
Quarterly Report
1 January 2012 – 31 March 2012



This report has been prepared in accordance with Western Power's requirement to report to the Minister for Energy under section 106 of the *Electricity Corporations Act 2005*. The report reviews Western Power's performance for the period 1 January 2012 to 31 March 2012.

Standing Committee on Public Administration's Report 14 - 'Unassisted Failure'

In January, the Western Australian Parliament's Standing Committee on Public Administration released a report on its inquiry into 'Electricity Transmission and Distribution Management (in particular distribution wood pole management) by Western Power and Horizon Power' commenced in November 2009. The Committee's Report 14 identified a number of areas where Western Power requires improvement including:

- wood pole asset management and planning
- wood pole asset records and databases
- relationships with regulators
- operational delivery
- corporate culture and leadership

Since the release of the report, Western Power has made a number of changes to address the Standing Committee's concerns including refocusing on wood pole replacements and reinforcements, more constructive engagement with regulators and a program of cultural change starting at the Executive level.

Western Power has prepared a report for the Minister to assist him and the Government respond to Report 14 in the Parliament by late May.

Strengthening procedures for planned power interruptions

On 27 January there was a recurrence of a 'Type 1 Breach' which is defined as a situation that could cause major damage, loss or disruption to customers or endanger or threaten to endanger the safety or health of a person. The customer concerned on this occasion is on the Life Support Register and was disconnected without the appropriate notice being provided. Thankfully the customer was not harmed.

In response, Western Power redoubled its efforts to prevent this situation from reoccurring by introducing a number of immediate centralised controls, including:

- assuming responsibility for directly notifying Life Support Register customers regarding planned power interruptions
- assuming responsibility for receiving acknowledgement from Life Support Register customers in relation to planned power interruptions that will impact their supply

No further Type 1 Breaches have occurred since January.

Western Power is also developing and executing a roadmap for broader and more automated improvements to take effect over the coming months to further strengthen its processes and procedures to protect potentially vulnerable customers.

Responding to the Economic Regulation Authority's draft decision on AA3

On 29 March the ERA released its draft decision on Western Power's access arrangement revisions (AA3). Western Power has 20 business days to respond to the draft decision. Western Power will continue to work closely with the ERA and the Government to make sure investment in its electricity infrastructure supports the most appropriate outcomes for customers.

Corporate performance

Western Power's performance is tracked against Key Performance Indicators (KPIs) detailed in the *Western Power Statement of Corporate Intent 2011/12* (SCI). The following table provides a summary of Western Power's performance as at the end of the March 2012 quarter.

Indicator description		Year to Date actuals as at 31 March 2012	2011/12 target
Safety	Lost Time Injury Frequency Rate (LTIFR) ¹	1.9	≤ 2
	Public safety incidents (per month) ¹	10	< 10
Service Standards	System Average Interruption Duration Index (SAIDI) ¹ (minutes)	182	≤ 224
	Transmission Network System Minutes (meshed network)	3	≤ 9 (YTD ≤ 6.75)
Customer Charter Compliance	Charter compliance	95.2%	≥ 90%
Financial	Earnings Before Tax (EBT)	\$252M	\$251M (YTD target \$178.2M)
	Net Accruals to Government (NATG) ²	\$103.4M	\$121.8M (YTD target \$108.3M)
AA2 works delivery	Total cost reductions on major projects ³	4.5%	≥ 2.5%
	Major work projects delivered over schedule	1.5%	≤ 5%
Organisation culture	Organisational Health	N/A ⁴	≥ 77%

¹ Rolling 12 month average

² Made up of dividends and current tax

³ This KPI is referred to as "Major work projects delivered on budget ≤ 97.5%" in the SCI

⁴ Reported annually with results taken from the annual *Pulse* survey (yet to be conducted)