

Dated: 29 May 2009

CERTIFICATE OF DELEGATION

Under section 90(3) of the *Electricity Act 1994* (Qld)

Delegation

In accordance with section 90(3) of the *Electricity Act 1994* (the Act), from the date of this delegation, I, the Honourable Stephen Robertson MP, Minister for Natural Resources, Mines and Energy, and Minister for Trade, delegate to the Queensland Competition Authority (QCA) the following functions and powers:

1. Calculation of the Benchmark Retail Cost Index (BRCI) under Chapter 4, Part 2, Division 3 of the Act;
2. Application of the change in the BRCI to the tariffs for the previous tariff year as required by section 90(5) of the Act; and
3. Publication of the amended tariff schedule for the relevant tariff year in accordance with sections 90(2), 90(7) and 96 of the Act.

This delegation does not include the power to fix principles under section 95 of the Act.

Conditions of delegation

1. The QCA must apply the change in the BRCI to the tariffs for the previous tariff year, taking into account any other changes to notified prices made by the Minister under the provisions of section 90 of the Act which are not the subject of this delegation, which will be advised prior to the required date for publication of the tariffs in accordance with the Act and this delegation.
2. The QCA must consider the following policy objective of the Queensland Government when exercising the delegated powers and functions:
 - a. the annual indexation of electricity tariffs by the index should ensure that existing retail headroom in the tariffs at the date of the Original Delegation made prior to the commencement of full retail competition¹ remains relatively stable (although not necessarily the same from year to year); and
 - b. the policy of enabling small market customers to revert to notified prices should not result in a retail entity providing customer retail services to non-market customers at a loss;
3. In calculating the network cost component of the 2008-09 BRCI, and future tariff years, the QCA must apply the AARR determined for each year of Ergon Energy's current access arrangement (covering the period 2005-06 to 2009-10), and any changes to the AARR for any approved cost pass through made subsequent to the finalisation of the current access arrangement, without undertaking any re-smoothing of these AARR amounts;
4. The QCA must complete the delegated activities for the 2009-10 tariff year no later than 12 June 2009;
5. On 12 June 2009, the QCA must gazette the tariff schedule for the 2009-10 tariff year and make a public announcement of the change to the notified prices; and
6. Any other conditions formally notified by the Minister from time to time.

¹ The Original Delegation was made under section 90(3) of the *Electricity Act 1994* on 27 March 2007.

Dated: 29 May 2009

This delegation revokes any previous delegation made in relation to this matter and may be revoked or amended by the Queensland Minister for Natural Resources, Mines and Energy, and Minister for Trade, at any time.



STEPHEN ROBERTSON MP
Minister for Natural Resources, Mines and Energy
and Minister for Trade