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## 2013 WATER PRICE REVIEW

BARWON WATER DETERMINATION

1 JULY 2013 – 30 JUNE 2018

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## 1. General

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### 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 Barwon Region Water Corporation (trading as Barwon Water) (ABN 86 348 316 514) (*Barwon Water*) may charge for *prescribed services* during the *regulatory period*; and
  - (ii) the standards and conditions of service and supply which *Barwon Water* 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 *Barwon Water* 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 **Barwon Water** and its successors and assigns in respect of the business carried on by **Barwon Water** 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 **Barwon Water** 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 **Barwon Water**, extend or reduce the time by which, or the period within which, **Barwon Water** 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 **Barwon Water** 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 **Barwon Water** 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

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### 2.1 General principles

Subject to this Determination:

(a) **Scheduled prices**

**Barwon Water** 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 3 will apply to the prices charged by **Barwon Water** in respect of **prescribed services** during the **regulatory period**.

**(c) Pricing principles**

During the **regulatory period**, **Barwon Water** must apply the pricing principles in Schedule 4 when determining the prices to apply to the **prescribed services** to which the pricing principles in Schedule 4 relate.

## **2.2 Ancillary matters**

**(a) Contracts**

Where **Barwon Water** has entered into a contract (a **relevant contract**) which relates to the provision of **prescribed services** prior to 1 July 2013, **Barwon Water** 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 a **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 4 will apply for the remainder of the **regulatory period**.

**(b) 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.

**(c) Publication**

**Barwon Water** 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)).

**(d) GST**

**Barwon Water** 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 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 formula with effect from the beginning of each subsequent **regulatory year** in the **regulatory period**:

$$P_t = P_{t-1} * CPI_t *(1 + PPM_t)$$

where:

$P_t$  is the price component for **regulatory year t**

$P_{t-1}$  is the price component 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

$PPM_t$  is the prescribed price movement for the price component for **regulatory year**  $t$  determined in accordance with Schedule 2.

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,  $PPM_t$  will be set equal to zero for the purpose of adjusting prices in accordance with the formula 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.

**(c) Adjustment procedure**

- (i) At least 30 **business days** prior to the commencement of each subsequent **regulatory year** in the **regulatory period**, **Barwon Water** must submit its proposed prices for the **prescribed services** referred to in clause 2.3(a) to apply in that 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.
- (ii) The Commission will approve the **revised prices** if it considers that they have been calculated in accordance with the formula set out in clause 2.3(b)(i).
- (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 **Barwon Water** within 20 **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 **Barwon Water** (including a statement of its reasons);

- (B) may request **Barwon Water** to provide any additional information specified by the Commission;
- (C) will take any additional information provided by **Barwon Water** into account; and
- (D) will determine the **revised prices**.

## 2.4 Price changes during a billing period

### (a) Application of this clause

This clause 2.4 applies where **Barwon Water** 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

**Barwon Water** 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) **Barwon Water** 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 **Barwon Water** is complying with this Determination.
- (b) Without limiting clause 2.5(a), if, during the **regulatory period**, **Barwon Water** enters into a **new contract** which relates to the provision of a **prescribed service** to which the pricing principles in Schedule 4 relate, **Barwon Water** 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 **Barwon Water** 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 **Barwon Water** 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, **Barwon Water** 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. Amendment of Schedule 2

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- (a) **Amendment**
- (i) **Barwon Water** may apply to the Commission in accordance with this clause 3 for the amendment of the prescribed price movements and/or price components included in Schedule 2 for the following **regulatory year** (the **relevant regulatory year**) and all subsequent **regulatory years** remaining in the **regulatory period** (the **revised tariff schedule**).
  - (ii) The average price movement for the **relevant regulatory year** and for each subsequent **regulatory year** in the **regulatory period** determined in accordance with the **revised tariff schedule** must not exceed the average price movement that would otherwise have applied under this Determination as calculated in accordance with the following formula.

$$\frac{\sum_{i=1}^n \sum_{j=1}^m p_t^{ij} q_{t-2}^{ij}}{\sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-2}^{ij}} \geq \frac{\sum_{i=1}^n \sum_{j=1}^m ap_t^{ij} q_{t-2}^{ij}}{\sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-2}^{ij}}, i = 1, \dots, n; j = 1 \dots m$$

where **Barwon Water** has  $n$  tariff categories, which each have up to  $m$  tariff components, and where, for each **regulatory year**  $t$  for which the calculation is undertaken:

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

$p_t^{ij}$  is the proposed tariff for component  $j$  of tariff  $i$  determined in accordance with Schedule 2 where the **revised tariff schedule** is not applied

$ap_t^{ij}$  is the proposed tariff for component  $j$  of tariff  $i$  determined in accordance with Schedule 2 where the **revised tariff schedule** is applied

$q_{t-2}^{ij}$  is the quantity of component  $j$  of tariff  $i$  that was sold in **regulatory year**  $t-2$ , or, if an actual quantity is not available, either an estimate of the quantity of component  $j$  of tariff  $i$  that would have been sold in **regulatory year**  $t-2$  or a forecast of the quantity of component  $j$  of tariff  $i$  that is expected to be sold in **regulatory year**  $t-2$

**(b) Amendment procedure**

(i) An application by **Barwon Water** under this clause 3 must be received by the Commission at least 80 **business days** prior to the commencement of the **relevant regulatory year** and must be accompanied by the following information:

(A) (1) a clearly articulated new tariff strategy that is consistent with the regulatory

principles in clause 14(i)(a) of the **WIRO** (the **revised tariff strategy**); or

- (2) an explanation of how the **revised tariff schedule** is consistent with the tariff strategy for **Barwon Water** approved by the Commission in connection with this Determination,

(**the relevant tariff strategy**);

- (B) a **revised tariff schedule** that specifies proposed prices for the **relevant regulatory year** and prescribed price movements for each subsequent **regulatory year** in the **regulatory period** that is consistent with the **relevant tariff strategy**;
- (C) a statement setting out evidence demonstrating that **Barwon Water** has provided information to its customers explaining the **revised tariff schedule** and how it relates to the **relevant tariff strategy** and has consulted effectively with its customers on the **revised tariff strategy** (if clause 3(b)(i)(A)(1) applies) and the **revised tariff schedule**;
- (D) a statement setting out the customer impacts resulting from the **revised tariff schedule** and actions proposed by **Barwon Water** to address these customer impacts; and
- (E) an explanation of the calculation of the relevant quantities “ $q_{t-2}^{ij}$ ”.
- (ii) The Commission may approve the **revised tariff schedule** submitted by **Barwon Water** under this clause 3 if it is satisfied that:
- (A) **Barwon Water** has complied with clause 3(b)(i)(A);
- (B) the price movements calculated in accordance with the **revised tariff schedule** comply with the requirements of clause 3(a)(ii);
- (C) the **revised tariff schedule** is consistent with the **relevant tariff strategy**;

- (D) **Barwon Water** has consulted effectively with its customers on the **revised tariff strategy** (if clause 3(b)(i)(A)(1) applies) and the **revised tariff schedule**;
  - (E) **Barwon Water** has effectively addressed customer impacts resulting from the **revised tariff schedule**; and
  - (F) the basis for calculating the relevant quantities “ $q_{t-2}^j$ ” is reasonable.
- (iii) In determining whether it will approve the **revised tariff schedule**, the Commission may request **Barwon Water** to provide any additional information specified by the Commission and/or to resubmit any of the matters in clause 3(b)(i)(A)-(E).
  - (iv) The Commission will be deemed to have not approved a **revised tariff schedule** if it has not provided notice to **Barwon Water** within 40 **business days** from the date of its receipt of **Barwon Water’s** application under this clause 3.

## 4. Uncertain or unforeseen events

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### 4.1 General principle

- (a) **Barwon Water** 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 **Barwon Water** and/or increased or decreased revenue received by **Barwon Water** as a result of events which were uncertain or unforeseen at the time this Determination was made (an **uncertain events application**).
- (b) Whether or not **Barwon Water** makes an application under clause 4.1(a), **Barwon Water** 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 of making this Determination 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.

## 4.2 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 **Barwon Water** 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 **Barwon Water** 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 **Barwon Water** in one or more **regulatory years** during the **regulatory period**; and
- (iv) 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 *Barwon Water's* control;
- (ii) were or should have been known by *Barwon Water* at the time the Determination was made;
- (iii) could reasonably have been foreseen by *Barwon Water*;
- (iv) should be or should have been planned for or managed by *Barwon Water*, and/or
- (v) reflect inefficient expenditure by *Barwon Water*.

**(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.

## 4.3 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 during the *regulatory period* and/or the amount and timing of any increase or decrease in revenue associated with the relevant event 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 **Barwon Water'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 **Barwon Water**.
- (iii) The Commission may request **Barwon Water** 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 and/or the revenue requirements in Schedule 4 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 **Barwon Water** may charge for **prescribed services** in the **next regulatory period**.

## 5. Other adjustments during regulatory period

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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

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### 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.

**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 this 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 ' $\Sigma$ ' 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>
<b>1.1 Residential &amp; non-residential water tariff</b>					
Service Charge (per annum)	169.74	-1.6%	-1.6%	-1.6%	-1.6%
Volumetric Charge (per kL)	2.2332	-1.6%	-1.6%	-1.6%	-1.6%
<b>1.2 Residential sewerage tariff</b>					
Service Charge (per annum)	547.64	-1.6%	-1.6%	-1.6%	-1.6%
<b>1.3 Non-residential sewerage tariff</b>					
Service Charge (per annum)	331.74	-1.6%	-1.6%	-1.6%	-1.6%
Volumetric Charge (per kL)	1.8561	-1.6%	-1.6%	-1.6%	-1.6%
<b>1.4 Residential &amp; non-residential fire tariff</b>					
Service Charge (per annum)	239.62	-1.6%	-1.6%	-1.6%	-1.6%
<b>1.5 Residential &amp; non-residential Recycled Water - Class A tariff</b>					
Volumetric Charge (per kL)	1.7865	-1.6%	-1.6%	-1.6%	-1.6%
<b>1.6 Non-residential Recycled Water - Class C tariff</b>					
Volumetric Charge (per ML)	426.94	0.0%	0.0%	0.0%	0.0%
<b>1.7 Geelong region — Trade waste tariffs</b>					
Trade waste Volume Charge	1.8561	-1.6%	-1.6%	-1.6%	-1.6%
COD Charge > 1200mg/l	0.2385	0.8%	0.8%	0.9%	0.9%
SS Charge > 500mg/l	0.1785	0.8%	0.8%	0.9%	0.9%
TKN Charge > 60mg/l	0.6478	15.4%	13.3%	15.3%	10.2%
Sulphur > 50mg/l	0.9269	7.5%	8.0%	3.7%	5.4%
<b>1.8 Colac region – Trade waste tariffs</b>					
Trade waste Volume Charge	1.8561	-1.6%	-1.6%	-1.6%	-1.6%
COD Charge > 1200mg/l	0.3687	2.7%	7.9%	2.4%	2.4%
SS Charge > 500mg/l	0.1993	5.0%	4.8%	4.5%	8.7%
TKN Charge > 60mg/l	1.0465	6.7%	7.1%	4.2%	4.0%
Phosphorus > 14mg/l	2.5914	5.8%	3.6%	3.5%	3.4%

<b>1.9 Application Fees</b>						
Trade waste permit (per application)	133.17	0.0%	0.0%	0.0%	0.0%	0.0%
Trade waste agreement (per application)	480.93	0.0%	0.0%	0.0%	0.0%	0.0%
<b>1.10 Annual Fee (per annum)</b>						
Category 5 - Very high risk	2219.84	0.0%	0.0%	0.0%	0.0%	0.0%
Category 4 - High risk	892.36	0.0%	0.0%	0.0%	0.0%	0.0%
Category 3 - Moderate risk	402.49	0.0%	0.0%	0.0%	0.0%	0.0%
Category 2 - Low risk	227.89	0.0%	0.0%	0.0%	0.0%	0.0%
Category 1 - Very low risk	170.15	0.0%	0.0%	0.0%	0.0%	0.0%
<b>1.11 Re-Sampling &amp; Analysis of Non-Compliant Trade Waste (per item)</b>	332.93	0.0%	0.0%	0.0%	0.0%	0.0%
<b>1.12 Asset Protection Fee (per item)</b>	1135.05	0.0%	0.0%	0.0%	0.0%	0.0%
<b>1.13 Reassessment of Risk Ranking (per reassessment)</b>	147.96	0.0%	0.0%	0.0%	0.0%	0.0%
<b>1.14 Contravention Charges (per contravention)</b>						
Unpermitted discharge – category 1	739.92	0.0%	0.0%	0.0%	0.0%	0.0%
Unpermitted discharge – categories 2-5	1479.86	0.0%	0.0%	0.0%	0.0%	0.0%
Reporting violation – category 1	295.94	0.0%	0.0%	0.0%	0.0%	0.0%
Reporting violation – categories 2-5	739.92	0.0%	0.0%	0.0%	0.0%	0.0%
Monitoring violation – category 1	295.94	0.0%	0.0%	0.0%	0.0%	0.0%
Monitoring violation – categories 2-5	591.92	0.0%	0.0%	0.0%	0.0%	0.0%
Discharge violation – type 1, category 1	739.92	0.0%	0.0%	0.0%	0.0%	0.0%
Discharge violation – type 1, categories 2-5	1479.86	0.0%	0.0%	0.0%	0.0%	0.0%
Discharge violation – type 2, category 1	369.97	0.0%	0.0%	0.0%	0.0%	0.0%
Discharge violation – type 2, categories 2-5	739.92	0.0%	0.0%	0.0%	0.0%	0.0%
Treatment violation – category 1	369.97	0.0%	0.0%	0.0%	0.0%	0.0%
Treatment violation – categories 2-5	739.92	0.0%	0.0%	0.0%	0.0%	0.0%
<b>1.15 New Customer Contributions (per lot)</b>						
Water (including Class A recycled water)	1930.12	35.4%	0.0%	0.0%	0.0%	0.0%
Sewerage	841.54	0.0%	0.0%	0.0%	0.0%	0.0%
<b>1.16 Water by Agreement - customers not in a declared service area</b>						
Untreated water - service charge (70 per cent of water service charge) per annum	118.81	-1.6%	-1.6%	-1.6%	-1.6%	-1.6%
Untreated water - volume charge (70 per cent of water volume charge) per kL	1.5632	-1.6%	-1.6%	-1.6%	-1.6%	-1.6%
Treated water - service charge (85 per cent of water service charge) per annum	144.27	-1.6%	-1.6%	-1.6%	-1.6%	-1.6%

Treated water - volume charge (parity with water volume charge) per kL	2.2332	-1.6%	-1.6%	-1.6%	-1.6%
<b>1.17 Miscellaneous fees and charges</b>					
Information Statement	22.98	0.0%	0.0%	0.0%	0.0%
Meter Reading (per reading)					
Special Meter Read	12.25	0.0%	0.0%	0.0%	0.0%
Tenant Meter Read	26.13	0.0%	0.0%	0.0%	0.0%
Sewer Application (per application)					
New sewer connection	80.69	0.0%	0.0%	0.0%	0.0%
Amended sewer connection	59.85	0.0%	0.0%	0.0%	0.0%
Dumping of Effluent (per kL)	21.34	0.0%	0.0%	0.0%	0.0%
Developer Works Process Fees					
Construction Audit Fee, >20 lots – Water	1523.65	0.0%	0.0%	0.0%	0.0%
Construction Audit Fee, >20 lots – Sewer	1523.65	0.0%	0.0%	0.0%	0.0%
Construction Audit Fee, >20 lots – Recycled Water	1523.65	0.0%	0.0%	0.0%	0.0%
Sale of Meter (per meter)					
20mm positive displacement	54.43	0.0%	0.0%	0.0%	0.0%
20mm remote read meter	145.39	0.0%	0.0%	0.0%	0.0%
25mm positive displacement	160.56	0.0%	0.0%	0.0%	0.0%
25mm remote read meter	285.79	0.0%	0.0%	0.0%	0.0%
Meter Connection Fee	45.30	0.0%	0.0%	0.0%	0.0%
Dual pipe application					
20mm water meter and assembly	234.19	0.0%	0.0%	0.0%	0.0%
20mm recycled water meter and assembly	252.38	0.0%	0.0%	0.0%	0.0%
<b>Non-core miscellaneous services</b>	<b>Actual Cost</b>				



## Schedule 3

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### Application of prices

#### 3.1 Vacant lots

*Barwon Water* does not charge vacant lots.

#### 3.2 Volumetric sewerage charges

Volumetric sewerage charges are not levied on residential customers.

For non-residential properties, the sewer volume is calculated by multiplying the water volume by the designated discharge factor for that property description, as set out in the table below.

<b>0%</b>	<b>25%</b>	<b>50%</b>	<b>80%</b>
BI - Bridge BW - Barwon Water Property DF - Drinking Fountain DI - Deleted Inst. – DOMR DL – Deleted Inst - NOND DR - Drainage Reserve FV – Farms/Vacant GC – Golf Course IN - Incinerator LA - Vacant Land LN - Vacant Land - Comm MP - Municipal Pound MS - Median Strip OS - Public Open Spaces PG - Parks & Gardens/Reserves PL – Playground PM - Private Main PT - Plantation RB - Roundabout SP – Standpipe SX – Shower – Public TC - Tennis Court TI - Tip TP – Temporary Tapping TR – Trough WA – Walkway - Public WF - Wharf	BG – Bowling Green/Croquet Club BS – Boat Shed CE – Cemetery MG - Market Garden PN – Plant Nursery RC – Racecourse SG – Sporting/Recreation Ground SN – Show Grounds	AF - Airfield CP - Caravan Park/Camping Ground FM – Farms/Animal Husbandry HR - Horse Stables & House SC - School SW - Swimming Pool YC - Yacht Club	AS - Ambulance Station BB - Bed & Breakfast/Guesthouse CH - Church CO - Community Centre CS - Cool Store-Ice Works DH - Doctors Surgery & House FS - Fire Station GM - Mini Golf HL - Hostel HY - Holiday Complex IN - Incinerator KE - Boarding Kennels/Animal Hospital KG - Kindergarten PS - Police Station PU - Public Utility SD - Shop & Dwelling TT - Trotting Track WR – Workshop/Residence
<b>90%</b>	<b>95%</b>	<b>95%</b>	
GA - Gaol HF – House & Flat RS - Railway Station TO – Townhouse UT - Unit	AB - Abattoir AG - Art Gallery AQ - Aquarium BD - Briquette Depot BH - Bakehouse BK - Bank BR - Brewery BT - Bus Depot CL – Club CN – Body Corporate - NOND CW - Car Wash/Truck Wash DC – Depot DP - Depot Private DS – Doctors/Dentist Surgery DY – Dairy FA – Factory FP - Food Processing FU - Funeral Parlour HA - Hall – Public/Church/Private HC - Health Centre HG – House with garden meter HS - Hospital Public/Private HT – Hotel/ Motel IT – Indoor Sports Centre/Gymnasium IX - Mixed Industry KN – Knackery LB – Laboratory LG - Licensed Grocery LI - Library LY – Laundry ML – Mill MM – Museum MU - Massage Studio NC - Night Club	NH - Nursing Home OF - Office PA - Pavilion PB - Panel Beating Shop PC – Public Convenience PK - Car Park PO - Post Office PP - Photographic Processor. PW - Printing Works RD - Recycle Centre RE - Restaurant RF – Refinery RM - Rooms RY - Railway Yard SA - Sale Yards SF – Surf Life Saving Club SH - Shop SI - Signal Station SL – Shed – Commercial SM – Supermarket SR – Showroom SS - Service Station SU - Sub Station SY - Store Yard TE – Telephone Exchange TH – Theatre TY - Timber Yard VS - Veterinary Surgery WH - Warehouse WK - Workshop WL – Wool Processing WM - Woollen Mill WY - Wrecking Yard	

### 3.3 Trade waste categorisation

**Barwon Water** will categorise each trade waste customer into one of 5 different risk management categories according to the trade waste volume produced, the goods and chemicals stored/used on site, the customer's compliance records and the characteristics of the effluent.

### 3.4 Contravention charges

A type 1 discharge contravention occurs where a company deliberately dilutes their trade waste flow to reduce the likelihood of a non-compliance. A type 2 discharge contraventions is where a customer has not remedied a specific non-compliance.

### 3.5 Miscellaneous fees and charges

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

Miscellaneous service	Definition
Information statement	Information statements are certificates issued by Barwon Water that provide rate and encumbrance information to solicitors or conveyances. When the sale of a property occurs, we receive a request from the conveyance or solicitor representing the purchaser asking Barwon Water to provide the most current information about charges outstanding and the relevant encumbrances on the property. The solicitors and conveyances then use the information at settlement of the property to adjust charges between the vendor and purchaser. Provision of a property information statement as required under section 158 of the Water Act 1989.
Tenancy meter reading	This fee is charged to the landlord/owner for each new tenancy. It covers both the cost to read the meter on occupancy and again when the tenant vacates, and includes the cost involved in setting up a separate account for each tenant..
Application for the processing of Sewer Connection - Sewer Application Fee - New (includes block plan charge)	This fee is charged to the applicant. This includes a consent number, blockplan & customer package.
Dumping of effluent (per kL)	This fee is charged for the acceptance, treating and testing of septic waste.
Developer works process fees Construction audit fee, >20 lots – Sewer	This fee is charged to the applicant. This includes on-site construction audit of sewer assets for land development lots greater than 20 lots developer funded.
Meter connection fee	This fee is charged to the applicant for each meter placed at the property by Barwon Water.
Sale of meter (per meter) 20mm	This fee is charged for the provision of a 20mm meter.

Dual pipe application – includes 20mm meter recycled water meter and assembly	This fee is charged to the applicant for each recycled water meter placed.
Special meter reading	When the sale of a property occurs a special meter reading needs to be applied for. This is used to calculate the charges that are due at the time of settlement.
Dual pipe application-includes 20mm meter drinking water meter and assembly	This fee is charged to the applicant for each drinking water meter placed.

### 3.6 Annual adjustment for any water ordered from Melbourne system

The method and procedure for adjusting annual prices (schedule 2) to reflect any water ordered from the Melbourne System is set out below.

#### Amendment

- (i) Subject to Schedule 2, prices will be adjusted in accordance with the following formula with effect from the beginning of each subsequent **regulatory year** in the **regulatory period**:

$$P_t = \frac{(V_{a_t} - V_{f_t}) \times C_{a_t}}{D_{f_t}} - \left( P_{t-1} - \frac{(V_{a_{t-1}} - V_{f_{t-1}}) \times C_{a_{t-1}}}{D_{a_{t-1}}} \right) \left( \frac{CPI_t}{CPI_{t-1}} \right)$$

$$t = 2014, \dots, 2018$$

where:

$P_t$  is the price increase per kL of water over the period that the order is made,  
applied to residential and nonresidential variable water charges in period t

$V_{a_t}$  is the actual volume of water (in kL) ordered through the Melbourne Geelong Pipeline (MGP) in period t

$V_{f_t}$  is the Commission's actual final decision volume of water (in kL) supplied through the MGP=0

$C_{a_t}$  is the actual cost per volume of water (in kL) of bulk water charges from Melbourne Water in period t

$D_{f_t}$  is **Barwon Water's** up to date forecast of demand at the time the order for water through the MGP in period t

$D_{a_{t-1}}$  is **Barwon Water's** actual demand at the time the order for water through the MGP in period t-1

$P_{t-1}$  is the price increase per kL of water over the period that the order is made, applied to residential and non-residential variable water charges in period t-1

$V_{a_{t-1}}$  is the actual volume of water (in kL) ordered through the MGP in period t-1

$V_{f_{t-1}}$  is the Commission's actual final decision volume of water (in kL) supplied through the MGP=0

$C_{a_{t-1}}$  is the actual cost per volume of water (in kL) of bulk water charges from Melbourne Water in period t-1

$D_{f_{t-1}}$  is **Barwon Water's** most up to date forecast of demand at the time the order for water through the MGP in period t-1

$CPI_t$  is the consumer price index in period t and

$CPI_{t-1}$  is the consumer price index in period t-1.

- (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,  $PPM_t$  will be set equal to zero for the purpose of adjusting prices in accordance with the formula in clause 3.6(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.

#### **Adjustment procedure**

- (iii) At least 40 **business days** prior to the commencement of each subsequent **regulatory year** in the **regulatory period**, **Barwon Water** 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 3.6(i));
  - (B) the estimate of actual quantities for **regulatory year**  $t-1$  “ $q_{t-1}^{ij}$ ” (referred to in the relevant formula in clause 3.6(i));
  - (C) information which explains the calculation of the items referred to in subparagraphs (A) and (B) above; and
  - (D) evidence demonstrating that **Barwon Water** will communicate any price changes to customers;
  - (E) a statement setting out the anticipated customer impacts resulting from the revised prices and actions, if any, proposed by **Barwon Water** to address these customer impacts; and
  - (F) any other information required by the Commission.
- (iv) The Commission will approve the **revised prices** if it considers that:
- (A) the items referred to in clause 3.6(iii)(A) and (B) are reasonable;
  - (B) the **revised prices** have been calculated in accordance with the formulae set out in clause 3.6(i);
  - (C) **Barwon Water** has adequately consulted (in the circumstances) with its customers and any relevant consultative committee established under the **Water Act** on the revised prices;
  - (D) **Barwon Water** has adequately addressed (in the circumstances) customer impacts resulting from the revised prices; and

- (v) The Commission will be deemed to have approved the **revised prices** if it has not provided notice under clause 2.3(c)(iv) to **Barwon Water** within 20 **business days** from the date of its receipt of the **revised prices**.
- (vi) If the Commission does not approve the **revised prices**, the Commission:
  - (A) will provide notice to **Barwon Water** (including a statement of its reasons);
  - (B) may request **Barwon Water** to provide any additional information specified by the Commission;
  - (C) will take any additional information provided by **Barwon Water** into account; and
  - (D) will determine the **revised prices**.
- (vii) For the avoidance of doubt, any **new price** approved by the Commission under clause 3.6 or deemed to have been approved by the Commission under clause 3.6 will be a **revised price** for the purpose of clause 2.3(c).

## Schedule 4

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### Pricing principles

#### 4.1 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 **Barwon Water** 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 **Barwon Water** or pursuant to other Government policies that apply to **Barwon Water** or there has been consultation with the affected customers about their willingness to pay for the benefits of increased recycling.

#### 4.2 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 long run marginal cost (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.

### **4.3 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 purposes 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**

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

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

### **4.4 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.

#### 4.5 Guidelines

**Barwon Water** 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	94.7	94.7	94.7	95.4	95.2
Return on existing assets	45.0	43.7	42.4	41.0	39.7
Return on new investments	1.9	5.0	7.5	9.9	11.6
Regulatory depreciation	28.4	28.9	29.9	30.9	31.7
<b>Total</b>	<b>170.0</b>	<b>172.4</b>	<b>174.4</b>	<b>177.2</b>	<b>178.3</b>

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	536.7	575.8	643.6	704.6	802.0
<i>Plus</i> Gross capital expenditure	66.8	95.3	96.2	141.8	287.4
<i>Less</i> Government contributions	5.1	5.0	8.5	11.1	35.7
<i>Less</i> Customer contributions	2.9	3.2	4.3	7.7	49.5
<i>Less</i> Proceeds from disposals	1.6	1.3	1.3	1.4	0.8
<i>Less</i> Regulatory depreciation	18.0	18.1	21.1	24.1	25.6
<b>Closing RAB</b>	<b>575.8</b>	<b>643.6</b>	<b>704.6</b>	<b>802.0</b>	<b>977.8</b>

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	977.8	1 014.3	1 070.8	1 093.8	1 122.0	1 140.5
<i>Plus</i> Gross capital expenditure	68.8	100.2	64.3	68.9	61.3	45.8
<i>Less</i> Government contributions	0.1	6.4	1.5	0.0	0.0	0.0
<i>Less</i> Customer contributions	2.4	7.2	9.0	9.0	10.0	10.0
<i>Less</i> Proceeds from disposals	1.7	1.7	1.8	1.8	1.9	1.9
<i>Less</i> Regulatory depreciation	28.1	28.4	28.9	29.9	30.9	31.7
<b>Closing RAB</b>	<b>1 014.3</b>	<b>1 070.8</b>	<b>1 093.8</b>	<b>1 122.0</b>	<b>1 140.5</b>	<b>1 142.7</b>

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	0.15	0.15	0.15	0.16	0.18
Department of Human Services licence fee	0.06	0.06	0.06	0.06	0.06
Environment Protection Authority licence fee	0.16	0.16	0.16	0.16	0.16
Environmental contribution	6.48	6.31	6.14	5.97	5.81

Table 6 **Bulk water purchases from Melbourne Water**  
\$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>
<b>Water assessments (no.)</b>					
Residential	132 079	134 676	137 274	139 980	142 864
Non-residential	11 739	11 970	12 201	12 442	12 698
Total	143 818	146 646	149 476	152 422	155 562
<b>Sewerage assessments (no.)</b>					
Residential	120 143	122 506	124 869	127 331	129 954
Non-residential	9 162	9 342	9 522	9 710	9 910
Total	129 305	131 847	134 391	137 040	139 863
<b>Billable water consumption (ML)</b>					
Residential	21 989	22 488	22 973	23 366	23 819
Non-residential	8 003	8 123	8 304	8 387	8 534
Total	29 992	30 610	31 276	31 752	32 353

Table 8 **Key capital projects and programs**

<b>Projects</b>	<i>Expected completion date</i>
Torquay West high level feeder main	2013-14
Apollo Bay bulk water supply expansion	2014-15
Pettavel water basin upgrade	2014-15
Black Rock water reclamation plant hydraulic capacity upgrade	2015-16
West Lara transfer system	2015-16
Aireys inlet water treatment plant	2016-17
Inverleigh low level feeder main	2017-18
<b>Programs</b>	
Sewer main relining	Ongoing
Sewer mains replacement and rehabilitation	Ongoing
Vehicles replacement	Ongoing
Water mains replacements	Ongoing