



Notice

18 December 2018

Rate of Return Guidelines (2018) for Gas Transmission and Distribution Networks

PUBLICATION OF FINAL GUIDELINES

The Economic Regulation Authority has today published [its final rate of return guidelines](#). The ERA has also published an accompanying explanatory statement. These documents set out the ERA's revised approach under the National Gas Rules for determining the rate of return for gas transmission and distribution networks.

To develop the guidelines, the ERA undertook a comprehensive review of approaches for determining the rate of return on capital. The ERA considers that its revised approach will meet the requirements of the national gas objective and National Gas Rules.

Application of guidelines

Currently, the rate of return guidelines are not mandatory in Western Australia. The ERA or service providers may depart from the guidelines when reviewing an access arrangement, provided that an adequate explanation for any proposed change, consistent with the National Gas Law and National Gas Rules, is provided.

However, the Council of Australian Governments' Energy Council has developed a framework for binding rate of return guidelines. The *Statutes Amendment (National Energy Laws) (Binding Rate of Return Instrument) Act 2018* has recently been proclaimed in South Australia, which is the lead parliament for national energy legislation in Australia.

If the Western Australian Government chooses to adopt these changes, then these guidelines will become a mandatory instrument and will be reviewed every four years.

Further information

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