



Level 37, 2 Lonsdale St
Melbourne 3000, Australia
Telephone +61 3 9032 1300
 +61 1300 664 969
Facsimile +61 3 9032 1303

2013 WATER PRICE REVIEW

GMMWATER DETERMINATION

1 JULY 2013 – 30 JUNE 2018

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1. General

1.1 Introduction

- (a) Clause 8 of the *WIRO* requires the Commission to either:
 - (i) approve the prices which a *regulated entity* may charge for *prescribed services* or the manner in which such prices are to be calculated or otherwise determined, as set out in the *regulated entity's Water Plan*; or
 - (ii) specify the prices which a *regulated entity* may charge for *prescribed services* or the manner in which such prices are to be calculated or otherwise determined.
- (b) On 12 June 2013, the Commission made its decision under the *WIRO* in respect of:
 - (i) the prices which Grampians Wimmera Mallee Water Corporation (trading as GMMWater) (ABN 35 584 588 263) (*GMMWater*) may charge for *prescribed services* during the *regulatory period*; and
 - (ii) the standards and conditions of service and supply which *GMMWater* has included in its *Water Plan*.
- (c) This Determination is made by the Commission under section 33 of the *ESC Act*, pursuant to clause 8 of the *WIRO*.
- (d) The purpose and reasons for the making of this Determination are to:
 - (i) give effect to the decision of the Commission referred to in clause 1.1(b)(i);
 - (ii) specify the prices which *GMMWater* may charge for *prescribed services* during the *regulatory period* or the manner in which such prices are to be calculated or otherwise determined;

- (iii) facilitate the achievement of the Commission's objectives in the **ESC Act** and the **WI Act**; and
- (iv) reflect the requirements in the **WIRO**.

1.2 Application

This Determination applies to **GMMWater** and its successors and assigns in respect of the business carried on by **GMMWater** at the date of this Determination.

1.3 Effective period

(a) Term

This Determination takes effect on the later of the date on which notice of its making is published in the Government Gazette and 1 July 2013 and, subject to clause 1.3(b), has effect until the earlier of the date on which it is amended or revoked by a later determination or 30 June 2018.

(b) Next regulatory period

Subject to clause 2.3(b)(ii), if the Commission has not made a determination in respect of the prices to apply in the **next regulatory period** on or before 30 June 2018, the prices or the manner in which such prices are to be calculated or otherwise determined as set out in this Determination will continue to apply in respect of **prescribed services** provided by **GMMWater** between 1 July 2018 and the date on which the determination for the **next regulatory period** comes into effect.

1.4 Modification of time periods

The Commission may, by notice to **GMMWater**, extend or reduce the time by which, or the period within which, **GMMWater** or the Commission must comply with an obligation under this Determination.

1.5 Summary and structure

Clause 2 of this Determination specifies the prices which will apply to **prescribed services** during the **regulatory period** and sets out the procedure and formula according to which prices may be adjusted during the **regulatory period** on an annual basis. Clauses 3, 4 and 5 provide for the circumstances in which prices may be adjusted during the **regulatory period** otherwise than in accordance with clause 2.

1.6 Definitions and interpretation

In this Determination, unless the contrary intention appears:

- (a) words and phrases in bold italics have the meanings given to them in part A of Schedule 1; and
- (b) the rules of interpretation in part B of Schedule 1 will apply.

1.7 Annexure

- (a) For convenience, annexure A to this Determination summarises:
 - (i) the assumptions underpinning the prices to apply to **GMMWater** during the **regulatory period** or the manner in which such prices are to be calculated or otherwise determined; and
 - (ii) the standards and conditions of services and supply additional to those specified in the **Code** which will be provided by **GMMWater** pursuant to the decision referred to in clause 1.1(b)(ii).
- (b) For the avoidance of doubt, annexure A does not form part of this Determination.

2. Price control

2.1 General principles

Subject to this Determination:

(a) **Scheduled prices**

GMMWater must not charge more than:

- (i) the scheduled prices in Schedule 2, during the first **regulatory year**, and
- (ii) the amounts determined in accordance with clause 2.3, during each subsequent **regulatory year**,

in respect of those **prescribed services** to which the scheduled prices in Schedule 2 relate.

(b) Application principles

The application principles in Schedule 4 will apply to the prices charged by **GMMWater** in respect of **prescribed services** during the **regulatory period**.

(c) Pricing principles

During the **regulatory period**, **GMMWater** must apply the pricing principles in Schedule 5 when determining the prices to apply to the **prescribed services** to which the pricing principles in Schedule 5 relate.

2.2 Ancillary matters

(a) New prices

If a **new price** is introduced under clause 2.3:

- (i) that **new price** is deemed to be included in Schedule 2 with effect from the start of the subsequent **regulatory year**; and
- (ii) any new application principle specified in respect of that **new price** is deemed to be included in Schedule 2 with effect from the start of the subsequent **regulatory year**.

(b) Contracts

Where **GMMWater** has entered into a contract (a **relevant contract**) which relates to the provision of **prescribed services** prior to 1 July 2013, **GMMWater** may charge the prices for **prescribed services** which are set out in that **relevant contract** until its expiration, termination or a periodic review of the prices set out in the contract. Once a **relevant contract** has expired or been terminated or the prices in the **relevant contract** have been subject to a periodic review, the scheduled prices in Schedule 2 (as adjusted in accordance with this Determination) or the prices determined in accordance with the pricing principles in Schedule 5 will apply for the remainder of the **regulatory period**.

(c) Dispute Resolution

Any question as to whether a price has been set in accordance with this Determination will be determined by the Commission on the basis of the Commission's interpretation of this Determination.

(d) Publication

GMMWater must publish a schedule of its current prices and pricing principles for **prescribed services**, and all relevant supporting information that is relied upon to apply the prices or pricing principles, on its website at all times during the **regulatory period** and must provide a written copy of the schedule to its customers on request. The schedule must clearly indicate in respect of each price, the amount determined in accordance with this Determination, the amount of GST payable and the total price (in a manner consistent with the requirements of the *Competition and Consumer Act 2010* (Cth)).

(e) GST

GMMWater will not be considered to be in contravention of this Determination if a price charged by it for a **prescribed service** exceeds the amount determined in accordance with clause 2 only by reason of the levying of a charge on account of **GST**.

2.3 Annual adjustment of prices

(a) Adjustment

Subject to Schedule 2 and clause 2.3(b)(iii), the scheduled prices in Schedule 2 will be adjusted in each subsequent **regulatory year** in the **regulatory period** in accordance with the formulae in clause 2.3(b)(i) and the procedure in clause 2.3(c), and will apply to the prescribed services to which the scheduled prices in Schedule 2 relate in that **regulatory year**.

(b) Formulae

(i) Subject to Schedule 2, each price for the **prescribed services** referred to in clause 2.3(a) will be adjusted in accordance with the following formulae with effect from the beginning of each subsequent **regulatory year** in the **regulatory period**:

$$\sum_{i=1}^n \sum_{j=1}^m p_t^{ij} q_t^{ij} \leq cap_t$$

$$cap_t = rev_t + (cap_{t-1} - \sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-1}^{ij}) * cpi_t * (1 + wacc)$$

where **GMMWater** has n tariff categories, which have up to m tariff components, and where:

p_t^{ij} is the proposed tariff component j of tariff i for **regulatory year** t

q_t^{ij} is the forecast quantity of tariff component j of tariff i for **regulatory year** t

cap_t is the revenue cap for **regulatory year** t calculated in accordance with the formula set out above

cap_{t-1} is the revenue cap for **regulatory year** $t-1$: for the second year of the **regulatory period**, cap_{t-1} is equal to rev_t for the first **regulatory year** as set out in Schedule 3. For subsequent **regulatory years**, cap_{t-1} is the amount calculated for **regulatory year** $t-1$ in accordance with the formula set out above

rev_t is the total revenue requirement for **regulatory year** t as set out in Schedule 3

p_{t-1}^{ij} is the actual tariff component j of tariff i for **regulatory year** $t-1$

q_{t-1}^{ij} is the estimate of the actual quantities of tariff component j of tariff i for **regulatory year** $t-1$

cpi_t for the particular **regulatory year** is:

the Consumer Price Index: All Groups Index for the Eight Capital Cities as published by the Australian Bureau of Statistics for the March quarter immediately preceding the start of the relevant **regulatory year**

divided by

the Consumer Price Index: All Groups Index for the Eight Capital Cities as published by the Australian Bureau of Statistics for the March quarter

immediately preceding the March quarter referred to above

wacc is 4.7%, being the weighted average cost of capital

- (ii) If the Commission has not made a determination in respect of the prices to apply in the **next regulatory period** on or before 30 June 2018, the regulatory requirement for **regulatory year t** "*rev_t*" will be set equal to

"(*rev_{t-1}* * *cpi_t*)" for the purpose of adjusting prices in accordance with the formulae in clause 2.3(b)(i) for **regulatory years** commencing on or after 1 July 2018 until the date on which this determination is amended or revoked by a later determination.

- (iii) An increase in any scheduled price in Schedule 2 in any **regulatory year** must not exceed the average of all scheduled price increases in that **regulatory year** by more than 10%

(c) **Adjustment procedure**

- (i) At least 40 **business days** prior to the commencement of each subsequent **regulatory year** in the **regulatory period**, **GWMWater** must submit its proposed prices for the **prescribed services** referred to in clause 2.3(a) to apply in the subsequent **regulatory year** (the **revised prices**) to the Commission for approval, together with sufficient information to enable the Commission to assess whether the proposed prices comply with this Determination including:

- (A) the forecast quantities for **regulatory year t** "*q_t^{ij}*" (referred to in the relevant formula in clause 2.3(b)(i));
- (B) the estimate of actual quantities for **regulatory year t-1** "*q_{t-1}^{ij}*" (referred to in the relevant formula in clause 2.3(b)(i));
- (C) information which explains the calculation of the items referred to in subparagraphs (A) and (B) above;

- (D) information relating to any **new price** which **GMMWater** proposes to introduce in **regulatory year t**; and
 - (E) a statement setting out evidence demonstrating the extent to which **GMMWater** has provided, in respect of material price increases for rural services, information to its customers and any relevant consultative committee established under the *Water Act 1989* (Vic) (the **Water Act**) explaining the calculation of the revised prices and has consulted effectively with its customers and any relevant consultative committee on the revised prices;
 - (F) a statement setting out the anticipated customer impacts resulting from the revised prices and actions, if any, proposed by **GMMWater** to address these customer impacts;
 - (G) a statement setting out evidence demonstrating the extent to which **GMMWater** has, over the course of the past **regulatory year**, provided information to its customers explaining its long-term pricing strategy for **prescribed services** and consulted effectively with its customers on developing that pricing strategy to provide reasonable price stability(that is, minimising price shocks) to its customers; and
 - (H) any other information required by the Commission.
- (ii) The Commission will approve the **revised prices** if it considers that:
- (A) the items referred to in clause 2.3(c)(i)(A) and (B) are reasonable;
 - (B) the **revised prices** have been calculated in accordance with the formulae set out in clause 2.3(b)(i) with any necessary adjustments to comply with clause 2.3(b)(iii);
 - (C) **GMMWater** has adequately consulted (in the circumstances) with its customers and any relevant

- consultative committee established under the **Water Act** on the revised prices;
- (D) **GMMWater** has adequately addressed (in the circumstances) customer impacts resulting from the revised prices; and
 - (E) **GMMWater** has adequately consulted (in the circumstances) with its customers on its long-term pricing strategy and that strategy provides reasonable price stability (that is, minimising price shocks) to its customers.
- (iii) The Commission will be deemed to have approved the **revised prices** if it has not provided notice under clause 2.3(c)(iv) to **GMMWater** within 30 **business days** from the date of its receipt of the **revised prices**.
 - (iv) If the Commission does not approve the **revised prices**, the Commission:
 - (A) will provide notice to **GMMWater** (including a statement of its reasons);
 - (B) may request **GMMWater** to provide any additional information specified by the Commission;
 - (C) will take any additional information provided by **GMMWater** into account; and
 - (D) will determine the **revised prices**.
 - (v) For the avoidance of doubt, any **new price** approved by the Commission under clause 2.3(c)(ii) or deemed to have been approved by the Commission under clause 2.3(c)(iii) will be a **revised price** for the purpose of clause 2.3(c).

2.4 Price changes during a billing period

(a) Application of this clause

This clause 2.4 applies where **GMMWater** issues an invoice in respect of a billing period during which a change to any price for a **prescribed service** comes into effect in accordance with this Determination.

(b) Method of charging

GMMWater must not charge the prices determined in accordance with this Determination in respect of any part of a billing period prior to the effective date of the change, but may charge for **prescribed services** in respect of the periods before and after the effective date of the change at the prices applicable for each of those periods on a pro-rata basis.

2.5 Reporting requirements

- (a) **GMMWater** must make available to the Commission all information reasonably requested by the Commission from time to time for the purpose of enabling it to confirm that **GMMWater** is complying with this Determination.
- (b) Without limiting clause 2.5(a), if, during the **regulatory period**, **GMMWater** enters into a **new contract** which relates to the provision of a **prescribed service** to which the pricing principles in Schedule 5 relate, **GMMWater** must, within 30 **business days** of the date of the **new contract**, on request provide the Commission with a notice specifying:
- (i) details of the **new contract**; and
 - (ii) information which demonstrates the way in which the prices in the **new contract** reflect the relevant pricing principles.
- (c) Without limiting clause 2.5(a), if **GMMWater** proposes to stop providing a **prescribed service** or refuses to provide a **prescribed service** to a customer, or potential customer, during the **regulatory period**, it must:
- (i) in the case of a proposal to stop providing a **prescribed service**, provide a notice to the Commission stating the nature of the **prescribed service** which it proposes to stop providing and the reason why it proposes to stop providing the **prescribed service**. This notice must be provided at least 30 **business days** prior to the date upon which **GMMWater** proposes to stop providing the **prescribed service**; and
 - (ii) in the case of a refusal to provide a **prescribed service** to a customer, or potential customer, **GMMWater** must provide a notice to the Commission within 5 **business**

days of the refusal, stating the nature of the **prescribed service** and the reason for the refusal.

3. Uncertain or unforeseen events

3.1 General principle

- (a) **GMMWater** may apply to the Commission for the amendment of this Determination and/or the adjustment of the scheduled prices in Schedule 2 to reflect increased or decreased costs incurred by **GMMWater** and/or increased or decreased revenue received by **GMMWater** as a result of events which were uncertain or unforeseen at the time an application was submitted by **GMMWater** under clause 3.1(b) (an **uncertain events application**).
- (b) Whether or not **GMMWater** makes an application under clause 4.1(a), **GMMWater** must promptly notify the Commission upon becoming aware of an event which could form part or all of the basis of an application.
- (c) The Commission may take action under clause 4.3(b) in respect of an **uncertain events application** where the Commission is satisfied that such action is necessary or desirable to take account of events that were uncertain or unforeseen at the time an application was submitted by **GMMWater** under clause 3.1(b) provided that the Commission is satisfied that such action takes into account the interests of customers. Generally the matters taken into account will include positive and negative influences on revenue and expenditure. The Commission may limit an adjustment to only some events or a single event.

3.2 Consideration by the Commission

(a) Examples of uncertain and unforeseen events

The matters that may, at the discretion of the Commission, be taken into account by the Commission under this clause 4 include:

- (i) actual licence fees or contributions payable by **GMMWater** during a particular **regulatory year** during the **regulatory period** under section 51 of the *Safe Drinking Water Act 2003* (Vic), section 24 of the *Environment Protection Act 1970* (Vic) and section 4H(2) of the **WI Act** which differ

from the forecast licence fees or contributions set out in annexure A for that **regulatory year**;

- (ii) changes in the timing or scope of expenditure by **GWMWater** on major capital projects;
- (iii) instances where the Commission is satisfied that there is a material difference between the forecast demand levels set out in annexure A and actual demand levels for **GWMWater** in one or more **regulatory years** during the **regulatory period**;
- (iv) amounts payable by **GWMWater** for purchases of bulk water during a particular **regulatory year** during the **regulatory period** which differ from the forecast bulk water payments set out in annexure A for that **regulatory year**; and
- (v) a change in or to any of the following:
 - (A) the **WI Act**, the *Water Act 1989* (Vic), the *Safe Drinking Water Act 2003* (Vic), the *State Owned Enterprises Act 1992* (Vic) and the *Environment Protection Act 1970* (Vic);
 - (B) any licence issued pursuant to any of the Acts referred to in clause 4.2(a)(v)(A);
 - (C) a **relevant tax**; or
 - (D) the Statement of Obligations,
or the introduction or cessation of a statutory carbon price or tax or a national emissions trading scheme or other scheme relating to the reduction of greenhouse gas emissions.

(b) Exclusions

In considering an **uncertain events application**, the Commission will not take into account matters that:

- (i) are or should be within **GWMWater's** control;
- (ii) were or should have been known by **GWMWater** at the time the Determination was made;
- (iii) could reasonably have been foreseen by **GWMWater**;

- (iv) should be or should have been planned for or managed by **GMMWater**; and/or
- (v) reflect inefficient expenditure by **GMMWater**.

(c) Dispute resolution

Any question as to whether a matter should be taken into account by the Commission under this clause 4 will be determined by the Commission in its absolute discretion.

3.3 Procedure

(a) Application process

- (i) An **uncertain events application** must be accompanied by a statement setting out:
 - (A) the details of each relevant uncertain or unforeseen event;
 - (B) the amount and timing of any increase or decrease in operating and/or capital expenditure associated with the relevant event or events during the **regulatory period** and/or the amount and timing of any increase or decrease in revenue associated with the relevant event or events during the **regulatory period**;
 - (C) the basis for calculating the increase or decrease in operating and/or capital expenditure and/or revenue referred to in clause 4.3(a)(i)(B); and
 - (D) details of the proposed action to be taken by the Commission under clause 4.3(b).
- (ii) The Commission may identify an event or events which it considers has had or may have a material impact on **GMMWater's** operating and/or capital expenditure and/or revenue and may decide to take action under clause 4.3(b) in the absence of an **uncertain events application** by **GMMWater**.
- (iii) The Commission may request **GMMWater** to provide any additional information specified by the Commission in connection with an **uncertain events application**.

(b) Action by the Commission

If the Commission is satisfied of the matters set out in clause 4.1(c) in respect of an ***uncertain events application*** or an event identified by the Commission under clause 4.3(a)(ii), the Commission may, in its absolute discretion:

- (i) amend this Determination or adjust the scheduled prices in Schedule 2 with effect from a date and in a manner decided by the Commission (in respect of one or more events) at a time decided by the Commission; or
- (ii) take the ***uncertain events application*** into account in making its determination in respect of the prices which ***GWMWater*** may charge for ***prescribed services*** in the ***next regulatory period***.

4. Other adjustments during regulatory period

Where the Commission is satisfied that:

- (a) there is a manifest and material error in this Determination;
- (b) any information on which this Determination was based was false or misleading in a material respect; or
- (c) such amendment or adjustment is necessary or desirable to avoid an unintended consequence of this Determination,

the Commission may decide to amend this Determination and/or specify a price adjustment, provided that it is satisfied that such amendment and/or price adjustment takes into account the interests of customers.

Schedule 1

Definitions and Interpretation

A. Definitions

business day means a day on which banks are open for general banking business in Melbourne, not being a Saturday or a Sunday.

Code means the applicable *Customer Service Code* made under the **WI Act**.

ESC Act means the *Essential Services Commission Act 2001* (Vic).

GST has the meaning given in section 195-1 of the *A New Tax System (Goods and Services) Tax Act 1999* (Cth).

miscellaneous services means services that are provided in direct connection with **prescribed services**, prices in respect of which are either included in Schedule 2 or determined in accordance with the relevant pricing principles in Schedule 4.

new contract means any contract for **prescribed services** which is renewed, renegotiated or entered into during the **regulatory period**.

next regulatory period means the period commencing on 1 July 2018 and ending on a date specified by the Commission.

prescribed services has the meaning given in the **WIRO** and includes **miscellaneous services**.

regulated entity has the meaning given in the **WIRO**.

regulatory period means the period commencing on 1 July 2013 and ending on 30 June 2018.

regulatory year means each period of twelve months commencing on 1 July and ending on 30 June.

relevant contract means a contract which relates to the provision of **prescribed services**.

relevant tax means any tax imposed by or payable directly or indirectly to any government or public authority in the Commonwealth of Australia (including **GST**) but excluding:

- (a) the licence fees referred to in clause 4.2 of this Determination;
- (b) penalties and interest for late payment of any tax; or
- (c) any tax that replaces any of the taxes referred to in (a) and (b), where tax includes any rate, duty, charge or other like or analogous impost.

revised tariff schedule means a tariff schedule submitted by **GMMWater** under clause 3.1(a)(i) or clause 3.2(a)(i), as the case may be.

Water Plan has the meaning given in the **WIRO**.

WI Act means the *Water Industry Act 1994* (Vic).

WIRO means the Water Industry Regulatory Order 2012 as at the date of determination.

B. Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (c) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (d) A reference to a clause or schedule is a reference to a clause of or schedule to, this document.
- (e) A reference to a determination, agreement or document (including a reference to this document) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this document or that other agreement or document.
- (f) A reference to an Act, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- (g) If a period of time is specified and commences on a given day or on a day of an act or event, the period of time is to be calculated inclusive of that day.
- (h) Any 'notice' to be given or matter to be 'notified' must be in writing.

- (i) The symbol ' Σ ' requires a summation to be performed over the range of variables specified in respect of the algebraic terms specified.
- (j) All data which is utilised in calculations made under this Determination will be utilised to the accuracy, in terms of the number of decimal places, to which it is given.
- (k) A fixed price, charge or fee determined in accordance with this Determination is to be rounded down and specified to two decimal places.
- (l) A volumetric price, charge or fee determined in accordance with this Determination is to be rounded down and specified to four decimal places.
- (m) When a calculation is required under this document:
 - (i) **regulatory year 't'** is the **regulatory year** in respect of which the calculation is being made;
 - (ii) **regulatory year 't-1'** is the **regulatory year** immediately preceding **regulatory year 't'**;
 - (iii) **regulatory year 't-2'** is the **regulatory year** immediately preceding **regulatory year 't-1'**.

Schedule 2

Prices

This schedule should be read in conjunction with Schedules 3-5.

<i>Tariff and Price Component</i>	<i>Price (1 July 2013)</i>	<i>PPM Year 2</i>	<i>PPM Year 3</i>	<i>PPM Year 4</i>	<i>PPM Year 5</i>
URBAN					
WATER					
1.1 Potable towns					
Residential 20 mm	437.14	0.0%	0.0%	0.0%	0.0%
Residential 25 mm	699.43	0.0%	0.0%	0.0%	0.0%
Non Residential 20 mm	437.14	0.0%	0.0%	0.0%	0.0%
Non Residential 25 mm	699.43	0.0%	0.0%	0.0%	0.0%
Non Residential 32 mm	1136.59	0.0%	0.0%	0.0%	0.0%
Non Residential 40 mm	1748.61	0.0%	0.0%	0.0%	0.0%
Non Residential 50 mm	2732.21	0.0%	0.0%	0.0%	0.0%
Non Residential 60 mm	4371.54	0.0%	0.0%	0.0%	0.0%
Non Residential 70 mm	5464.43	0.0%	0.0%	0.0%	0.0%
Non Residential 75 mm	6994.48	0.0%	0.0%	0.0%	0.0%
Non Residential 80 mm	6994.48	0.0%	0.0%	0.0%	0.0%
Non Residential 100 mm	10928.88	0.0%	0.0%	0.0%	0.0%
Non Residential 125 mm	20546.31	0.0%	0.0%	0.0%	0.0%
Non Residential 150 mm	24590.00	0.0%	0.0%	0.0%	0.0%
Non Residential 200 mm	43715.57	0.0%	0.0%	0.0%	0.0%
Concessional	279.14	0.0%	0.0%	0.0%	0.0%
Volumetric (kL)	1.6288	0.0%	0.0%	0.0%	0.0%
Vacant Land (Development Rate)	195.51	0.0%	0.0%	0.0%	0.0%
1.2 Disinfected/Partially Treated					
Residential 20 mm	414.07	0.0%	0.0%	0.0%	0.0%
Residential 25 mm	662.52	0.0%	0.0%	0.0%	0.0%
Non Residential 20 mm	414.07	0.0%	0.0%	0.0%	0.0%
Non Residential 25 mm	662.52	0.0%	0.0%	0.0%	0.0%
Non Residential 32 mm	1076.59	0.0%	0.0%	0.0%	0.0%
Non Residential 40 mm	1656.29	0.0%	0.0%	0.0%	0.0%
Non Residential 50 mm	2587.97	0.0%	0.0%	0.0%	0.0%
Non Residential 60 mm	4140.75	0.0%	0.0%	0.0%	0.0%
Non Residential 70 mm	5175.93	0.0%	0.0%	0.0%	0.0%
Non Residential 75 mm	6625.19	0.0%	0.0%	0.0%	0.0%
Non Residential 80 mm	6625.19	0.0%	0.0%	0.0%	0.0%
Non Residential 100 mm	10351.87	0.0%	0.0%	0.0%	0.0%
Non Residential 125 mm	19461.51	0.0%	0.0%	0.0%	0.0%

Non Residential 150 mm	23291.71	0.0%	0.0%	0.0%	0.0%
Non Residential 200 mm	41407.48	0.0%	0.0%	0.0%	0.0%
Concessional	279.14	0.0%	0.0%	0.0%	0.0%
Volumetric (kL)	1.5528	0.0%	0.0%	0.0%	0.0%

1.3 Non potable pipeline

Residential 20 mm	386.60	0.0%	0.0%	0.0%	0.0%
Residential 25 mm	618.58	0.0%	0.0%	0.0%	0.0%
Non Residential 20 mm	386.60	0.0%	0.0%	0.0%	0.0%
Non Residential 25 mm	618.58	0.0%	0.0%	0.0%	0.0%
Non Residential 32 mm	1005.20	0.0%	0.0%	0.0%	0.0%
Non Residential 40 mm	1546.47	0.0%	0.0%	0.0%	0.0%
Non Residential 50 mm	2416.37	0.0%	0.0%	0.0%	0.0%
Non Residential 60 mm	3866.19	0.0%	0.0%	0.0%	0.0%
Non Residential 70 mm	4832.75	0.0%	0.0%	0.0%	0.0%
Non Residential 75 mm	6185.93	0.0%	0.0%	0.0%	0.0%
Non Residential 80 mm	6185.93	0.0%	0.0%	0.0%	0.0%
Non Residential 100 mm	9665.52	0.0%	0.0%	0.0%	0.0%
Non Residential 125 mm	18171.19	0.0%	0.0%	0.0%	0.0%
Non Residential 150 mm	21747.44	0.0%	0.0%	0.0%	0.0%
Non Residential 200 mm	38662.12	0.0%	0.0%	0.0%	0.0%
Concessional	279.14	0.0%	0.0%	0.0%	0.0%
Volumetric (kL)	1.4823	0.0%	0.0%	0.0%	0.0%

1.4 Non potable Eastern Grampians

Residential 20 mm	386.60	0.0%	0.0%	0.0%	0.0%
Residential 25 mm	618.58	0.0%	0.0%	0.0%	0.0%
Non Residential 20 mm	386.60	0.0%	0.0%	0.0%	0.0%
Non Residential 25 mm	618.58	0.0%	0.0%	0.0%	0.0%
Non Residential 32 mm	1005.20	0.0%	0.0%	0.0%	0.0%
Non Residential 40 mm	1546.47	0.0%	0.0%	0.0%	0.0%
Non Residential 50 mm	2416.37	0.0%	0.0%	0.0%	0.0%
Non Residential 60 mm	3866.19	0.0%	0.0%	0.0%	0.0%
Non Residential 70 mm	4832.75	0.0%	0.0%	0.0%	0.0%
Non Residential 75 mm	6185.93	0.0%	0.0%	0.0%	0.0%
Non Residential 80 mm	6185.93	0.0%	0.0%	0.0%	0.0%
Non Residential 100 mm	9665.52	0.0%	0.0%	0.0%	0.0%
Non Residential 125 mm	18171.19	0.0%	0.0%	0.0%	0.0%
Non Residential 150 mm	21747.44	0.0%	0.0%	0.0%	0.0%
Non Residential 200 mm	38662.12	0.0%	0.0%	0.0%	0.0%
Concessional	279.14	0.0%	0.0%	0.0%	0.0%
Volumetric (kL)	1.1999	0.0%	0.0%	0.0%	0.0%

1.5 Non potable groundwater

Residential 20 mm	384.68	0.0%	0.0%	0.0%	0.0%
Residential 25 mm	615.50	0.0%	0.0%	0.0%	0.0%
Non Residential 20 mm	384.68	0.0%	0.0%	0.0%	0.0%

Non Residential 25 mm	615.50	0.0%	0.0%	0.0%	0.0%
Non Residential 32 mm	1000.19	0.0%	0.0%	0.0%	0.0%
Non Residential 40 mm	1538.77	0.0%	0.0%	0.0%	0.0%
Non Residential 50 mm	2404.33	0.0%	0.0%	0.0%	0.0%
Non Residential 60 mm	3846.94	0.0%	0.0%	0.0%	0.0%
Non Residential 70 mm	4808.68	0.0%	0.0%	0.0%	0.0%
Non Residential 75 mm	6155.13	0.0%	0.0%	0.0%	0.0%
Non Residential 80 mm	6155.13	0.0%	0.0%	0.0%	0.0%
Non Residential 100 mm	9617.39	0.0%	0.0%	0.0%	0.0%
Non Residential 125 mm	18080.71	0.0%	0.0%	0.0%	0.0%
Non Residential 150 mm	21639.15	0.0%	0.0%	0.0%	0.0%
Non Residential 200 mm	38469.61	0.0%	0.0%	0.0%	0.0%
Concessional	279.14	0.0%	0.0%	0.0%	0.0%
Volumetric (kL)	0.9123	0.0%	0.0%	0.0%	0.0%

1.6 Kaniva

Residential 20 mm	384.68	0.0%	0.0%	0.0%	0.0%
Residential 25 mm	615.50	0.0%	0.0%	0.0%	0.0%
Non Residential 20 mm	384.68	0.0%	0.0%	0.0%	0.0%
Non Residential 25 mm	615.50	0.0%	0.0%	0.0%	0.0%
Non Residential 32 mm	1000.19	0.0%	0.0%	0.0%	0.0%
Non Residential 40 mm	1538.77	0.0%	0.0%	0.0%	0.0%
Non Residential 50 mm	2404.33	0.0%	0.0%	0.0%	0.0%
Non Residential 60 mm	3846.94	0.0%	0.0%	0.0%	0.0%
Non Residential 70 mm	4808.68	0.0%	0.0%	0.0%	0.0%
Non Residential 75 mm	6155.13	0.0%	0.0%	0.0%	0.0%
Non Residential 80 mm	6155.13	0.0%	0.0%	0.0%	0.0%
Non Residential 100 mm	9617.39	0.0%	0.0%	0.0%	0.0%
Non Residential 125 mm	18080.71	0.0%	0.0%	0.0%	0.0%
Non Residential 150 mm	21639.15	0.0%	0.0%	0.0%	0.0%
Non Residential 200 mm	38469.61	0.0%	0.0%	0.0%	0.0%
Concessional	279.14	0.0%	0.0%	0.0%	0.0%
Volumetric (kL)	0.9123	0.0%	0.0%	0.0%	0.0%

SEWERAGE

1.7 Sewerage

Sewerage Residential SAC	456.96	0.0%	0.0%	0.0%	0.0%
Sewerage Non Residential SAC	456.96	0.0%	0.0%	0.0%	0.0%
Sewerage Non Res Volumetric (kL)					
Sewerage All Concessional	265.52	0.0%	0.0%	0.0%	0.0%
Sewerage Large Towns Vacant Land (Development Rate)	204.13	0.0%	0.0%	0.0%	0.0%
Sewerage All Trade Waste	199.65	25.0%	20.0%	0.0%	0.0%

MISCELLANEOUS CHARGES

1.8 New Customer Contributions *

Water (per lot)	By agreement
Sewer (per lot)	By agreement
Recycled water (per lot)	By agreement

* Refer to GMMWater New Customer Contribution Negotiating Framework for guidelines.

1.9 Trade Waste

Trade Waste Application Fees

Expected Discharge up to 20 KI/day	NA	NA	NA	NA	NA
Expected Discharge >20 KI/day but<100 KI/day	NA	NA	NA	NA	NA
Expected Discharge>100 KI/day but<500 KI/day	NA	NA	NA	NA	NA
More than 500 KI/day or Special Trade Wastes	NA	NA	NA	NA	NA
Application to discharge Trade Waste - Category 1 and 2	353.63	0.0%	0.0%	0.0%	0.0%
Application to discharge Trade Waste - Category 3 and 4	On application				

Major Trade Waste

Stawell, Ararat, St Arnaud, Horsham By agreement

Minor Trade Waste

Category 1	199.64	0.0%	0.0%	0.0%	0.0%
Category 2	199.64	0.0%	0.0%	0.0%	0.0%

1.10 Other Miscellaneous fees and charges

Fire Service	441.39	0.0%	0.0%	0.0%	0.0%
Standpipe (per service)	441.39	0.0%	0.0%	0.0%	0.0%
Water All Standpipe (kL)	2.1935	0.0%	0.0%	0.0%	0.0%
Connection charges					
Water tapping/connection charge (20mm) #	292.74	0.0%	0.0%	0.0%	0.0%
Wastewater connection charges					
Residential	100.93	0.0%	0.0%	0.0%	0.0%
Commercial and small industrial	151.42	0.0%	0.0%	0.0%	0.0%
Large industrial	302.85	0.0%	0.0%	0.0%	0.0%
Special meter reading					
Urban	30.25	0.0%	0.0%	0.0%	0.0%
Pipeline/Rural/Outside urban district	60.55	0.0%	0.0%	0.0%	0.0%
Disconnection/reconnection of water supply	70.64	0.0%	0.0%	0.0%	0.0%

Information statements					
Application fee	50.45	0.0%	0.0%	0.0%	0.0%
Application fee (priority)	100.93	0.0%	0.0%	0.0%	0.0%

Non-core miscellaneous services Actual cost

Higher charges are incurred for larger tapplings

RURAL

2.1 Bulk Water - Environment

Allocation Charge	6.29	0.0%	0.0%	0.0%	0.0%
Usage Charge	12.59	0.0%	0.0%	0.0%	0.0%

2.2 Stock & Domestic (channel)

Area charge channel Div 1 (hectare)	NA	NA	NA	NA	NA
Volumetric - channel damfill	NA	NA	NA	NA	NA
Channel diversion - channel damfill	114.5753	0.0%	0.0%	0.0%	0.0%
SBA - channel (ML)	NA	NA	NA	NA	NA
SBA - channel - recreation (ML)	NA	NA	NA	NA	NA
Minimum Area charge channel	NA	NA	NA	NA	NA

2.3 Stock & Domestic (Rural Pipeline)

Standard meter charge (per meter)	145.82	0.0%	0.0%	0.0%	0.0%
Primary meter charge (per meter)	291.69	0.0%	0.0%	0.0%	0.0%
Capacity charge (per ML) ^	831.1620	0.0%	0.0%	0.0%	0.0%
Minimum capacity charge (\$)	83.11	0.0%	0.0%	0.0%	0.0%
Usage charge (kL) ^	0.9553	0.0%	0.0%	0.0%	0.0%
Off Season commercial capacity charge (ML)	249.5218	0.0%	0.0%	0.0%	0.0%
Off Season Usage charge (kL)	0.8863	0.0%	0.0%	0.0%	0.0%
Recreation Lake Water (ML)	20.0004	0.0%	0.0%	0.0%	0.0%
Excess Charge	3.4800	0.0%	0.0%	0.0%	0.0%

Rural new customer contributions ^

Residential developments	By agreement
Stock customers - within pipeline supply area (per meter)	By agreement
Stock customers - outside pipeline supply area (per meter)	By agreement

2.4 Stock & Domestic (bore supply)

Walpeup Bore supply area charge Div 2 (hectare)	2.5200	0.0%	0.0%	0.0%	0.0%
Walpeup Bore supply area charge Div 3 (hectare)	1.2500	0.0%	0.0%	0.0%	0.0%
Walpeup Bore supply area charge Div 2 special (hectare)	0.7300	0.0%	0.0%	0.0%	0.0%
Walpeup Bore supply area charge Div 3 special (hectare)	0.3500	0.0%	0.0%	0.0%	0.0%
Walpeup Bore supply minimum area charge	476.27	0.0%	0.0%	0.0%	0.0%

2.5 Groundwater

Wimmera Annual Fixed charge	124.15	14.7%	9.0%	0.0%	0.0%
West Wimmera GMA (ML)	4.9918	19.3%	13.5%	0.0%	0.0%
Neuarper WSPA (ML)	NA	NA	NA	NA	NA
Telopea Downs WSPA (ML)	NA	NA	NA	NA	NA
Murrayville WSPA (ML)	8.2617	-9.8%	-9.3%	0.0%	0.0%
All other areas (ML)	4.9918	19.3%	13.5%	0.0%	0.0%

2.6 Diversions - Wimmera

Regulated Irrigation (ML)	NA	NA	NA	NA	NA
Unregulated Irrigation (ML)	8.3148	0.0%	0.0%	0.0%	0.0%
Unregulated Irrigation - Off stream (ML)	4.1164	0.0%	0.0%	0.0%	0.0%
Regulated Domestic & Stock (per 2.2 ML unit)	NA	NA	NA	NA	NA
Regulated Domestic & Stock - extra unit (ML)	NA	NA	NA	NA	NA
Regulated Domestic & Stock - Commercial (per 2.2 ML unit)	NA	NA	NA	NA	NA
Unregulated Domestic & Stock (per 2.2 ML unit)	112.2000	0.0%	0.0%	0.0%	0.0%
Unregulated Domestic & Stock - extra unit (ML)	56.6121	0.0%	0.0%	0.0%	0.0%
Unregulated Domestic & Stock - Commercial (per 2.2 ML unit)	168.2600	0.0%	0.0%	0.0%	0.0%
Wimmera River Weir Pool and Commercial Fee (ML)	198.3478	0.0%	0.0%	0.0%	0.0%

2.7 Bulk Water

Direct from Headworks - Fixed charge (Agreement or Entitlement Capacity ML)	115.66	0.0%	0.0%	0.0%	0.0%
Direct from Headworks - supply usage (Delivered Volume ML)	115.6740	0.0%	0.0%	0.0%	0.0%

2.8 Miscellaneous Fees and Charges

Actual cost

^ Commercial and Recreational Supply-by-Agreement tariffs no longer apply upon customer conversion to pipeline supply. GWMW will address the prices that apply for commercial and recreational water supplies via rural pipeline on a case by case basis, with a 50% cap on the bill that applied in the prior year being the maximum that will be charged.

Schedule 3

Calculation of revenue requirements for each regulatory year

This schedule should be read in conjunction with clause 2.3 and Schedule 2.

Revenue requirements for regulatory years

<i>Regulatory year</i>	<i>Calculation of revenue requirements</i>
------------------------	--

Where t = 2013-14,	$rev_t = \$54.845 \text{ million}$
--------------------	------------------------------------

Where t = 2014-15,	$rev_t = \$55.981 \text{ million} * cpir_t$
--------------------	---

Where t = 2015-16,	$rev_t = \$56.569 \text{ million} * cpir_t$
--------------------	---

Where t = 2016-17,	$rev_t = \$57.255 \text{ million} * cpir_t$
--------------------	---

Where t = 2017-18,	$rev_t = \$57.918 \text{ million} * cpir_t$
--------------------	---

where

$cpir_t$ for the particular **regulatory year** is:

the Consumer Price Index: All Groups Index for the Eight Capital Cities as published by the Australian Bureau of Statistics for the March quarter immediately preceding the start of the relevant **regulatory year**

divided by

the Consumer Price Index: All Groups Index for the Eight Capital Cities as published by the Australian Bureau of Statistics for the March quarter 2013

Schedule 4

Application of prices

4.1 Water tariffs

Water tariffs are based on water quality and source, consistent with the following table.

<i>Potable supplies</i>	<i>Partially treated</i>	<i>Non potable pipeline</i>	<i>Eastern Grampians</i>	<i>Non potable ground-water</i>
Ararat	Manangatang	Antwerp	Buangor	Apsley
Birchip	Nullawil	Berriwillock	Elmhurst	Goroke
Charlton	Quambatook	Beulah	Moyston	Harrow
Dimboola	Sea Lake	Brim	Wickliffe	Kiata
Edenhope	Walpeup	Chillingollah		Kaniva
Great Western		Chinkapook		Lillimur
Halls Gap		Culgoa		Miriam
Hopetoun		Donald		Serviceton
Horsham		Dooen		Streatham
Lake Bolac		Glenorchy		Westmere
Murtoa		Jeparit		Cowangie
Natimuk		Jung		Murrayville
Nhill		Lalbert		
Ouyen		Lascelles		
Pomonal		Marnoo		
Rainbow		Minyip		
St Arnaud		Nandaly		
Stawell		Patchewollock		
Underbool		Pimpinio		
Warracknabeal		Rupanyup		
Willaura		Speed		
		Tarranyurk		
		Tempy		
		Ultima		
		Waitchie		
		Watchem		
		Woomelang		
		Wycheproof		
		Yaapeet		

4.2 Trade waste categories

For various purposes, including assessing the charges **GWMWater**, shall categorise trade waste in the following manner:

- trade waste having a value of both the 5-day Biochemical Oxygen Demand concentration and the Suspended Solids concentration equal to or less than 600 mg/L and which is discharged at an annual rate equal to or less than 750 kL shall be known as category 1 trade waste.
- trade waste having the value of both the 5-day Biochemical Oxygen Demand concentration and the Suspended Solids concentration equal to or less than 600 mg/L and which is discharged at an annual rate greater than 750 kL shall be known as category 2 trade waste.
- trade waste having a value of both the 5-day Biochemical Oxygen Demand concentration and the Suspended Solids concentration greater than 600 mg/L or Chemical Oxygen Demand concentration greater than 1200 mg/L irrespective of the volume discharged shall be known as category 3 trade waste.
- trade waste having characteristics which are outside the limits set by this by-law or considered by the authority to not be satisfactorily identified as category 1, 2 or 3 trade waste but which is capable of being treated by **GWMWater's** treatment facility will be categorised as category 4 trade waste. Category 4 trade waste discharges may from time to time be accepted by **GWMWater** at the discretion of **GWMWater**.

4.3 Rural water pipeline tariffs

Capacity charge is applied to each ML of allowance.

The minimum capacity charge provides the customer with a 100kL allowance.

Primary meter charges apply to meters servicing a house. The primary meter provides the customer with an allowance of 730kL per year which does not attract the capacity charge.

The annual increase in each customer's bill will be capped to ensure that no bill increases by more than 50 per cent in a year, adjusted for the volume of water used.

4.4 Miscellaneous fees and charges

The following table sets out the definitions of the miscellaneous charges contained in Schedule 2.

Miscellaneous Service	Definition
Groundwater and surface water	Application for a Take and Use Licence (s51) other than Domestic and Stock.
Groundwater and surface water	Permanent Transfer to New Licence / per Transaction (s62).
Surface water	Construct Dam or Other Works on a Waterway.
Groundwater	Application for a Licence to Construct or Alter a Bore (s67).
Groundwater	Application for Approval to Dispose of Matter Underground by Means of a Bore (s76).
Trade waste	Application to discharge Trade Waste - Category 1 and 2.
Groundwater and surface water	Application for a Renewal of Take and Use Licence (s53) other than Annual Licence.
Wastewater	Wastewater Connection Charges - Large Industrial.
Urban water and rural pipeline	Water – Tapping/Connection Charge (tapping size 20 mm).
Groundwater	Application for a Licence to Construct or Alter a Bore – Data Collection Only.
Connection fee	Applicable fee to connect a property to the water reticulation network.
Information Statement	Information Statement is provided on request. This certificate details outstanding rates and encumbrances in accordance with Section 158 of the Water Act 1989.
Meter read	Incurred when the meter is required to be read when a tenant moves out of a property, outside of our scheduled meter reads.

Schedule 5

Pricing principles

5.1 Recycled water pricing principles

Recycled water prices should be set so as to:

- have regard to the price of any substitutes and customers' willingness to pay;
- cover the full cost of providing the service (with the exception of services related to specified obligations or maintaining balance of supply and demand); and
- include a variable component.

Where **GMMWater** does not propose to fully recover the costs associated with recycled water, it must demonstrate to the Commission that:

- it has assessed the costs and benefits of pursuing the recycled water project;
- it has clearly identified the basis on which any revenue shortfall is to be recovered; and
- if the revenue shortfall is to be recovered from non-recycled water customers, either the project is required under the Statement of Obligations which applies to **GMMWater** or pursuant to other Government policies that apply to **GMMWater** or there has been consultation with the affected customers about their willingness to pay for the benefits of increased recycling.

5.2 Pricing principles where scheduled prices do not apply

Where the prices set out in Schedule 2 do not apply because the nature of the service provided to a particular customer (including, in the case of trade waste customers, the volume or load of waste treated) is unique, prices must be set as follows:

- variable prices (including, in the case of trade waste customers, load-based charges) should reflect the LRMC of providing services (including, in the case of trade waste customers, trade waste transfer, treatment and disposal);
- the total revenue received from each customer should be greater than the cost that would be avoided from ceasing to serve that customer, and (subject to meeting avoidable cost) less than the stand alone cost of providing the service to the customer in the most efficient manner;
- the methodology used to allocate common and fixed costs to that customer should be clearly articulated and be consistent with any guidance provided by the Commission;
- prices should reflect reasonable assumptions regarding the customer's demand for services (including, in the case of trade waste customers, the

volume and strength of trade waste anticipated to be produced by that customer);

- depreciation rates and rates of return used to determine prices should be consistent with those adopted by the Commission for the purposes of making this Determination;
- customers should be provided with full details of the manner in which prices have been calculated and any new, renewed or renegotiated contractual agreements with customers should indicate that the prices to apply are subject to any Determination made by the Commission;
- where applying these principles results in significant changes to prices or tariff structures, arrangements for phasing in the changes may be considered and any transitional arrangements should be clearly articulated.

5.3 Pricing principles for New Customer Contributions (NCC)

Core pricing principles

NCC, including standard or negotiated NCC, will be calculated by applying the following core NCC pricing principles.

Standard and negotiated NCC will:

- have regard to the incremental infrastructure and associated costs in one or more of the statutory cost categories attributable to a given connection;
- have regard to the incremental future revenues that will be earned from customers at that connection;
- be greater than the avoidable cost of that connection and less than the standalone cost of that connection.

Notes:

1. Given that NCC are to be based on the net incremental cost of connection (ie incremental costs net of incremental benefits), in this context, the costs referred to in the efficient pricing bound are the net costs, specifically the avoidable net cost of connection and standalone net cost of connection.
2. Where the connection arrangement requires assets to be gifted, the value of gifted assets will be excluded for the purpose of calculating net costs.
3. Incremental costs may include financing costs associated with constructing an asset sooner than planned.

Incremental financing costs

Incremental financing costs (IFC) should be calculated using this formula:

$$\text{IFC} = (1 - [1/ (1+r)^n]) \times \text{cost of capital being provided sooner than planned}$$

where:

r = estimated pre-tax WACC

n = the number of years the asset is required sooner than planned.

Gifted Assets

GWMWater can require developers to provide and gift to **GWMWater** specified assets as a condition of connection, provided that **GWMWater**:

- makes clear to potential developers which assets a developer will be responsible for providing and gifting, and which will be provided by **GWMWater**;
- confirms that negotiation of any non-standard connection and associated charges will be undertaken in accordance with **GWMWater's** [published] negotiating framework; and
- the value of gifted assets will be excluded for the purposes of calculating net costs.

5.3 Pricing principles for miscellaneous services not included in Schedule 2

Prices for miscellaneous services must be set according to actual cost calculated on the basis of the aggregate of:

- direct third party or contractor invoice cost;
- direct marginal internal costs, including labour, materials and transport costs; and
- a fair contribution to overheads.

For bank dishonour, debt collection and legal fees, the third party costs must be charged directly to the customer with no contribution for internal costs or a contribution to overheads.

5.4 Guidelines

GMMWater must comply with any guidelines issued by the Commission from time to time which relate to the setting of prices for **prescribed services** to which Schedule 4 relates.

The Common Seal of the **Essential Services Commission** was affixed to this Determination with the authority of the Commission.

Date: 2 June, 2013



Dr Ron Ben-David
Chairperson



Annexure A

Table 1 **Weighted average cost of capital**
(per cent)

<i>Post tax WACC</i>	<i>Implied pre-tax WACC</i>
4.5	4.5

Table 2 **Benchmark revenue requirement**
\$m 2012-13

	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
Operating expenditure	31.8	30.9	30.8	30.4	29.9
Return on existing assets	13.2	12.7	12.2	11.7	11.3
Return on new investments	0.7	1.8	2.5	2.9	3.3
Regulatory depreciation	9.5	10.4	11.2	11.6	12.0
Total	55.1	55.8	56.6	56.6	56.4

Table 3 **Updated regulatory asset base**
\$m 2012-13

	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>	<i>2011-12</i>
Opening RAB	103.0	22.8	213.4	273.2	287.3
<i>Plus</i> Gross capital expenditure	263.5	262.0	72.1	24.9	33.0
<i>Less</i> Government contributions	338.1	65.5	0.2	2.1	3.3
<i>Less</i> Customer contributions	0.0	0.2	4.6	0.3	19.4
<i>Less</i> Proceeds from disposals	1.8	1.6	1.8	2.0	1.8
<i>Less</i> Regulatory depreciation	3.8	4.2	5.7	6.3	6.8
Closing RAB	22.8	213.4	273.2	287.3	288.9

Table 4 **Rolled forward regulatory asset base**
\$m 2012-13

	<i>2012-13</i>	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
Opening RAB	288.9	297.6	316.8	324.9	328.2	323.7
<i>Plus</i> Gross capital expenditure	21.1	32.3	21.3	16.8	9.2	13.0
<i>Less</i> Government contributions	1.0	0.9	0.0	0.0	0.0	0.0
<i>Less</i> Customer contributions	1.7	1.3	1.5	1.2	0.7	0.7
<i>Less</i> Proceeds from disposals	2.2	1.5	1.3	1.1	1.4	1.0
<i>Less</i> Regulatory depreciation	7.4	9.5	10.4	11.2	11.6	12.0
Closing RAB	297.6	316.8	324.9	328.2	323.7	323.0

Table 5 **Approved licence fee and environmental contribution assumptions**
\$m 2012-13

	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
Essential Services Commission licence fee	0.05	0.05	0.05	0.05	0.06
Department of Human Services licence fee	0.02	0.02	0.02	0.02	0.02
Environment Protection Authority licence fee	0.04	0.04	0.04	0.04	0.04
Environmental contribution	1.64	1.60	1.55	1.51	1.47

Table 6 **Bulk water purchases**
\$m 2012-13

	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
Bulk water purchases	0.00	0.00	0.00	0.00	0.00

Table 7 Demand forecast

	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
URBAN					
Water assessments (no.)					
Residential	26 087	26 289	26 487	26 690	26 892
Non-residential	4 997	5 029	5 070	5 104	5 141
Total	31 083	31 318	31 557	31 794	32 033
Sewerage assessments (no.)					
Total	24 474	24 917	25 125	25 335	25 543
Billable water consumption (ML)					
Residential	5 251	5 292	5 305	5 372	5 413
Non-residential	2 779	2 804	2 826	2 861	2 909
Total	8 030	8 096	8 131	8 233	8 322
RURAL					
Domestic and stock					
Standard meter charge pipeline (number)	9 164	9 164	9 164	9 164	9 164
Pipeline supply volumetric charge (ML)	3 864	3 864	3 864	3 864	3 864
Pipeline supply capacity charge (ML)	6 218	6 218	6 218	6 218	6 218
Surface water					
Unregulated Irrigation	5 495	5 495	5 496	5 495	5 495
Groundwater					
Wimmera annual fixed charge (number)	250	250	250	250	250
Wimmera water supply protection areas	82 251	82 251	82 251	82 251	82 251

Table 8 **Key capital projects and programs**

Projects	<i>Expected completion date</i>
Intelligent rural pipeline networks	2013-14
Irrigation network decommissioning	2014-15
Rupanyup sewerage scheme	2014-15
Upgrade of Donald wastewater and reuse system	2015-16
Programs	
None	