

Civic Centre
McGregor Street

PO Box 41
Port Hedland, WA 6721

P (08) 9158 9300
F (08) 9158 9399

council@porthedland.wa.gov.au
www.porthedland.wa.gov.au



Attn: Noel Ryan
Acting Director, Energy Networks
Public Utilities Office
Department of Treasury
Locked Bag No 11
Cloisters Square WA 6850

By email: PUOsubmissions@treasury.wa.gov.au

Dear Mr Ryan,

DESIGN CONSULTATION PAPER – REGULATORY FRAMEWORK FOR THE PILBARA ELECTRICITY NETWORKS

The Town of Port Hedland welcomes the opportunity to present you with a submission in relation to the consultation paper for the regulatory framework for the Pilbara electricity networks.

As an introduction, Port Hedland is the location of the largest bulk handling port in the world. The port continues to deliver outstanding performance with close to half a billion tonnes shipped in 2015/16 comprising nearly 60% of WA's iron ore exports. This in turn is about 10% of Australia's total exports – going through just one port in the Pilbara. It is a port that is a vital link in the WA and Australian economy.

It is also home to about 14,500 residents of which nearly 2,500 are Aboriginal and Torres Strait Islanders. A relatively small population that delivers massive results for the State and the Nation.

In terms of future development for the town, there is a major development plan for the port which includes Lumsden Point, a multi user facility, and in time construction of a new outer harbour. All of this is ultimately aimed at doubling the overall capacity of the port and providing facilities to a range of users including small miners, agriculture and livestock ensuring that Hedland's economy is diverse and sustainable into the future.

The Town acknowledges that the characteristics of the current North West Interconnected System are such that existing frameworks are not appropriate, and are likely to impose unwarranted costs and introduce inefficiencies. With this in mind, the Town is supportive of a system that must be reliable, has the capacity to meet current and future needs, including potential fluctuating rapid increase in the town's population, along with any steady state increases over a longer period.

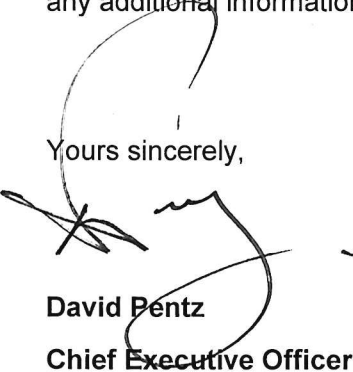
Improved infrastructure would be welcomed, on the basis that it will be efficient and effective, given the high dependency on it by consumers, which includes heavy industry. Any initiative should eventually lead to a reduction in pricing for consumers.

Should an Independent System Operator (ISO) be established as proposed by the Public Utilities Office the Town understands that a number of services will require to be established to support the framework. The Town would expect that qualified operators would be based locally and/or in the region, in order to undertake planned and unplanned maintenance in a timely manner, and also to support local employment

Lastly, if an independent Board to oversee the revised NWIS is established, the Town wishes to support a membership that includes people who are located in Port Hedland and understand the region, so that they are able to advocate for the area as required, and make informed decisions on any immediate and future network needs.

Thanks you for the opportunity to present you with this submission, if you have any queries, or require any additional information please contact me on 91589 300.

Yours sincerely,



David Pentz
Chief Executive Officer

26 February 2018