

AUSTRALIAN ENERGY REGULATOR

Key Issues and Action Items

DATE: 23 July 2018
TO: AER's Investor Reference Group on Rate of Return
CC: Warwick Anderson
SUBJECT: IRG 23 July video-conference

Introduction

The AER met with the IRG to discuss the draft decision on the Rate of Return guideline review. The meeting was held on 23 July 2018 in AER offices across Australia via videoconference.

Key Issues

Overview of the Rate of Return guideline draft decision

The AER outlined the process employed in developing the draft rate of return guideline. AER staff explained the concept of an incremental review and stated the decision was consistent with such an approach. The AER explained that although many stakeholders agreed on the model, there was disagreement on the parameters.

Outline of expected engagement

The AER stated that there is value in all opinions stakeholders put forward and they will be considered. The AER explained its confidentiality policy with regard to submissions. The AER invited the IRG to present at the guideline draft decision public forum and noted that all three members of the AER Board will attend. The AER indicated that the CRG is interested in meeting with the IRG sometime after the public forum.

Explanation of the Independent panel

The AER gave a brief explanation of the independent panel's appointment. The AER indicated that the independence of the panel is important and that correspondence between AER staff and the panel will be published on the AER website. The AER stated that the draft decision submission window will be influenced by the timing of the independent panel report.

Action Items

AER:

- *Arrange a meeting between the CRG and IRG*

IRG:

- *Consider the opportunity to present at the public forum*