

Our Ref: 63688  
Contact Officer: Ben Stonehouse  
Contact Phone: [REDACTED]

31 August 2018

[Insert contact name]  
[Insert contact title]  
[Insert business name]  
[Insert postal address 1]  
[Insert postal address 2]

By email: [\[Insert email address\]](#)

Dear [Insert contact name short]

**Notice of intention to serve a Regulatory Information Notice under Division 4 of Part 1 of Chapter 2 of the National Gas ([insert state/territory]) Law to collect tax information**

The Australian Energy Regulator (AER) is currently undertaking a review of its regulatory tax approach. On 28 June 2018 we released an *Initial report* that noted the lack of publicly available information on the actual tax practices of regulated energy networks. The report stated:<sup>1</sup>

Given this, the AER proposes to use its information gathering powers to obtain detailed tax information from the energy networks. This will allow us to better understand whether there is a genuine discrepancy. If there is, the tax information will then allow us to assess the magnitude of the discrepancy, its causes and what might be an appropriate response.

After releasing that report, we have consulted widely on the use of our information gathering powers, and in particular on the material that might be collected via a Regulatory Information Notice (**notice**). We appreciate the constructive involvement of many stakeholders, including your organisation, as we have refined the questions that might be asked.

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<sup>1</sup> AER, *Initial report, Review of regulatory tax approach*, 28 June 2018, p. 2.

This collaborative engagement led the AER to request the voluntary provision of some core tax information from service providers on 17 August 2018. This voluntary request complemented the use of our formal information gathering powers, allowing us to progress our analysis while we further consulted on the questions to be included in the formal *notice*. Issuing the *notice* will ensure sector coverage and allow us to obtain detailed information that was not appropriate to include in the voluntary request.

Accompanying this letter is a draft of the *notice* that the AER intends to serve to [Insert business name] ([Insert business number]) under Division 4 of Part 1 of Chapter 2 of the National Gas ([insert state/territory]) Law (*NGL*).

The *notice*, once issued, requires [Insert business name] to provide and prepare the information in the manner and form specified in the *notice*. The *AER* requires the information for the performance or exercise of a function or power conferred on it under the *NGL* or the *National Gas Rules (NGR)*, namely to inform the recommendations to be made in the current review into the regulatory tax approach, in respect of the services provided of the gas [transmission/distribution] network [Insert business name] operates in [Insert state/territory].

We invite you to make written representations to the AER as to whether the AER should serve the *notice*. These submissions need to be received by Friday 28 September 2018, a period of 20 business days. These submissions can be made by email to [TaxReview2018@aer.gov.au](mailto:TaxReview2018@aer.gov.au) and should be marked for the attention of Mr Warwick Anderson, General Manager, Network Finance and Reporting.

During this submission period we intend to continue with collaborative stakeholder engagement, and are open to further discussion on the draft RIN content, either by phone or in person. On these matters, please contact Mr Ben Stonehouse on [REDACTED] or by email on [ben.stonehouse@aer.gov.au](mailto:ben.stonehouse@aer.gov.au).

Yours sincerely

Warwick Anderson  
General Manager  
Network Finance and Reporting  
**Australian Energy Regulator**