



**Hon Geoff Wilson MP**  
Member for Ferny Grove

06 FEB 2009

DATE RECEIVED



**Queensland  
Government**

Your Ref:  
Our Ref: ME/09/0325, MBN1389

**Minister for Mines and Energy**

**5 - FEB 2009**

**Mr Brian Parmenter**  
Chairman  
Queensland Competition Authority  
GPO Box 2257  
BRISBANE QLD 4001

Dear Mr Parmenter

I note that, consistent with the timing required by my delegation to the Queensland Competition Authority (QCA) dated 26 August 2008, the QCA made a draft decision in relation to the Benchmark Retail Cost Index (BRCI) on 2 December 2008, proposing an increase of 13.63 per cent in electricity prices to apply from 1 July 2009 to 30 June 2010. I understand that the QCA is continuing to consult with interested parties with a view to finalising its decision by 2 March 2009.

I also note that the QCA's decision on notified electricity prices for the current financial year is the subject of proceedings in the Supreme Court of Queensland, questioning the validity of the methodology used in determining the current notified prices. I understand that the same fundamental methodology is being used by the QCA in the current process.

I am aware that the current global economic turmoil will be making the task of setting the elements of the BRCI significantly more difficult than in previous years. Key economic data is changing on an almost daily basis.

I have received representations from both industry and consumer interests in relation to the uncertainties arising from both the legal action and the current global economic conditions, arguing that the final decision on the 2009-10 notified electricity prices should be made as close as practical to the operative date of the price change.

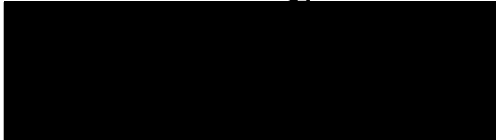
In considering those representations, I am cognisant of the significant impact that the QCA's final decision on the notified electricity prices will have for industry, business and households, particularly in the midst of other economic pressures arising in the current environment.

In the interests of providing as much certainty as possible in the decision making process that the QCA is involved in, I believe it would be appropriate to extend the period available for consultation on the factors underlying the 2009-10 notified prices for as long as is reasonable. I am aware of interested stakeholders that intend to use the additional time to make a submission relying on recent economic conditions.

For that reason, I have decided to extend the existing timeframe and will now require the final decision on the 2009-10 BRCI by 30 May 2009. That date is consistent with the timing of the final decision in the previous two years. Please find attached a new Certificate of Delegation which revokes the previous delegation.

The time made available by the later date for the final decision should be used to maximise the consultation process with all stakeholders to ensure that the most reliable and up to date data is used to make your final decision.

Yours sincerely



**GEOFF WILSON MP**  
**Minister for Mines and Energy**

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