



29 November 2010

The Executive Officer
Utilities Commission
GPO Box 915
DARWIN NT 0801

Email: utilities.commission@nt.gov.au

Dear Sir

NTMEU Comments: Retail Licence Application from QEnergy

The Northern Territory Major Energy Users (NTMEU) welcomes the opportunity to provide its views regarding an application for a retail licence to sell electricity to medium and large customers from QEnergy Limited (QEnergy).

The NTMEU represents a number of medium and large energy users in the Northern Territory, and has been a consistent supporter of Government policy developments to create a competitive energy market in the Territory because of the benefits for economic and employment growth through competitive pricing and service outcomes.

In addition, the NTMEU has consistently participated in the Utilities Commission's electricity reviews, including the recent retail price monitoring review, in support of progress towards activating more competitive outcomes in electricity.

Against the above background, the NTMEU supports all proposals to engender more retail competition in the NT, including the awarding of a retail licence to QEnergy consistent with Section 15 of the Electricity Reform Act.

The NTMEU is aware that the NT has certain commercial requirements that new entrants have to comply with before being permitted to be granted a licence for operating in the NT electricity market. The NTMEU has no

C/- Mr Michael Williams, Northern Cement P/L
PO Box 39631 Winnellie NT 0821
Phone: (08) 8984 0600
email: Michael.Williams@adbri.com.au

comment in regard to this requirement but we support in principle (and subject to these commercial considerations) that QEnergy should be allowed to enter the NT electricity market.

In order for QEnergy to be a viable retail alternative to PWC, it must have access to generation on a non-discriminatory basis from generation held by PWC. Unless this access is provided, we cannot see that the presence of QEnergy as a retailer will achieve any competition to PWC.

The NTMEU notes that effective retail competition can only happen provided the NT has an effective retail price monitoring regime, along the lines of the UC's recommendations to Government in its Review of options for the development of a retail price monitoring regime for contestable electricity customers.

In this regard, there must be early implementation of the UC's recommendations.

Yours sincerely

Michael Williams
Chair NTMEU