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L c n	IMO Board Room Level 3, Governor Stirling Building, 197 St Georges Terrace, Perth
➤	Thursday 5 May 2011
➤	Commencing at 3:05 to 5:05pm

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Greg Ruthven	IMO (Chair)
Monica Tedeschi	IMO (Minutes)
Johan van Niekerk	IMO
Corey Dykstra	Market Customer
Steve Gould	Market Customer
Stephen MacLean	Market Customer
Chin Koay	Market Generator (proxy)

?	<p>(Market Generator) and Shane Cremin (Market Generator). Mr Chin Koay was welcomed in place of Mr Huppatz.</p> <p>The Chair also welcomed Adam Boyd, who had replaced Nenad Ninkov as the New Investor representative, and Ben Tan who attended as an observer.</p>	
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Mr Campillos noted that the use of CPI allows the calculation to be replicated. However, if CPI is significantly different from expected escalation in power station costs then perhaps it might be better not to use it as a basis for escalation. Mr Dykstra agreed with Mr Campillos, however noted that the MRCP was a cap and therefore contains some head room.

The Chair explained the discussions held previously with the ERA in relation to the use of forward commodity price estimates to develop escalation factors. The Chair noted that SKM had advised that its forward escalation factors for switchyard and transmission costs had previously been endorsed by the Australian Energy Regulator.

Switchyard and transmission costs are typically incurred by regulated entities and are significantly more transparent, allowing

Mr Peake suggested that, as refund rates were more punitive during peak periods, the IMO could consider looking at refund quantities to gauge the financial impact of forced outages for

and had offered to provide suggestions for improvement.

Mr Gould noted that the corporate tax rate in section 1.13.8 is currently a Major WACC parameter, suggesting that it would only