

31 January 2007

Mr Lyndon Rowe
Economic Regulation Authority
GPO Box 8469
Perth Business Centre
PERTH WA 6849

Dear Mr Rowe

Call for Submissions on Matters Relating to Western Power's Revised Proposed Access Arrangement for the South West Interconnected Network

Please accept my submission relating to Western Powers revised proposed access arrangements to the South West interconnecting network.

As a property developer who, for some time, has specialised in the Walpole/Denmark area (over the last 25 years) with four separate proposals currently in the pipeline. A copy of my letter to Hon. F M Logan BA (Hons), MLA dated 6 December 2006 is attached for your information.

I submit the following suggestions which, from the perspective of a resident user and developer in the Denmark region, should be seriously considered.

The term "end user" by its very definition is neither the developer or the person who buys the newly subdivided lot. The "end user" is the person who turns on the switch. To support this definition you may not be aware that 47% of the houses in Denmark are used solely as holiday houses, either by the owners or, more often, by the metropolitan, interstate and international visitors to the area during the summer months. Therefore, the peak load requirements for the area are not caused by the residents of that postcode but by, in the main, the Western Australian public. It would, therefore, be more equitable if the unit charge for power was increased sufficiently to service any capital expenditure required to upgrade the lines into Denmark.

As we develop land only, we have little or no control over the eventual total capacity, only in general terms per normal household, and will never be in a position to commit to a "contracted capacity". This term could only be useful in an industrial or commercial enterprise undertaken by an individual end user, not the broad acre land developer.

We pay a design fee and contract price for regional power infrastructure directly to Western Power. The cable size, and sometimes the transformer cost, substation, etc are to Western Power's specifications and our cost, paid for by the developer and then, of course, handed on as a charge to the land purchaser.

There has been \$77 million worth of real estate sales over the last 12 month. With the State receiving 6.5% stamp duty on this amount, plus the 10% GST where applicable, this indicates a very substantial contribution from the new regional landowners into the Government coffers, in the order of \$10 million plus per annum. This, in it's self, is more than enough to service and make a debt repayment on the estimated \$40 million cost of a high voltage line from Mt Barker into Denmark.

To further burden the land owner with the cost of a capital contribution would be double dipping at it's best, considering that regional development has long been a stated priority of both Governments. Given the enormous contribution back to the State from the \$77 million worth of annual sales in the area and the ability to increase the electricity tariff so the true end user pays.

The electricity authorities have had a representative attending all Town Planning meetings over many years, obviously ignoring the future demand and infrastructure requirements until they have reached the crises point that we are now experiencing.

The total community gains from an upgraded power supply to Denmark and Walpole and it is obvious from the growth demand that more than sufficient users are available to purchase power and service the infrastructure requirements now evidently needed.

Yours sincerely
Sun Land Pty Ltd

Graeme Robertson
Director

6 December 2006

Hon. F M Logan BA (Hons), MLA
Minister for Energy, Science and Innovation
10th Floor, London House
216 St George's Terrace
PERTH WA 6000

BY FACSIMILE: 92228950

Dear Minister Logan

RE: Power Supply to Albany, Denmark and Walpole

My family company is involved with developing land in the above area. I would like clarification as to which of the projects listed below will have power available from your corporation.

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| • Kersley Road, Denmark | 60 Special residential lots |
| • Karri Mia Resort, Denmark | An additional 70 holiday houses |
| • Mt Shadforth Road, Denmark | Rural residential subdivision 64 lots |
| • Boronia Ridge, Walpole | 80 R10 lots |
| • Nullaki Peninsula, Albany Shire | 20 lots |

With approximately 300 lots either approved or going through the planning approval stage, we are most concerned with the current situation, particularly as I have just completed a premature \$700,000 worth of road works at Western Power's request to upgrade the service to the Nullaki Peninsula.

Your comments would assist us with our planning.

Yours sincerely
Sun Land Pty Ltd

Graeme Robertson
Director

cc: Regional Manager for the Great Southern Western Power
Terry Redman, MP
Bruce Manning Gt Southern Development Commission