



Regulatory Test – Final recommendation report

Emerging Distribution Network Limitations in the Rural Area South- west of Kingaroy

26 June 2014

Ergon Energy Corporation Limited

Disclaimer

While care was taken in preparation of the information in this discussion paper, and it is provided in good faith, Ergon Energy Corporation Limited accepts no responsibility or liability for any loss or damage that may be incurred by any person acting in reliance on this information or assumptions drawn from it. This discussion paper has been prepared for the purpose of inviting information, comment and discussion from interested parties. The document has been prepared using information provided by a number of third parties. It contains assumptions regarding, among other things, economic growth and load forecasts which may or may not prove to be correct. All information should be independently verified to the extent possible before assessing any investment proposals.

TABLE OF CONTENTS

FINAL DECISION and recommendation	2
---	---

FINAL DECISION AND RECOMMENDATION

Ergon Energy Corporation Limited (Ergon Energy) is responsible (under its Distribution Authority) for electricity supply to the Wide Bay area in southern Queensland. We have identified emerging limitations in the electricity distribution network supplying the rural area south-west of Kingaroy.

The area south-west of Kingaroy is presently supplied by the 11kV Kumbia feeder. This feeder is a combination of the original 11kV wood-pole line and a 66kV (presently energised at 11kV) wood-pole line built in 1985 between Kingaroy 66/11kV substation and Kumbia township. The original 11kV line supplies the area between Kingaroy and Kumbia township, and the future 66kV line runs 'cleanskin' to supply Kumbia township and the network beyond Kumbia.

The summer peak load on Kingaroy 66/11kV substation has exceeded its N-1 substation capacity and is forecast to grow at 2.0% per annum during the next five years. The 11kV switchboard is in poor condition and has failed on two occasions, though recent repairs have reduced the likelihood of further failures. There are no other 66/11kV substations anywhere near Kingaroy so 11kV transfer capacity from Kingaroy substation after a contingency is negligible.

Ergon Energy published a Request for Information relating to this emerging network constraint on 27 November 2014. Four submissions were received by the closing date of 29 January 2014.

On the 25th March 2014, Ergon Energy was advised that the Queensland Government had accepted the recommendations of the Inter-Departmental Committee on Electricity Sector Reform (IDC) that necessitated Ergon Energy adopt a probabilistic approach to planning and remove the policy obligation for 'N-x' planning standards from 1 July 2014 onwards.

As a consequence of these changes to security standards, Ergon Energy considers that reliability driven augmentation is no longer required to address an identified need in the timeframe referred to in the original consultation.

Therefore, Ergon Energy recommends adopting a 'do nothing' approach and to close this consultation on the basis that Ergon Energy will still be able to meet its security criteria and that it would not be prudent and efficient to proceed with the works.

If, at some stage in the future, an identified need arises that would necessitate the delivery of an option to address that need, Ergon Energy will undertake a RIT-D assessment, if required.

Information relating to the consultation about this project is provided on our web site:

<https://www.ergon.com.au/community--and--our-network/network-infrastructure/regulatory-test-consultations>

For further information, please email: regulatory.tests@ergon.com.au