

NOTICE

Call for Submissions on Revised Forecasts Proposed by Western Power

Western Power has provided a revised forecast of its new facilities investment in response to a request from the Economic Regulation Authority on 22 August 2006.

The revised forecast, provided by Western Power on 26 September 2006, will be considered by the Authority in its assessment and approval of the company's proposed access arrangement for its South West Integrated Network (SWIN).

The information included forecasts of both new facilities investment and non-capital costs.

The revised cost forecasts and supporting information provided by Western Power are set out in documents that are available on the Authority's [website](#).

Western Power's new forecasts provide for an additional \$63.7 million of new facilities investment and \$23.7 million of non capital costs between 2006/07 and 2008/09. In addition, Western Power has identified further probable increases in new facilities investment that were not included in the most recent forecasts.

Western Power intends to bring any further increases in new facilities investment to account in regulated revenues and tariffs when the access arrangement is reviewed at the end of 2008/09. This will be through the operation of an investment adjustment mechanism under sections 6.13 and 6.14 of the *Electricity Networks Access Code 2004* (Code).

These forecasts incorporated revisions from forecasts previously provided to the Authority that are substantially broader than previously contemplated by the Authority. The Western Power response also included a proposal to amend operation of the investment adjustment mechanism in the proposed access arrangement.

The deadline for the Authority to issue a final decision on Western Power's proposed access arrangement is currently suspended while amendments to the Code are being progressed. In view of the deadline being suspended and the consequent delay in issuing a final decision, the Authority will consider both the revised forecasts and the proposal to amend operation of the investment adjustment mechanism to determine if, or to what extent, they should be incorporated into the access arrangement.

The proposed changes to cost forecasts and the operation of the investment adjustment mechanism may have a significant effect on regulated prices of electricity transmission and distribution, either in the first or second access arrangement periods. The Authority will take these matters into account in considering Western Power's revised forecasts and the proposal to amend operation of the investment adjustment mechanism.

The Authority invites submissions from interested parties in relation to Western Power's submission supporting its revised expenditure forecasts and its proposal to amend the operation of its proposed investment adjustment mechanism.

Submissions should be in both printed and electronic form and should be received by **4:00 pm WST on Thursday 26 October 2006**, addressed to:

Mr Robert Pullella
Executive Director Industry Policy
Economic Regulation Authority
PO Box 8469
Perth BC WA 6849

Alternatively submissions can be sent to the following email address:

wprevisedforecasts@era.wa.gov.au

Confidentiality

In general, all submissions from interested parties will be treated as 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 in respect of which confidentiality is claimed, and specify in reasonable detail the basis upon which the claim is made.

The receipt and publication of any 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 in part contains information of a confidential nature and no duty of confidence will arise for the Authority in these circumstances.

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CHAIRMAN

6 October 2006