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AUSTRALIAN ENERGY
REGULATOR

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Dear Gerard

Transmission service standards review for 2015

I am writing to inform you of the outcome of our review of TransGrid's performance against the transmission service standards performance incentive scheme (STPIS) for the 2015 calendar year.

As you are aware, STPIS Version 2 (March 2008) applied to the service component until 1 July 2015, and STPIS Version 4.1 (September 2014) applied thereafter. STPIS Version 4 (December 2012) applied to the market impact and network capability components until 1 July 2015 and STPIS Version 4.1 (September 2014) applied thereafter. As none of the changes made in Version 4.1 affected TransGrid, no transition is required between the market component and network capability component. We conducted the annual compliance review in accordance with the requirements of the STPIS.¹

Outcome of the 2015 compliance review

Component	Period	STPIS version	TransGrid submitted		AER endorsed	
			s-factor	\$	s-factor	\$
Service	Jan to Jun 2015	v2	-0.1835	-775,735	-0.1835	-775,735
Service	Jul to Dec 2015	v4.1	0.2860	1,046,448	0.2860	1,046,448
Market impact	2015	v4	0.0000	0	0.0000	0
Network capability	2015	v4.1	1.5000	11,820,306	1.5000	11,820,306
Total				12,091,019		12,091,019

Market impact component

The number of Dispatch Intervals (DIs) for 2015 was 1789. The target for 2016 is 1044 DIs (the average of the annual performance in 2013 (593DIs), 2014 (749.5DIs) and 2015 (1789DIs)). We observed that many DIs in TransGrid's data set had been miscoded as SYSTEM NORMAL when they were outage related. While this had no impact on the parameter measure, we will engage with TransGrid on the data definitions for future reviews.

¹ Clause 5.2 and 5.3, STPIS Version 2 (March 2008) and clause 6.4, STPIS Version 4 (December 2012)/STPIS Version 4.1 (September 2014).

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Adams', with a stylized flourish at the end.

Peter Adams
General Manager
Wholesale Markets Branch