



Mr. Raymond Kirkpatrick

Summary and Background

Mr. Kirkpatrick has previously worked in the gold mining, coal mining, steel industry and electric utility industry. Mr. Kirkpatrick has held a number of senior positions in the distribution, transmission, generation and planning areas of the electric utility industry. Mr. Kirkpatrick resigned from Western Power on the 10 September 1999 to form his own consultancy business Kirkpatrick & Associates Pty. Ltd. Prior to his departure from Western Power, Mr. Kirkpatrick had executive responsibility for all operations and maintenance of existing power stations and the design, construction and project management of new power plant involving over 3000MW of power plant. TiWest (36MW) cogeneration plant and the Collie coal fired power station (330 MW) were commissioned in March and May 1999 respectively. Western Power has the largest fleet of gas turbines in Australia with a combined capacity of approximately 950 MW (including the jointly owned Worsley cogeneration plant).

Mr. Kirkpatrick introduced private contract operations and maintenance to Collie power station, the first publicly owned power station privately operated in Australia. He has introduced a number of technological changes to older plant to improve both technical and commercial performance such as power plant automation. He made significant cultural changes, as a result of benchmarking with both Australian and International Power Utilities and the introduction of Asset Management, to improve labor productivity but maintaining high plant reliability and availability.

Mr. Kirkpatrick had prime responsibility for fuel contract negotiations, purchases and administration. In 1998 he successfully negotiated a successful gas price predetermination with the North West Shelf Joint Venture Partners (Shell, Chevron, BP, Woodside, BHP, Mid-Eastern) in addition to new gas contracts with other suppliers and gas pipeline transmission contracts. Mr. Kirkpatrick was also a member of the Government appointed Gas Transmission Consultative Committee, which developed the draft regulations for gas pipeline operation in a deregulated environment.

Mr. Kirkpatrick has visited a number of American Power Utilities and is familiar with the Electric Power Utility Industry in The United States.

Mr. Kirkpatrick is a chartered professional engineer and is a member of the Institution of Engineers Australia and the Melbourne University Business School Association.

Highlights of Recent Experience

In September of 2002, Mr. Kirkpatrick resigned from Western Power and formed his own consulting business Kirkpatrick & Associates Pty. Ltd.

Mr. Kirkpatrick has carried out consulting assignments for Transmission Lines Company in New Zealand, and Pacific Power International, a Government owned international consulting business.

Dispatch planning analysis, plant estimates and financial analysis for new plant, pricing models for a large public owned energy business in Western Australia. Mr. Kirkpatrick has an ongoing contract with the energy business and is subject to a confidentiality agreement as to the name of the company and the work that he does for the energy company.

Highlights of Past Experience

Industry Restructuring.

From 1989 to 1994 Mr. Kirkpatrick was the General Manager Generation and Assistant Commissioner for the State Electricity Commission a Government owned electric and gas utility. In 1994 the Government as part of industry restructuring and to introduce competition the Government separated the gas business and the electric business into two separate Government owned utilities Alinta Gas and Western Power. Mr. Kirkpatrick became General Manager Generation and was the senior executive responsible for planning, design, construction, operations and maintenance of all power stations.

Mr. Kirkpatrick adopted a strategic approach to industry restructuring which included strategies to identify the risks associated with industry restructuring in a competitive market. The strategic approach addressed the issues associated with:

Financial Management Systems

- Information Technology Systems
- Activity based costing
- Asset Register capability down to individual items of equipment
- Value of assets to reflect their economic value
- Depreciation Policy
- Financial hurdle rates for investment

Asset Management

To review and develop asset management strategies for all generation plant

- Reliability and availability of plant
- Works management
- Contract management
- Financial analysis
- Investment
- Risk management

Strategic Plan

- Strategic result areas
- Performance indicators
- Performance targets at all levels

Pricing model

- Bidding strategy for each unit based on avoidable cost structure
- Power pool pricing rules
- Regulatory conformity

Dispatch planning analysis

- Simulation of market dispatch using a computer model
- Identify financial risk
 - Market share decreases
 - Plant performance risk
 - Fuel volume and price risk
 - Cost management risk

Management of people

- Communication
- Staff participation in industry restructuring

In 1997 Mr. Kirkpatrick sought and gained approval to engage consultants to assist with various areas of this strategic approach from the Western Power Board of Directors. The consultant for the Asset Management was engaged on the condition that Mr. Dion Alley was the consultant's Project Director.