



CONSULTATION

Western Power's Proposed Revisions to the Access Arrangement for the Western Power Network

INVITATION FOR SUBMISSION

The Economic Regulation Authority has today published on its website a [letter from Western Power](#) seeking additional operating costs for the third access arrangement period.

These costs are in addition to Western Power's revised proposed access arrangement revisions submitted to the Authority on 29 May 2012 as part of the consultation period on the Authority's Draft Decision.

In its letter, Western Power notes it has been advised by the Western Australian Department of Treasury that a regulation is being proposed which requires Western Power to pay for the Economic Regulation Authority's costs in relation to its electricity access functions. Western Power is seeking to include \$1.3 million (real as at 30 June 2012) in transmission network operating expenditure for each year of the third access arrangement period. Western Power considers that as all users of the Western Power Network pay for the use of the transmission system this ensures that these costs are recovered from all users benefiting from the electricity access functions of the Economic Regulation Authority.

Section 6.4 of the *Electricity Networks Access Code 2004* (**Access Code**) sets out the objectives of the price control in an access arrangement. One of these objectives is to give the service provider an opportunity to earn revenue that meets the forward-looking and efficient costs of providing covered (regulated) services. Specifically in relation to operating costs, section 6.40 of the Access Code requires that the approved total costs for a covered network must include only those operating costs which would be incurred by a service provider efficiently minimising costs.

The Authority is seeking public comment on Western Power's proposal before making a decision as part of its Final Decision. Interested parties are invited to make submissions on the proposal by Western Power to include \$1.3 million (real as at 30 June 2012) in transmission network operating expenditure for each year of the third access arrangement period by **4:00 pm (WST) on Thursday, 2 August 2012**.

Submissions should be marked to the attention of Tyson Self, Manager Projects Access.

Postal address: PO Box 8469, PERTH BC WA 6849
Office address: Level 4, Albert Facey House, 469 Wellington Street, Perth WA 6000
Email address: publicsubmissions@erawa.com.au

Confidentiality

In general, all submissions from interested parties will be treated as being in the public domain and placed on the Authority's website. Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for which confidentiality is claimed, and specify in reasonable detail the basis for the claim. Any claim

of confidentiality will be considered in accordance with the provisions of the Access Code sections 14.12 to 14.15.

The publication of a submission on the Authority's website shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

For further information contact:

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LYNDON ROWE
CHAIRMAN

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