



# CONSULTATION

## New Facilities Investment Test Application – Western Power's new Medical Centre Zone Substation

### ISSUES PAPER AND PUBLIC CONSULTATION

The Economic Regulation Authority is seeking public comment on an application from Western Power to include an amount of new facilities investment associated with a new zone substation at the Queen Elizabeth II Medical Centre (located at Nedlands) in its regulatory capital base. The proposed customer-driven investment is estimated to cost \$28.84 million, of which Western Power considers that \$27.21 million meets the new facilities investment test.

In addition to establishing a new 132-66/11 kV Medical Centre zone substation, Western Power's proposed investment also includes transferring the load from the existing 66/6.6 kV zone substation (to be decommissioned) and upgrading the distribution voltage from 6.6 kV to 11 kV.

Western Power's application was submitted under section 6.71(b) of the *Electricity Networks Access Code 2004 (Access Code)*.

### ISSUES PAPER

The Authority has prepared an issues paper to assist interested parties prepare submissions. This paper is not intended to be an exhaustive review of Western Power's application at this point in time, or the matters that the Authority will address when making its decision on the application.

The [issues paper](#) and [Western Power's application](#) are available on the ERA's website.

### INVITATION TO MAKE A SUBMISSION

Interested parties are invited to make submissions on Western Power's new facilities investment test application by **4:00 pm (WST) on Monday, 25 February 2013**.

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](mailto: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 sections 14.12 to 14.15 of the Access Code.

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.

## **BACKGROUND**

On 15 April 2008, the Authority determined that the regulatory test should be waived for Western Power's proposed Medical Centre zone substation major augmentation. The regulatory test, which precedes the new facilities investment test, is an assessment of whether the proposed major augmentation maximises the net benefit to those who generate, transport and consume electricity in the Western Power Network after alternative options have been considered. The Authority's [determination](#) to waive the regulatory test for this major augmentation is available on the ERA's website.

### **New Facilities Investment Test**

Once the regulatory test has been met or waived, a service provider is able to proceed with the proposed augmentation. The new facilities investment test determines whether, or to what extent, investment associated with a new network facility can be added (rolled in) to the capital base of a covered (regulated) network and recovered through network tariffs.

Under the Access Code, a service provider may at any time apply to the Authority to conduct a new facilities investment test in relation to actual or forecast new facilities investment. On receiving an application, the Authority must make and publish a determination within a reasonable time after having consulted with the public. The new facilities investment test is not required to enable a service provider to proceed with an investment but can provide more certainty to the service provider that the investment can be recovered through network tariffs.

For further information contact:

#### **General Enquiries**

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LYNDON ROWE

**CHAIRMAN**

11 February 2013