

UPDATE

August 2010

Message from the Shire President

Cr Nicole Lockwood

It is with great pleasure that I announce the commencement of the Pilbara Underground Power Project in Karratha. This project is a partnership between the State Government (through the Royalties for Regions fund) and the Shire of Roebourne, delivered by Horizon Power. The project will also include Roebourne, before moving outside our Shire to the towns of South Hedland and Onslow.

The State Government's contribution of \$100 million to the entire project was announced by Minister Brendon Grylls in Karratha on 28 January 2010. Local Government is also a major partner in the project, contributing 25 per cent financially and also the local knowledge and aspirations of our towns.

It is an exciting time for our shire as we gain momentum in our vision to become a modern and exciting city in which people will want to come and live.

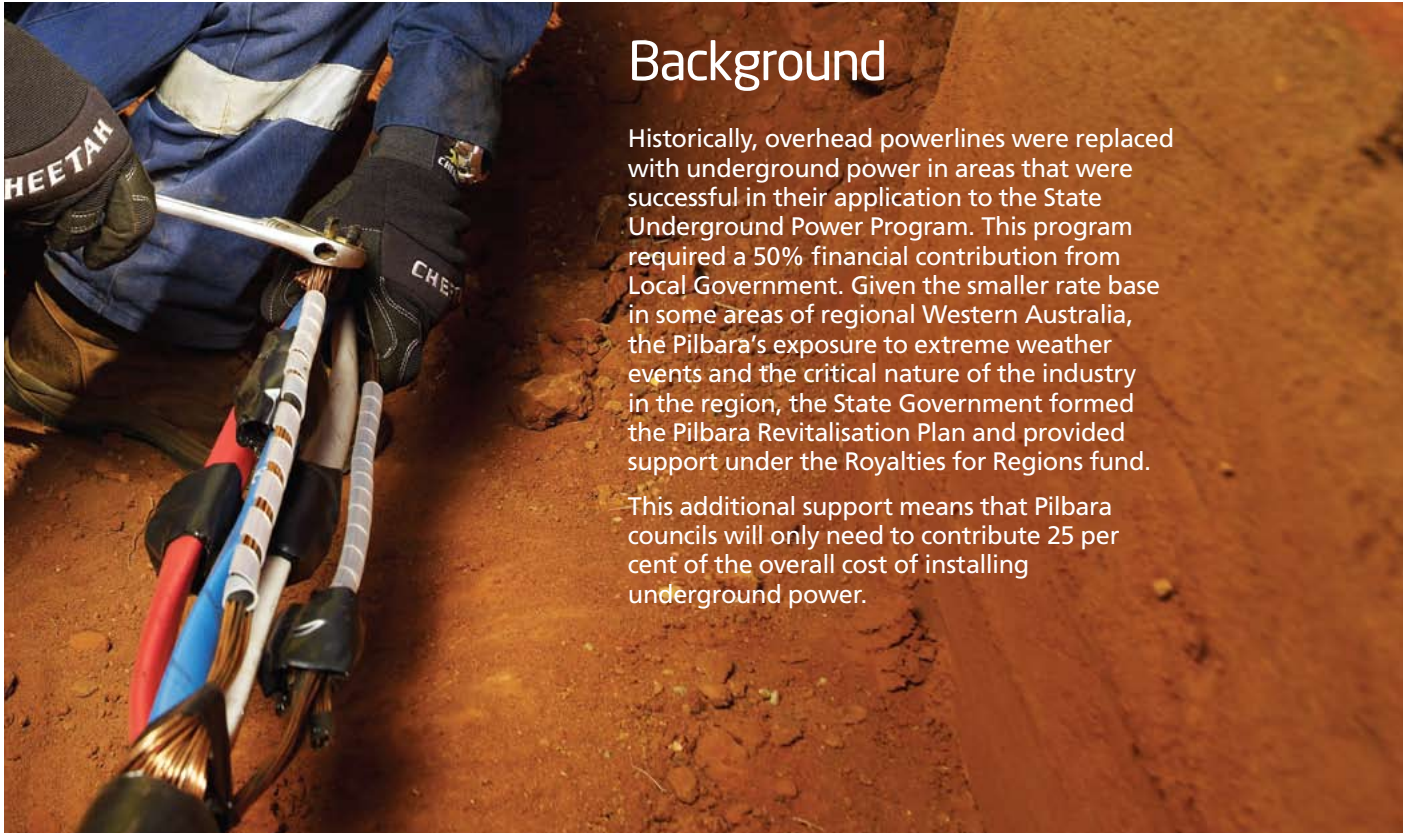
Underground power is integral to delivering our desire for a visually attractive, tree-lined town and most importantly to sure up power supplies to an area, regularly exposed to extreme weather events and which is vital for contributing to the wealth of the nation.

I congratulate the State Government's acknowledgement of the importance of the Pilbara through the Royalties for Regions fund, and we look forward to working with Horizon Power to deliver this project effectively, for the betterment of our community.



Funding announcement, Karratha, January 2010

(L-R) Hon Brendon Grylls MLA, Minister for Regional Development; Rod Hayes, Managing Director, Horizon Power; Paul Rosair, Director General, Department of Regional Development and Lands; Vince Catania MLA, Member for North West



Background

Historically, overhead powerlines were replaced with underground power in areas that were successful in their application to the State Underground Power Program. This program required a 50% financial contribution from Local Government. Given the smaller rate base in some areas of regional Western Australia, the Pilbara's exposure to extreme weather events and the critical nature of the industry in the region, the State Government formed the Pilbara Revitalisation Plan and provided support under the Royalties for Regions fund.

This additional support means that Pilbara councils will only need to contribute 25 per cent of the overall cost of installing underground power.

Project Overview

The project will underground the entire distribution network to Karratha, South Hedland, Onslow and Roebourne, including full installation of the new network, new streetlights and demolition of the old network. The following is an indicative timetable for the work:

TOWN	START	FINISH
Karratha	Mid - Late 2010	End 2011
South Hedland	Mid 2011	End 2012
Onslow	Early 2012	
Roebourne	To be confirmed*	

*Roebourne – currently looking at options to expedite Roebourne in order to maximise synergies with the Karratha project.

Ratepayer Contribution to the Project

The Shire of Roebourne will need to raise their 25 per cent contribution to the project with a new charge to be levied through the rates to those that benefit from the underground power.

That means that property owners in Karratha will contribute towards the project costs. These costs will be levied on householders and businesses, dependent on the amount of power they are able to draw from their property.

Those that have parts of their power supply underground will get a rebate. However, they will still need to contribute some funds to the project as the power lines that are currently feeding the subdivisions are still overhead.

The Shire of Roebourne will be raising these charges in the next financial year. There will therefore be plenty of time to determine the funding model and to communicate the model and the costs with rate payers in the town, prior to the charges being levied.

If you would like more information regarding ratepayers' contribution to the project, please contact the Shire of Roebourne on (08) 9186 8555.

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Benefits of Underground Power

- More attractive streets with the removal of most of the electrical poles and overhead wires and replacement of the old light poles with new street lights mounted on tapered steel columns, will increase the value of properties and make the area more desirable to live in.
- Greater reliability and improvements in the quality of power supplies and the elimination of power supply faults caused by storms, trees, bird life, vandalism and motor vehicle collisions with poles.
- More attractive street trees with reductions in tree pruning which are currently required to keep trees clear of overhead lines.
- A reduction in power supply surges and damage to sensitive equipment due to overhead line faults.
- Improved standard of street lighting, which will deter crime and improve safety on our streets.
- A safer public environment without poles and the danger of exposed overhead live wires.



Current Status

The successful contractors for the trenching and installation portion of the project will be awarded in the near future. The team will mobilise to site soon after, in preparation for the project commencement around September.

Pilot Projects

The project will commence with two pilot projects, one in Bulgarra and one in Pegs Creek, consisting of approximately 120 properties each. These pilot areas will commence around September and will be completed by the end of the year.

The pilot projects will allow the contractors undertaking works to determine the best way of carrying out the project before completing the installation of underground power in other areas.

Communications

This newsletter is the first of many communications activities organised around this project. Regular updates will be provided through newsletters, the media and on the project website that can be accessed via the Horizon Power home page – www.horizonpower.com.au.

You will receive advance notification prior to your power being turned off during the project and will have an opportunity to undertake a satisfaction survey upon completion of the project.

At any time you can forward your enquiry to the project email address – pupp@horizonpower.com.au





Frequently Asked Questions

Q Why do we need underground power?

A Underground power is proven to be safer, more reliable and more aesthetically pleasing than overhead power lines. This is particularly relevant to the Pilbara given the extreme weather conditions experienced in the region.

Much of the power supply network in the Pilbara has reached, or is nearing, the end of its useful life. Rather than replacing with overhead network, it is timely to install underground power.

Q What happens if you damage my yard or verge?

A Skilled contractors will be engaged to carry out the works, however, occasional damage can occur. If that happens, your property will be reinstated to a standard similar to what existed prior to the works taking place. The program will include photography of the existing property prior to site works commencing and again on completion of the works to verify the contractors take every care with your property.

Q Will you be digging up the roads?

A When there is a requirement to run cable across a road, an underground directional drill will be used, as far as possible, to reduce any damage to roads.

Q Will my power be switched off because of the project?

A Yes, there will be a requirement to turn the power off to your property at some stage of the project. Horizon Power will endeavour to plan the outage time and duration so as to cause the least possible disturbance to householders. You will receive a Changeover Advice in advance of your power supply being interrupted. It will detail when your power will be turned off and for approximately how long.

Q Who do I call if I have any problems?

A As the operator of the project, your initial point of call will be to Horizon Power. As a key partner in the project, your Local Government will also be a contact point.

You will receive a letter in the mail when the project commences, which will provide you more specific information about who to talk to if you have any issues.

Q How does the work take place?

A Detailed newsletters will be delivered to every household outlining the details of the project including proposed schedules, work which will be completed on your property and information on any interruptions to your power supply.

Q How will public safety be ensured throughout the life of the project?

A Horizon Power will ensure that highest level of safety is demanded of its contractors and effectively monitored. If you observe any safety risks or unsafe work practises, please notify us immediately by contacting 1800 267 926 or email pupp@horizonpower.com.au

Q How long will it take to complete the project?

A The project is due for commencement in mid 2010 and for completion by the end of 2012. These timeframes are, however, only indicative as this type of work is largely affected by weather conditions such as cyclones. Unpredictable weather events can cause major damage and long delays to such a project.

Q Is street lighting a part of the program?

A As most of the existing street lighting is located on the power poles which are being removed, new street lighting will be installed. Each Council involved in the project will approve the street lighting design as per the Australian Standard.

For further information please visit www.horizonpower.com.au, email pupp@horizonpower.com.au or call us on 1800 267 926