



Pioneer Valley Water Co-operative Limited

NEWSLETTER

Issue 15

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In this Newsletter we cover the following areas:

- Proposed Electricity Price Increase for 2012/13
- Supply Interruptions for Repairs and Maintenance
- Water Ordering

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Electricity Price Increase for 2012/13 !

The Queensland Government issued a delegation in September 2011 to the Queensland Competition Authority (QCA) to implement its new electricity pricing methodology and develop new electricity tariffs to commence from 01 July 2012. The new methodology was intended to develop tariffs that met the true cost of electricity supply instead of the approach in previous years which saw an "across the board" general increase in tariffs applied.

QCA released their draft report on electricity pricing for 2012/13 late last month and it is available to view on their web site at www.qca.org.au/electricity-retail/NEP/. We have reviewed the QCA draft report and are extremely concerned about the proposed new tariffs particularly the off peak tariff under which our major pumping stations operate. We have provided a detailed submission to QCA raising these concerns and it is available on our web site at www.pvwater.com.au. Please let us know if you cannot access the web site and would like a copy of our submission.

Our pumping stations at Palmyra, Silver/McGregor and Septimus have operated since commencement on Tariff 22 which has a peak rate between 7am and 9pm Monday to Friday and off peak rate at all other times. QCA are proposing the following changes to Tariff 22 from 01 July this year.

Tariff 22	2011/12 price	2012/13 price
Peak rate	28.17 c/kWh	20.159 c/kWh
Off peak rate	9.92 c/kWh	18.086 c/kWh

Palmyra and Silver/McGregor stations operate at around 60% off peak while Septimus stations are at around 90% off peak. With these usage patterns the new QCA prices would have the electricity component of our usage charges rise by 10% (\$1.60/ML) for Palmyra, 12% (\$2.50/ML) for Silver/McGregor and by 50% (\$13.50/ML) for Septimus.

This is of very major concern for the Septimus scheme which would see the total operating charge increase to around \$95.00/ML based on this year's charges. The Septimus scheme was designed to utilise off peak pumping to reduce operating costs but incurred higher construction costs to include the two balancing storages which supply demand during peak periods. Had there been no significant difference between peak and off peak electricity cost (as now proposed by QCA) a different design leading to less construction cost may have been possible at Septimus.

In addition to the changes to Tariff 22 QCA, under the delegation from Government, are proposing that a number of existing on-farm tariffs be scrapped with customers moved to other tariffs. Existing Tariffs 62, 63, 64 and 65 are to move to Tariff 22 and we note that the new off peak rate under Tariff 22 is higher than the present off peak rates for those existing tariffs. This may result in increases to individual electricity costs for on farm pumping in addition to our costs to get water to you.

The proposed Tariff 22 increase is of major concern for all irrigators and we urge you to voice your protest. Submissions on the QCA draft report were to be in by Friday 13 April but we would expect that any submissions received by early next week would be considered. Also the matter should be raised with local members of State Parliament. Contacts are – Member for Mirani, Ted Malone Phone 49561555 and Member for Whitsunday, Jason Costigan Phone 49453343.



SUPPLY INTERRUPTIONS FOR REPAIRS AND MAINTENANCE

Recent events in the Palm Tree Creek Pipeline scheme have led us to prepare this brief note to remind all customers of our strategy to address supply interruptions as they occur throughout your irrigation schemes.

We respond as quickly as possible to unforeseen supply interruptions, strive to take advantage of weather conditions for planned outages, and endeavour to keep affected customers up to date with progress in reinstatement of supply. Our small staff complement are typically directly engaged in resolving the supply issue which means they are not always able to make personal contact with all concerned. We regularly update our web site (www.pvwater.com.au) with supply information and this can be found from either menu under the headings 'News... / Current...'. If you cannot access the web site the best way to find out the current supply situation for your scheme is to phone the Office (49578481) or Greg (0417635245) and get the information first hand.

Recent supply matters at Palm Tree Creek have been largely out of PVWater control as SunWater have had to undertake emergency maintenance of their valve and other modifications in advance of their next attempt to resolve the long standing discharge valve issue. We have liaised locally with SunWater in this to ensure minimum disruption to supply but have no control over their general works programs. Changes in legislation relating to safety are also contributing to the duration of shutdowns, and the practice of keeping the system de-pressurised when not required for irrigation.

We would stress that all irrigation schemes require supply interruption for any number of reasons, and we appreciate your ongoing support in our efforts to minimise the frequency and duration of these interruptions. This is particularly true after extended periods of non-supply following the wet season, when we often have major work to undertake to get schemes fully operational. *We welcome advance advice from customers as to their anticipated requirements so that we can more effectively plan this work.*

WATER ORDERING

Please remember that you are required to place a water order each and every time you intend to take water under your allocation (Palm Tree Creek—Pipeline water users excepted)

Please take some time to visit our web-site <http://www.pvwater.com.au> where you can:

- **Find out general information about Pioneer Valley Water Board and Pioneer Valley Water Co-operative Limited;**
- **Check the current supply availability for your specific irrigation scheme;**
- **Read the latest (or previous) PVWater newsletter, information bulletin or annual report;**
- **Find explanatory information about such things as announced allocation, streamflow allocation, water charges and more; and**
- **Find out how to place and vary water orders.**