INFORMATION

Western Power Access Arrangement

SERVICE STANDARD PERFORMANCE REPORT 2010/11

The Economic Regulation Authority today published Western Power's service standard performance report for the year ending 30 June 2011.

Under the *Electricity Networks Access Code 2004 (**Access Code**),* service providers must supply reference services at a standard at least equivalent to the benchmarks set out in their access arrangements. The Authority must monitor and publish, at least once a year, the utility's actual service standard performance against its benchmarks.

Western Power's Service Standard Performance

Western Power has reported that all benchmark targets have been met or exceeded with the exception of:

- Circuit Availability

  Western Power attributes the majority of the circuit unavailability as being due to planned work on the transmission network resulting from an increase in plant upgrades and maintenance activities. Western Power notes this is likely to continue in 2012 but that improved maintenance coordination will mature further in the year ending June 2012 which will help alleviate this risk and should result in improved performance in future years.

- System Minutes Interrupted on the Radial Network

  Western Power attributes this under performance to pole top fire activity. Western Power notes that the circumstances which lead to pole top fires are being addressed by way of maintenance and plant upgrades. Western Power expects to meet the benchmark in 2012 but notes that some circuits of the radial network are susceptible to environmental events which may affect performance until maintenance activities are completed.

The performance data in Western Power's Service Standard Performance Report covers the following measures:

- Circuit availability
- System minutes interrupted
- Loss of supply events
- Average outage duration
- System Average Interruption Duration Index (SAIDI)
- System Average Interruption Frequency Index (SAIFI)
- Streetlight repairs

Schedule 1 of this notice provides a simple explanation of each of these measures.

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The Authority will continue to monitor Western Power's performance against these measures as per the Authority's obligations under Chapter 11 of the Access Code.

Further to the performance standards that are monitored as part of the access arrangement, the Authority is responsible for monitoring Western Power's compliance with its electricity licence obligations and publishes separate annual reports in relation to this. The 2010/2011 compliance report will be available later this financial year. Reports for previous years are available from the Authority's website.

Service Standard Adjustment Mechanism

As required under section 6.29 of the Access Code, Western Power's current access arrangement includes a service standard adjustment mechanism (SSAM). At the next access arrangement review the Authority will apply a financial reward or penalty to Western Power in relation to Western Power's actual performance over the second access arrangement period (2009/10 to 2011/12).

Western Power's *Service Standard Performance Report - Year ending 30 June 2011* sets out its assessment of the reward that arises from the operation of the SSAM for 2009/10 and 2010/11 period. Western Power calculates this cumulative reward to be $19.7 million.

The Authority will review the operation of the SSAM at the next access arrangement review to determine the total reward or penalty to be applied to Western Power's next access arrangement for the third access arrangement period.

In accordance with the revisions submission date of Western Power's current access arrangement (clause 1.5), Western Power must submit proposed revisions to its access arrangement by 1 October 2011.

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LYNDON ROWE
CHAIRMAN

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SCHEDULE 1

The following explanations are provided for general information purposes only.

More detailed information about these performance measures can be found in Western Power's current access arrangement.

Measure	Explanation / Description
Circuit availability	Circuit availability refers to the availability of the transmission network, that is, the transmission network available to users that are directly connected. Essentially, the circuit availability benchmark is used to measure network availability and is measured as a percentage of total possible hours available (i.e. the actual circuit hours available for transmission circuits divided by the total possible defined circuit hours available), where the higher the percentage the higher the service standard.
System minutes interrupted	System minutes interrupted aims to record the effect on customers of a network outage measured in minutes and is reported for meshed and radial networks separately. A meshed network refers to an electricity network where there is more than one path between network nodes. Specifically, the system minutes interrupted benchmark is the summation of MW Minutes of unserved energy at substations that are connected to the meshed/radial transmission network divided by the system peak MW (where MW equals megawatt). Given that the system minutes interrupted benchmark aims to record the effect on customers of an outage, a higher service standard is reflected by a lower number of minutes.
Loss of supply events	Loss of supply events is the frequency of events where loss of supply occurs and is reported for events exceeding 0.1 system minutes and 1 system minutes separately. For these measures the lower the number of events the higher the service standard.
Average outage duration	Average outage duration is the total minutes duration of all unplanned outages divided by the number of events. A lower average number of minutes reflects a higher service standard.
System Average Interruption Duration Index (SAIDI)	SAIDI and SAIFI are reliability measures and are provided for different feeder classifications. SAIDI measures the number of minutes, on average, which a customer on a distribution network is without electricity in a year, whereas SAIFI measures the average number of times a customer's supply is interrupted per year. For these measures, the lower the number of minutes and interruptions, the higher the service standard.
System Average Interruption Frequency Index (SAIFI)	
Streetlight repair time	Streetlight repair time is the average number of days taken to repair following the fault being reported. The measure is reported separately for the Perth metropolitan area, major regional towns and remote and rural towns. For these measures, the lower the number of days the higher the service standard.