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NOTICE

Further Final Decision on Western Power's Proposed Access Arrangement Revisions

The Economic Regulation Authority today issued its further final decision on Western Power's amended proposed access arrangement revisions for the South West Interconnected Network.

The Authority's further final decision is to approve Western Power's amended proposed revisions, received by the Authority on 24 December 2009. Reasons for the Authority's decision are set out in the <u>further final decision</u> document.

In accordance with section 4.26 of the *Electricity Networks Access Code 2004*, the Authority has determined that the amended access arrangement will be effective from 1 March 2010.

Amended Price List for 2009/10

As part of the further final decision, the Authority has approved an amended 2009/10 price list, which will be effective from 1 March 2010 to 30 June 2010. The amended price list is available on the Authority's <u>web site</u>.

The changes in individual reference tariff charges (from those established in the current price list applying to 28 February 2010) are within the range of 'CPI' plus or minus 13 per cent for transmission; and plus or minus 18 per cent for distribution, as allowed under the approved amended access arrangement applying from 1 March 2010.

The changes comprise of increases between:

- 12.8 and 12.9 per cent for transmission reference tariffs; and
- 17.1 and 18.0 per cent for distribution reference tariffs.

It remains for the Western Australian Government to determine whether these increases to transmission and distribution reference tariffs will directly affect retail electricity prices for residential and small business customers. The Authority would support these increases being passed through to retail tariffs to better facilitate the transition to cost reflective tariffs.

If the increases approved by the Authority were to be passed through to residential electricity tariffs (noting that network charges are only one component of retail costs), it is estimated that residential tariffs would increase by approximately seven per cent (in real terms) on 1 March 2010.

Access Arrangement Documents

The further final decision and related documents, including notices and submissions received during the assessment process are available from the Authority's <u>web site</u>. The Authority appreciates the input of all interested parties throughout the decision making process.

Western Power's amended access arrangement and access arrangement information, as approved by the Authority, are also available from the Authority's <u>web site</u>.

For further information contact:

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