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Dear Sir,

Submission from WAMEU re New Rate of Return Information

WA Major Energy Users (WAMEU) strongly supports the ERA using new information that may affect Western Power's rate of return in Access Arrangement Four.

This is aligned with our submission to the Draft Decision, and many of the issues raised in this submission regarding the WACC.

WAMEU also strongly encourages scrutiny by the ERA of the overt targetting of large transmission users in Western Power's Access case as bearing the brunt of any future cost increases.

Please contact me via email (paulkeay@energyxl.com.au) or phone 0438 926 975 if you wish to discuss in greater detail.

Yours sincerely,

Paul Keay



WAMEU is supported by **energyXL**

energyXL is an independent WA energy market business assisting large Commercial & Industrial (C&I) customers with strategies to manage risk and negotiate commercial terms in WA energy markets (electricity, gas and coal) since 2010.

Paul Keay of **energyXL** has worked in the WA energy industry for 20 years.

WAMEU is an active energy market interest group representing large energy users in WA.

WAMEU is funded by major energy users, organisations that operate energy intensive businesses (those who pay the energy bills in WA); and, was established in 2007 to fund a consultant report into Western Power's second Access Arrangement. The submission from

WAMEU was one of very few received from users by the Economic Regulation Authority (ERA) and contributed significantly to the debate. The exercise was repeated again in 2011, with a similar group of participants, for the third Access Arrangement and is current in 2018 for Western Power's fourth Access Arrangement.

WAMEU responded to the Electricity Market Review Discussion Paper in September 2014, and Reforms to the Reserve Capacity Market in January 2015.

In 1998, Paul joined Western Power Retail (now Synergy) as an Account Manager in the contestable customer segment. He moved to Alinta as Manager Energy Sales and contracted with commercial and industrial (C&I) customers to underwrite investment in approximately 670 MW of generation capacity. Paul was a representative on Electricity Reform Task Force groups to develop the WA Wholesale Electricity Market, including the Reserve Capacity group.

In 2005, Paul had the opportunity at Wesfarmers, as the most senior executive of Premier Power (now Kleenheat) to start-up and develop an electricity and gas trader supplying C&I customers. He also represented Premier Coal in securing coal sales and was a Board Member of REMCo (the retail gas market operator at the time).

Paul Keay previously worked in the European oil trading markets with Mobil and Phibro Salomon Brothers in London (1990-1997), and designed the middle office risk management function for Texaco's natural gas trading business in the UK.

He holds an MBA (with Distinction) from Heriot Watt University in Edinburgh specialising in Financial Risk Management, and a Diploma from the AICD.