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23 April 2012

Mr Stuart Dodds  
Operations Manager Power Transmission  
APA Group  
PO Box 6569  
Upper Mount Gravatt  
QLD 4122

Dear Mr Dodds,

**Re: Transmission service standards review for 2011**

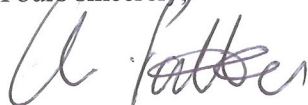
I am writing to inform you of the outcome of the Australian Energy Regulator's (AER) review of Directlink's performance against its transmission service standards incentive scheme for the 2011 calendar year.

In conducting the review, AER staff considered Directlink's revenue cap decision, dated 3 March 2006, the ACCC's *Statement of Principles for the regulation of transmission revenues: Service Standard Guidelines*, published in November 2003 which the AER adopted in 2005 as part of its Compendium of electricity transmission regulatory guidelines, and Directlink's performance report for 2011 (submitted to the AER 1 February 2012).

After conducting the review of Directlink's transmission service performance, I endorse the service standards factor ("s-factor") applying to Directlink's service component of -0.869662 per cent for the 2011 calendar year. The application of this s-factor results in a reduction of Directlink's maximum allowed revenue of \$112,005 to Directlink's maximum allowed revenue for the 2012-13 financial year.

I would like to thank Directlink for its open and active participation in this year's review process. Should you have any further enquiries please contact Luke Stevens on (03) 9290 1485.

Yours sincerely,



Chris Pattas  
General Manager  
Network Operations and Development