



2 April 2009

Mr Mike Brewster  
CEO AETV Power  
Po Box 1298  
Hobart TAS 7001

Dear Mike

**RE: Aurora Energy (Tamar Valley) Pty Ltd - Clause S5.2.5.3(c) Participant derogation**

It is our understanding that Aurora Energy (Tamar Valley) is seeking a participant derogation in relation to the new Tamar Valley combined cycle (TVCC) gas turbine being constructed near George Town in Tasmania.

Transend has viewed a draft of the proposed participant derogation which relates to NER Clause S5.2.5.3(c) minimum access standard, and while Transend has not yet reviewed the technical studies supporting this derogation, our subjective assessment is that there is no significant detrimental impact on system security or the Tasmanian power system resulting from this derogation. This view is formed on the bases that:

- a) The operating arrangements for the TVCC gas turbine will be negotiated and agreed such that the output of the TVCC will be regulated to avoid any adverse impact on system security for credible contingency events; and
- b) The short duration of the derogation will limit the exposure to non-credible contingency events, the outcome of which might be adversely impacted by this derogation.

Transend would be pleased to provide additional advice once it has reviewed the supporting technical studies.

Yours faithfully

Stephen Clark  
General Manager Customer and Asset Management  
Transend Networks