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To: General Electricity Address
Subject: Energy Pricing for 2010 to 2011

Queensland Competition Authority
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Pricing 2010 to 2011

Jackgreen would like to thank the QCA for this opportunity to make comment on the pricing for 2010 to 2011 and for being included in the process.

It is very disappointing to learn that the price determination for 2010 to 2011 will be using the BRCI approach. Especially since the latest report for the Review of Electricity Pricing and Tariff Structures, has noted all the problems with the current structure and practices in price determination. It seems such a shame to waste the opportunity to make positive changes and continue on with a flawed system.

Our points in relation to the determination of the BRCI have not changed from our last submission. There are many issues with the approach which can be summarized in the following points.

- *Energy costs do not include hedging or prudential costs adequately*
- *Network costs continue to rise disproportionately to energy costs which in turn impacts the retail margin*
- *Customer acquisition and retention cost are out of alignment*
- *Retail margin is set low for the risk required to be absorbed by the retailer*

The new system will look to match the network structure with the tariff structure which is a very positive change. Much work will need to be done with getting the network tariffs aligned. The suggestion we would like to make is that the networks have a draft of the new tariffs by the end of this financial year so that work on the retail and administrative side can be undertaken on the system to ensure there is not another delay in the new systems implementation.

Yours faithfully
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