

## 2025–29 rural irrigation price review Moura workshop – summary of issues raised

*This note records issues identified and views expressed by stakeholders present at the QCA’s workshop on the draft report for Sunwater’s schemes. The QCA is yet to form any opinion on these issues and views. As appropriate, issues will be addressed in the QCA’s final report.*

**Schemes:** Dawson Valley

**Date of workshop:** 21 August 2024

Topic	Issues raised
Prices	<ul style="list-style-type: none"> <li>A stakeholder was concerned that the additional revenue from their prices previously being above lower bound was not reinvested in the annuity balance. A stakeholder indicated that the scheme has consistently made profits prior to its price recently being reduced to the price target.</li> </ul>
Differentiation between medium priority tariff groups	<ul style="list-style-type: none"> <li>A stakeholder questioned why there is not pricing differentiation between the medium priority tariff groups for Dawson Valley ('Medium Priority' and 'Medium Priority A') given they considered that there is a material difference in reliability.</li> <li>A stakeholder questioned whether a HUF factor could be applied to differentiate prices between these tariff groups.</li> </ul>
Billing system costs	<ul style="list-style-type: none"> <li>A stakeholder questioned Sunwater’s proposed billing system costs and their treatment.</li> </ul>
RAB vs annuity approach	<ul style="list-style-type: none"> <li>A stakeholder was interested in how the QCA had to come to the view of proposing to use an annuity approach rather than a RAB approach.</li> <li>A stakeholder felt that it was extremely difficult for Sunwater to forecast renewals 30 years in advance and that an advantage of a RAB approach is that prices are only based on actuals and the forecast renewals over the next price path period.</li> <li>A stakeholder questioned how much prices can go up year to year under the RAB approach and whether the '\$2.54 + inflation' pricing policy would apply to the RAB prices.</li> <li>A stakeholder indicated that they were surprised by the QCA’s use of the annuity approach in the draft report as they thought that customers had agreed to a RAB approach.</li> <li>A stakeholder was interested in understanding price volatility under the RAB approach after the next price path period.</li> <li>A stakeholder considered that a RAB approach would promote more efficient practices by Sunwater.</li> </ul>