



Notice

4 June 2014

Invitation for Public Submissions

DRAFT DETERMINATION RELATING TO THE 2014 REVIEW OF METHOD FOR ESTIMATING THE WEIGHTED AVERAGE COST OF CAPITAL FOR RAILWAY NETWORKS

The Economic Regulation Authority (**ERA**) is seeking public comment on the [draft determination](#) for the method for calculating the weighted average cost of capital (**WACC**) values to apply from 1 July 2014.

Clause 3 of Schedule 4 of the *Railways (Access) Code 2000 (Code)* requires the ERA to make an annual determination of a WACC, to be applied in the determination of floor and ceiling prices for the regulated railway networks.

In addition, Clause 3 of Schedule 4 of the Code requires that, in every fifth year subsequent to 2003, the ERA undertake public consultation prior to determining the WACC values for that year. Consequently, the ERA commenced public consultation prior to making its WACC determination to apply from 1 July 2013.

The ERA prepared an [issues paper](#) in order to assist stakeholders in providing submissions in relation to the rail WACC determinations required by the Code. The ERA received five submissions from stakeholders relating to the ERA's issues paper, which have been taken into account by the ERA when preparing the draft determination. The five submissions received are available on the ERA's [website](#).

The development of the draft determination has been delayed until now to allow the Authority to finalise its rate of return guidelines for gas transmission and distribution networks, pursuant to the National Gas Rules. The Authority intends to make a final determination on the rail WACC method in time for the next update for the rail WACC, which will be made as at 30 June 2014, and then published as soon as practicable thereafter.

Stakeholders wishing to make a submission on the Draft Determination should mark their submissions to the attention of Mr Jeremy Threlfall, Assistant Director – Rail by **4.00pm (WST) on Friday 27 June 2014**.

Postal address: PO Box 8469, PERTH BC WA 6849
Office address: Level 4, Albert Facey House, 469 Wellington Street, PERTH WA 6000
Email address: publicsubmissions@erawa.com.au



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CONFIDENTIALITY

In general, all submissions from interested parties will be treated as being in the public domain and placed on the ERA's website. Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for which confidentiality is claimed, and specify in reasonable detail the basis for the claim. Any claim of confidentiality will be considered in accordance with the provisions of the *Railways (Access) Code 2000*.

The publication of a submission on the ERA's website shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

For further information contact:

General Enquiries

Richard Begley
Economic Regulation Authority
Phone: 08 6557 7900
Email: records@erawa.com.au

Media Enquiries

Richard Taylor
Riley Mathewson Public Relations
Phone: 08 9381 2144
Email: admin@rmpr.com.au