

Mr Noel Ryan
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By email: PUOsubmissions@treasury.wa.gov.au

9 March 2018

Dear Mr Ryan

RESPONSE TO DESIGN CONSULTATION PAPER– “REGULATORY FRAMEWORK FOR THE PILBARA ELECTRICITY NETWORKS”

- 1.1. Fortescue Metals Group Ltd (**Fortescue**) refers to the “Design Consultation Paper – Regulatory Framework for the Pilbara Electricity Networks” issued 9 February 2018 November 2017 (**Consultation Paper**).
- 1.2. Fortescue also refers to its submission dated 4 December 2017 (**Initial Submission**) in relation to the “Issues Paper – Improving access to and operation of the Pilbara electricity network – the North West Interconnected System” issued 14 November 2017 (**Issues Paper**), and repeats paragraph 1 (*Background*), paragraph 2 (*Fortescue’s electricity profile*) and paragraph 3 (*Response to Issues Paper*).
- 1.3. Fortescue consents to the public release of this letter. However, Schedule 1 is to remain confidential and is not for public release.
- 1.4. In general terms, Fortescue supports both the proposed third party access framework, the development of an ‘opt – in’ mechanism to cater for additional infrastructure that may elect to be covered, and the establishment of an independent system operator for the NWIS.
- 1.5. However, in order for such a framework to be effective and to provide certainty, Fortescue’s view is that any proposed pricing and return principles need to be definitive, clear rules, as opposed to flexible guidelines. Without such clarity, the likelihood of access requests being pushed into dispute resolution seems, at least on the face of it, high. In a similar vein, any dispute resolution procedure needs to be binding and timely.
- 1.6. To the extent that it does not apply to asset owners and operators, Fortescue also supports the limited liability scheme proposed to apply to the new ISO.
- 1.7. Fortescue looks forward to working with all parties in the development of the relevant regimes.

Yours sincerely

FORTESCUE METALS GROUP

TIM LANGMEAD

Director of Community, Environment and Government