

QCA irrigation workshop: issues arising

[This note records issues identified and views expressed by stakeholders present at the meeting. The QCA is yet to form any opinion on these issues and views. As appropriate, issues will be addressed in the QCA's final report.]

Scheme/(s): Mareeba-Dimbulah WSS and distribution system

Location: Mareeba

Date: Friday 20 September 2019

General

- Queries on the timing and publication of submissions, including the QCA's approach to late submissions.

Pricing framework

- Query regarding the rate of return on existing assets in the scheme and the forecast rate of return on planned projects.

Apportionment of dam safety upgrade capital expenditure

- Query regarding the approach to the allocation of dam safety costs for non-irrigation customers.
- Concern that there could be another major dam safety upgrade in the future and stakeholders wanted to know who would make the decision that a major upgrade was required, how that decision would be made and what recourse would stakeholders have if it occurred?

Costs

- Query regarding the QCA's calculation of its direct opex estimates and the adjustments made by the QCA.
- Query as to why the QCA had not accepted Sunwater's proposed increase for undercharging in full.
- Concern with electricity costs, including Sunwater's proposed electricity cost pass-through mechanism, the impacts on tariff groups within the scheme and the need to avoid price shocks.
- Query regarding the QCA's proposed base year for its non-direct opex estimates and the QCA's adjustments to non-direct opex.
- Query regarding the QCA's approach to the renewals annuity and whether the age of the assets was taken into account.

Draft prices

- Query regarding the QCA's proposed cost allocation for the Barron Falls hydro plant.
- The QCA's proposed approach to bill moderation was discussed.
- Sunwater's access charge proposal.