

Economic Regulation Authority

 WESTERN AUSTRALIA

Promoting fair prices, quality services and choice.



Chevron Corporation Presentation

K Peter Kolf
General Manager & CEO
Economic Regulation Authority
Western Australia

19 May 2008

Overview

Economic Regulation Authority

What we do

How we do it

How we can help

Part 1: The Economic Regulation Authority

Functions

- Administers Access to Monopoly Infrastructure
- Licenses Service Providers
- Monitors & Regulates Markets
- Inquiries (Referred by Government)

The Economic Regulation Authority

Key Features

- Independence
- Transparency
- Consultation

Key responsibilities

	Electricity	Gas	Water	Rail
Access	✓	✓		✓
Licensing	✓	✓	✓	
Monitoring	✓	✓	✓	✓
Market arrangements	✓	✓		
Inquiries	✓	✓	✓	✓

Regulated Utility	Relevant Legislation
Gas	<ul style="list-style-type: none"> • <i>Energy Coordination Act 1994</i> • <i>Gas Pipelines Access (Western Australia) Act 1998</i> • <i>Energy Coordination Regulations 2004</i> • <i>Energy Coordination (Customer Contracts) Regulations 2004</i> • <i>Energy Coordination (Last Resort Supply) Regulations 2005</i> • <i>Energy Coordination (Licensing Fees) Regulations 2005</i> • <i>Energy Coordination (Retail Market Schemes) Regulations 2004</i> • <i>Gas Pipelines Access (Western Australia) Regulations 2000</i> • <i>Gas Pipelines Access (Western Australia) (Funding) Regulations 1999</i> • <i>Gas Marketing Code of Conduct 2004</i> (to be repealed and replaced in accordance with the Authority's Final Decision of March 2007, refer to the Agency Performance section for further information).
Electricity	<ul style="list-style-type: none"> • <i>Electricity Industry Act 2004</i> • <i>Electricity Industry (Code of Conduct) Regulations 2005</i> • <i>Electricity Industry (Customer Contracts) Regulations 2005</i> • <i>Electricity Industry (Licence Conditions) Regulations 2005</i> • <i>Electricity Industry (Access Code Enforcement) Regulations 2005</i> • <i>Electricity Industry (Licensing Fees) Regulations 2005</i> • <i>Electricity Industry (Obligation To Connect) Regulations 2005</i> • <i>Electricity Industry (Wholesale Electricity Market) Regulations 2004</i> • <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> • <i>Code of Conduct (For the Supply of Electricity to Small Use Customers)</i> • <i>Electricity Industry Customer Transfer Code 2004</i> • <i>Electricity Networks Access Code 2004</i> • <i>Electricity Industry Metering Code 2005</i>
Water	<ul style="list-style-type: none"> • <i>Water Services Licensing Act 1995</i> • <i>Water Services Coordination Regulations 1996</i>
Rail	<ul style="list-style-type: none"> • <i>Railways (Access) Act 1998</i> • <i>Railways (Access) Code 2000</i>

Key matters which the Authority must have regard to

- Promote outcomes that are in the public interest
- Have regard to the interests of consumers, investors & service providers
- Promote competition & fair market conduct
- Prevent abuse of monopoly power
- Be transparent

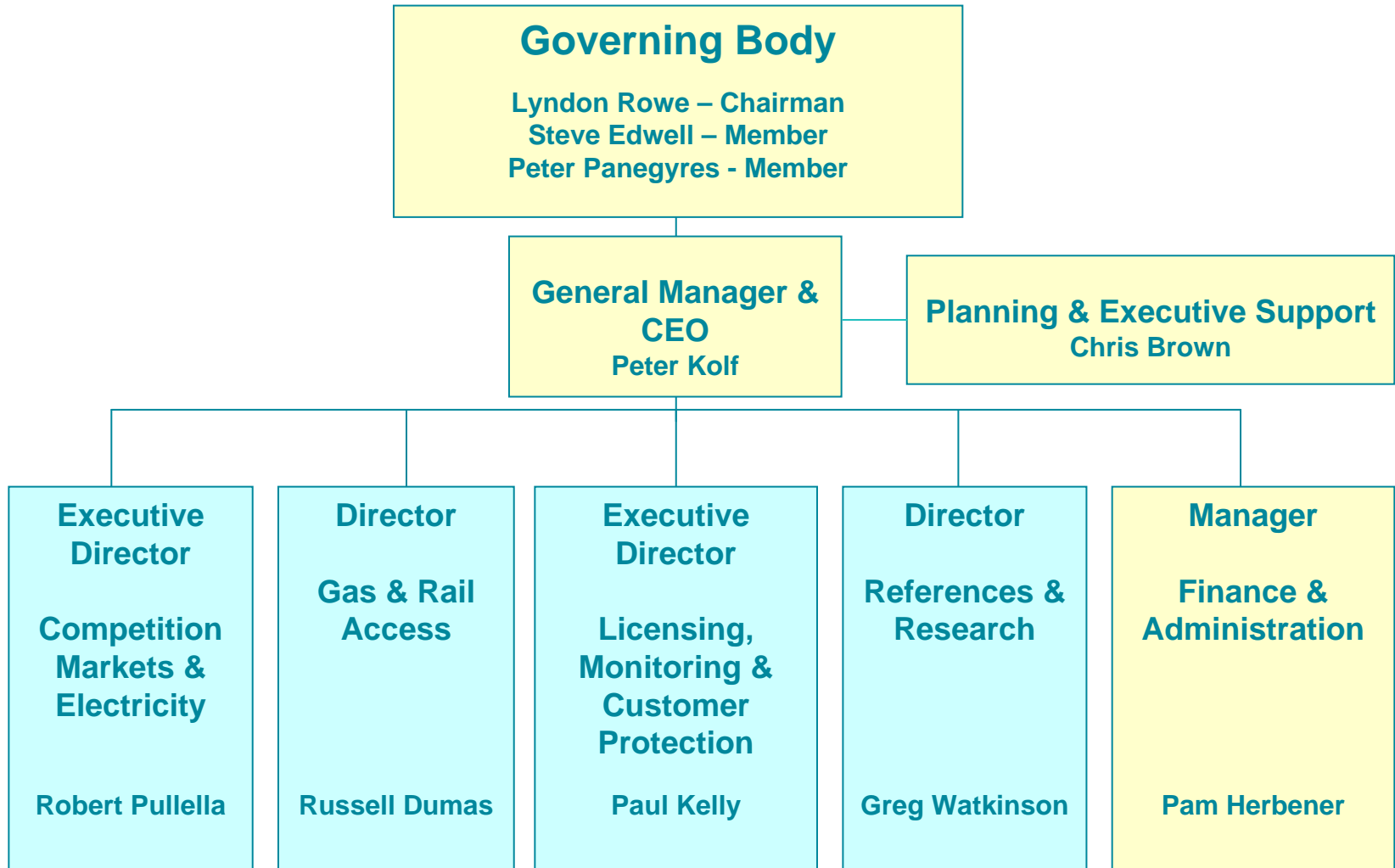
The Governing Body

Full Time Chairman: Lyndon Rowe

Part Time Members: Steve Edwell, Peter Panegyres

Independent of Government, Industry & Consumers

Economic Regulation Authority



Completed Inquiries - Mostly in the Water Industry

1. Annual Inquiry into the Bunbury and Busselton Water Boards' Tariffs Feb 2008
2. Annual Inquiry on the Water Corporation's Tariffs Jan 2008
3. School Bus Operators' Charter Bus Operations Jul 2007
4. Annual Urban Water & Wastewater Pricing May 2007
5. Harvey Bulk Water Pricing May 2007
6. Country Water & Wastewater Pricing July 2006
7. Esperance – Kalgoorlie Bulk Water Supply Nov 2005
8. Urban Water & Wastewater Pricing Nov 2005

Current Inquiries

- Inquiry into Competition in the Water & Wastewater Services Sector
- Inquiry into Developer Contributions
- Review of the *Grain Marketing Act 2002*

Typical Inquiries Process

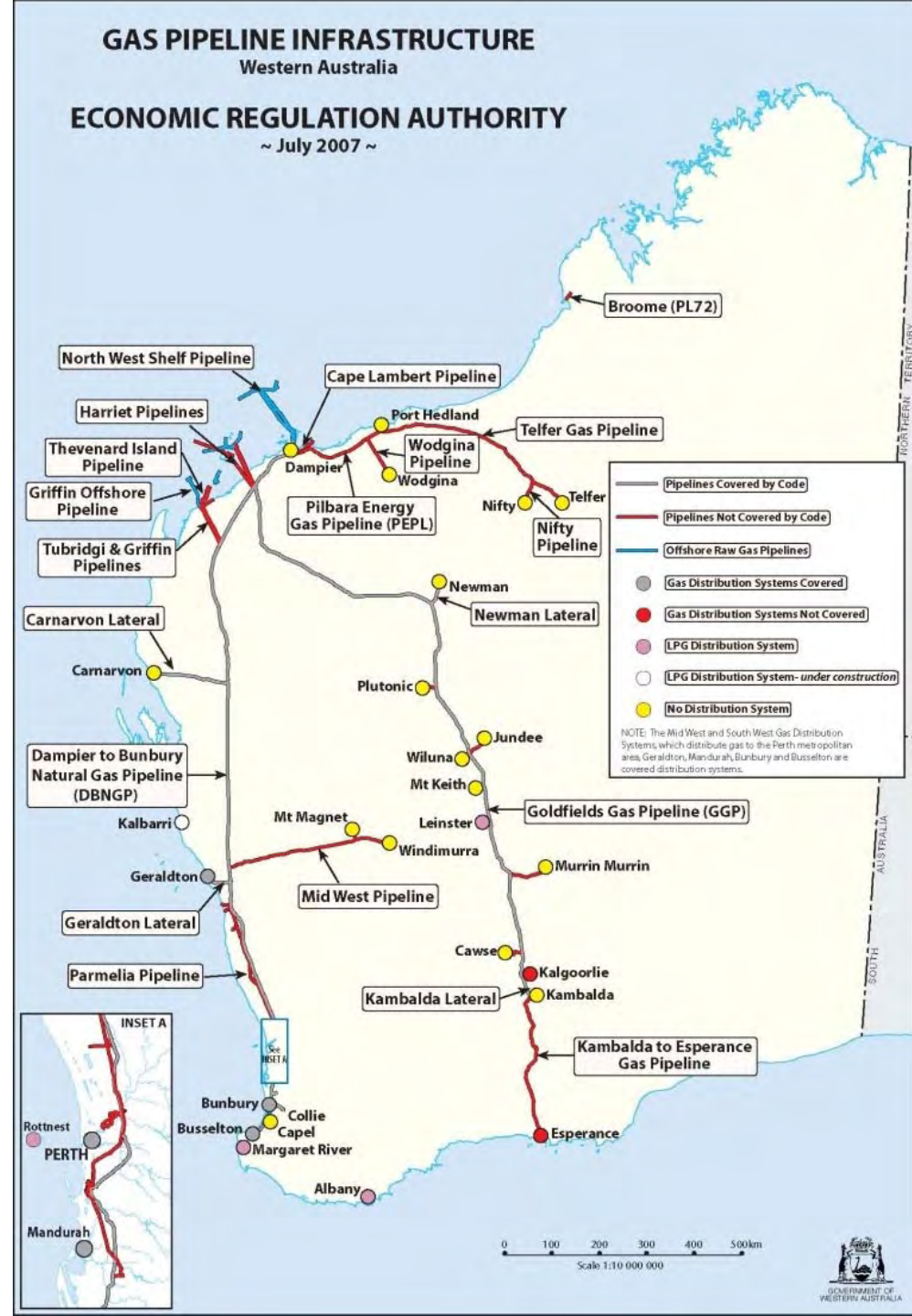
- Terms of Reference
- Issues Paper
 - Public Consultation, Submissions
- Draft Report
 - Public Consultation, Submissions
- Final Report

Discussion Papers

- Short Run Marginal Cost – Electricity – Jan 08
- Gas Quality - Australian Pipeline Systems – Dec 07
- Gas Issues in Western Australia – June 2007

Gas Pipeline Infrastructure:

- DBNGP
- GGP
- AGN Dist System
- Kambalda Lateral
- 7 Licences



Rail

Infrastructure:

- Westnet Rail
- PTA



WATER SERVICES CONTROLLED AREAS

Western Australia

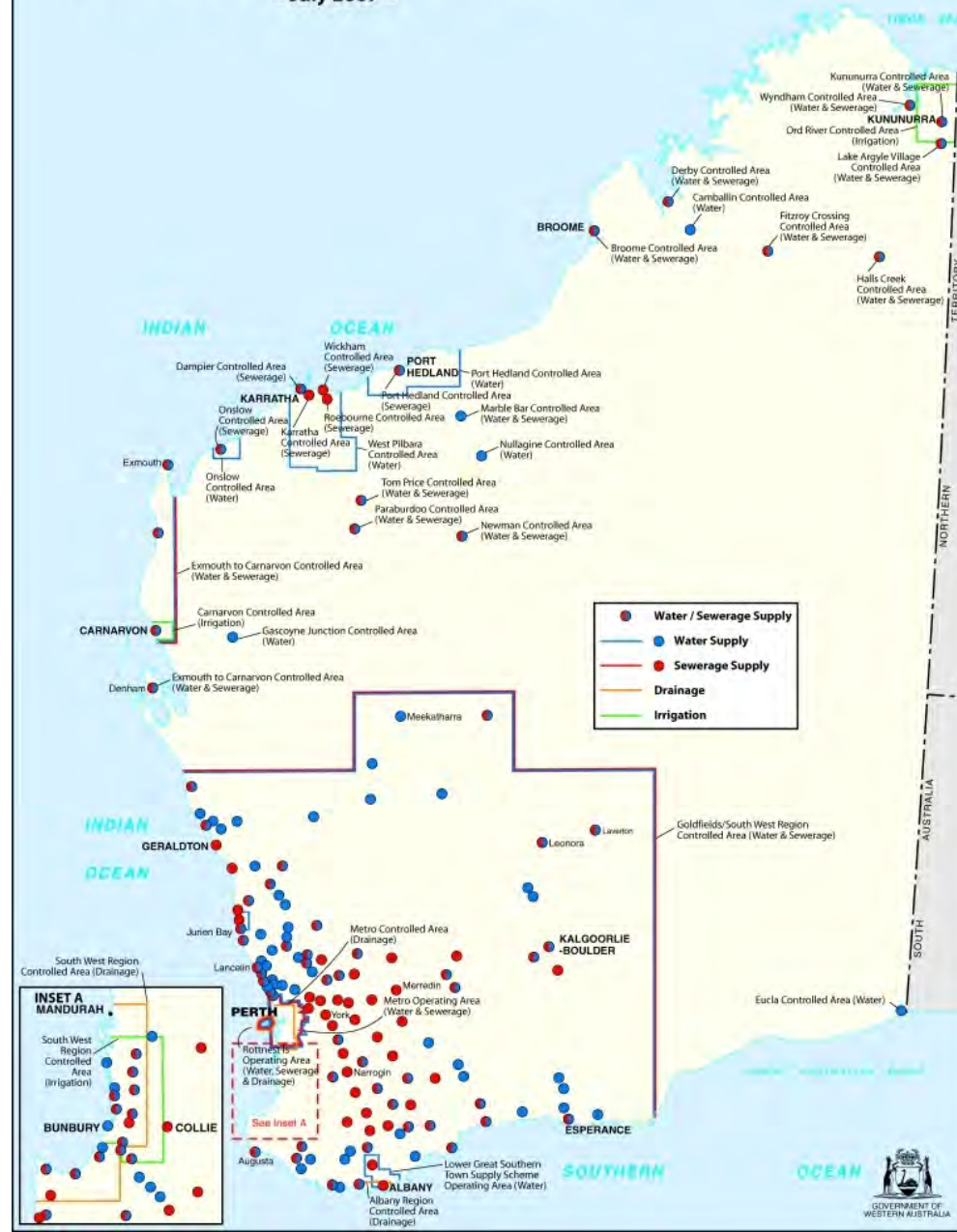
ECONOMIC REGULATION AUTHORITY

~ July 2007 ~

Water

Services:

- 29 Licences



Benefits of Independent Economic Regulation

- Facilitates private sector provision of services
- Makes best use of monopoly infrastructure
- Enhances competition upstream/downstream
- Promotes Consumer Protection and Fair Trading
 - Interface with Energy Ombudsman

Achievements

- Effective access arrangements: Gas/Electricity/Rail
- 78 Licensed Service Providers: Gas/Electricity/Water
- Active monitoring of asset management, operations & performance
- High degree of national consistency
- Independent advice
- Confidence in independent regulation & advice

Summary

- Independence
- Transparency
- Public consultation
- Understanding the role of the ERA
- Able to assist through inquiry role

Contact Details

**Economic Regulation Authority
6th Floor
Governor Stirling Tower
197 St Georges Terrace
Perth Western Australia 6000**

Web site www.era.wa.gov.au
Telephone **+61 8 9213 1900**
Facsimile **+61 8 9213 1999**

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Independent Regulation and Advice

www.era.wa.gov.au