

Our Ref: M2009/560  
Contact Officer: Eugene Henry  
Contact Phone: 03 9290 1429

30 April 2010

Mr. Rainer Korte  
Executive Manager Regulation and Corporate Services  
ElectraNet Pty Ltd  
PO Box 7096  
Hutt Street Post Office  
ADELAIDE  
SA 5000

  
Dear Mr. Korte

**Re: Transmission service standards review for 2009**

I am writing to inform you of the outcome of the Australian Energy Regulator's (AER) review of ElectraNet's performance against its transmission service standards incentive scheme (STPIS) for the 2009 calendar year.

The AER has considered ElectraNet's transmission service standards performance against the "Final Decision – ElectraNet Transmission Determination 2008–09 to 2012–13" dated April 2008 and its "Final Electricity Transmission Service Providers Service Target Performance Incentive Scheme", published in March 2008. The AER has also considered additional supporting information provided by ElectraNet staff.

After conducting a review of ElectraNet's performance for 2009, I endorse ElectraNet using a service standards factor (s-factor) of 0.6 percent for the 2009 calendar year. The application of this s-factor results in the addition of a total of \$1,438,879.52 to ElectraNet's maximum allowed revenue for the 2010–11 financial year.

I note that ElectraNet has excluded seventeen transient interruptions of less than one minute from the calculation of its circuit availability parameters. These exclusions are inconsistent with the exclusion definition contained within the STPIS. However, following discussions with ElectraNet staff, the AER understands that ElectraNet's systems are unable to capture the exact duration of transient outages. However, as the impact of these events on

ElectraNet's s-factor outcome is not expected to be material, I do not propose to make any adjustment to ElectraNet's proposed s-factor calculation in this instance.

I seek ElectraNet's advice regarding whether it plans to improve, or quantify, the accuracy of the circuit availability measures with respect to transient interruption events shorter than one minute in the future.

I would like to thank ElectraNet for its participation in this year's audit process, and for providing further information requested by AER staff. I would like to emphasise the value of this annual review process and the importance of ElectraNet being able to substantiate its proposed excluded events from the scheme.

Should you have any further enquiries please contact Eugene Henry on (03) 9290 1429.

Yours sincerely



Mr. Chris Pattas  
General Manager  
Network Regulation South