

23 November 2014

The Committee Secretary  
Senate Standing Committee on Environment  
and Communications  
P.O. Box 6100, Parliament House  
Canberra ACT 2600



Dear Secretary,

I am writing in relation to the electricity network industry.

I use little electricity, having gas for cooking and hot water. no matter how little electricity I use there is no way of reducing the Supply Charge which has risen from \$24.07 for 94 days in July 2012, to \$28.40 for 92 days in July 2013, then a steep increase to \$46.19 for 92 days in October 2013 and an even higher increase to \$76.74 for 92 days on my latest bill of October 2014.

The Supply Charge continues to rise, yet I hear and read that electricity prices are falling! For example, ABC radio on 29 October reporting the ACCC noting electricity prices are falling and the Courier Mail of 27 October, on page 15, Renee Viehlanis reporting that P.M. Tony Abbott "says families should be able to save more money for Christmas because of falling power prices."

When I phoned AGL on 1 August 2014, querying the steep increase in electricity charges from July 2013, I was asked to phone after receiving the bill with the Carbon Tax refund. I also received a letter dated 4 September 2014 from Mark Brownfield, General manager, marketing and Retail Sales, in which he wrote "We

2.

estimate that the average AGL residential electricity customer in Queensland will save approximately 8.2% off their bills back dated to 1 July 2014."

my Carbon Tax Refund Credit (1 July to 15 July 2014) was the magnificent "saving" of \$1.05 (one dollar and five cents), after all the song and dance in Parliament and elsewhere (and even a letter to me from the Prime minister) about the dreaded Carbon Tax, the refund I received was \$1.05.

Following my call to AGL on 1 August 2014, I telephoned again on 28 October, objecting to the latest increase in the supply charge from 1 July 2014 and asking who is responsible for the increases.

It appears that the Queensland government liaises with the Queensland Competition Authority, the ACCC and Energex. I understand the Australian Energy Regulator is also involved, all in a complicated system of setting electricity prices.

Whoever is responsible, then there is something seriously wrong when we are told that electricity prices are falling while the opposite is the reality.

Even with the Queensland Government electricity rebate and using very little electricity, (189 kWh on the last quarterly bill compared with the average 1-person household of 975 kWh), the supply charge, the main component of my electricity bills keeps on rising at an ever-increasing rate.

I am charged for all my electricity consumption at the Peak rate, which seems peculiar to me. The refrigerator runs all day and night, not just at peak times.

a time-of-use or "smart" meter is of no use to me.

I purchased a 5.3 Kw, 4 1/2 energy rating, airconditioned, a few years ago for the sole purpose of keeping cool on hot summer days to avoid heat stress or worse and only turn it on when the temperature reaches 30°C which usually coincides with Peak times and on hot humid days in a heatwave. I also use it as little as possible as a way of attacking climate change which is affecting people worldwide.

3.

The cost of gas also needs taking into account in overall energy consumption. My gas bills are almost three times that of my electricity bills. Gas prices are set to rise considerably in Queensland with the anticipated LNG export boom, leaving local gas consumers to pay the much higher export price as it seems no plans are being made for a reserve stock of gas at the already high domestic price.

I would like to know who is responsible for setting the electricity charges, how are they calculated and on what basis and what steps will be taken to minimise the cost of the supply charge especially for small energy users such as I.

I refer to paragraphs 17(f) and (j) in the terms of reference, Senate Reference No. 59, 2 October 2014.