



Notice

19 November 2014

Western Power Access Arrangement

SERVICE STANDARD PERFORMANCE REPORT 2013/14

The Economic Regulation Authority has published Western Power's [Service Standard Performance Report](#) for the year ended 30 June 2014, the second year of Western Power's third access arrangement period (1 July 2012 to 30 June 2017).

Western Power's access arrangement sets out the service standards it must meet each year and also sets out the requirement for Western Power to prepare an annual report on its performance. In addition, Western Power's access arrangement includes a Service Standard Adjustment Mechanism (**SSAM**) which ensures that Western Power is incentivised to maintain service standards and only improve service standards where the improvement is of value to customers.

Western Power's Service Standards

Western Power has reported that all service standards (benchmarks) have been met or exceeded with the exception of:

- System Average Interruption Frequency Index (**SAIFI**) – Rural Long

Western Power did not achieve the benchmark for the year ended 30 June 2014 and performed worse than for the period ended 30 June 2013. Western Power attributes the failure to meet this target to the occurrence of pole top fires, fauna contacting equipment and localised inclement weather during the past year.

In addition to monitoring service standards as part of the access arrangement, the ERA is responsible for monitoring Western Power's compliance with its electricity licence obligations. The 2013/14 licence compliance report will be available later this financial year. Reports for previous years are available from the [ERA's website](#).

Service Standard Adjustment Mechanism

Western Power has calculated the SSAM for the 2013/14 period to be a reward of \$36,781,618. Distribution measures accounted for \$37,433,183 of the total, with Transmission accounting for - \$651,565.

The overall reward is the net effect of performance across 14 Distribution and Transmission measures. A penalty was calculated for six of the measures (three in Distribution and three in Transmission) and a reward was calculated for eight of the measures.

The two largest penalties were in Distribution Rural Long for both SAIFI and System Average Interruption Duration Index (**SAIDI**) being \$4,577,625 and \$5,902,320 respectively. The two



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largest rewards were in Distribution Urban for both SAIFI and SAIDI being \$12,626,724 and \$15,523,609 respectively.

The total reward or penalty for the access arrangement period will be determined at the next access arrangement review and will be applied in the fourth access arrangement period starting 1 July 2017.

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