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Independent Review Report - TransGrid Revenue Proposal 2009/10 to 2013/14 (Historical OPEX and CAPEX review only)

Scope

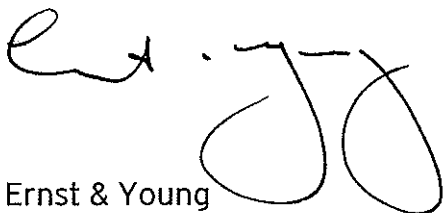
We have reviewed the historical OPEX and CAPEX of the attached Revenue Proposal of TransGrid for the regulatory accounting periods ended 30 June 2005 to 30 June 2007. The Revenue Proposal Disclosure Requirements are listed in appendix A (part 1) of the AER's *Transmission network service provider submission guidelines*. The Management of TransGrid is responsible for the Revenue Proposal Disclosure Requirements. We have conducted an independent review of the Revenue Proposal of TransGrid for the regulatory accounting periods ended 30 June 2005 to 30 June 2007 in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that they are not presented fairly as required by the AER.

The Revenue Proposal has been prepared for distribution to the AER for the purposes of TransGrid's compliance with the AER's Submission Guidelines. We disclaim any assumption of responsibility for any reliance on this review report or on the Revenue Proposal to which it relates, to any party other than TransGrid or the AER or for any purpose other than that for which it was prepared.

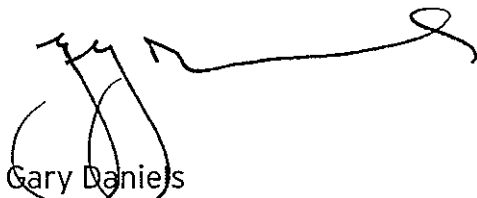
Our review has been conducted in accordance with Australian Auditing Standard applicable to review engagements. A review is limited primarily to inquiries of company personnel and analysis of the financial data. These procedures do not provide all the evidence necessary in an audit, and thus the level of assurance is less than given by an audit. We have not performed an audit and, accordingly, do not express an audit opinion.

Statement

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historic OPEX and CAPEX in the Revenue Proposal for the periods ending 30 June 2005 to 30 June 2007 do not present fairly the information required by the AER in accordance with the AER's *Transmission network service provider submission guidelines*.



Ernst & Young



Gary Daniels

Partner

9 May 2008