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## CENTRAL IRRIGATION TRUST

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Zaeen Khan  
Australian Energy Market Commission  
PO Box A2449  
Sydney South  
NSW 1235

Dear Mr Khan

### **Proposal by the Energy Users Rule Change Committee (ERC 0134)**

Thank you for the opportunity to comment on the AEMC's Consultation Paper on the Rule Change Proposal submitted the Energy Users Rule Change Committee (RCC). I am writing to you to register Central Irrigation Trust's support for this rule change proposal.

We are a regional South Australian SME that supplies water to 1500 farms, 3000 domestic customers and 16 industrial sites through modern pressurised pipeline systems. Energy is a major expense for our business (approximately \$2.5 million) and accounts for 24% of our revenue. We have seen our energy costs rise outlandishly and unsustainability over the last two years with absolutely no consultation. Our distribution charges (DUOS) have risen 60% in 2 years with total energy costs rising 45% in the same time. Such rises have serious impacts on the viability of our business and region.

Central Irrigation Trust has become increasingly concerned about rising electricity prices. We agree with the finding by the Australian Energy Regulator, the Garnaut Review, the Independent Pricing and Regulatory Tribunal, the Energy Users Association of Australia and others that deficiencies in the design and conduct of economic regulation account for part of these price increases.

We support proposals to change the National Electricity Rules in order to strengthen incentives for efficient operation and investment by the network service providers operating in the National Electricity Market, and also to reduce excessive profits that are produced at the expense of higher electricity prices.

Central Irrigation Trust supports the principle proposed by the RCC that the allowed return on debt should as far as reasonable reflect the actual cost of debt. We agree with the RCC that these issues should be reviewed by the AEMC and prescribed in the National Electricity Rules, rather than left to periodic reviews by the AER.

We have confidence in the integrity of the AEMC's rule change process and commend the RCC's proposal to the AEMC. We will be taking an active interest in this proposal to change the National Electricity Rules and look forward to its transparent and comprehensive assessment against the National Electricity Objective.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Gavin McMahon', is written over the typed name.

Gavin McMahon  
Chief Executive Officer