

## EXCEL TEMPLATE EXPLANATION



This reporting template is for each TNSP to report its service performance against the market impact parameter of the service target performance incentive scheme.

It only applies to the TNSP for the calendar year set out in the Input Performance worksheet of the TNSPs current regulatory period. The TNSP will need to submit raw data in a clear layout for validation (either in database or csv).

## DATABASE TEMPLATE EXPLANATION

Below is an example of a database table format suitable for verification by the AER.

The table lists ALL binding constraints that are used to manage TNSP's XYZ equipment on a 5 minute resolution. The TNSP is able to enter the exclusion clause number in the 'EXCLUSION CLAUSE' field and provide comment. If the outage should be included in the benchmark, the TNSP simply leave the exclusion field blank.

**NOTE:** All dispatch intervals with a marginal value greater than \$10/MWh, classified as an OUTAGE and has no exclusion clause entered, will be used to calculate the TNSP's Market Impact Parameter.

**DATABASE NAME:** TNSP XYZ

**TABLE NAME:** TNSP XYZ Service Performance data

**DATA:**

| SOURCE   | SETTLEMENTDATE     | CONSTRAINTID | EQUIPMENTNAME | EFFECTIVEDATE | VERSIONNO | MARGINAL<br>VALUE | CLASSIFICATION | EXCLUSION<br>CLAUSE | COMMENTS  |
|----------|--------------------|--------------|---------------|---------------|-----------|-------------------|----------------|---------------------|---|
| TNSP XYZ | 1/01/2007 12:30 PM | X>X-22_LK 1  | LINE 22       | 1/01/2007     | 1         | 12                | OUTAGE         |                     |   |
| TNSP XYZ | 1/01/2008 12:35 PM | X>X-NIL_RU   |               | 1/01/2006     | 2         | 120               | SYSTEM NORMAL  |                     |   |
| TNSP XYZ | 1/01/2008 12:35 PM | X>>X-54      | LINE 54       | 1/01/2004     | 1         | 200               | OUTAGE         | 6                   | Line out of service to provide greater network capacity |
| TNSP XYZ | 1/01/2008 12:55 PM | X>X_NSA_01   | LINE 33       | 1/02/2004     | 1         | 5000              | OUTAGE         | 7                   | Network Support constraint                              |
| TNSP XYZ | 1/01/2007 12:30 PM | X>Y-22_LK 1  | LINE 22       | 1/01/2007     | 1         | 12                | OUTAGE         |                     | TNSP YYY is also responsible for this outage            |

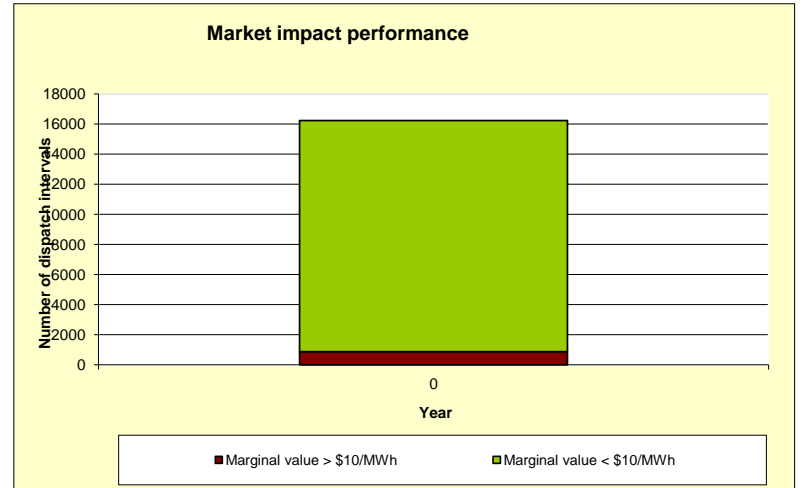
**TRANSGRID - SERVICE STANDARDS PERFORMANCE SUMMARY**

| SERVICE TARGET PERFORMANCE INCENTIVE SCHEME DATA |           |   |  |  |                                |                                    |
|--|-----------|---|--|--|--------------------------------|------------------------------------|
| Year   | Month     | Market impact parameter count (DI) (without exclusions) | Market impact parameter count (DI) (with exclusions) | Non-market impact parameter count (DI) | Market impact parameters (Hrs) | Non-market impact parameters (Hrs) |
| 2011   | January   | 123   | 115  | 210                                    | 9.58                           | 17.50                              |
|  | February  | 138   | 92   | 205                                    | 7.67                           | 17.08                              |
|  | March     | 390   | 385  | 4458                                   | 32.08                          | 371.50                             |
|  | April     | 30  | 30   | 2200                                   | 2.50                           | 183.33                             |
|  | May       | 109   | 62   | 4231                                   | 5.17                           | 352.58                             |
|  | June      | 0   | 0  | 143                                    | 0.00                           | 11.92                              |
|  | July      | 0   | 0  | 0                                      | 0.00                           | 0.00                               |
|  | August    | 0   | 0  | 47                                     | 0.00                           | 3.92                               |
|  | September | 21  | 16   | 889                                    | 1.33                           | 74.08                              |
|  | October   | 139   | 70   | 999                                    | 5.83                           | 83.25                              |
|  | November  | 307   | 90   | 1691                                   | 7.50                           | 140.92                             |
|  | December  | 12  | 12   | 288                                    | 1.00                           | 24.00                              |
| <b>Total</b>                                     |           | <b>1269</b>   | <b>872</b>   | <b>15361</b>                           | <b>72.67</b>                   | <b>1280.08</b>                     |

**NOTE:**  
 Yellow cells - Enter market impact parameter performance data  
 Note: Performance is measured on a calendar year basis.

**Summary**

| Date | Marginal value > \$10/MWh | Marginal value < \$10/MWh | Market impact parameters (Hrs) | Non-market impact parameters (Hrs) |
|------|---------------------------|---------------------------|--------------------------------|------------------------------------|
| 0    | 872                       | 15361                     | 72.67                          | 1280.08                            |



| Revenue Determination Inputs    |                 |
|---------------------------------|-----------------|
| TNSP:                           | TRANSGRID       |
| STPIS version:                  | Mar-2008        |
| Regulatory Determination        | 2009/10-2013/14 |
| Base Year Allowed Revenue       | \$678,400,000   |
| Base Year                       | 2009-10         |
| X-factor                        | -5.61%          |
| Commencement of regulatory year | 1-Jun-09        |

| Other inputs                      |         |
|-----------------------------------|---------|
| Assessment Period                 | 2011    |
| Financial year to affect revenue: | 2012/13 |
| Date prepared:                    |         |
| Revision date:                    |         |
| Target                            | 2857    |

| Other Inputs   |        |        |        |        |        |        |
|----------------|--------|--------|--------|--------|--------|--------|
| Annual revenue | Mar-09 | Mar-10 | Mar-11 | Mar-12 | Mar-13 | Mar-14 |
| CPI            | 166.2  | 171.0  | 176.7  |        |        |        |

## TRANSGRID - Market Impact parameter s-factor

| Performance Targets     | Graph start | Target | Cap   | Graph end |
|-------------------------|-------------|--------|-------|-----------|
| market impact parameter | 3000        | 2857   | 0     | 0         |
| Parameter weighting     | 0.00%       | 0.00%  | 2.00% | 2.00%     |

| Performance Formulae | Formulae |           |   |                          | Conditions                           | S- Calc 1 | S- Calc 2 |
|----------------------|----------|-----------|---|--------------------------|--------------------------------------|-----------|-----------|
| Performance          | =        | 0.000000  |   | When:                    | 2857 < No of dipatch intervals       | 0.000000  | 0.000000  |
|                      | =        | -0.000007 | x | no of dispatch intervals | + 2857 ≤ No of dipatch intervals < 0 | 0.011117  | 0.013896  |
|                      | =        | 0.020000  |   |                          | No of dipatch intervals = 0          | 0.020000  | 0.020000  |

| Performance Outcomes         |   | Performance<br>(Without Exclusions) | Performance<br>(Exclusions) |
|------------------------------|---|-------------------------------------|-----------------------------|
| number of dispatch intervals | = | 1269                                | 872                         |
| S-Factor                     | = | 1.1117%                             | 1.3896%                     |

### NOTE:

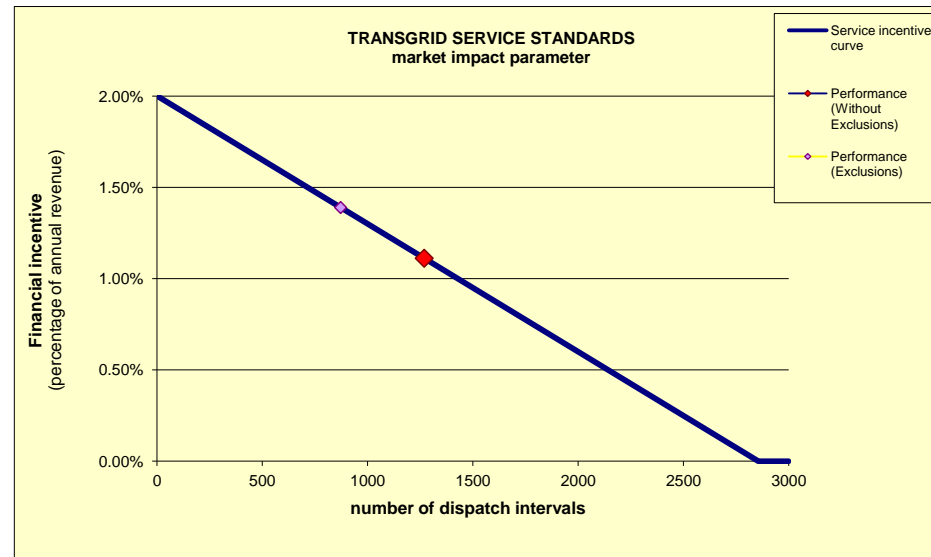
This sheet will automatically update based on data in input sheets.

Blue cells show Transgrid's performance target and maximum financial incentive.

Yellow/Green cells show Transgrid's performance formula and related formula conditions based on performance targets and the maximum financial incentive

Pink cells show TNSP performance outcomes without any events excluded from performance data

Orange cells show TNSP's performance outcomes with events excluded from performance data



## TRANSGRID - Revenue calculation

| Revenue cap information           |               |
|-----------------------------------|---------------|
| Base revenue                      | \$678,400,000 |
| Base year                         | 2009-10       |
| X-factor                          | -5.61%        |
| Commencement of regulatory period | 1-Jun-09      |

| Annual revenue adjusted for CPI | Mar-09 | Mar-10 | Mar-11 | Mar-12 | Mar-13 | Mar-14 |
|---------------------------------|--------|--------|--------|--------|--------|--------|
| CPI                             | 166.2  | 171.0  | 176.7  | -      | -      | -      |

|    | 2009-10       | 2010-11       | 2010-12       | 2010-13 | 2010-14 |
|----|---------------|---------------|---------------|---------|---------|
| AR | \$678,400,000 | \$737,150,175 | \$804,454,443 |         |         |

| Calendar year revenue | 2009          | 2010          | 2011          | 2012 | 2013 | 2014 |
|-----------------------|---------------|---------------|---------------|------|------|------|
| Revenue               | \$339,200,000 | \$707,775,087 | \$770,802,309 |      |      |      |

### NOTE:

This sheet will automatically update based on data in input sheets.

Grey cells show calendar year revenue

Green cells are for formula

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**TRANSGRID - Market impact parameter performance outcomes**

Revenue calendar year **\$770,802,309**

| Performance parameter   | Target (six months) | Performance without exclusions |           |                 | Performance with exclusions |           |                 | Impact of exclusions |
|-------------------------|---------------------|--------------------------------|-----------|-----------------|-----------------------------|-----------|-----------------|----------------------|
|                         |                     | Performance                    | S-Factor  | Final Incentive | Performance                 | S-Factor  | Final Incentive |                      |
| Market impact parameter | 2,857               | 1269                           | 1.111656% | \$8,568,667     | 872                         | 1.389569% | \$10,710,834    | 0.277914%            |

**NOTE:**  
**This sheet will automatically update based on data in input sheets.**  
 Grey cell shows relevant calendar year revenue  
 Green cells show performance targets  
 Pink cells show performance, s-factor results and financial incentive without exclusions  
 Orange cells show performance, s-factor results and financial incentive with exclusions  
 Blue cells show the impact of exclusions on revenue

| Aggregate outcome                 |              |
|-----------------------------------|--------------|
| S-factor                          | 1.389569%    |
| Bonus for market impact parameter | \$10,710,834 |
| Financial year to affect revenue  | 2012/13      |

## Exclusions for Service Target Performance Incentive Scheme

| Exclusion Number | Defined Exclusion                    | Further description  | Reference  |
|------------------|--------------------------------------|--|--|
| 1                | Force majeure                        | As defined in the Force Majeure definition worksheet and Appendix E of the Service Target Performance Incentive Scheme (March 2008) p. 51  | Service Target Performance Incentive Scheme (March 2008) p. 51 |
| 2                | Credible contingency events          | Any network constraints that are invoked to manage the reclassification of non-credible contingency events to credible contingency events as per clause 4.2.3 (f) of the NER   | Service Target Performance Incentive Scheme (March 2008) p. 46 |
| 3                | 3rd party outage                     | Any outages shown to be caused by a fault or other event on a '3rd party system' e.g. intertrip signal, generator outage, customer installation  | Service Target Performance Incentive Scheme (March 2008) p. 46 |
| 4                | Non-prescribed transmission services | Any outages on assets that are not providing prescribed transmission services  | Service Target Performance Incentive Scheme (March 2008) p. 46 |
| 5                | Safety reasons                       | Any outages for personal safety that are not related to the activity of owning or operating a transmission network   | Service Target Performance Incentive Scheme (March 2008) p. 46 |
| 6                | Operational security                 | Any outages that are only for the purpose of assisting with operational security, for example where a lower voltage parallel circuit is taken out of service to assist with transfers across an interconnector   | Service Target Performance Incentive Scheme (March 2008) p. 46 |
| 7                | Network support services             | Any network constraints related to network support services in accordance with clause 5.6.2 of the NER   | Service Target Performance Incentive Scheme (March 2008) p. 46 |
| 8 (a)            | Others                               | Dispatch intervals (for a network outage constraint) that are affected by:<br>(a) a manifestly incorrect input to the dispatch algorithm as determined by AEMO under clause 3.9.2B of the NER<br>(b) a constraint applied by AEMO that does not accurately reflect or is otherwise inconsistent with that network capability that the TNSP advised AEMO<br>(c) a scheduling error<br>(d) mandatory restrictions under clause 3.12A if the NER<br>(e) AEMO declaring the spot market suspended under clause 3.14.3 of the NER, or<br>(f) an administered price cap under clause 3.14.2 of the NER | Service Target Performance Incentive Scheme (March 2008) p. 46 |
| 8 (b)            |                                      |  |  |
| 8 (c)            |                                      |  |  |
| 8 (d)            |                                      |  |  |
| 8 (e)            |                                      |  |  |
| 8 (f)            |                                      |  |  |

## Service Target Performance Incentive Scheme - Definition of Force Majeure

| Definition of Force Majeure   | Reference   |
|---|---|
| <p>For the purpose of applying the <i>service target performance incentive scheme</i>, force majeure events means any event, act or circumstance or combination of events, acts and circumstances which (despite the observance of good electricity industry practice) is beyond the reasonable control of the part affected by any such event, which may include, without limitation, the following:</p> <ul style="list-style-type: none"> <li>- fire, lightning, explosion, flood, earthquake, storm, cyclone, action of the elements, riots, civil commotion, malicious damage, natural disaster, sabotage, act of a public enemy, act of God, war (declared or undeclared), blockage, revolution, radioactive contamination, toxic or dangerous chemical contamination or force of nature.</li> <li>- action or inaction by a court, government agency (including denial, refusal or failure to grant any authorisation, despite timely best endeavour to obtain same)</li> <li>- strikes, lockouts, industrial and/or labour disputes and/or difficulties, work bans, blockades, picketing</li> <li>- acts or omissions (other than failure to pay money) of a party other than the TNSP, which party either is connected to or uses the high voltage grid or is directly connected to or uses a system for the supply of electricity that in turn is connected to the high voltage grid</li> <li>- where those acts or omissions affect the ability of the TNSP to perform its obligation under the service standard by virtue of that direct or indirect connection to or use of the high voltage grid</li> </ul> <p>In determining what force majeure events should be excluded the AER will consider the following:</p> <ul style="list-style-type: none"> <li>- was the event unforeseeable and its impact extraordinary, uncontrollable and not manageable?</li> <li>- does the event occur frequently? If so, how did the impact of the particular event differ?</li> <li>- could the TNSP, in practice, have prevented the impact (not necessarily the event itself)?</li> <li>- could the TNSP have effectively reduced the impact of the event by adopting better practices?</li> </ul> | <p>Service Target Performance Incentive Scheme (March 2008) p. 51</p> |