

31 August 2017

Ms Paula Conboy

Chair, Australian Energy Regulator

Level 35 The Tower

360 Elizabeth Street

Melbourne VIC 3000

Via email: [paula.conboy@aer.gov.au](mailto:paula.conboy@aer.gov.au)

### **AER Review of the Rate of Return Guideline Review Process**

Dear Ms Conboy,

We are keen to write to you at the commencement of the current Rate of Return Guideline review process to emphasise our firm commitment to open and constructive engagement with the AER, consumers and other stakeholders. In doing so, our objective is to contribute to the development of a Rate of Return Guideline that is capable of being accepted and applied by all parties.

As the chief executives of electricity transmission and distribution networks and gas distribution networks, we want to play our part in delivering a secure, reliable and affordable energy future for Australia. Rate of return guidelines that are effective and well-supported by stakeholders will contribute to our capacity to do this by allowing for the efficient financing of long-lived infrastructure and other energy solutions meeting the needs of almost 10 million Australian electricity customers and over 4 million gas customers.

Network businesses understand that energy prices are a concern to consumers and will contribute to establishing guidelines that deliver outcomes that are in the long-term interests of consumers, including by ensuring network businesses are able to achieve a reasonable and sustainable return on investment.

We have provided to the AER an industry response to the Consultation Paper *Process for reviewing the rate of return guidelines*. We have indicated our strong support for the AER objectives and approach to consulting on its proposed process at an early stage. We welcome and support the proposed review process, which includes many innovative and positive opportunities to approach this important review in a different manner than previously.

We would look forward to the broad stakeholder engagement process consistent with that outlined in your Consultation Paper. We are committed to more open and constructive engagement with all stakeholders throughout the process.

Please feel free to contact Ms Merryn York, Chair of Energy Network Australia's Policy and Regulatory Committee at any time through the review process should there be any issues you would like to discuss, including in relation to our contribution to your stakeholder engagement process.

Yours sincerely,



Antoon Boey  
**Acting Managing Director**  
Jemena



Lance Balcombe  
**Chief Executive Officer**  
TasNetworks



John Cleland  
**Chief Executive Officer**  
Essential Energy



Michael Costello AO  
**Chief Executive Officer**  
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Pat Donovan  
**President**  
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Nino Ficca  
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Richard Gross  
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Tony Narvaez  
**Chief Executive Officer**  
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Paul Italiano  
**Managing Director**  
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Steve Masters  
**Chief Executive Officer**  
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Tim Rourke  
**Chief Executive Officer**  
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David Smales  
**Chief Executive Officer**  
Energy Queensland



Rob Stobbe  
**Chief Executive Officer**  
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Michael Thomson  
**Chief Executive Officer**  
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Merryn York  
**Chief Executive Officer**  
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Guy Chalkely  
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