



**KANGAROO
ISLAND**

Commissioner for Kangaroo Island

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Mr Sebastian Roberts
General Manager - Networks Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Mr Roberts

Thank you for the opportunity to make this brief submission on your Preliminary Determination of SAPN's revenues for the 2015-20 Regulatory Period.

As you would be aware, SAPN proposed capital expenditure of \$45.2 million (\$2014–15) to install a second undersea electricity cable to Kangaroo Island. While I understand that the AER does not 'approve' individual expenditure projects, you did 'accept' the need to address security of electricity supply to KI¹. This is a very important and welcome development for the Kangaroo Island community and economy.


I have been recently appointed under the Commissioner for Kangaroo Island Act 2014 as the Commissioner and am writing to you in this capacity.

KI energy consumers have engaged directly with SAPN and through KI Council and the Kangaroo Island Futures Authority. I intend to build on this level of interest and engagement to ensure that the interests of KI's consumers remain at the forefront as this project proceeds to the Regulatory Investment Test for Distribution (RIT-D).

As outlined in previous submissions to SAPN, AER and ESCOSA, the consequences of a failure of the current undersea cable are unlike those for communities affected by network interruptions elsewhere in the state. A repair or replacement time of months or years makes for very different circumstances than repairing an overhead line or a failed transformer. The perception of insecurity this creates is something that has undermined the confidence of the community and of potential investors for many years.

I look forward to engaging further with the AER and SAPN on behalf of KI consumers to ensure the timely delivery of an efficient investment in the island's energy infrastructure.

Kind Regards,


Wendy Campana
Commissioner for Kangaroo Island
26 June 2015

¹ AER Preliminary Determination Attachment 6 – Capital Expenditure, pages 63-68

