



KWINANA SWIFT POWER STATION

POST REVIEW IMPLEMENTATION PLAN

FEBRUARY 2015

1. Background

Western Energy, a wholly owned subsidiary of Perth Energy, holds Electricity Generation Licence EGL 19 for the Kwinana Swift power station. In late 2014 an electricity generation licence performance audit and asset management system review was undertaken for Western Energy by Qualeng. This identified a number of asset management system deficiencies/recommendations as outlined in Table 15 of the Audit and Review Report. This Post Audit Implementation Plan (PAIP) describes the steps that Western Energy is taking, and the responsibilities for these, to resolve the deficiencies.

Deficiencies rated as B2 were identified in the areas of Asset Operations, Asset Maintenance and Asset Management Information System. Deficiencies rated as B3 were identified in Contingency Planning. While a PAIP is only required to cover deficiencies rated C, D, 3 or 4 Western Energy has elected to include all of the deficiencies within the Plan. This will ensure that all items will receive appropriate attention.

2. Asset Operations

Item No	EC Ref	Rating/AMS Component Effectiveness Criteria/Details of Deficiency	Auditors' recommendation
1	5.3	<p>B2</p> <p>Asset Operations</p> <p>Assets are documented in an Asset Register including asset type, location, material, plans of components, an assessment of assets' physical/structural condition and accounting data.</p> <p>Information in the asset management system (AMS) database does not yet include information on the asset physical/structural condition. This information is available from site diaries, however the retrieval of this information will be laborious.</p>	<p>1/2014</p> <p>Record assessment of assets' physical and structural condition in the asset register.</p>

The actions the licensee proposes to take to address the auditor's recommendations:

The licensee will extract available information from the site diaries and incorporate this into the asset management system. Where this information is not available, or is considered inadequate, for the main items of plant and key structures a survey will be specifically undertaken and the condition of the item will be recorded within the asset management system.

The position(s) or business function(s) in the licensee's organisation that will be responsible for undertaking the proposed actions:

Prime responsibility for this work will be taken by the Supervisor Power Station Maintenance and Operations. The work will be supported by the Engineering Manager. Additional support may be provided by outside contractors where appropriate.

The date by which the proposed action will be completed:

Information from site diaries will be extracted by the end of August 2015.

Any additional surveys of equipment will be completed by the end of October 2015.

3. Asset Maintenance

Item No	EC Ref	Rating/AMS Component Effectiveness Criteria/Details of Deficiency	Auditors' recommendation
2	6.3	<p>B2</p> <p>Asset Maintenance</p> <p>Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.</p> <p>While the records of maintenance activities can be traced through the site diaries, the records of work orders in the AMIS do not yet include actual completion of the activities or condition of the assets.</p>	<p>2/2014</p> <p>Records of actual completion of maintenance activities should be entered in the TechnologyOne Asset Management System and should be traceable to the work activities.</p>

The actions the licensee proposes to take to address the auditor's recommendations:

The licensee is currently extracting this information from the site diaries and closing out all past work orders. This work will be continued.

Completion of all new work orders will be recorded in the AMIS.

The position(s) or business function(s) in the licensee's organisation that will be responsible for undertaking the proposed actions:

Prime responsibility for this work will be taken by the power station site staff who will extract the required information. Information is being transferred to the MIS by the head office based Administrative Assistant.

Responsibility for close out of all future work orders is the responsibility of the individual who raised it. In general this will be site staff acting under the direction of the Supervisor Power Station Maintenance and Operations. Head Office engineering staff will ensure that all work orders they open are closed out correctly.

The date by which the proposed action will be completed:

Information from site diaries will be extracted by the end of August 2015.

The procedure to close out of all new work orders will commence immediately.

4. Asset Management Information System

Item No	EC Ref	Rating/AMS Component Effectiveness Criteria/Details of Deficiency	Auditors' recommendation
3	7.1	<p>B2</p> <p>Asset Management Information System</p> <p>Adequate system documentation for users and IT operators.</p> <p>Some documents such as the "Crisis Management Plan" are in draft form and should be finalised.</p>	<p>3/2014</p> <p>Ensure that, as appropriate, documents in draft or under review are finalised and approved.</p>

The actions the licensee proposes to take to address the auditor's recommendations:

The licensee will review all AMIS documents. Any documents that are in draft form or are under review will be finalised and then approved at the appropriate management level.

The position(s) or business function(s) in the licensee's organisation that will be responsible for undertaking the proposed actions:

The General Manager Generation will carry responsibility for this work.

The date by which the proposed action will be completed:

All documents will be reviewed by the end of August. Documents will be finalised and approved by Management by the end of October 2015.

5. Contingency Planning

Item No	EC Ref	Rating/AMS Component Effectiveness Criteria/Details of Deficiency	Auditors' recommendation
4	9.1	<p>B3</p> <p>Contingency Planning</p> <p>Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</p> <p>Both the Emergency Response Plan and the Kwinana Power Station Emergency Response Procedure contain similar information, however they also have differences. In case of emergency, one of the documents should take precedence over the other.</p>	<p>4/2014</p> <p>Both the Emergency Response Plan and the Kwinana Power Station Emergency Response Procedure contain similar information, however they also have differences. In case of an emergency, one of the documents should take precedence over the other and that this should be clarified in the KSAMS and in the documents. Both documents should be reviewed side by side to ensure consistency and, if necessary, one withdrawn.</p>
	9.1	<p>B3</p> <p>Contingency Planning</p> <p>Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</p>	<p>Refer to recommendation 3/2014</p>

		The Crisis Management plan has been consolidated from three separate plans and has been in operation since 2012. This plan is still shown to be in draft, however this is unlikely as the plan has been signed off, in use for a long time and had a number of updates.	
5	9.1	<p>B3</p> <p>Contingency Planning</p> <p>Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</p> <p>There has not been any testing of contingency plans during the review period. Testing has been planned for 2015 and it is documented in the 2015-16 AMP (AMPs follow an April to March financial year cycle).</p>	<p>5/2015</p> <p>There has not been any testing of contingency plans during the review period. Testing has been planned for 2015 as documented in the 2015-16 AMP and should be carried out as defined.</p>

The actions the licensee proposes to take to address the auditor's recommendations:

The Emergency Response Plan and the Kwinana Swift Power Station Emergency Response Plan will be compared and all conflicts identified. All differences will be resolved with the overall company document, the Emergency Response Plan, being set out as the priority document. The Kwinana Swift Power Station Response Procedure will be revised as a subset of the company document.

The Crisis Management System will be tested initially through a desk-top/walk-through which will be followed up by a "surprise" live test.

Formal contingency plans will be developed to address failures of all major plant components and identify how these can be addressed. Where appropriate additional spares will be purchased and the relationships with key suppliers will be reviewed.

The position(s) or business function(s) in the licensee's organisation that will be responsible for undertaking the proposed actions:

Prime responsibility for this work will be taken by the General Manager Generation in coordination with the Business Development Executive (who carries responsibility for company-wide crisis management).

The date by which the proposed action will be completed:

Review of the Emergency Response Plans will be completed by the end of May 2015.

The walk-through test of the Crisis Management System will be completed by the end of May and a "surprise" live test will be undertaken by the end of August 2015.

Contingency Plans to address failure of key plant components will be completed by the end of August with any required changes to spare parts holding, or procedure changes, put in place by the end of 2015.