

Ref: KS C162391

22 November 2005

Mr Warwick Anderson  
Acting General Manager Access  
Australian Energy Regulatory  
PO Box 1199  
Dickson ACT 2602

Dear Mr Anderson

### **Metgasco – Proposed Gas Generation Project in North-East NSW**

I refer to the 14 September 2005 correspondence received by the Australian Energy Regulator from Metgasco Limited in relation to the proposed development of an embedded power generation facility in north-east New South Wales. The purpose of this letter is to clarify the current status of the connection enquiry and the possible network benefits that it might provide.

Country Energy is a strong supporter of sustainable electricity supply developments, particularly those located in regional and rural NSW, and the Metgasco proposal is of keen interest to Country Energy.

Country Energy can confirm that the application by Metgasco to connect a gas generator to Country Energy's distribution network is at an early enquiry stage. An initial connection enquiry was received from the proponent via email for the connection of a 12 MVA generator at Casino; however a Rules compliant connection application has not yet been received by Country Energy. Under the current proposed scope of works, the current Metgasco project is not large enough to create any network deferral benefits in the Casino area and consequently network support arrangements will not be negotiated with the proponent.

While there has been some preliminary discussion with the proponent in relation to potential opportunities that might be provided by a larger Metgasco project in the future, Country Energy has yet to obtain sufficient information to allow any detailed system analysis to confirm its likely ability to overcome identified current and emerging network constraints in north-east NSW in the medium to long term.

Should you have any questions please do not hesitate to contact Mr Col Ussher General Manager Network Strategy on 02 6589 8755.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ken Stonestreet".

Ken Stonestreet  
Group General Manager Networks & Infrastructure