

Mareeba-Dimbulah Water Supply Scheme - Distribution

Irrigation Price Path
1 July 2025 to 30 June 2029

We are developing a pricing proposal to submit to the Queensland Competition Authority (QCA) in late 2023.

The QCA will review this proposal in line with its requirements under the *Queensland Competition Authority Act 1997* and any conditions set out in a Referral Notice, before making a recommendation back to the Queensland Government.

Scheme overview



146,934 ML in entitlements, with an average annual usage of 92,610 ML. 45,000 ML in customer loss entitlements



973 irrigation customers (includes river supplemented streams & Walsh River)

Major assets



Bruce Weir / Collins Weir, Dulbil Weir / Granite Creek Weir / Leafgold Weir, Solanum Weir



Price Creek B pump station / WB10 pump station / Paddy's Green A pump station & Paddy's Green B pump station

Key operations and maintenance activities



Preventative and planned / unplanned corrective maintenance mainly due to ageing assets



Infrastructure refurbishment e.g. air valves, gates and concrete lining

Pricing tariffs



Five tariff groups with a fixed (Part C) charge and variable (Part D) charge.

Outside a relief up to 100 ML

Outside a relief 100 ML to 500 ML

Outside a relief over 500 ML

River supplementary streams & Walsh River

Relift

Participant in electricity cost pass-through trial

How irrigation prices are set

A five-step price setting process leads to a four-year price path in each regulated scheme. There are differences in each scheme that impact pricing, such as risk entitlements, water harvesting or whether there is a scheme distribution system.

Price setting process

Step 1

Allocate revenue by charge type (variable or fixed)

Includes operating expenditure and annuity revenue building blocks.

Step 2

Allocate fixed revenue to priority group allocation buckets

Allocation factors are relatively static, only changing when scheme operating parameters change. For example, when entitlements are converted from one priority to another.

Step 3

Allocate fixed revenue to priority group

Apply the fixed revenue allocators to set the revenue requirement by entitlement priority. For distribution schemes, revenue associated with customer loss entitlements are added here.

Step 4

Calculate cost reflective prices

Cost reflective prices are set using assigned revenue and volumes to produce \$/ML prices.

Step 5

Determine recommended prices

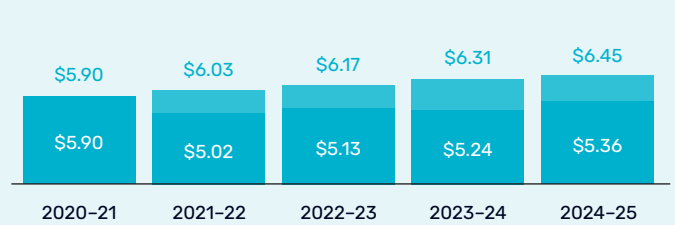
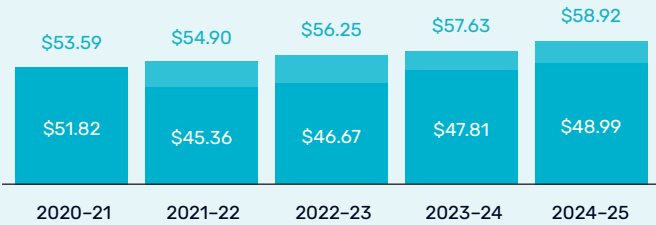
Cost reflective prices are then smoothed across the four-year price path period to set target prices. Recommended prices are set with reference to current prices, target prices, and the price path principles.

Pricing breakdown Medium priority (MP)

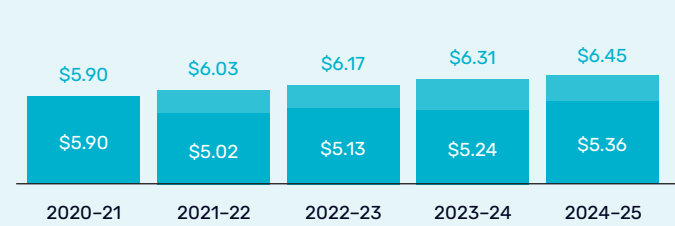
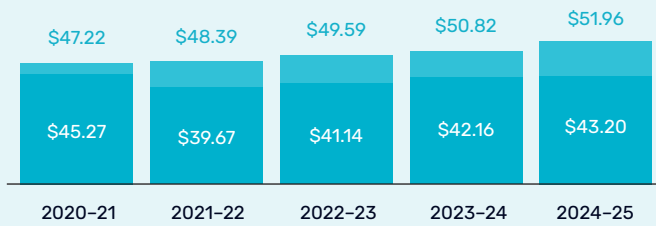
Part C

Part D

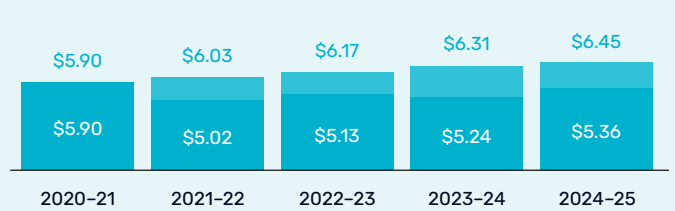
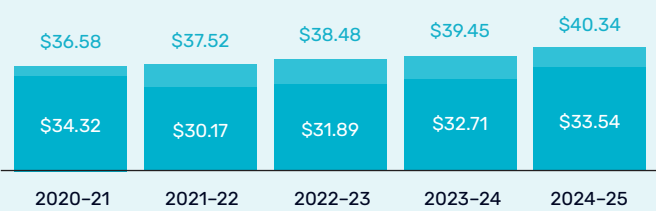
Mareeba-Dimbulah - outside a relift up to 100 ML



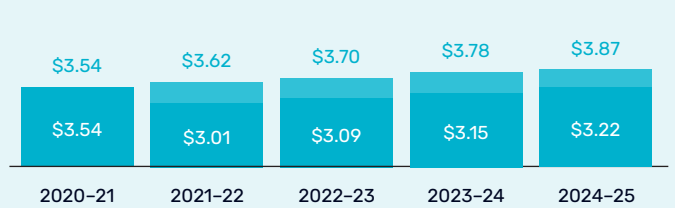
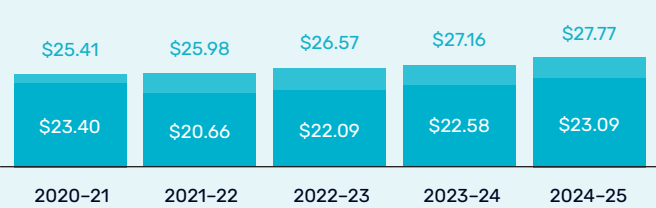
Mareeba-Dimbulah - outside a relift up to 100 ML to 500 ML



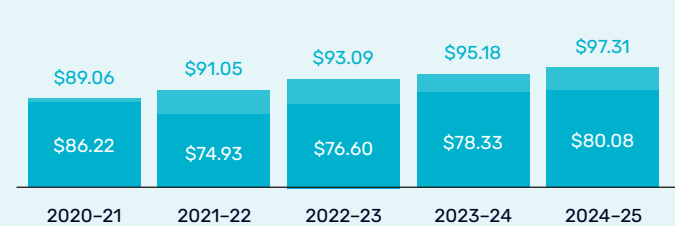
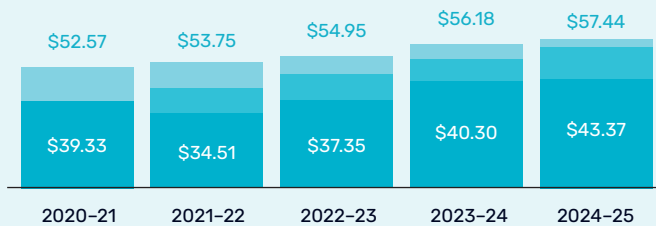
Mareeba-Dimbulah - outside a relift up to 500 ML



Mareeba-Dimbulah - river supplemented streams & Walsh River



Mareeba-Dimbulah - relift



Legend



*This is a breakdown of current prices.

*A negative (or below the line) segment reflects the amount paid by customers that was above the lower bound cost reflective price.

Our commitment

Sunwater is committed to proactive and ongoing engagement with customers and acknowledges the feedback we have received over the past few years.

We are rolling out a three-stage engagement plan to share information on current and draft prices and seek feedback on our proposal.

As part of this, we will be holding customer forums in regional centres and ensuring that all project materials are available online.

We want your feedback

Stage 1

Learn how irrigation prices are set

March to May 2023

Learn how we are developing our pricing proposal and how you can be involved.

Stage 2

First look at draft future prices

June and July 2023

We will distribute Sunwater's proposed cost and price outlines for each scheme. We want your feedback, particularly in relation to:

- Electricity cost recovery
- Refreshing Service and Performance Plans.

Stage 3

Our pricing proposal

August to October 2023

Having considered customer feedback, our final proposal will be shared.

Stay informed

We will update our website as the project progresses.

www.sunwater.com.au/projects/price-path

Get in touch

pricepath@sunwater.com.au

sunwater