

Our Ref: D09/1959



13 January 2009

Mr Chris Pattas
General Manager Network Regulation South
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

Dear Chris

Transend Transmission Revised Revenue Proposal

Please find attached Transend's revised revenue proposal and revised proposed pricing methodology for the five year regulatory control period from 1 July 2009 to 30 June 2014, in accordance with the requirements of Chapter 6A of the National Electricity Rules (Rules).

On the 27 November 2008, the Australian Energy Regulator (AER) published its draft decision for Transend (dated 21 November 2008).

Transend has reviewed the matters raised by the AER in the draft decision including where the AER has made adjustments to Transend's original proposal.

Whilst Transend broadly welcomes the AER's draft decision, there are several important areas where Transend does not accept the AER's findings. The purpose of this revised revenue proposal is to respond to those aspects of the draft decision where Transend considers that an alternate, revised proposal would better satisfy the relevant requirements of the Rules and the needs of Transend's customers.

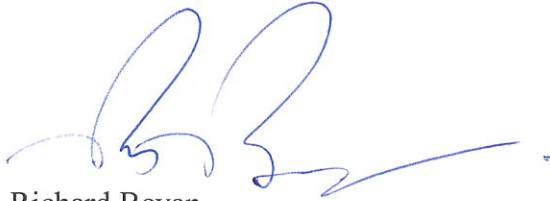
Attachments included with this letter are:

- Transend's revised revenue proposal and appendices (including the revised proposed pricing methodology)
- Post tax revenue model and roll forward model

Transend has provided a substantial amount of information with its revised revenue proposal, however we understand that further detailed information may be requested by the AER during its review process.

Transend's principal contact throughout the review period will be Bess Clark, Executive Manager Revenue Regulation, who can be contacted on (03) 6274 3909.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'R. Bevan', with a long horizontal flourish extending to the right.

Richard Bevan
Managing Director

Encl.