

PUBLIC



STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

**ADDITIONAL QUESTIONS FOR THE 2012/13 BUDGET ESTIMATES
HEARING**

WESTERN POWER HELD ON

FRIDAY, 3 AUGUST 2012

HON ADELE FARINA ASKED –

1. I refer to Budget Paper No 2 Volume 2 at page 599 'Asset Investment Program,' line item, State Underground Power Program and ask –
 - a) How much of the \$40 million allocated for 2012/13 to be spent on the State Underground Power Program will be spent in the South West?

Answer: No expenditure in this area has been allocated for 2012/13.

- b) Where will it be spent?

Answer: The Round 5 Localised Enhancement Program (LEP) short list has not yet been finalised. The short list still requires approval from the State Underground Power Program (SUPP) Steering Committee and the Minister for Energy. Approval is anticipated by November 2012. Short-listed projects will commence construction in 2013/14. In previous Rounds of the LEP's, there have been a number of projects completed in the South West Region. Should the Round 5 LEP short list include projects within the South West Region, these will be constructed during 2013/14.

- c) How much will be spent?

Answer: As above.

- d) On what exactly will it be spent?

Answer: Generally, the SUPP program costs include the complete undergrounding of the distribution overhead network including customer connections and removal of the overhead network.

- e) If none to (a), why?

Answer: See (b) above.

2. I refer to Budget Paper No 2 Volume 2 at page 599 'Asset Investment Program,' line item, Capacity Expansion and ask –

a) How much of the \$ 65.234 million for Capacity Expansion Country in 2012/13 will be spent in the South West?

Answer: Approximately 19.7% of the 2012/13 funding will be spent in and around the south west region (equates to \$12.8M). The nature of the distribution network is such that it traverses the south west boundary into surrounding regions. Some of the project will provide benefit to both the south west and neighbouring regions.

b) Where will it be spent?

Answer: There are a number projects/programs of work that are planned for the south west region ranging from Mandurah through to Albany. The largest of these projects will be targeting Mandurah, Albany and Nannup.

c) Exactly what will it be spent on?

The project and programs will address the following main issues across the south west region:

- High voltage distribution driven works addressing thermal & voltage constraints: Growing customer demand is forecast to increase the loading on a number of distribution feeders in urban and rural areas across the south west utilising remaining spare capacity. The planned works will increase the capacity of the network to allow forecast demand increased to be met with out degrading the reliability and quality of supply to existing customers.
- Works to address underfault rated conductor and protection issues: Portions of the distribution network in the south west incorporate conductors that are not sufficiently rated to withstand the high currents that flow during a fault event. These underfault rated conductors are likely to become permanently damaged (sagging below safety limits) or burn to the ground, if a worst case fault occurs. This program targets conductors in high bushfire risk areas that are identified as being under fault rated, and aims to either replace or adequately protect these assets.
- Transmission driven distribution works: – These are projects that are required to be carried out on the distribution network in response to an augmentation expanding the capacity of the transmission network. Examples include works to reconfigure and extend the distribution network to allow customers to draw supply from newly commissioned transformers at zone substations.

- Overloaded transformer program: – this program of works identifies distribution transformers that are likely to be overloaded during the next summer peak demand period and replaces them prior to the peak. This mitigates the risk of transformer failures under peak demand conditions leading to customer supply interruptions.

d) What are the start and expected completion dates for the projects?

Answer: The project/program list on the following page provides the anticipated required-in-service or completion dates:

Project Title	Issues	Expected Start Date	Expected Completion Date
Reinforcement in Mandurah and Meadow Springs	Thermal or Voltage	May 2012	December 2013
193418 - Pinjarra SS - New Ravenswood Feeder - N0230123	Thermal or Voltage	July 2013	December 2014
N0301914 - DONNYBROOK AREA : Mitigate Imbalance	Thermal or Voltage	October 2010	June 2013
194864 - Devlin RD Feeder - N0301905	Thermal or Voltage	June 2010	March 2013
194296 - Albany Under Fault Rated HV Conductor - N0283327	Underfault rated or Protection issues	September 2012	June 2013
N0336648 - MRR 519: Inst ISTX	Thermal or Voltage	July 2012	September 2012
194539 - Commonage Rd Fault Rating Upgrade - N0292389	Underfault rated or Protection issues	June 2012	July 2012
209274 - ALB 530 Lower Denmark Statcom - N0336642	Thermal or Voltage	April 2013	March 2014
N0350257- MRR 519 BINNINGUP: Reinforcement Voltage	Thermal or Voltage	August 2012	December 2013

3. I refer to Budget Paper No 2 Volume 2 at page 599 'Asset Investment Program,' line item, Bushfire Mitigation, and ask –

a) How much of the \$ 38.275 million allocated for Bushfire Mitigation in 2012/13 will be spent in the South West?

Answer:

- Bushfire Mitigation Wires Down Program – forecast at approx \$7.6M
- High Voltage Conductor Clashing Program – forecast at approx \$0.4M
- Low Voltage Spreader Program - forecast at approx \$0.04M
- Poletop Replacement Program - forecast at approx \$2.0M

b) What exactly will it be spent on?

Answer:

- Bushfire Mitigation Wires Down Program (approx. \$7.6M) - Replacing poor condition conductor in Extreme and High Fire Risk Areas to reduce the likelihood of asset initiated fires and electric shock from wires down events.
- High Voltage Conductor Clashing Program (approx. \$0.4M) – reducing the risk of conductor clashing on the HV network to reduce the likelihood of asset initiated fires
- Low Voltage Spreader Program (approx. \$0.04M) - reducing the risk of conductor clashing on the LV network to reduce the likelihood of asset initiated fires.
- Pole top Replacement Program (approx. \$2.0M) – replacement of substandard High Voltage and Low Voltage cross-arms to reduce the likelihood of asset initiated fires.

c) Where in the South West will it be spent?

Answer:

- Bushfire Mitigation Wires Down Program – Districts of Vasse, Warren-Blackwood and Murray Wellington
- High Voltage Conductor Clashing Program – Districts of Albany, Collie-Preston, Warren-Blackwood and Murray Wellington
- Low Voltage Spreader Program - Districts of Bunbury, Collie-Preston, Warren-Blackwood and Murray Wellington
- Pole top Replacement Program - Districts of Albany, Vasse, Warren-Blackwood, Bunbury, Collie-Preston, Mandurah, Dawesville and Murray Wellington

d) What are the start and expected completion dates of the project/s?

- Program of all work allocated in the 2012/13 financial year is expected to be completed by the end of June 2013.

4. I refer to Budget Paper No 2 Volume 2 at page 599 'Asset Investment Program,' line item, Conductor Management, and ask –

a) How much of the \$22.946 million allocated for Conductor Management in 2012/13 will be spent in the South West?

Answer:

- Carrier Replacement Program – forecast at approx \$8.1M
- Substandard Conductor Clearance Program (Roadways) – forecast at \$0.2M
- Substandard Conductor Clearance Program (Navigable Waterways) – forecast at approx \$1.4M

b) What exactly will the money be spent on?

Answer:

- Carrier Replacement Program (approx. \$8.1M) - Replacing poor condition conductor in Moderate and Low Fire Risk Areas to reduce the likelihood of asset initiated fires and electric shock from wires down events.
- Substandard Conductor Clearance Program (Roadways) (approx. \$0.2M) – rectification of power line crossings over roads that do not meet the minimum clearance requirements to ensure public safety
- Substandard Conductor Clearance Program (Navigable Waterways) (approx. \$1.4M) – rectification of power line crossings over navigable waterways that do not meet the minimum clearance requirements to ensure public safety

c) Where in the South West will it be spent?

Answer:

- Carrier Replacement Program – Districts of Albany, Warren-Blackwood, Collie-Preston and Murray Wellington
- Substandard Conductor Clearance Program (Roadways) – Districts of Bunbury and
- Substandard Conductor Clearance Program (Navigable Waterways) – District of Albany

d) What are the start and expected completion dates of the project/s?

Answer:

- All work allocated in the 2012/13 financial year is expected to be completed by the end of June 2013.

5. I refer to Budget Paper No 2 Volume 2 at page 599 'Asset Investment Program,' line item Connection Management, and ask

a) How much of the \$29.205 million for Connection Management in 2012/11 will be spent in the South West?

Answer:

In line with the objectives of Western Power's Asset Management Policy in complying with regulatory obligations to provide a safe and reliable network, the Connection Management program is aimed at reducing the risks of electric shock by replacing high risk customer overhead service connections.

The Overhead Customer Service Connection Program expenditure is forecast at approximately \$5.73 million

b) What exactly will the money be spent on?

Answer:

Overhead Customer Service Connection Program: replacement of potential unsafe overhead service connections that comply with the current Western Power standards.

c) Where in the South West will it be spent?

Answer:

The works for 2012/13 are planned in the following areas:

- 1). Orana (Albany region)
- 2). Bunbury Metro and surrounds out to Capel to the South, Dardanup to the east and Binningup to the North (covers the Bunbury, Collie-Preston and Murray Wellington regions)

d) What are the start and expected completion dates of the project/s?

Answer:

All work allocated in the 2012/13 financial year is expected to be completed by the end of June 2013.

6. I refer to Budget Paper No 2 Volume 2 at page 599 'Asset Investment Program,' line item Pole Management, and ask -

a) How much of the \$187.213 million for Pole Management in 2012/13 will be spent in the South West?

Answer: Western Power has based the following information on the South West electorate encompassing around 138,500 wood poles.

Western Power treats its highest risk wood poles as a priority and estimates it will spend between \$53 million and \$60 million from the \$187 million Pole Management expenditure in 2012/13 in the South West.

b) What exactly will the money be spent on?

Answer: This expenditure is estimated to be approximately \$12m-\$14m on wood pole reinforcements and \$41m-\$46m on wood pole replacements

c) Where in the South West will it be spent?

Answer: This will be spent across the entire South West, treating the highest risk poles in this part of the network.

d) What are the start and expected completion dates of the project/s?

Answer: This is part of ongoing asset management driven by asset condition identification, risk assessment, prioritisation, access restrictions and delivery capabilities. This expenditure will be spent in the financial year 2012/13.

7. I refer to Budget Paper No 2 Volume 2 at page 599 'Asset Investment Program,' line item Streetlight Safety Management, and ask –

a) How much of the \$17.351 million for Streetlight Safety Management in 2012/2013 will be spent in the South West?

Answer: \$2.4 million.

b) What exactly will the money be spent on?

Answer:

Streetlight switchwire replacement program: replacement of overhead streetlight switchwire with low voltage mains connections and photo-electric cells for switching.

c) Where in the South West will it be spent?

Answer: Districts of Vasse & Bunbury

d) What are the start and expected completion dates of the project/s?

Answer: All work allocated in the 12/13 FY is expected to be completed by the end of June 2013.