

MANAGEMENT PLAN 2011

OVERHEAD SYSTEM AND STRUCTURES

DOCUMENT NUMBER: NW-#30161322-V5 DATE: 11 MAY 2011

No one matches our energy

This page is intentionally blank.

TABLE OF CONTENTS

1. Purpose	5
2. Strategy	5
3. Scope	5
4. Description of the Assets	5
4.1 Pole Mounted Transformers	5
4.2 Overhead Switchgear	7
4.3 Overhead Conductors and Cables	10
4.4 Fixtures and Fittings	13
4.5 Structures	15
4.6 Earthing System	20
5. Factors Influencing Asset Management Strategies	21
5.1 Minimise Cost of Supply to the Customer	21
5.2 Maintaining Network Performance	21
5.3 Managing Business Operating Risks	21
5.4 Complying with Regulatory, Contractual and Legal Responsibiliti	les21
6. Management Plan	23
6.1 Treatment Trade-offs	23
6.2 Preventative Maintenance Programs	24
6.3 Corrective Maintenance	32
6.4 Asset Replacement	35
7. Specific Issues	48
7.1 Fire Mitigation	48
7.2 Endangered Species	49
8. Review of Historical Practices	49
9. Proposed OPEX Plan	50
10. Proposed CAPEX Plan	51
11. CAPEX–OPEX Trade Offs	53
12. Asset Management Information	54
13. Responsibilities	55
14. References	55
Appendix A Age Profiles	57
A.1 Age of Condemned/Failed Poles (from 2000 to 2010)	57

REV NO.	DATE	REVISION DESCRIPTION	APPROV	ALS
0	18 Feb 2011	Original Issue. (NW-#30161322-V3).	Prepared by	EC / ST
			Reviewed by	GS
			Approved by	AD
1	11 May 2011	Comments incorporated following PD	Prepared by	EC
		consistency review. (NW-#30161322-V5).	Reviewed by	ST

AD

Approved by

This page is intentionally blank.

1. PURPOSE

The purpose of this document is to describe, for Overhead, Structures and related assets:

- Aurora's ap proach t o as set management, as r eflected t hrough i ts legislative and r egulatory obl igations a nd N etwork M anagement Strategy;
- The key projects and programs underpinning its activities for the period 2012/13-2016/17; and
- Forecast C APEX and O PEX, i ncluding t he bas is upon which t hese forecasts are derived.

2. STRATEGY

The objective of the Network Management Strategy is:

To minimise cost of supply to the customer whilst:

- a. Maintaining network performance;
- b. Managing business operating risks; and
- c. Complying w ith regulatory, c ontractual and l egal responsibilities.

3. SCOPE

This doc ument c overs pol e m ounted t ransformers, ov erhead s witchgear, conductors, fixtures and fittings, structures and associated earthing systems.

4. DESCRIPTION OF THE ASSETS

4.1 Pole Mounted Transformers

Pole mounted t ransformers ar e d evices g enerally us ed to s tep up or s tep down v oltages within t he di stribution s ystem. The majority of distribution transformers installed within the distribution system, step down voltages from high v oltage (HV) (44 k V, 33 k V, 22 k V or 11 k V) to I ow v oltage (LV) (230/400 V), w hich t he majority o f c ustomers use w ithin t heir el ectrical installations.

Pole mounted transformers are mounted on a single or double pole structures. The physical size and weight of the unit limits pole mounted transformers to a maximum size of 500 kVA.

Pole m ounted t ransformers c ontain m ineral i nsulating oil f or both electrical insulation of the internal components and cooling.

Single Wire Earth R eturn (SWER) s ystems are us ed in s everal r elatively remote rural locations within the distribution system where there is light load.

In SWER systems, one wire is used as the phase conductor and the earth is used as the return conductor. S WER systems typically consist of a S WER isolating transformer and one or more SWER transformers.

The isolating transformer isolates the earth currents (zero sequence currents) of the SWER system from the three-phase main supply feeder. This limits the exposure t o t elephone i nterference and al lows t he main s upply feeder to maintain its sensitive earth fault detection protection.

With t he exception of Single Wire Earth Return (SWER) dev ices, p ole mounted transformers have off-load tap changers. These allow the output of the transformer t o be adjusted (with the transformer not connected to any load) to vary the level of output voltage by small increments (tap settings) to regulate output voltages to within acceptable limits.

Table 1 details the types of pole mounted transformers installed in the system.

Table 1: Pole Mounted Transformers installed in Aurora's distribution system as atAugust 2010.

Description	Number Installed
Single phase pole mounted transformers	14,899
Three phase pole mounted transformers	13,995
Single Wire Earth Return (SWER) isolating transformers	63
Single Wire Earth Return (SWER) transformers	393
Total	29,350

Figure 1 shows the age profile of the pole mounted transformers installed in the system.



Figure 1: Age profile pole mounted transformers

4.2 Overhead Switchgear

Overhead s witchgear i s i nstalled t o pr ovide i solation or disconnection of sections of HV or LV overhead line for the purposes of maintenance and the management of load and for protection purposes.

As a g eneral r ule t he ov erhead s witchgear i s I ocated o n ei ther s ide of significant loads to allow for operational switching and ne twork management activities, such as transferring loads between HV feeders or isolating a faulted section of network.

Fuses are used to protect feeders, transformers and LV circuits.

Table 2 details the types of LV overhead switchgear installed in the system. Note that each site may contain one to three fuses or links, depending on whether it is a single or multi phase circuit or if it is a single phase device.

Table 2: LV switchgear sites installed on Aurora's overhead distribution system as atAugust 2010

Description	Number Installed Sites
Fuse Links	23,798
Links	3,860
No Switchgear	846
Unknown	125
Total	28,629

Table 3 details the types of HV overhead switchgear installed in the system.

Table 3: HV Switchgear sites installed on Aurora's distribution system as at August
2010

Description	Number Installed
HV links	2,093
Air Break Switches (ABS)	4,219
Expulsion Drop Out (EDO) fuses	6,665
Gas or vacuum enclosed switches	104
Auto-reclosers – oil insulated (OYT)	13
Auto-reclosers – gas insulated (ESR)	1
Auto-reclosers – gas insulated (NULEC)	274
Sectionalisers	214
Total	13,583

Figure 2 shows the age profile of the overhead switchgear installed in the system.



Figure 2: Age profile overhead switchgear

4.2.1 LV Links

LV I inks ar e us ed as i solation points at t ransformers and as a connection/disconnection point between LV circuits. When used between LV circuits, LV links are used as a paralleling point when transformers are taken out of service for maintenance to maintain supply to customers.

4.2.2 LV Switch Fuses

LV switch fuses can be used as both a link and a fuse. They are used as isolation points at transformers and to protect LV circuit from faults.

4.2.3 HV Links

HV links are single phase devices and have a single break action. They are installed as a set of three for use on three phase systems.

HV links are not rated for breaking current. They are used to enable a piece of equipment or line to be isolated from the rest of the system.

HV links may be mounted vertically, horizontally upright or under slung.

4.2.4 HV Air Break Switches (ABS)

Air Break Switches (ABS), also known as ganged isolators, are three phase devices and have a single break action. They have an operating handle that may be locked in either the open or closed position.

ABSs are not rated for breaking fault current but are designed to break load current. They are used to enable a piece of equipment or line to be isolated from the rest of the system.

Each ABS has its own earthing system. The operating handle and HV cross arm must b e c onnected t o t he earthing s ystem. The o perating han dle i s mounted five metres above ground for operator safety and security.

4.2.5 Expulsion Drop Out (EDO) Fuses

Expulsion Drop Out (EDO) fuses consist of a porcelain insulator with a hinged fibre tube held in place by a fusible link. When the EDO experiences an over current, the fusible link melts releasing the hinged tube causing it to drop open to is olate the equipment it is protecting and at the same time give a c lear indication of fuse operation.

EDOs are used to protect pole mounted transformers and spur lines.

4.2.6 Gas or Vacuum Enclosed HV Switches

Gas or vacuum enclosed switches are three phase switching devices with the ability to make and break load currents. They are not rated for breaking fault current.

Gas or vacuum enclosed switches are installed where there is a requirement to open or close switchgear when feeders are energised and have load on this, such as during paralleling operations.

4.2.7 Auto-Reclosers

Many faults in overhead systems are transient in nature. A transient fault is a fault that is no I onger present if the power is disconnected for a short time. Causes of transient faults include momentary vegetation contact, windborne materials s uch as b ark, bird or a nimal c ontact, c onductors c lashing due t o high winds and lightning strikes.

Auto-reclosers, also known as reclosers, are combined protection and circuit breaker devices that are designed to attempt to restore power in the event of a transient fault.

On detecting a fault on a section of line, an auto-recloser will open to isolate the fault. It will then make a n umber of pre-programmed at tempts to reenergise the line. If the transient fault has cleared, the auto-recloser will remained closed and normal operation of the line resumes, however, if the fault is a per manent fault, the auto-recloser will ex haust its c ount of r eenergisation attempts and lock-out leaving the faulted line isolated.

Reclosers ar e g enerally i nstalled o n r ural ov erhead feeders. T hey ar e installed with remote control and monitoring facilities.

4.2.8 Sectionalisers

Sectionalisers ar e de vices t hat w ork i n c onjunction w ith au to-reclosers t o attempt to restore supply back to some customers automatically in the event of a fault.

Sectionalisers are located downstream of auto-reclosers and monitor the fault current and circuit interruption of the upstream auto-reclosers. A fter a preprogrammed n umber of a uto-recloser re -energisation at tempts, t he sectionaliser will open d uring the open period of the auto-recloser in a n attempt to isolate a p otentially faulty section of line. If the fault was on the section of line downstream from the sectionaliser, the next auto-reclose r eenergisation attempt will successfully re-energise the section of line between the auto-recloser and the sectionaliser.

Sectionalisers are not rated for breaking current so they must open during the open cycle of the upstream auto-recloser.

4.3 Overhead Conductors and Cables

Overhead conductors provide the means for electricity to be transported over medium to long distances in ur ban and r ural ar eas ac ross the distribution network system.

Table 4 details the types of overhead conductor and cable installed in the system.

Table 4: Overhead conductors and cables installed in Aurora's distribution system as
at August 2010

Description	Length Installed (km)
Bare Open Wire Conductors – Copper	2,402
Bare Open Wire Conductors – Aluminium	10,464
Bare Open Wire Conductors – Steel (GI and steel core)	5,891
Insulated Conductors – HV ABC	17.5
Insulated Conductors – LV ABC	1,634
Insulated Conductors – HV Covered Conductor	0.3
Pilot cables	142
Fibre optic cables	123
Total	20,409

Figure 3 s hows t he age pr ofile t he ov erhead c onductors i nstalled i n the system.



Figure 3 Age profile overhead conductors

The s ize of t he c ross s ectional ar ea of each s trand or g roup of s trands determines t he c urrent c arrying c apacity of t he c onductor – the l arger the cross sectional area the greater the current capacity flow. Although there are many v arying s izes of bar e c onductor, s tandardised s izes hav e bee n introduced w hich s atisfy t he network m anagement of v oltage I evels a nd current flow i n c onjunction w ith t he el ectrical eq uipment e mployed i n t he distribution system.

The v arying t ypes a nd s izes of overhead c onductor i s a l egacy of t he changing customer supply requirements, cost constraints, improvements and efficiencies in technology, the refinement of planning tools/models and design standards of the day.

4.3.1 Bare Open Wire Conductors

The most commonly used type of conductor installed in the overhead system is bar e open w ire type c onductor. T he support s tructures an d pol e t op equipment are designed to keep conductors at a h eight that insulates them from the ground and general public.

HV bare open wire conductor is by far the easiest and most cost effective conductor to augment, replace and install of the conductors presently in use within the industry.

The current standard materials used as bare open wire conductors are:

- All Aluminium Conductor 19/3.25 AAC (Neptune)
- All Aluminium Conductor 7/4.50 AAC (Mercury)
- All Aluminium Alloy Conductor 7/3.00 AAAC (Fluorine)
- Steel Conductor 3/2.75 SC/GZ

Other legacy materials found in the overhead system but no longer installed include:

- Aluminium C onductor S teel R einforced (ACSR/GZ): m ulti-strand conductor with a strengthening galvanized steel core
- Copper (Cu): multi-strand conductor
- Galvanised I ron (GI): bot h single strand (such as No.8 GI) and multistrand (such as 3/12 GI)

4.3.2 Aerial Bundled Cable (ABC)

Aerial Bundled Cable (ABC) is an insulated overhead conductor of either two or t hree w ire bun dled or t wisted c onfiguration. B oth H V and L V ABC a re installed within the distribution system.

ABC can reduce safety and bus hfire risks, minimise the vegetation clearing around t he ov erhead pow erlines and i mprove s upply reliability t hrough minimising the impacts of vegetation, birds, animals and windborne objects on the overhead powerlines.

LV A BC is A urora's standard c onductor for any new LV n etworks and the replacement of existing LV networks unless the LV ABC is unsuitable, such as for long single phase spans. In this situation, bare overhead LV conductor is used.

Due to problems with installation leading to greater costs of installation, HV ABC is primarily installed in selective locations, such as heavily vegetated

areas or areas prone to wind and bird and animal affected areas to reduce the impact of these on the overhead system.

4.3.3 Covered Conductors

Covered C onductor differs from H VABC int hat H VABC is a fully s creen insulated cable consisting of three phases wrapped around a catenary wire while C overed C onductor (CC) is a single core unscreened self supporting cable with an XLPE insulation thickness of 2mm. If the insulation thickness is equivalent to that r equired for the rated v oltage it is termed C CT (Covered Conductor) T hick. H VABC is touch s afe while c overed c onductor, both C C and CCT, is not.

PVC is the predominant material used as the insulating cover on LV service cables.

Covered c onductors ar e pr imarily us ed f or t he ov erhead s ervice c ables connecting the customer's installation to the LV distribution network. There is a small amount of LV covered conductor used elsewhere in the system.

The use of covered HV conductors is being investigated as a cost effective solution as it has p otential to r educe the impact of v egetation, wind and wildlife on the ov erhead s ystem. H owever, there are c urrently in stallation issues to be overcome before it can be used in the system.

4.3.4 Pilot Cables and Fibre Optic Cable

Pilot cables are used for protection and control between various distribution substations within Hobart's central business district.

Fibre op tic c ables ar e us ed for protection and c ontrol b etween T ransend Networks' 110/ 33 k V s ubstations an d A urora E nergy's urban z one substations.

4.3.5 Earthing Conductors

Earthing conductors are used to connect non-current-carrying metallic parts of overhead system e quipment, such as pole mounted transformer tanks and switchgear operating handles, to the HV earthing system (refer Section 4.6). They provide a low impedance path for the flow of earth fault current into the ground for the reliable operation of protection devices, and they help to control voltage rises associated with faults.

4.4 Fixtures and Fittings

4.4.1 Insulators

The insulators provide an insulated means of attaching the conductors to the poles. The type of insulator, size and make used are dependent on the level of voltage of the conductors, the design requirements of the overhead line and various ex ternal i nfluences s uch as p ollution, w eather c onditions, a nd geographic location.

Generally HV and LV insulators are porcelain or glass and bolt to the cross arm or pole by the means of a steel pin or bolt.

4.4.2 Cross arms

Cross arms are used to connect the insulators to the structure and provide adequate clearance between conductors.

HV cross arms are steel while the LV cross arms are predominantly wooden.

HV cross arms are steel as it offers the structural integrity to withstand the high conductor load tensions and associated loads imposed.

LV cross arms are predominantly manufactured from timber as this medium is cost effective and offers insulation qualities to allow live line activities to be performed safely.

4.4.3 Conductor Fittings

Conductor fittings are used to secure conductors to their supports and for connections b etween c onductors. V arious t ypes of fittings are used depending on the size and type of conductor to be joined, the geographical and el ectrical I ocation w ithin the n etwork and el ectrical I oading of the conductors.

The g eneral methods of c onnection i nclude w elds, c ompression, bol ted o r tension methods.

Bare ov erhead c onductors ar e attached t o i nsulators us ing c onductor t ies. The ties are generally the same material as the conductor.

4.4.4 Fault Indicators

Fault indicators are mounted on conductors in strategic locations within the distribution system to aid in fault location. When the unit detects an ov ercurrent, a light on the unit starts flashing to allow an operator patrolling the line to see that the fault is down stream of that location.

4.4.5 Surge Arresters

Surge arresters are installed to prevent damage to equipment in the event of a direct lightning strike on the overhead system.

Generally surge ar resters are installed on s pecific equipment, such as pole mounted transformers, however the surge arresters may also be placed in the overhead system at strategic locations prone to lightning strike.

HV ABC installations and where underground cable connects to the overhead system are examples of locations where lightning arresters would be installed.

4.4.6 Bird Diverters

Swans, g eese, w aterfowl and other I arge bi rds c ommonly c ollide w ith conductors. Bird diverters are installed to make conductors more visible to birds. Birds cause over 400 outages a year on Aurora's distribution system.

4.4.7 Aircraft Warning Markers

Aircraft w arning m arkers ar e i nstalled o n c ertain ov erhead c onductors a nd equipment to warn ai rcraft pi lots a bout the presence of high o bjects. U nder AS/NZ 3891.1-2008 (reference 14) requires any conductor installed more than 90 metres above the ground or with a span length longer than 1500 metres to be m arked w ith A ircraft w arning m arkers. T his s tandard al so r equires any overhead line installed within specified limits of a CASA registered air port to be marked.

AS/NZ3891.2-2008 (reference 15) s pecifies t he r esponsibilities of pi lots regarding line marking.

4.4.8 Live Line Clamps

In the past, live line clamps were used to connect new transformers directly to HV feeders without requiring an outage. This connection was intended to be a temporary connection and to be changed to a 'D-clamp' at the next planned outage. However, records were not well kept of installations connected using live line clamps and many were not changed to D-clamps and it is estimated that there are approximately 10,000 live line clamps still connected (according to the WASP defect pool).

The connection of a live line clamp directly onto a live tensioned conductor can result in arcing, eroding individual strands of the conductor and greatly reducing its strength. The risk is greater for Galvanised Iron (GI) conductor as this arcing can remove the galvanising, which exposes the iron to moisture build up underneath the clamp. This results in corrosion of the conductor, which will lead to conductor failure or the fusing of the conductor to the clamp.

4.5 Structures

Structures provide support, insulation and adequate clearances between the overhead conductors, overhead switchgear and pole mounted transformers and the ground, vegetation and building infrastructure.

There are four main types of structure are used in the distribution system:

- 1. Wood poles (natural and treated);
- 2. Steel and concrete poles (commonly known as Stobie poles);
- 3. Spun concrete poles; and
- 4. Steel structures, including:
 - a. Steel lattice poles;
 - b. Steel lattice towers;

- c. Railway section (RSJ) steel poles;
- d. Round steel service poles; and
- e. Square section steel service poles.

Accessories associated with structures are:

- 1. Stays;
- 2. Stakes;
- 3. Pole Operating Platforms;
- 4. Fauna g uards (such as pos sum g uards, c attle/horse g uards a nd bi rd perches)
- 5. Anti-climbing barriers;
- 6. Easements and way-leaves; and
- 7. Access tracks.

There are some s tructures t hat are j oint us e with ot her s ervices s uch as communications cables and road lighting.

Table 5 details the types of structures installed in the system.

Table 5: Structures installed in Aurora's distribution system as at August 2010

Description	Number Installed (Aurora owned)
Wood (Natural) Poles	4540
Wood (Treated) Poles	197075
Steel and Concrete (Stobie) Poles	6617
Spun Concrete Poles	57
Steel Lattice Poles	1355
Steel Lattice Towers	177
Railway Section (RSJ) Steel Poles	234
Steel Service Poles	12849
Total	222,904

Figure 4 shows the age profile of the structures installed in the system.



Figure 4 Age profile structures

4.5.1 Wooden Poles

Natural Wood Poles

Natural wood poles come from an untreated eucalypt sourced from Tasmania. Aurora s ourced n atural w ood pol es w ere o f t he ' ironwood' (Eucalyptus siberius) s pecies pr ocured u nder c ontract from t he S t M ary's di strict u ntil 1994. These were originally sourced from old growth forest but in later years moved to regrowth.

It was soon discovered that regrowth wood had pole integrity issues due to an increased susceptibility to heart rot. This has resulted in historical failures of natural wood poles with a life as little as seven years.

Natural wood poles have no preservative and therefore the sap wood is prone to deteriorate very quickly especially below ground level. The sapwood is not included in the calculation of pole strength on these poles.

Copper-Chrome-Arsenate (CCA) Wood Poles

The treated wood poles us ed in the distribution system are harvested and treated I ocally. These poles are typically N atural D urability C lass 3 and 4 timbers (as per AS5604 Timber – Natural Durability Ratings), as there are no Natural Durability Class 1 and 2 poles grown within Tasmania.

Natural Durability Class 3 and 4 timbers are less dense and more prone to decay and have a shorter probably life expectancy than the Natural Durability Class 1 and 2 timbers typically used in mainland Australia.

The t reatment us ed on the p oles is pressure impregnated C opper-Chrome Arsenate (CCA). The average treatment applied has increased over time, as indicated in Table 6.

	Average Treatment (kg/m ³)	Minimum Treatment (kg/m³)
Pre-1970	10	6.5
1971-1980	12	8
1981-1994	15	10
Post-1994	24	18

Table 6: Level of CCA treatment

Wood poles are purchased with a metal pole cap attached over the top of the pole to reduce the ingress of water from the top of the pole through the pole centre assisting pole decay.

CCA w ood pol es ar e c onsidered to be c ost e ffective an d also a fford a significant insulation medium for bare overhead lines.

Analysis has been performed comparing the annual equivalent cost for Class 1 and 2 wooden poles, Class 3 and 4 wooden poles, concrete poles and steel poles. The analysis demonstrates that class 3 and 4 CCA wood poles are the most cost effective option for Aurora. R efer to NW-#30103252 Structures – Annual Equivalent Calculation (reference 13).

4.5.2 Concrete and Steel, Spun-concrete and Steel Structures

These types of poles or structures have a longer life than wood poles and require minimal maintenance other than the painting or regalvanising of the steelwork. However they have a higher capital cost are require more careful handling during installation than wood poles.

Additionally, steel and concrete poles require all conductive components to be earthed t o e nsure g reater pu blic s afety, ef fective pr otection and s afe operational activities while working on or near the pole.

They also require greater insulation considerations between the conductors and the structure, particularly in areas where bird and wildlife interactions are an issue.

Railway section (RSJ) steel poles are second hand railway steel sections that were used in the past for service poles, cross-over poles and private poles.

Steel section poles are predominately used as service poles on the LV system as they have a small footprint on the streetscape and are easily manhandled in difficult situations.

4.5.3 Stays

Poles and structures are graded by their ability to withstand the forces placed on them by conductors and pole mounted equipment. Where the nat ural strength of t he p ole or s tructure i s i nadequate t o w ithstand t hese f orces, additional measures such as stays and guys are used in conjunction with the pole or structure.

4.5.4 Stakes

Wooden poles deteriorate at a greater rate below the ground line than above. Thus, the above ground section may have many years of useful service left once the below ground section has deteriorated.

Stakes (or g round-line r einforcing) m ay b e i nstalled on w ood pol es t o strengthen the pole at and below ground level and prolong the service life of the pole by at least 15 years.

4.5.5 Pole Operating Platforms

Pole operating pl atforms pr ovide a s afe w orking pl atform for ov erhead l ine workers working on t he overhead s ystem. E levated w ork pl atforms also provide the same function.

4.5.6 Fauna Guards

Fauna guards are accessories installed on a structure to prevent animals and birds interfering with electricity assets and include:

- Possum guards;
- Cattle/horse guards; and
- Bird perches.

Possum g uards ar e installed o n w ooden poles c arrying uni nsulated H V conductors and equipment to prevent possums from climbing up the poles. When a pol e is s tayed, s tay s ighters ar e i nstalled o n t he s tay t o pr event possums from climbing the stay.

Cattle/horse guards are installed on stayed poles located in areas access by livestock to prevent the livestock from scratching themselves against the pole stay.

Certain birds such as raptors (Eagles, Hawks and Kites) tend to use poles and cross arms to perch and survey the surrounding area to hunt and prey. Bird perches are installed on steel poles to provide a safe location on the pole for the bird to land without risk of contact with live conductors.

4.5.7 Anti-climbing Barriers and Signage

Anti-climbing b arriers and s ignage ar e r equired for s teel I attice t ower t o discourage and prevent unauthorised access onto these structures.

ENA G uidelines for D esign and M aintenance of O verhead D istribution and Transmission Lines C(b)1 (reference 2), Section 8.4.3 requires that:

Provision shall be made on all climbable structures for the fixing of signage and dev ices to ensure the protection of the public from hazards associated with access to electrical works, and to provide public awareness of operational safety issues

4.5.8 Access Tracks

Due to the wide variety of terrain that Aurora's distribution network covers, the construction and maintenance of access tracks are vital to ensure Aurora's employees can safely access distribution assets for routine maintenance as well as emergency fault situations. Repairs to track surfaces and drainage structures enable safer travel with improved response times for outages.

There are also specifically designated clean and unclean sites, farms and areas with respect to weed and disease around the state. This heightens the need to exercise care when travelling between these areas with respect to the spread of weeds and disease. Without appropriate care, A urora's activities can contribute to the spread of weeds, such as gorse outbreaks in gorse-free areas within Aurora's easements.

4.5.9 Easements and Way-leaves

To ensure appropriate access for operational and maintenance activities on the overhead system and structures, specific easements and way-leaves are established to cover the route of the overhead line and access to and along that route. T hese eas ements ar e generally established f or the pur pose of distribution of electricity and its associated electrical infrastructure.

Not all easements or way-leaves have been placed on property titles, however the Electrical Transitions A ct 1 996 (reference 16) w as es tablished for easements existing prior to November 1996.

The E lectrical E asements A ct 2000 (reference 17) r atified t his ac t. A II easements p ost N ovember 19 96 are r equired t o be formally pl aced on property titles where the asset is owned by Aurora Energy and it crosses over private property.

4.6 Earthing System

Pole mounted t ransformers, H VI ightning ar resters and t he ex posed metalwork of al I H V equipment is c onnected t o a n earthing s ystem. The earthing s ystem is essential for maintaining personnel and public safety and for c orrect oper ation of pr otection eq uipment. T he fault I evel, protection clearing time and site soil resistivity dictate the extent of the earthing required.

The earthing system for overhead equipment is typically a series of earth rods driven into the ground and connected by copper conductor.

The earthing is of particular importance in maintaining supply and for safety with a S WER reticulation system as the earth is used as the return current path.

5. FACTORS INFLUENCING ASSET MANAGEMENT STRATEGIES

The principle factors influencing as set management strategies are classified as per objectives set out in Section 2.

5.1 Minimise Cost of Supply to the Customer

- Ensuring cost e ffective t rade-offs ar e made bet ween pr o-active an d reactive maintenance practices;
- Undertaking m aintenance ac tivities t hat cost e ffectively ens ure a reasonable service life is achieved from the asset;
- Capturing ad equate i nformation on the assets t o facilitate i nformed decision making;
- Pursuing m ore c ost effective o ptions t o r eplacements, s uch a s pol e staking; and
- Ensuring all risks are identified and have adequate management plans integrated into the business' practices.
- 5.2 Maintaining Network Performance
- Targeting as set m anagement ac tivities appr opriately t o t he di fferent parts of t he n etwork t hat hav e v arying i mpacts o n c onsumer s ervice levels to ensure that the most cost effective solution is achieved;
- Ensuring the general operational condition of the assets is maintained to an ac ceptable I evel f or r eliable function of s witchgear when r equired; and
- Targeting activities in areas where targets are not being met.
- 5.3 Managing Business Operating Risks
- Ensuring conductors maintain safe clearances to prevent contact;
- Ensuring assets do not start a fire in identified high fire risk areas; and
- Ensuring a dequate inspections are undertaken to minimise risk of pole or conductor failure.
- 5.4 Complying with Regulatory, Contractual and Legal Responsibilities

The f ollowing is a b rief description of t he s pecific r egulatory obl igations recently introduced that directly influence Aurora's management of overhead and structural assets.

A list of the legislation, regulations, standards and codes of practices directly relevant to the management of Overhead System and Structures is provided in Section 14.

5.4.1 Changes to the Occupational Licensing Act 2005

Changes to the Occupational Licensing Act 2005 (reference 18) that became effective on 1 9 J anuary 2009 r equire A urora t o b e c ompliant with C (b)1 (reference 2) i n t he construction and oper ation o f i ts di stribution net work. Before this date, C(b)1 was taken as standard industry practice for design and construction of distribution networks in Australia.

5.4.2 Sulphur Hexafluoride (SF₆)

Aurora c urrently has ov er 300 pol e m ounted s witchgear s ites w ith S F_6 insulation.

In recent times concerns with the impact this green house producing gas has on the environment has resulted in the introduction of requirements for the reporting and disposal of SF_{6} .

Aurora i s r equired t o c omply with T he N ational G reenhouse a nd E nergy Reporting A ct 2008 (reference 19), which s et out a n ational framework f or corporations t o r eport g reenhouse g as e missions and e nergy c onsumption and production from 1 July 2008.

Disposal o f S F_6 is managed i n ac cordance w ith A urora's E nvironmental procedure E W-M12-01 D isposal o f S F_6 (reference 20) w hich r eflects t he requirements of the N ational E nvironment Protection M anagement M easure (NEPM) and t he E nvironmental M anagement P ollution C ontrol A ct 19 94 (references 21 and 22).

5.4.3 Polychlorinated Biphenyls (PCBs)

Aurora manages PCBs in accordance with Aurora's Environmental procedure EM-M09 M anagement o f P CB's (reference 23), which r eflects the requirements o f the A ustralian and N ew Z ealand Environment and Conservation C ouncil (ANZECC) P olychlorinated B iphenyls M anagement Plan (reference 24). Both plans satisfy the legislative requirements of the TAS Environmental Protection & Pollution Act 1994 and the NEPM standards Act (references 25 and 26).

Polychlorinated biphenyls (PCBs) were used in transformers and capacitors amongst other things from the 1930s to the 1970s. However, they were shown to be toxic and carcinogenic and have been banned in Australia in the 1970s.

CONFIDENTIAL

As part of the routine switchgear maintenance, if as set records indicate that the status of the oil in a transformer is 'unknown' then a sample of oil is taken from the transformer for PCB testing. If the PCB test results indicate PCB

levels eq ual t o or g reater t han 50 p pm, t he t ransformer i s pr oposed for removal from the system.

- 6. MANAGEMENT PLAN
- 6.1 Treatment Trade-offs

6.1.1 Preventative versus Corrective Maintenance

There is a f undamental r equirement f or A urora t o per iodically i nspect i ts assets to ap propriately and effectively t arget pr eventative m aintenance programs and to ensure the physical state and condition of the asset does not represent a hazard to the public.

Other than visiting the assets, there is no other economic solution to satisfy this requirement. Land based inspection is the only practical way to monitor decay r ates in p oles, but t here are v arious monitoring t echniques c an b e utilised. Aerial and land based surveys of conductors, fixtures and switchgear are both possible.

Corrective m aintenance o n p oles i ncurs a c onsiderably hi gher cost t han preventative m aintenance, an d c an i mpact c onsumer s ervice I evels significantly. G iven t hat w eather c onditions ex ceed design s tandards from time to time, a portion of corrective maintenance is always expected. The key trade-off A urora m onitors i s t he c ost i ncurred i nspecting p oles v ersus t he premium incurred from corrective maintenance, and more importantly the level of impact on consumer service levels.

For s ome assets s uch as s urge ar restors and ov erhead L V A BC c ables, deterioration o f c omponents ar e v ery di fficult t o i dentify and/ or pr ovide preventative m aintenance s trategies. I n t hese s ituations corrective maintenance an d/or asset r eplacement i s c onsidered a v iable al ternative (subject to assessing fire and other risk factors).

6.1.2 Asset Replacement

Planned asset replacements are driven by condition based assessments from the Aurora's preventative maintenance programs. Where weather conditions are extreme, or third parties cause damage to overhead and structural assets, reactive replacements are required.

A key initiative Aurora employs to defer asset replacement is the practice of pole staking. This practice is believed to extend the life of the asset by up to and in excess of 15 years.

OH transformers and switchgear that are removed from the network due to other w ork ac tivities are all so as sessed for r efurbishment and s ubsequent redeployment back into the network.

6.1.3 Non Network Solutions

Consideration of mobile generation to minimise consumer disruption on failure of ov erhead as sets i s s ometimes a v iable al ternative t o i nvesting i n reinforcement and redundancy assets. The nature and scale of the connected load and consumer type are important when considering this alternative.

6.2 Preventative Maintenance Programs

6.2.1 Structures Inspection and Monitoring

Aurora's inspection and monitoring program consist of four components:

- 1. Inspection and testing of structures;
- 2. Sample inspection of steel towers;
- 3. Non-destructive evaluation; and
- 4. Graffiti removal agreements with external parties.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

Inspection and Testing of Structures

Inspection of structures is undertaken on a 3.5 year cycle in accordance with Network P olicy NN R A M 05 I nspection a nd M aintenance of D istribution Overhead Lines (reference 5).

The inspection cycle for other Australian utilities is currently a four to four and a half y ear cycle. The main reason for this difference is the class of wood used for power poles. The majority of poles installed on the mainland are of Class 1 and 2, which means that they are extremely dense and less prone to decay. Tasmanian timbers on the other hand are sourced locally and are of Class 3 and 4 timbers as there are no Class 1 and 2 grown within the state.

CONFIDENTIAL



CONFIDENTIAL

The results of the tests undertaken during this inspection determine whether a pole is:

- 1. Serviceable considered to be in an adequate condition to safely remain in service until the next pole inspection;
- Impaired not c onsidered t o be i n an a dequate c ondition t o safely remain i n s ervice unt il t he nex t p ole i nspection, but s uitable t o b e considered for staking (it may then be condemned if it does not meet the detailed staking criteria); or
- 3. Condemned not considered to be in an adequate condition to safely remain in s ervice until the next pole inspection and not suitable for staking.

To slow the rate of deterioration of wood poles, the application of boron pole saver rods and b andages to treat wooden poles for heart and soft rot are undertaken as part of the pole inspection program.

Figure 4 in Section 4.5 shows the age profile of wooden poles and identifies that going into the next determination period a large number of wooden poles move i nto t his r ange; s o i t i s ex pected t hat t hese p oles w ill need t o b e replaced.

CONFIDENTIAL

CONFIDENTIAL

As overhead lines and equipment are inspected as part of the pole inspection, the inspection cycle is a compromise between asset defect detection and pole condemning.

Appendix A.1 shows the age distribution of defective poles identified over the last decade s hows a pol e ag e of I ate 30 s t o ear ly 40s as t he av erage condemning/failure age for wooden poles.

In addition there are approximately 4500 natural wooden poles in the system, which have unpredictable characteristics and have been known to fail at early ages (under 10 years). These poles are all between 15 and 25 years old (at 2010).

CONFIDENTIAL

Future pole replacement will be based on:

CONFIDENTIAL

- 2. Age profile of current poles (Figure 4) with significant increases in poles greater than 40 years old during the determination period
- 3. Expected failure of n atural w ood poles, w hich ar e unpredictable and reaching their expected lifetime.

Sample Inspection and Treatment of Steel Towers

Aurora has a small population of extreme high voltage steel lattice towers in its system. The majority of towers were installed in the late 1950's and ar e approaching the end of their no minal as set life. A urora u ndertakes s ample inspections to monitor their c ondition for proactive m aintenance works and undertakes minor remedial action to defer replacement expenditure.

Major remedial action is undertaken under RESTK Reinforce Below Ground Portion of Tower Leg (Section 6.4.4).

In 2006, a dedicated inspection program (performed by Incospec of South Australia) assessed the condition of the legs as requiring remedial action. The above ground sections were found to be in good condition. Refer to Incospec report (reference 3).

Non-Destructive Evaluation

Current testing methods to detect the progression of the decay in wood poles are destructive (refer Network Procedure NP R AM 27.1 Pole Inspection and Maintenance (Part 1 – Wood Poles) – reference 6). Three holes are drilled near and below ground line to detect the level of decay. The below ground test holes require the removal of material around the pole, including concrete and paved surfaces.

Aurora is currently investigating non-destructive methods of testing as part of an industry wide initiative from the Energy Networks Association Power Poles and C ross Arms C ommittee. H owever, ben efits associated w ith non destructive technologies will need to be assessed against their cost to ensure that Aurora is investing in the most cost effective activity.

Graffiti Removal – Agreements with External Parties

Aurora has a policy of removing any graffiti that is offensive to the community namely if it is derogatory to a particular race or section of the community or depicts offensive w ords or dr awings. H owever, s everal c ommunity organisations and councils have a z ero tolerance to graffiti and lobby for the removal of all graffiti from Aurora assets.

To address this issue, Aurora has negotiated with the Hobart City Council to contribute \$5,000 per y ear t o t he c ouncil t o r emove g raffiti from Aurora structures and assets in the HCC environs.

Aurora also supplies material (such as paints) and supervision to the Police Young Offenders Program and various Progress Associations to assist in the removal of graffiti.

6.2.2 OH System Feeder Inspections

The overhead system contributes to over 60 per cent of total a sset failure contribution to Aurora's SAIDI and SAIFI. A ground and aerial auditing and inspection program is r equired t o al low A urora t o effectively t arget maintenance and replacement activities. This program covers activities such as:

- 1. Investigating outages caused by failures such as broken ties, insulation failures or conductor clashing;
- 2. Determining the condition of large lengths of the network within a tight time frame where there may be access issues for ground crews, such as after a storm or bushfires; and
- 3. Specifically g athering c ondition i nformation when as set failure t rends have been identified.

There has been a major change to this inspection program to improve the cost effectiveness of A urora's i nspection pr ograms. P reviously t here were f our separate inspection programs in place that were not utilised each year due to no business requirement or the utilisation of internal resources to undertake the inspections, which are no longer available.

Aurora has c onsolidated these pr ograms i nto a s ingle program w ith t he flexibility to target inspections. The proposed expenditure has decreased due to the efficiency gains.

6.2.3 OH Feeder High Vehicle Load Inspection

The hi gh I oad r oute i nspection pr ogram i s us ed t o ens ure A urora's infrastructure isn't damaged by transportation of high load, which is triggered by requests from the public. This task is generally undertaken by an A urora preferred c ontractor u nder the r equest of t he customer, h owever, A urora reserves a s mall amount of funds to address the infrequent situations when customers bypass this process.

The c ost of m aintaining t his s mall i nspection pr ogram to pr otect A urora's asset and the members of the public is seen as less than the cost to reactively repair the assets if damaged.

Aurora r ecords approximately 30 i nstances ev ery year w here t hird par ty vehicles contact/pull down overhead services.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.2.4 OH Transformers – Load and Condition Monitoring

This program covers the activities as sociated with testing and r ecording the load on pole mounted distribution transformers greater than 200 kVA and over 80 percent loaded for capacity planning purposes and the identification of load unbalance issues over the regulatory period. This also includes onsite/same time visual checks of the assets and connections.

CONFIDENTIAL

Condition i nformation enables A urora t o proactively r enew or m aintain t he assets, minimising the amount of reactive replacement.

The S ystem O perations g roup pr eviously managed t his pr ogram. This program has been in place for a number of years but has been underutilised in t he past. A urora pr oposes t o un dertake t his i nspection program t o determine the value of the information before assessing whether the program should be ongoing.

6.2.5 OH Feeders Thermal Inspections

This program covers the activities as sociated with testing and r ecording the conditions of the network using a thermal imaging device to identify potential weak spots, defects or constraints within the Network.

There are two components to this program:

- 1. Defined thermal inspections; and
- 2. General thermal inspections.

Defined Thermal Inspections

This program covers the annual use of external contractors to thermally image Aurora's critical feeders (feeders that contribute significantly to system SAIDI and SAIFI) and s ub-transmission feeders. These inspections are undertaken during the months leading up to the winter period, namely March through to June.

Thermal inspections are required to identify weak spots and defects on the critical c omponents of t he n etwork be fore as set failure s ot hat r eactive maintenance c an be undertaken with I ess disruption t o c ustomers and at lower cost.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

This program was previously managed by the System Operations group.

General Thermal Inspections

This program covers the use of Aurora's field staff to patrol lines with hand held t hermal i maging c ameras a fter faults and s witching ope rations on Aurora's n etwork t hat m ay hav e w eakened c omponents of t he ov erhead network.

These thermal inspections i dentify weak s pots and defects so that reactive maintenance c an be undertaken with I ess disruption t o c ustomers and at lower cost.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

This program was previously managed by the System Operations group.

6.2.6 OH Transformer Earthing Inspection and Monitoring

The aim of this program is to audit the condition of overhead substation and switchgear earth connections to improve Aurora's asset condition information and ensure compliance to AS 2067 Substations and high voltage installations exceeding 1 kV a.c and ENA EG 0 Power System Earthing Guide (references 27 and 28).

CONFIDENTIAL

This audit will al so i dentify sites for r eplacement where ear ths have be en stolen or v and alised. I n 09/ 10, A urora r ecorded ov er 50 s ites where transformer earths had been stolen or vandalised.

The proposed expenditure is g reater than h istorical s pend d ue to pr evious underutilisation of the program. Aurora sees the need to increase expenditure in the future due to the increase in earth thefts and to ensure compliance to AS 20 67 a nd E NA E G 0. A urora pr oposes t o un dertake t his inspection program to determine the condition of the assets to determine the scale of the replacement program.

6.2.7 Fire Mitigation Asset Inspections

CONFIDENTIAL

There are two components to this program:

- 1. Asset inspection of feeders in high fire danger areas; and
- 2. Audits of work completed on feeders in high fire danger areas.

Asset inspection of feeders in high fire danger areas

As the pole inspection process (refer Section 6.2.1) is focussed on the area immediately surrounding the pole and does not include a mid-span inspection, a specific fire mitigation asset inspection is undertaken annually.

The i nspection is all so und ertaken to specifically target as sets that are recognised fire start risks that may have been given a lower priority in the routine line inspection and to identify any asset component defects that may have occurred since the last routine inspection cycle

This inspection is undertaken by specialised staff and focuses on asset issues known t o c ontribute to fire s tarts. These i nspections feed i nto t he fire mitigation asset repair (refer Section 6.3.2) and r eplacement programs (refer Section 7.1).

For m ore d etailed i nformation on the s election of areas for t his i nspection program s ee N W-#30043347 *Management P lan B ushfire Mitigation (Asset Programs)* (reference 9).

Audits of work completed on feeders in high fire danger areas

This program is an annual au dit of the work completed as part of the fire mitigation as set repair and r eplacement programs to ensure the work has been completed within the required time frames.

This is a new inspection program to ensure the quality of A urora's fire mitigation works.

6.2.8 Access Track Management

There are two components to this program:

- 1. Access track maintenance; and
- 2. Weed management.

Access Track Maintenance

The aim of this program is to maintain access tracks to an adequate standard that Aurora staff can safely access Aurora's assets.

Experience w ithin A urora has s hown ex isting ac cess t racks need t o be maintained a pproximately every four y ears for opt imum cost v ersus be nefit and to stop them degrading to the stage where they require extensive works.

There are no m ajor changes to t his pr ogram h owever, t he pr oposed expenditure has increased compared to historical spend due to the increased number of access tracks requiring maintenance from the previous regulatory period.

Weed Management

There are specifically designated clean and unclean sites, farms and ar eas with respect to weed and disease around the state. Although Aurora has strict weed and disease management procedures in place when travelling between these areas, the aim of this program is to reactively address situations where Aurora's activities have contributed to the spread of weeds, such as gorse outbreaks in gorse-free areas within Aurora's easements.

This is a new program to address an emerging issue.

6.2.9 Leaning Poles

The aim of this program is to address the issue of leaning poles in Aurora's system. A pole is considered leaning, and is a r eportable defect when it is leaning more than 6° from vertical (or approximately four pole head widths out of vertical).

When a pole is leaning between 6° and 10° from vertical, there is a higher risk of c onductor c lashing, but t he pol e i tself is s tructurally s ound. A I ean of greater t han 1 0° i ndicates t hat t he foundations of t he p ole are potentially compromised and the pole may be in danger of collapsing.

Leaning wood poles are mainly due to problems associated with ground and foundation strengths, backfill medium, compactness at foot and heel of the pole and inadequate counterforce infrastructure (stays etc).

Between 2007 and 2009, an average of 227 leaning pole defects have been identified each year as part of the routine asset inspection cycle.

Currently a defect pool exists of 500 poles, and analysis of these defects has identified a r ate of a pproximately 150 n ew leaning per y ear ent ering t he system. T his c ategory of w ork was pr eviously done un der ov erhead asset repairs (AROCO), hence the backlog of defects d ue to other higher priority tasks being completed first.

6.2.10 Repair Steel and Concrete Poles

This program aims to repair the below ground section of direct buried steel and concrete poles. Steel and concrete poles (known as Stobie poles) are a composite p ole c onstructed of t wo s teel c hannel s ections hel d apar t by strategically positioned bolts with a concrete infill. They are strong in the major axis and very weak in the minor axis.

These p oles w ere i nstalled pr edominately f rom t he 19 50s t hrough t o t he 1970s. T hey ar e v ery e xpensive t o m anufacture a nd ar e s usceptible to corrosion at or j ust below g round I ine as the s teelwork i s g enerally onl y protected by enamel paint. However they can be repaired in situ by welding a steel plate across the affected area.

Repairing the below section of direct buried Steel and Concrete poles is cost effective as it will extend their lives by 15 to 20 years.

They are very good in fire prone areas but have a high bird interaction impact due to their conductivity.

They perform poorly in coastal environments where the salt laden air attacks the steel section above ground.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.2.11 Insulator Washing and Pollution Mitigation

The aim of this program is to prevent insulation break down of the overhead insulator due to pollution build up in high pollutant areas such as industrial areas or near the coast. R ain nor mally effectively cleans the insulators however, after a prolonged dry spell the insulation can start to break down, which can result in pole top fires.

CONFIDENTIAL

The proposed expenditure is g reater t han h istorical s pend d ue t o pr evious underutilisation of the program.

In recent years this program has been underutilised due to the work force not being fully trained to perform this task. New equipment and training has been provided t o c rews s o t his pr ogram c an be fully ut ilised. The an nual expenditure may vary year to year depending on the weather as this program is m ainly r equired w hen t here has been a l engthy dr y s pell (3-4 m onths without rain).

6.3 Corrective Maintenance

6.3.1 Decommission Assets

Aurora ow ned as sets f rom t ime t o t ime ar e decommissioned an d disconnected f rom el ectrical s ystem. The reason for dec ommissioning i s varied, but recently has been driven by a c hange of l and us e where a farm has been converted to a tree plantation. Aurora removes the assets from the network as I eaving t he as sets s tanding i ncurs ong oing c osts i n inspection treatment and vegetation clearing.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.3.2 Asset Repair – Fire Mitigation

This program is for the repair of minor asset defects that are known fire starts, such as r estraining s lack c onductors or i nstalling LV s preaders t o pr event conductor clashing, that are identified during routine asset inspections and fire mitigation asset inspections.

Defects that c annot be s imply r epaired und er the f ire mitigation as set replacement pr ograms (refer S ection 7.1). F or m ore detailed i nformation regarding de fects r epaired under t his pr ogram, s ee N W-#30043347 *Management Plan Bushfire Mitigation (Asset Programs)* (reference 9).

Replacements of EDO fuse tubes in high and very high fire danger areas have been r emoved from t his pr ogram d ue to a t argeted r eplacement pr ogram however, t he pr oposed ex penditure i s t o r emain c onsistent w ith hi storical spend as EDO fuse tubes are only a component of the program.

6.3.3 Oil Management

Aurora h as ov er 30,000 t ransformers and ov er 300 oi 1 filled s witchgear in service in the distribution system. Predominately 28,000 of these transformers are pole mounted, each containing oil quantities ranging from 45 litres through to 720 litres. When the assets reach the end of their useful life the oil has to be removed and disposed of.

Pole mounted and ground mounted oil filled assets are disposed of under this category d ue t o t he greater q uantities o f pole m ounted eq uipment bei ng processed annually.

Disposal of SF6 equipment is processed under Ground Mounted Substations Asset Repair Recovery and Disposal of Redundant SF6 Switchgear due to the larger volumes of SF6 insulated switchgear in the ground mounted system. See Management Plan 2011: Ground Mounted Substations (reference 1) for more information on SF6 disposal.

Aurora is required to dispose of oil and oil-contaminated assets in accordance with A ustralian Standards. This pr ogram funds A urora's O il F arms w ho manage the removal and disposal of oil from redundant oil-filled assets.

The primary objective is to recover oil from as sets that reached the end of their us eful life along with response to oil spills, test for PCB's and disposal according to environmental requirements (including obtaining per mits a nd arranging transport) and disposal of oil free equipment.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.3.4 OH System Asset Repairs

This program covers minor as set repairs that have been i dentified and have the potential to cause asset failure in the future or shorten the expected life of the asset. Public risk and reliability are the main drivers.

The majority of t hese d efects ar e r eported t hrough t he P ole i nspection program (AIOHS) and i nclude minor w ork i nvolving as set r epair s uch a s refixing I oose m aterial, r eplacing pos sum g uards, r epairing oper ating platforms, etc.

CONFIDENTIAL

Repair of leaning poles and r emoval of live line clamps have been removed from the as set r epair pool and are being addresses through targeted as set repair and as set r eplacement programs d ue to the large v olumes of these defects in the system.

CONFIDENTIAL

Aurora is also undertaking a review of its defect pool.

6.3.5 OH System Low Conductor Clearance

This program covers simple repair tasks such as the re-tensioning of slack spans of LV and HV conductor to address conductor clearance issues. Where a more complex solution is required (such as the installation of a pole), this work is undertaken as an asset replacement task (see sections 6.4.6, 6.4.24)

Aurora experiences approximately 30 i ncidents every year where third party vehicles contact/pull down overhead services.

CONFIDENTIAL

6.3.6 OH Switchgear Asset Repair

There are two components to this program:

- 1. General asset repair of overhead switchgear; and
- 2. Recloser and fault indicator maintenance.

General Asset Repair of Overhead Switchgear

This program c overs t he minor r epair of ov erhead s witchgear s uch as replacing terminations or air break switches, relocating switchgear, repairs to recloser pole top control cubicles, etc.

Replacements of EDO fuse tubes have been removed from this program due to the creation of a targeted replacement program to ad dress operational issues with the devices associated with corrosion, exposure and weathering.

The proposed expenditure is less than historical spend due to the creation of a targeted EDO fuse tube replacement program.

Recloser and Fault Indicator Maintenance

This program covers the replacement of battery units in the 1,300+ reclosers and fault indicators in Aurora's overhead network. The batteries on these units are des igned t o I ast for appr oximately five y ears. B attery s upply t o t hese devices is essential for communication and operation of the device during fault conditions when the network supply is off.

Aurora has experienced communication and operation failures to reclosers during extreme weather situations due to old batteries in the devices that have delayed the restoration of power.

The pr oposed expenditure is g reater t han hi storical s pend d ue t o m ore reclosers and fault indicators entering the system and approaching their five year battery life.

6.4 Asset Replacement

A number of key risks drive the need for a sset replacement in these as set classes.

6.4.1 Install Wildlife Protection on Transformers

This aim of this program is to protect overhead as sets from damage due to wildlife c ontact by i nsulating I ive c omponents and parts. The s eparation distances between conductors and pole top hardware are generally adequate to prevent current tracking down the pole to the ground. However, birds and animals oc casionally bridge this gap, resulting in phase-to-phase contact of the conductors and the electrocution and potential combustion of the animal.

This pr ogram is bas ed on as set failures and outage information. A urora records ap proximately 500 o utages claused bill rds and animals every year (includes mid-span collisions as well).

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.4.2 Replace Transformer Earths

The aim of this program is to proactively replace transformer earths that are in poor condition or damaged and reactively replace transformer earths that are stolen or vandalised.

The transformer earths to be replaced are identified through two sources:

- 1. Earths identified as being in poor condition through asset inspection and monitoring programs (AIOTX); and
- 2. Stolen copper earths (refer Section 6.2.9).

CONFIDENTIAL

CONFIDENTIAL

2009/10 and onwards has seen a significant increase in the amount of copper earth thefts. As a result sites targeted by copper thieves now have the earths covered and s tapled to the pole when they are replaced. Records of copper theft from previous years are variable as this was not an area of focus for the business.

The proposed expenditure is g reater t han h istorical s pend d ue t o pr evious underutilisation of t he pr ogram and t o address t he i ssues around e arthing theft a nd v andalism. A urora pr oposes t o undertake t he t ransformer e arth inspection pr ogram (section 6.2.6) to determine the condition of the as sets, identify sites for repair and the future scale of this program.

6.4.3 Access Track Creation and Rebuilding

The aim of this program is to a ddress situations where the condition of a n access track is so poor that it cannot be safely used without major repairs, such as rebuilding river crossings, or where no existing access track exists.

Aurora's t rack m aintenance pr ogram pr ior t o t he 20 08-2012 P ricing Determination was insufficient and, as a result, a number of established tracks were lost due to overgrown vegetation and erosion from waterways. Extensive work was under taken during t he 2 008-2012 P ricing D etermination t o b egin rebuilding t hese t racks and ad ditional t racks for new s ections o f the distribution network. This work is still ongoing.

This program has been in place for a number of years but as part of Replace HV Feeders (Safety) (section 6.4.22).

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.4.4 Pole Staking

There are two components to this program:

- 1. Install pole stake reinforce ground line of unserviceable poles; and
- 2. Reinforce below ground portion tower leg.

Install Pole Stake – Reinforce Ground Line of Impaired Poles

The pur pose of t his pr ogram is t o de fer r eplacement of p oles by s taking suitable p oles. As wooden p oles deteriorate at a greater r ate b elow ground level than above reinforcement at ground level using staking technique defers the replacement of the decayed wood pole by up to and in excess of 15 years.

Whole of life analysis has indicated that staking is a cost effective method of extending the life if a wooden pole (reference 7).

Wood p oles are s taked as per N etwork P olicy NN R A M 11 W ood p ole reinstatement by ground-line reinforcement (reference 8).

After s taking, t esting o f t he p ole c ontinues on t he us ual 3 .5 y ear c ycle, however addi tional t esting i s under taken f urther up t he pol e t o ens ure appropriate strengths are maintained above the reinforcement.

Analysis of the number of poles staked each financial year show that after a decrease in 2 005/2006, there has been a relatively constant trend of pole staking i n s ubsequent y ears. T his i ndicates t hat t he d efects are being appropriately m anaged and t he i nspection c ycle i s pr udent. T he r ise in condemning pol es w ill al so i nclude a c ertain p ercentage of t he s taked population, which is contributing to the increase in that trend.

There are no major c hanges t o t his pr ogram and expenditure in t he n ext regulatory period is based on an assumed continuation of a constant staking rate a nd an ex tra 5 0 pol es p er y ear t o a ccount for both t he continuing increase o f the pole po pulation a nd a n ex pected i ncrease i n de fect identification.

Defect identification will increase due to a large number of poles moving into the higher risk portion of the age profile during the determination period.

Reinforce Below Ground Portion Tower leg

The aim of this program is to undertake major remedial works on the below ground portion of Aurora's extreme high voltage steel towers. As with wood poles, s teel towers d eteriorate b elow g round at a faster r ate t han ab ove ground.

The remedial action proposed is the replacement of the below ground section of the legs. The alternative is to replace the entire steel tower structure, which is v ery c ostly. T he r emedial action c osts o nly a fraction of t he amount t o replace the entire tower and extends the life of the tower in the order of twenty to thirty years.

This program has been in place for a number of years but was underutilised and the issues that were raised by the inspection undertaken in 2006 largely unaddressed. Aurora proposes to re-run an inspection to determine the extent of remedial work (section 6.2.1).

6.4.5 Install Anti-climbing Barriers and Signage

The aim of this program is to install a nti-climbing barriers and s ignage on certain types of overhead equipment to deter public access to a ssets a nd comply with C(b)1 (reference 2).

The program is prioritised is based on proximity to the general public. An audit is c urrently under way (2010/11) t o det ermine t he s cale o f t his pr ogram however i t i s not ex pected t hat t here w ill be any m ajor c hanges t o t his program and the proposed expenditure is to remain consistent with historical spend.

Aurora aims to achieve full compliance by 2016/2017.

6.4.6 Replace/Relocate Low LV Conductors

This program covers the relocation or replacement of LV overhead conductor to address low clearances associated with road crossings and plant contact that c annot be repaired un der t he r eactive m aintenance pr ogram (section 6.3.5) such as the installation of a pole to fix the clearance issue.

Aurora experiences approximately 30 i ncidents every year where third party vehicles contact/pull down overhead services.

CONFIDENTIAL

6.4.7 Replace/Relocate LV OH due to Building Clearances

This program c overs r elocation or r eplacement LV ov erhead c onductor because o f i ssues w ith bui lding c learances e.g. when new bui ldings are erected that infringe on Aurora's clearance, that cannot be repaired under the reactive maintenance program (section 6.3.5).

This program has two components:

- 1. Relocating or replacing with LV ABC; and
- 2. Replacing with underground cable.

Aurora experiences approximately 30 i ncidents every year where third party vehicles contact/pull down overhead services.

CONFIDENTIAL

6.4.8 Replace LV Links with LV Fuses (Fuse Reach)

The ai m o f t his pr ogram i s t o pr oactively e valuate and r edesign/repair substandard LV sites to ensure that under fault conditions the LV network is appropriately protected. This can be either through replacing LV links with LV fuses or redesigning the system due to overly long runs of LV.

CONFIDENTIAL

CONFIDENTIAL

Aurora records approximately 100 outages caused by or related to LV fuses every year.

The pr oposed expenditure is g reater t han historicals pend due to underutilisation of the program. The program has previously been m ainly reactive due to the data available at the time, going forward A urora has reviewed its LV F use R each M anagement P lan to proactively ad dress this issue.

6.4.9 Replace LV feeders due to Safety

The aim of this program is for the replacement of sections of LV feeders that, whilst they comply with the standard of the day they were installed, present a risk to public safety, such as LV running through areas of changed land use (plantation t o ag riculture), or v ertical LV s pans that hav e a higher r isk of clashing due to excessive span length.

The proposed ex penditure is g reater t han historicals pend due to underutilisation of the program. This program has been underutilised in the past due to the work being completed under other work categories.

6.4.10 Replace LV Feeders due to Condition

This program is for replacement of poor condition or substandard construction LV feeders as identified through Aurora's asset inspections and audits.

CONFIDENTIAL

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.4.11 Pole Replacements

Wooden poles, whether natural or treated, are prone to natural deterioration. Soft rot attacks the outside of the pole and occurs from the ground line to a depth of 300 to 400 mm below the ground. Heart rot is a fungal attack on the interior of the pole and generally occurs within 300mm of the ground line.

The rate of wood pole deterioration depends on the species of timber, the initial preservative treatment, installation location, soil conditions, method of inspection, drilling, ex cavation and r einstatement. Decay oc curs when bot h moisture and oxygen are present.

This program has two components:

- 1. Replace condemned pole; and
- 2. Replace Poles MRBA Storms

Replace Condemned Pole

The aim of this program is to replace poles that are classified as condemned by Aurora's pole inspection program (refer Section 6.2.1). These condemned poles require replacement within a set period not exceeding 4 months.

The driver for this program is public safety. A urora is responsible to ensure that a pole at the end of its life is removed from service before it fails.

Approximately 25% of impaired poles are replaced the others are staked. The volumes ar e bas ed on hi storical da ta an d c ondition i nformation t hat i s gathered about the poles during audits (safety factor, amount of rot).

There are no major changes to this program and expenditure in the next regulatory period is based on the:

- 1. Current trend of condemning poles; and
- 2. Age profile of current poles with significant increases in poles >40 years old during the determination period

Replace Poles MRBA (extreme events such as storms)

This is a r eactive work pr ogram to c over the c apitalisation of pole replacements undertaken under fault during major events such as during a storm or bushfire.

The work is initially performed under the fault and emergency budget and later transferred to this program.

This is a pre-existing program and there are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.4.12 Replace HV Copper Conductor

The aim of this program is to remove substandard condition copper conductor from the overhead system.

CONFIDENTIAL

CONFIDENTIAL

Analysis of conductor failures (reference 4) has shown that the percentage of copper conductor failures in the network is higher than any other conductor type. C opper c onductors m ake up 1 5% of t he t otal failures while only representing 8.6% of total conductors.

CONFIDENTIAL

This program has been in place for a number of years but as part of Replace HV Feeders (Safety) (section 6.4.22).

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.4.13 Replace HV Galvanised Iron (GI) Conductor

The aim of this program is to remove substandard condition GI conductor from the ov erhead s ystem and t o r eplace s ections o f ov erhead G I c onductor around coastal areas.

CONFIDENTIAL

Galvanised I ron (GI) c onductor c ame i nto s ervice i n t he 1 940s. A urora stopped installation of single s trand No. 8 GI in the 1970s and the imperial 3/12 GI was replaced with the metric 3/2.75 GI around 1976, which is the present day Aurora standard for rural conductors.

C(b)1 (reference 2) rates GI as a very poor conductor in marine environments. When s ubjected t o wind bor ne s alt s pray and s ea fogs c ontaining s alt contaminants that form s alt c rystals when deposited on steel c onductors. A galvanic cell is formed and removal of the zinc coating results over time. Once

the z inc c oating has been r emoved, s evere c orrosion of the s teel r esults leading to loss of mechanical strength and eventual conductor failure.

The r isk of pu blic s afety as a r esult o f c onductor failure i n m arine environments is exacerbated by the fact that most of these conductors are at the end of long feeders and the ground has a high resistance (sand) making it highly probable that the protection will not see the event as a fault and isolate the line.

CONFIDENTIAL



This is a pre-existing program and there are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.4.14 Transformer Replacement Programs

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

_

CONFIDENTIAL

6.4.15 Replace Transformer 'H'-pole structures

CONFIDENTIAL

The replacement solution is single pole substation or may have to move to a ground mounted substation if the load is large.

There are no major changes to this program but the proposed expenditure is larger due to targeting more structures.

6.4.16 Switchgear Replacement (REOHS)

This program has 6 components:

- 1. Replace ABS/HV Links;
- 2. Replace complete EDO at site (due to obsolete equipment);
- 3. Replace EDO fuse tubes;
- 4. Replace EDO with Boric Acid (to address high fault levels);
- 5. Replace LV links with fuses (to address public safety); and
- 6. Replace OH switchgear Replace sectionaliser (ABB and AK).

Replace ABS/HVLinks

The aim of this program is to replace air break switches and HV links that are in poor c ondition as i dentified during A urora's as set inspection programs, replace devices that fail in service or replace devices where other business drivers require a three phase switching device or high current switching.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

Replace Complete EDO at Site Due to Obsolete Equipment

This program is related to the HV EDO fuse tube replacement program and is required when the existing fuse carrier cannot accept the current fuse tubes, or the EDO unit is in a poor condition.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

Replace EDO Fuse Tubes to Ensure Correct Operation

The aim of this program is to ensure that EDO fuse tubes operate correctly and do not start fires. EDOs fuses in poor condition have a tendency to hang up and consequently cause fires.

Aurora r ecords approximately 200 outages w here H V fuses o perate as protection every y ear. In 2 009/10, HV s witchgear c ontributed 5 minutes (8 percent) and 0.05 interruptions (9 percent) t o t he t otal asset r elated failure SAIDI and S AIFI c ontribution o f 62 minutes and 0.51 i nterruptions. T he majority of these HV outages were caused by HV EDO fuses.

This is a new program to address an emerging issue. The aim of this program is to ensure that by 2020 there are no EDO fuse tubes in the system that are greater than ten years old. Ten years was chosen as the preliminary asset life of the fuse tubes for replacement however, condition monitoring of new tubes will be undertaken to determine whether this life span is valid.

This program covers fuse tubes outside of the fire danger areas.

Replace EDO with Fire Safe Alternatives (such as Boric Acid) to Address High Fault Levels

The aim of this program is to address the issues associated with EDO fuses operating in high fault level areas and expelling molten metal through the replacement of the complete EDO unit with a new boric acid fuse unit.

A review of the protection on Aurora's distribution system undertaken by Hill Michael Consulting in 2010 (reference 10) recommended that the EDO fuses should not be installed in areas where the fault level is greater than 2kA to limit the risk of starting fires under operation of the device.

It is proposed to replace control stations that in areas of high fault levels (>6 kA) with fire safe alternatives, such as boric acid fuses. Boric acid fuses only expel gases and not plasma and p articles like EDOs, are more resilient to lightning strikes and do not 'hang up' like EDOs.

This is a new program to address an emerging issue and covers sites outside of fire danger areas. There is a separate program to address this issue inside fire danger areas.

6.4.17 Replace LV Links with Fuses to Address Public Safety

The ai m o f t his pr ogram i s t o r educe t he r isk as sociated w ith c ircuits connected by LV links by replacing the LV links on transformers with an LV fuse sized to the size of the transformer – there is no design component to this work. This ensures there is some form of protection on the circuit.

This program is r elated t o the F use R each P rogram (refer S ection 6.4.8) which al so ai ms to r educe the r isk as sociated with LV I inks and fuses. However, this program differs from the Fuse Reach Program in that the Fuse Reach Program requires the fuse to be sized to the LV circuit it is connected to (and not the transformer), which requires a design component to analyse the LV circuit.

This is a new program that seeks to reduce the risk of the site until a proper analysis c an be u ndertaken u nder t he F use R each P rogram. Sites will be prioritised s o t hat s ites ne ar v egetation, I arge t ransformers and new transformers are replaced as it is expected that older transformers will have the links replaced with fuses when the transformer is replaced.

6.4.18 Changeover/Upgrade Service on Telstra Poles (RESTE)

This program c overs t he upg rade a nd r econfiguration o f any LV t hat is attached to Telstra owned poles and, if major work is required or a pr oblem exists with the pole, Aurora will negotiate transfer of ownership of the asset.

While t hese pol es are m aintained appr opriately, upgrades an d reconfigurations may occur in which Aurora-owned LV or other assets are to be attached to the Telstra pole. In such cases Aurora takes over ownership of the pole s o the appropriate standards and policies can be applied to it with regard to installation, access inspections and maintenance.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.4.19 Replace Recloser & or Control Box

This pr ogram c overs t he r eplacement of reclosers i n A urora's ov erhead system due to the condition of the asset. Aurora's current reclosers only have a manufacturer assessed asset life of 20 years. Replacement of reclosers will be undertaken based on c ondition as sessments a nd as driven by ot her business drivers.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.4.20 Replace HV Insulators

The pr ogram t o r eplace H V i nsulators ai ms t o r eplace i nsulators i n p oor condition that have been identified during asset inspections.

Porcelain or g lass i nsulators ar e s usceptible t o c racking, c hipping an d breaking (e.g. as a result of vandalism - shooting or rock throwing). When this occurs there is a breakdown of the insulating properties and capability of the insulator leading to current tracking from the insulator to ground, failure of the asset and network protection operating.

Older brown coloured 22 kV insulators that may develop a breakdown of the insulation properties and cause current tracking from the conductor through

the pole to earth un der c ertain c onditions. When t hese i nsulators are identified during maintenance work they are replaced and disposed of.

Pollution s uch as s alt, di rt, mineral d ust from ar ound i ndustrial and mining sites, can cause a br eakdown in the insulation property of the insulator and cause c urrent tracking from t he c onductor t hrough t he pol e to e arth under weather c onditions d uring I ong dr y s pells. Washing, c leaning or applying pollution deterrent products can reduce the impact.

In salt environments, coastal regions, where salt pollution is present, rusting and ex pansion of t he insulator mounting pi ns c an c ause c racking or deterioration of the porcelain insulators.

CONFIDENTIAL

The proposed ex penditure is g reater t han hi storical s pend d ue t o A urora proposing to increase t he importance of t his program due t o data a nalysis indicating HV insulators to be a prominent cause of outages and pole top fires.

6.4.21 Replace/Relocate HV due to Vegetation Issues

The ai m of t his program is to addr ess t he issue of high vegetation maintenance costs in certain areas. Historically, there have been cases where it is more efficient to relocate assets around vegetation rather than managing the vegetation near the assets such as areas where vegetation is protected (national p arks) or w here t here are c ommunity or e nvironmental considerations or w here t here ar e on erous v egetation management requirements due to bushfire risk management.

This program has been in place for a number of years but as part of Replace HV Feeders (Safety) and Fire Mitigation asset replacements.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

6.4.22 Replace HV Feeders (Safety)

This program covers situations where spans of HV conductors are required to be moved or replaced because their location or condition poses a safety risk. The safety issue is resolved by relocating, undergrounding or augmenting the HV conductor.

Historically this program has included the copper and GI conductor, however replacement of these conductors has been moved into separate programs to allow for targeted replacements.

The pr oposed ex penditure of t his pr ogram, t he r eplacement of c opper conductor and the replacement of GI conductor is to remain consistent with historical spend.

6.4.23 Replace HV Live Line Clamps (Safety)

The aim of this program is to replace HV live line clamps with D Clamps.

CONFIDENTIAL

This is a new program to address the size of the defect pool and the risk of conductor failure.

6.4.24 Replace/relocate HV OH (Low Clearance) (REHCR)

This program covers the relocation or replacement of HV overhead conductor to a ddress I ow clearance associated with road crossings and pl ant contact that c annot be r epaired un der t he r eactive m aintenance pr ogram (section 6.3.5) such as the installation of a pole to fix the clearance issue.

Low HV conductors pose a significant public safety risk and are addressed as soon as possible.

CONFIDENTIAL

There are no major changes to this program and the proposed expenditure is decreased compared to historical spend.

- 7. SPECIFIC ISSUES
- 7.1 Fire Mitigation

CONFIDENTIAL

Based on anal ysis of Aurora's asset fire starts (reference 12), this program has three components:

1. Replacing EDO fuse tubes at transformer sites in high and very high fire danger areas;

- 2. Replacing E DO fuses with f ire s afe alternatives (such as Boric A cid fuses) at control stations in high and very high fire danger areas; and
- 3. Undertaking bus h fire m itigation w orks on H V and L V ov erhead conductor in high and very high bushfire areas.

For m ore detailed information r egarding each of t hese programs, s ee NW-#30043347 *Management P lan B ushfire M itigation (Asset P rograms)* (reference 9).

There have been changes to the focus of this program following analysis of asset fire starts and the proposed expenditure is greater than historical spend to reflect this change.

7.2 Endangered Species

The s eparation distances bet ween t he c onductors a nd c omponents of t he pole t op ar e g enerally sufficient to prevent current flowing ont o the p ole or structure and down to the ground. However, there are birds and animals that inadvertently bridge this gap and are electrocuted causing electrical protection to operate and thus affecting supply to customers.

Ground animals such as possums climb on to poles and birds such as swans, geese, w ater fowl, r aptors and c rows c an c ollide w ith p ower I ines. O n collision, t hese ani mals w ill get el ectrocuted a nd s ometimes pr otection systems will operate to de-energise the line, which can cause interruption of supply to customers.

Bird collisions are more likely to occur where power lines are erected across flight paths, from roosting or nesting areas to feeding areas. Other high risk areas are close to bushland.

Certain birds like eagles, hawks and kites tend to use poles and cross arms to perch and survey the surrounding area to hunt and prey. Poles located on the brow of a hill ov erlooking w ide g rassy ar eas or op posite w ater ar e v ery probable perching sites. Also, poles situated in flat open areas where the pole is the only tall structure.

Aurora has an agreement in place with the Department of Parks and Wildlife to i nstall bi rd per ches an d i nsulate t he tops of s teel I attice t owers i n endangered species nesting areas to reduce the risk of electrocution. Areas and p oles for t reatment ar e i dentified i n conjunction w ith t he Department before work is undertaken.

8. **REVIEW OF HIS TORICAL PRACTICES**

Aurora's as set management practices on the overhead and structures as set classes have been stable for a number of years. However, although there is a robust condition b ased replacement process for structures, condition based replacements of overhead assets can be improved. Better understanding of the condition of the overhead assets is required; hence the historic inspection process will be reviewed to support this.

Review of op erational ex penditure on t he overhead a nd s tructures as set classes has shown that asset repairs on the overhead system are increasing at an unsustainable rate. The main contributor to this appears to be Aurora's spending on as set d effect r epairs, pr ompting a r eview of A urora's de fect management pr ocesses. S tructures o perational ex penditure r emains f airly stable albeit slowly increasing with the increasing number of assets.

Review of capital expenditure on the overhead and structures as set classes has s hown t hat overhead c onductor r eplacement du e t o c ondition has increased significantly. However, the impact of these replacement programs can be s een i n A urora's s ystem per formance w ith a dec rease in t he contribution of conductor related outages.

Unfortunately connection failures, insulator failures, switchgear and pole top fires remain fairly consistent. These failures are the driver for a number of new focuses.

9. PROPOSED OPEX PLAN

It is proposed to continue the current asset management practices without significant c hange ho wever, t o f ocus more ef fort on as set i nspections to improve our understanding of the condition of overhead assets.

Table 12 shows the 2009/10 actual OPEX spend on the overhead asset class, the pr oposed 2 010/11 s pend a nd t he pr oposed O PEX s pend in t he next regulatory period.

	2009/10	2010/11	2012-2017
	Actual	Proposed	Proposed
Asset Inspection	0.2	0.7	0.4
Maintenance	0.5	0.6	0.9
Repair	3.8	3.2	2.9

Table 12 Overhead Asset Class OPEX Spend (\$M)

The differences in expenditure in Table 12 are due to:

- Efficiencies and refinements of the asset inspection programs leading to a decrease in asset inspection spend;
- Increase in the amount of track maintenance being undertaken leading to an increase in maintenance spend; and
- The r emoval o f s ome asset r epair pr ograms i nto ot her t argeted programs leading to a decrease in asset repair spend.

Table 13 shows the 2009/10 ac tual O PEX s pend on the s tructures as set class, the proposed 2010/11 spend and the proposed OPEX spend in the next regulatory period.

	2009/10	2010/11	2012-2017
	Actual	Proposed	Proposed
Asset Inspection	4.2	3.6	3.8
Maintenance	0.0002	0.02	0.2

Table 13 Structures Asset Class OPEX Spend (\$M)

The differences in expenditure for the structures asset class in Table 13 are due to the creation of new leaning pole program leading to an increase in maintenance.

10. PROPOSED CAPEX PLAN

Figure 5 below shows the out puts of a capital expenditure model for the overhead s ystem, t aking i nto ac count c ondition, r isk and ag e. T he m odel forecasts capital investment of \$480M over the next regulatory period, using Aurora's chosen asset lives. Using the regulated asset life of overhead lines increased the forecast capital expenditure to \$650M.

Aurora's proposed capital expenditure for the next regulatory period is \$70M.

This spend is significantly less than the model forecast due to Aurora's risk and condition based approach to asset replacement and maintenance, which is targeting specific asset failures as opposed to doing a general replacement.



Figure 5 Overhead System CAPEX Model Output

Table 14 shows the 2009/10 actual CAPEX s pend on the overhead as set class, the proposed 2010/11 s pend and the proposed CAPEX s pend in the next regulatory period.

	2009/10	2010/11	2012-2017
	Actual	Proposed	Proposed
Conductors - LV (condition)	1.3	1.4	0.9
Conductors - HV (condition)	5.8	3.9	3.2
Conductors - Compliance	2.3	2.7	2.4
OH Switchgear	0.4	0.8	1.3
OH Substations	3.1	3.7	2.4

Table 14 Overhead S	System CAPEX	Spend (\$	5M)
---------------------	--------------	-----------	-----

The differences in expenditure in Table 14 are due to:

- Efficiency i mprovements i n w ork s cheduling and t asks I eading t o a n overall decrease in all CAPEX programs;
- An increase in the switchgear program to address operational and fire start issues with HV EDOs.

Figure 6 below shows the out puts of a capital expenditure model for the structures asset class, taking into account condition, risk and age. The model forecasts capital investment of \$290M over the next regulatory period.

Aurora's proposed capital expenditure for the next regulatory period is \$49M.

This spend is less than the model forecast due to Aurora's risk and condition based approach to asset replacement and maintenance that has shown the number of pole failures in service in not increasing.



Figure 6 Structures CAPEX Model Output

Table 15 shows the 2009/10 actual CAPEX spend on structures, the proposed 2010/11 spend and the proposed CAPEX spend in the next regulatory period.

	2009/10	2010/11	2012-2017
	Actual	Proposed	Proposed
Pole replacement	7.8	6.4	7.1
Pole staking	1.7	1.4	1.4

Table 15 Structures CAPEX Spend (\$M)

The differences in expenditure in Table 15 are due to a forecast increase in pole replacements due to aging pole population.

11. CAPEX-OPEX TRADE OFFS

Structures:

Inspection OH - (& treatment) Structures (3.5 year cycle) (OPEX) has a direct impact on R eplace Condemned P ole (CAPEX) and I nstall p ole s take - Reinforce g round I ine of uns erviceable pol es (CAPEX). B y inspecting the poles r eplacements can be made bas ed on c ondition and p reventative treatment can be applied to prolong the life of the poles.

Sample inspection and treatment of steel towers (OPEX) and R epair Steel & Concrete Poles (OPEX) have a direct impact on Maintenance OH - Reinforce below ground portion Tower leg (CAPEX).

Overhead:

Asset inspection of f eeders i n hi gh f ire d anger ar eas (OPEX) and A sset Repair - Fire Mitigation (Restrain conductors, install spreaders) (OPEX) have a direct impact on Undertake HV and LV overhead conductor fire mitigation works in very high and high fire danger areas (CAPEX). Inspections are performed so work can be undertaken on defects based on priority that have potential to start a fire over the upcoming fire season. By undertaking asset repairs such as restraining conductors it defers the capital costs of replacing conductors.

Asset R epair O H Switchgear (OPEX) has a di rect i mpact on R eplace O H Switchgear - Replace sectionaliser - ABB and AK (CAPEX). By undertaking asset repairs it can defer the capital costs of replacing the switchgear.

Maintain OH Switchgear- Reclosers and Fault Indicators (OPEX) has a direct impact o n R eplace N ulec R ecloser & or C ontrol B ox (CAPEX). B y undertaking m aintenance on r eclosers a nd f ault i ndicators it c an de fer t he capital costs of replacing them.

Maintain Access Track (OPEX) has a di rect impact on Access Track Create and Rebuild (CAPEX). By maintaining access tracks it reduced the need to recreate the tracks for future access.

OH T ransformers i nspection & monitoring (earthing) (OPEX) has a di rect impact o n R eplace T ransformer E arths (CAPEX). T his al lows A urora t o replace transformer earths bas ed on condition rather t han age. This is for safety and to remove the risk of the unnecessary replacement of earths.

Insulator w ashing & pollution m itigation (OPEX) has a di rect i mpact o n Replace HV Insulators (CAPEX). A Ithough the main driver behind insulator washing is to prevent pole-top fires, by washing insulators in areas of pollutant build u p i t pr olongs t he I ife of t he i nsulators de ferring t he c apital c ost of replacement.

OH s ystem f eeder inspections (switchgear, c onductor, feeder - aerial and ground) (OPEX) and OH System asset repair (defects) (OPEX) have a direct impact on t he following C APEX pr ograms; R eplace H V F eeders (Safety), Replace LV Fdrs (safety),

Replace LV Feeders (Substandard), Replace LV links with fuses to address public s afety, R eplace Transformers (leaking/condition), R eplace Transformers Neutral

Replace HV Live Line Clamps (Safety), and Replace all complete EDO at site due to obsolete equipment. By undertaking feeder inspections replacements can be made based on condition and where appropriate repairs can be made on defects to defer the capital costs of replacement.

12. ASSET MANAGEMENT INFORMATION

Aurora m aintains r ecords o f ov erhead as sets t hrough t he p eriodic r outine testing a nd i nspection pr ograms pr oviding t he following i nformation. The equipment details and attributes are predominantly recorded within FRAMME / WASP. These bei ng t he t wo integrated as set m anagement s ystems,

however there are smaller data-sets in MS Access and Excel that currently store other information relating to the asset and its condition.

Recorded information includes:

- Identification number (unique identifier),
- Location / site / geographical details;
- Asset / equipment details (size, make, model, type, rating, installed date;
- Equipment attributes and operational numbering;
- Operational de tails (connectivity, pr otection and eq uipment s ettings, number of operations trips, trip and lockouts etc)
- System performance details (reliability, causes, power quality recorded data etc);
- System monitoring information / data (load cyclic, maximum demand, load balance);
- Asset condition data and remaining residual life (general and limited);
- Oil condition, contamination levels;
- Age of asset and components, installed / refurbished date;
- Age of related equipment;
- Unit rates or agreed costs i.e. inspection, treatment refurbishment and replacement costs;
- Maintenance details / action;
- Maintenance program progress; and,
- Maintenance history (general and limited).

Data t o a nd from t he f ield is m anaged el ectronically enabling frequent updating of the data in our integrated GIS and asset database.

13. **RESPONSIBILITIES**

Maintenance an d i mplementation of t his m anagement pl an i s t he responsibility of the Thread Leader – Overhead System and Structures.

Approval of this management plan is the responsibility of the Group Manager – Asset Performance and Information.

- 14. **REFERENCES**
- 1. Management Plan 2011: Ground Mounted Substations (NW-#30160765)
- 2. ENA G uidelines for D esign and M aintenance of O verhead D istribution and Transmission Lines (C(b)1)
- 3. Incospec Needles Tower Line inspection 2006 (NW-10238018)
- 4. REGMI Replace GI Failure Analysis (NW-#30098436)

- 5. Network P olicy: I nspection a nd M aintenance o f D istribution O verhead Lines (NN R AM 05)
- 6. Network Procedure: Pole Inspection and Maintenance (Part 1 Wood Poles) (NP R AM 27.1)
- 7. Structures: Annual Equivalent Calculation (NW-# 30103252)
- 8. Network P olicy: Wood P ole R einstatement by G round-Line Reinforcement (NN R AM 11)
- 9. Bushfire M itigation (Asset P rograms) M anagement P lan (NW-#30043347)
- 10. Distribution Protection Review Hill Michael Report (NW-#30093787)
- 11. Substandard Conductor Audit Spreadsheet (NW-#30128007)
- 12. Fire Analysis (NW-#30111032)
- 13. Structures Annual Equivalent Calculation (NW-#30103252)
- 14. AS 3891.1-2008 Air navigation Cables and their supporting structures -Marking and s afety r equirements - Permanent marking o f ov erhead cables and their supporting structures for other than planned low-level flying
- 15. AS 3891.2-2008 Air navigation Cables and their supporting structures -Marking and safety requirements - Marking of overhead cables for planned low-level flying operations
- 16. Electrical Transitions Act 1996
- 17. Electrical Easements Act 2000
- 18. Occupational Licensing Act 2005
- 19. The National Greenhouse and Energy Reporting Act 2008
- 20. EW-M12-01 Disposal of SF₆
- 21. National Environment Protection Management Measure (NEPM)
- 22. Environmental Management Pollution Control Act 1994
- 23. EM-M09 Management of PCB's
- 24. Australian and New Zealand Environment and Conservation Council (ANZECC) Polychlorinated Biphenyls Management Plan
- 25. TAS Environmental Protection & Pollution Act 1994
- 26. NEPM standards Act
- 27. AS2067 Substations and high voltage installations exceeding 1 kV a.c.
- 28. ENA EG-0 Power System Earthing Guide

Appendix A Age Profiles

A.1 Age of Condemned/Failed Poles (from 2000 to 2010)



Age of Assets When Identified as Defective