

Our Ref: D12\46451  
Contact Officer: Luke Stevens  
Contact Phone: (03) 9290 1485

23 April 2012

Mr Stuart Dodds  
Operations Manager Power Transmission  
APA Group  
PO Box 6569  
Upper Mount Gravatt  
QLD 4122

Dear Mr Dodds,

**Re: Transmission service standards review for 2011**

I am writing to inform you of the outcome of the Australian Energy Regulator's (AER) review of Murraylink's performance against its transmission service standards incentive scheme for the 2011 calendar year.

In conducting the review, AER staff considered Murraylink's revenue cap decision, dated 1 October 2003, the ACCC's *Statement of Principles for the regulation of transmission revenues: Service Standard Guidelines*, published in November 2003, and Murraylink's performance report for 2011 (submitted to the AER 1 February 2012).

The AER considers that, on the basis of information provided by Murraylink, storm events classified by Murraylink as force majeure would more appropriately be classified as third party outages. The AER understands these outages are primarily due to the loss of supply Murraylink suffered at the Monash substation. Therefore the AER has altered these exclusions to better represent the situation.

After conducting the review of Murraylink's transmission service performance, I endorse the service standards factor ("s-factor") applying to Murraylink's service component of 0.703457 per cent for the 2011 calendar year. The application of this s-factor results in an additional amount of \$97,311 to Murraylink's maximum allowed revenue for the 2012-13 financial year.

I would like to thank Murraylink for its open and active participation in this year's review process. Should you have any further enquiries please contact Luke Stevens on (03) 9290 1485.

Yours sincerely,



Chris Pattas  
General Manager  
Network Operations and Development