



The Kenmark Irrigation Trust

Constituted by a Statute of the Parliament of South Australia, 1893

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

Sent by email to SAelectricity2015@aer.gov.au

The Renmark Irrigation Trust thanks the Australian Energy Regulator for the opportunity to make a submission regarding the AER's Determination on SA Power Networks Proposal 2015-2020.

The Renmark Irrigation Trust is an Irrigation Infrastructure Service Provider that distributes irrigation water pumped from the River Murray to over 550 family farms within the Renmark Irrigation District that underpins the economy of the Renmark community.

Over the last 5 years, the Trust and the family farms, who must also use electrically driven pumps to boost water pressure for efficient irrigation methods, have been forced to endure increases in distribution network charges that are adding substantial risks to the viability and future sustainability of irrigated horticulture in the Renmark district. Investment in irrigation developments and efficient irrigation method upgrades are also being negatively affected.

The Trust is therefore strongly supportive of the AER's Determination that seeks a reduction in the revenue caps for SA Power Networks. This determination was a comprehensive review of SA Power's proposal, covering many of the issues raised by the Trust and others. It also highlighted issues affecting consumers that could not be considered

We do believe, however, that these reductions could be even larger given the very high price increases imposed by SA Power during the last regulatory period. As an absolute minimum the AER Determination should continue to be implemented in full.

It appears that 2013-2014 is being used as a base year for 'efficient' operating expenditure. The Trust believes that an earlier year from the previous regulatory period should be selected as the base year being prior to the escalated price increases experienced in the last regulatory period. This would make further reductions possible.

SA Power Networks also do not appear to have passed on the full benefits of reductions to High Voltage customers that other customers will experience. Where customers have invested in transformers and other electrical infrastructure to take advantage of the lower high voltage network rates, we now see those benefits significantly eroded.

There is no question that reduced electricity prices brought about by the reductions in network charges will largely benefit the irrigation industry and all other electricity consumers plus provide significant encouragement to investors. The Trust encourages the AER towards a final decision on SA Power Networks that will offer these benefits equally to every electricity customer.

Yours Sincerely

A handwritten signature in cursive script that reads "Barry R. Schier".

Barry Schier
General Manager