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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

Submission to SA Power Networks Regulatory Proposal (2015-2020)

As a medium sized energy consumer in South Australia I support the Australian Energy Regulator's decision to address energy supply costs to South Australian consumers. We strongly oppose SA Power Networks Regulatory Proposal (2015-2020).

Our regional irrigation enterprise has experienced a significant increase in electricity costs per annum due to network charges while actual levels of use have remained stable over the past 2 years. Annual electricity costs have risen from around \$95,000 per annum in the YE June 2013 to \$210,000 per annum in the YE June 2015. Each time these increases have been imposed there has been no forewarning, justification or explanation made.

We support the submission made by Central Irrigation Trust as a very large consumer of electricity which makes the following recommendations;

- The AER decision is implemented in full or with even further revenue cap reductions.
- That the baseline year for Efficient Operating Expenditure should not be 2013/2014 or any year in the previous regulatory period 2010-2015. The base year should be from the more efficient Regulatory Period such as 2005/2010.
- In a time of static and low demand basic business principles should apply which would involve finding productivity improvements by reducing operating expenditure in real terms and minimizing capital expenditure.
- We also oppose the way that SA Power Networks in implementing price reductions to customers in high voltage tariff structure particularly where agreed demand charges are increasing in a time of significant revenue cap reductions.

We strongly oppose the proposal put forward by SA Power Networks to reinstate the programs and expenditure that have been disallowed.

Kind Regards

Sheridan Alm
Director – Yatco Pty Ltd