

Our Ref: C2008/1784
Contact Officer: Simon Bell
Contact Phone: 02 6243 1232

28 April 2009

Kevin Murray
Managing Director
TransGrid
PO Box A1000
SYDNEY SOUTH NSW 1235

Dear Mr Murray

Transmission service standards compliance review for 2008

I am writing to inform you of the outcome of the Australian Energy Regulator's (AER) review of TransGrid's performance against the service standards incentive scheme for the 2008 calendar year.

In conducting the review, AER staff considered TransGrid's revenue cap decision (27 April 2005), TransGrid's service standards report (submitted 30 January 2009) and the AER's *Service standards guidelines* (November 2003).

After conducting a review of TransGrid's performance report for 2008, I endorse TransGrid using a service standards factor of 0.314 per cent for the 2008 calendar year resulting in a financial incentive adjustment of \$1,711,790 to apply to its maximum allowed revenue for the 2009–10 financial year.

I would like to thank TransGrid's staff for their open and active participation, and prompt provision of information, throughout this year's review process. Should you have any further enquiries please contact Simon Bell on (02) 6243 1232.

Yours sincerely


Mike Buckley
General Manager
Network Regulation North Branch