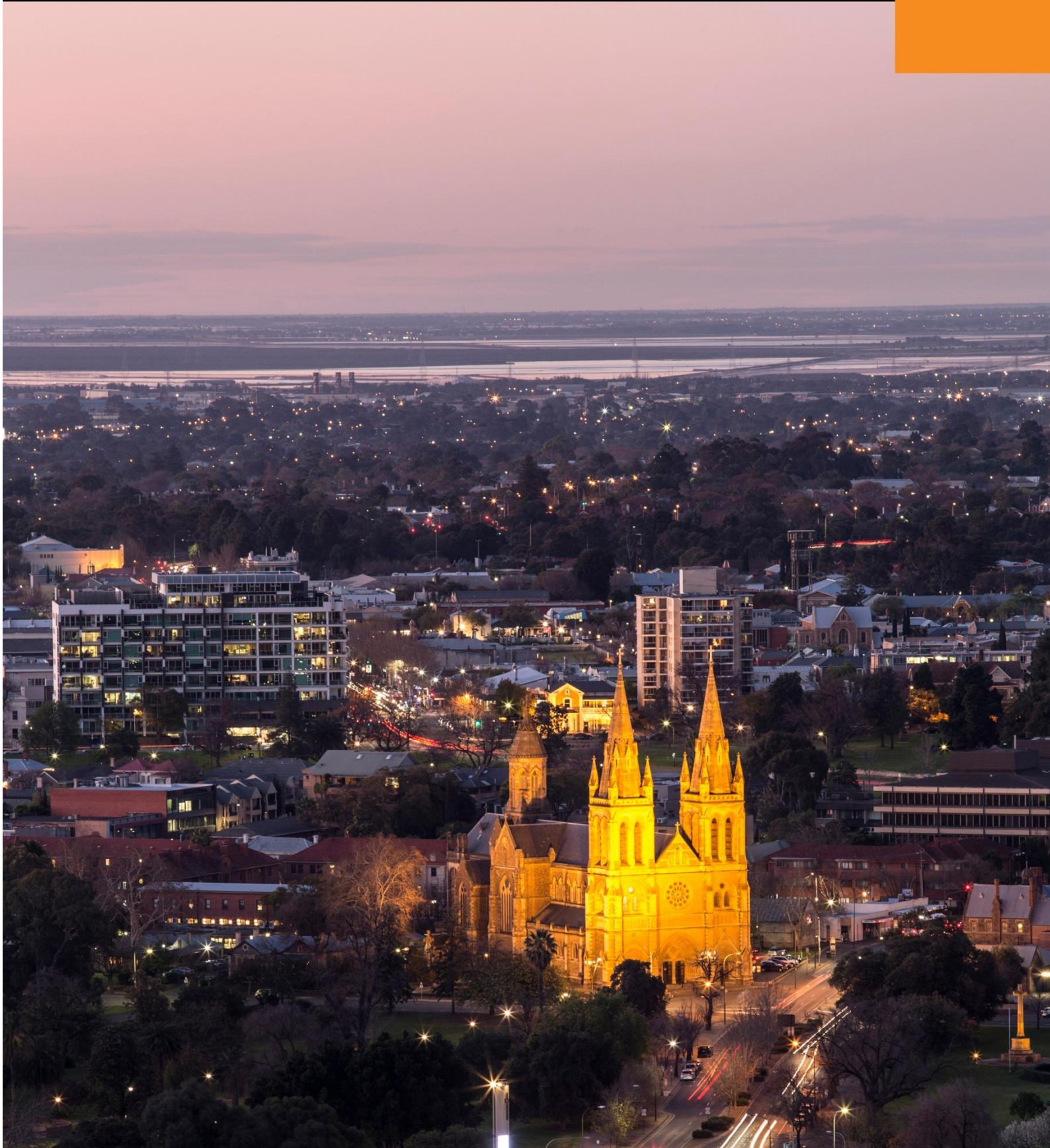




Annual Pricing Proposal 2016/17

Appendix C - S-Factor calculation



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Spreadsheet provided by the AER attached, showing the 3.00% STPIS allowed for 2014/15 (applied in 2016/17), the -1.25% STPIS for 2013/14 that was banked in 2015/16, and the resulting combined STPIS of 1.75%. The spreadsheet also shows the conversion of the combined STPIS from pre 2015 performance of 1.75% into a 2015-20 regulatory overlap corrected factor of 2.237%, as used in the 2016/17 Annual Pricing Proposal.

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Appendix C – SA Power Networks STPIS data reporting, S-Factor calculation

S-factors

Regulatory tariff year		2013-14	2014-15	2015-16	2016-17
	Parameter				
	Unplanned SAIDI - CBD	0.142%	0.133%	0.167%	0.149%
	Unplanned SAIDI - urban	0.580%	-0.267%	-1.247%	0.544%
	Unplanned SAIDI - short rural	-0.109%	-0.149%	-0.122%	0.384%
	Unplanned SAIDI - long rural	0.414%	0.331%	-0.505%	0.365%
	Unplanned SAIFI - CBD	0.103%	0.088%	0.124%	0.094%
	Unplanned SAIFI - urban	0.670%	0.256%	-0.051%	1.080%
	Unplanned SAIFI - short rural	-0.065%	0.098%	0.151%	0.594%
	Unplanned SAIFI - long rural	0.732%	1.003%	0.221%	1.043%
	Telephone answering parameter equation (5B)	0.012%	0.036%	0.012%	0.108%
	sum of the raw s-factors for the reliability of supply parameters equation (5A)	2.47%	1.49%	-1.26%	4.25%
	sum of the s-factors for the customer service parameters equation (4B)	0.01%	0.04%	0.01%	0.11%
	sum of the s-factors for all parameters equation (4A)	2.48%	1.53%	-1.25%	3.00%
S-bank mechanism					
	S-factor after banking equation (3)	2.29%	1.53%	0.00%	1.75%
Overlap between regulatory control periods					
	S-factor after correcting for Xo equation (6)	2.29%	1.53%	0.00%	2.237%
Final s-factor equation (2)		2.287%	-0.740%	0.000%	2.237%
S-Bank					
Regulatory tariff year		2012-13	2013-14	2014-15	2015-16
Proposed S-Bank		-0.192%	0.000%	0.000%	-1.25%

Source – AER 'SA Power Networks – DRAFT – STPIS Compliance Model 2014-15'