

Our ref: D06/40023



7 August 2006

Sebastian Roberts
General Manager
Network Regulation South
Australian Energy Regulator
By email

Dear Sebastian

NOTIFICATION OF PROPOSED PASS-THROUGH FOR NETWORK SUPPORT SERVICES

Following our previous correspondence on the above topic on 30 March 2006, the AER's subsequent approval dated 1 May 2006 (Ref: C2005/19569) and our recent discussion with Owen Seadon on 24 July 2006, Transend now wishes to advise of a change to the provision of Network Support for the period 9 – 15 October 2006. Our Network Support Agreement with Hydro Tasmania, for provision of network support services, is for services to be provided from Gordon Power Station. Due to other factors Hydro Tasmania now wishes to have Gordon Power Station out of service from 9 October 2006 for a number of weeks, thus will not be in a position to provide network support from Gordon for the period noted above. However they are in a position to provide network support from other generation in the south of Tasmania.

Transend therefore seeks AER approval for the pass-through of network support costs for 2006-07 based on an amendment to the Network Support Agreement with Hydro Tasmania in order to allow Hydro Tasmania to provide network support services under the same terms and conditions from another designated power station. In relation to the costs associated with the provision of network support services it is not expected that this will impact the amount of pass-through to customers as previously approved.

Should you have any queries in relation to this matter please contact Roger Riley, Manager Connections on 03 6274 3910 or email roger.riley@transend.com.au.

Yours sincerely

[by email]

Michael Green
Acting Manager Business Planning, Regulation and Compliance

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