



The Honourable Mark Bailey MP  
Minister for Main Roads, Road Safety and Ports  
Minister for Energy, Biofuels and Water Supply

Our Reference: CLLO-CIC-16063

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10 NOV 2016

Professor Roy Green  
Chair  
Queensland Competition Authority  
Level 27, 145 Ann Street  
BRISBANE OLD 4000

Dear Professor <sup>Roy,</sup> Green

**Re: Determination of Regulated Retail Electricity Prices for 2017–18**

I write to you to issue a Delegation and Terms of Reference to the Queensland Competition Authority (QCA) for the determination of regulated retail electricity prices in regional Queensland for 2017–18 under section 90AA(1) of the *Electricity Act 1994*.

The attached Delegation and Terms of Reference for 2017–18 are consistent with the approach taken in my Delegation and Terms of Reference for 2016–17. The Government's Uniform Tariff Policy and promoting greater levels of retail competition remain important considerations when setting regulated retail electricity prices in regional Queensland.

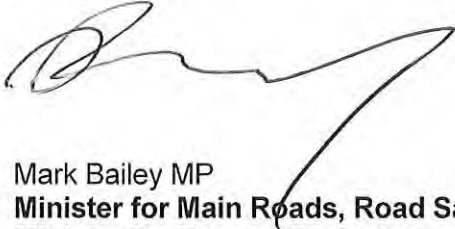
The Government remains committed to ensuring regional customers have access to reliable electricity supply at affordable prices. We are also proactively working with the business and agricultural sectors to help identify ways to assist small and large businesses to manage their electricity consumption and costs.

The deregulation of retail electricity prices for small customers in South East Queensland (SEQ) on 1 July 2016 removed a reference point for the determination of prices in regional Queensland. To maintain consistency with the regulation of prices in previous years, the Government considers that regulated prices for small customers in regional Queensland should continue to broadly reflect the expected prices for small customers on standing offers in SEQ.

Public consultation is a vital part of the QCA's process for determining retail electricity prices. As such, the Terms of Reference requires the Draft Determination to be issued in February 2017.

I trust this provides sufficient time to undertake the necessary consultation to support the Draft Determination and to allow for delivery of the Final Determination by 31 May 2017.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Mark Bailey', written in a cursive style.

Mark Bailey MP  
**Minister for Main Roads, Road Safety and Ports and  
Minister for Energy, Biofuels and Water Supply**

Att: Delegation and Terms of Reference – Determination of Regulated Retail Electricity  
Prices for 2017-18