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John Howarth
Manager, Regulatory and Network Strategy
SP AusNet
Level 30, 2 Southbank Boulevard
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Dear John

2014 performance target for market impact component of the service target performance incentive scheme

I am writing to inform you of the outcome of the Australian Energy Regulator's (AER) review of SP AusNet's market impact performance (MIC) count for 2013 under version 4 of the Service Target Performance Incentive Scheme (STPIS).

As you are aware, STPIS version 4 applied to SP AusNet from 1 April 2014 and version 2 applied previously. Under version 4, the MIC performance target for 2014 is the average of the 2011, 2012 and 2013 actual performance count. We confirmed SP AusNet's performance counts for 2011 and 2012 in our revenue determination for SP AusNet for 2014-17. At the time, 2013 performance data was not available for the calculation of the 2014 MIC performance target.


We have finalised our audit of SP AusNet's 2013 performance counts. In doing so, we considered the material submitted by SP AusNet on 20 May 2014 and 10 June 2014, as well as the supporting evidence SP AusNet provided in January for the 2013 annual compliance review under version 2 of the scheme. We now confirm that the 2014 calendar year target is 2465 dispatch intervals.

In summary, SP AusNet's MIC count under version 4, and 2014 MIC performance target, is:

Calendar year	2011	2012	2013	Average (2014 Target)
Annual performance count	3322	2608	1466	2465

We would like to thank SP AusNet 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/g General Manager
Wholesale Markets Branch

