

Independent Panel questions to the AER

Date of correspondence: 26-31 July 2018

Correspondence between: Natalia Southern (Chair of Panel), and Esmond Smith (Director, Rate of Return– AER)

*Please note the Panel's requests/comments are in **black** text and the AER's responses in **blue**.*

1. Chairmont model on aggregation of return on debt data

On 26 July the panel wrote to the AER with the following.

- The Chairmont report “Aggregation of Return on Debt Data” contains summary data collected from service providers relating to debt issuance. These data relate to the cost and term of debt issued and so are commercially sensitive, at the firm level.
 - The Panel would like to request access to more of the detail on the basis that the aggregate data distorts observations about the term of debt. As a result, we feel that the true position would be clearer from us having access to more detailed data.
 - I note that we have all signed confidentiality deeds with you and we recognise that we would need to respect the commercially sensitive nature of the data in any material we published.
 - Would you be able to send the data used to underpin the summary/aggregated data in Chairmont's report?
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- On 31 July 2018 the AER provided the independent panel with the Chairmont model that aggregates return on debt data via the AER's secure file sharing system.
 - The AER noted to the panel that the document is highly CONFIDENTIAL, and all copies must be destroyed once the independent panel has completed its review.