

7 December 2016

Mr Nino Ficca
Managing Director
AusNet Services
Level 31
2 Southbank Boulevard
Southbank VIC 3006

By email: nino.ficca@ausnetservices.com.au

FROM THE OFFICE OF
THE ACTING CHIEF
EXECUTIVE OFFICER

Level 22
530 Collins Street
Melbourne VIC 3000

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Nino
Dear Mr Ficca,

Re: Retirement of Diesel Generators at SMTS, SYTS, TTS and KTS

Your letter dated 16 November 2016 refers.

AEMO confirms that the services provided by the diesel generators at South Morang Terminal Station (SMTS), Sydenham Terminal Station (SYTS), Thomastown Terminal Station (TTS) and Keilor Terminal Station (KTS) are no longer required from 1 January 2017.

Please accept this letter as formal notice under clause 4.5(a) of the Network Agreement dated 3 December 1994, as amended, that the Network Services provided by these diesel generators, as stipulated in attachment A4 of the Network Agreement, will be removed from 1 January 2017.

As noted in the letter and a subsequent AusNet Services' email dated 1 December 2016, AEMO expects that AusNet Services will write to the AER to formally amend its Revised Regulatory Proposal for 2017 - 2022 to reduce its expenditure forecast by \$11,000 for the current regulatory period and by \$44,000 (per annum) for the 2017-2022 regulatory period, to offset the avoided cost of maintaining and operating the diesel generators.

Should you have any questions in relation to this letter, please do not hesitate to contact Nicola Falcon, Acting Group Manager, Forecasting and Planning on (03) 9609 8922 or by email Nicola.Falcon@aemo.com.au.

Yours sincerely,



Karen Olesnick
Chief Executive Officer (Acting)

cc: Anh Mai – Manager, Economic Regulation - AusNet Services
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