



9 December 2011

Tyson Self
Manager Access Projects
Economic Regulatory Authority
PO Box 8469,
PERTH BC WA 6849

Dear Mr Self

NFIT for Western Power's Mid West Energy Project

ERM supports the establishment of Western Power's Mid West Energy Project (MWEP). ERM believes the MWEP will act as catalyst to facilitate the connection of new generation and create many economic and social opportunities in the Mid West Region that will have significant and long lasting benefits.

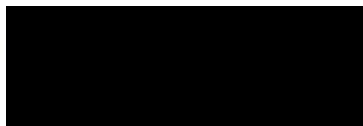
ERM is pleased to advise that subsequent to Western Power's application and the ERA's draft determination, ERM has announced plans for the establishment of a 330MW gas-fired power station at Three Springs. A connection application to connect the power station to Western Power's proposed Three Springs Terminal station has been lodged with Western Power. Environmental approval for the power station and associated 60km gas pipeline was received from the EPA in September 2011.

The Three Springs power station is needed to support the new mining ventures in the Mid West and is itself dependent on the establishment of the MWEP. ERM is currently negotiating electricity supply solutions with a number of Mid West potential customers. A contribution to incremental revenues via connection fees of more than \$2 million per annum can therefore be recognised in the evaluation process. Furthermore, Three Springs power station also offers location benefits through being sited at the northern extremities of the SWIS that strengthen the local network's capacity to support further renewable energy generation.

We trust that this additional information will assist the ERA toward a positive endorsement of the NFIT. ERM looks forward to the timely completion of the MWEP and the subsequent economic benefits to the region. Should however the ERA not determine in favour of the application, it is considered important that the ERA identify the specific elements of the application that were considered to have not passed the test.

Please do not hesitate to contact me should you wish to discuss this matter further.

Yours sincerely,



Tony Petersen
WA Director
ERM Power Pty Ltd