

snowyhydro

NEWS

Murray 1 Power Station

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Snowy Hydro and Red Energy Donate \$250,000 to Victorian Bushfire Appeal

Terry Charlton
CEO & Managing Director



Snowy Hydro is contributing more than \$250,000 to the Victorian Bushfire Appeal. This comprises of a donation of \$150,000 to the Red Cross Appeal along with Red Energy, our electricity and gas retailing business, donating \$100,000 via the Channel 9 Australia Unites Appeal.

With 40% of our staff now based in Victoria, this donation reflects Snowy Hydro's strong support for a region where a growing number of our staff, customers and assets are located. Some of our Red Energy staff had relatives in the bushfire affected areas and there were some concerning moments regarding our gas fired power station near Traralgon.

Our gas fired power generation facilities at Valley Power and Laverton North were critical in maintaining electricity supplies to Melbourne during this disaster as other high voltage transmission lines from the Murray Region were affected by the bushfires. These line outages placed electricity supply to Victoria under some pressure highlighting the significant

importance of our Victorian gas plant and our teams in those locations.

Snowy Hydro has also set up a payroll deduction system for staff to allow for further personal donations. This initiative and funds raised by staff will be matched dollar for dollar by the company on top of the \$250,000 already committed.

Our staff in our Sydney and regional offices wanted to show their personal support, on top of the \$250,000 committed from the company, for their colleagues in Victoria along with our customers and communities affected by this terrible disaster.

A hot summer, record electricity demand and then bushfires

Cameron Fisher
Manager Energy Trading



The start of 2009 has already seen record high temperatures over much of South East Australia.

Adelaide and Melbourne experienced their biggest heatwaves in over 100 years that lasted for over a week and Sydney and Canberra followed suit in early February. These summer heatwave conditions resulted in massive electricity demand across the southern half of the National Electricity Grid.





Laverton North gas fired power station

With these power shortages, the price for electricity in Victoria hit the market cap of \$10,000 / MWh (per megawatt-hour) for a few hours. This is around 200 times the normal market price and, combined with keeping the lights on, shows the importance of having our generators available at these extreme times .

During the last week of January 2009, Snowy Hydro set new records for both maximum generation and daily energy output to help meet peak electricity demands. This was achieved using both the hydro assets of the Snowy Scheme and our gas generation assets in Victoria. In fact at some stages every generator owned by Snowy Hydro was in service and generating electricity.

With temperatures near 46 degrees in Adelaide and 43 in Melbourne, both states set new summer electricity demand records during the heatwave. Victoria saw a new record of around 10,500 megawatts (MW) and South Australia 3,300 MW compared to previous summer records of 9,800MW and 3,150MW respectively. This extreme high demand period for

electricity was primarily driven by increased air conditioning load as temperatures soared.

Snowy Hydro was able to meet much of this high electricity demand through our hydro assets in the Murray Region being Murray 1 and Murray 2 Power Stations near Khancoban. In fact, both these stations were generating at close to full output. Our gas fired plant in Laverton, Victoria was also at full output and our other gas fired plant, Valley Power, was at near maximum output.

As demand reached its peaks on both Thursday 29th and Friday 30th January, transmission failures related to nearby fires and extreme heat led to rolling blackouts in some parts of Victoria. Friday evening saw the biggest impact with a large section of Melbourne's CBD shut down. Without our gas stations in Victoria, the supply of electricity to Victoria would have been severely impacted further than it was as power flowing from the Snowy Scheme and from NSW was at its maximum capacity. Thankfully our gas plants and the specialist Snowy Hydro Production and Trading teams did a terrific job keeping our assets running through this critical period.

Water Operations Report now available

*Andrew Nolan
Manager Water*



Snowy Hydro has gone to great lengths in recent years to improve community understanding of the water operations of the Snowy Scheme. Important misunderstandings were evident in some sections of the community a few years ago and I believe these have been corrected.

The company has been providing additional information on our website for some time now especially in relation to water releases in accordance with the Snowy Water Licence. We have also done dozens of presentations to various community groups, local councils and chambers of commerce.

It has been clear that once the details of our water operations are explained and questions answered many, if not all of the concerns that are raised are addressed and clarified. Many a presentation has ended with feedback like "if I knew that I wouldn't have complained" or "what are some people carrying on about".

With that in mind and also recognising that not everyone can attend a presentation, we have developed the Snowy Hydro Water Operations Report written in plain English and responding to feedback received from the community about improving the understanding of the water operations of the Scheme.

The Snowy Hydro Water Operations Report has been written for the benefit of all Stakeholders and the communities associated with the Snowy Scheme.

It describes in high level summary how the Snowy Scheme operates, the water operations during the 2007/08 water year and how Snowy Hydro met its obligations under the Snowy Water Licence during that year.

The Water Report is available from our website at www.snowyhydro.com.au or visit our Information and Education Centre in Cooma or our Visitors Centre at Murray 1 near Khancoban for a hard copy.

Company Development in Victoria

*Brett Jones
Executive Officer
Engineering & Projects*



Some years ago, Snowy Hydro expanded into gas fired generation which has given us much needed flexibility to offset the effects of drought. Such investment has been a major part of what has now become a very strong and successful Snowy Hydro business, especially over the last few years. Never has the value of growth of gas fired generation been so evident than in the first two months of this year.

Our gas strategy is not complete and we plan to continue to grow our gas fired electricity generation capability. We are building know-how, expertise and capability in Victoria where our gas plants are located.

The future "footprint" of our gas operations and the importance of our existing gas assets is at Laverton, on Melbourne's outskirts and in the La Trobe Valley, and so we are relocating our gas plant expertise to both locations.

We have already located Jodie Lewis from the Cooma office to Melbourne to support strategic engineering and asset development for both Laverton and Valley Power. To further support the engineering effort for gas plant development, Patrick Scholtes and John Watson recently relocated to Valley power to strengthen the site engineering team.

Gordon Pettigrew, in Victoria, also continues to provide specialist technical support for the Valley Power units. Greg Hobbs will continue to lead this effort.

Warwick Aldham continues to be based at our Red energy offices and has been joined by Gary Burslem who had relocated to Laverton from Cooma.

The ongoing crucial role of our Victorian gas assets and further development in Victoria is now being fully supported with a Victorian based strong, enthusiastic and talented team.

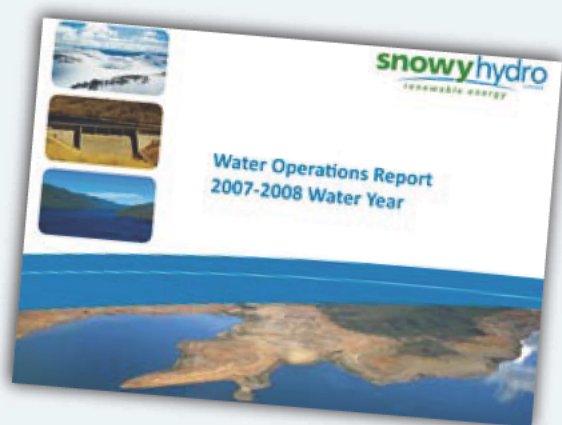
Introducing 09 Trainees, Apprentices & Graduates

*June Dous
Human Resources
Manager*



In January 2009 Snowy Hydro welcomed nine trainees to the company. Each year Snowy Hydro invites students from the regions, who have completed their HSC, to join Snowy Hydro on a 12 month traineeship. The trainees not only learn key administrative skills, they also attend TAFE and gain Certificate III and Certificate IV in Office Administration.

"This year with my traineeship at Snowy Hydro I want to gain experience, learn new skills, meet new people and build my self confidence before I head off to Uni next year" said Dean Mensinga.





2009 Trainees

The traineeship program has been running at Snowy Hydro now for over 15 years, and is an opportunity for local students to gain real work experience in a professional business environment which is a great first step in their career. This years trainees are Daniel Fraser, Dean Mensinga, Hannah Alchin, Sarah McCarthy, Lauren Rendoth, Jade Roach, Locky Schofield, Pierce Rixon, and Charlie Rohwer.

Snowy Hydro has also recruited six new Apprentices who commenced training at Talbingo in January. Alistair Sheardown from the mining industry at Canowindra/Orange is starting a mechanical trade. Shane Bastin, a qualified cabinet maker from Yallourn North in Victoria is the first apprentice for Snowy Hydro at Valley Power and will be learning the complexities of gas turbines.

Jack Hampstead from Tumut is commencing a mechanical trade and Murray Barratt, also from Tumut, is keen to be an electrician. Jeremy Parsons from Talbingo wanted more practical training than his University course so is training to be an electrician. Jarrod Hamilton from Broken Hill & Tasmania is our third mature age apprentice in 2009 and is commencing an electrical trade course after also working in the mining industry.

This is the largest intake of apprentices for many years and reflects the importance Snowy Hydro places on developing employees to meet the demands of ageing assets, increasing performance requirements, new technology and expansion of gas fired electricity generation plant. Snowy Hydro currently employs 26 apprentices.

Recruitment of our first apprentice at Valley Power reflects the increasing importance of gas

fired generation to Snowy Hydro's business. Snowy Hydro apprenticeships are highly sought after and involve working on large turbines, generators, high voltage circuit breakers and transformers in power stations involving maintenance, upgrade and project work.

Most off-site training is completed through Riverina TAFE at Wagga Wagga and the on-site training involves learning about equipment and skills at each power station. The success rate of Snowy Hydro apprentices completing their apprenticeships is one of the highest in the Riverina area which reflects both the quality of training and the quality of our people.

Snowy Hydro has also employed three engineering graduates. They have joined our Engineering and Projects team and will work towards professional accreditation with Engineering Australia. We have previously employed graduates but this year we have lifted the numbers and expanded the development program.

This year's graduates are Courtney Boughen, Alexandra Korsch (both Mechanical and Mechatronics) and James Pirozzi (Civil Engineer).

2009 Apprentices





Snowy Hydro Board Member Honoured

*Sharon Howes
Executive Officer,
Organisational
Development*



David Klingberg was first appointed as Director of Snowy Hydro Limited in December 2003 and has recently been honoured by his engineering peers.

A former University of South Australia (UniSA) Chancellor, David was recently named as Engineers Australia's 2008 Professional Engineer of the Year and received his award at the 2008 Engineering Excellence Awards dinner in Canberra in late November 2008. This prestigious award acknowledges the highest level of individual achievement in the engineering field and is peer recognition of his outstanding contribution to the profession.

Prof. David Klingberg AO after being awarded 2008 Professional Engineer of the Year



Engineers Australia (SA Division) President Bill Filmer said. "Over his career, David Klingberg has demonstrated excellence in technical engineering, provided leadership to the engineering profession and the community and has enhanced the education of future generations of professional engineers."

In addition to being recognised by his engineering peers, he was also recognised again for his services to tertiary education and the state's commercial and economic development and awarded the Order of Australia (AO) at the recent Australia Day Awards. Everyone at Snowy Hydro would like to congratulate David on these awards.

Jounama Small Hydro Update

*Brian Mayhew
Manager Project &
Civil Engineering*



Construction of Snowy Hydro's new small hydro power station is well underway. The 14 megawatt generator will be housed in a concrete silo structure at Jounama Dam, near Talbingo, and supply renewable energy into the local electricity transmission network.

When finished, the new Jounama small hydro station will generate enough energy each year to power more than 6,000 homes.

The lower section of the new silo structure is complete, and the generator has been installed. A new switchyard has been constructed to connect the small hydro station to the transmission network. The civil works which convey water into the new station are well advanced.

Over the next few months, the turbine and auxiliary plant will be installed and the silo structure will be completed. Testing and commissioning of the new power station will start in the second half of 2009.

Contractors from New South Wales, Victoria and Tasmania are engaged in the work. Local contractors and suppliers from the Snowy Mountains region are providing materials and services. Together with Snowy Hydro project personnel, they are building an exciting new addition to the Snowy Scheme.

Scheme Modernisation Update

*Darren Davis
Manager Strategic
Engineering & Scheme
Modernisation*



During 2008, work on Snowy Hydro's \$300 million Scheme Modernisation project continued as planned. The seven year project represents an investment in maximising asset value through increasing turbine capacity and



Valley Power

efficiency, maintaining long term reliable operational capability and modernising the Scheme assets through replacing aging technology.

Units 1, 2 and 3 at Tumut 3 Power Station have now been completed with new control and protection systems installed, all mechanical and electrical components overhauled and the turbine runners replaced. These units are now capable of providing between 25 and 50MW of additional capacity each.

Unit 14 at Murray 2 Power Station is also complete. This unit has undergone a similar work scope to the Tumut 3 units and is capable of providing at least 155MW and efficiency gains of 1.5%. An additional benefit from the new runner is a greatly reduced noise level within the power station.

The turbine required extensive on-site modifications, which were performed to the usual high standards expected from the Site Services and Project teams. Eighteen air-blast generator circuit breakers have been replaced with modern, reliable SF6 insulated breakers this year. The new breakers will reduce maintenance requirements, and improve reliability.

All 14 circuit breakers in the Murray region have now been changed, resulting in the opportunity to significantly increase the overall availability of the generators in Murray 1 and 2 power stations, through decreased maintenance duration and frequency.

The contract to replace the main transformers in Tumut 1 underground power station has

been awarded to Areva, who will be manufacturing the new transformers in their Brisbane factory.

Planning is advanced for the scheduled 2009 outages, which include the Blowering Power Station and Jindabyne Pumping Station control and protection system replacements; and the fourth Tumut 3 turbine runner, control and protection system replacement.

The first four major overhauls and upgrades have been completed without significant injury or incident. Outstanding teamwork, dedication, and skill has been displayed by all involved, contributing to the successful implementation of a complex, high quality finished product.

Valley Power Reliability Improvements

*Greg Hobbs
Chief Mechanical Engineer*



An extensive and challenging works program has been completed at our Valley Power gas fired power station. The program included works to ensure the high reliability and availability of all six units at Valley Power for this summer. The newly based Victorian



Murray 2 Power Station



engineering team comprising of several engineers relocated from Cooma completed the works to exceptional quality standards and on time.

Works included the full realignment of machines, installation of new gas detection, battery and control systems, major machine maintenance and rebalancing, generator improvements and stack refurbishment. Snowy Hydro also sent personnel from all regions to spend considerable time working at Valley Power gaining invaluable experience in gas plant operation and maintenance.

The criticality of our Victorian gas assets will continue the need to grow our Victorian based engineering and maintenance teams.

From Snowy Hydro to Mowhydro!

*Michael Warren
IT Support Analyst*



For the last two years Snowy Hydro has joined the Movember Challenge in support of research and awareness towards a range of men's health issues. Cleverly branded as "Mowhydro", employees throughout Sydney, Cooma, Khancoban and Jindabyne regions took on the challenge of growing moustaches for the cause.

Nine members of the Jindabyne Snowy Hydro team undertook weeks of nurturing their upper lip and growing some beautiful moustaches which were put on display at the end of the month at the Movember Shave Party. For five dollars, guests were able to purchase a raffle ticket for the chance to shave off one of the lovely mows. As the night drew on, offers were made and sums of money were donated to see some members loose more than their moustaches! Overall it was a fantastic night with \$1,500 being raised. In addition, MoBro's from Sydney, Cooma and Khancoban added over \$2,500 which bought the total monies raised to over \$4,000.

The Movember event raises awareness around men's health issues and funds for Beyond Blue and the Prostate Cancer Foundation. Since its inception as a formal charity in 2004 Movember has raised over \$30 million globally, significantly increased awareness of prostate cancer and male depression, and is continuously working to change the attitude men have about their health.

Hopefully in November 2009 we will see even more Snowy Hydro and other community members become "Mo-Bro's" and take up the challenge!

For more information on the Movember fundraiser and how you get involved visit www.movember.com

Snowy Hydro Supports Jindabyne Public School Orchestra

*Tracy Crowe
Education Program
Coordinator*



Snowy Hydro is proud to be an official partner of the Jindabyne Central School's Orchestra. Our partnership started in 2006 and has provided immediate funding for the orchestra to purchase instruments, uniforms, music stand banners and promotional equipment.

The Orchestra started with 16 members in 2006 and now has 50 members who are all students from Jindabyne Central School. Performances are promoted through the school website, newsletters and multi media to the general public, and they have played at a number of events such as the official openings of the Perisher Blue ski season, Michael Milton Lodge and Jindabyne Central School, Jindabyne Anzac Day and Relay for Life.

The Orchestra is looking forward to competing in competitions in Canberra in 2009.



Community Partnerships



The partnership fits perfectly with our company objectives of supporting schools in a cooperative fashion while providing positive involvement in the local community.

Sheena Perry, Deputy Principal of Jindabyne Central School and Darryl Pead, Area Manager Kosciuszko of Snowy Hydro have been instrumental in the development of the partnership and under the guidance of Maryanne Simpson, the conductor who has worked tirelessly to get the orchestra up and running.

The next performance of the Snowy Hydro Jindabyne Central School Orchestra is Anzac Day 2009.

NSW Minister for Tourism, Jodi McKay visits the Snowy Hydro Information & Education Centre Coffee Shop in Cooma.

New addition to Snowy Hydro's Cooma Information Centre

*Penny Litchfield
Information &
Education Centre*



Snowy Hydro has recently installed a coffee shop at our Information and Education Centre in Cooma. The Coffee Shop has been installed in response to visitor demand and to follow the recommendation of Tourism NSW that major visitor attractions should provide light refreshment facilities in order to keep up with market expectations.

The coffee shop has proven to be hugely popular over the busy summer tourist season and will be serving freshly brewed tea, coffee, cakes and snacks.

Mark Your Diary! Snowy Hydro SouthCare Gala Dinner, 4 July 2009

*Danielle Neilson
Marketing
Communications
Advisor*



The Snowy Hydro SouthCare Annual Gala Dinner will be held at the National Convention Centre in Canberra on Saturday, 4th July 2009. The event will be a Las Vegas themed celebration. As always there will be great food, company and fun, all in the name of supporting the Snowy Hydro SouthCare Helicopter. A night not to be missed, guests will be treated to casino style games; auctions and live entertainment by New York born and world renowned Elvis Tribute performer, David Cazalet and his team of glamorous showgirls.

So mark the date in your diary, tickets are \$150 per head or \$1500 for a table of 10. To purchase your ticket please call (02) 6207 8375 and all proceeds will assist to keep Snowy Hydro SouthCare in the air and saving lives. For enquiries please contact Snowy Hydro SouthCare on 02 6207 8375.



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