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Our Ref: 45535-D16/10862
Your Ref: Letter of 7 December 2015
Contact Officer: Fiona Kostidis
Contact Phone: 03 9290 6986

1 February 2016

Scott Young
Regulatory Manager
Energy Infrastructure Investments
PO Box R41
ROYAL EXCHANGE NSW 1225

Dear Mr Young

Re: Directlink - Mullumbimby System 1 return to service

We refer to your letter dated 7 December 2015 regarding the fire at the Directlink Mullumbimby converter station, which destroyed the System 1 converter station. Your letter advised that, on 5 November 2015, APA had completed the Mullumbimby System 1 converter station rebuild.

As you are aware, Directlink is currently subject to the AER's transmission Service Target Performance Incentive Scheme (STPIS) version 4.1. Under clause 4.2(e) and (f) of the scheme, we must set an end date for the fire excluded period after which Directlink is deemed to have returned to normal service (but which is to be no later than 31 December 2015). The date impacts Directlink's 2015 and 2016 performance measure and its 2016, 2017 and 2018 performance target (Appendix F, example F2).

Following our review of the information you have supplied, the AER Board has decided to define the Directlink fire excluded period as 12 August 2012 to 4 November 2015. Under STPIS version 4.1 Clause 4.2(i), no financial incentive will apply during the Directlink fire excluded period.

Yours sincerely



Peter Adams
General Manager
Wholesale Markets

Sent by email on: 01.02.2016