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1 February 2013

Mr Warwick Anderson  
General Manager  
Network Regulation North Branch  
PO Box 3131  
CANBERRA ACT 2601

Dear Warwick

### **Service Target Performance Incentive Scheme (STPIS) Report – 2012**

Powerlink's STPIS report for the 2012 calendar year has been prepared in accordance with the AER's Final Guidelines for the STPIS V2 (March 2008), Final Information Guidelines (September 2007) and the AER's Final Decision on Powerlink's Transmission Determination for the 2012/13 to 2016/17 regulatory period (April 2012).

Given that Powerlink's 2012 reporting period traverses its last and current regulatory periods and, the measures have changed between periods, Powerlink's results are separately reported for the first and second halves of the 2012 calendar year.

For the year, overall network performance results in a total proposed bonus of \$20.141million. Of this, \$9.901 million related to performance in the first half of the year and \$10.241million related to the second half. Subject to the AER's approval, this amount will be applied to Powerlink's 2013/14 maximum allowable revenue.

#### **Service Component**

Network performance under this component of the scheme results in the following:

- an S-factor of 0.43% and financial incentive of +\$1.789 million (first half); and
- an S-factor of 0.45% and financial incentive of +\$1.891 million (second half).

#### **Market Impact Component**

Relative to its market impact targets for each of the half years, Powerlink's network (with exclusions) incurred 6/785 and 0/710 dispatch intervals where constraints due to network outages had a market impact, respectively. These impacts result in associated S-factors and financial incentives of:

- 1.98% and +\$8.112 million (first half); and
- 2.00% and +\$8.350 million (second half).

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**Data Collection**

Powerlink intends to review the feasibility of introducing an automated data collection system in relation to market impact of congestion events. The system would not affect the integrity of the data collected, measured or reported.

If you have any queries in relation to this matter, please contact Jennifer Harris, Acting Manager Regulation Strategies and Development via email at [jharris@powerlink.com.au](mailto:jharris@powerlink.com.au) or on (07) 3860-2667.

Yours sincerely



Garry Mulherin  
**Executive Manager**  
**INVESTMENT AND PLANNING**