



Ref: A100096

28 August 2017

Mr Warwick Anderson
General Manager
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

rateofreturn@aer.gov.au

Dear Mr Anderson

Essential Energy submission to the Rate of Return Guideline Review Process consultation paper

Essential Energy welcomes the opportunity to comment on the proposed review process for the Rate of Return Guideline (the Guideline).

We fully support the proposed review approach outlined in the consultation paper and believe it appropriately balances the needs of all stakeholders. The inclusion of an issues paper, to promote earlier consultation on substantive issues, and the 'hot-tubbing' of expert advisers are particularly appropriate given the importance of the Guideline to all stakeholders.

However, the proposed 17 December 2018 publication date for the final Guideline does not allow sufficient time for inclusion in our revised proposal for the 2019-24 regulatory period. As such, we wish to reiterate the need for our 2019-24 distribution determination to operate under the 2013 Guideline. This view was supported by the Australian Energy Market Commission in the transitional provision arrangement contained in its October 2016 rule determination approving the AER's deferral of the Guideline review from June 2016 to December 2018.

If you have any questions on this submission, please don't hesitate to contact Natalie Lindsay on 02 6589 8419.

Yours sincerely

A handwritten signature in black ink, appearing to be "G. Humphreys", written in a cursive style.

Gary Humphreys
Executive General Manager Regulation and Innovation