
Quarterly Report
1 June 2012 – 30 September 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 July 2012 to 30 September 2012.

Parliamentary Inquiry Update

We have continued to make progress on our commitments identified in response to the Standing Committee on Public Administration's inquiry into wood pole management. These include improving asset management and planning, pole inspection procedures, asset records and corporate culture and leadership.

At the end of the September quarter, 75 per cent of the management actions in our response to the Inquiry have been completed.

Year-to-date results as at the end of September 2012 included 46,413 inspections (2012/13 target of 171,669), 7,097 wood pole reinforcements (2012/13 target of 45,800) and 3,390 wood pole replacements (2012/13 target of 17,000).

A new wood pole evidence retention centre was opened in July at our Morse Road site in Bibra Lake. The new facility is the central holding point for all wood pole evidence, strengthening our ability to investigate and learn from all wood pole failures.

Throughout the quarter, we continued to work with EnergySafety to deliver improvements to wood pole serviceability criteria, inspection processes and asset strategy, and agree key safety reporting definitions.

Following these key improvements, we revised our pole inspection manual and developed an improved pole inspector training program.

The Economic Regulation Authority's Final Decision on the Third Access Arrangement

The Economic Regulation Authority (ERA) published its Final Decision on our Third Access Arrangement (AA3) for the period 2012-2017, on 5 September 2012.

Western Power is required to respond to the ERA's Final Decision by 1 November 2012 and the ERA is expected to release its Further Final Decision in late November 2012.

Connecting new power stations to the Western Power Network

We connected two major power projects, which recently became operational, helping to provide further capacity and support to the network.

In July, we reached practical completion of the construction work that connected Australia's first large scale solar farm to the Mungarra Substation. The Greenough River Solar Farm is located 50 kilometres south east of Geraldton and is expected to generate enough energy to power 3,000 homes.

We also connected the new Merredin Energy Power Station to the network, which began operations in September. Positioned between Perth and the Goldfields, the 82 MW power station will help to improve power stability along the 220 kV transmission line between Kalgoorlie and the metropolitan area and increase network capacity. The power station will support the Perth metropolitan grid at peak periods, such as when Perth is experiencing extremely hot weather or gas supply disruptions.

Corporate performance

Western Power's performance is tracked against Key Performance Indicators (KPIs) detailed in the *Western Power Statement of Corporate Intent 2012/13* (SCI). The following table provides a summary of Western Power's performance as at the end of the September 2012 quarter.

Indicator description		Year to date actuals as at 30 Sept 2012	2012/13 target
Safety	Lost Time Injury Frequency Rate (LTIFR) ¹	1.3	≤ 2
	Public safety incidents (per month) ¹	11	< 10
	Number of wood poles replaced and reinforced	10,487	≥ 62,800
	Total expenditure on pole management program ²	\$46.2M	≤ \$187M
Service Standards	System Average Interruption Duration Index (SAIDI) (minutes)	181	≤ 223
Customer	Charter compliance	95%	≥ 90%
Financial	Return on assets	2.2%	≥ 3.9%
Works Delivery	Total cost reductions on major projects	-2.4%	≥ 2.5%
	Major work projects delivered over schedule	5.2%	≤ 5%
	Mid West Energy Project (stage 1) 330kV line energised on schedule	On Track	≤ June 2014
Culture	Organisational Health	N/A ³	≥ 77%

¹ Rolling 12 month average

² Efficiency of the pole management program is measured by both the delivery of the volumes of wood poles replaced and reinforced as well as expenditure on the pole management program. If less expenditure occurs, we should still be achieving the required number of wood poles replaced and reinforced. If greater volumes are required and justified, this could support greater expenditure.

³ This indicator is taken from the annual Pulse survey, which is scheduled for early 2013