

Our ref: 9566244
Contact: Phil Southwell

18 July 2012

Mr Robert Pullella
Executive Director Access
Economic Regulation Authority
Level 4, 469 Wellington Street
Perth WA 6000

Dear Rob

Economic Regulation Authority (Electricity Networks Access Funding) Regulations 2012

Western Power has recently been advised by the Department of Treasury that a regulation is being proposed to require Western Power to pay for the ERA's costs in relation to its electricity access functions. Western Power's revised proposed revisions to the access arrangement, submitted on 29 May 2012, do not provide for these costs. Western Power is therefore seeking that these costs be added to the AA3 operating expenditure forecasts.

The Department of Treasury has advised that the charges payable under the Economic Regulation Authority (Electricity Networks Access Funding) Regulations 2012 can be recovered by Western Power under Chapter 6 of the Electricity Networks Access Code 2004. Specifically, a covered network service provider would include the regulator's fee as a non-capital cost component of approved total costs under s6.40 of the Access Code.

Given the imminent approval of the Economic Regulation Authority (Electricity Networks Access Funding) Regulations 2012, Western Power is seeking for \$1.3 million (real as at 30 June 2012) to be added to the non-capital costs forecasts for the transmission system for each year of AA3. As all users of the Western Power Network pay for the use of the transmission system this ensures that these costs are recovered from all users benefitting from the electricity access functions of the ERA.

Yours sincerely



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