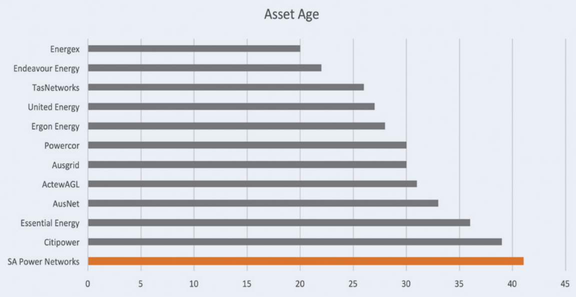
Managing SA Power Networks' ageing assets

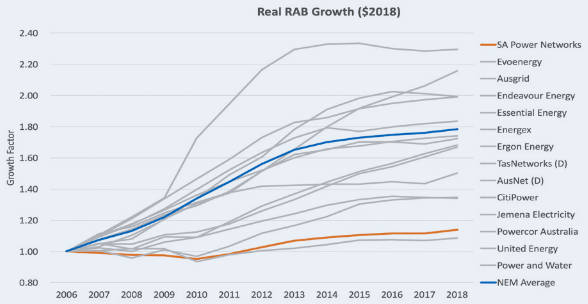
We have a proven track record of being efficient and investing only where necessary:

We have the oldest distribution assets:



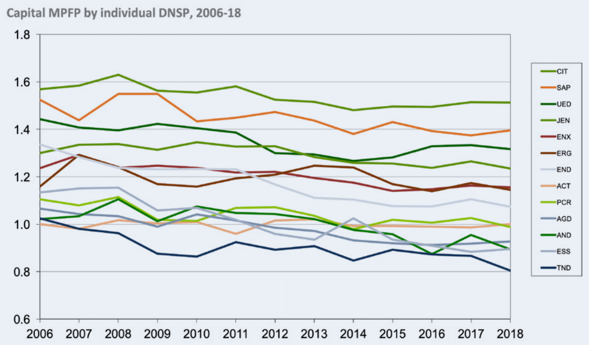
Source: AER RIN data

We have low RAB growth:



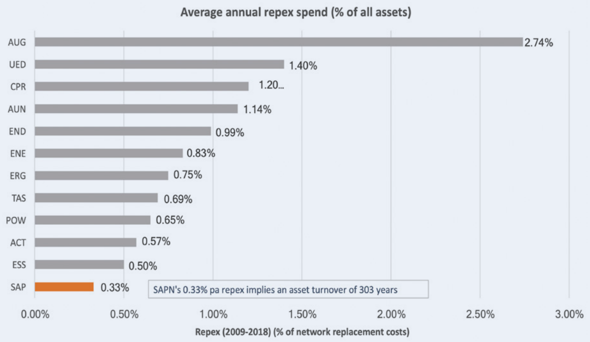
Source: AER RIN data

We have the second highest capital productivity:



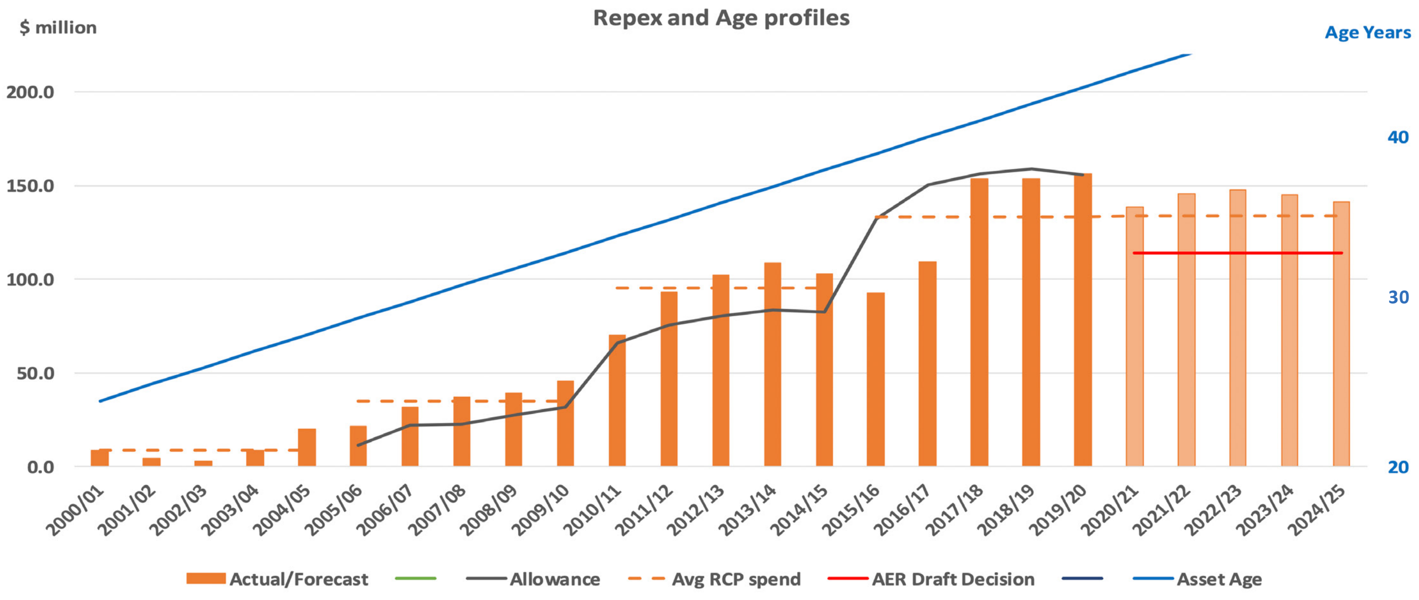
Source: AER Benchmarking Report

But our rate of asset replacement is unsustainable: our assets will not last 300+ years:



Source: AER RIN data

We have steadily increased Repex just to maintain the safety, reliability and security of supply. The AER's Draft Decision cut proposed Repex by 20%, comparable to 2010-2015 levels. This will increase network risk and future spending requirements.



Allowances have been spent or exceeded each year since 2005/06, except 2015/16 and 2016/17. In 2015/16 the 2016 budget was set low following the AER's 2015-20 Draft Decision. 2016/17 had record bad weather diverting Repex resources to storm damage repair and restoration.

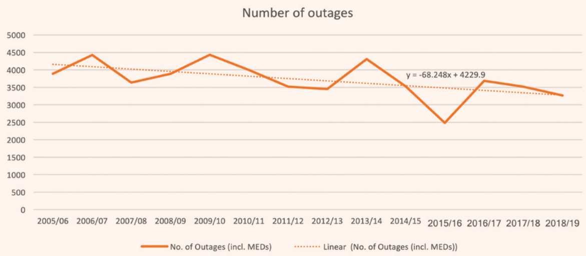
Regulatory Period	2000-2005	2005-2010	2010-2015	2015-2020	2020-2025	
Average Annual Spend	$9m	$35m	$95m	$132m	$136m: proposed with A&W	$114m: AER Draft Decision (adj. for cable/conductor reclassification)

What we heard from stakeholders

"Equity is important. Keeping prices down now is a high priority, but not at the expense of poorer service and higher prices for future generations. Ongoing engagment with customers and stakeholders will be important."

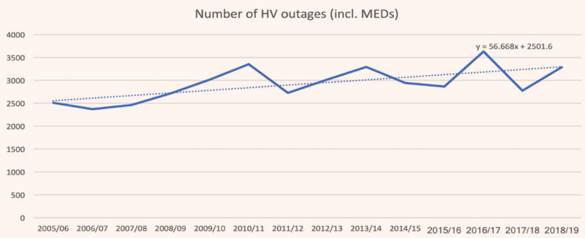
Even with increasing investment, performance indicators are steady at best:

The total number of outages across our network has reduced but...



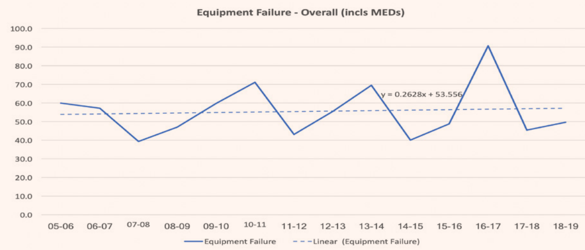
Source: SAPN Performance Data

...the number of higher cost, high voltage outages is increasing:



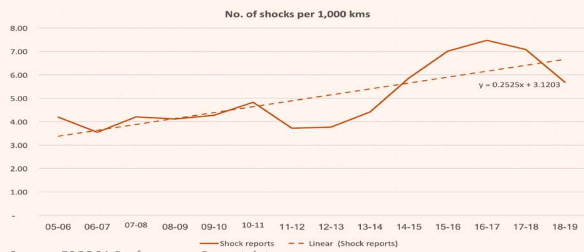
Source: SAPN Performance Report data

Outages from SAPN equipment failure are steady:



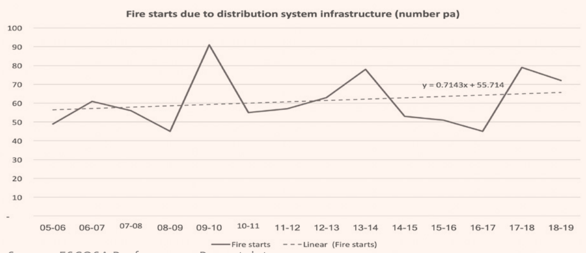
Source: ESCOSA Performance Report data

SAPN infrastructure is causing more electric shocks:



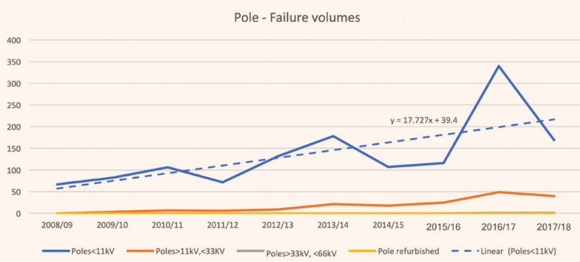
Source: ESCOSA Performance Report data

Fire starts are showing an increasing trend:



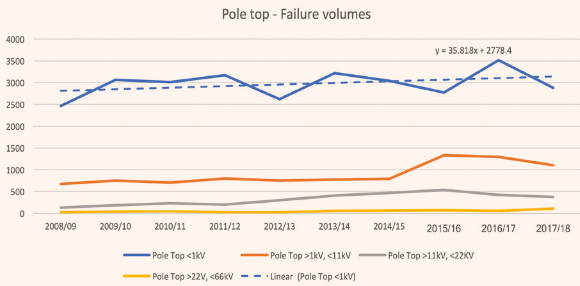
Source: ESCOSA Performance Report data

Pole failures have been increasing:



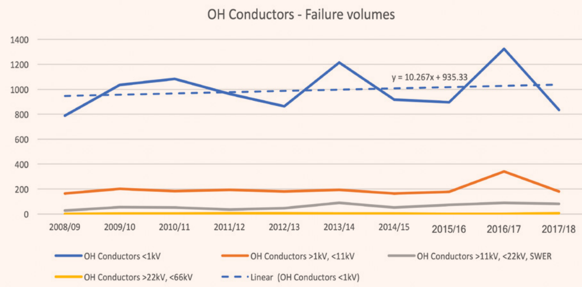
Source: SAPN RIN data

Pole top failures are reasonably steady:



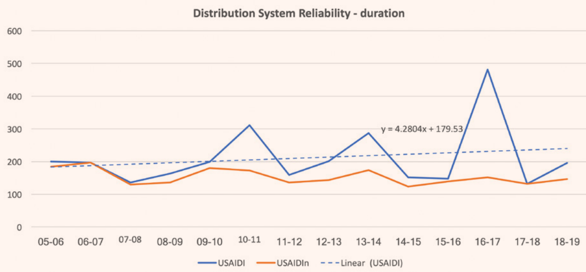
Source: SAPN RIN data

Conductor failures are steady:



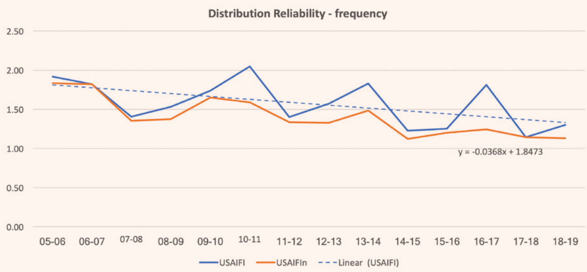
Source: SAPN RIN data

Underlying average interruption duration is steady since 2005/06, but customers are actually experiencing worse performance:



Source: ESCOSA Performance Report data

Use of reclosers/sectionalisers has reduced the number of customers affected by interruptions – not the number of interruptions occurring:



Source: ESCOSA Performance Report data