



Economic Regulation Authority

Promoting fair prices, quality services and choice

PUBLICATION

Western Power Regulatory Test Waiver for Proposed Augmentation to Supply Southdown Mine

FINAL DETERMINATION

The Economic Regulation Authority has released its [final determination](#) on Western Power's regulatory test waiver application for a proposed major augmentation to supply the proposed Southdown magnetite mine, approximately 90 km north east of Albany. This proposal was submitted under section 9.24 of the *Electricity Networks Access Code 2004* (**Access Code**).

The Authority considers that the application of the regulatory test in respect of the proposed major augmentation would be contrary to the Chapter 9 objectives of the Code, as there is only one viable option which can be delivered within the timescale required for a supply of electricity to the proposed Southdown mine by March 2014. Therefore, the Authority waives the requirement for a regulatory test. Further details of the Authority's decision are set out in its [final determination](#).

Background

The regulatory test is set out in Chapter 9 of the Access Code and is designed to ensure that before a service provider commits to a proposed major augmentation to a covered network, the major augmentation is properly assessed to determine whether it maximises the net benefit after considering alternative options. Section 9.23 of the Access Code enables the Authority, under certain circumstances, to waive or modify the regulatory test.

On 16 June 2011, the Authority received a [regulatory test waiver application](#) from Western Power for a proposed major augmentation to supply the proposed Southdown magnetite mine. The proposed mine is a joint venture comprising Grange Resources Limited and Sojitz Resources and Technology Limited. In response to requests for further information from the Authority, Western Power made two further submissions on [8 July 2011](#) and [2 August 2011](#).

For further information contact:

General Enquiries

Elizabeth Walters
Assistant Director Electricity Access
Ph: 61 8 9213 1900
Fax: 61 8 9213 1999

Media Enquiries

Richard Taylor
Riley Mathewson Public Relations
Ph: 61 8 9381 2144
Fax: 61 8 9381 3877

LYNDON ROWE
CHAIRMAN

23 August 2011