

CENTURY ORCHARDS IRRIGATION TRUST INC

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9th 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

Century Orchards 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.

We are very unhappy with the unsustainable price increases imposed on our business by SA Power Networks over the last regulatory period.

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

I see 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 was 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)

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. I 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 blue ink that reads "Brendan". The signature is written in a cursive style with a large initial 'B'.

Brendan Sidhu
Chief Executive Officer