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13 March 2015

Tom Hallam  
 Manager, Regulatory and Network Strategy  
 AusNet Services  
 Level 30, 2 Southbank Boulevard  
 Southbank VIC 3006

Dear Tom

### Transmission service standards review for 2014

I am writing to inform you of an update to the letter we emailed you yesterday in which we notified you of the outcome of the Australian Energy Regulator's (AER) review of AusNet Services' performance against the transmission service standards performance incentive scheme (STPIS) for the 2014 calendar year.

There was an error in the calculation sent out yesterday for which we have calculated the following corrected results. We endorse the service standards factor (s-factor) applying to AusNet Services' service component, market impact component and network capability component, set out in Table 1A. Table 1A replaces Table 1 from our correspondence yesterday.

**Table 1A: S-factors for 2014 calendar year [replaces Table 1]**

Review	AusNet s-factor	AusNet \$	AER s-factor	AER \$	Difference
SC (v1 , Q1)	0.9456%	1,294,674	0.9456%	1,294,674	0
MIC (v3, Q2-Q4)	1.8456%	2,528,004	1.6988%	2,327,033	-200,971
SC (v4, Q2-Q4)	0.2790%	1,125,294	0.2420%	975,054	-150,240
MIC (v4, Q2-Q4)	1.0925%	4,409,036	1.0602%	4,278,877	-130,159
NCC (V4, Q2-Q4)		6,053,625		6,053,625	0
<b>2014</b>		<b>15,410,633</b>		<b>14,929,263</b>	<b>-481,370</b>

As you are aware, under STPIS version 4, the MIC performance target for 2015 is the average of the 2012, 2013 and 2014 actual performance count. We confirm that AusNet Services performance for 2014 is 850.5 DI counts, resulting in a calendar year target of 1642 DIs for 2015. Table 2A replaces Table 2 sent yesterday.

**Table 2A: AusNet Services, annual performance count 2012–2014 [replaces Table 2]**

	2012	2013	2014	Average
Annual performance count	2608	1466	850.5	1642

We apologise for the error sent yesterday and would like to thank AusNet Services for its participation in this year's 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 'Chris Pattas', written over a light grey rectangular background.

Chris Pattas  
General Manager  
Network Investment and Pricing Branch