

AVONDALE WATER BOARD

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30 April 2010

Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

By Facsimile: (07) 3222 0599

Dear Sir / Madam

Re: SunWater Pricing

The Board wishes to be registered as an interested party and wishes to participate in local stakeholder meetings and receive issues papers and reports related to the investigation.

During the last price path process, SunWater provided information to the Tier 2 group that the Notional Transparent Lower Bound price was \$6.16 Part A and \$4.39 Part B. Unfortunately, for Kolan River Irrigators, we were forced to pay the Tier 1 Reference Price of \$6.01 Part A and \$9.39 Part B.

In total, Kolan River Irrigators were forced to pay in excess of 32% more than SunWater's lower bound cost and we pay for our own pumping and distribution costs.

CPI has been applied and for the 2009-2010 Water year, the charges are currently \$6.86 Part A and \$0.75 Part B.

We would appreciate QCA's investigation in to this issue, an update on the lower bound cost and what impact increases and changing electricity tariffs will have on irrigators in our section of the scheme.

Yours faithfully



Mike Smith
Chairman

cc: Dale Holliss (Canegrowers)