

Our Ref: C2007/2155
Contact Officer: Simon Bell
Contact Phone: 02 6243 1232

28 April 2008

Mr Gordon Jardine
Chief Executive
Powerlink Queensland
PO Box 1193
VIRGINIA QLD 4014

By email: gjardine@powerlink.com.au

Dear Mr ^{Gordon}Jardine

Re: Transmission service standards compliance review for 2007

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

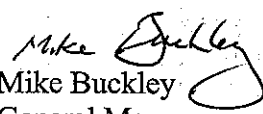
In conducting the review, AER staff considered Powerlink's revenue cap decision (14 June 2007), Powerlink's service standards report (1 February 2008), the AER's service standards guidelines (12 November 2003) and Sinclair Knight Merz's consultancy report (10 April 2008).

Powerlink's current regulatory control period commenced on 1 July 2007, therefore its 2007 calendar year performance spans the six month period from 1 July 2007 to 31 December 2007.

After conducting a review of Powerlink's performance report for 2007, I endorse Powerlink using a service standards factor (s-factor) of 0.819 per cent for the relevant six months of the 2007 calendar year, resulting in a bonus of \$2 197 214 to apply to its maximum allowed revenue for the 2008-09 financial year.

I would like to thank Powerlink staff for their open and active participation throughout the 2007 compliance review. If you have any enquiries please contact Simon Bell on (02) 6243 1232.

Yours sincerely


Mike Buckley
General Manager
Network Regulation North