

## How capital investment decisions are made

The decisions on how much we invest on our distribution network, and in which areas, are guided by three key criteria:

- Network safety
- Network age and condition
- Network utilisation and capacity

### Network safety

What is considered by the community as “acceptable risk” has changed significantly over the past decade. This has resulted in more stringent regulatory requirements, particularly regarding safety and environmental issues. Work carried out on existing assets and any new designs must conform to these new standards.

To ensure our Network remains safe and reliable we are focusing on:

- *major substation safety and security*: implementing new and improved fire stopping mechanisms and upgrading fencing, security, perimeter doors and locks at more than 48 substations
- *workplace health and safety procedures*: implementing changes required under the new Occupational Health and Safety Regulations (2001), including the introduction of Safe Work Method Statements (a detailed safety checklist required for every job) and updating our Electrical Safety Rules (rules our employees and contractors need to follow when carrying out electrical work on our Network)
- *maintenance*: continuing a rigorous maintenance program - critical in sustaining a safe and reliable network
- *the environment*: increasing our range of environmental safeguards, including improved technology at oil containment facilities (to prevent oil losses) and measures to reduce and better control noise levels at all our facilities

### Network condition

For our Network to perform at its best, our assets need to be in good condition. To achieve this we have an ongoing Asset Replacement program - where assets are replaced based on assessments of their ability to perform in a safe, reliable and environmentally sensitive way.

### Network utilisation and capacity

The capacity of the Network to cope with consumer demand, and how effectively it is utilised during peak periods, impacts significantly its reliability.

Over the past decade the Network has been under increasing pressure, due to factors that include:

- the changing usage patterns of our customers and increased energy use by consumers
- the effect of a “demand shift” from winter to summer peaks (primarily due to air conditioning)
- increased numbers of consumers

For information on how we operate our Network see our ‘Network Management Plan’, which can be accessed on the ‘guidelines and standards’ section of our website.

Emerging constraints in the supply system are identified through EnergyAustralia’s planning process and published in the Annual Electricity System Development Review (AESDR). The AESDR 2003 is a report that identifies the emerging constraints on our electrical Network over a five-year period and provides information that can be used in the identification of cost effective system support alternatives. To request a copy of this report, please complete our online enquiry form.