



Supporting
document 18.2

Director's Certification and CEO Statutory Declaration

2020-2025
Regulatory Proposal
January 2019



SA Power Networks 2020-25 Regulatory Proposal

Directors' Certification Statement

The Directors certify that:

- In accordance with clause S6.1.1(5) of the National Electricity Rules, the key assumptions that underlie the 2020-25 capital expenditure forecast, set out below, are reasonable.
- In accordance with clause S6.1.2(6) of the National Electricity Rules, the key assumptions that underlie the 2020-25 operating expenditure forecast, set out below, are reasonable.

Signed in accordance with a resolution of Directors:

Name: **PETER TULLOCH**
Director

Date: **10/12/18**

Name: **RICHARD FERNANDES**
Director

Date: **10/12/18**

Assumptions applicable to both capital expenditure forecast and operating expenditure forecast

- Legal review of compliance with the requirements of the Rules and the AER's regulatory information notice dated 31 October 2018
- Forecast expenditure incorporates stakeholder engagement feedback
- Past expenditures provide a reasonable indication of likely future expenditures, except where otherwise noted in the Proposal
- Benchmarking confirms that we are acting as an efficient distributor
- Labour escalation as forecast
- Contracted construction and labour services as forecast
- Materials escalation as forecast
- Land escalation as forecast
- Superannuation liabilities as forecast
- Proposed pass-throughs are accepted by the AER
- Expenditure and revenue models are accurate

Assumptions applicable to capital expenditure forecast only

- Unit costs of work will remain consistent with historical costs, with the exception of labour, materials and services cost escalation
- Equity raising costs as forecast
- Replacement asset management strategies and the scope of works selected for each asset category are appropriate to meet the capital expenditure objectives of the Rules
- Spatial peak demand growth as forecast
- Capacity asset management strategies and the scope of works selected for each asset category are appropriate to meet the capital expenditure objectives of the Rules
- Customer connect expenditure as forecast
- IT capital expenditure as forecast
- Fleet capital expenditure as forecast
- Property capital expenditure as forecast

Assumptions applicable to operating expenditure forecast only

- Debt raising costs as forecast
- Nominated 2018/19 as efficient revealed cost year
- Changes in scope (Step changes) are appropriate to meet the operating expenditure objectives of the Rules
- Derivation of scale cost drivers and their relationship to expenditure is as modelled, including the application of economies of scale

STATUTORY DECLARATION

State of South Australia - *Oaths Act 1936*

I, Robert Stobbe,
[full name]

of 1 Anzac Highway, Keswick, SA 5035
[address]

do solemnly and sincerely declare that

1. I am an officer, for the purposes of the National Electricity (South Australia) Law, of CKI Utilities Development Ltd & PAI Utilities Development Ltd & Spark Infrastructure SA (NO3) Pty Ltd & Spark Infrastructure SA (NO1) Pty Ltd & Spark Infrastructure SA (NO2) Pty Ltd (trading as SA Power Networks) (ABN 13 332 330 749), a regulated network service provider for the purposes of section 28D of the NEL. I am authorised by SA Power Networks to make this statutory declaration as part of the response of SA Power Networks to the Regulatory Information Notice dated 31 October 2018 (Notice) served on SA Power Networks by the Australian Energy Regulator (AER).
2. I say that the actual information (as defined in the Notice) provided in SA Power Networks' response to the Notice is, to the best of my information, knowledge and belief:
 - (a) in accordance with the requirements of the Notice; and
 - (b) true and accurate.
3. Where it is not possible to provide actual information to comply with the Notice, SA Power Networks has, to the best of my information, knowledge and belief:
 - (a) provided SA Power Networks' best estimate of the information in accordance with the requirements of the Notice; and
 - (b) provided the basis for each estimate, including assumptions made and reasons why the estimate is the best estimate.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1936* (SA).

Declared at 1 Anzac Highway, Keswick

in the State of South Australia, this 30th day of

January 2019

.....
Signature of person making this declaration
[to be signed in front of an authorised witness]

Before me,
Signature of authorised witness

.....
Qualification of authorised witness

.....
Name of authorised witness

Damien George Harby
A Commissioner for taking affidavits
in the Supreme Court of South Australia