



Chamber of Commerce
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Mr Gary Henry
Director Electricity & Gas
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Dear Mr Henry

RE: Submission to the Review of Regulated Retail Electricity Tariffs and Prices

The Chamber of Commerce and Industry Queensland (CCIQ) appreciates the opportunity to make a submission to the above mentioned review. The supply and cost of electricity is a key issue for Queensland businesses and CCIQ has expressed ongoing concern that the current electricity price setting methodology in Queensland has failed to provide the state's businesses with a reasonable level of price predictability and restraint.

CCIQ strongly supports the intent of this review and is optimistic that it will result in a more sustainable and efficient approach to electricity pricing and deliver a tariff structure that is equitable and reflects the cost of electricity generation and supply.

Please refer to the enclosed "Blueprint for Design, Planning and Management of Queensland's Electricity Market" which outlines CCIQ's recommended framework for sustainable electricity pricing. In particular, CCIQ supports the introduction of an N + R approach to setting regulated electricity prices, provided the variables used to determine the network (N) and retail (R) costs of supply are robust. CCIQ also supports the shift to an inclining block tariff for regulated retail tariffs, provided there is full cost reflectivity across each of the inclination points and that there is no opportunity for cross-subsidisation of low-energy users by high energy users.

CCIQ looks forward to reviewing the Authority's Draft report when released early in 2012. Please contact me on 07 3842 2279 should you wish to discuss CCIQ's Blueprint and our recommendations further.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Nick Behrens', written over a white background.

Nick Behrens
General Manager – Policy