

Our Ref: 53902-D14/58264  
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13 May 2014

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

Dear Bess

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

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 2013 calendar year.

In conducting the review, AER staff considered Transend's revenue cap decision dated October 2009, and the Final Service Target Performance Incentive Scheme, dated March 2008.

Transend performed well against its service component with all sub-parameters being between the target and the cap. It submitted a financial incentive (or reward) of \$1 337 882, comprising of an s-factor of 0.571540 per cent.

We did not accept one exclusion claim, which had a quantitative impact of \$1854. We did not accept one exclusion claim because there was conflicting supporting documentation. We adjusted the s-factor down to 0.570748 per cent, which translates into a total financial incentive payment of \$1 336 028.

I would like to thank Transend 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

