

CIRCULAR



30 - 32 Grosvenor Street

Sydney NSW 2000

Australia

Telephone +61 (0)2 9256
0555

Facsimile +61 (0)2 9256
0666

To: All Members

No: 293/98

Start-Up of National Electricity Market

Members are advised that the Victorian Electricity Futures contract and the NSW Electricity Futures contract will be settled against the average quoted prices for a calendar month as determined by National Electricity Market Management Company Limited (NEMMCO) from the beginning of the National Electricity Market (NEM), stated to be 15 November 1998.

Currently the Victorian and NSW Electricity Futures contracts are settled against the average quoted prices for a calendar month determined by Victorian Power Exchange (VPX) and New South Wales Electricity Transmission Authority (TransGrid), respectively. With the start date for the NEM stated to be 15 November 1998, the responsibility for the determination of electricity futures contracts settlement prices will move from VPX and TransGrid to NEMMCO.

NEMMCO has confirmed that the proposed method to calculate the settlement prices is consistent with the method currently used by both VPX and TransGrid. Given that NEM is expected to begin on the fifteenth day of the November Victorian and NSW Electricity Futures contracts, NEMMCO will provide the settlement prices for these and all subsequent contracts.

In the event that NEMMCO are unable to provide settlement data from the date stated, VPX and TransGrid will continue to provide this information until NEMMCO are in a position to do so.

Should you have any further queries regarding this matter, please contact the undersigned on (02) 9256 0158.

James Waldren
Research Analyst - Energy Products

14/10/98

SYDNEY FUTURES EXCHANGE LIMITED
ACN 000 299 392

Address all correspondence to PO Box N680 Grosvenor Place Sydney NSW 2000 Australia