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Contact Officer: Paul Dunn
Contact Phone: 03 9290 1426

27 September 2011

Mr Mathew Halliday
Rio Tinto Coal Australia Pty Ltd
GPO Box 391
Brisbane QLD 4001

Dear Mr Halliday

Full Exemption – Blair Athol Joint Venture and Rio Tinto Coal Australia

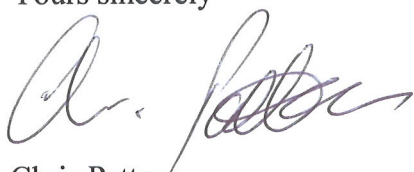
Thank you for your correspondence requesting a variation of the exemption previously granted to Rio Tinto Coal Australia Pty Limited, Queensland Coal Pty Ltd, Leichhardt Coal Pty Limited, J-Power Australia Pty Ltd and JCD Australia Pty Ltd (**Applicants**) from the requirement to register as a network service provider and the operation of Chapter 5 of the National Electricity Rules. To give effect to the amendment you seek it is necessary to repeal and remake the exemption. However, the terms of the exemption have not been amended.

On 27 September 2011 the AER repealed the exemption granted to the Applicants on 24 May 2010. That decision is set out at Attachment A to this letter.

On 27 September 2011, in accordance with your application, the Australian Energy Regulator substituted a new exemption under clause 2.5.1 of the National Electricity Rules. Please note the exemption is personal to the Applicants and does not apply to any other person that owns, controls or operates the network at the time of the decision or in the future. The decision is set out at Attachment B to this letter.

Should you have any queries in relation to this letter, please contact Mr Paul Dunn on (03) 9290 1426.

Yours sincerely



Chris Pattas
General Manager
Network Operations and Development

NETWORK SERVICE PROVIDER EXEMPTION

Rio Tinto Coal Australia Pty Limited

NOTICE OF DECISION TO REPEAL EXEMPTION

On 27 September 2011, the Australian Energy Regulator (AER) decided, pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law (NEL); and
- (c) clause 2.5.1 of the National Electricity Rules (NER),

to repeal the decision made by the AER on 24 May 2010 to grant an exemption (Exemption) to Rio Tinto Coal Australia Pty Limited.

The repeal of the Exemption takes effect on 27 September 2011.

NETWORK SERVICE PROVIDER EXEMPTION

Queensland Coal Pty Ltd

NOTICE OF DECISION TO REPEAL EXEMPTION

On 27 September 2011, the Australian Energy Regulator (AER) decided, pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law (NEL); and
- (c) clause 2.5.1 of the National Electricity Rules (NER),

to repeal the decision made by the AER on 24 May 2010 to grant an exemption (Exemption) to Queensland Coal Pty Ltd.

The repeal of the Exemption takes effect on 27 September 2011.

NETWORK SERVICE PROVIDER EXEMPTION

Leichhardt Coal Pty Limited

NOTICE OF DECISION TO REPEAL EXEMPTION

On 27 September 2011, the Australian Energy Regulator (AER) decided, pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law (NEL); and
- (c) clause 2.5.1 of the National Electricity Rules (NER),

to repeal the decision made by the AER on 24 May 2010 to grant an exemption (Exemption) to Leichhardt Coal Pty Limited.

The repeal of the Exemption takes effect on 27 September 2011.

NETWORK SERVICE PROVIDER EXEMPTION

J-Power Australia Pty Ltd

NOTICE OF DECISION TO REPEAL EXEMPTION

On 27 September 2011, the Australian Energy Regulator (AER) decided, pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law (NEL); and
- (c) clause 2.5.1 of the National Electricity Rules (NER),

to repeal the decision made by the AER on 24 May 2010 to grant an exemption (Exemption) to J-Power Australia Pty Ltd.

The repeal of the Exemption takes effect on 27 September 2011.

NETWORK SERVICE PROVIDER EXEMPTION

JCD Australia Pty Ltd

NOTICE OF DECISION TO REPEAL EXEMPTION

On 27 September 2011, the Australian Energy Regulator (AER) decided, pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law (NEL); and
- (c) clause 2.5.1 of the National Electricity Rules (NER),

to repeal the decision made by the AER on 24 May 2010 to grant an exemption (Exemption) to JCD Australia Pty Ltd.

The repeal of the Exemption takes effect on 27 September 2011.

NETWORK SERVICE PROVIDER EXEMPTION

Rio Tinto Coal Australia Pty Limited

NOTICE OF DECISION TO GRANT EXEMPTION

I, Michelle Groves, in accordance with a delegation made by the Australian Energy Regulator (AER), on 3 March 2006, decided pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law (NEL); and
- (c) clause 2.5.1 of the National Electricity Rules (NER),

to grant Rio Tinto Coal Australia Pty Limited (Applicant) an exemption (Exemption) from:

- (d) the requirement to register as a Network Service Provider (NSP); and
- (e) the operation of Chapter 5 of the NER,

subject to the conditions set out in this notice.

Specified distribution system

1. The Exemption granted to the Applicant is limited to the distribution system that is owned, controlled and/or operated by the Applicant and comprises:
 - (a) the Blair Athol Line up to the point of connection with the Clermont Mine as described in the application for exemption, made on behalf of the Applicant, dated 17 March 2010; and
 - (b) the overhead electric line from a point of supply on the Blair Athol Line to the points of connection with QR Network Pty Ltd's equipment situated within Lot 25 on CLM594 as described in the application to amend the exemption, made on behalf of the Applicant, dated 20 September 2011,

(the Distribution System).

Note: The purpose of condition 1 is to ensure that this Exemption does not exempt the Applicant from a requirement to be a registered participant in respect of any other transmission or distribution system that the Applicant may own, control or operate from time to time. This Exemption also does not exempt the Applicant from any other law (such as the *Electricity Supply Act 1994* (Qld)) which may require the Applicant to be authorised to own, control and/or operate the Distribution System.

Maintenance and technical standards

2. (a) The Applicant must maintain the Distribution System at least to the standards specified in the Connection Agreement with the Local Network Service Provider applying to the Distribution System.
- (b) For the purposes of condition 2(a), the terms 'Connection Agreement' and 'Local Network Service Provider' have the meaning assigned to them in the NER.

Note 1: For the avoidance of doubt, condition 8 applies to the interpretation of condition 2.

Dispute resolution

3. (a) Subject to condition 3(b), if the Applicant and a person connected to the Distribution System are unable to resolve a dispute by negotiation and discussion, the Applicant must, if requested by the other party, submit the dispute to arbitration in accordance with, and subject to, The Institute of Arbitrators & Mediators Australia Arbitration Rules.
- (b) Condition 3(a) does not apply to the extent that it is inconsistent with a dispute resolution scheme:
 - (i) agreed to by the Applicant and the other party; or
 - (ii) applying to the Applicant under a statute, regulation, rule or other law.

Note 1: The Institute of Arbitrators & Mediators Australia ('IAMA') Arbitration Rules (1 June 2007) can be accessed at <http://www.iama.org.au>.

Note 2: For the avoidance of doubt, condition 8 applies to the interpretation of condition 3.

Note 3: Condition 3 is intended to ensure that there is a mechanism for resolving disputes, between the Applicant and a person connected to the Distribution System, about the terms and conditions of connection and/or the supply of network services. However, condition 3 is not intended to override any dispute resolution scheme that: may apply to the Applicant under any other law of Queensland from time to time; or that is agreed to by the person connected to the Distribution System and the Applicant.

Commencement and expiry

4. The Exemption takes effect on and from 27 September 2011.
5. If the Applicant becomes aware that any condition of this Exemption is not satisfied, the Applicant must promptly (and, in any event, within 28 days) notify the AER.
6. The Exemption:
 - (a) ceases to operate if the Applicant fails to comply with condition 2, 3 and/or 5;

- (b) terminates on the date that:
 - (i) the Applicant is dissolved; or
 - (ii) the AER decides to repeal the Exemption in accordance with condition 7.


7. The AER may decide to amend or repeal the Exemption. The decision to amend or repeal the Exemption is exercisable in the same way, and subject to the same conditions, as the decision to grant the Exemption.

Note: For example, the AER may decide to repeal the Exemption in the event that a condition of the Exemption is not satisfied, or if circumstances change.

Interpretation

8. In this Exemption, unless the contrary intention appears, a reference to:
- (a) a statute, regulation, rule or other law includes regulations and other instruments made under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (b) an agreement or a provision of an agreement includes an amendment or supplement to, or replacement or novation of, that agreement or that provision of that agreement;
 - (c) except in relation to references to the Applicant, a particular person includes a reference to the person's successors, substitutes (including persons taking by novation) and assigns.

Note: An exemption is personal to the applicant, and does not apply to any other person that owns, controls or operates the relevant distribution system at the time of the decision or in the future.



.....

Dated: 27 September 2011

Michelle Groves
Delegate of the Australian Energy Regulator

NETWORK SERVICE PROVIDER EXEMPTION

Queensland Coal Pty Ltd

NOTICE OF DECISION TO GRANT EXEMPTION

I, Michelle Groves, in accordance with a delegation made by the Australian Energy Regulator (AER), on 3 March 2006, decided pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law (NEL); and
- (c) clause 2.5.1 of the National Electricity Rules (NER),

to grant Queensland Coal Pty Ltd (Applicant) an exemption (Exemption) from:

- (d) the requirement to register as a Network Service Provider (NSP); and
- (e) the operation of Chapter 5 of the NER,

subject to the conditions set out in this notice.

Specified distribution system

1. The Exemption granted to the Applicant is limited to the distribution system that is owned, controlled and/or operated by the Applicant and comprises:

- (c) the Blair Athol Line up to the point of connection with the Clermont Mine as described in the application for exemption, made on behalf of the Applicant, dated 17 March 2010; and
- (d) the overhead electric line from a point of supply on the Blair Athol Line to the points of connection with QR Network Pty Ltd's equipment situated within Lot 25 on CLM594 as described in the application to amend the exemption, made on behalf of the Applicant, dated 20 September 2011,

(the Distribution System).

Note: The purpose of condition 1 is to ensure that this Exemption does not exempt the Applicant from a requirement to be a registered participant in respect of any other transmission or distribution system that the Applicant may own, control or operate from time to time. This Exemption also does not exempt the Applicant from any other law (such as the *Electricity Supply Act 1994* (Qld)) which may require the Applicant to be authorised to own, control and/or operate the Distribution System.

Maintenance and technical standards

2. (a) The Applicant must maintain the Distribution System at least to the standards specified in the Connection Agreement with the Local Network Service Provider applying to the Distribution System.
- (b) For the purposes of condition 2(a), the terms 'Connection Agreement' and 'Local Network Service Provider' have the meaning assigned to them in the NER.

Note 1: For the avoidance of doubt, condition 8 applies to the interpretation of condition 2.

Dispute resolution

3. (a) Subject to condition 3(b), if the Applicant and a person connected to the Distribution System are unable to resolve a dispute by negotiation and discussion, the Applicant must, if requested by the other party, submit the dispute to arbitration in accordance with, and subject to, The Institute of Arbitrators & Mediators Australia Arbitration Rules.
- (b) Condition 3(a) does not apply to the extent that it is inconsistent with a dispute resolution scheme:
 - (iii) agreed to by the Applicant and the other party; or
 - (iv) applying to the Applicant under a statute, regulation, rule or other law.

Note 1: The Institute of Arbitrators & Mediators Australia ('IAMA') Arbitration Rules (1 June 2007) can be accessed at <http://www.iama.org.au>.

Note 2: For the avoidance of doubt, condition 8 applies to the interpretation of condition 3.

Note 3: Condition 3 is intended to ensure that there is a mechanism for resolving disputes, between the Applicant and a person connected to the Distribution System, about the terms and conditions of connection and/or the supply of network services. However, condition 3 is not intended to override any dispute resolution scheme that may apply to the Applicant under any other law of Queensland from time to time; or that is agreed to by the person connected to the Distribution System and the Applicant.

Commencement and expiry

4. The Exemption takes effect on and from 27 September 2011.
5. If the Applicant becomes aware that any condition of this Exemption is not satisfied, the Applicant must promptly (and, in any event, within 28 days) notify the AER.
6. The Exemption:
 - (a) ceases to operate if the Applicant fails to comply with condition 2, 3 and/or 5;

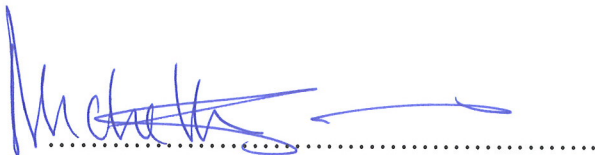
- (b) terminates on the date that:
 - (i) the Applicant is dissolved; or
 - (ii) the AER decides to repeal the Exemption in accordance with condition 7.
- 7. The AER may decide to amend or repeal the Exemption. The decision to amend or repeal the Exemption is exercisable in the same way, and subject to the same conditions, as the decision to grant the Exemption.

Note: For example, the AER may decide to repeal the Exemption in the event that a condition of the Exemption is not satisfied, or if circumstances change.

Interpretation

- 8. In this Exemption, unless the contrary intention appears, a reference to:
 - (a) a statute, regulation, rule or other law includes regulations and other instruments made under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (b) an agreement or a provision of an agreement includes an amendment or supplement to, or replacement or novation of, that agreement or that provision of that agreement;
 - (c) except in relation to references to the Applicant, a particular person includes a reference to the person's successors, substitutes (including persons taking by novation) and assigns.

Note: An exemption is personal to the applicant, and does not apply to any other person that owns, controls or operates the relevant distribution system at the time of the decision or in the future.



Dated: 27 September 2011

Michelle Groves
Delegate of the Australian Energy Regulator

NETWORK SERVICE PROVIDER EXEMPTION

Leichhardt Coal Pty Limited

NOTICE OF DECISION TO GRANT EXEMPTION

I, Michelle Groves, in accordance with a delegation made by the Australian Energy Regulator (AER), on 3 March 2006, decided pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law (NEL); and
- (c) clause 2.5.1 of the National Electricity Rules (NER),

to grant Leichhardt Coal Pty Limited (Applicant) an exemption (Exemption) from:

- (d) the requirement to register as a Network Service Provider (NSP); and
- (e) the operation of Chapter 5 of the NER,

subject to the conditions set out in this notice.

Specified distribution system

1. The Exemption granted to the Applicant is limited to the distribution system that is owned, controlled and/or operated by the Applicant and comprises:

- (e) the Blair Athol Line up to the point of connection with the Clermont Mine as described in the application for exemption, made on behalf of the Applicant, dated 17 March 2010; and
- (f) the overhead electric line from a point of supply on the Blair Athol Line to the points of connection with QR Network Pty Ltd's equipment situated within Lot 25 on CLM594 as described in the application to amend the exemption, made on behalf of the Applicant, dated 20 September 2011,

(the Distribution System).

Note: The purpose of condition 1 is to ensure that this Exemption does not exempt the Applicant from a requirement to be a registered participant in respect of any other transmission or distribution system that the Applicant may own, control or operate from time to time. This Exemption also does not exempt the Applicant from any other law (such as the *Electricity Supply Act 1994* (Qld)) which may require the Applicant to be authorised to own, control and/or operate the Distribution System.

Maintenance and technical standards

2. (a) The Applicant must maintain the Distribution System at least to the standards specified in the Connection Agreement with the Local Network Service Provider applying to the Distribution System.
- (b) For the purposes of condition 2(a), the terms 'Connection Agreement' and 'Local Network Service Provider' have the meaning assigned to them in the NER.

Note 1: For the avoidance of doubt, condition 8 applies to the interpretation of condition 2.

Dispute resolution

3. (a) Subject to condition 3(b), if the Applicant and a person connected to the Distribution System are unable to resolve a dispute by negotiation and discussion, the Applicant must, if requested by the other party, submit the dispute to arbitration in accordance with, and subject to, The Institute of Arbitrators & Mediators Australia Arbitration Rules.
- (b) Condition 3(a) does not apply to the extent that it is inconsistent with a dispute resolution scheme:
 - (v) agreed to by the Applicant and the other party; or
 - (vi) applying to the Applicant under a statute, regulation, rule or other law.

Note 1: The Institute of Arbitrators & Mediators Australia ('IAMA') Arbitration Rules (1 June 2007) can be accessed at <http://www.iama.org.au>.

Note 2: For the avoidance of doubt, condition 8 applies to the interpretation of condition 3.

Note 3: Condition 3 is intended to ensure that there is a mechanism for resolving disputes, between the Applicant and a person connected to the Distribution System, about the terms and conditions of connection and/or the supply of network services. However, condition 3 is not intended to override any dispute resolution scheme that: may apply to the Applicant under any other law of Queensland from time to time; or that is agreed to by the person connected to the Distribution System and the Applicant.

Commencement and expiry

4. The Exemption takes effect on and from 27 September 2011.
5. If the Applicant becomes aware that any condition of this Exemption is not satisfied, the Applicant must promptly (and, in any event, within 28 days) notify the AER.
6. The Exemption:
 - (a) ceases to operate if the Applicant fails to comply with condition 2, 3 and/or 5;

- (b) terminates on the date that:
 - (i) the Applicant is dissolved; or
 - (ii) the AER decides to repeal the Exemption in accordance with condition 7.

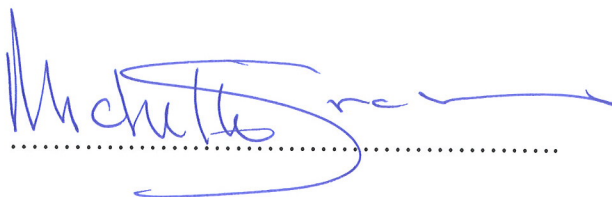
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Interpretation

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Note: An exemption is personal to the applicant, and does not apply to any other person that owns, controls or operates the relevant distribution system at the time of the decision or in the future.



Dated: 27 September 2011

Michelle Groves
Delegate of the Australian Energy Regulator

NETWORK SERVICE PROVIDER EXEMPTION

J-Power Australia Pty Ltd

NOTICE OF DECISION TO GRANT EXEMPTION

I, Michelle Groves, in accordance with a delegation made by the Australian Energy Regulator (AER), on 3 March 2006, decided pursuant to:

- (a) section 6 of the *Electricity – National Scheme (Queensland) Act 1997* (Qld);
- (b) section 13 of the National Electricity (Queensland) Law (NEL); and
- (c) clause 2.5.1 of the National Electricity Rules (NER),

to grant J-Power Australia Pty Ltd (Applicant) an exemption (Exemption) from:

- (d) the requirement to register as a Network Service Provider (NSP); and
- (e) the operation of Chapter 5 of the NER,

subject to the conditions set out in this notice.

Specified distribution system

1. The Exemption granted to the Applicant is limited to the distribution system that is owned, controlled and/or operated by the Applicant and comprises:

- (g) the Blair Athol Line up to the point of connection with the Clermont Mine as described in the application for exemption, made on behalf of the Applicant, dated 17 March 2010; and
- (h) the overhead electric line from a point of supply on the Blair Athol Line to the points of connection with QR Network Pty Ltd's equipment situated within Lot 25 on CLM594 as described in the application to amend the exemption, made on behalf of the Applicant, dated 20 September 2011,

(the Distribution System).

Note: The purpose of condition 1 is to ensure that this Exemption does not exempt the Applicant from a requirement to be a registered participant in respect of any other transmission or distribution system that the Applicant may own, control or operate from time to time. This Exemption also does not exempt the Applicant from any other law (such as the *Electricity Supply Act 1994* (Qld)) which may require the Applicant to be authorised to own, control and/or operate the Distribution System.

Maintenance and technical standards

2. (a) The Applicant must maintain the Distribution System at least to the standards specified in the Connection Agreement with the Local Network Service Provider applying to the Distribution System.
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Note 3: Condition 3 is intended to ensure that there is a mechanism for resolving disputes, between the Applicant and a person connected to the Distribution System, about the terms and conditions of connection and/or the supply of network services. However, condition 3 is not intended to override any dispute resolution scheme that: may apply to the Applicant under any other law of Queensland from time to time; or that is agreed to by the person connected to the Distribution System and the Applicant.

Commencement and expiry

4. The Exemption takes effect on and from 27 September 2011.
5. If the Applicant becomes aware that any condition of this Exemption is not satisfied, the Applicant must promptly (and, in any event, within 28 days) notify the AER.
6. The Exemption:
 - (a) ceases to operate if the Applicant fails to comply with condition 2, 3 and/or 5;

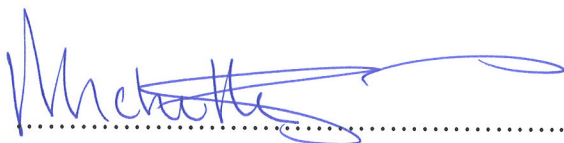
- (b) terminates on the date that:
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 - (ii) the AER decides to repeal the Exemption in accordance with condition 7.
- 7. The AER may decide to amend or repeal the Exemption. The decision to amend or repeal the Exemption is exercisable in the same way, and subject to the same conditions, as the decision to grant the Exemption.

Note: For example, the AER may decide to repeal the Exemption in the event that a condition of the Exemption is not satisfied, or if circumstances change.

Interpretation

- 8. In this Exemption, unless the contrary intention appears, a reference to:
 - (a) a statute, regulation, rule or other law includes regulations and other instruments made under it and consolidations, amendments, re-enactments or replacements of any of them;
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Dated: 27 September 2011

Michelle Groves
Delegate of the Australian Energy Regulator

NETWORK SERVICE PROVIDER EXEMPTION

JCD Australia Pty Ltd

NOTICE OF DECISION TO GRANT EXEMPTION

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subject to the conditions set out in this notice.

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(the Distribution System).

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Maintenance and technical standards

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Dispute resolution

3. (a) Subject to condition 3(b), if the Applicant and a person connected to the Distribution System are unable to resolve a dispute by negotiation and discussion, the Applicant must, if requested by the other party, submit the dispute to arbitration in accordance with, and subject to, The Institute of Arbitrators & Mediators Australia Arbitration Rules.
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 - (ix) agreed to by the Applicant and the other party; or
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Commencement and expiry

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- 8. In this Exemption, unless the contrary intention appears, a reference to:
 - (a) a statute, regulation, rule or other law includes regulations and other instruments made under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (b) an agreement or a provision of an agreement includes an amendment or supplement to, or replacement or novation of, that agreement or that provision of that agreement;
 - (c) except in relation to references to the Applicant, a particular person includes a reference to the person's successors, substitutes (including persons taking by novation) and assigns.

Note: An exemption is personal to the applicant, and does not apply to any other person that owns, controls or operates the relevant distribution system at the time of the decision or in the future.



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Dated: 27 September 2011

Michelle Groves
Delegate of the Australian Energy Regulator