

Operational Expenditure (OPEX) Plan

Unplanned Maintenance

2019-24

Supporting Document 11.3.4

Opex Plan - Unplanned Maintenance

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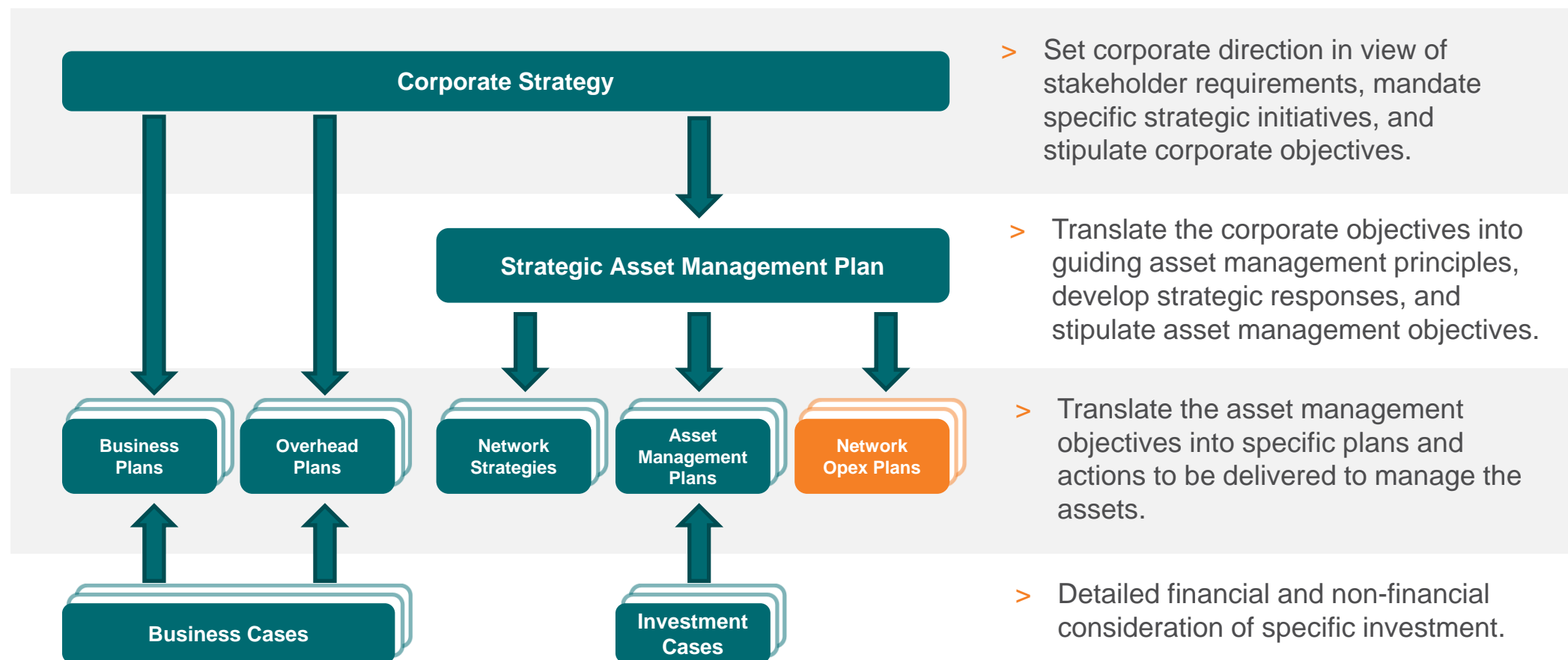
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Document hierarchy and purpose

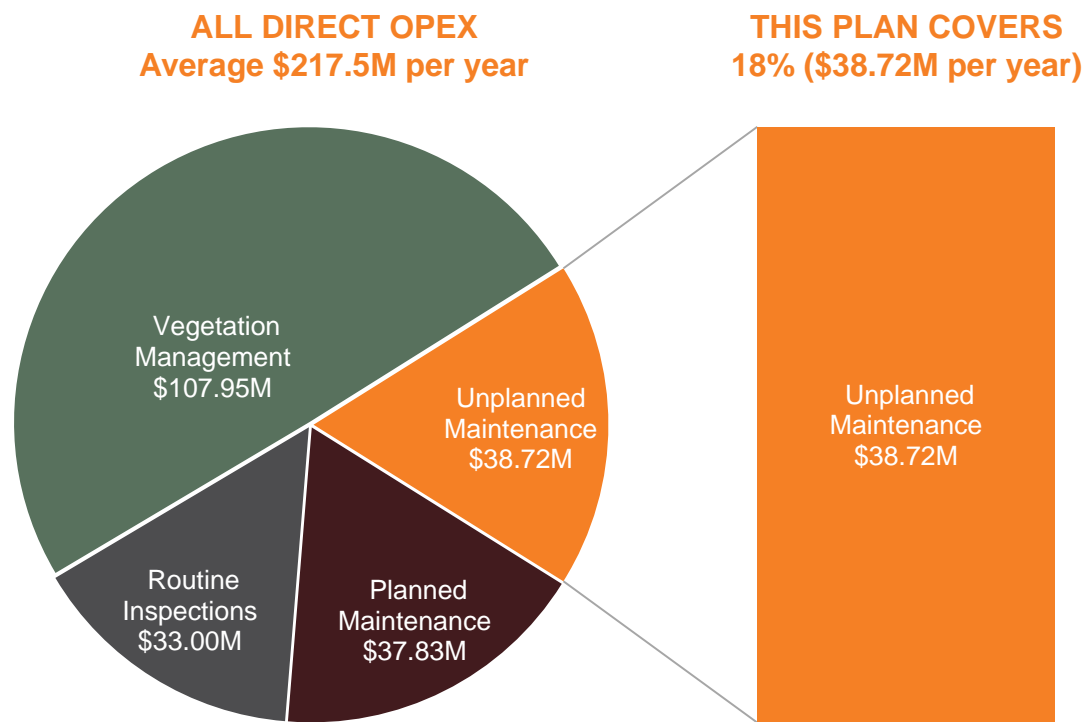


Executive Summary – Unplanned Maintenance

Unplanned Maintenance is reactive maintenance generally triggered by asset failure caused both by events outside our control as well as undetected asset defects. Events that contribute to unplanned maintenance include:

- > **Severe weather events**, storms, cyclones, lightning and floods impacting the network
- > **Bush fires** and extreme temperatures which impact network performance
- > **Vehicle accidents** and falling vegetation
- > **Asset failures**

	REGULATORY PERIOD	
	2014-19	2019-24
Avg. Spend	\$38.38M	\$38.72M
Avg. Hours	314,173	318,865



Unplanned Maintenance:

- > **Assisted Failures**
Emergency maintenance work caused by events outside our control (weather, fire, accidents etc).
- > **Unassisted Failures**
Emergency maintenance work due to asset failures resulting from defects that were not detected at inspection. These failures are reviewed in order to understand why they occurred and how our routine inspection programs can be improved.

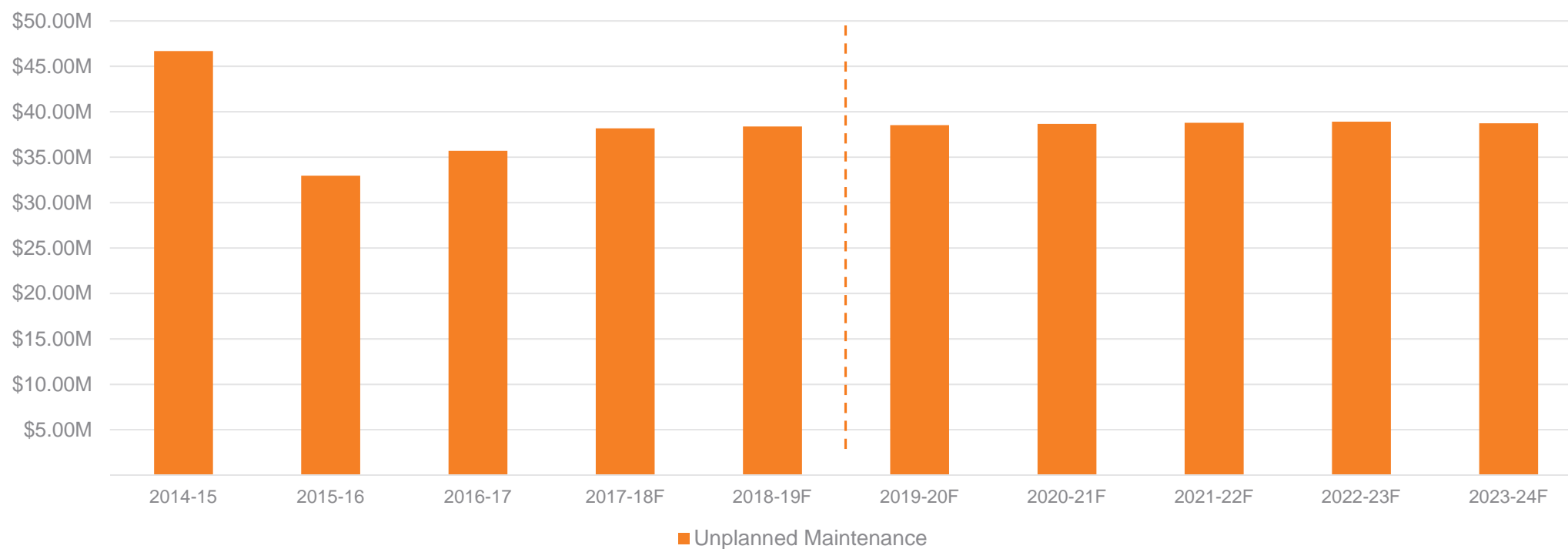
How does this affect customers?

- > Our proposed operating practice for unplanned maintenance has been informed by the direct engagement carried out with customers and we have adapted our approach where possible to reflect our customer’s feedback. Specifically, our customers told us they wanted service levels to be consistent for all customers and that reliability should be maintained. Our forecast seeks to maintain current network service levels.
- > **How?**

Response Times	Forecast Expenditure	Safety and Reliability
<p>Consistent with feedback received through engagement with our customers, we propose to maintain current unplanned maintenance response times.</p> <p>Unplanned maintenance is often the result of network failures due to events both outside and within our scope of control. The cost of our unplanned maintenance is impacted by how quickly we respond.</p>	<p>We propose to maintain current unplanned maintenance expenditure in line with feedback from our customers. We aim to improve the efficiency of our routine inspection and planned maintenance programs over time to take pressure off unplanned maintenance expenditure.</p> <p>Forecast expenditure is estimated based on analytical techniques using historical data, combined with known changes to maintenance. Reductions in routine inspections or planned maintenance without efficiency improvements negatively impact unplanned maintenance expenditure.</p>	<p>Maintaining our current unplanned maintenance expenditure will allow us to continue to deliver the level of service expected by our customers. This approach of maintaining service levels was supported through our customer consultation process.</p> <p>Unplanned maintenance can have a significant impact on the safety and reliability of our network. Extended outages impact the reliability our customers experience, and asset failures are a key contributor to safety risks.</p>

Expenditure Profile - Unplanned Maintenance

			TOTAL Unplanned Maintenance
% Direct OPEX Spend			18%
% Planned Maintenance Spend			100%
Average spend per year	(2019-24) (2014-19)		\$38.72M \$38.38M
Average hours per year	(2019-24) (2014-19)		318,865 314,173



Supporting documents

OPEX Plan Documents

Document	Relevance to this document
OPEX Model - Direct Standard Control	Forecasting model based on historical performance and planned changes to opex activities.
OPEX Plan – Routine Inspections	Details the drivers behind the direct operational expenditure for each expenditure category.
OPEX Plan – Planned Maintenance	
OPEX Plan – Unplanned Maintenance	
OPEX Plan – Vegetation Management	
OPEX Plan – Indirect Expenditure	Outlines the drivers behind indirect expenditure
OPEX Approach	Summary of OPEX forecasting methodology and planned efficiency initiatives.

Strategy Documents

Document	Relevance to this document
Strategic Asset Management Plan	Defines the general asset management principles and objectives which drive our network strategies.
CEOP8010 – Asset Inspection and Routine Maintenance	Provides an overview of each routine inspection program (except Zone Substation programs).
CEOP8011 – Technical Maintenance Plan Substations	Overview of Zone Substation maintenance programs.

Supporting documents

Key Legislative and Procedural Documents

Document	Relevance to this document
National Electricity Rules	Directs the development of operating expenditure forecasts and compliance with relevant obligations
CEOP4304.11 – Legislative & Obligations Register	List of legislative requirements and operational procedures.
National Electricity (New South Wales) Act 1997 (NSW)	An Act to make provision for the operation of a national electricity market, to consequentially amend certain other Acts; and for other purposes. Applies the National Electricity Law and National Electricity Rules.
Electricity Supply Act 1995 (NSW)	(a) to promote the efficient and environmentally responsible production and use of electricity and to deliver a safe and reliable supply of electricity, and (b) to confer on network operators such powers as are necessary to enable them to construct, operate, repair and maintain their electricity works, and (d) to promote and encourage the safety of persons and property in relation to the generation, transmission, distribution and use of electricity, and (e) to ensure that any significant disruption to the supply of electricity in an emergency is managed effectively.
National Energy Retail Law (Adoption) Act 2012 (NSW)	An Act to establish a national energy customer framework for the regulation of the retail supply of energy to customers; to make provision for the relationship between the distributors of energy and the consumers of energy; and for other purposes.
Work Health and Safety Act 2011 (NSW)	An Act to secure the health, safety and welfare of persons at work; to repeal the Occupational Health and Safety Act 2000 ; and for other purposes.
Essential Services Act 1988 (NSW)	An Act to protect the community from disruption to essential services; and for related purposes.

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