



22 August 2012

Dr Patrick Walsh
Utilities Commissioner
NT Utilities Commission
GPO Box 915
DARWIN NT 0801

Dear Dr Walsh

Consultation on the application to amend parts of the Electricity Retail Supply Code

Thank you for the invitation to comment on the application to amend the Electricity Retail Code as a result of the QEnergy proposal. We apologise for responding a little later than your requested time for responses.

As you are aware, the NTMEU has been quite concerned that Power and Water Corporation (PWC) is in a unique position to limit the entry of competing retailers into the NT electricity market. It achieves its goal for preventing competition through the application of prudential requirements on competing retailers. The costs to competing retailers to comply with the prudential requirements are considerable but PWC Retail does not incur these costs and therefore has a financial benefit over its competitors.

The NTMEU has long been a supporter of increased competition in the NT electricity market and wrote to the UC that it considered the Electricity Retail Supply Code as drafted would not encourage retail competition. The NTMEU views have been realised in this regard.

We consider that the proposal by QEnergy should lead to a reduction in the costs for meeting prudency requirements and are unlikely to increase risks for PWC. On this basis we see that the proposal has considerable merit and should be carefully considered by the UC.

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Should you wish to discuss in more detail any of the issues we raise above, please do not hesitate to contact me.

Yours sincerely

Michael Williams
Chair