



14 DEC 2009

DATE RECEIVED

*Secure and efficient water
through partnership and innovation*

TRIM ref: D/09/9580

11 December 2009

Mr E J Hall
Chief Executive
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Dear Mr Hall

I refer to your letter dated 30 November 2009 regarding the South East Queensland (SEQ) Interim Price Monitoring Framework – Draft Report. I welcome the invitation to provide a submission relating to the information requirements for 2010-11.

I understand that the focus for this report is the SEQ water and wastewater distribution and retail entities (distribution-retail entities).

To assist the Queensland Competition Authority in preparing its price monitoring framework, I thought the following information and linkages to other legislation and regulatory functions may be of use.

In assessing the customer service standards provided by the distribution-retail entities to the community, it may also be necessary for the Queensland Competition Authority to take into account the contractual service standards between the SEQ Water Grid Manager and the distribution-retail entity. Under the SEQ water reforms, we are responsible for selling water to distribution-retail entities in line with the specifications established in the Grid Contract Document and other regulatory instruments. These standards include:

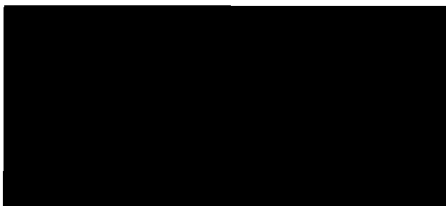
- Supply security – the Queensland Water Commission produces the *South East Queensland System Operating Plan*, which outlines security of water supply provisions that we need to abide by and deliver to our customers.

- Water quality – water quality specifications are detailed in the Grid Contract Documents and we are contractually bound to provide that level of water quality (as a minimum) to the distribution-retail entities. In addition, *The Market Rules SEQ Water Market* (Market Rules) requires us to prepare and publish a Water Grid Quality Management Plan, which also outlines water quality specifications across the SEQ Water Grid (Water Grid). This plan is updated every 12 months.
- Supply reliability – the Market Rules requires us to prepare and publish a Water Grid Performance Standard, which outlines the standards of performance and reliability to be supplied by the Water Grid. This plan is updated on a regular basis.
- Price – the Grid Contract Document stipulates the price of bulk water sold to the distribution-retail entities, which is based on the water price path determined by the State Government.

Each of these standards is iterative in nature. Given the early maturity of the Water Grid, we are continually reviewing, refreshing and confirming the applicability of the standards in place.

I hope this information is of assistance to you. If you require further information, please contact Ms Susan Middleditch, Director, Finance and Corporate Services on (07) 3247 4484 or email at susan.middleditch@seqwgm.qld.gov.au.

Yours sincerely



Barry Dennien
Chief Executive Officer