

Notice inviting submissions: TransGrid (NSW) electricity transmission business – Framework and approach

The Framework and approach (F&A) is the first step in a process to determine efficient prices for electricity services. The F&A determines, amongst other things, how the AER will set prices for electricity transmission services and the application of any incentive schemes. It also facilitates early public consultation and assists TransGrid prepare its regulatory proposal.

TransGrid has written to the AER requesting that we amend the current F&A. TransGrid notes that minor updates are required to reflect the current versions of incentives schemes.

In accordance with the National Electricity Rules, the AER invites submissions on whether it is necessary or desirable to amend or replace the current TransGrid F&A for the next regulatory control period commencing on 1 July 2018.¹

The matters the AER may amend or replace in its F&A paper are listed in clause 6A.10.1A of the National Electricity Rules. Briefly, these include:

- the application of a range of incentive schemes that encourage things like service quality, improvements in network reliability or efficient capital and operative expenditure
- the application of the AER's Expenditure Forecast Assessment Guideline
- whether depreciation of assets will be based on actual or forecast capital expenditure.

The current Final Framework and approach for TransGrid, published in January 2014, can be found at <https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/transgrid-determination-2014-2019/aer-position>.

More information about the purpose of the F&A can be found in the AER's Framework and Approach Information Sheet.

How to make submissions

The AER invites submissions on whether it is necessary or desirable to amend or TransGrid's F&A. Submissions close at 5pm on Friday 4 December 2015.

Submissions should be sent electronically to [TransGrid2018@aer.gov.au](mailto:TransGrid2018@ aer.gov.au).

Alternatively, you may mail submissions to:

Mr. Sebastian Roberts

¹ NER, cl. 6A.10.1A(c)(2).

General Manager, Network Regulation
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

The AER prefers that all submissions be publicly available to facilitate an informed and transparent consultative process. The AER will treat submissions as public documents unless otherwise requested. Parties wishing to submit confidential information are requested to:

- clearly identify the information that is the subject of the confidentiality claim
- provide a non-confidential version of the submission in a form suitable for publication.

All non-confidential submissions will be placed on the AER's website at www.aer.gov.au. For further information regarding the AER's use and disclosure of information provided to it, see the *ACCC/AER Information Policy*, October 2008 available on the AER's website.

Enquiries should be directed to:

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