



31 MAY 2012

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Queensland
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MC10759

28 May 2012

Mr B Parmenter
Chairman
Queensland Competition Authority
GPO Box 2257
Brisbane Qld 4001

Dear Mr Parmenter

I refer to my recent direction to the QCA under section 253AA of the *Electricity Act 1994* requiring the QCA to advise Government on the estimated cost impact of carbon tax on retail electricity costs under Tariff 11.

My direction was the result of a Government commitment to freeze Tariff 11 at 2011-12 levels (plus the cost impact of the carbon tax). The Government has also committed to requiring electricity retailers to include a prescribed statement on household electricity bills from 1 July 2012 detailing the estimated carbon tax impacts on retail electricity costs under Tariffs 11, 31 and 33.

To facilitate the regulation that will include the prescribed statement, I direct the QCA under section 253AA of the *Electricity Act 1994* to advise Government on the estimated cost impact of carbon tax on retail electricity costs under Tariffs 11, 31 and 33, as the principal households tariffs.

I require an estimation of carbon costs for Tariff 31 and 33, expressed in cents per kilowatt-hour, based on the relevant carbon cost figures in the QCA's final determination on the 2012-13 notified prices. For the sake of completeness, this should also include the previously requested advice on Tariff 11, expressed in cents per kilowatt-hour.

I would appreciate the requested advice being provided to me at the time the QCA makes its final determination on 2012-13 notified prices.

Sincerely

Mark McArdle MP
Minister for Energy and Water Supply