

Our Ref: 50333; D13/50385
Contact Officer: Mimi Duong
Contact Phone: (08) 8213 3418

2 May 2013

Bess Clark
Executive Manager, Corporate Strategy and Compliance
Transend
1-7 Maria Street
Lenah Valley TAS 7008

Dear Bess,

Transmission service standards review for 2012

I am writing to inform you of the outcome of the Australian Energy Regulator's ("AER") review of Transend's performance against its transmission service standards incentive scheme for the 2012 calendar year.

In conducting the review, AER staff considered Transend's revenue cap decision, dated 29 April 2009, the *Final Electricity Transmission Service Providers Service Target Performance Incentive Scheme* published in March 2008, and Transend's 2012 STPIS submission (submitted to the AER on 31 January 2013).

After conducting the review of Transend's transmission service performance, I endorse the revised service standards factor ("s-factor") applying to Transend's service component of 0.331253 per cent for the 2012 calendar year. Details of the revised s-factor are set out in correspondence with Transend staff dated 15 April 2013. The application of this s-factor results in an additional amount of \$719 982 to Transend's maximum allowed revenue for the 2013–14 financial year.

I would like to thank Transend for its participation in this year's compliance review. We note that there continues to be room for improvement in the quality of performance data provided by Transend. We look forward to continued engagement with you on this issue. Should you have any further enquiries please contact Mimi Duong on (08) 8213 3418.

Yours sincerely



Tom Leuner
General Manager
AER Markets Branch