SFE BULLETIN

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QUARTERLY CAP FUTURES CONTRACTS OVER BASE LOAD AUSTRALIAN ELECTRICITY FUTURES PRODUCTS AND CALENDAR YEAR STRIP OPTIONS OVER BASE LOAD AUSTRALIAN ELECTRICITY FUTURES CONTRACTS – CONTRACT SPECIFICATIONS AND DETERMINATIONS.

Further to Bulletin 058/04 and ahead of this week's listing of the Quarterly Cap Futures Contracts over Base Load Australian Electricity Futures Products and Calendar Year Strip Options over Base Load Australian Electricity Futures Contracts, attached are

- Amendments to the existing generic Rule 6.3, necessary for the introduction of the new Contracts;
- Individual Contract Specifications; and
- Various determinations relating to the Contracts.

The listing dates for the contracts are:

- Quarterly Cap Futures Contracts over Base Load Australian Electricity Futures Products – **3 November 2004.**
- Calendar Year Strip Options over Base Load Australian Electricity Futures Contracts – **5 November 2004**.

Should you have any queries please contact Anthony Collins on 9256-0664 or acollins@sfe.com.au

Barbara Jones

Barbara Jones
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ANNEXURE

6.3 RULES APPLICABLE TO ALL CLASSES OF OPTION CONTRACT LISTED ON THE EXCHANGE

6.3.1 General

Option Contracts may be:

(a) Option Contracts over Futures Contracts or Option Contracts over an Underlying Physical, which in both cases shall expire on the Declaration Date determined by the Exchange; and

(b) Call Options or Put Options; and

(c) Deliverable or cash settled.

6.3.2 Effect of Option Contract

(a) Deliverable Call Option Contracts over a Futures Contract

In the case of deliverable Call Option Contracts over a Futures Contract:

(i) the Buyer (Taker) of the Option Contract acquires the right to a bought futures position in the Underlying Futures Contract specified in the Contract Unit in the Individual Contract Specifications in consideration for a Contract Premium; and

(ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules shall be vested with a sold futures position in the Underlying Futures Contract at the same price and in the same Settlement Month as that assumed by the Buyer of the Option Contract; and

(iii) the Buyer acquires the right to a bought futures position at an Exercise Price agreed between the parties, provided it is selected from a list of such prices determined under the relevant Individual Contract Specifications; and

(iv) where an Option Contract over a Futures Contract is exercised, the resulting Futures Contract shall be registered at the Exercise Price agreed pursuant to Rule 6.3.2(a)(iii).

(b) Deliverable Put Option Contracts over a Futures Contract

In the case of deliverable Put Option Contracts over a Futures Contract:

(i) the Buyer (Taker) of the Option Contract acquires the right to a sold futures position in the Underlying Futures Contract specified in the Contract Unit in the Individual Contract Specifications in consideration for a Contract Premium; and

(ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules shall be vested with a bought futures position in the Underlying Futures Contract at the same price and in the same Settlement Month as that assumed by the Buyer of the Option Contract; and

(iii) the Buyer acquires the right to a sold futures position at an Exercise Price agreed between the parties, provided that it is selected from a list of such prices determined under the relevant Individual Contract Specifications; and

(iv) where an Option Contract over a Futures Contract is exercised, the resulting Futures Contract shall be registered at the Exercise Price agreed pursuant to Rule 6.3.2(b)(iii).

(c) Deliverable Strip Option Contracts which are Call Option Contracts

In the case of deliverable Strip Options Contracts which are Call Option Contracts:

(i) the Buyer (Taker) of the Strip Option Contract acquires the right to bought positions in the Underlying Futures Contracts specified in the Contract Unit in the Individual Contract Specifications, in consideration for a Contract Premium; and

(ii) in the event that the Buyer of the Strip Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules shall be vested with sold futures positions in the Underlying Futures Contracts, at the same prices and in the same Settlement Months as those assumed by the Buyer of the Strip Option Contract; and

(iii) the Buyer acquires the right referred to in Rule 6.3.2.(c)(i) at an Exercise Price agreed between the parties, provided it is selected from a list of such prices as shall be determined under the relevant Individual Contract Specifications; and

(iv) where a Strip Option Contract is exercised, the resulting Futures Contracts shall be registered at such prices as shall be determined under the relevant Individual Contract Specifications.

(d) Deliverable Strip Option Contracts which are Put Option Contracts

In the case of Deliverable Strip Options which are Put Option Contracts:

(i) the Buyer (Taker) of the Strip Option Contract acquires the right to sold positions in the Underlying Futures Contracts specified in the Contract Unit in the Individual Contract Specifications in consideration for a Contract Premium; and

(ii) in the event that the Buyer of the Strip Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules shall be vested with bought futures positions in the Underlying Futures Contracts at the same prices and in the same Settlement Months as those assumed by the Buyer of the Strip Option Contract; and

(iii) the Buyer acquires the right referred to in Rule 6.3.2 (d) (i) at an Exercise Price agreed between the parties, provided that it is selected from a list of such prices as shall be determined under the relevant Individual Contract Specifications; and

(iv) where a Strip Option Contract is exercised, the resulting Futures Contracts shall be registered at such prices as shall be determined under the relevant Individual Contract Specifications.

(e) Deliverable Call Option Contracts over an Underlying Physical

In the case of deliverable Call Option Contracts over an Underlying Physical:

(i) the Buyer (Taker) of the Option Contract acquires the right to buy the amount of the Underlying Physical specified in the Contract Unit in the Individual Contract Specifications in consideration for a Contract Premium; and

(ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules assumes the obligations to sell the amount of the Underlying Physical referred to in Rule 6.3.2(e)(i) to the Buyer; and

(iii) the Buyer acquires the right referred to in Rule 6.3.2(e)(i) to buy the Underlying Physical at an Exercise Price agreed between the parties provided it is selected from a list of such prices determined under the relevant Individual Contract Specifications.

(f) Deliverable Put Option Contracts over an Underlying Physical

In the case of deliverable Put Option Contracts over an Underlying Physical:

(i) the Buyer (Taker) of the Option Contract acquires the right to sell the amount of the Underlying Physical specified in the Contract Unit in the Individual Contract Specifications in consideration for a Contract Premium; and

(ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules assumes the obligations to buy the amount of the Underlying Physical referred to in Rule 6.3.2(f)(i) from the Buyer; and

(iii) the Buyer acquires the right referred to in Rule 6.3.2(f)(i) to sell the Underlying Physical at an Exercise Price agreed between the parties provided that it is selected from a list of such prices determined under the relevant Individual Contract Specifications.

(g) Cash Settled Call Option Contracts

In the case of cash settled Call Option Contracts:

(i) the Buyer (Taker) of the Option Contract acquires the right to payment of an amount equivalent to the difference between the Exercise Price of the Option and the Settlement Price in consideration for a Contract Premium if the Settlement Price is higher than the Exercise Price; and

(ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules assumes the obligation to pay the amount referred to in Rule 6.3.2(g)(i) to the Buyer.

(h) Cash Settled Put Option Contracts

In the case of cash settled Put Option Contracts:

(i) the Buyer (Taker) of the Option Contract acquires the right to payment of an amount equivalent to the difference between the Exercise Price of the Option and the Settlement Price in consideration for a Contract Premium if the Settlement Price is lower than the Exercise Price; and

(ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules assumes the obligation to pay the amount referred to in Rule 6.3.2(h)(i) to the Buyer.

6.3.3 Rights of Buyer

(a) Rights of Buyer of all Option Contracts

The Buyer of an Option Contract may, prior to the expiration of trading on the Declaration Date, sell an Option Contract of the same type at the same Exercise Price and with the same Settlement Month as that Option Contract bought, in which case the bought and sold positions may be Closed Out.

(b) Rights of Buyer of Deliverable Ordinary, Serial and Strip Option Contracts Over a Futures Contract

(i) The Buyer of a deliverable Ordinary, Serial and Strip Option Contract may exercise the Option at any time prior to the time determined by the Exchange for lodging Exercise Requests in the relevant Option Contract, in which case the Buyer shall:

(A) in the case of a Ordinary or Serial Option, become the holder of a bought futures position (in the case of a Call Option Contract), or the holder of a sold futures position (in the case of a Put Option Contract), in the Underlying Futures Contract in the same month and at the same price as the Option Contract bought; or

(B) in the case of a Strip Option, become the holder of bought futures positions (in the case of a Call Option Contract), or the holder of sold futures positions (in the case of a Put Option Contract), in the Underlying Futures Contracts in the same months, at the prices determined in accordance with the Individual Contract Specifications; or

(ii) allow SFE Clearing, on the Declaration Date, to automatically exercise the Option Contract or let it lapse, in accordance with the relevant Individual Contract Specifications; or

(iii) prevent the automatic exercise of the Option by lodging a Deny Automatic Exercise Request within the SFE Allocation & Clearing System at any time prior to the time determined by the Exchange for lodging a Deny Automatic Exercise Requests in the relevant contract, in which case the Option Contract shall be deemed to have lapsed.

(c) Rights of Buyer of Deliverable Option Contracts Over an Underlying Physical

The Buyer of a deliverable Option Contract over an Underlying Physical may:

(i) exercise the Option at any time prior to the time determined by the Exchange for lodging Exercise Requests in the relevant Option Contract, in which case the Buyer shall take delivery of the Underlying Physical specified in the Individual Contract Specifications (in the case of a call Option Contract), or sell the Underlying Physical specified in the Individual Contract Specifications (in the case of a put Option Contract) at the Exercise Price referred to in Rule 6.3.2(e)(iii) or (f)(iii), as the case may be; or

(ii) allow SFE Clearing, on the Declaration Date, to automatically exercise the Option Contract or let it lapse, in accordance with the relevant Individual Contract Specifications; or

(iii) prevent the automatic exercise of the Option by lodging a Deny Automatic Exercise Request within the SFE Allocation & Clearing System at any time prior to the time determined by the Exchange for lodging a Deny Automatic Exercise Requests in the relevant contract, in which case the Option Contract shall be deemed to have lapsed.

(d) No Right of Buyer to Exercise Intraday and Overnight Option Contracts

Neither deliverable nor cash settled Intraday Options and Overnight Options may be exercised by the Buyer and are automatically exercised or allowed to lapse by SFE Clearing.

6.3.4 Rights of Seller to Close Out for all Option Contracts Prior to Expiry

Prior to the expiration of trading on the Declaration Date the Seller of an Option Contract shall be entitled to buy an Option Contract of the same type at the same Exercise Price and with the same Settlement Month as that sold in which case the bought and sold positions may be Closed Out.

6.3.5 Rights of Holder of Bought and Sold Options for all Option Contracts on Expiry

Where a person holds bought and sold Option Contracts at the same Exercise Price and with the same Settlement Month, the sold position may be exercised against on expiry.

6.3.6 Provision for Making Determinations Relating to Options Contracts

Unless otherwise specified in the Individual Contract Specifications for a particular Class of Contract:

(a) The following are terms of every Class of Options Contract, in addition to other terms:

(i) Manner of quoting Contract Premiums.	Such manner as is determined by the Exchange.
(ii) Minimum fluctuations to be used in quoting Contract Premium.	Such fluctuation as is determined by the Exchange.
(iii) Manner of quoting Exercise Prices of Options.	Such manner as is determined by the Exchange.
(iv) Minimum fluctuations to be used in quoting Exercise Prices of Options.	Such fluctuation as is determined by the Exchange.
(v) Expiry Months.	Such months as are determined by the Exchange.
(vi) Declaration Date.	Such Business Day as is determined by the Exchange.
(vii) Time at which trading ceases on	Such time as is determined by the

Declaration Date.	Exchange.

(b) the following are terms of every Class of Contract which are Ordinary Options, Strip Options or Serial Options, in addition to the terms set out in (a) above, and any other terms:

(i) Time by which Participants must lodge Request or Deny Automatic Exercise Requests for exercise of Ordinary, Strip and Serial Options.	Such time or times as is determined by the Exchange.
(ii) The Serial Options price.	Such price as is determined by SFE Clearing.

Explanatory Note:
The terms of all Ordinary Options and Serial Options include the matters set out in (a) and (b) above, as well as in the Individual Contract Specifications for Ordinary Options or Serial Options, as the case may be, and otherwise as provided in these Operating Rules.

(c) The following are terms of every Class of Contract which are Intraday or Overnight Options, in addition to the terms set out in (a) above and any other terms:

(i) Day of Contract expiry.	Such Business Day as is determined by the Exchange.
(ii) Time of Contract expiry.	Such time as is determined by the Exchange.
(iii) The Intraday Options Futures Price.	Such price as is determined by SFE Clearing.
(iv) The Overnight Options Futures Price.	Such price as is determined by SFE Clearing.

Explanatory Note:
The terms of all Intraday Options or Overnight Options include the matters set out in (a) and (c) above, as well as in the Individual Contract Specifications for Intraday Options or Overnight Options, as the case may be, and otherwise as provided in these Rules.

6.3.7 Premium

(a) An Option Contract shall be entered into in consideration of a Contract Premium payable by the Buyer.

(b) The Contract Premium shall be calculated in accordance with these Operating Rules and payment thereof shall be governed by the Deposit and Margin requirements set out in Section 2 of the Operating Rules.

6.3.8 Exercise Prices

Exercise Prices shall be determined by the Exchange from time to time to reflect the movement of the price of the applicable Futures Contract or Underlying Physical, and the Exchange shall Publish each new Exercise Price as it is determined.

6.3.9 Effect of Registration

Upon the registration of an Option Contract by SFE Clearing, such Option Contract shall be replaced by an Option Contract or Option Contracts in accordance with the Clearing Rules and each Option Contract so registered shall be extinguished and the parties to such Option Contract shall be released from their obligations to each other.

6.3.10 Lodgement of Exercise or Deny Automatic Exercise Requests in Respect of Deliverable Ordinary, Serial and Strip Option Contracts over a Futures Contract and Option Contracts over an Underlying Physical

(a) Exercise of an Option or prevention of the Automatic Exercise of an Option may be carried out by lodging electronically with SFE Clearing, an Exercise Request and/or Deny Automatic Exercise Request in the SFE Allocation & Clearing system or in a form determined by SFE Clearing.

(b) A Participant who holds a bought (Call or Put) Option Contract on behalf of a Client may exercise or prevent the automatic exercise of the Option provided that the Participant has received the relevant instructions from the Client prior to the time for lodgement of the Exercise and/or Deny Automatic Exercise Request.

6.3.11 Exercise/Expiry of All Options on Declaration Date

On the Declaration Date of both cash settled and deliverable Option Contracts, SFE Clearing shall, unless otherwise directed by an Exercise Request and/or Deny Automatic Exercise Request in respect of an Ordinary Option or a Serial Option, or unless the relevant Individual Contract Specifications state otherwise:

(a) exercise all in-the-money Options; and

(b) allow all other Option Contracts to expire.

6.3.12 Option Contracts which are in-the-Money

(a) Deliverable Options

(i) An Ordinary Option over a Futures Contract which is cash settled is in-the-money if the Settlement Price of the Underlying Futures Contract Settlement Month lies above the Exercise Price in the case of a Call Option Contract, or lies below the Exercise Price in the case of a Put Option Contract.

(ii) An Ordinary Option over a Futures Contract which is deliverable is in-the-money if the Daily Settlement Price for the Underlying Futures Contract Settlement Month for the Declaration Date lies above the Exercise Price in the case of a Call Option Contract, or lies below the Exercise Price in the case of a Put Option Contract.

(iii) A Strip Option is in-the-money if the Option Settlement Price lies above the Exercise Price in the case of a Call Option Contract or lies below the Exercise Price in the case of a Put Option Contract. The Option Settlement Price shall be determined in accordance with the Individual Contract Specifications.

(iv) A Serial Option is in-the-money if the Serial Option price lies above the Exercise Price in the case of a Call Option Contract or lies below the Exercise Price in the case of a Put Option Contract. The Serial Option price shall be determined by reference to the underlying futures market price at expiry of the Serial Option.

(v) An Intraday Option is in-the-money if the Intraday Option Futures price of the underlying Futures Contract Settlement Month lies above the Exercise Price in the case of a Call Option Contract or lies below the Exercise Price in the case of a Put Option Contract. Intraday Option futures prices shall be determined in accordance with the price sampling procedures which are specified in the Individual Contract Specifications for the relevant Option Contracts.

(vi) An Overnight Option is in-the-money if the Overnight Option futures price of the underlying Futures Contract Settlement Month lies above the Exercise Price in the case of a Call Option Contract or lies below the Exercise Price in the case of a Put Option Contract. Overnight Option futures prices shall be determined in accordance with the price sampling procedures which are specified in the Individual Contract Specifications for the relevant Option Contracts.

(vii) An Option over an Underlying Physical is in-the-money if the Settlement Price of the Underlying Physical lies above the Exercise Price in the case of a Call Option Contract, or lies below the Exercise Price in the case of a Put Option Contract.

(b) Cash Settled Option Contracts

A cash settled Option over a Futures Contract or Underlying Physical is in-the-money if the Settlement Price lies above the Exercise Price in the case of a Call Option Contract or lies below the Exercise Price in the case of a Put Option Contract

6.3.13 Notification to Sellers

(a) Notification to Sellers of Deliverable Option Contracts over a Futures Contract

(i) Upon receipt of an Exercise Request, SFE Clearing will notify the Seller that the Seller has become:

(A) in the case of an Option over a Futures Contract, the holder of a sold futures position in the case of a Call Option Contract, or the holder of a bought futures position in the case of a Put Option Contract, in the underlying Futures Contract in the same Month and at the same Exercise Price as the Option Contract sold;

(B) in the case of a Strip Option, the holder of sold futures positions in the case of a Call Option, or the holder of bought futures positions in the case of a Put Option, in the Underlying Futures Contracts in the same Months and at the same Exercise Prices as the Option Contract sold;

(C) entitled to receive the net value of the Contract Premium.

(ii) On the Declaration Date, the Seller will receive such notification after the Exercise Request is lodged in the SFE Allocation & Clearing System and by not later than the time determined by the Exchange for each relevant Option Contract.

(iii) On all other Business Days, the Seller will receive such notification after the conclusion of business processing at the end of the day on which the Exercise Request was lodged by the Seller and by not later than the time determined by the Exchange for each relevant Option Contract.

(b) Notification to Sellers of Deliverable Option Contracts over an Underlying Physical

(i) Upon receipt of an Exercise Request, SFE Clearing will notify the Seller, as soon as practicable, that the Option over an Underlying Physical has been exercised.

(ii) On the Declaration Date, the Seller will receive the notification referred to above after the Exercise Request is lodged in the SFE Allocation & Clearing System and by not later that the time determined by the Exchange for each relevant Option Contract.

(iii) On all other Business Days, the Seller will receive the notification referred to above after the conclusion of business processing at the end of the day on which the Exercise Request was lodged by the Seller and by not later that the time determined by the Exchange for each relevant Option Contract.

(c) Notification to Sellers of Cash Settled Option Contracts

On the Declaration Date, the Seller will receive notification of any Settlement Value to be paid and the Contract Premium to be received by not later than the time determined by the Exchange for each relevant Option Contract.

6.3.14 Obligations of Participant on Exercise of Deliverable Option Contracts over a Futures Contract

Where the Seller has become the holder of a futures position pursuant to the exercise of an Option Contract, the Seller shall comply with the provisions of these Operating Rules relating to the futures positions.

6.3.15 Disputes

Documents must be taken up without prejudice to any question in dispute and such question shall be agreed between the parties. All differences, interests and all other charges are for prompt settlement.

<u>AMENDMENTS TO RULE 7.1 (DEFINITION SECTION)</u>

Option or Option Contract	An option over a Futures Contract or a number of Futures Contracts or an option over an Underlying Physical, as listed by the Exchange.
Strip Option or Strip Option Contract	An option over a predetermined number of Futures Contracts.
Underlying Futures Contract	The Futures Contract or Contracts upon which an Option over a Futures Contract is based.

CONTRACT SPECIFICATIONS AND DETERMINATIONS

Rule 6.60.3 Strip Options over New South Wales Base Load Electricity Futures contracts

Item	Heading	Individual contract specifications
1.	Contract Unit	An Option over four predetermined New South Wales Base Load Electricity Futures Contracts as described in Item 1 of Rule 6.60.1, comprising one calendar year.
2.	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3.	Value of the Contract Premium in dollars and cents	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into an Option and multiplied by the aggregate number of base load hours in the underlying four New South Wales Base Load Electricity Futures Contracts and expressed as Australian dollars.
4.1	Determination of Option Settlement Price	(a) The Option Settlement Price will be the average price quoted on the SYCOM® Strip Trading Facility which is referable to the four futures contracts determined in Item 1. (b) The average price will be the average price of the mid point of the bid and the offer at such intervals and at such times as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$FP = A \times \frac{B}{C}$ FP = Price allocated to each futures contract resulting from exercised Strip Option. A = the previous day's Settlement Price for the Contract Quarter for each individual futures contract. B = Exercise Price. C = Previous Day's Implied Strip Price, calculated as follows: Implied Strip Price = $\frac{F}{G}$ F = $a + b + c + d$ a = Q1 previous day's Settlement Price x megawatt hours for Q1 as determined by the Exchange. b = Q2 previous day's Settlement Price x megawatt hours for Q2 as determined by the Exchange. c = Q3 previous day's Settlement Price x megawatt hours for Q3 as determined by the Exchange. d = Q4 previous day's Settlement Price x megawatt hours for Q4 as determined by the Exchange. G = Total number of megawatt hours of all four Futures Contracts.
5.	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the weighted average price (weighted on the basis of the megawatt hours of each futures contract) of the four futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6.	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note
The terms of all Strip Options over New South Wales Base Load Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

(a) which provides for determinations by the Exchange as to:
  - the manner in which Premium is quoted and minimum fluctuation
  - the manner in which Exercise Price is quoted and minimum fluctuations
  - Settlement Months
  - the Declaration Day
  - the time at which trading ceases on the Declaration Date
  - the latest time for lodgment of an Exercise Request; and

(b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

“Time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “12 noon on the Declaration Date”.

Link to Procedures for determination.

Rule 6.62.3 Strip Options over Victoria Base Load Electricity Futures contracts

Item	Heading	Individual contract specifications
1.	Contract Unit	An Option over four predetermined Victoria Base Load Electricity Futures Contracts as described in Item 1 of Rule 6.62.1, comprising one calendar year.
2.	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3.	Value of the Contract Premium in dollars and cents	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into an Option and multiplied by the aggregate number of base load hours in the underlying four Victoria Base Load Electricity Futures Contracts and expressed as Australian dollars.
4.1	Determination of Option Settlement Price	(a) The Option Settlement Price will be the average price quoted on the SYCOM® Strip Trading Facility which is referable to the four futures contracts determined in Item 1. (b) The average price will be the average price of the mid point of the bid and the offer at such intervals and at such times as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$$FP = A \times \frac{B}{C}$$ FP = Price allocated to each futures contract resulting from exercised Strip Option. A = the previous day's Settlement Price for the Contract Quarter for each individual futures contract. B = Exercise Price. C = Previous Day's Implied Strip Price, calculated as follows: $$\text{Implied Strip Price} = \frac{F}{G}$$ F = $a + b + c + d$ a = Q1 previous day's Settlement Price x megawatt hours for Q1 as determined by the Exchange. b = Q2 previous day's Settlement Price x megawatt hours for Q2 as determined by the Exchange. c = Q3 previous day's Settlement Price x megawatt hours for Q3 as determined by the Exchange. d = Q4 previous day's Settlement Price x megawatt hours for Q4 as determined by the Exchange. G = Total number of megawatt hours of all four Futures Contracts.
5.	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the weighted average price (weighted on the basis of the megawatt hours of each futures contract) of the four futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6.	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note
The terms of all Strip Options over Victoria Base Load Electricity Futures contracts comprise a combination of:
- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:
(a) which provides for determinations by the Exchange as to:
  - the manner in which Premium is quoted and minimum fluctuation
  - the manner in which Exercise Price is quoted and minimum fluctuations
  - Settlement Months
  - the Declaration Day
  - the time at which trading ceases on the Declaration Date
  - the latest time for lodgment of an Exercise Request; and

(b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

"Time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12 noon on the Declaration Date".

Link to Procedures for determination.

Rule 6.64.3 Strip Options over Queensland Base Load Electricity Futures contracts

Item	Heading	Individual contract specifications
1.	Contract Unit	An Option over four predetermined Queensland Base Load Electricity Futures Contracts as described in Item 1 of Rule 6.64.1, comprising one calendar year.
2.	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3.	Value of the Contract Premium in dollars and cents	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into an Option and multiplied by the aggregate number of base load hours in the underlying four Queensland Base Load Electricity Futures Contracts and expressed as Australian dollars.
4.1	Determination of Option Settlement Price	(a) The Option Settlement Price will be the average price quoted on the SYCOM® Strip Trading Facility which is referable to the four futures contracts determined in Item 1. (b) The average price will be the average price of the mid point of the bid and the offer at such intervals and at such times as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$FP = A \times \frac{B}{C}$ FP = Price allocated to each futures contract resulting from exercised Strip Option. A = the previous day's Settlement Price for the Contract Quarter for each individual futures contract. B = Exercise Price. C = Previous Day's Implied Strip Price, calculated as follows: Implied Strip Price = $\frac{F}{G}$ F = $a + b + c + d$ a = Q1 previous day's Settlement Price x megawatt hours for Q1 as determined by the Exchange. b = Q2 previous day's Settlement Price x megawatt hours for Q2 as determined by the Exchange. c = Q3 previous day's Settlement Price x megawatt hours for Q3 as determined by the Exchange. d = Q4 previous day's Settlement Price x megawatt hours for Q4 as determined by the Exchange. G = Total number of megawatt hours of all four Futures Contracts.
5.	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the weighted average price (weighted on the basis of the megawatt hours of each futures contract) of the four futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6.	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note
The terms of all Strip Options over Queensland Base Load Electricity Futures contracts comprise a combination of:
- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:
(a) which provides for determinations by the Exchange as to:
  - the manner in which Premium is quoted and minimum fluctuation
  - the manner in which Exercise Price is quoted and minimum fluctuations
  - Settlement Months
  - the Declaration Day
  - the time at which trading ceases on the Declaration Date
  - the latest time for lodgment of an Exercise Request; and

(b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

"Time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12 noon on the Declaration Date".

Link to Procedures for determination.

Rule 6.66.3 Strip Options over South Australia Base Load Electricity Futures contracts

Item	Heading	Individual contract specifications
1.	Contract Unit	An Option over four predetermined South Australia Base Load Electricity Futures Contracts as described in Item 1 of Rule 6.66.1, comprising one calendar year.
2.	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3.	Value of the Contract Premium in dollars and cents	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into an Option and multiplied by the aggregate number of base load hours in the underlying four South Australia Base Load Electricity Futures Contracts and expressed as Australian dollars.
4.1	Determination of Option Settlement Price	(a) The Option Settlement Price will be the average price quoted on the SYCOM® Strip Trading Facility which is referable to the four futures contracts determined in Item 1. (b) The average price will be the average price of the mid point of the bid and the offer at such intervals and at such times as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$FP = A \times \frac{B}{C}$ FP = Price allocated to each futures contract resulting from exercised Strip Option. A = the previous day's Settlement Price for the Contract Quarter for each individual futures contract. B = Exercise Price. C = Previous Day's Implied Strip Price, calculated as follows: Implied Strip Price = $\frac{F}{G}$ F = $a + b + c + d$ a = Q1 previous day's Settlement Price x megawatt hours for Q1 as determined by the Exchange. b = Q2 previous day's Settlement Price x megawatt hours for Q2 as determined by the Exchange. c = Q3 previous day's Settlement Price x megawatt hours for Q3 as determined by the Exchange. d = Q4 previous day's Settlement Price x megawatt hours for Q4 as determined by the Exchange. G = Total number of megawatt hours of all four Futures Contracts.
5.	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the weighted average price (weighted on the basis of the megawatt hours of each futures contract) of the four futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6.	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note
The terms of all Strip Options over South Australia Base Load Electricity Futures contracts comprise a combination of:
- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:
(a) which provides for determinations by the Exchange as to:
  - the manner in which Premium is quoted and minimum fluctuation
  - the manner in which Exercise Price is quoted and minimum fluctuations
  - Settlement Months
  - the Declaration Day
  - the time at which trading ceases on the Declaration Date
  - the latest time for lodgment of an Exercise Request; and

(b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

"Time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12 noon on the Declaration Date".

Link to Procedures for determination.

6.60.4 New South Wales Base Load Electricity Cap Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One (1) Megawatt hour (MWh) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the New South Wales (NSW) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited ("NEMMCO") or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall be the NSW reference price. The NSW reference price shall be calculated by NEMMCO on a base load profile (on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time ("AEST") exclusive of any days which may be determined by the Exchange ('the base load hours')) in accordance with the following formula: $$RP = \frac{[C - (300 \text{ x } D)]}{E}$$ Where RP = Reference Price. C = the sum of all base load half hourly spot prices for the Region in the Calendar Quarter greater than $300.00. D = the total number of base load half hour spot prices for the Region in the Calendar Quarter greater than $300.00 E = the total number of base load half hour spot prices for the Region in the Calendar Quarter.
1.3	Type of Contract	Cash settled
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as defined in Item 1.2, for any Calendar Quarter.
3	Provisional Settlement Price.	(a) The Reference Price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional Settlement Price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional Settlement Price.
4.	Settlement Price	(a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) Subject to Item 3 (b), the provisional Settlement Price shall be declared by SFE Clearing as the Final Settlement Price on the third Business Day after the Final Trading Day. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the Settlement Value of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.
5.	Settlement Value	The Settlement Value is the Settlement Price multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as described in Item 1.2, for any Calendar Quarter.

Item	Heading	Individual Contract Specifications
6.	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
7.	Inability for SFE Clearing House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note
The terms of all NSW Base Load Electricity Cap Futures Contracts comprise a combination of:
- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:
(a) which provides for determinations by the Exchange as to
- the units in which prices are to be quoted by participants when submitting orders
- the Final Trading Day in a Settlement Month
- the time at which trading ceases on the Final Trading Day
- the Settlement Date
- the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
- the Settlement Months in which a Final Trading Day for a contract occurs; and

(b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the Contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows: "Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Calendar Quarter".

Link to Procedures for determination.

6.62.4 Victoria Base Load Electricity Cap Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One (1) Megawatt hour (MWh) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the Victoria (VIC) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited ("NEMMCO") or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall be the VIC reference price. The VIC reference price shall be calculated by NEMMCO on a base load profile (on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time ("AEST") exclusive of any days which may be determined by the Exchange ('the base load hours')) in accordance with the following formula: $$RP = \frac{[C - (300 \times D)]}{E}$$ Where RP = Reference Price. C = the sum of all base load half hourly spot prices for the Region in the Calendar Quarter greater than $300.00. D = the total number of base load half hour spot prices for the Region in the Calendar Quarter greater than $300.00 E = the total number of base load half hour spot prices for the Region in the Calendar Quarter.
1.3	Type of Contract	Cash settled
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as defined in Item 1.2, for any Calendar Quarter.
3	Provisional Settlement Price.	(a) The Reference Price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional Settlement Price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional Settlement Price.
4.	Settlement Price	(a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) Subject to Item 3 (b), the provisional Settlement Price shall be declared by SFE Clearing as the Final Settlement Price on the third Business Day after the Final Trading Day. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the Settlement Value of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.
5.	Settlement Value	The Settlement Value is the Settlement Price multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as described in Item 1.2, for any Calendar Quarter.

Item	Heading	Individual Contract Specifications
6.	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
7.	Inability for SFE Clearing House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note
The terms of all Victoria Base Load Electricity Cap Futures Contracts comprise a combination of:
- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:
(a) which provides for determinations by the Exchange as to
- the units in which prices are to be quoted by participants when submitting orders
- the Final Trading Day in a Settlement Month
- the time at which trading ceases on the Final Trading Day
- the Settlement Date
- the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
- the Settlement Months in which a Final Trading Day for a contract occurs; and

(b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the Contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows: "Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Calendar Quarter".

Link to Procedures for determination.

6.64.4 Queensland Base Load Electricity Cap Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One (1) Megawatt hour (MWh) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the Queensland (QLD) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited ("NEMMCO") or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall be the QLD reference price. The QLD reference price shall be calculated by NEMMCO on a base load profile (on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time ("AEST") exclusive of any days which may be determined by the Exchange ('the base load hours')) in accordance with the following formula: $RP = \frac{[C - (300 \times D)]}{E}$ Where RP = Reference Price. C = the sum of all base load half hourly spot prices for the Region in the Calendar Quarter greater than $300.00. D = the total number of base load half hour spot prices for the Region in the Calendar Quarter greater than $300.00 E = the total number of base load half hour spot prices for the Region in the Calendar Quarter.
1.3	Type of Contract	Cash settled
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as defined in Item 1.2, for any Calendar Quarter.
3	Provisional Settlement Price.	(a) The Reference Price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional Settlement Price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional Settlement Price.
4.	Settlement Price	(a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) Subject to Item 3 (b), the provisional Settlement Price shall be declared by SFE Clearing as the Final Settlement Price on the third Business Day after the Final Trading Day. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the Settlement Value of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.
5.	Settlement Value	The Settlement Value is the Settlement Price multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as described in Item 1.2, for any Calendar Quarter.

Item	Heading	Individual Contract Specifications
6.	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
7.	Inability for SFE Clearing House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note
The terms of all Queensland Base Load Electricity Cap Futures Contracts comprise a combination of:
- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:
(a) which provides for determinations by the Exchange as to
   - the units in which prices are to be quoted by participants when submitting orders
   - the Final Trading Day in a Settlement Month
   - the time at which trading ceases on the Final Trading Day
   - the Settlement Date
   - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
   - the Settlement Months in which a Final Trading Day for a contract occurs; and

(b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the Contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows: "Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Calendar Quarter".

Link to Procedures for determination.

6.66.4 South Australia Base Load Electricity Cap Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One (1) Megawatt hour (MWh) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the South Australia (SA) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited ("NEMMCO") or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall be the SA reference price. The SA reference price shall be calculated by NEMMCO on a base load profile (on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time ("AEST") exclusive of any days which may be determined by the Exchange ('the base load hours')) in accordance with the following formula: $$RP = \frac{[C - (300 \times D)]}{E}$$ Where RP = Reference Price. C = the sum of all base load half hourly spot prices for the Region in the Calendar Quarter greater than $300.00. D = the total number of base load half hour spot prices for the Region in the Calendar Quarter greater than $300.00 E = the total number of base load half hour spot prices for the Region in the Calendar Quarter.
1.3	Type of Contract	Cash settled
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as defined in Item 1.2, for any Calendar Quarter.
3	Provisional Settlement Price.	(a) The Reference Price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional Settlement Price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional Settlement Price.
4.	Settlement Price	(a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) Subject to Item 3 (b), the provisional Settlement Price shall be declared by SFE Clearing as the Final Settlement Price on the third Business Day after the Final Trading Day. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the Settlement Value of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.
5.	Settlement Value	The Settlement Value is the Settlement Price multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as described in Item 1.2, for any Calendar Quarter.

Item	Heading	Individual Contract Specifications
6.	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
7.	Inability for SFE Clearing House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note
The terms of all South Australia Base Load Electricity Cap Futures Contracts comprise a combination of:
- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:
(a) which provides for determinations by the Exchange as to
  - the units in which prices are to be quoted by participants when submitting orders
  - the Final Trading Day in a Settlement Month
  - the time at which trading ceases on the Final Trading Day
  - the Settlement Date
  - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
  - the Settlement Months in which a Final Trading Day for a contract occurs; and

(b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the Contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows: "Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Calendar Quarter".

Link to Procedures for determination.

Rule 6.60.3 Strip Options over New South Wales Base Load Electricity Futures contracts

Ref Rule	**Subject**	**Options contract determinations**
Item 1	Pre-determined contracts.	A strip comprising March/June/September/December contracts such that sufficient contracts are always available for market participants to trade three calendar years.[1]
Item 4.1 (b)	Time and intervals at which the mid-point of the bid and offer in the underlying Strip market is taken.	11.45am, 11.50am, 11.55am and 12pm.
6.3.6	Manner of quoting Contract Premiums.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	$0.01 per Megawatt Hour.
6.3.6	Manner of quoting Exercise Prices of Options.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	$1.00 per Megawatt Hour.
6.3.6	Expiry months.	November, with a contract code of December, delivering into March, June, September and December.
6.3.6	Declaration Date.	The day 6 weeks prior to the day immediately preceding the commencement of the calendar year for the underlying four quarterly futures contracts. If this day is not a Business Day or is recognized in NSW, QLD, VIC or SA as a Public Holiday then the following Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	12.00 noon on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	9.00 am – 4.50 pm.
6.3.6	Time for lodgment of an Exercise Request.	Up to 1.30 pm on any Trading Day, including the Final Trading Day. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 3.00 pm.

[1]Explanatory Note – Item 1

As at the date of listing this contract the predetermined contracts are:

Strip Year	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**
December 2006[1]	March 2006	June 2006	September 2006	December 2006
December 2007[2]	March 2007	June 2007	September 2007	December 2007
December 2008[3]	March 2008	June 2008	September 2008	December 2008

[1]These contracts are comprised in Strip Code HNZ6
[2]These contracts are comprised in Strip Code HNZ7
[3] These contracts are comprised in Strip Code HNZ8

Rule 6.62.3 Strip Options over Victoria Base Load Electricity Futures contracts

Ref Rule	Subject	Options contract determinations
Item 1	Pre-determined contracts.	A strip comprising March/June/September/December contracts such that sufficient contracts are always available for market participants to trade three calendar years. [1]
Item 4.1 (b)	Time and intervals at which the mid-point of the bid and offer in the underlying Strip market is taken.	11.45am, 11.50am, 11.55am and 12pm.
6.3.6	Manner of quoting Contract Premiums.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	$0.01 per Megawatt Hour.
6.3.6	Manner of quoting Exercise Prices of Options.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	$1.00 per Megawatt Hour.
6.3.6	Expiry months.	November, with a contract code of December, delivering into March, June, September and December.
6.3.6	Declaration Date.	The day 6 weeks prior to the day immediately preceding the commencement of the calendar year for the underlying four quarterly futures contracts. If this day is not a Business Day or is recognized in NSW, QLD, VIC or SA as a Public Holiday then the following Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	12.00 noon on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	9.00 am – 4.50 pm.
6.3.6	Time for lodgment of an Exercise Request.	Up to 1.30 pm on any Trading Day, including the Final Trading Day. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 3.00 pm.

[1]Explanatory Note – Item 1

As at the date of listing this contract the predetermined contracts are:

Strip Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
December 2006[1]	March 2006	June 2006	September 2006	December 2006
December 2007[2]	March 2007	June 2007	September 2007	December 2007
December 2008[3]	March 2008	June 2008	September 2008	December 2008

[1]These contracts are comprised in Strip Code HVZ6
[2]These contracts are comprised in Strip Code HVZ7
[3] These contracts are comprised in Strip Code HVZ8

Rule 6.64.3 Strip Options over Queensland Base Load Electricity Futures contracts

Ref Rule	Subject	Options contract determinations
Item 1	Pre-determined contracts.	A strip comprising March/June/September/December contracts such that sufficient contracts are always available for market participants to trade three calendar years.[1]
Item 4.1 (b)	Time and intervals at which the mid-point of the bid and offer in the underlying Strip market is taken.	11.45am, 11.50am, 11.55am and 12pm.
6.3.6	Manner of quoting Contract Premiums.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	$0.01 per Megawatt Hour.
6.3.6	Manner of quoting Exercise Prices of Options.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	$1.00 per Megawatt Hour.
6.3.6	Expiry months.	November, with a contract code of December, delivering into March, June, September and December.
6.3.6	Declaration Date.	The day 6 weeks prior to the day immediately preceding the commencement of the calendar year for the underlying four quarterly futures contracts. If this day is not a Business Day or is recognized in NSW, QLD, VIC or SA as a Public Holiday then the following Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	12.00 noon on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	9.00 am – 4.50 pm.
6.3.6	Time for lodgment of an Exercise Request.	Up to 1.30 pm on any Trading Day, including the Final Trading Day. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 3.00 pm.

[1]Explanatory Note – Item 1

As at the date of listing this contract the predetermined contracts are:

Strip Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
December 2006[1]	March 2006	June 2006	September 2006	December 2006
December 2007[2]	March 2007	June 2007	September 2007	December 2007
December 2008[3]	March 2008	June 2008	September 2008	December 2008

[1]These contracts are comprised in Strip Code HQZ6
[2]These contracts are comprised in Strip Code HQZ7
[3] These contracts are comprised in Strip Code HQZ8

Rule 6.66.3 **Strip Options over South Australia Base Load Electricity Futures contracts**

Ref Rule	Subject	Options contract determinations
Item 1	Pre-determined contracts.	A strip comprising March/June/September/December contracts such that sufficient contracts are always available for market participants to trade three calendar years.[1]
Item 4.1 (b)	Time and intervals at which the mid-point of the bid and offer in the underlying Strip market is taken.	11.45am, 11.50am, 11.55am and 12pm
6.3.6	Manner of quoting Contract Premiums.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	$0.01 per Megawatt Hour.
6.3.6	Manner of quoting Exercise Prices of Options.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	$1.00 per Megawatt Hour
6.3.6	Expiry months.	November, with a contract code of December, delivering into March, June, September and December
6.3.6	Declaration Date:	The day 6 weeks prior to the day immediately preceding the commencement of the calendar year for the underlying four quarterly futures contracts. If this day is not a Business Day or is recognized in NSW, QLD, VIC or SA as a Public Holiday then the following Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	12.00 noon on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	9.00 am – 4.50 pm.
6.3.6	Time for lodgment of an Exercise Request.	Up to 1.30 pm on any Trading Day, including the Final Trading Day. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 3.00 pm.

[1]Explanatory Note – Item 1

As at the date of listing this contract the predetermined contracts are:

Strip Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
December 2006[1]	March 2006	June 2006	September 2006	December 2006
December 2007[2]	March 2007	June 2007	September 2007	December 2007
December 2008[3]	March 2008	June 2008	September 2008	December 2008

[1]These contracts are comprised in Strip Code HSZ6
[2]These contracts are comprised in Strip Code HSZ7
[3] These contracts are comprised in Strip Code HSZ8

6.60.4 New South Wales Base Load Electricity Cap Futures Contract

Ref Rule	Subject	Options contract determinations
Items 2 & 4	Calculation of Contract Value and Settlement Value.	Calculations shall be carried out to 2 decimal places.
Item 3	Time at which Provisional Settlement Price is declared.	11.00 am on the first Business Day following the Final Trading Day.
Item 4	Time at which Final Settlement Price is declared.	11.00 am on the third Business Day following the Final Trading Day.
6.2.3	Manner of quoting Futures Price.	Australian dollars per Megawatt Hour.
6.2.3	Minimum fluctuations to be used in quoting Futures Price.	$0.01 per Megawatt Hour.
6.2.3	Final Trading Day.	The last Business Day of the Calendar Quarter.
6.2.3	Settlement Months.	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next two Calendar years.
6.2.3	Time at which trading ceases on Final Trading Day.	4.50 pm.
6.2.3	Settlement Day.	The fourth Business Day after the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied.	12.00 noon.
6.2.3	Final time by which Buyer's obligations must be satisfied.	10.30 am.

6.62.4 Victoria Electricity Base Load Electricity Cap Futures Contract

Ref Rule	Subject	Options contract determinations
Items 2 & 4	Calculation of Contract Value and Settlement Value.	Calculations shall be carried out to 2 decimal places.
Item 3	Time at which Provisional Settlement Price is declared.	11.00 am on the first Business Day following the Final Trading Day.
Item 4	Time at which Final Settlement Price is declared.	11.00 am on the third Business Day following the Final Trading Day.
6.2.3	Manner of quoting Futures Price.	Australian dollars per Megawatt Hour.
6.2.3	Minimum fluctuations to be used in quoting Futures Price.	$0.01 per Megawatt Hour.
6.2.3	Final Trading Day.	The last Business Day of the Calendar Quarter.
6.2.3	Settlement Months.	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next two Calendar years.
6.2.3	Time at which trading ceases on Final Trading Day.	4.50 pm.
6.2.3	Settlement Day.	The fourth Business Day after the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied.	12.00 noon.
6.2.3	Final time by which Buyer's obligations must be satisfied.	10.30 am.

6.64.4 Queensland Base Load Electricity Cap Futures Contract

Ref Rule	**Subject**	**Options contract determinations**
Items 2 & 4	Calculation of Contract Value and Settlement Value.	Calculations shall be carried out to 2 decimal places.
Item **3**	Time at which Provisional Settlement Price is declared.	11.00 am on the first Business Day following the Final Trading Day.
Item 4	Time at which Final Settlement Price is declared.	11.00 am on the third Business Day following the Final Trading Day.
6.2.3	Manner of quoting Futures Price.	Australian dollars per Megawatt Hour.
6.2.3	Minimum fluctuations to be used in quoting Futures Price.	$0.01 per Megawatt Hour.
6.2.3	Final Trading Day.	The last Business Day of the Calendar Quarter.
6.2.3	Settlement Months.	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next two Calendar years.
6.2.3	Time at which trading ceases on Final Trading Day.	4.50 pm.
6.2.3	Settlement Day.	The fourth Business Day after the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied.	12.00 noon.
6.2.3	Final time by which Buyer's obligations must be satisfied.	10.30 am.

6.66.4 South Australia Base Load Electricity Cap Futures Contract

Ref Rule	Subject	Options contract determinations
Items 2 & 4	Calculation of Contract Value and Settlement Value.	Calculations shall be carried out to 2 decimal places.
Item 3	Time at which Provisional Settlement Price is declared.	11.00 am on the first Business Day following the Final Trading Day.
Item 4	Time at which Final Settlement Price is declared.	11.00 am on the third Business Day following the Final Trading Day.
6.2.3	Manner of quoting Futures Price.	Australian dollars per Megawatt Hour.
6.2.3	Minimum fluctuations to be used in quoting Futures Price.	$0.01 per Megawatt Hour.
6.2.3	Final Trading Day.	The last Business Day of the Calendar Quarter.
6.2.3	Settlement Months.	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next two Calendar years.
6.2.3	Time at which trading ceases on Final Trading Day.	4.50 pm.
6.2.3	Settlement Day.	The fourth Business Day after the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied.	12.00 noon.
6.2.3	Final time by which Buyer's obligations must be satisfied.	10.30 am.

Rule 3.3 Pre Negotiated Business Trades

Explanatory Note

The Pre-negotiated Business rules provide Participants with the opportunity to facilitate client business in order to obtain the best price for that business at that time. These rules permit Participants to withhold orders (subject to client consent) and pre-negotiate trades before bringing the business to the Exchange for crossing on the Trading Platform.

Determinations

The Exchange has prescribed the following Contracts and minimum time periods:

Determinations as related to Pre-Negotiated Business

	d-cypha SFE Australian Electricity
Prescribed Time Period:	
Futures (and Strip Products)	5 Minutes
Quarterly Options	5 Minutes
Serial Options	5 Minutes
Strip Options	5 Minutes
Custom Market Strategies	5 Minutes
Minimum Volume Threshold:	0

Determinations as related to the Block Trade Facility (BTF)

CONTRACTS	D-CYPHA SFE AUSTRALIAN ELECTRICITY STRIP OPTIONS	D-CYPHA SFE AUSTRALIAN ELECTRICITY CAP FUTURES
MINIMUM VOLUME THRESHOLD	15	15
CHANGE OF SPOT MONTH (DAYS PRIOR TO EXPIRY)	N/A	N/A
MINIMUM TRADING INCREMENT	$0.01	$0.01

Determinations relating to Strategy Trading and Exchange for Physical Trading

Rule	Subject	Determinations	Commencement Date
3.2.1	Strategy Trading	The SFE will list two Strip Products on Quarterly Cap Futures Contracts over Base Load Australian Electricity Futures Products in each State such that market participants can manage their exposure to two Calendar years. These Strip Products may be traded at a minimum price increment of $0.01 per MWh.	3 November 2004
3.5	Exchange for Physical Trading	The Exchange for Physical Rules shall apply to Quarterly Cap Futures Contracts over Base Load Australian Electricity Futures Products and Calendar Year Strip Options over Base Load Australian Electricity Futures Contracts.	3 November 2004