Murraylink Transmission Partnership
ABN 79 181 207 909

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For the year ended 30 June 2014

DIRECTORS' RESPONSIBILITY STATEMENT FOR REGULATORY ACCOUNTING STATEMENTS

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

* the regulatory accounting 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 Regulator's *Electricity Transmission Network Service Provider Information Guidelines*, Version 1 issued 28 September 2007;
    * the results of each business segment for the year ended 30 June 2014;
    * information concerning the state of affairs at 30 June 2014, of each business segment;
    * have been made out in accordance with applicable and appropriate accounting principles and policies; and
    * have been prepared in accordance with the requirements, set out in the *Australian Energy Regulator's 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 year ended 30 June 2014 that require disclosure under paragraph 4.15 of the guidelines.
* no financing transactions arose during the year ended 30 June 2014 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 Regulator's Electricity Transmission Network Service Provider Information Guidelines referred to above.*

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

Director	27/10/2014 Dated
Director	27/10/2014 Dated

NOTES TO THE ACCOUNTS

For the year ended 30 June 2014

1 Statement of Significant Accounting Policies

Financial reporting framework

The Murraylink Transmission Partnership ("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, these regulatory accounting statements have been prepared to satisfy the directors' reporting requirements under the Australian Energy Regulator's Electricity Transmission Network Service Provider Information Guidelines, Version 1 issued 28 September 2007 ("Information Guidelines 2007").

The Partnership has not prepared and lodged a statutory financial report with ASIC. In the absence of a statutory financial report, financial information for the Partnership (referred to as the "statutory account equivalent") has been prepared based on its Trial Balance.

As the Partnership is not liable for income tax (income tax is paid by the partners) the regulatory accounting statements do not contain income tax related balances.

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

Statement of compliance

The regulatory accounting statements have been prepared in accordance with the Information Guidelines 2007 and the basis of accounting specified by all Australian Accounting Standards (AASBs) and Interpretations, except where inconsistent with the code. The regulatory accounting statements have 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 regulatory accounting statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets. 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.

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

Note - If a cell in a specific row or column is blank or empty a zero value should be assumed.

Critical accounting judgements and key sources of estimation uncertainty

In the application of AASBs, 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 accounting policies set out below have been applied in preparing the regulatory accounting statements for the year ended 30 June 2014.

These regulatory accounting statements have been prepared on a going concern basis.

NOTES TO THE ACCOUNTS (cont.)

For the year ended 30 June 2014

1 Statement of Significant Accounting Policies (cont.)

(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.

(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) 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).

NOTES TO THE ACCOUNTS (cont.)

For the year ended 30 June 2014

1 Statement of Significant Accounting Policies (cont.)

(d) Impairment

At each statutory 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, are recognised when the Partnership becomes obliged to make future payments principally as a result of purchases of goods and services. These liabilities are measured at amortised cost.

(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

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 calendar 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 year ended 30 June 2014

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	13,299			13,299	DISAGG Inc
	Total Revenue	13,299			13,299	
	Opex costs					
	NETWORK OPERATIONS & MAINTENANCE					
	Operating & Maintenance Costs	1,550			1,550	DISAGG Inc
	Commercial Management Fees	393			393	DISAGG Inc
	OTHER COSTS					
	Insurance	601			601	DISAGG Inc
	Connection fees	957			957	DISAGG Inc
	Tax on Property & Capital	3			3	DISAGG Inc
	Accounting/Audit Fees	20			20	DISAGG Inc
	Other	4			4	DISAGG Inc
	Depreciation	2,540	GJ01	(2,234)	305	DISAGG Inc
	Amortisation	42		(42)	0	DISAGG Inc
	Earnings before Interest and Tax (EBIT)	**7,189**		**(2,277)**	**9,466**	
	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.

Numbers may not add due to rounding.

BALANCE SHEET - PRESCRIBED TRANSMISSION SERVICES

As at 30 June 2014

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					
	Other current assets	23			23	DISAGG Bal
	Non-current Assets					
	Property, plant and equipment	79,735	GJ01	26,982	106,717	PTS Rec Assets
	Other intangible assets	168	GJ01	(168)		DISAGG Bal
	Total Assets	79,926		26,813	106,740	
	Current Liabilities					
	Non-current Liabilities					
	Total Liabilities					
	Net Assets	79,926		26,813	106,740	

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.

Numbers may not add due to rounding.

CASH FLOW STATEMENT - PRESCRIBED TRANSMISSION SERVICES

For the year ended 30 June 2014

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	7,189	GJ01	2,277	9,465	DISAGG C
	Add back Depreciation and Amortisation	2,582	GJ01	(2,277)	305	DISAGG C
	Plus / (less)					
	(Increases) / decreases in prepayments	(5)			(5)	DISAGG C
	Net cash from operating activities	9,766			9,766	
	Investing activities					
	Cash received					
	Cash used					
	Payments for property, plant and equipment	(451)			(451)	DISAGG C
	Payments for intangible assets					DISAGG C
	Net cash from operating activities	(451)			(451)	
	Financing activities					
	Cash received					
	Cash used					
	Inter-Entity Repayments	(9,737)			(9,737)	DISAGG C
	Net cash from financing activities	(9,737)			(9,737)	
	Net increase/(decrease) in cash held					
	Cash at 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.

Numbers may not add due to rounding.

DISAGGREGATION STATEMENT - INCOME

For the year ended 30 June 2014

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	
	Electricity Transmission - Fixed	13,299	13,299				PIS Rev
	Total Revenue	13,299	13,299				
	Opex costs						
	NETWORK OPERATIONS & MAINTENANCE						
	Operating & Maintenance Costs	1,550	1,550				DISAGG Opex
	Commercial Management Fees	393	393				DISAGG Opex
	OTHER COSTS						
	Insurance	601	601				DISAGG Opex
	Connection fees	957	957				DISAGG Opex
	Tax on Property & Capital	3	3				DISAGG Opex
	Accounting/Audit Fees	20	20				DISAGG Opex
	Other	4	4				DISAGG Opex
	Depreciation	2,540	2,540				DISAGG Assets
	Impairment						
	Amortisation	42	42				
	Earnings before Interest and Tax (EBIT)	7,189	7,189				
	Interest received						
	Interest paid						
	Finance costs paid						
	Profit(loss) before Income Tax Expense	7,189					
	Australian income tax expense	n/a					
	Deferred income tax	n/a					
	Other income tax	n/a					
	Profit(loss) after income tax expense	7,189					
	Dividends paid						
	Retained Profit(Loss)	7,189					

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.

Numbers may not add due to rounding.

DISAGGREGATION STATEMENT - BALANCE SHEET

As at 30 June 2014

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						
	Trade and other receivables	1,219				1,219	
	Other current assets	23	23				
	Total current assets	1,242					
	Non-Current Assets						
	Loans to related parties	48,965				48,965	
	Property, plant and equipment	79,735	79,735				DISAGG Assets
	Other intangible assets	168	168				
	Total non-current assets	128,868	79,903			48,965	
	Total Assets	130,110					
	Current Liabilities						
	Trade creditors and accruals	746				746	
	Total current liabilities	746					
	Non-Current Liabilities						
	Loans from related parties	174,158				174,158	
	Total non-current liabilities	174,158				174,158	
	Total Liabilities	174,904					
	Net Assets	**(44,795)**					
	Equity						
	Retained earnings	(44,795)					
	Total Equity/Deficiency	**(44,795)**					
	Accumulated Profits & Losses						
	- At the start of the period	(51,983)					
	- Profit retained	7,189					DISAGG Inc
	- At the end of the period	(44,795)					

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.

Numbers may not add due to rounding.

DISAGGREGATION STATEMENT - CASH FLOWS

For the year ended 30 June 2014

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	7,189	7,189				DISAGG Inc
	Add back Depreciation and Amortisation	2,582	2,582				DISAGG Inc
	Plus / (less)						
	Increases / (decreases) in trade creditors and accruals	335				335	
	(Increases) / decreases in receivables	87				87	
	(Increases) / decreases in prepayments	(5)	(5)				
	Net cash from operating activities	10,188	9,766	-	-	422	
	Investing activities						
	Cash received						
	Cash used						
	Payments for property, plant and equipment	(451)	(451)				
	Payments for intangible assets	0	0				
	Net cash from investing activities	(451)	(451)				
	Financing activities						
	Cash received						
	Cash used						
	Loans from related parties - repayments made	(9,737)	(9,737)				
	Net cash from financing activities	(9,737)	(9,737)				
	Net increase/(decrease) in cash held						
	Cash at the beginning of the reporting period						
	Cash at the end of the reporting period	0					

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.

Numbers may not add due to rounding.

OPERATIONS AND MAINTENANCE EXPENDITURE

For the year ended 30 June 2014

This proforma summarises a TNSP's actual annual capital expenditure.	Account Heading	Ticks to indicate which rows are intersegmental costs	Prescribed Transmission Services	Negotiated Transmission Services	Not Allocated	Total
			$'000	$'000	$'000	$'000
	Directly Attributed Costs					
	NETWORK OPERATIONS					
	Operating & Maintenance Costs					
570010 572270 & 572280	Agreed Costs - Major Contractor		1,550			1,550
	TOTAL Operating & Maintenance		*1,550*			*1,550*
	Commercial Management Fees					
'572300	Commercial Management Fees		393			393
	TOTAL Commercial Management Fees		*393*			*393*
	TOTAL NETWORK OPERATIONS & MAINTENANCE		**1,943**			**1,943**
	OTHER COSTS					
	Insurance					
685010	Insurance		601			601
	TOTAL Insurance		*601*			*601*
	Connection fees					
630130	Utilities - Electricity / Gas / Water		957			957
			957			*957*
	Tax on Property & Capital					
630090	Property - Rates & Taxes		3			3
			3			*3*
	Accounting/Audit Fees					
640010	Accounting Fees - Audit		20			20
	TOTAL Accounting/Audit Fees		*20*			*20*
	Other					
687020 & 689110	Pipeline / Asset Licence Fees		2			2
630100	Property - Rent					
	Miscellaneous		1			1
	TOTAL Other		*4*			*4*
	TOTAL OTHER COSTS		**1,585**			**1,585**
	Subtotal of ***Directly Attributed*** costs		3,528			3,528
	Allocated Costs — *Basis of allocation* 'Causal / Non- Causal'*	*Work paper Ref.***				
	Subtotal of Allocated costs					
	Total Opex Costs per DISAGG FPerf		3,528			
					Total	3,528

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.***

Numbers may not add due to rounding.

CAUSAL ALLOCATION

For the year ended 30 June 2014

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 year ended 30 June 2014

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 year ended 30 June 2014

Journal number	Account Debited Account Credited	Amount Debit $'000	 Credit $'000	Supporting Statement No.
GJ01	Equity		24,537	DISAGG Assets & PTS Rec Assets
	Property, Plant & Equipment - Cost		81,715	
	Property, Plant & Equipment - Accumulated Depreciation	108,697		
	Depreciation (Book)		2,540	
	Depreciation (Regulatory)	305		
	Other intangible assets (closing balance)		168	
	Other intangible assets - amortisation		42	
	(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)	109,002	109,002	

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.

Numbers may not add due to rounding.

PRICE REDUCTION/RECOVERY - PRESCRIBED TRANSMISSION SERVICES

For the year ended 30 June 2014

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

PRUDENT DISCOUNTS - PRESCRIBED TRANSMISSION SERVICES

For the year ended 30 June 2014

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

REVENUE ANALYSIS - PRESCRIBED TRANSMISSION SERVICES

For the year ended 30 June 2014

Account code or reference	Tariff Category	Amount of electricity transmitted	Revenue
		GWh	$'000
411000	Electricity Transmission - Fixed		13,299
	Total		13,299

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

NETWORK SUPPORT PASS THROUGH - PRESCRIBEDTRANSMISSION SERVICES

For the year ended 30 June 2014

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

COST PASS THROUGH - PRESCRIBED TRANSMISSION SERVICES - ANNUAL REPORTING

For the year ended 30 June 2014

The Murraylink Transmission Partnership does not have any cost pass through events to report in the current year.

SUMMARY OF DISAGGREGATION STATEMENT ASSETS

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

As at 30 June 2014

	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 2013	186,301	377				186,678
Additions		322				322
Transfers	690	(690)				
Adjustment	(1)					(1)
Balance as at 30 June 2014	186,990	9				186,999
Accumulated depreciation						
Balance as at 1 July 2013	(104,724)					(104,724)
Depreciation charges	(2,540)					(2,540)
Balance as at 30 June 2014	(107,264)					(107,264)
Net book value as at 30 June 2014	79,726	9				79,735

Numbers may not add due to rounding.

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - PRESCRIBED TRANSMISSION SERVICES

As at 30 June 2014

	Asset class *Switchyard*	Asset class *Transmission Line*	Asset class *Easements*	Asset class *Other Operating Assets*	Total
	$'000	$'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 June 2013	2,353				2,353
Disposals up to 30 June 2013	(349)				(349)
Value as at 30 June 2013	59,331	41,551	4,080		104,962
Additions for the year ended 30 June 2014				322	322
At end of year	59,331	41,551	4,080	322	105,284
Accumulated depreciation					
Revaluation adjustments					
Regulatory depreciation charges	(1,203)	1,709	1,207		1,713
Depreciation released on disposals	26				26
Accumulated Depreciation as at 30 June 2013	(1,178)	1,709	1,206.67	-	1,738
Regulatory depreciation charge for the year ended 30 June 2014	(271)	(202)	155	13	(305)
At end of year	(1,449)	1,508	1,362	13	1,433
Values agreed by the Commission	57,327	41,551	4,080		102,958
Net regulatory values 1 July 2013	58,153	43,260	5,287		106,700
Net regulatory values at 30 June 2014	**57,882**	**43,059**	**5,442**	**335**	**106,717**

Numbers may not add due to rounding.

ASSET AGING SCHEDULE -
PRESCRIBED TRANSMISSION SERVICES

As at 30 June 2014

	Useful life remaining (years after *Regulatory Accounting Date*)					
	Total	1-5	6-10	11-15	16-20	>20
Asset class	$'000	$'000	$'000	$'000	$'000	$'000
Switchyard	57,882	3,393	5,567	8,098	10,984	29,839
Transmission Line	43,059	2,346	3,733	5,471	7,516	23,993
Easements	5,442	0	0	0	0	5,442
Other Operating Assets	335	0	0	0	0	335
Total net regulatory value	106,717	5,739	9,300	13,568	18,500	59,608

NB: Real Straightline Nominal Depreciation from the PTRM model used

Numbers may not add due to rounding.

SUMMARY OF PROVISIONS

For the year ended 30 June 2014

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

PROVISIONS RECONCILIATION - PRESCRIBED TRANSMISSION SERVICES

For the year ended 30 June 2014

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

RELATED PARTY TRANSACTIONS

For the year ended 30 June 2014

The names of the entities who are partners of the Murraylink Transmission Partnership as at 30 June 2014 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
	Expenses			
APT Management Services	Direct insurance cost	547		547
APA Operations (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.	2,087		2,087
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.

Numbers may not add due to rounding.

REVENUE RECONCILIATION

For the year ended 30 June 2014

Applicable for the period 1 July 2013 - 30 June 2014

Description	Unit type	Unit	
AR (Tx)	$	13,170,000	
S-factor (Tx)		129,186	
Revenue Cap Tx+1	$	13,299,186	

Capital Expenditure Summary - Prescribed Transmission Services

For the year ended 30 June 2014

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 Transmission Network Service Provider to set its revenue cap.

Total capital expenditure :	**$'000**
Forecast	**1,803**
Actual	**258**

Capital Expenditure Efficiencies - Prescribed Transmission Services

For the year ended 30 June 2014

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	**1,803**	**(Per the Determination for 2013-14 to 2017-18)**
Actual	**258**	

KPMG

Independent auditor's review report to the Partners of Murraylink Transmission Partnership

We have reviewed the accompanying regulatory financial report of Murraylink Transmission Partnership (the partnership) which comprises the balance sheet as at 30 June 2014, income statement and statement of cash flows for the year ended on that date and 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, 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 needs of the Australian Regulators as set out in *Australian Energy Regulators Electricity Transmission Network Services Provider Information Guidelines 2007* and are appropriate to meet the needs of the Partners. This responsibility includes establishing and maintaining internal controls 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 Services Provider Information Guidelines 2007* or the Partners. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* 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 does not present fairly, in all material respects, in accordance with the accounting policies set out in Note 1 and the disclosure requirements prescribed by *Australian Energy Regulators Electricity Transmission Network Services Provider Information Guidelines 2007.* As auditor of 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.

KPMG

Basis of Preparation

Without modifying our conclusion, we draw attention to Note 1 in the regulatory financial report, which describes the basis of accounting. The regulatory financial report has been prepared for the purpose of fulfilling the partners' financial reporting responsibilities under the *Australian Energy Regulators Electricity Transmission Network Services Provider Information Guidelines 2007.* As a result, the regulatory financial report may not be suitable for another purpose.

Independence

In conducting our review, we have complied with the independence requirements of the Australian Professional and Ethical Standards Board.

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 financial position of the Partnership as at 30 June 2014 and of its financial performance and its cash flow for the year ended on that date in accordance with the accounting policies set out in Note 1 and the disclosure requirements prescribed by the *Australian Energy Regulators Electricity Transmission Network Services Provider Information Guidelines 2007.*

KPMG

KPMG

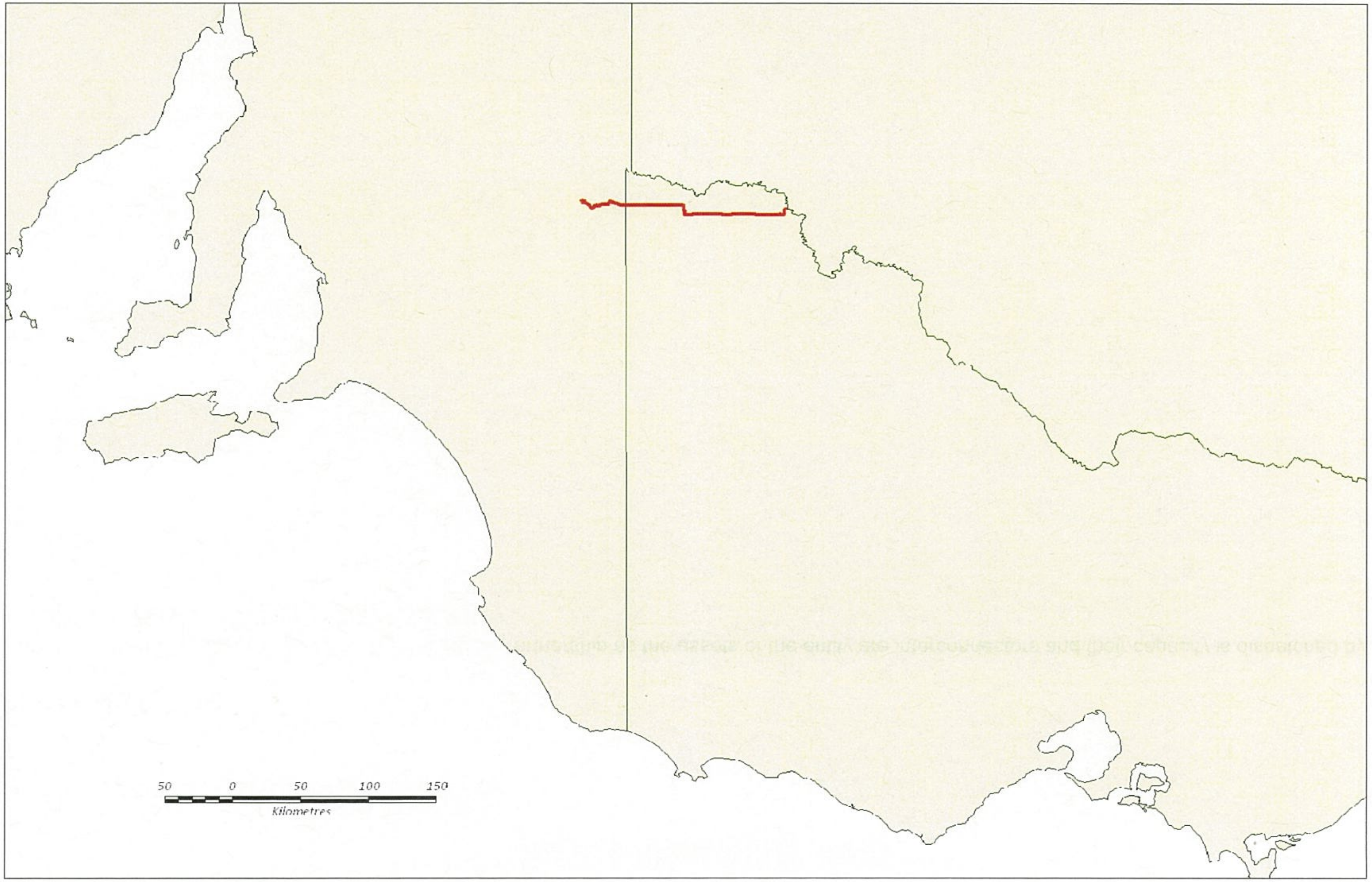
Anthony Jones
Partner

Sydney

27 October 2014

Current Map of the Network

For the year ended 30 June 2014



One-year Demand Forecast

For the year ended 30 June 2014

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.