

Ref. CP/JD



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Mr Gary Henry
Director
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Email: electricity@qca.org.au

97-99 Adelaide Street
Maryborough QLD 4650
PO Box 163
Maryborough QLD 4650
Telephone 13 10 46
Facsimile 07 4123 1124
Website www.ergon.com.au

Dear Gary

DRAFT DECISION: BENCHMARK RETAIL COST INDEX FOR ELECTRICITY 2010-11

Ergon Energy Corporation Limited (Ergon Energy) welcomes the opportunity to provide comment to the Queensland Competition Authority (QCA) on its Draft Decision in respect of the Benchmark Retail Cost Index (BRCI) for Electricity: 2010-11.

Ergon Energy notes that in its Draft Decision, the QCA has indicated it intends to request a copy of Ergon Energy's 2010-11 Pricing Proposal. The QCA require this in order to obtain updated estimates of TUOS payments and customer numbers to arrive at a final decision for the 2010-11 BRCI. Ergon Energy appreciates the need for the QCA to obtain updated data in preparing its final decision. However, Ergon Energy wishes to advise that its 2010-11 Pricing Proposal will not be available in time for the QCA's scheduled release of the final decision for the 2010-11 BRCI on 26 May 2010.

This is because, in accordance with the National Electricity Rules, Ergon Energy's initial Pricing Proposal for the first regulatory year (2010-11) of the next regulatory control period is not due to be submitted to the Australian Energy Regulatory (AER) for approval until 15 business days after the publication of the AER's Final Distribution Determination. As the Final Distribution Determination is not due until 30 April 2010, Ergon Energy's 2010-11 Pricing Proposal will not be finalised and submitted to the AER until 21 May 2010. Furthermore, Ergon Energy does not expect that its Pricing Proposal will be approved by the AER until early June 2010 (based on indicative timeframes provided to date by the AER).

While Ergon Energy will not be able to provide its Pricing Proposal, Ergon Energy is happy to make information on customer numbers and TUOS payments available to the QCA, as this data will be finalised in advance of the Pricing Proposal. Ergon Energy would also be happy to discuss the QCA's requirements in relation to any other supplementary data or information to assist the QCA to arrive at its final decision for the 2010-11 BRCI.

Should you require any further information in this regard, please contact Ergon Energy's Manager Regulatory Affairs – Tariff Strategy, Jenny Doyle on (07) 4092 9813.

Yours sincerely



Carmel Price
Group Manager Regulatory Affairs

Telephone: 07 4121 9545
Facsimile: 07 4123 1124
Email: carmel.price@ergon.com.au