



Notice

16 June 2020

Western Power's regulatory test application for the Picton South staged 132kV conversion

Withdrawal of application

Western Power has advised the ERA that it has [withdrawn](#) its regulatory test application for the Picton South staged 132kV conversion.

The [application](#) was submitted to the ERA under section 9.15 of the *Electricity Networks Access Code 2004* on 14 April 2020. Western Power must seek regulatory test approval for augmentations valued at more than \$37.9 million.

Western Power had proposed to install a new 132/66kV transformer at Busselton substation by 2023 and install a static voltage compensator by 2024 at an estimated total cost of \$38.2 million. Further details of the proposal can be found in [Western Power's application](#).

Western Power has reconsidered its proposal to install a static voltage compensator by 2024 due to uncertainties about future demand and voltage capacity requirements in the region. Western Power has advised that it will reassess this project if market circumstances change.

Western Power intends to proceed with the new 132/66kV transformer as it is needed to replace assets that have reached their end of life and ensure customers continue to receive their current service.

Western Power forecasts this will cost \$25.2 million, which is below the regulatory test threshold. Western Power will still need to meet the new facilities investment test under the Access Code. This test ensures only efficient investment that provides a benefit to users is passed through in network charges. The ERA will review this expenditure as part of the review process for Western Power's next access arrangement.

As the regulatory test application has been withdrawn, the ERA will not be publishing a determination.

Further information

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