

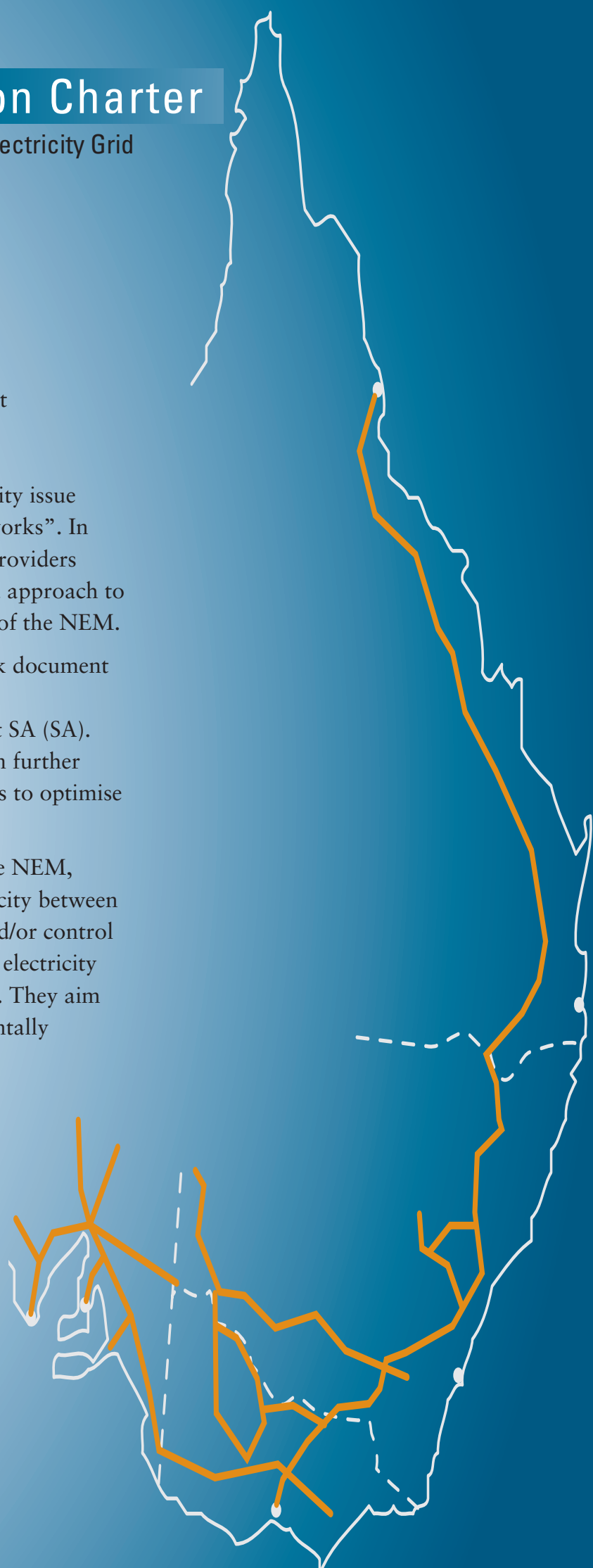
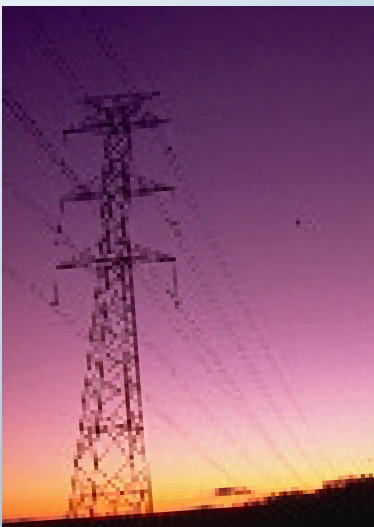
The TNSP Co-operation Charter

A Co-ordinated Approach to the National Electricity Grid

The inaugural National Electricity Market (NEM) Minister's Forum in June 2001 observed that the national grid had not developed as well as expected and that a priority issue was "a better integration of transmission networks". In response, the Transmission Network Service Providers (TNSP) recognised the need for a co-ordinated approach to facilitate the achievement of the full potential of the NEM.

The TNSP Co-operation Charter is a landmark document between Powerlink (Qld), TransGrid (NSW), SPI PowerNet, VENCORP (Vic) and ElectraNet SA (SA). It commits these TNSPs to working together in further developing and maintaining shared approaches to optimise the transmission capabilities in the NEM grid.

The transmission grid is the "backbone" of the NEM, facilitating the trading and transport of electricity between and within the States. TNSPs own, operate and/or control the high voltage transmission assets that carry electricity between generators and distribution networks. They aim to do this safely, reliably and in an environmentally responsible manner.



Benefiting The Whole Community

The NEM is still being developed and TNSPs have a role to play in that development. This charter seeks to facilitate co-operation between TNSPs and with other participants in the NEM. The effective operation of the NEM grid will be of significant benefit to everyone in the community from market participants to electricity consumers by maximising the net economic benefits of the national grid which ultimately impacts the delivered price of electricity.

Benefits include:

- minimising adverse impacts of operations and maintenance of the grid through improving understanding between trading participants and TNSPs;
- maximising reliability over the short, medium and long term through best practice maintenance and investment practices. At the same time maintaining consistently high environmental and safety standards; and
- facilitating access to the most cost effective energy sources in the NEM.



The Charter

The TNSP Co-operation Charter outlines nine principles and philosophies aimed at optimising the transmission capability in the NEM through:

- 1 co-ordination of network outages;
- 2 enhancing the capability of the existing transmission network;
- 3 further development of the constraint equations which define the transfer capability;
- 4 facilitating the flow of information to assist participants in understanding the numerous factors which can affect transfer capability;
- 5 measuring the market impacts of transmission constraints;
- 6 co-optimising the factors which impact transfer capability through greater cooperation between TNSPs and NEMMCO;
- 7 optimising network reliability over the short, medium and long term;
- 8 investing in economic network augmentation and network support services; and
- 9 promoting the development of a performance based regulatory regime that aligns the incentives and outcomes for TNSPs with the needs of the market and electricity consumers.

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