29 August 2011

Stewart Silver King & Burns Community Managers
On behalf of the Body Corporate
for [redacted]
PO Box 10093 Adelaide Street
Brisbane QLD 4000

Attention Ms Kate O'Rourke - Community Manager

Dear Ms O'Rourke

ENQUIRY RE WATER INUNDATION RESPONSIBILITY FOLLOWING THE JANUARY 2011 BRISBANE FLOODS

We refer to your correspondence of 25 March 2011 and subsequently of 20 May 2011. We apologise for the delay in our response following our letters of 29 March and 6 June, however this matter is complex and was referred for investigation to various members of the ENERGEX team.

As a result of the investigations, we note the following:

1. Whilst it is possible that flood waters entered sections of the CBD pit and duct system adjacent to the [redacted] ("Building") at the time of the Brisbane January 2011 floods, it is also possible that such flooding affecting the Building may have resulted from other entry mechanisms.

2. As prescribed by the Electricity Regulation 2006, the Building Owner has a responsibility to provide ENERGEX with the substation space and this includes providing ENERGEX with the necessary or suitable places for entry and exit of electric lines and cables for the substation. ENERGEX then supplies and installs the electrical equipment in the substation and installs the underground cables to connect to the electrical equipment.

3. The Building Owner also has the responsibility to maintain and repair damage to or deterioration of the substation space, including the necessary or suitable places for the entry and exit of electric cables for the substation.

Accordingly, ENERGEX does not agree with the Body Corporate's assertion that ENERGEX should therefore assume responsibility for the water inundation at the Building.

We trust the above response provides some clarity in relation to this issue.

Yours sincerely

Darryl Bensted
Insurance Manager

Reference 695/75/19325

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