

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): Lower Mary WSS and distribution system

Location: Maryborough

Date: Tuesday 8 October 2019

Pricing framework

- Query as to what consideration the QCA had given to social and industry considerations.

Apportionment of dam safety upgrade capital expenditure

- Sunwater representative indicated that there is no dam safety costs for this scheme as there are no referable dams. Sunwater representative also indicated that there is no IGEM costs allocated to this scheme.

Costs

- Query as to whether the QCA recommended costs being lower than the Sunwater proposed costs was consistent with the previous review.
- Electricity costs—view expressed that the proposed electricity pumping cost on a \$/ML basis appeared high. Sunwater representative indicated that this cost is the \$/ML delivered.
- Electricity cost pass through mechanism—view expressed that it was unlikely that customers would request the QCA to undertake a prudence and efficiency review (as part of step 5 of the proposed mechanism) if irrigators had to pay for the review.

Draft prices

- Query as to whether an analysis has been done on the feedback loop of high water usage costs (Part B and D prices) leading to actual lower usage. If irrigators shift from sugar cane to a lower water use crop than this will impact on the actual usage.
- Query as to how the Lower Mary's distribution losses compared to other distribution schemes.
- It was noted that the allocation from distribution to bulk of 40 per cent of Owanyilla pump station and main channel costs is higher than the last review of 27 per cent. Query as to whether this is the appropriate allocation.
- Query as to how the cost reflective and recommended pricing work in regards to Tinana and Teddington tariff group fixed (Part A) and volumetric (Part B) prices. It was noted that the volumetric (Part B) prices for this tariff group had been moderated and increased by inflation only.
- Query as to whether the QCA's recommended termination fees being comprised of up to 11 times the cost-reflective fixed (Part C) price means that termination fees are negotiable.
- Sunwater's access charge proposal.