

CENTRAL IRRIGATION TRUST

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10 July 2015

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

Sent by email to SAelectricity2015@aer.gov.au

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

As a large energy consumer in South Australia I would like to thank the Australian Energy Regulator for allowing us to make a submission on the SA Power Networks Revised Regulatory Proposal 2015-2020.

I restate from our original submission that whilst we have had very good and reliable service from SA Power Networks we are an unhappy customer as a result of the unsustainable price increases imposed on our business without notification or discussion by SA Power Networks over the last regulatory period.

SA Power Networks revised proposal shows their cavalier approach to customers. There is little change to its original proposal demonstrating the distinct lack of interest they have in the long term interests of their customers. This is vastly different to attitude of TasNetworks who accepted AER's decision, significantly reduced expenditure and subsequent prices to its customers.

There is no justification to reinstate the programs from the original SA Power Networks' proposal that were rejected by the AER and were predicated on a flawed "push" consultation process.

Table 16.3 epitomises the disdain that SA Power Networks have for their customers. This table demonstrates that in a time of static or declining demand their proposed expenditure over the period is as follows:

- Return on capital increasing by 28% (nominal)
- Regulatory depreciation increasing by 64% (nominal)
- Operating Expenditure increasing by 19% (nominal)
- Tax allowance increasing by 15% (nominal)
- Revenue increasing by 31 % (unsmoothed nominal)

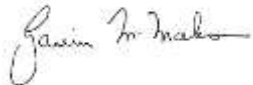
Managers of the grower owned

Berri, Cadell, Chaffey, Cobdogla, Golden Heights, Kingston, Loxton, Moorook, Myponga, Sunlands, and Waikerie Irrigation Trusts Inc. and the Lyrup Village Settlement Trust Inc.

Nominal price increases of 23% in 2016/2017 and 12% in 2017/2018 as proposed by SA Power Networks are unacceptable to customers. I am sure a survey of customers would support this assertion.

Finally SA Power Networks is prepared to use the UK as a model for consultation. We would also like to see SA Power Networks being benchmarked against networks in the UK and others internationally to ensure they are the most efficient provider in the world.

Regards

A handwritten signature in black ink, appearing to read "Gavin McMahon". The signature is written in a cursive style with a long horizontal stroke at the end.

Gavin McMahon
Chief Executive Officer