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Attn: Tyson Self, Manager Projects Access

Level 6, 197 St Georges Terrace

Perth WA 6000

02/12/11

Dear Mr Self,

Re: Public Submission on Western Power's Proposed Revision to the Access Arrangement for the Western Power Network.

I wish to comment specifically on the Proposed Distribution Low Voltage Connection Scheme. While we encourage Western Power to advance transparency and equitability in headworks costs we have identified some issues that need to be addressed and refined in the current proposed Distribution Low Voltage Contribution Scheme.

1. **Issue of Exclusion from the DLVCS**: We note that the proposed DLVCS in effect provides for cost averaging unless excluded by clause 7.5 which allows Western Power to charge a much higher cost if the network capacity in the area needs to be upgraded. So a developer would pay a higher average cost plus run the project risk of incurring a large and unpredictable headworks charge if the area capacity is exceeded by their project. As the Western Power Network Capacity Mapping Tool is only updated rarely, there is no effective means to gauge the risk of having clause 7.5 applied to a project. This is an impediment to development as it provides no certainty when considering the initial feasibility of a project and therefore needs to be addressed as a priority.
2. **Revenue Offset**: This is not clearly set out as to how it is calculated within the proposed DLVCS and indeed, Western Power has indicated that it is "business as usual" in terms of how it is applied. This has included the inequitable exclusion of multi-residential development from having revenue offset applied to the headworks costs. We are currently charged for the full cost of providing a distribution network for Western Power to earn future income from. This is an unacceptable penalty on multi-residential development when in-fill development is being actively encouraged by government and associated stakeholders. We would strongly recommend that the revenue offset calculations be included in the proposed DLVCS and apply to multi-residential.

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3. **Bank Guarantee**: Clause 4.3 allows Western Power to provide a requirement for a security to be provided that forecast revenue will be met. While this current policy has not been applied to us, it has been suggested as a possibility if revenue offset were to be applied to multi-residential developments in the future as Western Power viewed these projects as inherently riskier than receiving future revenue from greenfields land development. We propose that an agreed formula be adopted which calculates power usage similar to the formula used for calculating water usage in the Greenstar calculators eg. A 1 bed apartment has 1-2 occupants and uses x kwh of power per annum, a 2 bed apartment has 2-3 occupants and uses x kwh of power per annum etc. Western Power seems more comfortable with estimated power usage for blocks of land than with multi-residential and yet it can be easily argued that multi-residential provides greater certainty of power consumption. You do not land-bank apartments.

Kind regards,

[redacted]

Scott Cameron

General Manager, Project Coordination

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