

Our Ref: 50333; D13/36013
Contact Officer: Joanna Gall
Contact Phone: (02) 8213 3461

3 May 2013

Simon Appleby
Senior Manager Regulatory Affairs
ElectraNet Pty Ltd
PO Box 7096
ADELAIDE SA 5000

Dear Simon

Transmission service standards review for 2012

I am writing to inform you of the outcome of the Australian Energy Regulator's ("AER") review of ElectraNet's performance against its transmission service standards incentive scheme for the 2012 calendar year.

In conducting the review, AER staff considered ElectraNet's revenue cap decision, dated April 2008, the *Final Electricity Transmission Service Providers Service Target Performance Incentive Scheme* published in August 2007, the *Early application of the market impact component of the service target performance incentive scheme for ElectraNet* published in December 2010 and ElectraNet's 2012 STPIS submission (submitted to the AER 4 February 2013).

After conducting the review of ElectraNet's transmission service performance, I endorse the service standards factor ("s-factor") applying to ElectraNet's service component of -0.30 per cent for the 2012 calendar year. The application of this s-factor results in a decrement of \$927 445 to ElectraNet's maximum allowed revenue for the 2013-14 financial year.

I also endorse ElectraNet's market impact performance count of 4487 dispatch intervals. The application of this performance count results in an s-factor of 0.0 per cent. Therefore, ElectraNet receives no financial reward for its 2012 calendar performance.

I would like to thank ElectraNet for its participation in this year's compliance review. We note that there continues to be room for improvement in the quality of performance data and in the provision of supporting material by ElectraNet. We look forward to continued engagement with you on this issue. Should you have any further enquiries please contact Joanna Gall on (08) 8213 3461.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Leuner', with a long horizontal flourish extending to the right.

Tom Leuner
General Manager
AER Markets Branch