

NATIONAL ELECTRICITY LAW

SECTION 74

INFRINGEMENT NOTICE TO FLINDERS OPERATING SERVICES PTY LTD (ACN: 094 130 837)

To: Flinders Operating Services Pty Ltd (ACN: 094 130 837)
Level 25 Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

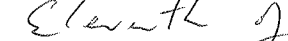
1. The Australian Energy Regulator ('AER') has reason to believe that Flinders Operating Services Pty Ltd ('FOS'), being a Registered Participant and a Scheduled Generator within the meaning of the *National Electricity Rules* ('NER'), in respect of the Playford Power Station ('Playford'), has breached clause 4.9.8(a) of the NER on 11 February 2009 for the reasons set out in Schedule 1 to this Infringement Notice ('the alleged breach').
2. The alleged breach comprises a breach of a civil penalty provision within the meaning of the *National Electricity (South Australia) Law* ('NEL').
3. The infringement penalty for the alleged breach is \$20,000.
4. Pursuant to section 74 of the NEL, the AER resolved to serve this Infringement Notice on FOS.

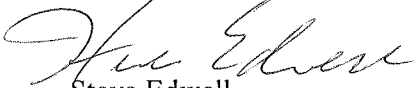
PAYMENT OF THE INFRINGEMENT PENALTY

5. FOS may pay the infringement penalty under this Infringement Notice by cheque or electronic funds transfer in accordance with the details set out in the invoice annexed to this Infringement Notice.
6. Notwithstanding anything set out in the invoice annexed to this Infringement Notice, the infringement penalty must be paid within 28 days of the date this Infringement Notice is served on FOS ('the payment period') unless this Infringement Notice is withdrawn before the end of the payment period in accordance with section 79 of the NEL.

OTHER MATTERS

7. The AER will not commence proceedings in respect of the alleged breach if the infringement penalty is paid before the end of the payment period.
8. FOS is entitled to disregard this Infringement Notice and defend any proceedings in respect of the alleged breach.

DATE OF NOTICE:  September 2009


Steve Edwell
Chair
Australian Energy Regulator

SCHEDULE 1

TO INFRINGEMENT NOTICE UNDER SECTION 74 OF THE NATIONAL ELECTRICITY LAW TO FLINDERS OPERATING SERVICES PTY LTD (ACN: 094 130 837)

MATTERS CONSTITUTING A BREACH OF A RELEVANT CIVIL PENALTY PROVISION

1. FOS is a Registered Participant and a Scheduled Generator within the meaning of those terms in the NER in respect of Playford.
2. Clause 4.9.8(a) of the NER requires a Registered Participant to comply with dispatch instructions issued to it by the market operator, namely National Electricity Market Management Company ('NEMMCO'), unless to do so would, in the Registered Participant's reasonable opinion, be a hazard to public safety or materially risk damaging equipment.
3. The dispatch instructions given by NEMMCO, to FOS in respect of Playford and the output of Playford for the dispatch intervals ending 05:55 – 06:15 inclusive, 06:30 and 06:40 – 06:50 inclusive on 11 February 2009 are set out below in columns 1 and 2 respectively. Playford's output for these dispatch intervals, as set out in column 3, did not comply with the dispatch instructions given to it by NEMMCO.

Column 1	Column 2	Column 3
Dispatch Interval	Dispatch Target Issued	Output
05:55	108 MW	115 MW
06:00	110 MW	120 MW
06:05	115 MW	130 MW
06:10	125 MW	143 MW
06:15	138 MW	151 MW
06:30	133 MW	138 MW
06:40	127 MW	132 MW
06:45	127 MW	132 MW
06:50	127 MW	129 MW

4. FOS' responses to the AER in relation to its non-compliance with the relevant dispatch instructions did not indicate that complying with these dispatch

instructions would give rise to a hazard to public safety or materially risk damaging equipment.

5. Accordingly for the dispatch intervals set out in column 3 above, on 11 February 2009 FOS breached clause 4.9.8(a) of the NER in respect of Playford by failing to comply with dispatch instructions given to it by NEMMCO.