

Verve Energy —

[Supplementary Information No B54.]

Question: Mr W.J. Johnston asked: Regarding Verve Energy's high-efficiency gas turbine plant under construction at Kwinana, how much is Verve required to pay the Independent Market Operator each day because it has not brought the unit online? How much do these payments now total? How much is expected to be paid into the future? When is it expected that this unit will be brought online?

Answer: The daily refund amount was in the range of \$70,746 to \$248,972 due to different calculations for peak and off-peak trading intervals.

Refunds started from 1 December 2011 and total \$20.7 million. This is the cap in the current capacity year and no further refunds are expected to be paid until after 30 September 2012. It is expected that the HEGT's will be operational by then and no further refunds will be payable.

[Supplementary Information No B55.]

Question: Mr A.P. O'Gorman asked: What is the actual expenditure for Verve Energy on fringe benefits tax for 2011–12; how much of that was in respect of entertainment; how much was the underlying expenditure that attracted entertainment FBT; and what are the details of that expenditure?

Answer:

	\$
FBT Liability 2011/12*	\$287,241
FBT Liability 2011/12 in respect of entertainment (29.12%)*	\$83,636
Underlying entertainment expenditure for FBT purposes 2011/12 (GST Excl)**	\$179,864
Meals and entertainment	\$130,106
Recreational entertainment	\$49,758

[Supplementary Information No B56.]

Question: Mr W.J. Johnston asked: What is the current usage of the Muja Power Station? Is it continuing to be used as a mid-merit plant? How many units at the Muja station are used in this capacity? For how many hours was the plant used in the past 12 months? How many units are held in reserve for potential gas outage?

Answer: Muja Power Station's average capacity factor* has been approximately 50% over the last year. This figure has been driven by major planned outages undertaken on Stage C and Stage D units over the last year. In addition the average capacity factor reflects the market balancing role performed by Verve Energy which results in some of its Muja units being turned down or shut down over night.

Muja Power Station's available capacity factor has been approximately 70% over the past year. This figure also reflects the major planned outage and maintenance works undertaken on Muja units in the last year.

* Average Capacity Factor: Measure of plant utilisation - the quantity of electricity generated (or sent out) by a plant or portfolio divided by the quantity which could have been generated (or sent out) if it had operated continuously at maximum dependable load.

Last year it was said to be a mid-merit plant, is that still the case?

Yes.

How many units of MPS are used in that capacity?

All of Muja CD units are used in this capacity. Muja AB units are currently being commissioned.

For how many hours was the plant used in the past 12 months?

MPS ran for a total of 22,062 turbine hours from June 2011 to May 2012. Turbine hours is the number of hours the turbines actually operated.

How many units are held in reserve for potential gas outage, which was talked about last year?

In relation to Muja AB, there are two units (2 x 60MW) that are free from contractual obligations and can be used for a variety of circumstances.

Is the refurbished Muja AB plant still scheduled to be completed late this year?

Yes.

Is the budget for this project still \$150 million, the amount on the website?

Yes.

Has the introduction of the Mondarra gas storage facility impacted on the need to retain the Muja units as reserve against a possible major gas outage?

The Mondarra gas facility is planned to come on line early 2013, so its impact has not been fully analysed in terms of how it will change the dispatch at MPS.