

19 May 2006

Mr Lyndon Rowe
Chairman
Economic Regulation Authority
Level 6, 197 St Georges Terrace
Perth WA 6000

Dear Lyndon

PROPOSED ACCESS ARRANGEMENT

I am pleased to provide to you, by today's deadline, Western Power's:

- Response to the Authority's Required Amendments in its Draft Decision;
- Revised Proposed Access Arrangement;
- Revised Access Arrangement Information; and
- Draft Technical Rules, as presently being reviewed by the Authority

as required by the Electricity Networks Access Code 2004.

An electronic (pdf) version and one printed copy of the submission documents are attached. In addition, we will be pleased to provide you, on request, an MSWord version of large documents contained in the Access Arrangement appendices to assist in your detailed review process.

As you are aware, Western Power has worked constructively with the Authority to understand and respond to the Authority's Draft Decision and its Required Amendments. In the vast majority of cases, Western Power has accepted the Authority's required amendments in full, and amended its access arrangement accordingly. In the remaining cases, Western Power has sought to address the Authority's concerns and has explained how the revised documentation achieves the required outcomes. In all instances, Western Power has ultimately been guided by the requirements of the Code and the Code objectives.

Since the preparation of the expenditure forecasts for the August 2005 access arrangement submission a number of significant events have occurred that have impacted on Western Power's forecast expenditure requirements for the period. These events include:

- separation of Western Power Corporation into separate network, generation and retail businesses;
- further development of the Technical Rules;

- release of an updated Statement of Opportunities including significantly revised demand forecasts;
- a number of possible customer-driven projects have become firm commitments;
- agreements have been made regarding future wage increases for Western Power staff;
- investigations into resourcing capital works have progressed with various contractors; and
- 2005/06 actual expenditure levels are now largely known (with 80% of that period now complete).

A full explanation of Western Power's expenditure plans is set out in the revised access arrangement information document.

Lyndon, I believe that this submission should address fully the Authority's Draft Decision and Western Power looks forward to the Authority's approval of the Access Arrangement in the very near future.

Yours sincerely

DOUG ABERLE
MANAGING DIRECTOR