Economic Regulation Authority

Level 6, Governor Stirling Tower 197 St Georges Terrace Perth Western Australia 6000
 Telephone
 61
 8
 9213
 1900

 Facsimile
 61
 8
 9213
 1999

 Website
 www.era.wa.gov.au

GPO Box 8469 Perth Business Centre Western Australia 6849

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NOTICE

New Facilities Investment Test for Western Power's 66/11 kV Medical Centre Zone Substation

DRAFT DETERMINATION

The Economic Regulation Authority has released its <u>draft determination</u> on Western Power's application for a new facilities investment test (**NFIT**) for its proposed medical centre zone substation expansion at Sir Charles Gairdner Hospital. The company's application was submitted under section 6.71 of the *Electricity Networks Access Code 2004*.

The Authority's draft determination is to not approve Western Power's application for the reason that Western Power's total forecast new facilities investment of \$28.4 million exceeded the amount that would be invested by a service provider efficiently minimising costs. The Authority estimated this amount to be \$25.9 million.

The Authority's assessment also indicates that a greater amount of new facilities investment than claimed by Western Power may be considered to satisfy the NFIT, which will impact on the amount of capital contribution that Western Power can charge.

The Authority invites interested parties to make submissions on the draft determination which is available, with other related documents, on its <u>web site</u>.

DRAFT DETERMINATION

In making its draft determination the Authority considered the submissions it received on Western Power's application, the Authority's issues paper and an independent technical report commissioned by the Authority.

INVITATION TO MAKE A SUBMISSION

Interested parties are invited to make submissions to the Authority by 4pm (WDST) Wednesday, 7 January 2009. The Authority will prepare its final determination after reviewing the submissions it receives.

Submissions should be sent in printed form to:

66/11 kV Medical Centre New Facilities Investment Test Electricity Access Economic Regulation Authority PO Box 8469 Perth BC WA 6849

Electronic submissions can be emailed to <u>medicalcentrenfit@era.wa.gov.au</u>

In general, all submissions from interested parties will be treated as being in the public domain and placed on the Authority's web site. Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for 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 web site 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 confidential information and no duty of confidence will arise for the Authority in these circumstances.

For further information contact:

General Enquiries

Ms Karen Tilsed A/Assistant Director (Electricity) Ph: 61 8 9213 1900 Fax: 61 8 9213 1999

Media Enquiries

Mr Paul Byrne Byrne & Byrne Corporate Communications Ph: 61 8 9336 2081 Mb: 0417 922 452

LYNDON ROWE CHAIRMAN

11 December 2008