



28 February 2014

Queensland Competition Authority
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To whom it may concern

Thank you for the opportunity to provide a submission as part of the Queensland Competition Authority's (QCA) Draft Determination for Regulated Retail Electricity Prices for 2014-15.

Impacts of the Draft Determination upon Street lighting charges

The Local Government Association of Queensland's (LGAQ) initial calculations suggest that street lighting retail consumption charges would increase by approximately 14% on average, assuming no Alternate Control Service (ACS) charge allocation to councils, based upon the Queensland QCA's Draft Determination for 2014/15.

Further to the initial cost increases, cost to councils in the Ergon Energy area will increase from 1 July 2014 with an initial pass through of 10 per cent of the ACS charge following the Queensland Government's decision to accept the recommendations of the Interdepartmental Committee on Electricity Reforms. The ACS charges for streetlights in South-East Queensland (ie Energex area) are not subsidised whereas the ACS charges for streetlights in the Ergon distribution area currently are. The LGAQ is concerned that the N(network)+R(retail) approach will have very high cost increases for councils' streetlights in the Ergon area similar to the 2008 subsidy reforms for South-East Queensland.

Contestable Metering issues

LGAQ has concerns in relation to the implementation of contestable metering. For their distribution area, Energex currently require a contestable metering agreement before a National Meter Identifier (NMI) (which they estimate will be classified as large) is energised. The LGAQ believes this is fundamentally flawed because electricity industry estimates can vary widely. Therefore, it is suggested that the metering for both large and small sites be under a default arrangement for the first six months so that metering issues do not hold up the process of connection of power. Only after the initial six month period, when actual kWh consumption data has been obtained can the NMI can be properly classified based on data rather than estimates. Examples of these issues can be provided upon request. Once the NMI is properly classified, then and only then, should the issue of contestable metering be considered for NMIs subsequently classified as large.

In addition it is suggested that when the distribution entities pursue the forced introduction of mandatory demand tariff for Standard Asset Customer sites (based on kW or kVA), then the distribution entities should bear the whole cost of the new metering including initial supply, installation, commissioning and also the full costs of any associated upgrade of the switchboard.

Network Tariff Code issues

Energex currently decline to accept a request for a change of network tariff code directly from the customer despite the following clause in annexure C to the Queensland Electricity Industry Code specifically stating:

7.6 Information from customers

(a) A party must notify the other party as soon as possible if it:

(i) receives a request from a *customer* to transfer from one network or retail tariff code to another; or

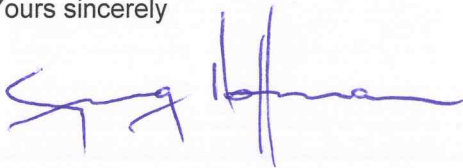
(ii) is informed by a *customer* of a change in use of the *premises* or pattern of usage at the *premises*, which may result in the *customer* no longer satisfying the conditions relating to the current network or retail tariff code applying to that *customer* or which may result in a change to any metering equipment installed at the *premises*.

(b) The Distributor must inform the Retailer within 5 business days of issuing or receiving such notice, of action taken in relation to the notice including whether or not it has transferred the customer's network tariff code to another network tariff code.

This results in the customer having to unnecessarily go through a third party to arrive at the correct network tariff code.

If you have any questions or further details in relation to the above submission, please do not hesitate to contact either myself or Michael Fullelove, Category Manager – Energy, Local Buy, on (07) 3000 2122 or at mfullelove@localbuy.net.au.

Yours sincerely



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GENERAL MANAGER – ADVOCACY

cc: Michael Fullelove, Category Manager – Energy, Local Buy