



CONSULTATION

Guidelines for the Rate of Return for Gas Transmission and Distribution Networks

INVITATION FOR SUBMISSIONS

The Economic Regulation Authority today has published on its website the **Draft Rate of Return Guidelines** and the **Explanatory Statement for the Draft Rate of Return Guidelines**. These documents set out the Authority's proposed approach under the National Gas Rules for determining the rate of return for gas transmission and distribution networks.

Under the Australian Energy Market Commission's recent changes to the National Gas Rules, the Authority is required to prepare rate of return guidelines at least every three years.¹ The first rate of return guidelines must be finalised and published by the Authority by 29 November 2013.

The guidelines development process provides an opportunity to undertake a comprehensive review of approaches for determining the rate of return on capital for regulated assets owned by gas transmission and distribution businesses in Western Australia.

As part of its consultation process to this point, the Authority has published an Issues Paper in December 2012, released a Working Paper on the Cost of Debt in June 2013, and held a workshop with stakeholders in July 2013. These documents, including submissions that were received, are available on the ERA website at <http://www.erawa.com.au/access/gas-access/guidelines/>

The Authority will continue to engage stakeholders to obtain input to the development of the rate of return guidelines.

INVITATION TO MAKE A SUBMISSION

Interested parties are invited to make submissions on the Authority's Draft Rate of Return Guidelines and Draft Rate of Return Guidelines Explanatory Statement by 4:00 pm (WST) on Thursday, 19 September 2013.

Submissions should be marked to the attention of Dr Duc Vo, Rate of Return Guidelines Review

Postal address: PO Box 8469, PERTH BC WA 6849
Office address: Level 4, Albert Facey House, 469 Wellington Street, Perth WA 6000
Email address: publicsubmissions@erawa.com.au

¹ Australian Energy Market Commission 2012, *National Gas Amendment (Price and Revenue Regulation of Gas Services) Rule 2012 No. 3*, www.aemc.gov.au.

Confidentiality

The ERA prefers that all submissions be in an electronic format and be made publicly available, so as to facilitate an informed, transparent and robust consultation process. Accordingly, submissions will be treated as public documents and posted on the ERA's website, www.erawa.com.au/, unless prior arrangements are made with the ERA to treat the submission, or portions of it, as confidential.

The publication of a submission on the Authority's website shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

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