

Our ref: KS:lm

15 September 2005

Mr Warwick Anderson
Acting General Manager Access
Australian Energy Regulator
PO Box 1199
Dickson ACT 2602

Dear Mr Anderson

Timing of Works at Molendinar

I understand that the Australian Energy Regulator has an interest in Powerlink's plans for the development of its network in the Gold Coast and how this will affect Directlink's capacity to flow south during peak load conditions. Country Energy is also interested in Powerlink's plans because of the potential impact of existing constraints in TransGrid's network on Country Energy's customers in northern New South Wales. TransGrid has advised that, for an outage on TransGrid's 330 kV line 89 during summer peak loading conditions, load shedding may be necessary to avoid under-voltage conditions and the overloading of TransGrid's 132 kV line 966.

Country Energy has been discussing this issue with Powerlink and I am pleased to provide you with copies of our recent correspondence that confirms Powerlink's current plans.

This correspondence consists of two letters:

1 Country Energy's letter to Powerlink of 27 July 2005

Country Energy wrote to Powerlink in response to Powerlink's invitation in its 2005 Annual Planning Report¹ for stakeholder comment on the proposed installation of a second transformer at Molendinar by October 2007. To minimise the period over which Country Energy's customers are exposed to potential load shedding, Country Energy requested that Powerlink review the timing of its work at Molendinar to bring forward the installation of the second transformer to 2006. Country Energy also proposed that Powerlink consider an automatic transformer changeover scheme to overcome limitations in the Energex network associated with energising both transformers at the same time. Powerlink and Country Energy discussed this request during a series of subsequent joint planning meetings.

¹ Powerlink Queensland, *Annual Planning Report 2005*, pages ii & 83.

2 Powerlink's letter to Country Energy of 7 September 2005

Powerlink has confirmed to Country Energy that it has approved the installation of the second Molendinar transformer during 2006. The second transformer will relieve the critical contingency in the Gold Coast and release up to 90 MW of capacity for southward flow across Directlink.

Powerlink will implement a remotely controlled rather than a fully automatic transformer changeover arrangement. Powerlink believes that the additional 15 MW capacity released by installing an automatic changeover arrangement would have limited net benefit.

Powerlink's revised plans for the second Molendinar transformer will alleviate the current limitations of the transmission network in northern New South Wales from 2006. From that time, Directlink will have sufficient capacity to flow south to avoid load shedding, due to the overloading of TransGrid's 132 kV line 966 during peak load conditions after an outage of the TransGrid's 330 kV line 89.

Should you have any questions about the content or implications of the enclosed letters, please do not hesitate to contact Mr Col Ussher General Manager Network Strategy on 02 6589 8755.

Yours sincerely



Ken Stonestreet
Group General Manager Network & Infrastructure