

Sinclair Knight Merz

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EnergyAustralia
John Hocking
GPO Box 4009
Sydney,
NSW 2001

30/06/2006

Proposal letter draft pra coms blacked out.doc
Project No. TBA

Dear John,

Thank you for the opportunity to submit this proposal to EnergyAustralia for the review of S-factor. The proposed review will be split into two stages. The first will consider the existing S-factor measure (Transmission Circuit availability – Transmission Feeders) and the second will look at the proposed measures. As details of the exact requirements of stage 2 are still to be determined, SKM has not included this in the following proposal.

Stage 1

We propose that Sinclair Knight Merz will carryout a detailed audit of EnergyAustralia's S-factor recording system. The audit will incorporate the following elements:

- Confirmation of the recording process to ensure that all elements are considered for both Hunter and Sydney
- A walk through and check of each of the manual processes to ensure that upstream elements capture all records included down stream for both the Hunter and Sydney systems
- A sample check will be carried out to ensure that no double counting of planned outages has occurred
- Outages cause by third systems will be considered on EnergyAustralia's advice
- A representative sample of feeders will be checked against the SCADA output records to ensure that all outages have been captured and that correct outage timings have been applied

As part of the audit process if SKM identify any incorrect records or issues with the recording process we will discuss them with EnergyAustralia to determine their materiality and assistance will be given to EnergyAustralia to decide the most appropriate solution.

On completion of the audit SKM will produce a report that will set out the audit process undertaken and relay the final S-factor value. SKM expects that the draft report will be completed by the 30th May 2006.



In preparing this proposal Sinclair Knight Merz has assumed that EnergyAustralia will supply access to all relevant and required information to determine the accuracy of the reported measure.

[Redacted text block]

Should EnergyAustralia wish us to proceed with the works, please send written authorisation to the undersigned.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P Adams', is written over a light blue horizontal line.

Project Manager

Peter Adams

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