

Our Ref:
Your Ref:
Contact Officer: Brett McCarthy
Contact Phone: 02 6243 1245

8 March 2011

Mr Terry Effeney
Chief Executive Officer
Energex
GPO Box 1451
Brisbane QLD 4001

Dear Mr Effeney

I refer to your request for the Australian Energy Regulator (AER) to determine that the Queensland Retailer of Last Resort (RoLR) scheme is a jurisdictional scheme for the purposes of the National Electricity Rules (NER).

The AER has considered your request in accordance with clause 6.18.7A(n) of the NER. Under this clause the AER must only determine that a scheme is a jurisdictional scheme if the AER considers that the scheme meets the eligibility criteria in the NER.

The AER's assessment against the eligibility criteria in clause 6.18.7A(x) of the NER is as follows:

- The obligations under the RoLR scheme require Energex to pay a person (a RoLR) an amount determined in accordance with Energex's obligations under the scheme (a Queensland Competition Authority determined amount). Therefore clause 6.18.7A(x)(1) of the NER is satisfied.
- The obligations under the RoLR scheme are imposed on Energex in its capacity as a DNSP. Therefore clause 6.18.7A(x)(2) of the NER is satisfied.
- The amount Energex will be required to pay under the scheme is in the nature of a payment to a RoLR, rather than a fine, penalty or incentive payment. Therefore clause 6.18.7A(x)(3) of the NER is satisfied.
- Except as provided for in the NER, Energex has no right to recover the amounts paid to a RoLR under the Queensland RoLR scheme. Therefore clause 6.18.7A(x)(4) of the NER is satisfied.

The AER considers that the Queensland RoLR scheme satisfies the eligibility criteria, and therefore has determined that the Queensland RoLR scheme is a jurisdictional scheme.

If you wish to discuss this matter please contact Brett McCarthy on (02) 9230 9103.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Pattas', with a long horizontal stroke extending to the right.

Chris Pattas
General Manager