

## NOTICE

### **Approval of Costs for a Deed of Undertaking between System Management and Verve Energy for Dispatch Support Services**

The Economic Regulation Authority has approved the costs relating to a Deed of Undertaking between System Management and Verve Energy for Dispatch Support Services.

The Deed will be effective in its current form from 20 April 2008 until the date the 330 kV transmission line from Pinjar to Geraldton begins operating. The Deed has been submitted to the Authority under the Wholesale Electricity Market (WEM) Rules.

The approval was granted on the basis that:

- The Dispatch Support Service (DSS) would achieve the lowest practicably sustainable cost of delivering the service as required by the WEM Rules.
- Public consultation was not warranted as an associated Rule Change process administered by the Independent Market Operator canvassed the relevant issues.

The formula for determining the cost of the DSS provided by Verve Energy has been determined as:

*[[MWh generated in a trading interval when generating unit dispatched for DSS) multiplied by (SRMC of generating unit net of any start up component minus MCAP)] plus start up costs.*

The data used in the formula is confidential to Verve Energy. The Independent Market Operator will publish the total monthly cost of providing the DSS on its web site.

The cost of the DSS will be recovered from Market Participants under the WEM Rules.

A review of the DSS building block data will begin on 1 July of each year that the DSS remains in its current form.

For further information contact:

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