



AUSTRALIAN ENERGY  
REGULATOR

GPO Box 520  
Melbourne VIC 3001

Telephone: (03) 9290 1444  
Facsimile: (03) 9290 1457

[www.aer.gov.au](http://www.aer.gov.au)

Our Ref: D2011-00197184  
Contact Officer: Luke Stevens  
Contact Phone: (03) 9290 1485

20 April 2011

Ms Bess Clark  
Executive Manager Corporate Strategy and Compliance  
Transend Networks Pty Ltd  
PO Box 606  
MOONAH TAS 7009

Dear Ms Clark,

**Re: Transmission service standards review for 2010**

I am writing to inform you of the outcome of the Australian Energy Regulator's (AER) review of Transend's performance against its transmission service standards incentive scheme for the 2010 calendar year.

In conducting the review, AER staff considered Transend's revenue cap decision, dated 28 April 2009, the *Final Electricity Transmission Service Providers Service Target Performance Incentive Scheme*, published in March 2008, and Transend's performance report for 2010 (submitted to the AER 31 January 2011).

Transend's original submission applied a service standards factor ("s-factor") of 0.349874 per cent for the 2010 calendar year. Following AER staff assessment an error in the application of the generator shared exclusions was identified. Transend resubmitted its compliance template to correct for the error.

After conducting the review of Transend's transmission service performance, I endorse the corrected service standards factor ("s-factor") applying to Transend's service component of 0.351104 per cent for the 2010 calendar year. The application of this s-factor results in an additional amount of \$648,863 to Transend's maximum allowed revenue for the 2011-12 financial year.

During the review AER staff noted a discrepancy for one event between the generator outage system (eGO) operated by Hydro and the network outage system (PROMS) operated by Transend. The AER considers that the detailed outage time presented in the eGO for generator shared outages should align to the actual network outage time for generator shared outages. While I note that any change in eGO system will require the co-operation of Hyrdo, I urge Transend to consider options to ensure that eGO aligns to the network outage time so that generator shared outage exclusions can be easily assessed in future.

I would like to thank Transend for its open and active participation in this year's audit process. Should you have any further enquiries please contact Luke Stevens on (03) 9290 1485.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chris Pattas', written in a cursive style.

Chris Pattas  
General Manager