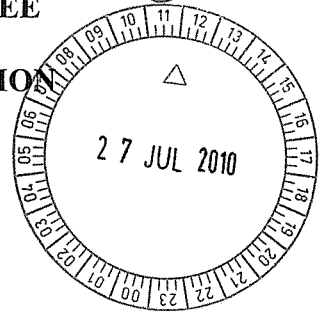


PUBLIC

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

QUESTIONS ON NOTICE SUPPLEMENTARY INFORMATION



Wednesday, 7 July 2010

Horizon Power

Supplementary Information A1 (Page 3)

Question:

Hon Phillip Gardiner asked for the population of the Kalumburu and Noonkanbah communities.

Answer:

Data sourced from the Department of Housing's Aboriginal community database and the Environmental Health Needs of Aboriginal Communities in Western Australia 2008 Survey show the population of Kalumburu as between 450 and 500 residents and Yungngora (Noonkanbah) as between 235 and 250 residents. These ranges are consistent with the itinerant nature of the communities.

A handwritten signature in black ink, appearing to read 'Phillip'.

Minister for Energy

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE
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Wednesday, 7 July 2010

Horizon Power

Supplementary Information A2 (Page 3)

Question:

Hon Phillip Gardiner asked how many Indigenous communities who do not have adequate electricity services are in Horizon Power's service area.

Answer:

There are 287 remote Indigenous communities in Western Australia, 280 of which are in Horizon Power's service area. Horizon Power's service area is about 2.3 million square kilometres and includes those areas of Western Australia that are beyond the effective reach of the South West Interconnected System.

Of these Indigenous communities, 106 have a population greater than or equal to 50 people. Of the remaining communities with populations below 50 people, 19 are town-based communities within Horizon Power serviced towns. To date Horizon Power has been involved in service regularisation activities in 47 communities under various State and Federal Government initiatives.



Minister for Energy

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE
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Wednesday, 7 July 2010

Horizon Power

Supplementary Information A3 (Page 4)

Question:

Hon Liz Behjat asked whether the Cheeditha Aboriginal community in Roebourne would be included in the Pilbara underground power program, which is funded by the royalties for regions program.

Answer:

Power supplies within the Cheeditha Aboriginal community have already been undergrounded. The feeder line between Roebourne and Cheeditha is still overhead and does not form part of the underground Scope of Work.



Minister for Energy

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE
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Wednesday, 7 July 2010

Horizon Power

Supplementary Information A4 (Page 5)

Question:

Hon Ken Travers asked why Horizon Power is projecting a significant dividend increase compared to last year's projections (an increase from \$6.6 million in 2012–13 to \$19.658 million).

Answer:

The projected increase in dividend is a direct result of changes in forecasted Revenue and Expenses. The main drivers for the increase are:

- Increased Revenues from Tariff Equalisation Fund receipts;
- The increase in the dividend payout ratio from 50% to 65%; and
- Efficiencies forecasted in Operating Expenditure.



Minister for Energy

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE
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Wednesday, 7 July 2010

Horizon Power

Supplementary Information A5 (Page 5)

Question:

Hon Ken Travers asked what percentage increase in the tariff would create an impact of an increase from \$6.6 million to \$19.658 million in the dividend?

Answer:

The tariff increase had little or no impact on the increase in the dividend.



Minister for Energy

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE
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Wednesday, 7 July 2010

Horizon Power

Supplementary Information A6 (Page 8)

Question:

Hon Ken Travers asked how much was previously allocated in Horizon Power's 10-year capital works program for the maintenance of assets that are now being superseded by the underground power program, which is funded under the royalties for regions program.

Answer:

Prior to royalties for regions funds being approved, Horizon Power had allocated \$21.8 million for those assets affected by the Pilbara underground power program. Note that \$5 million is currently allocated for assets within these areas not affected by the undergrounding program.



Minister for Energy

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE
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Wednesday, 7 July 2010

Horizon Power

Supplementary Information A7 (Page 8)

Question:

Hon Ljiljana Ravlich asked how many poles need to be attended to under Horizon Power's pole and conductor replacement program in order to meet the safety standards, and how many poles will be attended to from the \$27.3 million that has been allocated in 2010-11.

Answer:

There are 10,669 poles that require attention as part of Horizon Power's pole and conductor replacement program.

Approximately \$6.7 million of Horizon Power's Asset Management budget for 2010/11 is allocated to address the 2,500 poles scheduled for reinforcement or replacement this financial year.

The asset management budget addresses asset issues in priority order, focusing on safety projects of extreme/high risk assets first.



Minister for Energy

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE
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Wednesday, 7 July 2010

Horizon Power

Supplementary Information A8 (Page 9)

Question:

(a) Hon Ljiljanna Ravlich asked how many long bays are at risk in Esperance, Carnarvon and the rest of Horizon Power's service area in Western Australia.

(b) Hon K. Doust requested a breakdown of the number of timber, steel and concrete poles in Horizon Power's distribution network.

Answer:

(a) The long bay risk only exists in the rural areas of the Esperance Region.

Long bays on the Three Phase Esperance Network (highest risk of clashing conductors) have been addressed through the completion of the Esperance Network Rural Upgrade Program (ENRUP) in March 2010.

Long Bays on the Single Phase network present a lower risk of having conductors clashing. Horizon Power's current Asset Management plan has the removal of all 800 long bays on the single phase scheduled for rectification by 2012 in risk priority order.

(b) Horizon Power's distribution network consists of 55,118 poles, being:

- 25,694 wooden poles (of which 21,089 are in the Esperance district);
- 29,109 steel poles; and
- 315 concrete poles.



Minister for Energy

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE
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Wednesday, 7 July 2010

Horizon Power

Supplementary Information A9 (Page 10)

Question:

Hon Kate Doust asked whether pole inspections are carried out in-house by Horizon Power or whether this is subcontracted out. If the pole inspection is subcontracted out, how many and which companies are engaged in inspecting the poles and wires?

Answer:

Horizon Power has the following pole inspection activities:

1. 6 to 12 monthly line patrols - conducted by Horizon Power internal resources, utilising computerised technology.
2. Overhead thermographic surveys – conducted yearly prior to high temperature conditions to address assets at risk of failure. This is managed internally and externally based on the local districts resourcing. Miles West Pty Ltd in the Kimberley and Helliwest and Misand Holdings Pty Ltd in the Esperance District are the major contractors.
3. Pole base integrity tests - pole base inspections are currently managed by Horizon Power through the allocation of maintenance tasks for each of its pole assets. The current arrangement is to outsource the pole base inspections through a tendering process, with the inspections currently being undertaken by Miles West Pty Ltd and Misand Holdings Pty Ltd, with Utilities Asset Management engaged to perform Quality Assurance on the inspectors. Horizon Power is currently reviewing this outsourcing arrangement to determine potential benefits of bringing this service in-house.



Minister for Energy

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE
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Wednesday, 7 July 2010

Horizon Power

Supplementary Information A10 (Page 16)

Question:

Hon Ljiljana Ravlich asked the following questions:

- (a) When is the Horizon Power Code of Conduct Performance Report for 2009–10 due?*
- (b) For 2009–10, can you provide figures in relation to the number of residential customers who have been granted additional time to pay their bill under part 6 of the act?*
- (c) Can you also advise the number of residential customers who have been disconnected in accordance with sections 7(1) and 7(3) for failure to pay a bill?*
- (d) Can you also advise the number of residential customers who have been disconnected who were previously the subject of an instalment plan?*
- (e) Can you also advise the number of residential customers who have been disconnected at the same supply address within the past 24 months?*
- (f) Can you also advise the number of residential customers who have been disconnected while receiving a concession?*
- (g) What is the number of residential customers who have been granted additional time to pay their bill under part 6?*

Answer:

Horizon Power is working to complete the testing of reporting modules in our new Customer Information System - Gentrack Velocity - for the annual Code of Conduct Performance Report which is due for completion in September. Therefore, the figures provided below are best estimates and can be expected to change when the testing phase of the “reporting” modules has been completed.

- (a) 23 September 2010.
- (b) No figure is available as yet. Horizon Power has implemented a new Customer Information System and the reporting modules are still in the developing and testing phase.
- (c) 607.
- (d) 149.

(e) 50.

(f) 21.

(g) As per (b) above.

A handwritten signature in black ink, appearing to read 'Allan', written in a cursive style.

Minister for Energy