



NOTICE

Western Power's Access Arrangement Service Standard Performance Report 2009/10

The Economic Regulation Authority today published Western Power's access arrangement [service standard performance data](#) for the year ending 30 June 2010; the first year of Western Power's second access arrangement period.

Under the *Electricity Networks Access Code 2004*, Western Power must supply its network services (referred to as "reference services") at a standard at least equivalent to the benchmarks set out in its access arrangement. The Authority must publish, at least once each year, the utility's actual service standard performance against its benchmarks.

Western Power's Performance

The Authority notes that Western Power has made service standard improvements in nearly all areas, with the utility reporting underperformance in only two areas:

- Interruptions to rural customers served by long distribution lines
Western Power attributes this poor performance to faults and damage arising from extensive lightning activity and emergency outages to remove hazards. Western Power states that targeted maintenance and lightning mitigation work should result in improved performance in future years.
- Frequency of unplanned loss of power events (greater than 0.1 system minutes) on the transmission system
Western Power attributes this under performance to substation switchboard fault protection operations (known as "frame leakage protection") and states that it has addressed this under performance through a review of construction designs coupled with investigating new proactive systems.

The Authority will continue to publish Western Power's service standard performance against the benchmark targets over the course of the second access arrangement period (2009/10 to 2011/12).

The Authority is also responsible for monitoring Western Power's compliance with its electricity (distribution) licence obligations and publishes separate annual performance reports in relation to this. A 2009/10 electricity distributors report will be available later this financial year, with reports for previous years available from the Authority's [website](#).

Service Standard Adjustment Mechanism

Western Power is subject to a service standard adjustment mechanism (**SSAM**) under its approved access arrangement. The operation of the SSAM means that at the next access arrangement review a financial reward or penalty will be calculated based on the utility's performance over the three year access arrangement period (that is, 2009/10 to 2011/12).

Western Power has calculated the financial reward for 2009/10 to be approximately \$19 million. Over half of this reward relates to improvements in the duration and frequency of interruptions to customers in the CBD area. Western Power notes that the performance indicators for the CBD area are potentially volatile over short periods of time due to the combined effects of small customer numbers and the relatively long repair times in a fully underground network.

The Authority will review the operation of the SSAM and the resulting rewards and/or penalties at the next access arrangement review to determine the total reward or penalty to be applied.

Western Power must submit proposed revisions to its current access arrangement by 1 October 2011.

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13 October 2010