



Ref: 20201019MC:CB

20 October 2020

Ms Kami Kaur
Acting General Manager Distribution
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3000

Dear Ms Kaur

Modification of Service Target Performance Incentive Scheme (STPIS) Targets for 2019-24

Essential Energy recently submitted updated historical Regulatory Information Notice (RIN) data relating to reliability. Following subsequent discussions with AER staff, it was confirmed that updated STPIS values (differences) related to 2017-18 and 2018-19 were able to be 'banked' for utilisation in future revenue adjustments.

To align with the acceptance of these adjusted STPIS values, we are requesting a modification of the STPIS reliability targets specified in Essential Energy's 2019-24 regulatory determination.

These modifications are requested under clause 6.13 of the National Electricity Rules, 'Revocation and substitution of distribution determination for wrong information or error' – also known as the 'slip rule', which allows for the correction of errors or deficiencies, such as miscalculations or omissions.

Essential Energy's STPIS reliability targets for 2019-24 were set using a five year average of reliability data from 2013-14 to 2017-18. As the 2017-18 reliability data has since been adjusted to incorporate additional STPIS exclusions that were accidentally missed, it is appropriate that the 2019-24 STPIS reliability targets are subsequently adjusted.

If you would like to discuss this matter further, please contact Mary-Clare Crowley, Network Regulation Manager, on [REDACTED] or [REDACTED].

Yours sincerely

A solid black rectangular box redacting the signature of Chantelle Bramley.

[signed]

Chantelle Bramley
General Manager Strategy, Regulation and Corporate Affairs