

From: Ian Barlow [ian@jensenjarrah.com.au]

Sent: Thursday, 8 February 2007 8:24 AM

To: pub_con

Subject: SUBMISSION RE WESTERN POWER'S REVISED PROPOSED ACCESS ARRANGEMENTS FOR SWIN

ATTENTION: MR LYNDON ROWE

Dear Mr Rowe,

Many thanks for the opportunity to comment on WP's proposed changes to access to the SWIN.

We are mainly interested in the proposal to replace WP's current policy of charging the first new user that triggers the need for an extension in the capacity to an area with the full cost of that expansion with a "Headworks Charge" which would spread the cost equitably over future new users.

We have a vested interest in this proposal as we are potentially a new user that will trigger the need for an upgrade to the power supply to Wellington Mills. We understand that they are 3 rezoning applications including ours (less than 10 new blocks in the 3 sub-divisions) from Rural to Semi Rural in Wellington Mills which are currently held up by Western Power's contention that capacity to the area has been reached and no further connections can be made until the power supply has been upgraded to 22 kV.

Current First User Pays Policy prevents small subdivisions.

WP current policy makes small sub-divisions uneconomic. E.g. if we decide to go ahead and fund the upgrade the cost will approximate \$665k made up of the following:

- The cost of this upgrade to 22 kV to Wellington Mills has been estimated to be \$500k.
- The estimated cost of WP connecting our blocks to the Network is \$60k.
- The costs of replacing the current aerial supply to our house with an underground supply is \$15k
- Interest costs on the above borrowings from payment to WP to settlement of the new blocks is \$90k

As this cost is approximately 90% of the value of our 20 ha Rural block we would be unable to borrow these funds and this cost would eliminate any possible gain from the proposed re-zoning and sub-division.

Only major well financed land developers could possibly fund the initial costs of the upgrade and WP's current policy favours them over small non-commercial sub-divisions.

Headwork Charges would be more equitable

We believe that a method of sharing the costs of any essential upgrade should be shared by all the future users. It is logical, equitable and complies with normal user-pays principles. This assumes that the need for and costing of the upgrade have been first independently verified.

We have previously participated in a SEWA contributory scheme to provide power to Carabooda Road in Wanneroo 30 years ago. This produced an equitable sharing of costs and enable all landowners to get a quick and economic collection to mains power.

Western Power's assessment of full capacity and costings are not transparent.

WP have advised the Dardanup Shire that the current supply to Wellington Mills has reached capacity. They have been asked for evidence to back up their assertions but have refused expecting the public to accept them at their word.

Similarly only WP can quote on work to upgrade the power supply and make connections to it. There is no apparent independent review of the fairness or accuracy of these quotes.

As WP is now judged by Government only on its financial success, we assume that these costs would be biased towards achieving that success at the expense of its customers.

Western Power appear to have abrogated their responsibility to provide an adequate power supply network to the regions.

We are personally aware that developments in Denmark, Peaceful Bay, Dardanup as well as Wellington Mills are currently held by the lack of an adequate power supply. We have been advised that there are many other small regional communities in the same position. It cannot be a coincidence that this situation has only arisen since WP was put on a more "commercial" basis concentrating more on achieving targeted financial returns on investment rather serving the public good. It is likely that the capacity of the power network was not kept up during the previous period or WP are now off-loading capital expenditure to the private sector to improve their ROI's.

Given that WA is suffering from a shortage of land for housing, we assume that the State Government should be interested in removing all blockages to land development. WP appears to be the major blockage in the regions.

Western Power Payment Policies are inequitable and uncompetitive

WP currently require that the full cost of a connection fee is payable to them at the time their quote is agreed to. They allow themselves an indefinite time (currently in excess of 6 months) to complete the works.

Only a monopoly with total disregard for customers could achieve such payments terms.

A bank guarantee or payment immediately before the works start would be more equitable and more in line with practices in a competitive environment.

Western Power are preventing use of alternative energy initiatives

Western Power have refused to accept wording in the current Wellington Mills Structure Plan that would allow blocks to be sub-divided with an alternative (solar, wind etc) energy source being available to it. It will only allow sub-divisions which are connected to the WP network.

Ferguson Valley residents are currently investigating the feasibility of making our area self sustainable for power and water and WP's policies prevent access to alternative energy sources.

I understand that the capital cost of providing a combined solar, wind, battery power supply to an average country residence is \$25k and would generate surplus energy to WP's network should they be willing to connect to this power source. To many people this would be a preferred alternative to WP's connection costs and ever increasing power charges and assist in the reduction of greenhouse gases and other pollution generated by coal fired power stations.

At this time with all the world's focus on its diminishing energy resources and global warming it seems inconceivable that our State Government would allow a monopoly state enterprise to dictate policies which would curtail future competition in clean technologies.

Please phone me if you need me to clarify any of the above.

Regards

Ian

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