

14 September 2016

AEMC Ref: ERC0207

Mr Julian La Brooy

PO Box A2449
Australian Energy Market Commission
SYDNEY SOUTH
NSW 1235

Dear Mr La Brooy,

Australian Gas Networks Limited (AGN) thanks the Australian Energy Market Commission (AEMC) for the opportunity to comment on the changes to the National Gas Rules and the National Electricity Rules proposed by the Australian Energy Regulator (AER), which changes would defer the requirement for completion of a review of the Rate of Return Guideline (the Guideline) for up to two years to December 2018.

AGN supports a delay in the review of the Guideline given a number of matters are being considered in merits and judicial review proceedings, which matters once resolved have the potential to inform the Guideline. The outcome of these reviews will not be available by the current time the AER is required to review the Guideline. We therefore consider that an extension for reviewing the Guideline will provide greater certainty to stakeholders and lead to a more efficient review process.

AGN notes the AEMC has also sought comment on how the change to the timing of the Guideline review impacts on businesses. Although AGN itself is unaffected by the change to the timing of the review, we consider it preferable to complete the Guideline review by October 2018. This will provide a reasonable period of time:

- For stakeholders to consider the impact of the current merits and judicial review proceedings on the revised Guideline, which proceedings we expect to have concluded in around 12 months; and
- For those businesses submitting their regulatory proposals in January and February 2019, to consider and incorporate the revised Guideline into their regulatory proposals.

We therefore consider it preferable that a revised Guideline be published by the end of October 2018. We also agree that this matter should be reviewed under the expedited review process. Please contact either Peter Bucki (08 8418 1112) or myself (08 8418 1129) should you wish to discuss this letter further.

Yours sincerely,



Craig de Laine
General Manager Regulation