

 <p>QUEENSLAND CONSUMERS ASSOCIATION</p>	<p>A non-profit, volunteer organisation, advocating to advance the interests of consumers in Queensland</p> <p><i>Secretary: Max Howard 33 Dracon Street Regents Park Q 4118</i></p> <p><i>Telephone: 0419 678 395</i></p>
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23 November 2006

**SUBMISSION TO THE QUEENSLAND COMPETITION
AUTHORITY ON ENERGEX'S APPLICATION FOR ADDITIONAL
CAPITAL EXPENDITURE**

BACKGROUND

The Queensland Consumers Association is the peak body for consumer groups in Queensland and is a member of the Consumers' Federation of Australia, the peak body for all consumer groups in Australia.

The Association's members work in a voluntary capacity and the Association receives no public funding. Consequently, the Association unable to prepare lengthy and detailed submissions.

The Association has a long and continuing interest in the development of the electricity industry and has actively participated, or is participating, in consultations associated with the QCA's 2005 Regulation of Electricity Distribution, the EDSR Review, the introduction of FRC in Queensland, and national energy market reforms

Accordingly, the Association welcomes the opportunity to make this brief submission on Energex's application for approval for the pass through of an additional \$720 million of capital expenditure.

The Association's contact person on this matter is:
Ian Jarratt ph 37195475

RECOMMENDATIONS

1. The Association **recommends** that the QCA prepare, and seek public comment on, a draft determination on the application because of:

- the large amount of requested capex pass through
- the complexity of the application
- the significance of the application for the development of electricity distribution infrastructure and service quality in SE Queensland
- the potential for significant increases in consumer electricity prices from a successful application **and** from proposed changes to the process for annual adjustments to the uniform tariffs announced recently by the government
- the need for an independent expert assessment of the application which can be examined by other stakeholders.

2. To facilitate informed and comprehensive consideration of the draft determination the association **recommends** that that the consultation process include a stakeholder workshop.

3. The Association **recommends** that the draft determination be completed and consulted on as soon as possible with a view to a final determination being made by no later than mid 2007.

4. Given that the application seeks the pass through of capex which relates to obligations arising from the EDSD and that specifically excluded for the revenue cap at the time of the final determination, the Association **recommends** that the draft determination clearly indicate and assess these two capex types.

Cherie Dalley
President
Queensland Consumers' Association