

Our Reference:

DM5428130 Contact Officer: Alan Kleinschmidt

Telephone:

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20 March 2013

Queensland Competition Authority **GPO Box 2257 BRISBANE QLD 4001**

Dear Sir/Madam,

Toowoomba Regional Council has been actively involved in the consultation process undertaken by the QCA with regard to the recent restructure of Qld regulated retail electricity prices, providing three written submissions prior to this date outlining its concerns and impacts of the proposed changes. Council staff have reviewed the recently released Draft Determination on regulated retail prices for 2013/14 and supports QCA's proposal to extend the transition period for a further 7 years.

As detailed in our previous submissions, TRC is a major Ergon customer with several very large electricity accounts currently on tariff 22. The potential cost impact to Council of moving those accounts to the appropriate demand tariff will be substantial (refer our previous submissions). An extended transition period provides Council staff with the opportunity to investigate energy efficiency measures and negotiate with Ergon regarding measures available to reduce that cost increase.

Council notes that the loss of time-of-use price signalling has been the major issue raised by attendees at workshops attended by its staff throughout the QCA's consultation process. With the current minimal difference between the peak and off-peak consumption rates on time-of-use tariffs there is no longer an incentive for irrigators and pumping stations (such as Council's three very large CAC accounts) to operate solely at night. In fact, there is no longer a notified tariff for large or very large customers with a time-of-use component. Council believes that without a financial incentive to operate pumps and similar equipment at night that such loads will move from off-peak times to peak times in order for customers to find cost savings elsewhere. Such a load transfer may have significant detrimental impacts on the distribution network. To this end Toowoomba Regional Council would encourage both the QCA and Ergon to review their time-of-use reflective tariffs and the access to such by large and very large customers.

Yours faithfully

Kevin Hanagan

General Manager – Water & Waste Operations

All correspondence should be addressed to the Chief Executive Officer, PO Box 3021, Toowoomba Village Fair QLD 4350, quoting our reference and marked for the attention of the contact officer shown above. cc: Hon. John McVeigh MP
State Member for Toowoomba South
Minister for Agriculture, Fisheries and Forestry
PO Box 3005
Toowoomba Village Fair QLD 4350

Mr Trevor Watts State Member for Toowoomba North PO Box 155 Harlaxton QLD 4350