

Our Ref: 49558 (Murraylink) / 54264 (Directlink); D15/44667
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Scott Young
Regulatory Manager
APA Group
Level 19, HSBC Building
580 George Street
Sydney NSW 2000

Dear Scott

Transmission service standards review for 2014

I am writing to inform you of the outcome of the Australian Energy Regulator's (AER) review of Murraylink's and Directlink's performance against the transmission service standards performance incentive scheme (STPIS) for the 2014 calendar year.

In conducting the review, AER staff considered the following material:

Murraylink

- AER, Final Electricity Transmission Service Providers Service Target Performance Incentive Scheme, 2011 (version 3)
- AER, *Murraylink Determination 2014-17 revenue cap decision*, January 2014
- Murraylink, *2014 STPIS submission*, 1 and 10 February 2015

Directlink

- ACCC, *Service standards guidelines*, 2003
- AER, *Final Electricity Transmission Service Providers Service Target Performance Incentive Scheme*, 2014 (version 4.1) [2015 target]
- Directlink, *2014 STPIS submission*, 1 February 2015

The AER has reviewed the service standards factor (s-factor) applying to Murraylink and Directlink's service component and found no adjustments were required.

The AER reviewed Murraylink's market impact component and found an increase of one count was required for Murraylink's submission under version 3 of the scheme. This was for a Murraylink outage on 11/09/2014 6:10:00 am that caused the SVML_ZERO constraint to bind with a marginal value greater than \$10/MWh.

The AER's endorsed service standards factors (s-factor) Murraylink and Directlink are set out in Table 1.

Table 1: S-factors for 2014 calendar year, Murraylink and Directlink

Review	TNSP s-factor	TNSP \$	AER s-factor	AER \$	Difference
Murraylink SC (v3)	-0.3291	-44,074	-0.3291	-44,074	0
Murraylink MIC (v3)	1.5449	205,191	1.5424	204,852	-339
Murraylink Total		161,117		160,778	-339
Directlink SC (ACCC guidelines)	-1.0000	-132,971	-1.0000	-132,971	0
Directlink Total		-132,971		-132,971	

Directlink MIC target for 2015

As you are aware, Directlink will commence the STPIS version 4.1 on 1 July 2015. Regarding the target and performance for Directlink for the last half of 2015, we would usually pro-rate the TNSP's performance by measuring the average 2014/2015 performance against the average 2012/2013/2014 target and then multiplying by half of the MAR. However, as set out in STPIS version 4.1 (17 September 2014), we will exclude some measures of performance during Directlink's 'Fire Exclusion Period'. The specific details of this method are set out in section 4.2 (e) to (i) and at Appendix F, example 2 of STPIS version 4.1. Directlink's market impact performance target for 2015 is 1409 dispatch intervals.

We would like to thank APA for its participation in this year's compliance review. Should you have any further enquiries please contact Fiona Kostidis on (03) 9290 6986.

Yours sincerely



Peter Adams
a/General Manager
Wholesale Markets Branch