

Determination on an Application from Western Power to Waive the Regulatory Test for a 66/11 kV Medical Centre Zone Substation Expansion and Voltage Conversion of the Distribution Network

15 April 2008

Economic Regulation Authority



WESTERN AUSTRALIA

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DETERMINATION

The Economic Regulation Authority (**Authority**) has decided to:

1. Exercise its power pursuant to section 9.23(f) of the *Electricity Networks Access Code 2004* (**Access Code**).
2. Waive the application of the regulatory test for Western Power's proposed major augmentation for a 66/11 kV Medical Centre zone substation expansion and voltage conversion of the distribution network.

REASONS FOR DETERMINATION

3. On 25 March 2008, Western Power made an application to the Authority requesting it to waive the regulatory test in respect of a proposed major augmentation, for a 66/11 kV Medical Centre zone substation expansion and voltage conversion of the distribution network. The application was made under section 9.24 of the Access Code.
4. Western Power's application states that the proposed major augmentation will cost an estimated \$28.4 million and will involve the construction of a new 66/11 kV substation to be located on land adjacent to the existing 66/6.6 kV substation at the QEII Medical Centre together with an upgrade of distribution lines in the area from 6.6 kV to 11 kV. The application notes that this augmentation would provide the required capacity to support forecast future load growth resulting from the QEII Medical Centre expansion and surrounding areas.
5. In its application, Western Power proposes that the proposed major augmentation meets the requirements of both sections 9.23(a) and 9.23(d) of the Access Code in that there are no viable alternative options to the proposed Medical Centre substation and that the nature of the funding of the proposed substation will not cause a net cost to those who generate, transport and consume electricity in the covered network and any interconnected system.
6. The Authority has considered the information provided in Western Power's application and is satisfied that the proposed major augmentation meets the requirements of both sections 9.23(a) and 9.23(d) of the Access Code.
7. Consequently, in accordance with the provisions of section 9.23 of the Access Code, the Authority has formed the view that the application of the regulatory test in respect of the proposed major augmentation would be contrary to the objectives of Chapter 9 of the Access Code.
8. The Authority has decided to publish a notice, pursuant to section 9.24(a) of the Access Code, which meets the requirements in relation to the Authority exercising its power to waive the application of the regulatory test for the proposed major augmentation under section 9.23(f) of the Access Code.
9. In making its determination the Authority has had regard to the legislation dealing with the regulatory test as set out under Chapter 9 of the Access Code and the information provided by Western Power in its application.