

A few  
words.

30 May 2008

Queensland Competition Authority  
GPO Box 2257  
Brisbane QLD 4001  
Attention: Moston Neck



By email: [electricity@qca.org.au](mailto:electricity@qca.org.au)

### **Energex Full Retail Competition Cost Pass-through Application – Draft Decision**

AGL Energy Limited (**AGL**) welcomes the opportunity to provide comment to the Queensland Competition Authority (**QCA**) on the Energex Full Retail Competition Cost Pass-through Application Draft Decision, April 2008 (**Draft Decision**).

AGL continues to support the promotion of competition in the national energy market and as such has been a strong advocate for the introduction of Full Retail Contestability (**FRC**) in Queensland by the Queensland Government. The costs to implement and maintain FRC can be substantial. We believe it is appropriate that sufficient compensation is provided to market participants to ensure that adequate systems, processes and personnel requirements are established to effectively respond to the need for increased functionality and level of transactions that will occur as a direct result of FRC.

We are pleased that the QCA has undertaken a rigorous analysis of the pass through costs proposed, and has subsequently only approved costs to which the QCA can be certain are directly attributable to FRC as demonstrated by Energex during the review process.


As outlined in our submission to the original Energex Application AGL notes that:

- All costs must be efficient in terms of scale, scope and implementation, and the drivers of these costs must be clearly attributed; and
- Distributors should be permitted to recover only those costs that are directly attributable to the introduction of FRC.

AGL are supportive of the approach taken by the QCA in its review and subsequent draft decision and encourage the QCA in its final decision to ensure that only applicable FRC related costs to which the benefits of full retail competition can be realised in the QLD energy market are allowed.

Please contact Carol Lydford, Manager Regulatory Development on (02) 9921 2511 if you wish to discuss any aspect of our submission or require any additional information.

Yours sincerely,

  
Elizabeth Molyneux  
General Manager Energy Regulation