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Queensland Government

Department of

Energy and Water Supply

17 April 2014

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Mr Garry Mulherin

Executive Manager Investment and Planning

Powerlink Queensland

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Parks Stablett

24/4.

PO Box 1193 VIRGINIA QLD 4014

Dear Mr Mulherin

Thank you for your letter of 31 March 2014 regarding the assessment of constraint alleviation options for the Queensland-New South Wales Interconnector.

Despite increasing periods of constraint, it is interesting to note that the draft finding TransGrid and Powerlink have made in the Regulatory Investment Test for Transmission (RIT-T) process, is that there is not a robust case for upgrading the interconnector at the present time. Given the uncertainties with key factors including load growth, fuel costs and generation mix, ongoing monitoring as proposed would appear prudent.

The approach that has been taken to stakeholder consultation, over and above regulatory requirements, is to be commended and I look forward to receiving further information on the outcomes of the remainder of the RIT-T process.

Yours sincerely

Dan Hunt

Director-General

Department of Energy and Water Supply

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