



# Notice

9 May 2022

## 2022 gas rate of return instrument review

### Publication of consultant report on the term of the allowed cost of equity

The Economic Regulation Authority has published additional material for the 2022 review of the rate of return instrument for regulated gas pipelines – a [report](#) by Dr Martin Lally on the appropriate term for the allowed cost of equity.

The report details the appropriate term for the allowed cost of equity and reviews submissions that the ERA has received on this matter.

The gas rate of return instrument is used to determine the allowed rate of return on capital for regulated gas network service providers in Western Australia. The rate of return provides service providers with the funding to pay interest on any loans and give a return on equity to investors.

On 8 December 2021, the ERA released a [discussion paper](#) for consultation. In the discussion paper, the ERA outlined its working view to maintain a term for equity that matches the regulatory cycle of five years.

The ERA will consider this new consultant report as part of making its draft gas instrument, which is expected to be published in mid-2022.

#### Further information

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