



National Electricity Amendment (Rate of Return Guidelines Review) Rule 2016 No. 9

under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria;
- (g) the National Electricity (Northern Territory) (National Uniform Legislation) Act 2015; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Pierce
Chairman
Australian Energy Market Commission

National Electricity Amendment (Rate of Return Guidelines Review) Rule 2016 No. 9

1 Title of Rule

This Rule is the *National Electricity Amendment (Rate of Return Guidelines Review) Rule 2016 No.9*.

2 Commencement

This Rule commences operation on 20 October 2016.

3 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

4 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 2.

5 Savings and Transitional Amendments to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 6.5.2 Return on capital

Omit clause 6.5.2(p)(1) and substitute:

- (1) at intervals not exceeding five years for the first interval and three years for all subsequent intervals, with the first interval starting from the date that the first *Rate of Return Guidelines* are *published* under these *Rules*; and

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 6A.6.2 Return on capital

Omit clause 6A.6.2(p)(1) and substitute:

- (1) at intervals not exceeding five years for the first interval and three years for all subsequent intervals, with the first interval starting from the date that the first *Rate of Return Guidelines* are published under these *Rules*; and

Schedule 3 Savings and Transitional Amendments to the National Electricity Rules

(Clause 5)

[1] Chapter 11 New Part ZZU

In Chapter 11, after Part ZZT, insert:

Part ZZU Rate of Return Guidelines Review

11.93 Rules consequential on the making of the National Electricity Amendment (Rate of Return Guidelines Review) Rule 2016

11.93.1 Definitions

In this rule 11.93:

affected DNSP means each of the following *Distribution Network Service Providers*:

- (a) ActewAGL Distribution, the joint venture between Icon Distribution Investments Limited ACN 073 025 224 and Jemena Networks (ACT) Pty Ltd ACN 008 552 663 providing *distribution services* in the Australian Capital Territory, or any successor to its business;
- (b) Ausgrid, the energy services corporation of that name (formerly known as EnergyAustralia), which is constituted under section 7 of the *Energy Services Corporations Act 1995* (NSW) and specified in Part 2 of Schedule 1 of that Act, or any successor to its business (including any ‘authorised distributor’ of Ausgrid’s ‘network infrastructure assets’ (as those terms are defined in the *Electricity Network Assets (Authorised Transactions) Act 2015* (NSW)) following the transfer of the whole, or part of, those network infrastructure assets to the private sector);
- (c) Endeavour Energy, the energy services corporation of that name (formerly known as Integral Energy), which is constituted under section 7 of the *Energy Services Corporations Act 1995* (NSW) and specified in Part 2 of Schedule 1 to that Act, or any successor to its business (including any ‘authorised distributor’ of Endeavour Energy’s ‘network infrastructure assets’ (as those terms are defined in the *Electricity Network Assets (Authorised Transactions) Act 2015* (NSW)) following the transfer of the whole, or part of, those network infrastructure assets to the private sector);
- (d) Essential Energy, the energy services corporation of that name (formerly known as Country Energy), which is constituted under section 7 of the *Energy Services Corporations Act 1995* (NSW) and

specified in Part 2 of Schedule 1 to that Act, or any successor to its business;

- (e) Power and Water Corporation ABN 15 947 352 360, providing *distribution services* in the Northern Territory, or any successor to its business; and
- (f) Tasmanian Networks Pty Ltd ACN 167 357 299, providing *distribution services* in Tasmania, or any successor to its business.

affected TNSP means the *Transmission Network Service Provider*, Tasmanian Networks Pty Ltd ACN 167 357 299, providing *transmission services* in Tasmania, or any successor to its business.

commencement date means 20 October 2016.

current rate of return guidelines means the *Rate of Return Guidelines* as in force on the commencement date.

current regulatory control period of an affected DNSP or affected TNSP, means the *regulatory control period* for that affected DNSP or affected TNSP, which commenced before the commencement date and, as at the commencement date, has not ended.

subsequent regulatory control period of an affected DNSP or affected TNSP, means the *regulatory control period* for that affected DNSP or affected TNSP that immediately follows the current regulatory control period.

11.93.2 Application of current rate of return guidelines to making of a distribution determination for the subsequent regulatory control period

For the purposes of the application of:

- (a) Chapter 6 to the making, amendment, revocation or substitution of a distribution determination for an affected DNSP's subsequent regulatory control period; and
- (b) Chapter 6A to the making, amendment, revocation or substitution of a *transmission determination* for the affected TNSP's subsequent regulatory control period,

a reference to the *Rate of Return Guidelines* is deemed to be a reference to the current rate of return guidelines.

[END OF RULE AS MADE]
