



# INFORMATION

## Western Power Access Arrangement

### SERVICE STANDARD PERFORMANCE REPORT 2012/13

The Economic Regulation Authority today published Western Power's [service standard performance report](#) for the year ended 30 June 2013; the first year of Western Power's third access arrangement period (1 July 2012 to 30 June 2017).

Under the *Electricity Networks Access Code 2004 (Access Code)*, a service provider 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 service provider's actual service standard performance against its benchmarks.

#### Western Power's Performance

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

- SAIFI – Rural Long

Western Power attributes the failure to meet this target to a significant wide spread increase in lightning activity recorded across rural areas of the state during the past year compared to the previous three years.

Western Power states that the lightning strikes have been a significant contributor to the deterioration in reliability performance levels of customers supplied by the rural long distribution network. Other contributors to the failure to meet the target include overhead asset failures and fauna or vegetation contacting the equipment.

Western Power also states that the applicable work programs completed during the 2012/13 period, the continuation of these programs, as well as the approach to focus on the worst performing areas are expected to improve the performance of the Rural Long SAIFI towards meeting the prescribed service standard benchmarks during the AA3 period.

The Authority will annually publish Western Power's service standard performance against the benchmark targets as required under Chapter 11 of the Access Code.

In determining Western Power's performance against the benchmark targets certain events may be excluded from the distribution and transmission reference service performance. One of these exclusions is Major Event Days, which are classified in accordance with a standard produced by The Institute of Electrical and Electronics Engineers.

During the 2012/13 period Western Power has concluded that 4 days met these criteria to be excluded from the reference service performance data. The Authority notes that publically available weather condition information regarding extreme weather conditions is consistent with the Major Event Days outlined by Western Power.

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. The 2012/13 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 third access arrangement includes a service standard adjustment mechanism (**SSAM**) which will be applied at the next access arrangement review to calculate a financial reward or penalty based on Western Power's actual performance compared with applicable benchmark targets over the current access arrangement period.

Western Power has calculated the SSAM for the 2012/13 period to be a reward of \$31,184,176. Distribution measures accounted for \$28,821,084 of the total, with Transmission accounting for \$2,363,091.

Of the 14 distribution and transmission measures a penalty was calculated for four measures (two in distribution and two in transmission), nine of the measures were calculated with a reward for Western Power while one measure resulted in no reward or penalty.

The two largest penalties were in Distribution Rural Long for both SAIDI and SAIFI being \$6,730,601 and \$4,577,625 respectively. The two largest rewards were in Distribution Urban for both SAIDI and SAIFI being \$17,960,762 and \$10,979,760 respectively.

The total reward or penalty will be determined at the next access arrangement review and will be applied in the fourth access arrangement period starting 1 July 2017.

For further information contact:

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