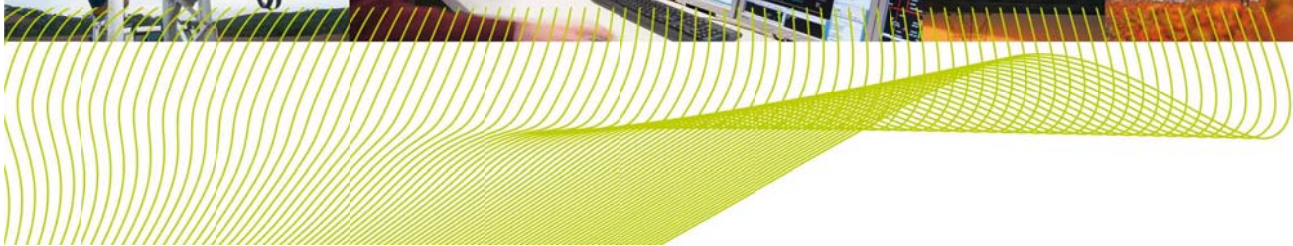




ElectraNet Transmission Network Revised Revenue Proposal

Appendix L Updated Board Resolution to
Undertake Self-Insurance





EXTRACT OF BOARD MINUTES

The following is an extract from the minutes of a duly authorised resolution of the Board of Directors of ElectraNet Pty Limited ABN 41 094 482 416 (Company) on 20 December 2012.

Revenue Reset - Revised Board Resolution to Self-Insure (Memorandum No. 1172)

The Board resolved to:

- a) note that ElectraNet's Revenue Proposal to the AER for the five-year regulatory period commencing 1 July 2013 includes a self-insurance allowance to cover a range of specified risks;
- b) note that the Board at its May 2012 meeting passed a resolution to self-insure for these risks;
- c) note that the National Electricity Amendment (Cost pass through arrangements for Network Service Providers) Rule 2012 commenced on 2 August 2012 and that pursuant to this Rule ElectraNet lodged a proposal with the Australian Energy Regulator nominating three additional defined cost pass through events which would apply for the regulatory period from 1 July 2013 to 30 June 2018, and proposed corresponding adjustments to its self-insurance forecast;
- d) note that the nominated pass through events put forward in this proposal were accepted by the AER (with amendments) in its Draft Decision: ElectraNet Transmission determination, issued on 30 November 2012, together with the adjusted self-insurance forecast;
- e) note that the proposal for additional pass through events requires amendments to the specific risks which are proposed to be self-insured;
- f) note the amended specific risks which are proposed to be self-insured are as follows:
 - a) Network related events greater than \$20,000 up to the applicable threshold for eligible pass through events (1 per cent of maximum allowable revenue) as defined below:
 - Losses for which insurance is commercially unavailable, uneconomic or excluded under a policy of insurance (e.g. transmission lines)

- Loss events for insured risks below the existing property insurance policy deductible, and deductible payments
 - Costs incurred through emergency actions to mitigate losses
 - Losses exceeding insurance limits.
- b) Non-network property risks such as vandalism, theft and damage (loss events for insured risks below existing insurance policy deductibles, and deductible payments); and
- c) Workers compensation costs (ElectraNet is a WorkCover SA exempt employer).
- g) note that the AER's acceptance of additional pass through events in its Draft Decision reduces ElectraNet's self-insurance liabilities. In its Draft Decision, the AER has therefore made a corresponding reduction to ElectraNet's total self-insurance allowance of \$0.7m over the 5 year regulatory period to leave ElectraNet financially neutral; and
- h) approve ElectraNet self-insuring for the specific risk events noted above.



Bernard Hough
COMPANY SECRETARY

8 January 2013