



# Notice

5 March 2021

## Esperance Power Station Pty Ltd 2020 asset management system review

The Economic Regulation Authority has published the 2020 [asset management system review report](#) for Esperance Power Station Pty Ltd's gas distribution licence GDL10.

Esperance Power Station's gas distribution system supplies customers in the Esperance central business district and the suburbs of Chadwick, Nulsen and Sinclair. The company also operates the Esperance power station. The gas for the distribution system and the power station is supplied through the Kambalda to Esperance transmission pipeline.

As at 30 June 2019, the Esperance Power Station distribution system comprised 35.2 kilometres of piping that supplied 376 customer connections.<sup>1</sup>

### *The ERA's decision*

The ERA considers that Esperance Power Station has an effective asset management system.

The ERA has decided to maintain the review period at 24 months. The next review will cover the period 1 September 2020 to 31 August 2022, with the report due to be provided by 30 November 2022.

### *Background to the ERA's decision*

#### **Review ratings**

The assessment of the 12 asset management components prescribed in the ERA's *2019 Audit and Review Guidelines: Electricity and Gas Licences* found:<sup>2</sup>

- One process was rated A1 (documentation adequately defined, performing effectively).
- Four processes were rated B1 (documentation requires some improvement, performing effectively).
- Seven processes were rated B2 (documentation requires some improvement, performance requires some improvement).

<sup>1</sup> Economic Regulation Authority, 2020, *Annual Data – Energy distributors 2019/20*.

<sup>2</sup> A copy of the guidelines is available on the ERA [website](#).

### **Review recommendations**

The auditor did not make any recommendations in response to the review.<sup>3</sup>

### **The ERA's assessment of the review findings**

The ratings in the review report show that Esperance Power Station has an effective asset management system. However, seven of the 12 asset management processes just meet the minimum standard to be considered effective, which was a similar performance to that in the 2018 review.

### **Further information**

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<sup>3</sup> As per section 5.1.8 of the *2019 Audit and Review Guidelines: Electricity and Gas Licences*, the auditor is only required to make recommendations for asset management process deficiencies rated 3, 4, C or D.