

23/02/10

Mr Steve Edwell  
Chairman  
Australian Energy Regulator  
360 Elizabeth St  
Melbourne VIC 3001

Dear Mr Edwell

**AER REVIEW OF ELECTRICITY DISTRIBUTION PRICES IN QUEENSLAND**

I am writing to you about the above and would like to draw your attention to the adverse impacts that the large price increases being proposed would have on us.

We are a manufacturer of raw sugar. We are located at Maryborough in Queensland and employ 110 people. We currently use 500 MWh of electricity and 30 GJ of gas per annum. Energy is a significant operating cost for us and large price increases will have the following adverse impacts on our operations:

- loss of competitiveness, higher operating costs, risk to operations, risk to ongoing viability, risk to jobs, regional impacts, risk to any new investments planned, problems with internal budgets, etc.

We would like to make you aware that such large price increases come at a time when our business is already under stress due to the tougher economic times and our energy costs are facing significant upward pressure due to the increasing costs of renewable energy and the impending cost of carbon. Additional large increases such as those proposed would be most unwelcome and place undue stress on our business especially as the sugar industry is continually going through cost saving exercises to survive.

We support the provision of costs to these businesses that ensure a continuing reliable supply but these costs should be efficient ones and we urge you to ensure this. In that regard, we are most concerned that the AER apply its statutory role to use benchmarking to help establish an efficient level of costs.

Would you please treat this as a submission to the above.

Yours sincerely,  
John Knight  
Electrical Superintendent  
Maryborough Sugar Factory