

# United Energy Information and Consultation Network Investment Background and Drivers

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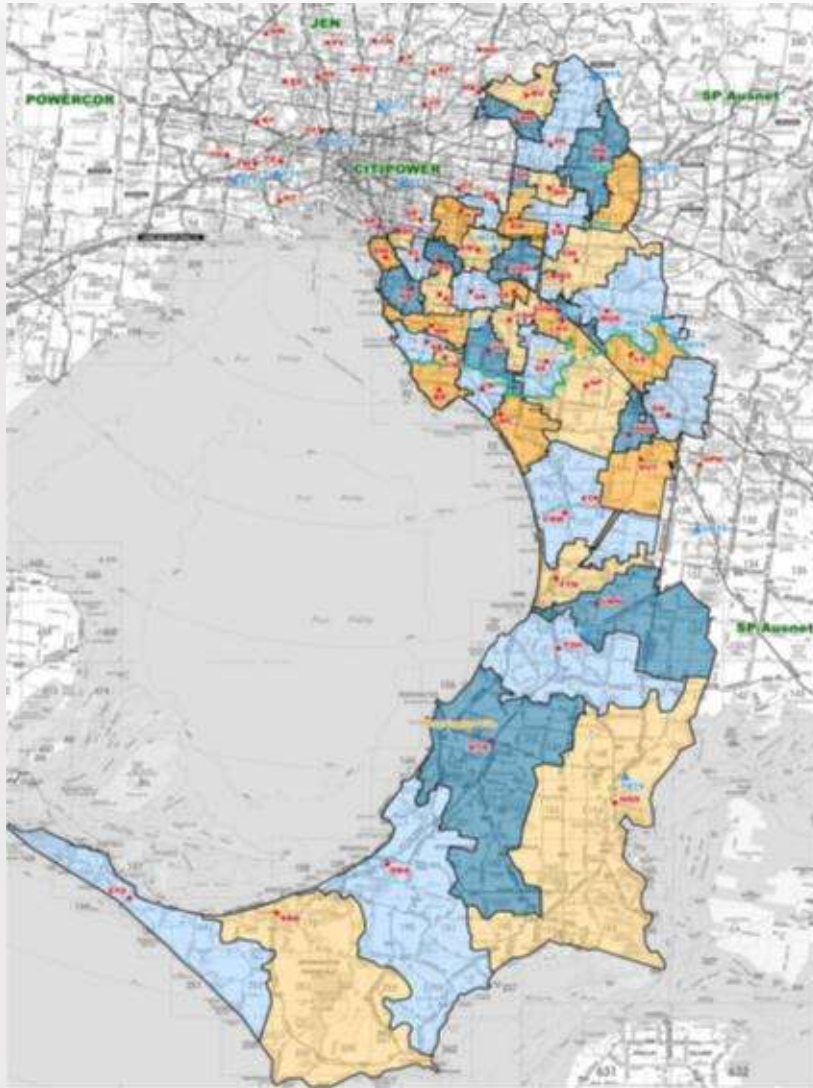
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## About United Energy

- UE is one of five regulated Victorian electricity distributors
- UE is an electricity distribution business whose electricity network covers 1,472 kms<sup>2</sup>
- UE owns and manages more than 210,000 poles and approximately 13,000 kms of wires
- UE serves approximately 650,000 customers throughout Melbourne's south east and the Mornington Peninsula.





- UE has 46 zone substations supplying electricity to our 650,000 customers
- 9 terminal stations (owned by Ausnet Services) supply our zone substations

# What do we aim to achieve?



## Safety

- Maintain fire start, bushfire, safety performance

## Compliance

- Meets current obligations, regulations, laws, ESV commitments

## Risk Management

- Manages safety, environmental, bushfire, public safety risks
- Reputation
- Maintain reliability, customer service (GSLs, STPIS, complaints, claims, EWOV)

## Continuous Improvement

- Continue to leverage AMI and insourced Asset Management team

# Investment Influencers & Obligations



Existing high network utilisation along with continued maximum demand growth (albeit less than previous)

Large ageing asset base installed prior to early 1960's with evidence of increasing asset failures

Meet levels of customer service and reliability consistent with the assumptions in the EDPR

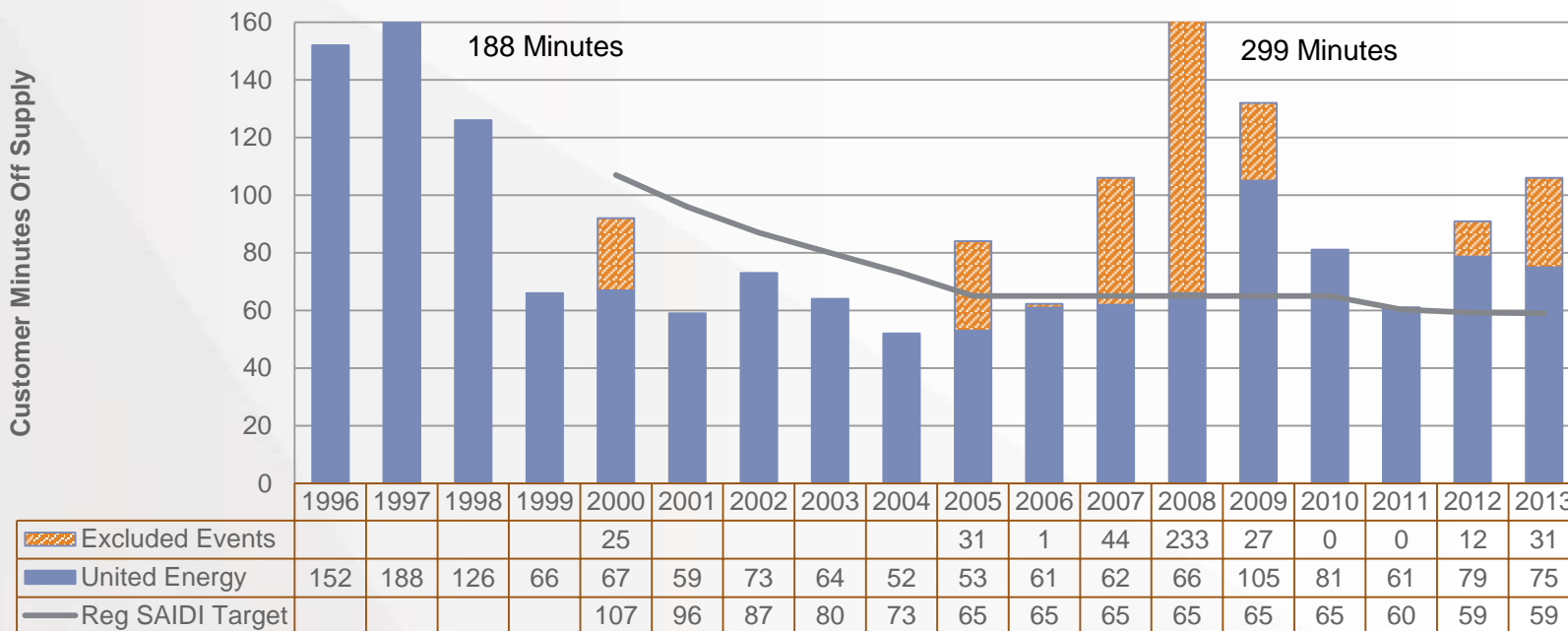
Compliance obligations including:

- Technical Regulation
- Commitments given to ESV
- Electricity Safety Management Scheme
- Bushfire Taskforce recommendations
- Commitments given to EPA

# SAIDI Accidental – Deteriorating Trend



Following substantive focus and investment from 1997 to 2004, reliability has gradually deteriorated by > 2 minutes per year



## Network Reliability Baseline



Condition profile of our assets

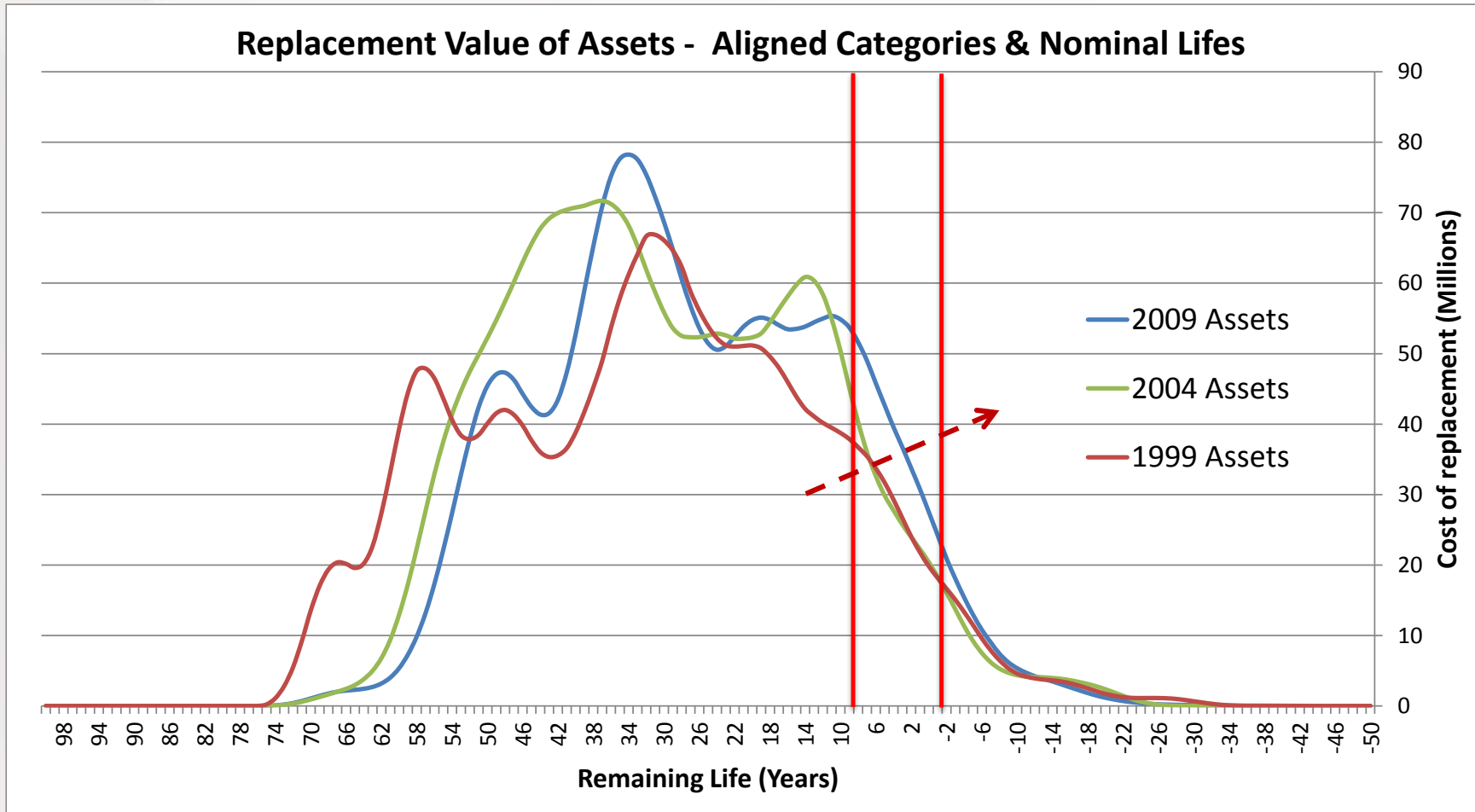
Increasing weather and vegetation events

Detailed review of historical performance and trending

- Two main factors identified – Asset Failure and Weather & Vegetation
  - Asset failure forecast to continue to deteriorate due to increasing number of assets beyond 90% of expected useful life
  - Weather & Vegetation forecast expected to continue to deteriorate
    - ENA report concludes there will be more frequent and extreme events



# Asset Age profile movement over time charts (\$2013M)

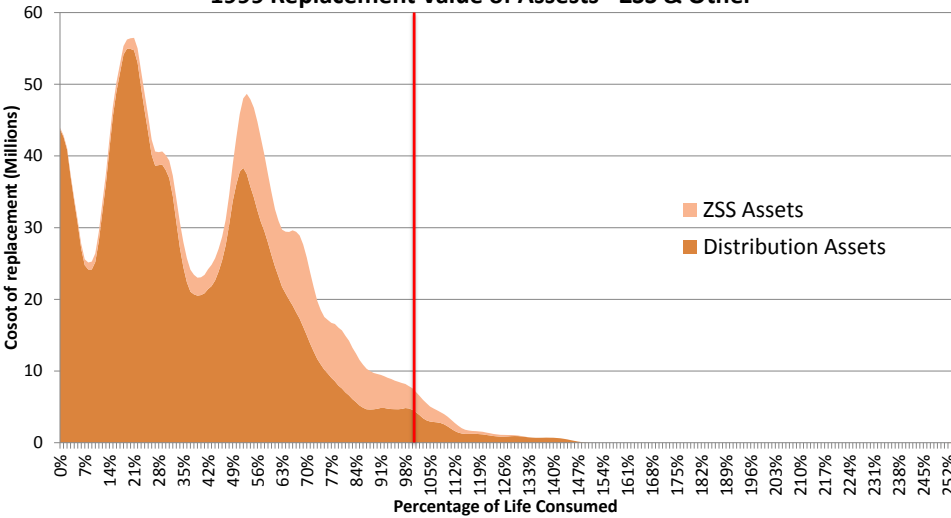




# Asset Age profile movement over time charts



1999 Replacement Value of Assets - ZSS & Other



	% of life consumed	EDPR network asset age profile - 1999 categories		
		1999 data	2004 data	2009 data
ZSS	+100%	\$29.4	\$47.0	\$64.0
	90-100%	\$38.4	\$44.1	\$70.8
	75-90%	\$102.0	\$125.5	\$136.6
	50-75%	\$246.0	\$192.2	\$88.2
	0-50%	\$107.3	\$121.1	\$125.5
Non ZSS	+100%	\$64.3	\$43.3	\$96.9
	90-100%	\$47.4	\$52.5	\$87.1
	75-90%	\$96.9	\$232.3	\$235.2
	50-75%	\$585.8	\$551.2	\$675.3
	0-50%	\$1,765.4	\$1,869.7	\$1,552.8

2009 Replacement Value of Assets - ZSS & Other

