

Murraylink Transmission Partnership
ABN 76 095 760 375

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for the period ended 30 June 2007

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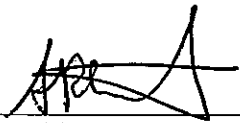
Directors' responsibility statement for regulatory financial statements

In the opinion of the directors of the partners of Murraylink Transmission Partnership:

- the regulatory financial statements and other statements, schedules and work papers set out on pages 3 to 24 are drawn up to present fairly as required by the Commission's *Transmission Network Service Provider Information Requirements Guidelines* Version 2 issued 5 June 2002:
 - the results of each business segment for the regulatory accounting period ended 30 June 2007
 - information concerning the state of affairs at 30 June 2007, of each business segment
 - information concerning all related party transactions required by paragraph 7.16 of the guidelines;
- no third party benefit transactions arose during the regulatory accounting period that require disclosure under paragraph 7.17 of the guidelines
- no financing transactions arose during the regulatory accounting period that require disclosure under paragraph 7.18 of the guidelines .

The terms and definitions used in this statement accord with the definitions set out in the Commission's *Transmission Network Service Provider Information Requirements Guidelines* 2002 referred to above.

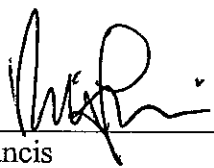
Signed in accordance with a resolution of directors of the partners:



Stephen Ohl
Director

20/11/07

Dated



Rick Francis
Director

20/11/07

Dated

Independent Auditor's Review Report to Australian Competition and Consumer Commission ("ACCC") and the Partners of Murraylink Transmission Partnership

We have reviewed the accompanying Regulatory Financial Report, being a special purpose financial report, of Murraylink Transmission Partnership ('the Partnership'), which comprises the balance sheet as at 30 June 2007, and the income statement and cash flow statement for the 18 month period ended on that date, and the directors' responsibility statement and selected explanatory notes as set out on pages 4 to 26.

Responsibility for the Regulatory Financial Report

The Directors of the Partners of the Partnership are responsible for the preparation and fair presentation of the Regulatory Financial Report in accordance with the Australian Competition and Consumer Commission's Statement of Principles for the regulation of transmission revenues Information requirements guidelines date: 5 June 2002 ("Information Requirement Guidelines 2002"). The Directors of the Partners' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the regulatory financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Directors of the Partners have determined that the accounting policies are appropriate to meet the financial reporting requirements of the ACCC and are appropriate to meet the needs of the ACCC and the Partners. These policies do not require the application of all Accounting Standards.

Auditor's Responsibility

Our responsibility is to express a conclusion on the Regulatory Financial Report based on our review. No opinion is expressed as to whether the accounting policies used are appropriate to meet the needs of the ACCC or the Partners. We conducted our review in accordance with Australian Auditing Standards on Review Engagements, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the regulatory financial report is not in accordance with the Information Requirement Guidelines 2002.

Deloitte.

A review of a Regulatory Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

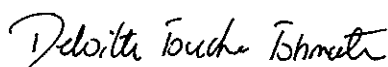
The Regulatory Financial Report has been prepared for distribution to the ACCC and the Partners for the purpose of fulfilling the Directors of the Partners' financial reporting requirements as detailed in the Information Requirement Guidelines 2002. We disclaim any assumption of responsibility for any reliance on this report or on the Regulatory Financial Report to which it relates to any person other than the ACCC and the Partners, or for any purpose other than that for which it was prepared.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Regulatory Financial Report of Murraylink Transmission Partnership does not present fairly, in all material respects, the Partnership's financial position as at 30 June 2007 and its financial performance and its cash flows for the 18 month period ended on that date in accordance with the Information Requirement Guidelines 2002.



DELOITTE TOUCHE TOHMATSU



Samantha Lewis
Partner

Chartered Accountants
Sydney, 19 November 2007

Statement of significant accounting policies

(a) Financial reporting framework

The Murraylink Transmission Partnership is not a reporting entity because, in the opinion of the directors of the Partners, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly this special purpose financial report has been prepared to satisfy the directors' reporting requirements under the Australian Competition and Consumer Commission's Statement of principles for the regulation of transmission revenues Information requirements guidelines date: 5 June 2002 ("Information Requirement Guidelines 2002").

Murraylink Transmission Partnership ("Murraylink") as a partnership has not prepared and lodged financial reports with ASIC. In the absence of statutory accounts, Murraylink has reconciled from the Murraylink trial balance (referred to as the "statutory account equivalent").

(b) Statement of compliance

The regulatory financial report has been prepared in accordance with the Information Requirement Guidelines 2002 and the basis of accounting specified by all Accounting Standards and Interpretations, except where inconsistent with the code. The financial report has been prepared in accordance with the disclosure requirements of the Information Requirement Guidelines 2002 and therefore do not necessarily include all disclosures required by Accounting Standards. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS).

(c) Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

In the application of A-IFRS, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of making judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The Murraylink statutory account equivalent incorporates information relating to Murraylink Transmission Partnership.

APA Group acquired the Murraylink Transmission Partnership on 30 March 2006. APA Group has not had access to information with regard to Related Parties prior to that date. Accordingly, related party disclosure for the period prior to APA Group ownership has not been disclosed.

Note that in preparing these accounts areas which were greyed in the regulator's templates were not completed based on instructions from the regulator.

Note that if a cell in a specific row or column is blank or empty a zero value should be assumed

The accounting policies set out below have been applied in preparing the financial statements for the 18 month period ended 30 June 2007.

These financial statements have been prepared on a going concern basis.

(d) Trade and other receivables

Trade receivables, loans and other receivables are recorded at amortised cost less impairment.

An allowance for doubtful debts is raised when the collection of the full amount of the debt is no longer probable. Bad debts are written off when identified.

Statement of significant accounting policies (continued)

(e) Property, plant and equipment

Items of property, plant and equipment are initially brought to account at cost in the statutory accounts equivalent which includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. For major qualifying assets, cost includes, where applicable, finance and other costs incurred during construction or represents.

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the financial year the asset is derecognised.

In the statutory accounts equivalent property, plant and equipment, other than freehold land, leasehold improvements and surplus properties held for sale, are depreciated on a straight line basis at rates based upon the expected useful lives of the assets. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Buildings, plant and equipment - 3 - 50 years

Adjustments are made to the statutory accounts equivalent property, plant and equipment value and depreciation to reflect the regulatory asset value and regulatory depreciation.

(f) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

(i) Sales Revenue

Sales revenue is recognised in the month it relates to and represents revenue earned for the transmission of electricity.

(ii) Interest Revenue

Interest revenue is recognised as it accrues using the effective interest method.

(iii) Sale of Non-Current Assets

The net profit / (loss) on the sale of non-current assets is included as income at the date control of the assets passes to the buyer. This is usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(g) Impairment

At each reporting date, the carrying amount of assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

(h) Trade and other payables

Trade and other payables, including accruals not yet billed, are recognised when the partnership becomes obliged to make future payments principally as a result of purchases of goods and services.

(i) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

RELATED PARTY TRANSACTIONS

for the period ended: 30 June 2007

APA Group acquired the Murraylink Transmission Partnership on 30 March 2006. APA Group has not had access to information with regard to Related Parties prior to that date. Accordingly, related party disclosure for the period prior to APA Group ownership has not been disclosed.

The names of the entities who are partners of the Murraylink Transmission Partnership as at 30 June 2007 are:
 Murraylink (No.1) Pty Ltd (formerly SNC - Lavalin Investment Australia Pty Ltd)
 Murraylink (No. 2) Pty Ltd (formerly Murraylink HQI Australia Pty Limited)
 Murraylink Transmission Company Pty Ltd

Details of related party	Description of transaction	Prescribed	Procurement process	Monetary value of transaction
		\$'000	\$'000	\$'000
Aust Pipeline Management Services (APTMS)	Expense			
	Management fees APT	672		672
	IE INT R - Murraylink 1	9,561		9,561
	IE INT R - Murraylink 2	9,561		9,561
Balances with related parties at regulatory accounting date				
		\$'000	\$'000	\$'000
	Current assets			
	Non-current assets			
	Total assets			
APT Pipelines Limited Murraylink (No. 1) Pty Limited Murraylink (No. 2) Pty Limited Murraylink Transmission Company Pty Ltd	Current liabilities			
	Inter-entity Balance APTP	7,921		7,921
	Inter-entity Balance - Murraylink (No. 1) Pty Limited		82,216	82,216
	Inter-entity Balance- Murraylink (No. 2) Pty Limited		82,216	82,216
	Inter-entity Balance - MTC	150		150
	Total liabilities			172,502

INCOME STATEMENT - PRESCRIBED TRANSMISSION SERVICES

for the period ended: 30 June 2007

Account code or reference to Account Code	Description	Disaggregation Statement - Prescribed Transmission Services	Journal number	Regulatory adjustments	Regulatory financial statements	Support reference
		\$'000		\$'000 Dr/(Cr)	\$'000	
	Network charges	19,021			19,021	DISAGG Inc
	Sundry Income	820			820	DISAGG Inc
	Total Revenue	19,841			19,841	
	Opex costs					
	NETWORK OPERATIONS					
	Management Fees & Expenses	373			373	DISAGG Inc
	Communications	384			384	DISAGG Inc
	Energy	56			56	DISAGG Inc
	Connection Costs	841			841	DISAGG Inc
	Other	506			506	DISAGG Inc
	MAINTENANCE COSTS					
	Maintenance Costs	1,221			1,221	DISAGG Inc
	OTHER COSTS					
	Insurance	499			499	DISAGG Inc
	Contracted Services	449			449	DISAGG Inc
	Staff Costs	111			111	DISAGG Inc
	Tax on Property & Capital	42			42	DISAGG Inc
	Travel Costs	42			42	DISAGG Inc
	Utilities	63			63	DISAGG Inc
	Accounting/Audit Fees	84			84	DISAGG Inc
	Legal Fees	76			76	DISAGG Inc
	Other	876			876	DISAGG Inc
	Book value of assets disposed	324			324	DISAGG Inc
	Depreciation	5,526	GJ02	(5,077)	449	DISAGG Inc & PTS Adj
	Earnings before Interest and Tax (EBIT)	8,368		5,077	13,445	

Note:
 In addition it is mandatory to produce for each cost or revenue item that has been allocated to the *Prescribed Services Segment* a supporting workpaper that includes the following:
 a) the amounts that have been directly attributed to the *Prescribed Services Segment*
 b) the amounts that have been allocated to each *Prescribed Services Segment*
 c) a description of the allocation basis
 d) the numeric quantity of each allocator.

* Note: The structure of Murraylink Transmission Partnership is a partnership, it will not pay tax itself. The profit/loss of the partnership will be distributed to each partner.

BALANCE SHEET - PRESCRIBED TRANSMISSION SERVICES

as at: 30 June 2007

Account code or reference to Account Code	Description	Disaggregation Statement - Prescribed Transmission Services	Journal number	Regulatory adjustments	Regulatory financial statements	Support reference
		\$'000		\$'000 Dr/(Cr)	\$'000	
	Current Assets					
	Cash	-				
	Receivables					
	Investments	-				
	Prepayments	141			141	DISAGG Bal
	Accrued revenue					
	Inventories					
	Other					
	Non-current Assets					
	Receivables					
	Investments					
	Property, plant and equipment	137,339	GJ02	(34,881)	102,458	DISAGG Bal & PTS Adj
	Other					
	Total Assets	137,480		(34,881)	102,600	
	Current Liabilities					
	Trade creditors and accruals					
	Provisions					
	Current Tax Liabilities					
	Non-current Liabilities					
	Payables					DISAGG Bal
	Provisions					
	Total Liabilities					
	Net Assets	137,480		(34,881)	102,600	

Note:

In addition it is mandatory to produce for each cost or revenue item that has been allocated to the *Prescribed Services Segment* a supporting workpaper that includes the following:

- c) a description of the allocation basis
- d) the numeric quantity of each allocator.

CASH FLOW STATEMENT - PRESCRIBED TRANSMISSION SERVICES

for the period ended: 30 June 2007

Account Code or reference	Description	Disaggregation Statement - Prescribed Transmission Services	Journal number	Regulatory adjustments	Regulatory financial statements	Support reference
		\$'000		\$'000 Dr/(Cr)	\$'000	
	Operating activities					
	Disaggregated earnings before interest and tax	8,368			13,445	
	Add Back Depreciation	5,526		(5,077)	449	
	Plus					
	Loss from sale of property, plant and equipment	324			324	
	(Less)					
	Payments for property, plant and equipment	(720)			(720)	
	Plus / (less)					
	Increases / (decreases) in provisions	-				
	Increases / (decreases) in trade creditors and accruals					
	Increases / (decreases) in customer deposits	-				
	(Increases) / decreases in receivables					
	(Increases) / decreases in prepayments	(110)			(110)	
	(Increases) / decreases in inventory					
	(Increases) / decreases in accrued revenue	468			468	
	Net cash from operating activities	13,856		(5,077)	13,856	

Note:

In addition it is mandatory to produce for each cashflow item that has been allocated to the *Prescribed Services Segment* a supporting workpaper that includes the following:

- a) the amounts that have been directly attributed to the *Prescribed Services Segment*
- b) the amounts that have been allocated to the *Prescribed Services Segment*
- c) a description of the allocation basis
- d) the numeric quantity of each allocator.

DISAGGREGATION STATEMENT - INCOME

for the period ended: 30 June 2007

Account code or reference to Account Code	Description	Statutory Accounts Equivalent	Prescribed Transmission Services	Negotiated Transmission Services	Non-Regulated Transmission Services	Not Allocated	Workpaper reference
			\$'000	\$'000	\$'000	\$'000	
4-0001	Network charges	6,243	6,243				PTS Rev
430100	Network charges	12,778	12,778				PTS Rev
710050	Sundry Income	820	820				P & L 06-07
	Total Revenue	19,841	19,841				
	Opex costs						
	<i>NETWORK OPERATIONS</i>						
	Management Fees & Expenses	373	373				DISAGG Opex
	Communications	384	384				DISAGG Opex
	Energy	56	56				DISAGG Opex
	Connection Costs	841	841				DISAGG Opex
	Other	506	506				DISAGG Opex
	<i>MAINTENANCE COSTS</i>						
	Maintenance Costs	1,221	1,221				DISAGG Opex
	<i>OTHER COSTS</i>						
	Insurance	499	499				DISAGG Opex
	Contracted Services	449	449				DISAGG Opex
	Staff Costs	111	111				DISAGG Opex
	Tax on Property & Capital	42	42				DISAGG Opex
	Travel Costs	42	42				DISAGG Opex
	Utilities	63	63				DISAGG Opex
	Accounting/Audit Fees	84	84				DISAGG Opex
	Legal Fees	76	76				DISAGG Opex
	Other	876	876				DISAGG Opex
	Net Book value of assets disposed	324	324				P & L 06-07
	Depreciation	5,526	5,526				DISAGG Assets
	Earnings before Interest and Tax (EBIT)	8,368	8,368				
	Interest received	39				39	BS, P & L pre 30-3-06, BS, P & L Apr - Jun 06 & P & L 06-07
	Interest (payable)	(19,122)				(19,122)	
	Finance charges (payable)	(55)				(55)	
	Profit(loss) before Income Tax Expense	(10,770)					
	Australian income tax expense	n/a					
	Deferred income tax	n/a					
	Other income tax	n/a					
	Profit(loss) after income tax expense	(10,770)					
	Dividends paid						
	Retained Profit(Loss)	(10,770)					

Note:

In addition it is mandatory to produce for each cost or revenue item that has been allocated to the *Prescribed Services Segment* a supporting workpaper that includes the following:

- the amounts that have been directly attributed to the *Prescribed Services Segment*
- the amounts that have been allocated to the *Prescribed Services Segment*
- a description of the allocation basis
- the numeric quantity of each allocator.

DISAGGREGATION STATEMENT - BALANCE SHEET

as at: 30 June 2007

Account code or reference to Account Code	Description	Statutory Accounts Equivalent	Prescribed Transmission Services	Negotiated Transmission Services	Non-Regulated Transmission Services	Not Allocated	Workpaper reference
		\$'000	\$'000	\$'000	\$'000	\$'000	
	Current Assets						
	Cash	-					
	Receivables	2,092				2,092	BS 30-6-07
	Investments	-					
	Prepayments	141	141				BS 30-6-07
	Accrued revenue						
	Inventories						
	Total current assets	2,233					
	Non-Current Assets						
	Receivables						
	Investments						
	Property, plant and equipment	137,339	137,339				DISAGG Assets
	Other						
	Total non-current assets	137,339	137,339	-	-	-	
	Total Assets	139,572					
	Current Liabilities						
	Trade creditors and accruals	792				792	BS 30-6-07
	Loans						
	Customer deposits						
	Bank overdraft						
	Provisions						
	Other	(0)					BS 30-6-07
	Total current liabilities	792					
	Non-Current Liabilities						
	Provisions						
	Interentity Loans	172,502				172,502	BS 30-6-07
	Total non-current liabilities	172,502	-	-	-	172,502	
	Total Liabilities	173,294					
	Net Assets	(33,722)	-	-	-	-	
	Equity						
	Share capital						
	Foreign Ex Gain/Loss Reserve	(4)					BS 30-6-07
	Accumulated profits/losses	(33,718)					
	Total Equity/Deficiency	(33,722)					
	Accumulated Profits & Losses						
	- At the start of the period	(22,948)					06 Tax Adjustments
	- Profit / Loss retained	(10,770)					P & L 06-07 & '06 Tax Adjustments'
	- At the end of the period	(33,718)					

Note:

In addition it is mandatory to produce for each cost or revenue item that has been allocated to the *Prescribed Services Segment* a supporting workpaper that includes the following:

- a) the amounts that have been directly attributed to the *Prescribed Services Segment*
- b) the amounts that have been allocated to the *Prescribed Services Segment*
- c) a description of the allocation basis
- d) the numeric quantity of each allocator.

DISAGGREGATION STATEMENT - CASH FLOWS

for the period ended: 30 June 2007

Account code or reference to account code	Description	Statutory Accounts Equivalent	Prescribed Transmission Services	Negotiated Transmission Services	Non-Regulated Transmission Services	Not Allocated	Workpaper reference
		\$'000	\$'000	\$'000	\$'000	\$'000	
	Operating activities						
	Disaggregated earnings before interest and tax	8,368	8,368				DISAGG Inc
	Add back Depreciation	5,526	5,526				
	Plus						
	Loss from disposal of property, plant and equipment	324	324				
	(Less)						
	Payments for property, plant and equipment	(720)	(720)				DISAGG Assets
	Plus / (less)						
	Increases / (decreases) in provisions						
	Increases / (decreases) in trade creditors and accruals	56				56	BS 31-12-05
	Increases / (decreases) in customer deposits						
	(Increases) / decreases in receivables	(904)				(904)	BS 31-12-05
	(Increases) / decreases in prepayments	(110)	(110)				BS 31-12-05
	(Increases) / decreases in inventory						
	(Increases) / decreases in accrued revenue	468	468				BS 31-12-05
	Net cash from operating activities	13,007	13,856			(848)	

Note:

In addition it is mandatory to produce for each cost or revenue item that has been allocated to the *Prescribed Services Segment* a supporting workpaper that includes the following:

- a) the amounts that have been directly attributed to the *Prescribed Services Segment*
- b) the amounts that have been allocated to the *Prescribed Services Segment*
- c) a description of the allocation basis
- d) the numeric quantity of each allocator.

OPERATIONS AND MAINTENANCE EXPENDITURE

for the period ended: 30 June 2007

Account code or reference to account code	Account Heading	Task Elements which may be administrative costs	Prescribed	Prescribed	Prescribed	Not Allocated	Total	
			Transmission Services	Transmission Services	Transmission Services			
			\$000	\$000	\$000	\$000	\$000	
Directly Attributed Costs								
NETWORK OPERATIONS								
Management Fees & Expenses								
5-0100	COS CED Management Fees		10					
5-0101	COS General Management Expenses		5					
5-0102	COS Operation Management Cost		13		0			
5-0103	COS External Management Services		130	201				
510020	Mgmt Fee - Other				1			
	TOTAL Management Fees & Expenses		168	204	1		373	
Communications								
5-0205	COS Communications		00	53	0			
500110	Communication - Voice				266			
500220	Communication - SCADA land & microwave				5			
	TOTAL Communications		00	53	271		364	
Energy								
5-0206	COS Energy		19	16				
531040	COS - Sys Use - Electricity				19			
	TOTAL Energy		19	16	19		50	
Connection Costs								
5-0207	COS Connection Costs		241	166	492			
	TOTAL Connection Costs		241	166	492		841	
Other								
530020	Contractors - Inspection				72			
530040	Contractors - General				56			
540030	Other Op Costs				379			
	TOTAL Other				606		506	
	TOTAL NETWORK OPERATIONS		488	473	1,199		2,161	
MAINTENANCE COSTS								
5-0208	COS Maintenance Costs		386	78	45			
500200	Agreed Costs - Materials				2			
500330	Agreed Costs - Other				217			
510020	Mgmt Fee - Other				41			
520020	Adtl Services - Materials				8			
520030	Adtl Services - Labour				9			
520040	Adtl Services - Third Party Contractors				461			
	TOTAL MAINTENANCE COSTS		386	78	775		1,221	
OTHER COSTS								
Insurance								
5-0209	COS Insurance		184	100				
504010	Insurance				209			
	TOTAL Insurance		184	100	209		499	
Contracted Services								
500110	Contracted Services				449			
	TOTAL Contracted Services				449		449	
Staff Costs								
570020	S&W - Salaries				21			
572070	COS - Staff Amenities				0			
572090	Uniforms / Protective Clothing				0			
575010	Consultants				90			
	TOTAL Staff Costs				111		111	
Tax on Property & Capital								
6-7000	COS Tax on Property & Capital		11	11				
500040	Property - Rates & Taxes				21			
	TOTAL Tax on Property & Capital		11	11	21		42	
Travel Costs								
581010	Travel - Local - Accommodation				23			
581020	Travel - Local - Airfare				13			
581030	Travel - Local - Taxi				5			
581040	Travel - Local - Motor Vehicle				0			
581050	Travel - Local - Parking				0			
	TOTAL Travel Costs				42		42	
Utilities								
601140	Utilities				63			
	TOTAL Utilities				63		63	
Accounting/Audit Fees								
6-7001	COS Audit Fee		3	3				
578020	Accounting Fees - Non Audit				39			
578010	Prof Fees - Tax				38			
	TOTAL Accounting/Audit Fees		3	3	77		84	
Legal Fees								
6-7002	COS Legal Costs		18					
577010	Legal Fees - Deductible				63			
577020	Legal Fees - Non-Deductible				24			
	TOTAL Legal Fees		18		87		76	
Other								
5-0211	COS Other Costs		54	30				
550040	Reg Affairs - General				9			
560030	Software Licence Fees				1			
560035	Pipeline / Asset Licence Fees				66			
560040	R&M - Plant & Equip				9			
560045	R&M - General				2			
560010	Cleaning				3			
560020	Security				34			
650030	Office Consumable / Supplies				0			
650040	Document Filing fees (ASIC etc)				0			
650070	Postage & Couriers				0			
651030	Storage				1			
655040	Bank Charges				0			
660040	Fines and Penalties				0			
660050	Miscellaneous				0			
660070	Subscriptions				0			
660080	Advertising and Promotions				1			
669000	Cost recovery				-7			
669014	RECHICHD - APTP				879			
	TOTAL Other		54	30	763		876	
	TOTAL OTHER COSTS		289	152	1,820		2,242	
Subtotal of Directly Attributed costs			1,126	703	3,704		5,624	
Allocated Costs								
Basis of allocation								
Causal / Non-Causal**								
Subtotal of Allocated costs								
Total Oper Costs per DISAGG FPs of			1,126	703	3,704			
							Total	5,624

Explanation of oper costs required by the Commission (for example, business costs, insurance etc)

<p>* Delete as appropriate</p> <p>** For each Account Heading item subject to Causal allocation, ensure that it is included on a workpaper Alloc 1</p> <p>For each Account Heading item subject to Non-Causal allocation, ensure that it is included on a workpaper Alloc 2</p> <p>Note: Where intersegmental costs arise, the total costs of all Business Segments will be greater than the costs in the Base Accounts. This is why the reconciliation to the Base Accounts is required on this schedule.</p>

CAUSAL ALLOCATION

for the period ended: 30 June 2007

1. Causal basis of allocation - The causal allocation does not apply to Murraylink as it is a single transmission line operation with one business segment. All the costs incurred are allocated to the prescribed transmission services without exception.

NON-CAUSAL ALLOCATION

for the period ended: 30 June 2007

1. Non-causal basis of allocation - The causal allocation does not apply to Murraylink as it is a single transmission line operation with one business segment. All the costs incurred are allocated to the prescribed transmission services without exception.

REGULATORY ADJUSTMENT JOURNALS - PRESCRIBED TRANSMISSION SERVICES

for the period ended: 30 June 2007

Journal number	Account Debited Account Credited	Amount		Supporting Statement No.
		Debit \$'000	Credit \$'000	
GJ02	Shareholder's Equity	39,958		DISAGG Assets & PTS Rec Assets
	Property, Plant & Equipment		52,951	
	Accumulated Depreciation	18,070		
	Depreciation		5,077	
	(Being adjustment made on the written down value of the assets to bring it in line with the net regulatory values of assets at the end of regulatory reporting period)	58,028	58,028	

Note:

This schedule must contain for each Regulatory Adjustment made on the Income Statement and Balance Sheet, the following:

- a) a journal entry showing accounts debited and credited
- b) an explanation of why the adjustment has been made.

PRICE REDUCTION/RECOVERY - PRESCRIBED TRANSMISSION SERVICES

for the period ended: 30 June 2007

The price reduction/Recovery for the prescribed transmission services is not applicable to Murraylink Transmission Partnership.

REVENUE ANALYSIS - PRESCRIBED TRANSMISSION SERVICES

for the period ended: 30 June 2007

Account code or reference	Tariff Category	Amount of electricity transmitted		Revenue
		GWh		\$'000
4-0001	Electricity Transmission - Fixed	1 January - 31 March 06		3,054
4-0001	Electricity Transmission - Fixed	1 April - 30 June 06		3,188
430100	Electricity Transmission - Fixed	1 July 06 - 30 June 07		12,778
710050	Sundry Income			820
		Total	-	19,841

SUMMARY OF DISAGGREGATION STATEMENT ASSETS

Analysis of property, plant and equipment disclosed in disaggregation Statement
 "DISAGG Bal", prior to any regulatory adjustments.

for the period ended: 30 June 2007

	Prescribed Transmission Services	Prescribed Transmission Services	Prescribed Transmission Services	Prescribed Transmission Services	Prescribed Transmission Services	Prescribed Transmission Services	Prescribed Transmission Services	Prescribed Transmission Services	Negotiated Transmission Services	Non- Regulated Transmission Services	Not Allocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	EOM	EPM	EPOC	EBC	ES	ERA	ECC	TS				
Gross book value												
Balance as at 31 December 05	13,893	10,588	45	795	385	4,799	817	152,168				183,439
Adjustment		41										41
Balance as at 31 Mar 06	13,893	10,609	45	795	385	4,799	817	152,168				183,480
Accumulated depreciation												
Balance as at 31 December 05	(3,448)	(2,278)	(12)	(348)	(300)	(1,087)	(189)	(33,335)				(40,971)
Depreciation charges	(65)	(52)	(0)	(19)	(21)	(23)	(4)	(743)				(927)
Balance as at 31 Mar 06	(3,513)	(2,330)	(12)	(365)	(322)	(1,091)	(189)	(34,077)				(41,899)
Net book value as at 31 Mar 06	10,380	8,279	33	430	63	3,708	628	118,091				141,581
Gross Book Value												
Balance as at 1 April 2006	13,893	10,609	45	795	385	4,799	817	152,168				183,480
Impairment Loss	(2,041)	(1,580)	(6)	(110)	(47)	(719)	(122)	(22,903)				(27,529)
Additions	278											278
Balance as at 30 June 06	11,822	9,304	39	685	338	4,080	695	129,265				156,228
Accumulated depreciation												
Balance as at 1 April 2006	(3,513)	(2,330)	(12)	(365)	(322)	(1,091)	(189)	(34,077)				(41,899)
Depr Impairment Adjustment	2,041	1,580	6	110	47	719	122	22,903				27,529
Depr charges Apr - Jun 06	(65)	(53)	(0)	(19)	(21)	(23)	(4)	(743)				(929)
Depr as at 30 June 06	(1,537)	(803)	(6)	(274)	(296)	(395)	(71)	(11,917)				(15,288)
Net book value as at 30 June 06	10,285	8,501	33	411	142	3,685	624	117,348				140,928
Gross Book Value												
Buildings, Plant & Equipment		Construct'n In Progress										
Additions	82	322										404
Balance as at 1 July 2006	156,228											156,228
Disposals	(349)											(349)
Balance as at 30 June 07	155,879	322										156,201
Accumulated depreciation												
Balance as at 1 July 2006	(15,298)											(15,298)
Depr charges July - June 07	(3,670)											(3,670)
Depr Adjust on Disposal	26											26
Balance as at 30 June 07	(18,942)											(18,942)
Net book value as at 30 June 07	137,017	322										137,339

NB: Straight line depreciation used for all assets: 12.5% for Borrowing Costs & 2.381% for the remaining Plant & Equipment
 As Murraylink Transmission Partnership was acquired by APA Group on 30 March 2006 and due to the transfer to a new accounting system per 1 July 2006 we are no longer able to split the assets in the assets classes used in the 31 December 2005 regulatory financial report and in the first six months of this regulatory financial report. We also don't have the information to split the assets into the asset classes used by the regulator and included in the Reconciliation Property, Plant and Equipment - Prescribed Transmission Services.

**RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT -
PRESCRIBED TRANSMISSION SERVICES**

for the period ended: 30 June 2007

	<i>Asset class</i> <i>Switchyard</i>	<i>Asset class</i> <i>Transmission</i> <i>Line</i>	<i>Asset class</i> <i>Easements</i>	Total
	\$'000	\$'000	\$'000	\$'000
Gross values				
As agreed by the Commission as at 1 October 2003	53,469	39,781	4,080	97,330
Plus / minus				
Revaluation adjustments - Revised decision 31 Mar 2004	3,858	1,770		5,628
Additions				
Disposals / retirements				
Value as at 31/12/05	57,327	41,551	4,080	102,958
Nominal Residual Value as at 31/12/05	57,327	41,551	4,080	102,958
Additions - period ending 30/03/06	41			41
Additions - period ending 30/06/06	276			276
Additions - period ending 30/06/07	404			404
Disposals during the period ending 30/06/07	(349)			(349)
At end of period	57,699	41,551	4,080	103,330
Accumulated depreciation				
Revaluation adjustments				
Depreciation charges				
Disposals / retirements				
Depreciation as at 31/12/05	3,225	1,870		5,094
Nominal Depreciation as at 31/12/05	284	164		448
Revaluation adjustments				
Current period depreciation charge	282	167		449
Depreciation released on disposals	(26)			(26)
At end of period	540	331		871
Values agreed by the Commission as at 1 October 2003	53,469	39,781	4,080	97,330
Net regulatory values from 31 Dec 05 Regulated Accounts	54,102	39,681	4,080	97,864
Add back overstated Depreciation	2,941	1,706		4,646
Corrected Net regulatory values at 1 Jan 06	57,043	41,387	4,080	102,510
Net regulatory values at end of period	57,159	41,220	4,080	102,458

**ASSET AGING SCHEDULE -
PRESCRIBED TRANSMISSION SERVICES**

All asset values are net regulatory values

Asset class	Useful life remaining (years after <i>Regulatory Accounting Date</i>)					
	Total \$'000	1-5 \$'000	6-10 \$'000	11-15 \$'000	16-20 \$'000	>20 \$'000
Switchyard	57,159	1,558	2,638	3,934	5,479	43,550
Transmission Line	41,220	927	1,570	2,341	3,261	33,120
Easements	4,080	0	0	0	0	4,080
Total net regulatory value	102,458	2,485	4,209	6,275	8,739	80,750

Capital expenditure summary - Prescribed Transmission Services

For the period ended 30 June 2007

This proforma summarises a TNSP's actual annual capital expenditure.

Forecast capital expenditure for the period is derived from the capital expenditure forecast submitted by the TNSP to set its revenue cap.

Total capital expenditure :		\$'000
Forecast		0.00
Actual - period ending 30 March 2006		41.12
Actual - period ending 30 June 2006		275.51
Actual - period ending 30 June 2007		<u>403.71</u>
		720.35

Actual - period ending 30 March 2006		
SPI NSW Runback		21.42
PSC Operation Control Romm Study fees		<u>19.70</u>
		41.12
Actual - period ending 30 June 2006		
SPI NSW runback		142.13
PSC Operation Control Romm Study fees		18.29
ABB 20 IGBT for converter		<u>115.10</u>
		275.51
Actual - period ending 30 June 2007		
SPI NSW runback		2.13
PSC Operation Control Romm Study fees		9.63
ABB Australia Pty Ltd - Gateway Project (interface controls system)		<u>391.95</u>
		403.71

Capital expenditure efficiencies - Prescribed Transmission Services

For the period ended 30 June 2007

As part of the setting a TNSP's revenue cap, the Commission has reviewed and approved capital expenditure for the regulatory period. This proforma enables a TNSP to set out explanations for any variances or efficiencies that it may have achieved in its capital expenditure projects or other information on its capital expenditure program that will assist the Commission to understand a TNSP's business.

Capital expenditure project:	\$'000
Forecast	0.00
Actual	0.00

Note : Murraylink did not have any major capital expenditure project in 2006 and 2007.

SUMMARY OF PROVISIONS

for the period ended: 30 June 2007

Note: Murraylink Transmission Partnership does not have any provisions to report.

	Prescribed Transmission Services \$'000	Negotiated Transmission Services \$'000	Non-Regulated Transmission Services \$'000	Not Allocated \$'000	Total \$'000
Amount set aside to provisions					
Expenditure incurred debited to provisions					
Amounts written back from provisions					
Net movement in provisions					
Balance at start of period					
Balance at end of period					
Comprising:					
Current provisions					
Non-current provision					
Total per balance sheet					

Note:

In addition it is mandatory to produce for each item that has been allocated to the *Prescribed Services Segment* a supporting workpaper that includes the following:

- a) the amounts that have been directly attributed to the *Prescribed Services Segment*
- b) the amounts that have been allocated to the *Prescribed Services Segment*
- c) a description of the allocation basis
- d) the numeric quantity of each allocator.

The basis of attribution of provisions to the *Prescribed Services Segment*, should follow the attribution of the expenses to which they relate. Taxation, interest and dividend provisions should be attributed to the *Not Allocated Segment*.

**PROVISIONS RECONCILIATION -
PRESCRIBED TRANSMISSION SERVICES**

for the period ended: 30 June 2007

Note: Murraylink Transmission Partnership does not have any materials provisions to report.

Description	Discretionary Heading for each Material Provision					Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at start of period							
Amount set aside to provisions							
Expenditure incurred debited to provisions							
Amounts written back from provisions							
Balance at end of period							
Net Movement in provisions per RFS FPerf							

Note:

In addition it is mandatory to produce for each item that has been allocated to the *Prescribed Services Segment* a supporting workpaper that includes the following:

- a) the amounts that have been directly attributed to the *Prescribed Services Segment*
- b) the amounts that have been allocated to the *Prescribed Services Segment*
- c) a description of the allocation basis
- d) the numeric quantity of each allocator.

The basis of attribution of provisions to the *Prescribed Services Segment*, should follow the attribution of the expenses to

Australian Income Tax Payable Net of Deferred Tax

*** Note:** A nil statement for this schedule has been lodged as the Murraylink Transmission Partnership is not liable for Income Tax.
This liability rests with the respective Partners.

For the period ended 30 June 2007

	Prescribed Services	Non- Prescribed Services	Not Allocated	Total
	\$'000	\$'000	\$'000	\$'000
Assessable income				
Transmission sales revenues	-	-	-	-
Interest income	-	-	-	-
Increase in revenue not yet	-	-	-	-
Total assessable income	-	-	-	-
Tax depreciation	-	-	-	-
Allowable Opex				
CEO Management Fees	-	-	-	-
General Management Expenses	-	-	-	-
Operations Management Expenses	-	-	-	-
External Management Services	-	-	-	-
Communications	-	-	-	-
Energy	-	-	-	-
Connection Costs	-	-	-	-
Maintenance Costs	-	-	-	-
Insurance	-	-	-	-
Other Cost	-	-	-	-
State Govt Tax	-	-	-	-
Tax on Property & Capital	-	-	-	-
Audit fees	-	-	-	-
Legal fees	-	-	-	-
Interest Expense	-	-	-	-
Bank Charges inc BG	-	-	-	-
Other allowable deductions				
Blackhole expenditure	-	-	-	-
Enviornmental capital works	-	-	-	-
Borrowing expenses	-	-	-	-
Project pool	-	-	-	-
Decrease in accrued expenses at the end of 2005	-	-	-	-
Total allowable deductions	-	-	-	-
Taxable Income	-	-	-	-