

Our Ref: D08/1449



7 January 2008

Mr Sebastian Roberts  
General Manager, Markets Branch  
Australian Energy Regulator  
GPO Box 520  
**MELBOURNE, VIC 3001**

by email: [AERInquiry@AER.gov.au](mailto:AERInquiry@AER.gov.au)

Dear Mr Roberts

### **Service Target Performance Incentive Scheme**

Thank you for the opportunity to provide a submission on the 20 November 2007 draft version 2 of the Service Target Performance Incentive Scheme (draft STPIS), and for the extension of time for our submission. As a member of the Electricity Transmission Network Owners Forum (ETNOF), Transend has contributed to a response on the market impact component of the draft STPIS.

Transend offers this further response to the aspects of the draft STPIS particular to Transend, namely Appendix B, Part 3 - Transend.

### **TRANSEND SPECIFIC PERFORMANCE SCHEME**

Transend notes that the exclusions refer to 'the code' in each of the three parameters in the draft STPIS. Transend proposes that the exclusions refer to 'the National Electricity Rules' for each parameter.

#### **Parameter 1 - Transmission circuit availability**

Transend accepts the introduction of critical and non-critical transmission line circuit availability sub-parameters using the definition, 'critical circuits are those lines which are in areas under direct NEMMCO oversight (except radial portions on the transmission system)'.

Attached as Appendix 1 to this response is the list of critical circuits within the Tasmanian transmission system consistent with this definition. The identified critical circuits represent approximately 45 per cent (1622 km) of the total circuit length of the transmission network.

Transend also has the following comments specific to this parameter:

- Transend proposes that the 'transformer availability' sub-parameter be expanded to 'transformer circuit availability' because the sub-parameter applies to the entire

transformer circuit. This change is consistent with Transend's definition previously provided to the AER.

- the 'source of data' is described as 'Transend'. Transend proposes that the source of data be defined as the 'Transend performance reporting system' consistent with parameters 2 and 3 of the draft STPIS. This change is also consistent with Transend's definition previously provided to the AER.

### **Parameter 2 - Loss of supply event frequency**

Transend accepts the loss of supply event frequency measures as proposed in the draft STPIS.

### **Parameter 3 - Average outage duration**

Transend supports the AER's proposal to put a zero per cent weighting on this measure because of the reasons previously communicated.

Transend proposes that on page 31 under the 'definition / formula' that the expansion to 'connection point outage events' be replaced with 'outage events' because connection points do not apply to either the transmission circuits or the transformer circuit measures proposed. This change is consistent with Transend's definition previously provided to the AER.

Transend welcomes the opportunity to clarify its position, should there be any issue with the proposed changes. Transend's contact is Bess Clark, telephone (03) 6274 3909.

Yours sincerely

[by email]

Bess Clark

**Executive Manager Revenue Regulation**

## Appendix 1: Transend Critical Transmission Circuits

Asset ID	Voltage	Code	Description	Approximate Circuit Length (km)
E0026	220kV	LI-CS 2	Liapootah-Chapel Street No. 2	118
E0027	220kV	LI-CL-RE-CS 1	Liapootah-Cluny-Repulse-Chapel Street No. 1	126
E0028	220kV	GO-CS 1	Gordon-Chapel Street No. 1	112
E0243	220kV	GO-CS 2	Gordon-Chapel Street No. 2	112
E0244	220kV	LI-PM 1	Liapootah-Palmerston No. 1	77
E0249	220kV	LI-PM 2	Liapootah-Palmerston No. 2	77
E0259	220kV	PM-HA 1	Palmerston-Hadspen No. 1	35
E0260	220kV	PM-HA 2	Palmerston-Hadspen No. 2	35
E0291	220kV	PM-SH	Palmerston-Sheffield	79
E0403	220kV	SH-BU 1	Sheffield-Burnie No. 1	47
E0437	220kV	HA-GT 1	Hadspen-George Town No. 1	52
E0438	220kV	HA-GT 2	Hadspen-George Town No. 2	52
E0515	220kV	SH-GT 1	Sheffield-George Town No. 1	68
E0516	220kV	SH-GT 2	Sheffield-George Town No. 2	68
E0538	220kV	SH-FA 1	Sheffield-Farrell No. 1	84
E0539	220kV	SH-FA 2	Sheffield-Farrell No. 2	84
	220kV	WA-LI	Waddamana-Lindisfarne (to be commissioned in 2011)	
E0025	110kV	NN-CS	New Norfolk-Chapel Street	17
E0138	110kV	TA-NN 1	Tarraleah-New Norfolk No. 1	86
E0139	110kV	TA-NN 2	Tarraleah-New Norfolk No. 2	86
E0163	110kV	TA-TU 1	Tarraleah-Tungatinah No. 1	0.4
E0164	110kV	TA-TU 2	Tarraleah-Tungatinah No. 2	0.4
E0171	110kV	TU-LE-WA 1	Tungatinah-Lake Echo-Waddamana No. 1	35
E0173	110kV	TU-LE-WA 2	Tungatinah-Lake Echo-Waddamana No. 2	35
E0270	110kV	PM-HA 3	Palmerston-Hadspen No. 3	36
E0264	110kV	PM-HA 4	Palmerston-Hadspen No. 4	36
E0275	110kV	WA-PM 2	Waddamana-Palmerston No. 2	47
E0441	110kV	HA-TR 1	Hadspen-Trevallyn No. 1	9
E0442	110kV	HA-TR 2	Hadspen-Trevallyn No. 2	9