

9 October 2015

Mr Andrew Ley
Australian Energy Regulator
GPO Box 520
MELBOURNE 3001 VIC

By email: andrew.ley@aer.gov.au

Dear Mr Ley

Draft 2015 Annual Benchmarking Report – Electricity distribution network service providers

Thankyou for your 16 September email inviting comments on the draft 2015 Annual Benchmarking Report for Electricity distribution network service providers (**DNSPs**). SA Power Networks has reviewed the draft report and makes the following brief comments.

As the term “DNSP” is used in the report and in footnotes, it may be useful to include the term “DNSP” (Distribution Network Service Provider or Distributor) in the “Shortened forms” section.

The draft Report is very similar in form and substance to the initial Benchmarking Report published last year. It has been updated for 2013/14 performance, using 2013/14 benchmarking data supplied by 31 October last year. We note the inclusion of only one new graph, Figure 4 “Distributors’ five year average circuit length (2010-2014, kilometres)”.

On page 13, in Table 1 “Distributor capacity, maximum demand and energy throughput (average 2010-2014)”, we note the table does not include capacity data. If this is intentional, we suggest removing “capacity” from the title of this table.

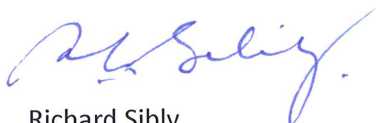
On page 16, in Table 2 “Average annual costs for network inputs for 2010-2014”, we are unsure how the “Asset Costs” have been calculated for each DNSP. The calculations appear to use a different weighted average cost of capital figure from that used in other workings (which was 5.57%). We suggest the AER confirm these calculations are correct.

On page 23, the commentary above and referring to Figure 12 indicates five distributors increased their multilateral total factor productivity (**MTFP**) performance in 2014. However, in reviewing Figure 12, it appears only Energex and Essential increased their MTFP in 2014.

On page 33, Figure 27 is titled "Total spend per km of route line length (\$2014) against unplanned minutes off supply per customer (excluding MEDs, average 2010–2014)". However, the chart in Figure 27 is the same as in Figure 26 which is the "Total cost per customer (\$2014) against unplanned minutes off supply per customer (excluding MEDs, average 2010–2014)". We suggest the AER correct the chart in Figure 27.

We trust you find these comments helpful. Please contact me on 08 8404 5613 if you require any further clarification.

Yours sincerely



Richard Sibly
Regulatory Development Manager

