



# Notice

17 August 2018

## Proposed revisions to the Western Power network access arrangement - 2017/18 to 2021/22

### NEW RATE OF RETURN INFORMATION TO BE CONSIDERED

On 2 May 2018, the Economic Regulation Authority (ERA) published its [Draft Decision](#) on proposed revisions to the access arrangement for the Western Power network.

Since that decision, new information has become available that may affect Western Power's rate of return. This new information may increase the value of imputation credits (gamma), and reduce the market risk premium and debt risk premium.

This information includes:

- Clarification of the application of Australian Tax Office data and its application to the value of imputation credits (known as gamma). In May 2018, [Australian Tax Office advised](#) the Australian Energy Regulator (AER) that taxation statistics data should not be used for detailed time series analysis of the imputation system. On 21 June 2018, the [two parties had a meeting](#) along with other experts and network stakeholders to clarify this matter.
- New advice from Dr Martin Lally - [Review of Gamma Submissions and the ERAWA's Views on Gamma](#).
- The [AER's Draft Rate of Return Guideline](#) released on 10 July 2018. This document included further consideration of gamma and the market risk premium.
- Revisions to the Reserve Bank of Australia's historic series in its [F3 table on aggregate measures of Australian corporate bond spreads and yields](#). Further information about these changes, made in June 2018, was provided in the Reserve Bank's correspondence to the AER, available on the [AER website](#).

As the ERA prepares to make its Final Decision on Western Power's access arrangement, including the rate of return, it is appropriate to take this new information into account and to offer interested parties the opportunity to make further comment.

### Invitation to make a submission

Interested parties are invited to make submissions on this new information for Western Power's access arrangement by **4:00 pm (WST) on Wednesday, 29 August 2018**. Submissions should be lodged online at <https://www.erawa.com.au/consultation>

For further information contact:

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