

NEW SOUTH WALES

ELIZABETH THE SECOND, by the Grace of God, Queen of Australia and Her other Realms and Territories, Head of the Commonwealth.

To the Honourable Justice Brian John Michael Tamberlin QC

By these Our Letters Patent, made and issued under the authority of the *Special Commissions of Inquiry Act 1983*, We hereby, with the advice of the Executive Council, authorise you as Commissioner to inquire into and report to Our Governor of the said State on all matters relating to the electricity transactions (occurring both before and after entering into those transactions), including:

1. compliance with applicable laws, policies and practices;
2. the circumstances surrounding the resignation and appointment of directors of Eraring Energy and Delta Electricity in December 2010;
3. the value for money achieved for the State compared to the retention value of the assets to the State;
4. the costs and benefits to the State of the electricity transactions, including potential risks and liabilities and the extent to which the transactions can deliver the stated objectives for entering into them; and
5. any other related matters.

AND FURTHER, WE authorise you to inquire into and report on options for future action that could be undertaken to further the public interest in a competitive NSW electricity sector, including options to:

1. address any issues identified in relation to the electricity transactions; and
2. promote competitive electricity prices and ensure reliability of supply.

AND hereby establish a Special Commission of Inquiry for that purpose. The Special Commission may be assisted by one or more experts on matters that the Commissioner considers require expert opinion.

AND OUR further will and pleasure is that you do, as expeditiously as possible, but in any case on or before 31 August 2011 deliver your initial report, and on or before 31 October 2011 deliver your final report covering all the matters hereto specified.

IN these Letters Patent "electricity transactions" refers to:

1. the sale of State-owned electricity retailers (EnergyAustralia, Integral Energy and Country Energy) by the NSW Government in 2010/11;
2. the sale of the electricity trading rights of State-owned generators (Eraring Energy and Delta West) by the NSW Government in 2010/11;
3. the Cobbora coal mine development;
4. the sale of development sites suitable for power generation by the NSW Government, including at Marulan and Mt Piper in 2010/11; and
5. the proposed sale of the electricity trading rights of State-owned generators (Macquarie Generation and Delta Coastal) that was not completed by the NSW Government.

AND pursuant to s. 21 of the *Special Commissions of Inquiry Act 1983* it is hereby declared that sections 22, 23 and 24 shall apply to and in respect of the Special Commission the subject of these Our Letters Patent.

IN TESTIMONY WHEREOF, WE have caused these Our Letters to be made Patent and the Public Seal of Our State to be hereunto affixed.

WITNESS

The Honourable Justice Margaret Beazley AO
Administrator of the State of New South Wales in the Commonwealth of Australia.

Dated this 29 April 2011.

The Administrator

By the Administrator's Command,

Premier