrical apparatus connected to the overhead line.

Licence

2. The Applicant must comply with any law of the State of Queensland requiring the Applicant to be authorised to own and/or control the Distribution System.

Note: The *Electricity Act 1994* (Qld) provides that a person, other than an electricity entity or special approval holder, must not operate an electric line beyond the person's property other than under a regulation (section 227). The AER understands that the operator of the Distribution System (Anglo Coal (Capcoal Management) Pty Ltd ("Capcoal")) is a special approval holder,

and that the Applicant does not require a special approval or distribution authority with respect to the Distribution System. The purpose of condition 2 is to require the Applicant to comply with any requirement, which may arise from time to time, for the licensing or exemption from licensing of the Distribution System.

Maintenance and technical standards

3. The Applicant must maintain the Distribution System at least to the standards specified in the Connection Agreement with Ergon Energy Corporation Ltd ("EECL") applying to the Distribution System.

Note 1: The AER understands that the Distribution System is connected to the EECL distribution system at the Lilyvale substation.

Note 2: For the avoidance of doubt, conditions 9(b) and 9(c) apply to the interpretation of condition 3.

Connection

4. (a) Subject to condition 4(b), the Applicant must promptly (and, in any event, within one month) notify the AER if there is a change to the persons whose premises are connected to the Distribution System.
- (b) Condition 4(a) does not apply where the person is:
 - (i) Energy Developments Ltd or a related body corporate (as defined in Chapter 10 of the NER) (together, "ED"); or
 - (ii) a commercial entity whose principal business is the provision of services to Capcoal Joint Venture, Capcoal and/or ED.

Commencement and expiry

5. The Exemption takes effect on and from 19 December 2005.
6. If the Applicant becomes aware that any condition of this Exemption is not satisfied, the Applicant must promptly (and, in any event, within one month) notify the AER.
7. The Exemption terminates on the date that:
 - (a) the Applicant is dissolved;
 - (b) the Applicant fails to satisfy condition 2 and/or 3; or
 - (c) the AER decides to repeal the Exemption in accordance with condition 8.
8. The AER may decide to amend or repeal the Exemption. The decision to amend or repeal the Exemption is exercisable in the same way, and subject to the same conditions, as the decision to grant the Exemption.

Note: For example, the AER may decide to repeal the Exemption in the event that condition 4 or 6 to the Exemption is not satisfied, or if there is a material change to the persons connected to the Distribution System.

Interpretation

9. In this Exemption, unless the contrary intention appears, a reference to:
- (a) a statute, regulation, law, rule or other law includes regulations and other instruments made under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (b) an agreement or a provision of an agreement includes an amendment or supplement to, or replacement or novation of, that agreement or that provision of that agreement;
 - (c) except in relation to references to the Applicant, a particular person includes a reference to the person's successors, substitutes (including persons taking by novation) and assigns.

Note: The Exemption is personal to the Applicant, and does not apply to any other person that owns, controls or operates the Distribution System at the time of the decision or in the future.

ATTACHMENT C

NETWORK SERVICE PROVIDER EXEMPTION MITSUI GERMAN CREEK INVESTMENT PTY LTD NOTICE OF DECISION TO GRANT EXEMPTION

On 19 December 2005, the Australian Energy Regulator ("AER") decided, pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law ("NEL"); and
- (c) clause 2.5.1 of the National Electricity Rules ("NER"),

to grant Mitsui German Creek Investment Pty Ltd (ABN 79 100 736 990) ("Applicant") an exemption ("Exemption") from:

- (d) the requirement to register as a Network Service Provider ("NSP"); and
- (e) the operation of Chapter 5 of the NER,

subject to the following conditions.

Specified distribution system

1. The Exemption is limited to the distribution system ("Distribution System") specified in the exemption granted by the National Electricity Code Administrator Ltd on 30 June 2005 under clause 2.5.1(d)(2) of the National Electricity Code to Anglo Coal (Capcoal Management) Pty Ltd.

Note: In effect, the Exemption applies to the distribution system that is owned by Capricorn Coal Developments Joint Venture (consisting of Anglo Coal (German Creek) Pty Ltd, Jena Pty Ltd, and Mitsui German Creek Investment Pty Ltd) ("Capcoal Joint Venture") and comprises:

- (a) the 66 kV radial overhead electricity line, approximately 19 km in length, originating at Ergon Energy Corporation Ltd's Lilyvale substation and extending to Anglo Coal's Lease Boundary Substation ("overhead line"); and
- (b) parts of the Anglo Coal Lease Boundary Switchyard including the busbar, connections and electrical apparatus connected to the overhead line.

Licence

2. The Applicant must comply with any law of the State of Queensland requiring the Applicant to be authorised to own and/or control the Distribution System.

Note: The *Electricity Act 1994* (Qld) provides that a person, other than an electricity entity or special approval holder, must not operate an electric line beyond the person's property other than

under a regulation (section 227). The AER understands that the operator of the Distribution System (Anglo Coal (Capcoal Management) Pty Ltd ("Capcoal")) is a special approval holder, and that the Applicant does not require a special approval or distribution authority with respect to the Distribution System. The purpose of condition 2 is to require the Applicant to comply with any requirement, which may arise from time to time, for the licensing or exemption from licensing of the Distribution System.

Maintenance and technical standards

3. The Applicant must maintain the Distribution System at least to the standards specified in the Connection Agreement with Ergon Energy Corporation Ltd ("EECL") applying to the Distribution System.

Note 1: The AER understands that the Distribution System is connected to the EECL distribution system at the Lilyvale substation.

Note 2: For the avoidance of doubt, conditions 9(b) and 9(c) apply to the interpretation of condition 3.

Connection

4. (a) Subject to condition 4(b), the Applicant must promptly (and, in any event, within one month) notify the AER if there is a change to the persons whose premises are connected to the Distribution System.
- (b) Condition 4(a) does not apply where the person is:
 - (i) Energy Developments Ltd or a related body corporate (as defined in Chapter 10 of the NER) (together, "ED"); or
 - (ii) a commercial entity whose principal business is the provision of services to Capcoal Joint Venture, Capcoal and/or ED.

Commencement and expiry

5. The Exemption takes effect on and from 19 December 2005.
6. If the Applicant becomes aware that any condition of this Exemption is not satisfied, the Applicant must promptly (and, in any event, within one month) notify the AER.
7. The Exemption terminates on the date that:
 - (a) the Applicant is dissolved;
 - (b) the Applicant fails to satisfy condition 2 and/or 3; or
 - (c) the AER decides to repeal the Exemption in accordance with condition 8.
8. The AER may decide to amend or repeal the Exemption. The decision to amend or repeal the Exemption is exercisable in the same way, and subject to the same conditions, as the decision to grant the Exemption.

Note: For example, the AER may decide to repeal the Exemption in the event that condition 4 or 6 to the Exemption is not satisfied, or if there is a material change to the persons whose premises are connected to the Distribution System.

Interpretation

9. In this Exemption, unless the contrary intention appears, a reference to:
- (a) a statute, **regulation, law, rule** or other law includes regulations and other instruments made under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (b) an agreement or a provision of an agreement includes an amendment or supplement to, or replacement or novation of, that agreement or that provision of that agreement;
 - (c) except in relation to references to the Applicant, a particular person includes a reference to the person's successors, substitutes (including persons taking by novation) and assigns.

Note: The Exemption is personal to the Applicant, and does not apply to any other person that owns, controls or operates the Distribution System at the time of the decision or in the future.