National Electricity Amendment (Preservation of Prudential Margin Through Call Notices) Rule 2008 No. 14

under the National Electricity Law as applied by:

(a) the National Electricity (South Australia) Act 1996;

(b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;

(c) the National Electricity (New South Wales) Act 1997 of New South Wales;

(d) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;

(e) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;

(f) the National Electricity (Victoria) Act 2005 of Victoria; and

(g) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

Ian a Woodward

Ian Woodward

Commissioner

Australian Energy Market Commission

National Electricity Amendment (Preservation of Prudential Margin Through Call Notices) Rule 2008 No. 14

1. Title of Rule

This Rule is the *National Electricity Amendment (Preservation of Prudential Margin Through Call Notices) Rule 2008 No. 14.*

2. Commencement

This Rule commences operation on 1 January 2009.

3. Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

Schedule 1 Amendment of National Electricity Rules

(Clause 3)

[1] Clause 3.3.11 Call notices

Omit clause 3.3.11(a)(2) and substitute:

(2) give the *Market Participant* a notice (a "*call notice*") that specifies an *invoiced amount*, the current *maximum credit limit* for the *Market Participant*, the current *trading limit* for the *Market Participant*, and the *call amount*, where:

Call Amount = the higher of:

(OS – TypA); and

(OS – TL)

except where the formula produces a negative result, in which case the *call amount* is zero,

where:

OS is the *outstandings* for the *Market Partic*ipant as at the date of the issue of the *call notice*; and

TypA is the *typical accrual* for the *Market Participant* as at the date of the issue of the *call notice*; and

TL is the *trading limit* for the *Market Participant* as at the date of the issue of the *call notice*.

Note: If the value of *outstandings* of a *Market Participant* has a negative value and the *trading limit* also has a negative value, the *outstandings* will be greater than the *trading limit* if the absolute value of the *trading limit* is greater than the absolute value of the *outstandings*, in which case *NEMMCO* may exercise its powers under either or both of clauses 3.3.11(a)(1) or 3.3.11(a)(2).

END OF RULE AS MADE