

Mr Mike Buckley  
General Manager  
Network Regulation North  
Australian Energy Regulator  
PO Box 1199  
Dickson ACT 2602

E-mail: [powerlinkreset@aer.gov.au](mailto:powerlinkreset@aer.gov.au)

### **TransGrid Letter to AER on Powerlink Submission – Bias in the Real Risk Free Rate (30 March 2007)**

TransGrid would like to thank the Australian Energy Regulator for the opportunity to express the organisation's views on this particular consultation.

The issue raised by Powerlink appears to be a relatively straight forward empirical matter, supported by a self-contained expert report by NERA. It should therefore be possible for suitably qualified independent expert(s) to assess this material for the AER within a week or so (assuming this has not already been performed). Furthermore, the matter raised appears to be material, including a material impact on Powerlink's commercial position and Powerlink's incentives to undertake an economically significant investment program.

It should therefore be possible for this matter to be fully accounted for in the AER's final deliberations on Powerlink's revenue cap decision, which we understand needs to be completed sometime in May 2007.

Should you wish to discuss this matter further, please feel free to contact me on (02) 9284 3434 or via e-mail at [philip.gall@transgrid.com.au](mailto:philip.gall@transgrid.com.au).

Yours sincerely

*Philip Gall 19/4/07*

Philip Gall  
A/General Manager/Network Development and Regulatory Affairs