



Independent Pricing and Regulatory Tribunal
New South Wales

Water NSW

**Maximum prices for Water NSW's Greater Sydney Services
from 1 July 2020**

Draft Determination

March 2020

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Tribunal Members

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Preliminary

1 Application of this determination

1.1 This determination applies to government monopoly services declared under the Order

This determination fixes maximum prices, or sets methodologies for fixing maximum prices, for the services provided by Water NSW which are declared as government monopoly services under the Order, other than the services excluded by clause 1.2.

1.2 Services excluded from this determination

- (a) This determination does not apply to any services supplied by Water NSW to Sydney Water Corporation in order to earn:
 - (1) any Annual Water Quality Incentive Payment paid to it under the "Raw Water Supply Agreement" executed on 14 October 2013 by Water NSW and Sydney Water Corporation; or
 - (2) an equivalent payment under any amended version or replacement of that agreement in force from time to time.
- (b) For the avoidance of doubt, and despite any other provision in this determination, this determination does not apply to any services provided by Water NSW:
 - (1) in connection with its Non-Sydney Catchment Functions; or
 - (2) that do not have a connection with the Sydney Catchment Area.

2 Commencement and term of this determination

- (a) This determination commences on the later of:
 - (1) 1 July 2020; and
 - (2) the date that it is published in the NSW Government Gazette (**Commencement Date**).
- (b) The maximum prices under this determination apply from the Commencement Date to 30 June 2024. The maximum prices under this determination prevailing at 30 June 2024 continue to apply beyond 30 June 2024 until this determination is revoked or replaced.

3 Replacement of 2016 Determination

This determination replaces the 2016 Determination.

4 Pricing Schedules

The schedules listed in Table P.1 set out the maximum prices that Water NSW may charge for supplying the Determination Services.

Table P.1 Pricing schedules

Schedule	Determination Services to which the schedule applies
Schedule 1	Determination Services supplied to Large Customers
Schedule 2	Determination Services supplied to Goulburn Mulwaree Council, Shoalhaven City Council and Wingecarribee Shire Council
Schedule 3	Bulk Raw Water supplied to Small Customers
Schedule 4	Unfiltered Water supplied to Small Customers

5 Legislative background

- (a) Section 11(1)(a) of the IPART Act provides IPART with a standing reference for the determination of maximum prices for government monopoly services supplied by a government agency specified in Schedule 1 to the IPART Act.
- (b) Water NSW is listed as a government agency in Schedule 1 to the IPART Act.
- (c) The Determination Services are government monopoly services because they fall within the scope of the Order.
- (d) This determination fixes the maximum price for some services and sets a methodology for fixing the maximum price for other services. As required by section 13A(3) of the IPART Act, where IPART has set a methodology for fixing maximum prices, its reasons for doing so are set out in Schedule 6.

Schedule 1 Determination Services supplied to Large Customers

1 Application

Schedule 1 sets the methodology for fixing the maximum prices that Water NSW may charge Large Customers for the Determination Services.

2 Maximum price

The maximum price that Water NSW may charge a Large Customer for the Determination Services for a month is calculated as follows:

$$\left(FAC \times \frac{Customer\ Supply}{Total\ Supply} \right) + (VC \times Customer\ Supply)$$

Where:

- (a) *FAC* is the fixed availability charge for the Period in which the month occurs set out in Table 1;
- (b) *Customer Supply* is the total volume of water (ML) supplied by Water NSW to the Large Customer for the month, to the nearest whole ML;
- (c) *Total Supply* is the total volume of water (ML) supplied by Water NSW to all Large Customers for the month, to the nearest whole ML; and
- (d) *VC* is the volumetric charge for the month (\$/ML), which is either:
 - (1) if $Q_{SDP} < FS$, the amount calculated by applying clause 3; or
 - (2) if $Q_{SDP} \geq FS$, nil,

where Q_{SDP} and FS have the meanings given in clause 3.

3 Calculating the applicable volumetric charge

For the purposes of clause 2, the volumetric charge for a month is the amount calculated as follows:

$$\frac{20\% \times TR}{FS - Q_{SDP}} + \frac{CST}{AS}$$

Where:

- (a) TR is Water NSW's target revenue requirement from Large Customers for the Period in which the month occurs, as set out in Table 2;
- (b) FS is Water NSW's forecast water sales (ML) to all Large Customers for the Period in which the month occurs, as set out in:
 - (1) Table 3 for a month that occurs in a Drought Response Quarter; or
 - (2) Table 4 for a month that occurs in a Non-Drought Response Quarter;
- (c) Q_{SDP} is the lesser of:
 - (1) the SDP Total Monthly Plant Capacity; or
 - (2) the total volume of water to the nearest whole ML which is supplied by SDP to all Large Customers in the month, as notified to Water NSW collectively by all the Large Customers no later than 5 Business Days after the end of the month;
- (d) AS is the actual water sales (ML) to all Large Customers by Water NSW in the month, to the nearest whole ML; and
- (e) CST (cost of Shoalhaven transfer for the month) is the amount calculated in accordance with clause 4.

4 Calculating CST

For the purposes of clause 3, CST is the amount calculated as follows:

$$OPT + PT$$

Where:

- (a) OPT is the amount calculated as follows:

$$OP_p \times OP_v$$

Where:

- (1) OP_p is the off peak electricity price in Table 5 for the Quarter and Period in which the month falls;
 - (2) OP_v is the lesser of:
 - (A) the actual volume of water (ML) transferred during the month from the Shoalhaven system, as measured and recorded by Water NSW; or
 - (B) OP_{max} ;
- (b) PT is the amount calculated as follows:

$$P_p \times P_v$$

Where:

- (1) P_p is the peak electricity price in Table 6 for the Quarter and Period in which the month falls; and
- (2) P_v is:
 - (A) if the actual volume of water (ML) transferred during the month from the Shoalhaven system, as measured and recorded by Water NSW, is equal to or less than OP_{max} , then 0; or
 - (B) if the actual volume of water (ML) transferred during the month from the Shoalhaven system, as measured and recorded by Water NSW, is greater than OP_{max} , then the actual volume of water transferred during that month from the Shoalhaven system less OP_{max} ; and
- (c) OP_{max} is, in respect of the month, a volume of water that is the sum of:
 - (1) the number of Business Days in that month multiplied by 2,092ML; and
 - (2) the number of days that are not Business Days in that month multiplied by 2,510.4ML.

[Note: In respect of the calculation under subclause (a), if the actual volume of water transferred from the Shoalhaven system is equal to OP_{max} then that figure should be inputted as the value of OP_v . For example if the actual volume transferred was 69036ML and OP_{max} was also 69036ML, then the calculation in subclause (a) should be applied as ' $OP_p \times 69036ML$ '.]

Table 1 Fixed availability charge for Large Customers

Period	(\$ per month)
1 July 2020 to 30 June 2021	12,965,893
1 July 2021 to 30 June 2022	12,965,893 × CPI ₁
1 July 2022 to 30 June 2023	12,965,893 × CPI ₂
1 July 2023 to 30 June 2024	12,965,893 × CPI ₃

Table 2 Target revenue requirement from Large Customers

Period	(\$ per month)
1 July 2020 to 30 June 2021	16,150,624
1 July 2021 to 30 June 2022	16,187,365 × CPI ₁
1 July 2022 to 30 June 2023	16,223,658 × CPI ₂
1 July 2023 to 30 June 2024	16,269,030 × CPI ₃

Table 3 Forecast water sales to all Large Customers in a Drought Response Quarter

Period	(ML per month)
1 July 2020 to 30 June 2021	39,249
1 July 2021 to 30 June 2022	39,696
1 July 2022 to 30 June 2023	40,138
1 July 2023 to 30 June 2024	40,690

Table 4 Forecast water sales to all Large Customers in a Non-Drought Response Quarter

Period	(ML per month)
1 July 2020 to 30 June 2021	47,041
1 July 2021 to 30 June 2022	47,584
1 July 2022 to 30 June 2023	48,120
1 July 2023 to 30 June 2024	48,790

Table 5 Off-peak electricity price

Quarter	Period (\$ per ML)			
	1 July 2020 to 30 June 2021	1 July 2021 to 30 June 2022	1 July 2022 to 30 June 2023	1 July 2023 to 30 June 2024
1 July – 30 September	203.67	187.76 × CPI ₁	211.35 × CPI ₂	201.59 × CPI ₃
1 October – 31 December	174.08	159.83 × CPI ₁	164.99 × CPI ₂	160.72 × CPI ₃
1 January – 31 March	243.42	225.34 × CPI ₁	263.66 × CPI ₂	248.46 × CPI ₃
1 April – 30 June	180.53	165.95 × CPI ₁	179.47 × CPI ₂	174.34 × CPI ₃

Table 6 Peak electricity price

Quarter	Period (\$ per ML)			
	1 July 2020 to 30 June 2021	1 July 2021 to 30 June 2022	1 July 2022 to 30 June 2023	1 July 2023 to 30 June 2024
1 July – 30 September	252.91	242.32 × CPI ₁	277.19 × CPI ₂	267.54 × CPI ₃
1 October – 31 December	216.01	203.56 × CPI ₁	223.85 × CPI ₂	213.48 × CPI ₃
1 January – 31 March	762.99	744.90 × CPI ₁	770.73 × CPI ₂	719.81 × CPI ₃
1 April – 30 June	233.53	224.59 × CPI ₁	247.19 × CPI ₂	245.78 × CPI ₃

Schedule 2 Determination Services supplied to Goulburn Mulwaree Council, Shoalhaven City Council and Wingecarribee Shire Council

1 Application

Schedule 2 sets the maximum prices that Water NSW may charge Wingecarribee Shire Council, Shoalhaven City Council, and Goulburn Mulwaree Council for the Determination Services.

2 Maximum price for the Determination Services to Wingecarribee Shire Council

The maximum price that Water NSW may charge Wingecarribee Shire Council for the Determination Services for a month is the sum of:

- (a) the fixed availability charge in Table 7 for the Period in which the month occurs; and
- (b) the volumetric charge for the Period in which the month occurs, set out in:
 - (1) Table 10 for a month that occurs in a Drought Response Quarter; or
 - (2) Table 11 for a month that occurs in a Non-Drought Response Quarter, multiplied by:
 - (3) the volume of water (ML) supplied by Water NSW to Wingecarribee Shire Council for the month, rounded to the nearest whole ML.

3 Maximum price for the Determination Services to Shoalhaven City Council

The maximum price that Water NSW may charge Shoalhaven City Council for the Determination Services for a month is the sum of:

- (a) the fixed availability charge in Table 8 for the Period in which the month occurs; and
- (b) the volumetric charge for the Period in which the month occurs, set out in:
 - (1) Table 10 for a month that occurs in a Drought Response Quarter; or
 - (2) Table 11 for a month that occurs in a Non-Drought Response Quarter, multiplied by:
 - (3) the volume of water (ML) supplied by Water NSW to Shoalhaven City Council for the month, rounded to the nearest whole ML.

4 Maximum price for the Determination Services to Goulburn Mulwaree Council

The maximum price that Water NSW may charge Goulburn Mulwaree Council for the Determination Services for a month is the sum of:

- (a) the fixed availability charge in Table 9 for the Period in which the month occurs; and
- (b) the volumetric charge for the Period in which the month occurs, set out in:
 - (1) Table 10 for a month that occurs in a Drought Response Quarter; or
 - (2) Table 11 for a month that occurs in a Non-Drought Response Quarter, multiplied by:
 - (3) the volume of water (ML) supplied by Water NSW to Goulburn Mulwaree Council for the month, rounded to the nearest whole ML.

Table 7 Fixed availability charge for Wingecarribee Shire Council

Period	(\$ per month)
1 July 2020 to 30 June 2021	81,847
1 July 2021 to 30 June 2022	81,847 × CPI ₁
1 July 2022 to 30 June 2023	81,847 × CPI ₂
1 July 2023 to 30 June 2024	81,847 × CPI ₃

Table 8 Fixed availability charge for Shoalhaven City Council

Period	(\$ per month)
1 July 2020 to 30 June 2021	1,535
1 July 2021 to 30 June 2022	1,535 × CPI ₁
1 July 2022 to 30 June 2023	1,535 × CPI ₂
1 July 2023 to 30 June 2024	1,535 × CPI ₃

Table 9 Fixed availability charge for Goulburn Mulwaree Council

Period	(\$ per month)
1 July 2020 to 30 June 2021	1,842
1 July 2021 to 30 June 2022	1,842 × CPI ₁
1 July 2022 to 30 June 2023	1,842 × CPI ₂
1 July 2023 to 30 June 2024	1,842 × CPI ₃

Table 10 Volumetric charge for Wingecarribee Shire Council, Shoalhaven City Council, and Goulburn Mulwaree Council in a Drought Response Quarter

Period	(\$ per ML)
1 July 2020 to 30 June 2021	61.23
1 July 2021 to 30 June 2022	$61.23 \times \text{CPI}_1$
1 July 2022 to 30 June 2023	$61.23 \times \text{CPI}_2$
1 July 2023 to 30 June 2024	$61.23 \times \text{CPI}_3$

Table 11 Volumetric charge for Wingecarribee Shire Council, Shoalhaven City Council, and Goulburn Mulwaree Council in a Non-Drought Response Quarter

Period	(\$ per ML)
1 July 2020 to 30 June 2021	51.16
1 July 2021 to 30 June 2022	$51.16 \times \text{CPI}_1$
1 July 2022 to 30 June 2023	$51.16 \times \text{CPI}_2$
1 July 2023 to 30 June 2024	$51.16 \times \text{CPI}_3$

Schedule 3 Bulk Raw Water supplied to Small Customers

1 Application

Schedule 3 sets the maximum prices that Water NSW may charge Small Customers for the supply of Bulk Raw Water.

2 Maximum price for Bulk Raw Water

The maximum price that Water NSW may charge a Small Customer for supplying Bulk Raw Water is the volumetric charge set out in:

- (a) Table 12 for a Drought Response Quarter; or
- (b) Table 13 for a Non-Drought Response Quarter,
multiplied by:
- (c) the volume of Bulk Raw Water (kL) supplied by Water NSW to the Small Customer, rounded to the nearest whole kL.

[Note: There is no fixed component of the maximum price that Water NSW may charge a Small Customer for supplying Bulk Raw Water.]

Table 12 Volumetric charge for Bulk Raw Water for Small Customers in a Drought Response Quarter

Period	(\$ per kL)
1 July 2020 to 30 June 2021	0.78
1 July 2021 to 30 June 2022	$0.78 \times \text{CPI}_1$
1 July 2022 to 30 June 2023	$0.78 \times \text{CPI}_2$
1 July 2023 to 30 June 2024	$0.78 \times \text{CPI}_3$

Table 13 Volumetric charge for Bulk Raw Water for Small Customers in a Non-Drought Response Quarter

Period	(\$ per kL)
1 July 2020 to 30 June 2021	0.65
1 July 2021 to 30 June 2022	$0.65 \times \text{CPI}_1$
1 July 2022 to 30 June 2023	$0.65 \times \text{CPI}_2$
1 July 2023 to 30 June 2024	$0.65 \times \text{CPI}_3$

Schedule 4 Unfiltered Water supplied to Small Customers

1 Application

Schedule 4 sets the maximum prices that Water NSW may charge Small Customers for the supply of Unfiltered Water.

2 Maximum price for Unfiltered Water

The maximum price that Water NSW may charge a Small Customer for supplying Unfiltered Water is the sum of:

- (a) the fixed availability charge in Table 14 for the applicable meter size and Period; and
- (b) the volumetric charge for the applicable Period, set out in:
 - (1) Table 15 for a Drought Response Quarter; or
 - (2) Table 16 for a Non-Drought Response Quarter,
 multiplied by:
 - (3) the volume of Unfiltered Water (kL) supplied by Water NSW to the Small Customer, rounded to the nearest whole kL.

Table 14 Fixed availability charge for Unfiltered Water for Small Customers

Meter size	Period			
	1 July 2020 to 30 June 2021 (\$)	1 July 2021 to 30 June 2022 (\$)	1 July 2022 to 30 June 2023 (\$)	1 July 2023 to 30 June 2024 (\$)
20mm	98.80	$98.80 \times \text{CPI}_1$	$98.80 \times \text{CPI}_2$	$98.80 \times \text{CPI}_3$
25mm	154.37	$154.37 \times \text{CPI}_1$	$154.37 \times \text{CPI}_2$	$154.37 \times \text{CPI}_3$
30mm	222.29	$222.29 \times \text{CPI}_1$	$222.29 \times \text{CPI}_2$	$222.29 \times \text{CPI}_3$
32mm	252.92	$252.92 \times \text{CPI}_1$	$252.92 \times \text{CPI}_2$	$252.92 \times \text{CPI}_3$
40mm	395.19	$395.19 \times \text{CPI}_1$	$395.19 \times \text{CPI}_2$	$395.19 \times \text{CPI}_3$
50mm	617.48	$617.48 \times \text{CPI}_1$	$617.48 \times \text{CPI}_2$	$617.48 \times \text{CPI}_3$
80mm	1,580.75	$1,580.75 \times \text{CPI}_1$	$1,580.75 \times \text{CPI}_2$	$1,580.75 \times \text{CPI}_3$
100mm	2,469.91	$2,469.91 \times \text{CPI}_1$	$2,469.91 \times \text{CPI}_2$	$2,469.91 \times \text{CPI}_3$
150mm	5,557.31	$5,557.31 \times \text{CPI}_1$	$5,557.31 \times \text{CPI}_2$	$5,557.31 \times \text{CPI}_3$
200mm	9,879.66	$9,879.66 \times \text{CPI}_1$	$9,879.66 \times \text{CPI}_2$	$9,879.66 \times \text{CPI}_3$

Schedule 4 Unfiltered Water supplied to Small Customers

>200mm	$(\text{Meter size})^2 \times$ (20mm fixed availability charge) \div 400	$(\text{Meter size})^2 \times$ (20mm fixed availability charge) \div 400	$(\text{Meter size})^2 \times$ (20mm fixed availability charge) \div 400	$(\text{Meter size})^2 \times$ (20mm fixed availability charge) \div 400
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Table 15 Volumetric charge for Unfiltered Water for Small Customers in a Drought Response Quarter

Period	(\$ per kL)
1 July 2020 to 30 June 2021	1.35
1 July 2021 to 30 June 2022	$1.35 \times \text{CPI}_1$
1 July 2022 to 30 June 2023	$1.35 \times \text{CPI}_2$
1 July 2023 to 30 June 2024	$1.35 \times \text{CPI}_3$

Table 16 Volumetric charge for Unfiltered Water for Small Customers in a Non-Drought Response Quarter

Period	(\$ per kL)
1 July 2020 to 30 June 2021	1.13
1 July 2021 to 30 June 2022	$1.13 \times \text{CPI}_1$
1 July 2022 to 30 June 2023	$1.13 \times \text{CPI}_2$
1 July 2023 to 30 June 2024	$1.13 \times \text{CPI}_3$

Schedule 5 Statement of the reasons why IPART has chosen to set a methodology for fixing a maximum price

Under section 13A of the IPART Act, IPART may set maximum prices or may determine a methodology for setting maximum prices.

In Schedule 1 of this determination, IPART has set a methodology for fixing the maximum prices that Water NSW may charge Large Customers for the Determination Services.

Volumetric charge that varies based on supply from SDP

The methodology addresses the risk that Water NSW will under-recover revenue if its sales to Large Customers differ significantly from IPART's sales forecasts. Water NSW's sales to Large Customers may be affected by Large Customers' arrangements to purchase water from SDP. The SDP plant currently has the capacity to supply over 90 gigalitres of Large Customers' annual water needs. However, depending on rainfall and other variables the SDP may produce less than its capacity. The more water supplied to Large Customers from the SDP plant, the greater the reduction in Water NSW's sales to Large Customers.

The methodology in Schedule 1 provides for a volumetric charge which varies depending on how much water is supplied to Large Customers by SDP. The variation of each day's volumetric charge compensates Water NSW for reduced sales to Large Customers when they purchase water from SDP.

IPART considers that this methodology is appropriate for addressing the revenue risk to Water NSW and the uncertainty regarding the operation of the SDP plant. IPART considers that it would be impractical to make a determination that directly fixes the maximum prices that Water NSW can charge Large Customers for the Determination Services, as substantially different costs will apply (on a per megalitre basis) depending on the volume of water supplied to Large Customers by SDP.

Pass-through of certain electricity costs

The methodology in Schedule 1 is also designed to pass-through to Large Customers Water NSW's electricity costs of pumping water from its storages on the Shoalhaven River to other water storages. The amount of water that Water NSW needs to pump from its storages on the Shoalhaven River varies greatly from time to time, largely depending on rainfall. In times of high rainfall, Water NSW will need to pump only small volumes of water from its storages on the Shoalhaven River in order to maintain pumping infrastructure and will likely be able to do that during off-peak electricity periods to avoid incurring higher costs associated with peak transfers. In contrast, during times of low rainfall, Water NSW may need to pump much higher volumes of water from those storages and with greater urgency to compensate for low supply at other water storages. Depending on the extent of the

shortage and the urgency of the situation, Water NSW may have to pump water when peak prices apply.

Because of the uncertainty as to the volume of water that Water NSW needs to pump from its storages on the Shoalhaven River, IPART considers that it is impractical to incorporate a fixed amount, reflecting the electricity costs of such pumping, into the maximum prices that Water NSW can charge Large Customers. The uncertainty means that a fixed amount, based on a forecast by IPART, could significantly over or under compensate Water NSW for its costs, depending on rainfall.

Instead, IPART considers it appropriate to set a methodology for fixing maximum prices, which varies depending on how much water is actually pumped from Water NSW's storages on the Shoalhaven River and the approximate cost of doing so based on off-peak, and peak electricity prices. This approach should result in prices which are closer to the actual efficient costs of Water NSW.

Schedule 6 Definitions and interpretation

1 Definitions

1.1 General definitions

In this determination:

2016 Determination means IPART's determination No. 3 of 2016 titled 'Water NSW – Maximum prices for water supply services from 1 July 2016 in relation to Sydney Catchment Functions' published in New South Wales, *Government Gazette*, No. 53 of 24 June 2016, p 1787.

Available Storage means the available storage in Sydney's water supply reservoirs as published in a Weekly Verified Storage Report. If for any reason the Available Storage is not calculated or published, the Available Storage is the amount of water as calculated and notified from time to time by such authority as is nominated by the Minister responsible for Part 2 of the WIC Act.

Bulk Raw Water means water that has not been treated in any way.

Business Day means a weekday that is not a public holiday in Sydney, New South Wales.

Commencement Date has the meaning given to that term in clause 2(a) of the Preliminary section of this determination.

Determination Services means the government monopoly services for which this determination fixes maximum prices, or sets methodologies for fixing maximum prices, as set out in clause 1 of the Preliminary section of this determination.

Drought Response Quarter means a Quarter where, according to the last Weekly Verified Storage Report of the previous Quarter, Available Storage:

- (a) is less than 60%; or
- (b) is equal to or greater than 60% but less than 70%, in circumstances where Available Storage has not equalled or exceeded 70% since Available Storage last fell below 60%.

Goulburn Mulwaree Council means any council constituted from time to time under the *Local Government Act 1993* (NSW) in respect of an area which covers all, or a substantial part, of the area of the Goulburn Mulwaree Council as constituted at the Commencement Date.

GST has the meaning given to that term in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

IPART Act means the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW).

IPART means the Independent Pricing and Regulatory Tribunal of New South Wales established under the IPART Act.

kL means kilolitre or one thousand litres.

Large Customer means:

(a) Sydney Water Corporation; or

(b) any one of the following persons to whom Water NSW provides Determination Services:

(1) the holder of a WIC Act Licence;

(2) a water supply authority within the meaning of the *Water Management Act 2000* (NSW);

(3) a council or county council constituted under the *Local Government Act 1993* (NSW) that exercises water or sewerage functions;

(4) a person who, pursuant to:

(A) a coverage declaration which has been determined under section 26 of the WIC Act and is in force;

(B) an access undertaking which has been approved by IPART under section 38 of the WIC Act and is in force;

(C) an access agreement (as referred to in section 39 of the WIC Act); or

(D) an access determination (as referred to in section 40 of the WIC Act),

has access to some of Sydney Water Corporation's infrastructure services (as defined in the WIC Act), to the extent that the relevant infrastructure services relate to the Determination Services; or

(5) a person not referred to in paragraphs (1) - (4) above who:

(A) is able to purchase water from Sydney Water Corporation but instead purchases it directly from Water NSW (regardless of whether Water NSW supplies the water to the person by means of Sydney Water Corporation's systems); and

(B) in purchasing that water directly from Water NSW, reduces the amount of such water that Sydney Water Corporation would otherwise need to obtain from Water NSW to supply the person,

but excludes Wingecarribee Shire Council, Shoalhaven City Council and Goulburn Mulwaree Council.

ML means megalitre or one million litres.

Non-Drought Response Quarter means a Quarter that is not a Drought Response Quarter.

Non-Sydney Catchment Functions has the same meaning as under clause 12(4) of schedule 2 to the *Water NSW Act 2014* (NSW).

Order means the *Independent Pricing and Regulatory Tribunal (Water Supply Services) Order 2000* published in New South Wales, *Government Gazette*, No. 22 of 11 February 2000, p 816.

Period means (as the case may be):

- (a) 1 July 2020 to 30 June 2021;
- (b) 1 July 2021 to 30 June 2022;
- (c) 1 July 2022 to 30 June 2023; or
- (d) 1 July 2023 to 30 June 2024.

Quarter means each three month period beginning on 1 January, 1 April, 1 July and 1 October of each year.

SDP means the Sydney Desalination Plant Pty Ltd (ACN 125 935 177).

SDP plant means SDP's plant in the suburb of Kurnell.

SDP Total Monthly Plant Capacity means the greater of either:

- (a) 7,980ML; or
- (b) if the SDP plant is expanded, the monthly nameplate capacity of the expanded plant in ML.

Shoalhaven City Council means any council constituted from time to time under the *Local Government Act 1993* (NSW) in respect of an area which covers all, or a substantial part, of the area of the Shoalhaven City Council as constituted at the Commencement Date.

Small Customer means a person to whom Water NSW supplies Bulk Raw Water and/or Unfiltered Water in connection with Water NSW's operations in the Sydney Catchment Area, other than:

- (a) a Large Customer;
- (b) Goulburn Mulwaree Council;
- (c) Shoalhaven City Council; or

(d) Wingecarribee Shire Council.

Sydney Catchment Area has the same meaning as under section 3 of the *Water NSW Act 2014* (NSW).

Sydney Water Corporation means the Sydney Water Corporation constituted as a corporation under the *Sydney Water Act 1994* (NSW).

Unfiltered Water means water that has been treated for quality, whether or not by chemical treatment, but not treated at a water filtration plant.

Water NSW means the corporation constituted under the *Water NSW Act 2014* (NSW).

Weekly Verified Storage Report means a verified storage report published on a weekly basis on the Water NSW website.

WIC Act means the *Water Industry Competition Act 2006* (NSW).

WIC Act Licence means:

- (a) a licence under the WIC Act; and
- (b) any similar instrument granted under the WIC Act.

Wingecarribee Shire Council means any council constituted from time to time under the *Local Government Act 1993* (NSW) in respect of an area which covers all, or a substantial part, of the area of the Wingecarribee Shire Council as constituted at the Commencement Date.

1.2 Consumer Price Index

(a) In this determination, CPI means the consumer price index All Groups index number for the weighted average of eight capital cities, published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then CPI will mean an index determined by IPART.

(b) In this determination:

$$CPI_1 = \frac{CPI_{March2021}}{CPI_{March2020}}$$

$$CPI_2 = \frac{CPI_{March2022}}{CPI_{March2020}}$$

$$CPI_3 = \frac{CPI_{March2023}}{CPI_{March2020}}$$

Where:

$CPI_{March2020}$ means CPI for the March quarter of 2020;

$CPI_{March2021}$ means CPI for the March quarter of 2021;

CPI_{March2022} means CPI for the March quarter of 2022; and

CPI_{March2023} means CPI for the March quarter of 2023.

2 Interpretation

2.1 General provisions

In this determination:

- (a) headings are for convenience only and do not affect the interpretation of this determination;
- (b) a reference to a schedule, clause, paragraph or table is a reference to a schedule to, clause of, paragraph in, or table in, this determination unless otherwise indicated;
- (c) a construction that would promote a purpose or object expressly or impliedly underlying the IPART Act is to be preferred to a construction that would not promote that purpose or object;
- (d) words or expressions importing the singular include the plural and vice versa;
- (e) a reference to a law or statute includes regulations, ordinances, by-laws, rules, codes and other instruments (including licences) under it and consolidations, amendments, re-enactments or replacements of them or of the law or statute itself;
- (f) where a word or expression is defined, other grammatical forms of that word or expression have a corresponding meaning;
- (g) a reference to a month is to a calendar month;
- (h) a reference to a financial year is a reference to a period of 12 months beginning on 1 July and ending on the following 30 June;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, replacements (including, but not limited to, persons taking by novation), agents and assigns;
- (j) a reference to a body, whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- (k) a reference to a business name which is replaced by a different business name is taken to be a reference to the replacement business name.

2.2 Explanatory notes and clarification notice

- (a) Explanatory notes and examples do not form part of this determination, but in the case of uncertainty may be relied on for interpretation purposes.

- (b) IPART may publish a clarification notice in the NSW Government Gazette to correct any manifest error in this determination. Such a clarification notice is taken to form part of this determination.

2.3 Maximum prices exclusive of GST

- (a) Maximum prices specified in this determination do not include GST.
- (b) For the avoidance of doubt, where GST is lawfully applied to maximum prices under this determination, the resulting GST inclusive price is consistent with this determination.

2.4 Rounding rule

- (a) Any maximum price calculated in accordance with this determination is to be rounded to the nearest whole cent.
- (b) For the purposes of rounding a maximum price under clause 2.4(a), any amount that is a multiple of 0.5 cents (but not a multiple of 1 cent), is to be rounded up to the nearest whole cent.
- (c) The CPI multipliers calculated under clause 1.2 are to be rounded to three decimal places before adjusting a maximum price for inflation.
- (d) For the purposes of rounding the CPI multipliers under clause 2.4(c), any amount that is a multiple of 0.0005 (but not a multiple of 0.001) is to be rounded up to three decimal places.