

Our Ref: 52719

21 February 2014

Wayne Lissner
Head of Regulation
SA Power Networks
1 Anzac Hwy
KESWICK SA 5035

By email: wayne.lissner@sapowernetworks.com.au

Dear Mr Lissner

Service Target Performance Incentive Scheme factor for 2012-13

I refer to the AER's previous correspondence of 9 January 2014 regarding its review of SA Power Networks' (SAPN) service performance information for 2012-13.

As you are aware, in its *Final decision: South Australia distribution determination 2010-11 to 2014-15*, the AER determined that the national electricity distribution STPIS would apply to SAPN for that regulatory control period.

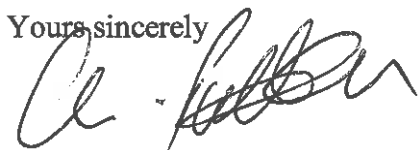
The AER has completed its review of SAPN's service performance information for the 2012-13 regulatory year and determined an s-factor of **-0.740** per cent.

The AER's assessment was based on the information provided by SAPN in its response to the 2012-13 RIN and additional information provided in response to requests.

Consistent with the AER's 2010 determination, SAPN must apply this s-factor in calculating its 2014-15 prices. In this regard, I note that SAPN's pricing proposal for 2014-15 is due to be submitted to the AER by 30 April 2014.

If you have any questions, please contact Scott Haig on (02) 6243 1207 or by email at [scott.haig@aer.gov.au](mailto:scott.haig@ aer.gov.au).

Yours sincerely



Chris Pattas
General Manager
Networks