

Electricity cost pass-through trial 2024-25

Burdekin Haughton Distribution Scheme

Background

Irrigation customers in the Burdekin Haughton Distribution Scheme participated in a three-year electricity cost pass-through trial from 1 July 2020 to 30 June 2023.

During the trial, Sunwater's actual, scheme-level electricity cost savings (if any) were passed through to irrigation customers at the end of the financial year via a credit applied to their bills. If Sunwater spent more on electricity than we recovered from customers, no debits were applied to customers' bills.¹

The trial involved customers in the following irrigation tariff groups:

- Burdekin Channel
- Giru Groundwater Area
- Gladys's Lagoon – other than from natural yield.

Decision to extend the trial

In 2024 Sunwater elected to extend the electricity cost pass-through trial for an additional two years (until 30 June 2025). Sunwater made this decision, in response to the Queensland Competition Authority's (QCA) Irrigation Pricing Review 2025-2029 Draft Report. Sunwater determined it was more equitable to return electricity credits to individual customers through the pass-through mechanism than lowering future prices and distributing the credits to all customers, some of whom might not have been eligible for the credits.

The final electricity pass-through credits will be applied to eligible irrigation customer bills in October 2025.

2024-25 electricity pass-through summary

In 2024-25, Sunwater spent **less** on electricity than it recovered from customers in the Burdekin Haughton Distribution Scheme.

This means eligible irrigation customers who used water in 2024-25 will have a **credit** applied to their bill in October 2025.

The following section explains how the 2024-25 scheme-level pass-through amount and individual customer credits are calculated.

¹ Sunwater may seek to recover its prudent and efficient electricity costs via an end of price period review if QCA's cost-reflective allowance is less than actual costs. This will not occur as part of the trial.

Calculation of the pass-through amount

QCA included an allowance for electricity in its fixed and volumetric cost-reflective prices for the Burdekin Haughton Distribution Scheme.

The scheme level pass-through amount is determined by deducting Sunwater's actual electricity costs in 2024-25 from the amount allowed by the QCA in its cost-reflective prices and subsequently recovered by Sunwater during the year. This amount is then divided by the scheme's water usage in 2024-25 to arrive at a dollar per megalitre (\$/ML) pass-through rate.

The scheme-level pass-through rate is based on cost-reflective pricing. In 2024-25, irrigation customer prices differed from cost-reflective levels. This reduces the electricity allowance recovered from irrigation customers via fixed and variable charges. This is reflected in the right-hand column of Table 1, which shows the electricity allowance recovered via actual irrigation prices. The right-hand column also shows how this has been used to calculate the irrigation customer pass-through rate.

Table 1: Calculation of the 2024-25 electricity cost pass-through amount¹

Scheme-level information	Scheme	Irrigation customers
Water access entitlements (WAEs) – High priority	10,020 ML	
Water access entitlements (WAEs) – Medium priority	325,234 ML ²	
Usage (including channel harvesting) – High priority	5,400 ML ³	
Usage (including channel harvesting) – Medium priority	175,282 ML ³	
Actual electricity costs	\$3,193,271	
QCA electricity cost allowances		
Electricity allowance in fixed cost-reflective price – High priority	\$3.95/ML	\$3.95/ML
Electricity allowance in fixed cost-reflective price – Medium priority	\$3.95/ML	\$3.29/ML
Electricity allowance in volumetric cost-reflective price – High priority	\$18.76/ML	\$18.76/ML
Electricity allowance in volumetric cost-reflective price – Medium priority	\$18.76/ML	\$15.60/ML
Pass-through calculations		
Electricity costs recovered via fixed cost-reflective prices	$(\$3.95 \times 10,020 \text{ ML}) + (\$3.95 \times 325,234 \text{ ML}) = \$1,325,340$	$(\$3.95 \times 10,020 \text{ ML}) + (\$3.29 \times 325,234 \text{ ML}) = \$1,108,455$
Electricity costs recovered via volumetric cost-reflective prices	$(\$18.76 \times 5,400 \text{ ML}) + (\$18.76 \times 175,282 \text{ ML}) = \$3,388,892$	$(\$18.76 \times 5,400 \text{ ML}) + (\$15.6 \times 175,282 \text{ ML}) = \$2,834,897$
Total electricity costs recovered via cost-reflective prices	$(\$1,325,340 + \$3,388,892) = \$4,714,232$	$(\$1,108,455 + \$2,834,897) = \$3,943,352$
Proportion of electricity costs recovered from scheme/irrigation customers	$(\$4,714,232 / \$4,714,232) = 100\%$	$(\$3,943,352 / \$4,714,232) = 83.65\%$
Total pass-through amount = recovered amount minus actual electricity costs	$(\$4,714,232 - \$3,193,271) \times 100\% = \$1,520,961$	$(\$4,714,232 - \$3,193,271) \times 83.65\% = \$1,272,251$
Total pass-through rate per ML = total pass-through amount divided by water usage	$(\$1,520,961 / 180,682 \text{ ML}) = \$8.42/\text{ML}$	$(\$1,272,251 / 180,682 \text{ ML}) = \$7.04/\text{ML}$

1. Figures may not sum due to different rounding conventions between this table and the underlying electricity cost pass-through modelling.

2. Excludes 110,000 ML of Sunwater reserve WAEs and 360 ML of Gladys's Lagoon WAEs recognised as natural yield, as QCA did not allocate any costs to these WAEs.

3. Excludes actual usage of 350 ML associated with the Gladys's Lagoon WAEs recognised as natural yield.

Individual irrigation customer credits

The credit is calculated by multiplying the irrigation customer pass-through rate of \$7.04/ML by the irrigation customer's 2024-25 water usage at a water account level. Only water usage associated with eligible irrigation tariff groups is included in the calculation.

The credit will be visible on customers' October bills in the 'Other Fees and Charges' section. The accompanying description will include the following key inputs used to calculate the credit amount:

- the irrigation customer's aggregate annual water usage
- the pass-through rate of \$7.04/ML.

An example of how the credit will be displayed on an irrigation customer's bill is shown in Figure 1.

Figure 1: Example of how the credit will be displayed on a bill¹

This invoice in detail

Other Fees and Charges

Date	Transaction	Description	Amount(\$)
28 Jul 2021	Irrigation Electricity Passthrough	644.32 ML @ \$6.49 per ML pa in arrears	4,181.64 CR
Total Other Fees and Charges			4,181.64 CR

- 1. The pass-through rate of \$6.49/ML is used for illustrative purposes. As noted above, the Burdekin Haughton Distribution Scheme's pass-through amount for 2020-21 is \$7.04/ML.*

How can I find out more?

More information is available in the frequently asked questions document available on the Sunwater [website](#).

If you have a query in relation to the calculation of the scheme level pass-through amount, or the credit applied to your October bill, please contact customer support via email customersupport@sunwater.com.au or phone on 13 15 89.