



Notice

5 November 2018

Rate of Return Guidelines (2018) for Gas Transmission and Distribution Networks

CONSULTATION ON IMPLEMENTATION OF DEBT RISK PREMIUM ESTIMATION PROCESS

On 29 June 2018, the Economic Regulation Authority (ERA) published its Draft Rate of Return Guidelines (2018) for Gas Transmission and Distribution Networks.

At the ERA's public forum and in submissions on the draft guidelines, stakeholders have requested that:

- the ERA provide a detailed technical process to implement the guidelines' debt risk premium method
- stakeholders be given an opportunity to comment on this process
- the detailed debt risk premium process be included and self-contained in the final guidelines.

The ERA has now prepared technical debt risk premium process documents and accompanying tools. These include:

- Appendix 1 – DRP process for updating in R
- Appendix 2 – DRP process for updating in Excel
- DRP update Excel template
- DRP update R code package

These documents and tools are consistent with the debt risk premium method detailed in the draft guidelines. They provide the technical steps and detail necessary for stakeholders to estimate the debt risk premium. Documents and tools are available at:

<https://www.erawa.com.au/gas/gas-access/guidelines/2018-review-of-the-rate-of-return-guidelines>

The ERA intends to include these documents as technical appendices to the final guideline explanatory statement.

Invitation to make a submission

Interested parties are invited to make submissions on these process documents by **4:00 pm (WST) on Thursday, 22 November 2018**. Submissions should be lodged online at <https://www.erawa.com.au/consultation>

Further information

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