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8 August 2007

Mr Mike Buckley General Manager – Network Regulation North Australian Energy Regulator GPO Box 3131 CANBERRA ACT 2601

Dear Mike

ELECTRANET PRICE RESET APPLICATION 2008-13

I took time to read ElectraNet's proposal in relation to infrastructure.

It was interesting to note that there are no plans to upgrade the network capacity from Wudinna (South Australia) to Ceduna (South Australia). I say this because of the following developments (approved or nearing approval in or near Ceduna) —

- Ceduna Keys Marina approximately 400 residential blocks, commercial wharf for fishing and aquaculture, large commercial / tourism development plans (tavern, Coastal Culture Centre, commercial development), plus tourist accommodation and other medium density living (eg, apartments). This is a \$100m development.
- 2. Illuka mineral sands mining development world class mineral discoveries at Jacinth, Ambrosia, Tripitaka, Gulliver and now Typhoon. The Jacinth & Ambrosia deposits are in the predefinative feasibility stage and the Tripitaka deposit is in the feasibility stage. Over 600,000 tonnes of sands will initially be shipped out of the Port of Thevenard commencing on or before 2010, once all feasibility requirements are met.
- 3. Port of Thevenard upgrade a \$50m project. A master plan has been completed with a very positive business case to be put to all stakeholders for contribution to the financing of the project. The local farmers have already committed \$15m.
- 4. Ceduna Airport upgrade a \$6m project. The sheer weight of numbers using the airport has forced this upgrade to be planned (a new terminal building, runway upgrades, etc). The airport traffic (number of passengers) has grown by approximately 20% per year over the last five years. With all of the above projects, the general aviation and passenger numbers will continue to increase.
- 5. Industrial and residential development linked to the above is also commencing.

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With other significant mineral discoveries also in the pipeline (eq. the Tunkillia gold and silver discovery, again close to Ceduna, currently undergoing a comprehensive resource definition with early estimates of 600,000 oz of gold and 1.6 million oz of silver), plus the predicted population increase, it is very desirable in regards to future planning for the power supply to this region to be upgraded.

We also have various smaller developments in the planning stages including the Decrees Bay residential subdivision - 200 plus blocks and the Smoky Bay subdivision - 200 plus blocks, which will also add to power requirements.

As ElectraNet's proposal does not make allowances for this increased development and potential for a significant demand for power in the near future. I have raised the matter directly with you.

I would welcome further discussion on this at any time as the situation is changing in a positive way on practically a daily basis. I have spoken directly to Mr Lewis Owens, CEO, ETSA Utilities, who directed me to put a submission in on the proposal as he was not aware of the development currently occurring or in the later planning stages.

I look forward to your response and would welcome a visit to our region to learn of the potential difficulties facing us in the very near future in relation to electricity supply.

Yours faithfully

Tony Irvine

CHIEF EXECUTIVE OFFICER

cc Mr Lewis Owens, CEO, ETSA Utilities