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Contact Officer: Fiona Kostidis  
Contact Phone: (03) 9290 6986

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Stuart Dodds  
Operations Manager Power Transmission  
APA Group Brisbane  
GPO Box 1390, Brisbane QLD 4001

Dear Stuart

### **Transmission service standards review for 2013**

I am writing to inform you of the outcome of the Australian Energy Regulator's ("AER") review of Murraylink's performance against its transmission service standards incentive scheme for the 2013 calendar year.

In conducting the review, AER staff considered Murraylink's revenue cap decision for 2013–18 dated April 2013, its regulated revenue for 2003-12, and the Final Service Target Performance Incentive Scheme, dated March 2011.

#### Service component

The AER approves a total financial bonus of \$10 497 comprising:

- S-factor of -0.406110 for the first half of 2013 (penalty of \$28 484)
- S-factor of +0.591972 for the second half of 2013 (bonus of \$38 981)

#### Market impact component

We adjusted Murraylink market impact performance to 159 dispatch intervals (a net change of 158 counts). This translates to an s-factor of 1.187013, and a payment of \$78 165.

Murraylink was subject to the market impact parameter in the second half of 2013. Murraylink submitted a market impact performance s-factor of 1.994887 per cent, with a performance count of 1. This translates into a total financial incentive of \$131 363.

Murraylink's benchmark data included the V<sup>SML</sup>\_NSWRB\_2 constraint which is used to manage the NSW runback scheme. This constraint attributed to around 250 counts of the 783 performance target. APA did not include the binding counts associated with this constraint in its 2013 STPIS data submission. We have increased Murraylink's performance by 159 counts to include the V<sup>SML</sup>\_NSWRB\_2 constraint. APA flagged that this constraint was not invoked to manage an outage caused by Murraylink and the benchmark may have incorrectly included this constraint. We noted that we are unable to change the benchmark retrospectively and given that the constraint was included in the benchmark, the constraint is also included in the performance measure for consistency. We also reduced Murraylink performance count by 1 as the count was attributed to a third party outage (ElectraNet).

I would like to thank Murraylink for its participation in this year's compliance review. Should you have any further inquiries please contact Fiona Kostidis on (03) 9290 6986.

Yours sincerely



Peter Adams  
a/General Manager  
Wholesale Markets Branch