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24th June 2015

Mr Sebastian Roberts
General Manager, Network Regulation
Australian Energy Regulator
GPO Box 520
Melbourne 3001

Sent by email to: SAelectricity2015@aer.gov.au

Re: CIT Submission to SA Power Networks Regulatory Proposal (2015 – 2020)

I am Chairman of the Board of CCW Co-operative Limited that has 580 winegrape grower members. Our members produce approximately 200,000 tonnes of grapes per year, representing nearly 50% of the production of the Riverland region.

Winegrapes produced in this hot climate area require the application of large amounts of irrigation water. All of the water must be pumped, whether by the local irrigation trusts, re-pumping at the vineyard or by private diverters. Electricity costs have increased more than any other cost in the production of winegrapes in the Riverland and now represents one of the largest single costs incurred in winegrape production.

At present, winegrape prices are as low as they have been for many years due to a range of local and international factors. These prices are well below the cost of production for the majority of growers. It has been estimated that over 90% of grape growers in the Riverland are at present operating unprofitable businesses. All growers are cutting costs that are within their control such as labour, diesel, chemicals and fertiliser. Reducing power costs by reducing water application is not an option.

The CCW Co-operative fully supports the efforts of the Central Irrigation Trust and the Riverland Energy Association to curb what we regard as unsustainable and unjustifiable increases in electricity prices. We urge the AER to resist the appeal of SA Power Networks and offer our full support to the AER Determination of SA Power Networks Regulatory Proposal (2015 – 2020).

Yours faithfully

CCW CO-OPERATIVE LIMITED

A handwritten signature in blue ink, appearing to read 'P. Hill', is written over a light blue horizontal line.

Peter Hill
Chairman of Directors