TransGrid

EXTRACT FROM MINUTES OF

146th Meeting held on Monday 28th April 2008

2196. INSURANCE

It was RESOLVED that the report of the General Manager/Commercial dated 18th April 2008 be noted and that:

a) approval be given that TransGrid's Revenue Proposal to the AER for the five-year regulatory period commencing 1 July 2009 includes a self insurance allowance as per the regulatory submission;

b) endorsement be given to the specific risks covered by this allowance which are proposed to be self-insured:

- losses for which insurance is commercially unavailable; uneconomic or excluded under a policy of insurance (e.g. transmission lines);
- workers compensation costs below the determined threshold (currently $750,000);
- loss events for insured risks below the existing insurance policy deductibles.

The Managing Director advised that a further report would be provided to the Board providing information on TransGrid's "Self Insurance Risk Quantification" that is currently in the process of being finalised by SAHA International Limited.

I certify that this a true extract of the minutes from the TransGrid board meeting of 28th April 2008.

John Byrne
Company Secretary
22/5/08