

26 January 2024

Mr Pradeep Fernando  
Director, Network Pricing  
Australian Energy Regulator

*Sent via email: [RateOfReturn@aer.gov.au](mailto:RateOfReturn@aer.gov.au)*

## **AER Proposed Instrument Amendment – Rate of Return Instrument 2022**

Dear Mr Fernando

Energy Networks Australia (ENA) appreciates the opportunity to respond to the Australian Energy Regulator's (AER) Consultation Paper on its proposed amendment to the Rate of Return Instrument 2022.

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

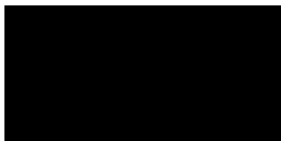
These amendments are designed to provide for the smooth operation of the debt trailing average methodology for Victorian energy network businesses, consistent with outcomes consulted on in relation to the 2018 Instrument.<sup>1</sup>

ENA supports the proposed amendments to the 2022 Rate of Return Instrument for Victorian network service providers. ENA considers the proposed approach for modifying the trailing average for the 6month long regulatory year appropriate and recognises it makes no consumer better or worse off.

ENA also supports the proposed amendments to continue applying the modified trailing average applied to the Victorian gas networks in the modified 2018 RORI. ENA recognises the importance of the amendment to remain consistent the Victorian Government Gazette, the modified RORI 2018 for Victorian gas networks, and the modified RORI 2018 for Victorian electricity networks.

If you wish to discuss any of the matters raised in this letter further, please feel free to contact Ms Victoria Baikie, Economic Analyst at: [REDACTED]

Yours sincerely,



Garth Crawford  
**General Manager Economic Regulation**

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<sup>1</sup> AER, [Proposed Instrument amendment](#) – December 2023