

Our Ref: C2007/2155
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28 April 2008

Mr Harry Colebourn
Executive Manager Network Regulation and Pricing
EnergyAustralia
GPO Box 4009
SYDNEY NSW 2001

By email: hcolebourn@energy.com.au

Dear Mr ^{Harry}Colebourn,

Re: Transmission service standards compliance review for 2007

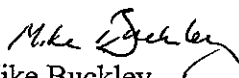
I am writing to inform you of the outcome of the Australia's Energy Regulator's (AER) review of EnergyAustralia's performance against its transmission service standards incentive scheme for the 2007 calendar year.

In conducting the review, AER staff considered EnergyAustralia's revenue cap decision (27 April 2005), EnergyAustralia's performance report for 2007 (20 February 2008), the AER's Service Standards Guidelines (12 November 2003) and supporting information tendered by EnergyAustralia on 17 March 2008.

After conducting a review of EnergyAustralia's performance report for 2007, I endorse EnergyAustralia applying a service standards factor (s-factor) of -0.135 per cent for the 2007 calendar year and a financial incentive adjustment of -\$149 871 to apply to its maximum allowed revenue for the financial year 2008-09.

I would like to thank EnergyAustralia's staff for their open and active participation throughout this year's process. Should you have any further enquiries please contact Dan Barclay on (02) 6243 1286.

Yours sincerely


Mike Buckley
General Manager
Network Regulation North