

**Notice to NEM from Dispute Resolution Adviser issued under Clause
8.2.5(e) of the National Electricity Rules**

Macquarie Generation (**Macgen**) has initiated a claim under the National Electricity Rules from the Participant Compensation Fund for a loss of \$4,544,638. This arises from the scheduling error declared by NEMMCO that occurred in the dispatch intervals between 9.20am and 10.00am on 22 October 2007. Details of the scheduling error are contained in NEMMCO's report dated 28 December 2007 titled "Market Event Report 22 October 2007". A copy of the Stage 2 Notice is attached

Currently the Participant Compensation Fund contains \$5,929,133.

I have referred this matter to a two member Dispute Resolution Panel (**DRP**) comprised of Mr John Clarke QC and Mr Greg Thorpe.

In accordance with Clause 3.16.2 of the Rules, the DRP may determine whether compensation is payable to Macgen and the amount of any such compensation payable from the Participant Compensation Fund. In determining the level of compensation the DRP must take into account the criteria set out in Clause 3.16.2(h) of the Rules, which includes a requirement that the DRP take into account the current balance of the Participant Compensation Fund and the potential for future liabilities that may arise during the year.

Any Registered Participant that has an interest in the dispute may become a party to the dispute under the terms of Clause 8.2.6B(c) of the Rules. The DRP also has the power to direct a Registered Participant to become a party to the dispute under the terms of Clause 8.2.6B(b) if it considers that the Registered Participant should be a party to the dispute. If you would like more information on the dispute, the implications of joining, or the dispute process generally please contact me on 0411 380 380, or by email shirli@resolveadvisors.com.au

The first meeting of the DRP will be on Thursday 20 March 2008 in Sydney to provide direction on process. Please let me know by **COB Monday 18 March** by email, fax or telephone if you have an interest in the dispute and intend to become a party or want to observe. This will assist in preparing appropriately for the DRP

meeting. I will confirm a venue once I have an indication of the likely number of attendees.

Shirli Kirschner
NEM Dispute Resolution Adviser
PH:0411 380 380
Email: shirli@resolveadvisors.com.au