Murraylink Transmission Partnership
ABN 76 095 760 375

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for the year ended 31 December 2009

Directors' responsibility statement for regulatory financial statements

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

* the regulatory financial statements, other statements, schedules, and work papers set out on pages 2 to 28 are drawn up to present fairly as required by the *Australian Energy Regulators Electricity Transmission Network Service Provider Information Guidelines* , Version 1 issued 28 September 2007;

    * the results of each business segment for the regulatory accounting period ended 31 December 2009;

    * information concerning the state of affairs at 31 December 2009, of each business segment

    * have been made out in accordance with applicable and appropriate accounting principles and policies;

    * have been prepared in accordance with the requirements, set out in the *Australian Energy Regulators Electricity Transmission Network Service Provider Information Guidelines* referred to above.

    * information concerning all related party transactions required by paragraph 4.14 of the guidelines

* no third party benefit transactions arose during the regulatory accounting period that require disclosure under paragraph 4.15 of the guidelines

* no financing transactions arose during the regulatory accounting period that require disclosure under paragraph 4.16 of the guidelines

The terms and definitions used in this statement accord with the definitions set out in the *Australian Energy Regulators Electricity Transmission Network Service Provider Information Guidelines* referred to above.

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

Director	23/4/2010 Dated
Director	April 23 '10 Dated

NOTES TO THE ACCOUNTS

For the financial year ended 31 December 2009

1 Statement of Significant Accounting Policies

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 Energy Regulators Electricity Transmission Network Service Provider Information Guidelines, Version 1 issued 28 September 2007 ("Information Guidelines 2007").

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).

As the Murraylink Transmission Partnership is not liable for income tax (income tax is paid by the partners) the regulatory financial report does not contain income tax.

Profits of the partnership are allocated to the partners based on their share in the partnership.

On 12 December 2008, the Murraylink Transmission Partnership was beneficially acquired by Energy Infrastructure Investments Pty Limited ("EII") to form a part of the EII consolidated statutory reporting group ("Consolidated Group"). During the current period, the Consolidated Group was granted approval by ASIC to change it's balance date to 31 December. Due to the change of balance date, the current regulatory reporting period for Murraylink Transmission Partnership is from 1 July 2008 to 31 December 2009.

Statement of compliance
The regulatory financial report has been prepared in accordance with the Information Guidelines 2007 and the basis of accounting specified by all Australian Accounting Standards (AASB's) and Interpretations, except where inconsistent with the code. The financial report has been prepared in accordance with the disclosure requirements of the Information Guidelines 2007 and therefore do not necessarily include all disclosures required by Accounting Standards.

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.

Critical accounting judgements and key sources of estimation uncertainty
In the application of AASB's, 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. Refer to Note 2 for a discussion of critical judgements in applying the entity's accounting policies, and key sources of estimation uncertainty.

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.

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 31 December 2009.

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

(a) 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.

NOTES TO THE ACCOUNTS (cont)

1 Statement of Significant Accounting Policies (cont)

(b) 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.

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:

Land and buildings	
• Buildings	45 years
• Site improvements	45 years
• Transportable office	30 years
Plant and equipment	
• Cables	60 years
• Converters - transmission equipment	45 years
• Converters - electronics and control systems	25 years
• Spares	45 years
• Other plant and equipment	3 to 20 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.

(c) 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).

(d) 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.

(e) 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.

(f) 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.

2 Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies
The following are the critical judgements (apart from those involving estimations, which are dealt with below) that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Accounting for acquisitions
Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition. Cost is allocated to individual identifiable assets and liabilities. Management makes a number of judgements in allocating cost, particularly in relation to the valuation of identifiable intangible assets such as contractual arrangements, including assumptions relating to potential contract renewals and associated useful life.

Key sources of estimation uncertainty
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.

Impairment of assets
Determining whether property, plant and equipment, identifiable intangible assets and goodwill is impaired requires an estimation of the value-in-use of the cash-generating units. The value-in-use calculation requires the Partnership to estimate the future cash flows expected to arise from cash-generating units and suitable discount rates in order to calculate the present value of cash-generating units.

Useful lives of non-current assets
The Partnership reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Any reassessment of useful lives in a particular year will effect the depreciation or amortisation expense.

INCOME STATEMENT - PRESCRIBED TRANSMISSION SERVICES

for the period ended: 31 December 2009

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	20,045			20,045	DISAGG Inc
	Other					
	Total Revenue	20,045			20,045	
	Opex costs					
	NETWORK OPERATIONS & MAINTENANCE					
	Operating & Maintenance Costs	2,967			2,967	DISAGG Inc
	Management Fees & Expenses	644			644	DISAGG Inc
	OTHER COSTS					
	Insurance	585			585	DISAGG Inc
	Staff Costs	6			6	DISAGG Inc
	Tax on Property & Capital	68			68	DISAGG Inc
	Travel Costs	3			3	DISAGG Inc
	Accounting/Audit Fees					
	Legal Fees					
	Other	564			564	DISAGG Inc
	Depreciation	4,218	GJ01	(3,537)	681	DISAGG Inc
	Impairment	41,638	GJ01	(41,638)	0	DISAGG Inc
	Earnings before Interest and Tax (EBIT)	**(30,648)**		**45,175**	**14,527**	
	Taxation					

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: 31 December 2009

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					
	Accrued revenue					
	Inventories					
	Other					
	Non-current Assets					
	Receivables					
	Investments					
	Property, plant and equipment	87,880	GJ01	13,550	101,430	DISAGG Bal & PTS Rec Assets
	Other					
	Total Assets	87,880		13,550	101,430	
	Current Liabilities					
	Trade creditors and accruals					
	Provisions					
	Current Tax Liabilities					
	Non-current Liabilities					
	Payables					
	Provisions					
	Total Liabilities					
	Net Assets	87,880		13,550	101,430	

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.

CASH FLOW STATEMENT - PRESCRIBED TRANSMISSION SERVICES

for the period ended: 31 December 2009

Account Code or reference	Description	Disaggregation Statement - Prescribed Transmission Services	Journal number	Regulatory adjustments	Regulatory financial statements	Support referen
		$'000		$'000 Dr/(Cr)	$'000	
	Operating activities					
	Disaggregated earnings before interest and tax	(30,648)	GJ01	45,175	14,527	DISAGG Cf
	Add back Impairment	41,638	GJ01	(41,638)		DISAGG Cf
	Add back Depreciation	4,218	GJ01	(3,537)	681	DISAGG Cf
	Plus					
	Proceeds from sale of property, plant and equipment					
	(Less)					
	Payments for property, plant and equipment					
	Plus / (less)					
	Increases / (decreases) in trade creditors and accruals					
	Increases / (decreases) in customer deposits					
	(Increases) / decreases in receivables					
	(Increases) / decreases in prepayments	134			134	DISAGG Cf
	(Increases) / decreases in inventory					
	(Increases) / decreases in accrued revenue					
	Net cash from operating activities	15,342			15,342	
	Investing activities					
	Cash used					
	Payments for property, plant and equipment	(20)			(20)	DISAGG Cf
	Net cash from operating activities	(20)			(20)	
	Financing activities					
	Cash used					
	Borrowing costs	(33)			(33)	DISAGG Cf
	Inter-Entity Repayments	(15,209)			(15,209)	DISAGG Cf
	Net cash from financing activities	(15,242)			(15,242)	
	Net increase/(decrease) in cash held					
	Cash a the beginning of the reporting period					
	Cash at the end of the reporting period					

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: 31 December 2009

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	
430100	Electricity Transmission - Fixed	20,045	20,045				PTS Rev PTS Rev
	Total Revenue	20,045	20,045				
	Opex costs						
	NETWORK OPERATIONS & MAINTENANCE						
	Operating & Maintenance Costs	2,967	2,967				DISAGG Opex
	Management Fees & Expenses	644	644				DISAGG Opex
	OTHER COSTS						
	Insurance	585	585				DISAGG Opex
	Staff Costs	6	6				DISAGG Opex
	Tax on Property & Capital	68	68				DISAGG Opex
	Travel Costs	3	3				DISAGG Opex
	Accounting/Audit Fees						
	Legal Fees						
	Other	564	564				DISAGG Opex
	Depreciation	4,218	4,218				DISAGG Assets
	Impairment	41,638	41,638				DISAGG Assets
	Earnings before Interest and Tax (EBIT)	(30,648)	(30,648)				
	Interest received						
	Interest paid	(9,300)				(9,300)	P & L 08-09
	Finance costs paid	(32)				(32)	P & L 08-09
	Profit(loss) before Income Tax Expense	(39,980)					
	Australian income tax expense	n/a					
	Deferred income tax	n/a					
	Other income tax	n/a					
	Profit(loss) after income tax expense	(39,980)					
	Dividends paid						
	Retained Profit(Loss)	(39,980)					

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.

* 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.

DISAGGREGATION STATEMENT - BALANCE SHEET

as at: 31 December 2009

This proforma summarises a TNSP's actual annual capital expenditure.	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	2,132				2,132	BSheet 0809
	Investments						
	Prepayments						
	Accrued revenue						
	Inventories						
	Other						
	Total current assets	2,132					
	Non-Current Assets						
	Property, plant and equipment	87,880	87,880				DISAGG Assets
	Receivables	10,929				10,929	BSheet 0809
	Investments						
	Other						
	Total non-current assets	98,809	87,880			10,929	
	Total Assets	100,941					
	Current Liabilities						
	Trade creditors and accruals	293				293	BSheet 0809
	Loans						
	Customer deposits						
	Bank overdraft						
	Provisions						
	Other						
	Total current liabilities	293					
	Non-Current Liabilities						
	Provisions						
	Loans from related parties	183,108				183,108	BSheet 0809
	Other						
	Total non-current liabilities	183,108				183,108	
	Total Liabilities	183,401					
	Net Assets	**(82,460)**					
	Equity						
	Share capital						
	Foreign Ex Gain/Loss Reserve						
	Accumulated profits/losses	(82,460)					BSheet 0809
	Total Equity/Deficiency	**(82,460)**					
	Accumulated Profits & Losses						
	- At the start of the period	(42,480)					BSheet 0809
	- Profit / Loss retained	(39,980)					DISAGG Inc
	- At the end of the period	(82,460)					

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: 31 December 2009

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	(30,648)	(30,648)				DISAGG Inc
	Add back Impairment	41,638	41,638				DISAGG Inc
	Add back Depreciation	4,218	4,218				DISAGG Inc
	Plus						
	Proceeds from sale of property, plant and equipment						
	(Less)						
	Payments for property, plant and equipment						
	Plus / (less)						
	Increases / (decreases) in trade creditors and accruals	(24)					Rec - Op Cash to NPAT
	Increases / (decreases) in customer deposits						
	(Increases) / decreases in receivables	(56)					Rec - Op Cash to NPAT
	(Increases) / decreases in prepayments	134	134				Rec - Op Cash to NPAT
	(Increases) / decreases in inventory						
	(Increases) / decreases in accrued revenue						
	Net cash from operating activities	15,262	15,342				
	Investing activities						
	Cash used						
	Payments for property, plant and equipment	(20)	(20)				DISAGG Assets
	Net cash from investing activities	(20)	(20)				
	Financing activities						
	Cash used						
	Borrowing costs	(33)	(33)				Cashflow
	Inter-Entity Repayments	(15,209)	(15,209)				Cashflow
	Net cash from financing activities	(15,242)	(15,242)				
	Net increase/(decrease) in cash held						
	Cash a the beginning of the reporting period						
	Cash at the end of the reporting period						

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: 31 December 2009

This proforma summarises a TNSP's actual annual capital expenditure.	*Account Heading*	Ticks to indicate which rows are intersegmental costs	Prescribed Transmission Services	Prescribed Transmission Services	Not Allocated	Total
			$'000	$'000	$'000	$'000
	Directly Attributed Costs					
	NETWORK OPERATIONS					
	Operating & Maintenance Costs					
	Agreed Costs - Major Contractor		1,445			1,445
500050	Agreed Costs - Other		1,253			1,253
500040	Agreed Costs - Third Party Contractors		3			3
530010	Contractors - O&M		266			266
	TOTAL Operating & Maintenance		2,967			2,967
	Management Fees & Expenses					
	Management fees		644			644
	TOTAL Management Fees & Expenses		644			644
	TOTAL NETWORK OPERATIONS & MAINTENANCE		3,611			3,611
	OTHER COSTS					
	Insurance					
564010	Insurance		585			585
	TOTAL Insurance		*585*			*585*
	Staff Costs					
576010	Consultants		6			6
	TOTAL Staff Costs		*6*			*6*
	Tax on Property & Capital					
590040	Property - Rates & Taxes		68			68
			68			*68*
	Travel Costs					
580050	Meal Non FBT					
581010	Travel - Local - Accommodation		1			1
581020	Travel - Local - Airfares		2			2
581030	Travel - Local - Taxis					
581040	Travel - Local - Motor Vehicle					
582010	Travel - Overseas - Accommodation					
582020	Travel - Overseas - Airfares					
	TOTAL Travel Costs		*3*			*3*
	Accounting/Audit Fees					
578010	Accounting Fees - Audit		-8			-8
578020	Accounting Fees - Non Audit		8			8
	TOTAL Accounting/Audit Fees					
	Legal Fees					
577010	Legal Fees - Deductible					
577020	Legal Fees - Non-Deductible					
	TOTAL Legal Fees					
	Other					
566035	Pipeline / Asset Licence Fees					
590020	Security		20			20
650130	Storage		1			1
650040	Document Filing fees (ASIC etc)		1			1
660050	Miscellaneous					
689500	State shared costs		3			3
510050	Labour Recharge		81			81
530040	Contractors - General		19			19
531010	COS - Fuel Gas		2			2
650140	Utilities - Electricity / Gas / Water		66			66
560010	Communication - Voice		80			80
560040	Communication - WAN Data & Internet		18			18
695014	IE OH CHG - APTMS		273			273
	TOTAL Other		564			*564*
	TOTAL OTHER COSTS		1,226			1,226
	Subtotal of ***Directly Attributed*** costs		4,837			4,837
	Allocated Costs — *Basis of allocation* 'Causal / Non- Causal'* — *Work paper Ref.***					
	Subtotal of Allocated costs					
	Total Opex Costs per DISAGG FPerf		4,837			
					Total	4,837

Explanation of opex costs required by the ***Commission*** (for example, bushfire costs, insurance etc)

* Delete as appropriate
** For each ***Account Heading*** item subject to ***Causal*** allocation, ensure that it is included on a workpaper Aloc 1
For each ***Account Heading*** item subject to Non-***Causal*** allocation, ensure that it is included on a workpaper Aloc 2
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.***

CAUSAL ALLOCATION

for the period ended: 31 December 2009

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: 31 December 2009

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: 31 December 2009

Journal number	Account Debited Account Credited	Amount Debit $'000	 Credit $'000	Supporting Statement No.
GJ01	Shareholder's Equity	31,625		DISAGG Assets & PTS Rec Assets
	Property, Plant & Equipment - Cost		80,481	
	Property, Plant & Equipment - Accumulated Depreciation	94,031		
	Impairment		41,638	
	Depreciation		3,537	
	(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)	125,656	125,656	

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: 31 December 2009

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

PRUDENT DISCOUNTS - PRESCRIBED TRANSMISSION SERVICES

for the period ended: 31 December 2009

Murraylink Transmission Partnership did not have any discounts issued or paid during the current period.

REVENUE ANALYSIS - PRESCRIBED TRANSMISSION SERVICES

for the period ended: 31 December 2009

Account code or reference	Tariff Category	Amount of electricity transmitted	Revenue
		GWh	$'000
430100	Electricity Transmission - Fixed		20,045
	Total	-	20,045

Note that Murraylink is not directly metered, thus the amount of GWh transmitted is not directly metered by Murraylink.

NETWORK SUPPORT PASS THROUGH - PRESCRIBED TRANSMISSION SERVICES

for the period ended: 31 December 2009

The Murraylink Transmission Partnership does not have any network support pass through events to report in the current period.

COST PASS THROUGH - PRESCRIBED TRANSMISSION SERVICES - ANNUAL REPORTING

for the period ended: 31 December 2009

Date of positive change event	**6 January 2007**
Date written statement submitted to AER	**4 July 2008**
Date fo AER determination	**29 August 2008**
Approved pass through amount	**$250,000**

The Murraylink Transmission Partnership did not have any negative change events that resulted in an adjustment to the MAR in the current period.

SUMMARY OF DISAGGREGATION STATEMENT ASSETS

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

as at: 31 December 2009

	Prescribed Transmission Services	Prescribed Transmission Services	Negotiated Transmission Services	Non-Regulated Transmission Services	Not Allocated	Total
	$'000	$'000	$'000	$'000	$'000	$'000
	Buildings, Plant & Equipment	**Construct'n in Progress**				
Gross Book Value						
Balance as at 1 July 2008	183,817					183,817
Additions	20					20
Transfers						
Disposals						
Balance as at 31 December 2009	183,837					183,837
Accumulated depreciation						
Balance as at 1 July 2008	(50,101)					(50,101)
Depn charges July 2008 - December 2009	(4,218)					(4,218)
Impairment	(41,638)					(41,638)
	(95,957)					(95,957)
Net book value as at 31 December 2009	87,880					87,880

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - PRESCRIBED TRANSMISSION SERVICES

as at: 31 December 2009

	Asset class Switchyard	*Asset class* Transmission Line	*Asset class* Easements	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 up to 30/06/07	721			721
Disposals up to 30/06/07	(349)			(349)
Additions - period ending 30/06/08	6			6
Disposals during the period ending 30/06/08				
Value as at 30/06/08	57,705	41,551	4,080	103,336
Additions - period ending 31/12/09	20			20
Disposals during the period ending 31/12/09				
At end of period	57,725	41,551	4,080	103,356
Accumulated depreciation				
Revaluation adjustments				
Depreciation charges	800	471		1,271
Depreciation released on disposals	(26)			(26)
Depreciation as at 30/06/08	774	471		1,245
Depreciation charge 01/07/08 - 31/12/09	427	254		681
At end of period	1,201	725		1,926
Values agreed by the Commission as at 1 October 2003 & revised 31 Mar 2004	57,327	41,551	4,080	102,958
Net regulatory values 30/06/08	56,931	41,080	4,080	102,091
Net regulatory values at end of period	**56,524**	**40,826**	**4,080**	**101,430**

ASSET AGING SCHEDULE -
PRESCRIBED TRANSMISSION SERVICES

for the period ended: 31 December 2009

Asset class	Total	1-5	6-10	11-15	16-20	>20
	Useful life remaining (years after *Regulatory Accounting Date*)					
	$'000	$'000	$'000	$'000	$'000	$'000
Switchyard	56,524	2,074	3,259	4,674	6,358	40,159
Transmission Line	40,826	1,234	1,939	2,782	3,784	31,087
Easements	4,080	0	0	0	0	4,080
Total net regulatory value	101,430	3,308	5,198	7,456	10,142	75,326

NB: Nominal Depreciation from the PTRM model used - net regulatory values at end of period

SUMMARY OF PROVISIONS

for the period ended: 31 December 2009

Murraylink Transmission Partnership does not have any provisions to report in the current period.

PROVISIONS RECONCILIATION -
PRESCRIBED TRANSMISSION SERVICES

for the period ended: 31 December 2009

Murraylink Transmission Partnership does not have any provisions to report in the current period.

RELATED PARTY TRANSACTIONS

for the period ended: 31 December 2009

The names of the entities who are partners of the Murralink Transmission Partnership as at 30 June 2008 are:

Murraylink (No.1) Pty Ltd (formerly SNC - Lavalin Investment Australia Pty Ltd)
Murraylink (No. 2) Pty Ltd (formerly Murraylink HQI Australia Pty Limited)
Murralink Tranmission Company Pty Ltd

Details of related party	Description of transaction	Prescribed	Procurement process	Monetary value of transaction
		$'000	$'000	$'000
	Expense			
APT Management Services (APTMS)	Allocation of shared costs (i.e. corporate overhead costs) incurred by the APA Group, allocated based on % of the revenue the asset contributes to corporate revenue.	276		276
APA Ops EII	Direct and indirect costs incurred under the management, operation and maintenance and commercial services agreement between the Murraylink Transmission Partnership and APA Operations (EII) Pty Limited as operator. Indirect costs are allocated based on the % of the revenue the asset contributes to total revenue.	2,343		2,343

Balances with related parties at regulatory accounting date

		$'000	$'000	$'000
	Current assets			
	Non-current assets			
	Total assets			0
	Current liabilities			
	Non-current liabilities			
	Total liabilities			0

Commitments with related parties at regulatory accounting period

Value of commitments with related parties that are expected to result in related party transactions in future regulatory accounting periods:

		Recognised as liabilities	Not recognised as liabilities	Total
		$'000	$'000	$'000
	Payable:			
	Not later than one year			
	Later than one year and not later than five years			
	Later than five years			
	Total commitments			

NB: For the purposes of the "RELATED PARTY TRANSACTIONS" reporting template, only "prescribed" transactions and balances with related parties have been disclosed.

REVENUE RECONCILIATION

for the period ended: 31 December 2009

Description	Unit type	Unit	
CPI (March Tx)	CPI – All Groups Weighted Average of 8 Capital Cities (ABS)	162.20	
CPI (March Tx+1)	As above	166.00	
Change in CPI	Per cent	2.34	
X-factor	Per cent	1.20	
AR (Tx)	$	13,302,748.83	
AR (Tx+1)	$	13,451,031.01	
S-factor (Tx)	$±	89,887.02	
Under/over recovery AR (Tx)	$±	250,000.00	
Revenue Cap Tx+1	$	13,913,371.39	

Capital Expenditure Summary - Prescribed Transmission Services

for the period ended: 31 December 2009

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 ended 31 December 2009	**19.77**

Capital Expenditure Efficiencies - Prescribed Transmission Services

for the period ended: 31 December 2009

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 efficiences that it may have achieved in its cap

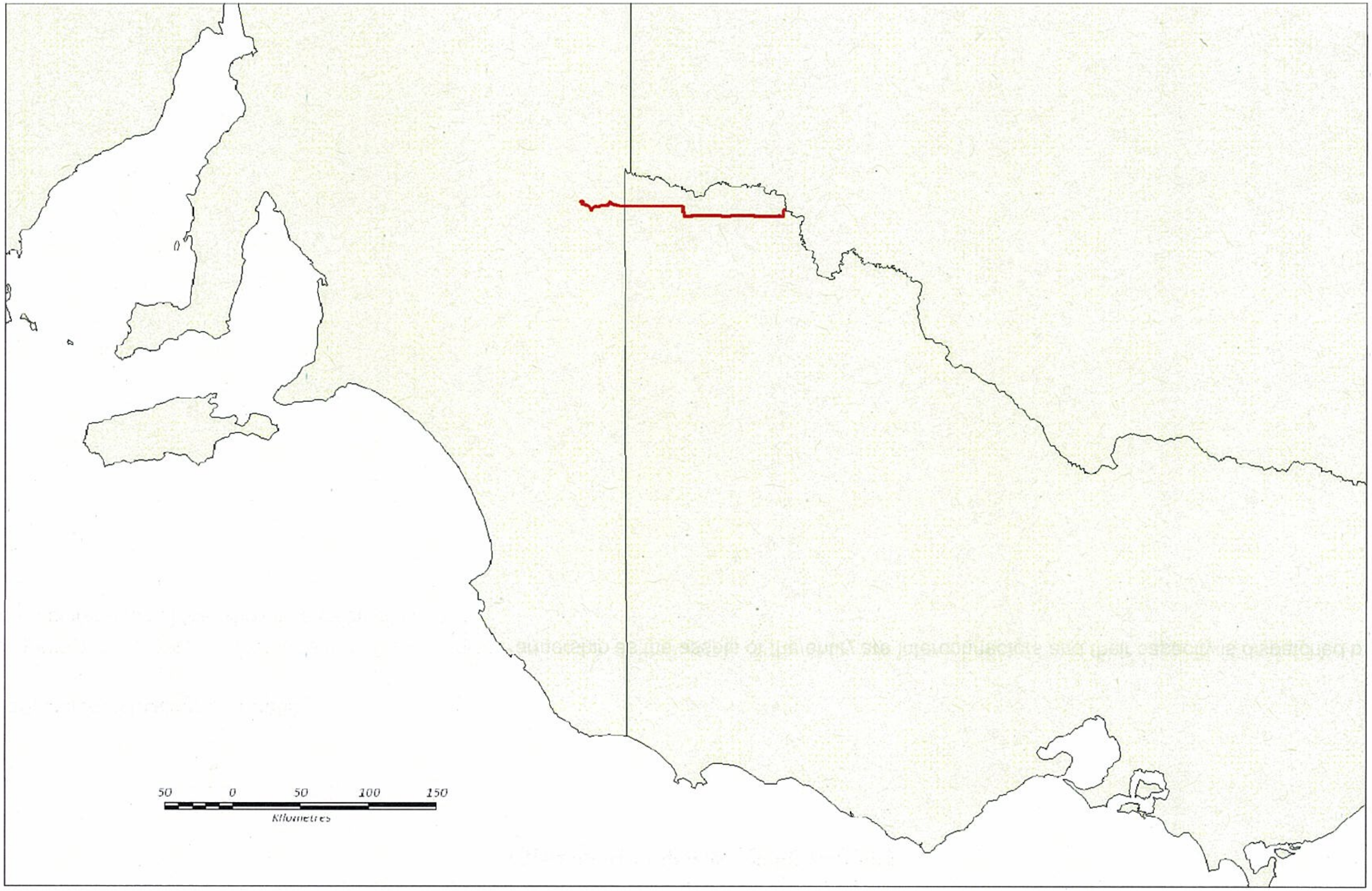
Capital expenditure project:	**$'000**
Forecast	**0.00**
Actual	**0.00**

Note : Murraylink Transmission Partnership did not have any major capital project expenditure project in the current period.

KPMG will provide independent auditors review report

Current Map of the Network

for the period ended: 31 December 2009



One-year Demand Forecast

for the period ended: 31 December 2009

No demand forecast is provided by the Murraylink Transmission Partnership as the assets of the entity are interconnectors and their capacity is dispatched by AEMO according the requirements of the wholesale electricity market.

Independent auditor's review report to 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 31 December 2009, and the income statement and the cash flows statement for the 18 month period ended on that date, a summary of significant accounting policies and other required statements and schedules set out on pages 2 to 28.

Directors' responsibility for the regulatory financial report

The Directors of Murraylink (No. 1) Pty Limited, Murraylink (No. 2) Pty Limited and Murraylink Transmission Company Pty Limited, the Partners, are responsible for the preparation and fair presentation of the regulatory financial report and have determined that the accounting policies described in Note 1 are appropriate to meet the financial reporting requirements of the *Australian Energy Regulators Electricity Transmission Network Service Provider Information Guidelines 2007* and are appropriate to meet the needs of the Australian Energy Regulator and the Partners. This responsibility 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the regulatory financial report based on our review. No conclusion is expressed as to whether the accounting policies used, as described in Note 1 are appropriate to meet the requirements of the *Australian Energy Regulators Electricity Transmission Network Service Provider Information Guidelines 2007* or the Partners. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described anything has come to our attention that causes us to believe that the regulatory financial report is not presented fairly, in all material respects, in accordance with the accounting policies set out in Note 1 and the disclosure requirements prescribed by the *Australian Energy Regulators Electricity Transmission Network Service Provider Information Guidelines 2007.* As auditor of the Murraylink Transmission Partnership, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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 Australian Energy Regulator and the Partners of the Partnership for the purpose of fulfilling the Partners' financial reporting obligations under the *Australian Energy Regulators Electricity Transmission Network Service Provider Information Guidelines 2007*. 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 Australian Energy Regulator and the Partners, or for any purpose other than that for which it was prepared.

Independence

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, nothing has come to our attention that causes us to believe that the regulatory financial report of the Murraylink Transmission Partnership does not present fairly, in all material respects, the financial position of the Partnership as of 31 December 2009 and of its financial performance and its cash flows for 18 month period then ended in accordance with the accounting policies described in Note 1 and the disclosure requirements prescribed by the *Australian Energy Regulators Electricity Transmission Network Service Provider Information Guidelines 2007*.

KPMG

KPMG

Shane O'Connor

Partner

Sydney

23 April 2010