



Notice

12 November 2024

Horizon Power

2024 Asset management system review

The Economic Regulation Authority has published the [2024 asset management system review report](#) for the Regional Power Corporation's (trading as Horizon Power) electricity integrated regional licence EIRL2.

Horizon Power is a government trading enterprise with an integrated regional licence that authorises it to supply electricity transmission, distribution and retail services in areas of Western Australia not supplied by the South West Interconnected System.

Horizon Power operates three interconnected power systems in the East Kimberley (Kununurra, Wyndham and Lake Argyle), two rural systems (Esperance and Hopetoun), the North West Interconnected System between Port Hedland and Karratha, and 34 microgrids and isolated systems.

Horizon Power retails electricity to almost 37,000 residential customers, 8,900 business customers and over 1,400 prepayment meter customers.¹

The ERA's decision

The ERA considers that Horizon Power has an effective asset management system and has decided to maintain the review period at 48 months. The next review will cover the period 1 July 2024 to 30 June 2028, with the report due by 30 September 2028.

Areas of special focus

While Horizon Power performed well in its two previous reviews, the ERA nominated three asset management effectiveness criteria for special focus in the 2024 review. Criteria nominated for special focus have a higher review priority to ensure there is a more in-depth assessment of the licensee's processes, policies and performance.

The three criteria were nominated because the 2020 review identified some room for improvement in those criteria at the time:

- **Asset operations** – There was a delay between installing a new asset and recording it on the asset register. The delay occurred because the asset information was not entered until after the asset quality assurance process was completed onsite.

¹ Annual report 2023-2024, Horizon Power, 6 September 2024, [page 14](#)

- **Asset maintenance** – The auditor observed that Horizon Power planned to increase the reporting transparency for maintenance task, in particular where a maintenance task is delayed or changed.
- **Contingency planning** – A network contingency plan did not include contingencies for the microgrids within that network.

Review findings

The assessment of the 58 effectiveness criteria for an asset management system prescribed in the ERA's 2019 Audit and Review Guidelines: Electricity and Gas Licences found no asset management deficiencies, with the auditor rating 56 of the criteria A1 (the highest rating). The auditor did not identify any concerns with Horizon Power's asset management system.

The auditor found that Horizon Power had addressed the three areas of special focus since the 2020 review by improving its processes. Horizon Power is also currently trialling a new digital platform called SmartWorks, which captures asset management and works management business processes, allowing teams to make more informed asset management and maintenance decisions.

The ERA considers that Horizon Power has a well-established asset management system, which continues to be rated effective by independent auditors. The last three reviews (2017, 2020 and 2024) have given Horizon Power very good ratings against the ERA's effectiveness criteria.

Further information

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