

Our Ref: 53902- D17/29364
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Kirstan Wilding
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By email Ms. Kirstan Wilding (kirstan.wilding@tasnetworks.com.au)

Dear Kirstan

Transmission service standards review for 2016

I am writing to inform you of the outcome of our review of TasNetworks performance against the transmission service standards performance incentive scheme (STPIS) for the 2016 calendar year.

As you are aware, STPIS Version 4.1 (September 2014) applied to Tasnetworks for 2016. We conducted the annual compliance review in accordance with the requirements of the STPIS.¹

Outcome of the 2016 compliance review

Component	STPIS version	TasNetworks submitted		AER endorsed	
		s-factor	\$	s-factor	\$
Service	4.1	0.6650	1,136,743	0.6650	1,136,743
Market impact	4.1	0.0000	nil	0.0000	nil
Network capability	4.1	1.5000	2,563,963	1.5000	2,563,963
Total		2.1650	3,700,706	2.1650	3,700,706

AER adjustments

Market component

Under STPIS version 4.1, planned third party works are included in TasNetworks' performance measure.

We identified 94 binding dispatch intervals with $MV > \$10/MWh$ which were FCAS related, were associated with planned outages of equipment at the request of the third party (Bell Bay Aluminium). However, to fulfil the request of BBA, the lines that were taken out of service were the George Town-Comalco Lines 4 and Lines 5 220 kV, which are prescribed assets, albeit only supplying BBA.

¹ Clause 6.4 STPIS Version 4.1 (September 2014).

Under STPIS version 4.1, where there is an outage on the prescribed network which was requested by a third party, the DIs with MV>\$10MW/h (FCAS) are included in the performance measure.

The AER's adjustment had no impact on the s-factor, s=0%. The performance measure for 2016 will increase by 94 counts to 1708 DIs.

We would like to thank TasNetworks 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