



## Aligning TasNetworks' regulatory control periods

Publication of final rule determination and final rule

**The AEMC has made a rule that aligns the timing of TasNetworks' transmission and distribution revenue determinations on 1 July 2019. It follows a rule change request from TasNetworks.**

### Final rule determination

The Commission has determined to make a rule to align the timing of Australian Energy Regulator revenue determinations for TasNetworks distribution and transmission networks. The rule achieves this by setting the length of the next regulatory control period for TasNetworks' distribution network in 2017 to two years. The revenue determination processes and start of the regulatory control periods of the two network businesses will then be aligned on 1 July 2019 as demonstrated below.

**Figure: Timing of TasNetworks' regulatory control periods**

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Current reg cycle for TasNetworks (Distribution)	Current regulatory period					Next regulatory period						
Current reg cycle for TasNetworks (Transmission)			Current - one-year	Next regulatory control period (process already commenced)			Aligned regulatory period					
TasNetworks' solution - Two year reg period for TasNetworks (Distribution)	Current regulatory period					2 year period		Aligned regulatory period				

The rule will:

- improve the ability of TasNetworks to optimise expenditure across both its distribution and transmission networks when planning the networks, particularly given the characteristics of the two networks in Tasmania;
- improve the ability of the AER to consider trade offs between proposed expenditure on TasNetworks' transmission and distribution network when making revenue determinations for the two networks;
- allow for an ongoing reduction in administrative costs for TasNetworks. This reduction in costs for TasNetworks should ultimately benefit consumers; and
- allow for a reduction in ongoing administrative costs for other stakeholders involved in the regulatory determination process including the AER and consumers and their representatives.

The rule is substantially the same as the rule proposed by TasNetworks in its rule change request with some drafting amendments. It will commence immediately, on 9 April 2015.

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