



# NOTICE

## Invitation for Public Submissions

### NEW FACILITIES INVESTMENT TEST APPLICATION FOR TRANSMISSION WORKS TO SUPPLY THE BINNINGUP DESALINATION PLANT

The Economic Regulation Authority is seeking public comment on an application from Western Power for a new facilities investment test assessment on its proposal to undertake transmission works to supply electricity to the Binningup Desalination Plant. The transmission works are estimated to cost \$52.63 million and involve the installation of a second 330/132 kV transformer at Kemerton Terminal and construction of a 132 kV transmission line to connect the desalination plant.

Western Power's application was submitted under section 6.71(b) of the *Electricity Networks Access Code 2004* (**Access Code**).

### ISSUES PAPER

The Authority has prepared an issues paper to assist interested parties prepare submissions. This paper is not intended to be an exhaustive review of Western Power's application at this point in time, or the matters that the Authority will address when making its decision on the application.

The [issues paper](#) and [Western Power's application](#) are available on the Authority's website.

### INVITATION TO MAKE A SUBMISSION

Interested parties are invited to make submissions in print and electronic form on Western Power's application by **4:00 pm (WST) on Friday, 26 November 2010**.

Submissions should be marked to the attention of Manager Projects Access.

Postal address: PO Box 8469, PERTH BC WA 6849

Office address: Level 6, 197 St Georges Terrace, PERTH WA 6000

Email address: [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

In general, all submissions from interested parties will be treated as being 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 for which confidentiality is claimed, and specify in reasonable detail the basis for the claim. Any claim of confidentiality will be considered in accordance with the provisions of sections 14.12 to 14.15 of the Access Code.

The publication of a 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 part contains information of a confidential nature and no duty of confidence will arise for the Authority.

## **NEW FACILITIES INVESTMENT TEST**

“New facilities investment” is the capital cost of developing, constructing and acquiring a new facility to enable the utility to provide covered services.

The new facilities investment test determines whether, or to what extent, investment associated with a new facility can be added (rolled in) to the capital base of a covered (regulated) network and recovered through network tariffs.

Under the Access Code, a service provider may at any time apply to the Authority to conduct a new facilities investment test in relation to actual or forecast new facilities investment. On receiving an application, the Authority must make and publish a determination within a reasonable time after having consulted with the public.

On 4 January 2010, the Authority determined that Western Power’s proposal for new transmission works to supply power to the Binningup Desalination Plant satisfied the requirements to have the application of the regulatory test waived. The “regulatory test” applies to major augmentations and is an assessment, which precedes the new facilities investment test, of whether the proposed augmentation maximises the net benefit to those who generate, transport and consume electricity in the covered network after alternative options have been considered.

For further information contact:

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LYNDON ROWE  
**CHAIRMAN**

12 November 2010