RECEIVED POWERLINK OLD OFFICE OF THE CEO & CHAIRMAN EXEC Ref No:-FROM THE OFFICE OF THE CHIEF EXECUTIVE OFFICER 530 Collins Street Melbourne VIC 3000 Postal Address: **GPO Box 2008** Melbourne VIC 3001 1300 858724 03 9609 8010

Dear Ms

2 November 2012

Ms Merryn York

PO Box 1193

Virginia QLD 4014

Chief Executive Officer Powerlink Queensland

Queensland/NSW Interconnector (QNI) Upgrade

I refer to the letter from Simon Bartlett dated 22 June 2012 inviting AEMO to comment on the project specification consultation report (PSCR) for a QNI upgrade.

AEMO has finalised its studies for the 2012 National Transmission Network Development Plan (NTNDP). These studies indicate a reduced outlook in the market benefits of upgrading the capacity of the QNI.

Our NTNDP modelling included QNI upgrade options consistent with those set out in the PSCR. Our studies indicate that the economic timing for investment has now been extended by 10 to 15 years into the future and AEMO does not see the economic or system reliability justification for action at this time.

AEMO continues to work closely with your planning team throughout the development of the NTNDP and share our modelling input data as well as the results.

I trust our planning teams will continue to share information. However, if you would like to discuss further, please contact either Joe Spurio, Group Manager Network Development, on 03 9609 8413, or myself on 03 9609 8501.

Yours sincerely

Matt Zema

Managing Director and Chief Executive Officer

CEO 12 066 - QNI_PSCR_LETTER_TO_POWERLINK_OCTOBER_2012