Murraylink Transmission Partnership
ABN 79 181 207 909

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For the 6 months period ended 30 June 2013

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 6 months period ended 30 June 2013;
    * information concerning the state of affairs at 30 June 2013, 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 6 months period ended 30 June 2013 that require disclosure under paragraph 4.15 of the guidelines.
* no financing transactions arose during the year ended 30 June 2013 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   24/4/2014
                                                Dated

Director   24/4/2014
                                                Dated

NOTES TO THE ACCOUNTS

For the 6 months period ended 30 June 2013

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 6 month period ended 30 June 2013.

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

NOTES TO THE ACCOUNTS (cont)

For the 6 months period ended 30 June 2013

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 6 months period ended 30 June 2013

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 not yet billed, 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 using the effective interest rate method.

(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 6 months period ended 30 June 2013

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	7,123			7,123	DISAGG Inc
	Total Revenue	7,123			7,123	
	Opex costs					
	NETWORK OPERATIONS & MAINTENANCE					
	Operating & Maintenance Costs	729			729	DISAGG Inc
	Commercial Management Fees	222			222	DISAGG Inc
	OTHER COSTS					
	Insurance	380			380	DISAGG Inc
	Connection fees	480			480	DISAGG Inc
	Tax on Property & Capital					DISAGG Inc
	Accounting/Audit Fees					DISAGG Inc
	Other	2			2	DISAGG Inc
	Depreciation	1,253	GJ01	(6,695)	(5,441)	DISAGG Inc
	Earnings before Interest and Tax (EBIT)	4,057		(6,695)	10,752	
	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 2013

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	18			18	DISAGG Bal
	Non-current Assets					
	Property, plant and equipment	81,952	CJ01	24,747	106,699	PTS Rec Assets
	Other intangible assets	211	CJ01	(211)	0	DISAGG Bal
	Total Assets	82,181		24,537	106,718	
	Current Liabilities					
	Non-current Liabilities					
	Total Liabilities					
	Net Assets	82,181		24,537	106,718	

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 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 6 months period ended 30 June 2013

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	4,056	GJ01	6,695	10,751	DISAGG Cf
	Add back Depreciation and Amortisation	1,253	GJ01	(6,695)	(5,442)	DISAGG Cf
	Plus / (less)					
	(Increases) / decreases in prepayments	(16)			(16)	DISAGG Cf
	Net cash from operating activities	5,293			5,293	
	Investing activities					
	Cash received					
	Cash used					
	Payments for property, plant and equipment	(49)	GJ01	(44)	(93)	DISAGG Cf
	Payments for intangible assets	(44)	GJ01	44		DISAGG Cf
	Net cash from operating activities	(93)			(93)	
	Financing activities					
	Cash received					
	Cash used					
	Inter-Entity Repayments	(5,899)			(5,899)	DISAGG Cf
	Net cash from financing activities	(5,899)			(5,899)	
	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 6 months period ended 30 June 2013

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	7,123	7,123				PTS Rev
	Total Revenue	7,123	7,123				
	Opex costs						
	NETWORK OPERATIONS & MAINTENANCE						
	Operating & Maintenance Costs	729	729				DISAGG Opex
	Commercial Management Fees	222	222				DISAGG Opex
	OTHER COSTS						
	Insurance	380	380				DISAGG Opex
	Connection fees	480	480				DISAGG Opex
	Tax on Property & Capital						DISAGG Opex
	Accounting/Audit Fees						DISAGG Opex
	Other	2	2				DISAGG Opex
	Depreciation	1,253	1,253				DISAGG Assets
	Impairment						
	Amortisation						
	Earnings before Interest and Tax (EBIT)	4,057	4,057				
	Interest received						
	Interest paid						
	Finance costs paid						
	Profit(loss) before Income Tax Expense	4,057					
	Australian income tax expense	n/a					
	Deferred income tax	n/a					
	Other income tax	n/a					
	Profit(loss) after income tax expense	4,057					
	Dividends paid						
	Retained Profit(Loss)	4,057					

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 2013

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	1,305				1,305	
	Other current assets	18	18				
	Total current assets	1,323					
	Non-Current Assets						
	Loans to related parties	43,790				43,790	
	Property, plant and equipment	81,952	81,952				DISAGG Assets
	Other intangible assets	211	211				
	Total non-current assets	125,953	82,163			43,790	
	Total Assets	127,276					
	Current Liabilities						
	Trade creditors and accruals	540				540	
	Total current liabilities	540					
	Non-Current Liabilities						
	Loans from related parties	178,720				178,720	
	Total non-current liabilities	178,720				178,720	
	Total Liabilities	179,260					
	Net Assets	(51,984)					
	Equity						
	Retained earnings	(51,983)					
	Total Equity/Deficiency	(51,983)					
	Accumulated Profits & Losses						
	- At the start of the period	(56,040)					
	- Profit / Loss retained	4,057					DISAGG Inc
	- At the end of the period	(51,983)					

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 6 months period ended 30 June 2013

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	4,056	4,056				DISAGG Inc
	Add back Depreciation and Amortisation	1,253	1,253				DISAGG Inc
	Plus / (less)						
	Increases / (decreases) in trade creditors and accruals	(19)				(19)	
	(Increases) / decreases in receivables	718				718	
	(Increases) / decreases in prepayments	(16)	(16)				
	Net cash from operating activities	5,932	5,293	-	-	699	
	Investing activities						
	Cash received						
	Cash used						
	Payments for property, plant and equipment	(49)	(49)				
	Payments for intangible assets	(44)	(44)				
	Net cash from investing activities	(93)	(93)				
	Financing activities						
	Cash received						
	Cash used						
	Loans from related parties - repayments made	(5,899)	(5,899)				
	Net cash from financing activities	(5,899)	(5,899)				
	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 6 months period ended 30 June 2013

This proforma summarises a TNSP's actual annual capital expenditure	Account Heading	[illegible]	Prescribed Transmission Services	Prescribed Transmission Services	Not Allocated	Total
			$'000	$'000	$'000	$'000
	Directly Attributed Costs					
	<u>**NETWORK OPERATIONS**</u>					
	Operating & Maintenance Costs					
570010 572270 & 572280 *	Agreed Costs - Major Contractor		729			729
	TOTAL Operating & Maintenance		729			729
	Commercial Management Fees					
'572300	Commercial Management Fees		222			222
	TOTAL Commercial Management Fees		222			222
	TOTAL NETWORK OPERATIONS & MAINTENANCE		951			951
	<u>**OTHER COSTS**</u>					
	<u>Insurance</u>					
685010	Insurance		380			380
	TOTAL Insurance		380			380
	Connection fees					
630130	Utilities - Electricity / Gas / Water		480			480
			480			480
	<u>Tax on Property & Capital</u>					
630090	Property - Rates & Taxes					
	<u>Accounting/Audit Fees</u>					
640010	Accounting Fees - Audit					
	TOTAL Accounting/Audit Fees					
	<u>Other</u>					
687020 & 689110	Pipeline / Asset Licence Fees		2			2
630100	Property - Rent					
	Miscellaneous					
	TOTAL Other		2			2
	TOTAL OTHER COSTS		862			862
	Subtotal of ***Directly Attributed*** costs		1,813			1,813
	Allocated Costs — *Basis of allocation* 'Causal / Non- Causal*'	*Work paper Ref* **				
	Subtotal of Allocated costs					
	Total Opex Costs per DISAGG FPerf		1,813			
					Total	1,813

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 6 months period ended 30 June 2013

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 6 months period ended 30 June 2013

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 6 months period ended 30 June 2013

Journal number	Account Debited / Account Credited	Amount: Debit $'000	Amount: Credit $'000	Supporting Statement No.
GJ01	Equity		17,842	DISAGG Assets & PTS Rec Assets
	Property, Plant & Equipment - Cost		81,715	
	Property, Plant & Equipment - Accumulated Depreciation	106,463		
	Depreciation (Book)		1,253	
	Depreciation (Regulatory)		5,441	
	Other intangible assets (opening balance)		167	
	Other intangible assets (movement during year)		44	
	(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)	106,463	106,463	

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 6 months period ended 30 June 2013

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

PRUDENT DISCOUNTS - PRESCRIBED TRANSMISSION SERVICES

For the 6 months period ended 30 June 2013

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

REVENUE ANALYSIS - PRESCRIBED TRANSMISSION SERVICES

For the 6 months period ended 30 June 2013

Account code or reference	Tariff Category	Amount of electricity transmitted	Revenue
		GWh	$'000
411000	Electricity Transmission - Fixed		7,123
	Total		7,123

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 6 months period ended 30 June 2013

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 6 months period ended 30 June 2013

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 2013

	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 January 2013	186,301	329				186,630
Additions		48				48
Transfers						
Disposals						
Balance as at 30 June 2013	186,301	376				186,677
Accumulated depreciation						
Balance as at 1 January 2013	(103,471)					(103,471)
Depreciation charges	(1,253)					(1,253)
Impairment						
Disposals						
Balance as at 30 June 2013	(104,724)					(104,724)
Net book value as at 30 June 2013	**81,576**	**376**				**81,953**

Numbers may not add due to rounding.

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - PRESCRIBED TRANSMISSION SERVICES

As at 30 June 2013

	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 31 December 2012	3,539			3,539
Transfers during the year ending 31 December 2013				
Disposals up to 31 December 2012	(349)			(349)
Value as at 31 December 2012	60,517	41,551	4,080	106,148
Additions - period ending 30 June 2013	1,222			1,222
Adjustment relating to prior years (Note 1)	(2,408)			(2,408)
At end of year	59,331	41,551	4,080	104,962
Accumulated depreciation				
Revaluation adjustments				
Depreciation charges	(2,341)	(1,388)		(3,729)
Depreciation released on disposals	26			26
Accumulated Depreciation as at 31 December 2012	(2,315)	(1,388)	-	(3,703)
Depreciation charge for the year ended 30 June 2013	1,137	3,097	1,207	5,441
At end of year	(1,178)	1,709	1,207	1,738
Values agreed by the Commission	57,327	41,551	4,080	102,958
Net regulatory values 1 January 2013	58,202	40,163	4,080	102,445
Net regulatory values at 30 June 2013	58,153	43,260	5,287	106,700

Note 1
Phase reactor was destroyed as a result of a fire during the year ended 30 June 2011. For regulatory purposes only permitted to capitalise costs net of insurance proceeds.
In the past all the costs incurred to repair the Phase Reactor, due to the fire, were capitalised as part of the Regulated Asset Base.
The adjustment of $2,408k was required as a reduction to the Regulated Asset Base, as represents the insurance proceeds received.

Numbers may not add due to rounding.

ASSET AGING SCHEDULE -
PRESCRIBED TRANSMISSION SERVICES

As at 30 June 2013

Asset class		Useful life remaining (years after *Regulatory Accounting Date*)				
	Total	1-5	6-10	11-15	16-20	>20
	$'000	$'000	$'000	$'000	$'000	$'000
Switchyard	58,153	2,981	5,118	7,546	10,402	32,106
Transmission Line	43,260	2,098	3,430	5,097	7,073	25,562
Easements	5,287	0	0	0	0	5,287
Total net regulatory value	106,700	5,080	8,548	12,642	17,475	62,954

NB: Real Straightline Nominal Depreciation from the PTRM model used

Numbers may not add due to rounding.

SUMMARY OF PROVISIONS

For the 6 months period ended 30 June 2013

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

PROVISIONS RECONCILIATION - PRESCRIBED TRANSMISSION SERVICES

For the 6 months period ended 30 June 2013

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

RELATED PARTY TRANSACTIONS

For the 6 months period ended 30 June 2013

The names of the entities who are partners of the Murraylink Transmission Partnership as at 30 June 2013 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
	Expenses			
APT Management Services	Direct insurance cost	345		345
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.	1,030		1,030

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 6 months period ended 30 June 2013

Applicable for the period 1 July 2012 - 30 June 2013

Description	Unit type	Unit	
CPI (December Tx)	CPI – All Groups Weighted Average of 8 Capital Cities (ABS)	174.00	
CPI (December Tx+1)	As above	179.40	
Change in CPI	Per cent	3.1	
X-factor	Per cent	1.20	
AR (Tx)	$	13,888,213.90	
AR (Tx+1)	$	14,147,396.71	
S-factor (Tx)		98,609.27	
Under/over recovery AR (Tx)	$±	0.00	
Revenue Cap Tx+1	$	14,246,005.98	

Capital Expenditure Summary - Prescribed Transmission Services

For the 6 months period ended 30 June 2013

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	**698**
Actual	**258**

Calculated as follows:

	Period		
	1.7.12 to 31.12.12	**1.1.13 to 30.6.13**	**Fiscal Year 12.13**
	$'000	**$'000**	**$'000**
Forecast Capex per the RFM	698	698	1,396
Actual capex	174	258	432
Underspend	524	440	964

This underspend will be recognised as an adjustment "for prior period" in the the next Access Arrangement in 2018, as per NER S6A.2.1(f)(3).

Capital Expenditure Efficiencies - Prescribed Transmission Services

For the 6 months period ended 30 June 2013

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 (Per the 2003 Determination)**
Actual	**258**

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 30 June 2013, income statement and the cash flows statement for the half-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 and Murraylink Transmission Company Pty Limited, 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 Energy Regulators Electricity Transmission Network Services Provider Information Guidelines 2007* and are appropriate to meet the needs of the Australian Energy Regulators and 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 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 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.

Basis of preparation

Without modifying our conclusion, we draw attention to Note 1 to the regulatory report, which identifies the basis of preparation of the regulatory report. 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 *Accounting Professional and Ethics Standards Board.*

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the regulatory report of Murraylink Transmission Partnership does not present fairly, in all material respects, the financial position of the Joint Venture as of 30 June 2013 and of its financial performance and its cashflows for the half year then ended 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

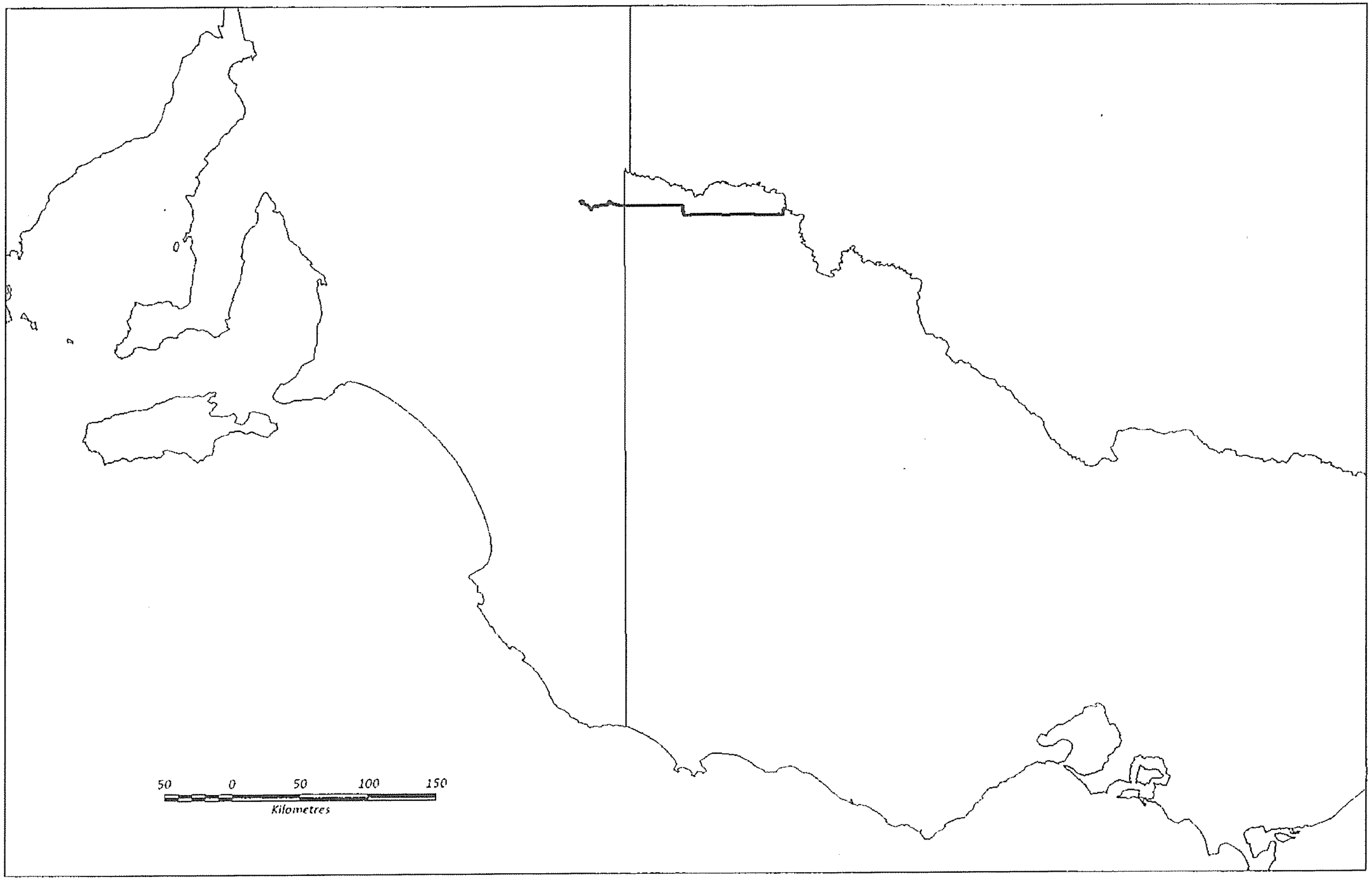
Anthony Jones
Partner

Sydney

24 April 2014

Current Map of the Network

For the 6 months period ended 30 June 2013



One-year Demand Forecast

For the 6 months period ended 30 June 2013

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.