

26 November 2012

Mr Gordon Bubidge
Manager Network Support and Consultations
TransGrid
PO Box A1000
SYDNEY SOUTH NSW 2000
By Email: regulatory.consultation@transgrid.com.au

Dear Mr Bubidge

Re: Project Specification Consultation Report – Development of the Queensland-NSW interconnector

Thank you for the opportunity to comment on the Project Specification Consultation Report (the Report) on the development of the Queensland-NSW Interconnector (QNI). We understand that this Report represents the first stage in the formal Regulatory Investment Test for Transmission (RIT-T) process and that a Project Assessment Draft Report will be developed in mid to later 2013.

With our assets located across Queensland, Stanwell is likely to be impacted by any change to the capability and operation of the QNI. We have reviewed the Report and note that six investment options have been identified for consultation with stakeholders. As the Report only provides a high level technical and financial modelling detail, it is difficult to comment on the appropriateness of the options and rankings. Further information is required to undertake a full assessment of the proposals and costings.

In moving to the next phase in the process and preparing the Project Assessment Draft Report, we request Powerlink and Transgrid publish more detailed information on the financial modelling associated with each of the options. This includes assumptions relating to new generation developments (costs and timing), generator bidding behaviour, derivation of competition benefits, any associated intra-regional transmission developments and impacts for intra-regional transmission congestion.

Given the important role the QNI plays in delivering benefits to the National Electricity Market (NEM), we look forward to a detailed and thorough consultation process following release of the next Report.

We would welcome the opportunity to discuss in more detail the background to each of the options identified in the Report. Please do not hesitate to contact Ms Erin Bledsoe, Manager Regulatory Strategy on 07 3228 4529 or 0409 877 114 to discuss this matter further.

Yours sincerely

A handwritten signature in cursive script that reads "T. Mills".

Tanya Mills
General Manager Portfolio Trading