



# Notice

21 December 2015

## Western Power Access Arrangement

### SERVICE STANDARD PERFORMANCE REPORT 2014/15

The Economic Regulation Authority has published [Western Power's Service Standard Performance Report](#) for the year ended 30 June 2015, the third 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 for the 2014/15 period.

### Service Standard Adjustment Mechanism

Western Power has calculated the SSAM for the 2014/15 period to be a reward of \$40,293,534. Distribution measures accounted for \$36,802,893 of the total, with Transmission accounting for \$3,490,641. The overall reward is the net effect of performance across 14 Distribution and Transmission measures. A penalty was calculated for six of the measures (four in Distribution and two in Transmission) and a reward was calculated for eight of the measures.

The two largest penalties were in Distribution Rural Long for both System Average Interruption Frequency Index (**SAIFI**) and System Average Interruption Duration Index (**SAIDI**) being \$3,560,375 and \$6,215,371 respectively. The two largest rewards were in Distribution Urban for both SAIFI and SAIDI being \$14,822,676 and \$17,801,818 respectively.

Western Power's approved access arrangement for AA3 provides for the total reward or penalty to be applied in the next access arrangement period starting 1 July 2017 (AA4).

The Electricity Market Review currently being undertaken by the Government is likely to impact on the process and timing of the total reward or penalty being applied.

For further information contact:

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