



SPI PowerNet

Performance Against

Service Standards

2004

11 February 2005

1. RESULTS FOR CALENDAR YEAR 2004

SPI PowerNet's detailed results for 2004 are shown in the tables attached in Appendix A. The results are presented with and without exclusions.

Without exclusions, the scheme would result in a bonus of \$601,545. With exclusions, the scheme would result in a bonus of \$609,750. Exclusions are dealt with in detail in section 2.

In calculating this amount, SPI PowerNet has used its revenues without including the pass-through amount approved by the ACCC for the recovery of the new easement land tax in Victoria. That revenue was \$278,374,373 for the 2004 calendar year (ex-easement land tax pass-through).

The following commentary is provided on the individual measures. It should be noted that SPI PowerNet is reporting against inter-regional and intra-regional constraint measures (measures 4 and 5 in the ACCC service standards framework) under a separate process.

1.1 Total Circuit Availability

Target = **99.20%**

Result (no exclusions) = **99.269%**

This target was met.

1.2 Peak Critical Availability

Target = **99.90%**

Result (no exclusions) = **99.974%**

Availability outcomes were driven by minimising planned capital and maintenance outages. The company has responded to incentives and much higher levels of availability were achieved for the peak period relative to off-peak periods.

1.3 Peak Non-Critical Availability

Target = **99.85%**

Result (without exclusions) = **99.498%**

Result (with exclusions) = **99.571%**

Target was not met. Availability outcomes were driven by planned capital outages. In particular, there were large increases in capex outages to incorporate the increased capex program in this regulatory period relative to the previous regulatory period. Nonetheless, much higher levels of availability were achieved for the peak period relative to off-peak periods.

1.4 Intermediate Critical Availability

Target = **99.85%**

Result (no exclusions) = **99.804%**

Target was not met. Availability outcomes were driven by planned capital outages. In particular, there were large increases in capex outages to incorporate the increased capex program in this regulatory period relative to the previous regulatory period. Again, the company achieved higher levels of availability for the intermediate period relative to off-peak periods.

1.5 Intermediate Non-Critical Availability

Target = **99.75%**

Result (without exclusions) = **99.377%**

Result (with exclusions) = **99.394%**

Target was not met. Availability outcomes were driven by planned capital and maintenance outages. Again, the company achieved higher levels of availability for the intermediate period relative to off-peak periods.

1.6 System Minutes

Target >0.05 minutes per annum = **2** Result = **2**

Target >0.30 minutes per annum = **1** Result = **0**

Date	Event	MW	Mins	Sys Mins
26-Nov-04	RCTS: Loss of 66 kV radial load. Following successful protection maintenance trip checks on the No 1 Trans Group, the No. 2 Bus 220 kV CB was closed to re-energise the No. 1 Trans Group. About 7 seconds later, all the 66 kV CBs opened auto via No. 1 & 2 66 kV B/U earth leak.	73.0	10	0.085
26-Nov-04	SHTS : No. 2 Transformer and No. 3 Transformer trip. No. 3 Transformer tripped on gas protection followed within a few minutes by No. 2 Transformer also tripped on gas protection. The trips were found to be coincident with the transformer oil pumps starting.	9.3	102	0.111

1.7 Average Outage Duration – lines

Target = **10 hours**

Result (no exclusions) = **2.730 hours**

This target was met.

1.8 Average Outage Duration – Transformers

Target = **10 hours**

Result (no exclusions) = **4.862 hours**

This target was met.

2. EXCLUSIONS

SPI PowerNet has excluded the following events for the purposes of calculating the performance bonus/penalty under its performance incentive scheme.

2.1 Outages on shunt reactors

Measures affected: Peak Non-Critical Availability
Intermediate Non-Critical Availability

No. hours to be excluded = **35.67 Peak Non-Critical hours**
= **584.03 Intermediate Non-Critical hours**

Increases Peak Non-Critical Availability by **0.073%**

Increases Intermediate Non-Critical Availability by **0.017%**

Effect on performance bonus/penalty: **+ \$8,022**

These pieces of reactive equipment are actually required to help balance the system when demand on the system is low (off-peak). This is the reverse situation to the majority of reactive plant such as capacitor banks and Static Var Compensators. Therefore, it is actually beneficial to the operation of the network if outages are taken in peak and intermediate periods rather than off-peak periods. This exclusion will remove a penalty for following good electricity practice. This mirrors the rebate scheme with VENCORP – rebates are high during off-peak times and set at zero during peak and intermediate periods.

3. FORCE MAJEURE EXCLUSIONS DUE TO INDUSTRIAL ACTION

Renegotiation of the electricity industry enterprise agreements in Victoria resulted in various industrial disputes and difficulties. Where industrial disputes have affected the PI scheme they have been excluded under the standard 'force majeure' provisions of the scheme. These exclusions have been notified to VENCORP (as required under the Availability Incentive Scheme) and have not been challenged. While not attached to this document, the notification letters are available for the ACCC auditors.

4. OTHER ISSUES

Due to the new Cranbourne Terminal Station being placed into service for 2005, four critical lines are being removed and replaced by eight new critical lines

Deleted critical lines

ERTS to TBTS No. 1 220kV Line

ERTS to TBTS No. 2 220kV Line

HWPS to ROTS No. 3 220kV Line

HWTS to ROTS No. 4 500kV Line

New critical lines

ERTS to CBTS No. 1 220kV Line

ERTS to CBTS No. 2 220kV Line

CBTS to TBTS No. 1 220kV Line

CBTS to TBTS No. 2 220kV Line

HWTS to ROTS No. 3 500 kV Line

HWTS to CBTS No. 4 500 kV Line

CBTS to ROTS No. 4 500 kV Line

HWPS to JLTS No 2 220kV Line

An out-of-service reactor at Redcliffs Terminal Station has been brought into service creating a new non-critical element in the scheme.

New non-critical reactive plant

RCTS No. 3 14.3 MVar Reactor

Appendix A

Table 1: Result Without Exclusions

Revenue Calendar Year 2004 278,374,373				
Measure	2004 Result	Target	Calculated S-Factor	Bonus/Penalty
Availability	%	%		\$
Total Circuit Availability	99.269	99.200	0.0002248	62,575
Peak Critical Circuit Availability	99.974	99.900	0.0007500	208,781
Peak Non-Critical Circuit Availability	99.498	99.850	-0.0002500	-69,594
Intermediate Critical Circuit Availability	99.804	99.850	-0.0000382	-10,622
Intermediate Non-Critical Circuit Availability	98.377	99.750	-0.0002500	-69,594
Loss of Supply Event Frequency	No.	No.		
>0.05 system minutes	2	2	na	na
>0.3 system minutes	0	1	na	na
Average Outage Duration	h	h		
Lines	2.730	10.000	0.0012500	347,968
Transformers	4.862	10.000	0.0004743	132,030
Total S Factor			0.0021609	601,545

Table 2: Result With Exclusions

Revenue Calendar Year 2004 278,374,373 Exclusions					
Measure	2004 Result	Target	Calculated S-Factor	Bonus/Penalty	Reactors
Availability	%	%		\$	
Total Circuit Availability	99.269	99.200	0.0002248	62,575	0
Peak Critical Circuit Availability	99.974	99.900	0.0007500	208,781	0
Peak Non-Critical Circuit Availability	99.571	99.850	-0.0002205	-61,389	8,022
Intermediate Critical Circuit Availability	99.804	99.850	-0.0000382	-10,622	0
Intermediate Non-Critical Circuit Availability	99.394	99.750	-0.0002500	-69,594	0
Loss of Supply Event Frequency	No.	No.			
>0.05 system minutes	2	2	na	na	
>0.3 system minutes	0	1	na	na	
Average Outage Duration	h	h			
Lines	2.730	10.000	0.0012500	347,968	0
Transformers	4.862	10.000	0.0004743	132,030	0
Total S Factor			0.0021904	609,750	8,022