



**POWER TRANSFORMERS EXPORTED FROM
THE PEOPLE'S REPUBLIC OF CHINA, REPUBLIC OF INDONESIA, REPUBLIC OF
KOREA, TAIWAN, THAILAND AND THE SOCIALIST REPUBLIC OF VIETNAM**

TELECONFERENCE - HORIZON POWER

12 September 2013

Attendees:

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| Horizon Power | Mr Jason Cruichshank, Manager, Procurement Mr Christo van Rensburg, Manager, Risk Audit and Governance |
| Anti-Dumping Commission | Mr Chris Vincent, Manager, Operations 1 Ms Pamela Garabed, Supervisor, Operations 1 |

Horizon Power is Western Australia's regional and remote electricity provider, offering an integrated retail, distribution and generation service. It services all parts of Western Australia outside of the south west corner. This includes two major interconnected systems, being the North West Interconnected System and the network between Kununurra and Wyndham. It also provides service to 36 islanded systems in regional towns and remote communities.

Horizon Power is a state Government owned corporation that was one of four established after the disaggregation of Western Power in 2006. Along with Horizon Power, Western Australia's utility sector is made up of:

- Western Power, which procures and distributes electricity to the South-West Interconnected Network (SWIS);
- Verve, which generates electricity for the SWIS; and
- Synergy, which retails electricity for the SWIS.

Horizon Power outlined that it considered the demand for electricity had been steady and generally increasing across the network it manages.

Horizon Power outlined that [REDACTED] for procurement of standard power and distribution transformers.

[REDACTED] Horizon Power will arrange for the installation of the transformers. *[Confidential information – purchasing arrangements]*

For projects that require a specifically designed and made to order transformer, Horizon Power will tender directly to market. During the investigation period, Horizon Power tendered for three projects, one of which has been supplied.

Horizon Power outlined that for tendered projects purchases are made on a delivered/installed basis. Horizon Power provides a request for tender, outlining the required specifications of the power transformers to potential suppliers. Responding suppliers are responsible for the design of the power transformer to meet the required specifications.

Horizon Power provided the Anti-Dumping Commission with the tender evaluation report related to the purchase of a 60 MVA transformer for the Karratha Temporary Generation project. This report forms **confidential attachment 1**.

Horizon Power outlined that when evaluating tenders, compliance with design and health and safety requirements were mandatory pre-qualifiers. If the tendering supplier meets compliance criteria, qualitative factors are then assessed in order to shortlist tenders received. In the case of the Karratha project's tender, the qualitative factors included capability and experience, work program and schedule, method, plant and equipment and compliance with Horizon Power's terms and conditions. Once these factors are assessed, the shortlisted tenders will then be commercially evaluated to determine value for money in terms of price and transformer losses. The tender will also be evaluated for Australian local content.

In relation to the Karratha Project, the suppliers that tendered for the contract were [REDACTED]. The tender evaluation report outlined the strengths and weaknesses of each tender against each of the compliance, qualitative and cost criteria. [REDACTED] was the recommended supplier and was the lowest bid in terms of price, though its design provided for a greater operating cost due to greater load losses. [*Confidential information – third party details*]

Horizon Power provided the Anti-Dumping Commission with a copy of the "Document Execution Form" which outlines the approvals obtained in relation to the contract with [REDACTED] for the Karratha Project. This document forms **confidential attachment 2**. [*Confidential information – third party details*]

Horizon Power also provided the Anti-Dumping Commission with a summary of all transformers purchased through inventory in the last three years. This document forms **confidential attachment 3**.

Horizon Power provided the following additional comments.

- Resource projects normally generate their own power.
- Solar panels can destabilise small systems and a ceiling has been imposed in some towns.