Our Ref: Contact Officer: Contact Phone:

49558 D17/29377 Fiona Kostidis (03) 9290 6986

AUSTRALIAN ENERGY REGULATOR

10 March 2017

Scott Young **APA** Group Regulatory Manager PO Box R41 Royal Exchange NSW 1225 Australia

GPO Box 520 Melbourne VIC 3001

Telephone: (03) 9290 1444 Facsimile: (03) 9663 3699

www.aer.gov.au

By email

Mr. Scott Young (scott.young@apa.com.au)

Dear Scott

Transmission service standards review for 2016 – Murraylink

I am writing to inform you of the outcome of our review of Murraylink's performance against the transmission service standards performance incentive scheme (STPIS) for the 2016 calendar year. We conducted the annual compliance review in accordance with clause 5.3 of the scheme.

As you are aware, STPIS Version 3 (March 2011) applied to Murraylink for the 2016 calendar year. We conducted the annual compliance review in accordance with the requirements of the STPIS.1

Outcome of the 2016 compliance review

Component	Period	STPIS version	Murraylink submitted		AER endorsed	
			s-factor	\$	s-factor	\$
Service	2015	STPIS v3	-0.9398	-\$126,073	-1.0000	-\$134,146
Market impact	2015	STPIS v3	0.0000	nil	0.0000	nil
Total				-\$126,073		-\$134,146

AER adjustments

We did not accept an exclusion for the 'MLBI: Under Freq Trip. Blackout in Berri' which occurred from 11 November 2016 to 16 November 2016.

ElectraNet commented that the trip could have been restored immediately but for APA internal issues. We put this to APA staff, who responded that: "they were awaiting specific information about when power was restored, and from there will be able to advise on a reasonable restoration time. It may be the case that Murraylink can accept responsibility for some of the outage time, but not all."

However APA was unable to provide further evidence.

Clause 5.3 STPIS Version 3 (March 2011).

The exclusion of this count reduced the s-factor by 0.0602 and the incentive payment by \$8,073.

We would like to thank APA for its participation in this compliance review. Should you have any further enquiries please contact Fiona Kostidis on (03) 9290 6986.

Yours sincerely

Peter Adams General Manager

Wholesale Markets Branch