

Independent Pricing and Regulatory Tribunal
New South Wales

Guideline for scheme-specific price review requests

For wholesale water and sewerage services provided by Sydney Water Corporation or Hunter Water Corporation



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ISBN 978-1-76049-173-4

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Amendment table

Issue number	Date issued	Reason/s for amendment
Issue 1	January 2018	Initial release of guidance document

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1 Introduction to this guideline

1.1 Purpose of this guideline

The purpose of this guideline (*Guideline for scheme-specific price review requests*) is to provide a framework for wholesale customers and wholesale service providers that clearly sets out the process and requirements for a scheme-specific review.

The objectives of this document are to:

- ▼ outline what a scheme-specific review involves
- ▼ explain the general principles and approach we would use to undertake a scheme-specific review, and
- ▼ support wholesale customers and wholesale service providers prepare for, request and participate in a scheme-specific review.

This guideline (along with our scheme-specific review request form¹) may also assist wholesale customers and wholesale service providers negotiate with each other and help facilitate agreement without the need for a scheme-specific review.

We note that this document is only a guideline and is not binding. The Independent Pricing and Regulatory Tribunal (IPART) may depart from the guideline where we consider it appropriate or necessary.

1.2 Changing the guideline

We may change and update this guideline (and/or our scheme-specific review request form) as we gain experience in undertaking scheme-specific reviews. In particular, we may change the guideline to:

- ▼ improve the scheme-specific review process
- ▼ amend the information that should be provided to us, and
- ▼ incorporate stakeholder feedback.

1.3 Feedback from stakeholders

We value feedback from our stakeholders. Over time, wholesale customers and wholesale service providers, or other stakeholders may identify opportunities for improving the scheme-specific review process or this guideline (and/or our scheme-specific review request form). We encourage stakeholders to provide feedback on any issues to make the scheme-

¹ See the request form – IPART, *Request form for scheme-specific price review* – Request Form, January 2018 – available on our website: <https://www.ipart.nsw.gov.au/Home>.

specific review process more efficient and effective, and/or this guideline (or our request form) more useful.

1.4 Structure of this guideline

This guideline is structured as shown in Table 1.1.

Table 1.1 Structure of this guideline

Chapter	Name	Includes
1	Introduction to this guideline	Outlines the purpose and structure of this document.
2	What is a scheme-specific review?	Outlines what a scheme-specific review is, including by whom and when they may be requested.
3	Process and timeframe for a scheme-specific review	Outlines the process and timeline for undertaking a scheme-specific review within four months of receiving a request.
4	General principles and approach to undertaking a scheme-specific review	Explains that our previous decisions for pricing of wholesale services will provide a starting point for our approach to scheme-specific reviews, and outlines other matters we would consider in undertaking a scheme-specific review.
5	What to do prior to making a request for a scheme-specific review	Outlines and provides a checklist for activities that should be done prior to making a request for a scheme-specific review.
6	How to make a request for a scheme-specific review	Outlines how to make a request for a scheme-specific review.
7	Information we will require to undertake a scheme-specific review	Provides guidance on what information will be required for a scheme-specific review and how we will proceed if timely information is not provided.
8	How confidential information will be managed	Outlines how confidential information will be managed.

2 What is a scheme-specific review?

In June 2017, we released our Final Report and Determinations for prices for wholesale water and sewerage services provided by Sydney Water Corporation (Sydney Water) and Hunter Water Corporation (Hunter Water).²

Wholesale water and sewerage services are purchased from Sydney Water and/or Hunter Water (as the wholesale service provider) by wholesale customers, licensed under the *Water Industry Competition Act 2006* (the WIC Act), for the purpose of supplying water and/or sewerage services to end-use (or 'retail') customers.

2.1 We allow for scheme-specific reviews under our regulatory framework

Our June 2017 Final Report³ set out our regulatory framework for wholesale prices which comprises three components:

- ▼ **System-wide retail-minus prices for on-selling** water and sewerage services for **new schemes without a recycled water plant**, to apply from 1 January 2018 to 30 June 2021.⁴
 - We decided not to apply the system-wide retail-minus prices to schemes where there is a recycled water plant. This is because, we concluded it is currently not possible to include the impact of recycled water plants in system-wide prices. Rather, these impacts can only be assessed via scheme-specific reviews.
- ▼ **Scheme-specific reviews** – ie, parties may request that IPART set scheme-specific prices by undertaking a scheme-specific review.⁵
- ▼ **Unregulated agreements** – ie, parties may privately negotiate prices.

Examples of when a wholesale customer or wholesale service provider may seek a scheme-specific price review include where our system-wide prices:


- ▼ do not apply (ie, existing schemes or new schemes where a recycled water plant is present), or
- ▼ do not reflect a particular scheme's characteristics (eg, characteristics that may result in cost savings or increased costs for wholesale service providers).

² For further information see our Final Report – IPART, *Prices for wholesale water and sewerage services – Sydney Water Corporation and Hunter Water Corporation – Final Report*, June 2017– available on our website: <https://www.ipart.nsw.gov.au/Home>.

³ IPART, *Prices for wholesale water and sewerage services – Sydney Water Corporation and Hunter Water Corporation – Final Report*, June 2017.

⁴ For further information see our Determinations – IPART, *Sydney Water Corporation – Maximum prices for wholesale water, sewerage and trade waste services from 1 January 2018 (excluding services supplied to recycled water systems)*, 2017; IPART, *Hunter Water Corporation – Maximum prices for wholesale water, sewerage and trade waste services from 1 January 2018 (excluding services supplied to recycled water systems)*, 2017 – available on our website: <https://www.ipart.nsw.gov.au/Home>.

⁵ A scheme-specific price determination would be made in the same way as other price determinations made under section 11 of the *Independent Pricing and Regulatory Tribunal Act 1992* (IPART Act).



Scheme-specific reviews will allow us to consider facilitation costs, ie, cost savings (and cost increases) to a wholesale service provider from a scheme operated by a wholesale customer, and where appropriate, reflect these in wholesale prices.

2.2 A wholesale customer/provider can request a review at any time

Either a wholesale customer and/or wholesale service provider can request that IPART undertake a scheme-specific review to determine a price for the service(s).

IPART has a standing reference to investigate and make reports on the determination of pricing for such services under the *Independent Pricing and Regulatory Tribunal Act 1992* (the IPART Act). Given this standing reference, IPART may also initiate a review without a request from either party, as the wholesale services concerned are ‘government monopoly services’ supplied by Sydney Water and Hunter Water. However, we would not expect to initiate a scheme-specific review except under exceptional circumstances.

2.3 There is no fee charged by IPART for a scheme-specific review

IPART does not charge wholesale customers or wholesale service providers any fee for undertaking a scheme-specific review.

3 Process and timeframe for a scheme-specific review

In undertaking a scheme-specific review, we would seek to minimise the time, costs and uncertainty associated with the review.

In the case where a wholesale customer does not hold a WICA licence, we may undertake a scheme-specific review at the same time as undertaking the assessment of the WICA licence application.⁶

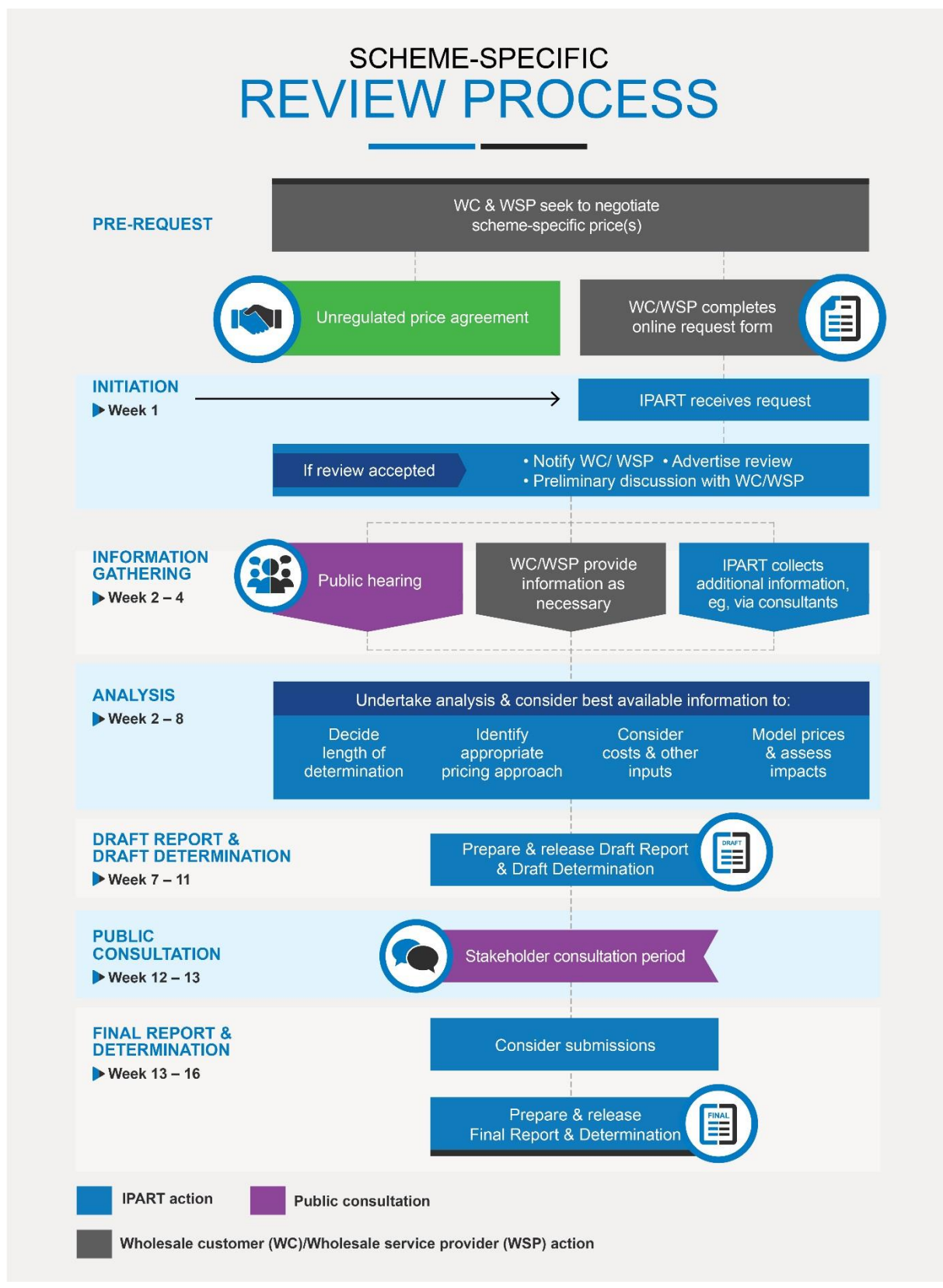
To reduce administrative costs associated with scheme-specific reviews and depending on the timing of requests, we may undertake reviews and determine prices for a number of schemes providing similar services at the same time.

3.1 A 4-month process and timeline for scheme-specific reviews

The process and timeline for undertaking a scheme-specific review within four months of receiving a request are outlined in Figure 3.1.

⁶ For further information on the WICA licence application process see our website: <https://www.ipart.nsw.gov.au/Home/Industries/Water/Alternate-water-utilities-WICA/Forms-guidelines>.

Figure 3.1 Process and timeline for undertaking a scheme-specific review



Notes: Whilst the overall timeframe is four months from when IPART receives a request, the timing of each step is indicative and flexible. The timing of some steps may also overlap. When a review is requested, we will work with the relevant parties to confirm the specific steps and timeframe for each step within the four-month period.

We have divided the process for undertaking a scheme-specific review into seven key phases.

1. Pre-request phase

The scheme-specific review process should begin prior to a review request being made. It should begin with an attempt by the wholesale customer and wholesale service provider to negotiate a price for the wholesale service(s).⁷ Meaningful negotiation:

- ▼ may reduce the need for scheme-specific reviews
- ▼ may reduce the scope of issues to be considered in a scheme-specific review, allowing a review to focus primarily on key areas that have not been resolved during negotiations
- ▼ would help to ensure that both the wholesale customer and wholesale service provider are well-equipped to comply with IPART's information requests during a scheme-specific review, and
- ▼ would help to ensure that the review process runs smoothly and is as targeted as possible, which would benefit all parties.

The wholesale customer and/or wholesale service provider can complete a scheme-specific review request form and submit it to IPART to request that IPART undertake a scheme-specific review for the service(s).⁸

2. Initiation phase

When we receive a completed scheme-specific review request form, IPART will then:

- a) Decide whether to proceed with the scheme-specific review for the wholesale service(s) requested.
 - i) Note that, IPART may also decide to limit a review for a service to any particular part or category of that service, eg, a review may be limited to those parts of a service for which the wholesale customer and wholesale service provider have not already negotiated a price.
- b) If IPART proceeds with the review, we will give both parties (ie, the wholesale customer and wholesale service provider) notice of the review and key dates for the review.
- c) Advertise the scheme-specific review, as required by the IPART Act.⁹

We may also hold preliminary discussions with the wholesale customer and wholesale service provider to confirm:

- ▼ the scope of the review
- ▼ approaches that could be used to resolve areas of disagreement other than a scheme-specific review
- ▼ whether we are currently conducting any scheme-specific reviews involving similar issues, and

⁷ See Chapter 5 for further information on what to do prior to making a request for a scheme-specific review.

⁸ See Chapter 6 for further information on how to make a request for a scheme-specific review.

⁹ In determining maximum prices, we are required to give notice in a newspaper and hold a public hearing under the IPART Act, sections 13(2) and 21.

- ▼ arrangements for information flows.

3. Information gathering phase

We will likely require a number of different types of information from both the wholesale customer and wholesale service provider, irrespective of who requested the review, including:

- ▼ any existing arrangements for the supply of the wholesale service(s) concerned, and the prices currently charged for them (to the extent that there are any)
- ▼ infrastructure and operating requirements to provide end-users with retail services from the wholesale service provided
- ▼ any facilitation costs the wholesale service provider would incur in supplying the wholesale services concerned, considering both positive (costs) and negative (cost savings or avoided costs) facilitation costs
- ▼ the wholesale service provider's relevant growth plans
- ▼ any proposed prices and the rationale and key assumptions behind them, including how the other party's input has been considered, and arrangements to transition from the existing to proposed prices (if applicable), and
- ▼ the proposed length of the determination.¹⁰

During this phase we may gather further relevant information from the party requesting the review. We will also request that the other party to the review complete and submit to IPART an information return.¹¹

Where a party withholds information or does not provide information in a timely manner, IPART may exercise its statutory power to require the information if it is needed to complete the review.

During this time we will also gather additional relevant information, eg, using consultants and/or from information previously submitted to IPART (eg, as part of a WICA licence application).

In the event that one or both parties do not provide timely information during the review process, we would make the determination based on the provided information, supplemented by information assembled and analysed by IPART (and/or our consultants). We would use the best information available within the timeframe for the review to make our decisions.

During this phase, we will also hold a public hearing (required by the IPART Act), at which the wholesale customer and wholesale service provider, as well as other stakeholders, including members of the public will be invited to participate. We may also hold part of a public hearing in private, eg, if confidentiality is a concern.

4. Analysis phase

As outlined in Figure 3.1, we will undertake analysis to make our decisions to determine the scheme-specific price(s) to apply. In particular we will undertake analysis to:

¹⁰ See Chapter 7 for a checklist of information we will require to undertake a scheme-specific review.

¹¹ Irrespective of who requested the review, depending on what information has already been supplied, we may request that the wholesale service provider submit a Wholesale Pricing Proposal as referred to in our June 2017 Final Report.

-
- a) decide on the length of the determination
 - b) identify the appropriate pricing approach for the service(s)
 - c) consider the costs of the service(s)
 - d) consider other inputs, eg weighted average cost of capital (WACC)
 - e) determine the price(s) for the service(s), and
 - f) consider the likely impact(s) of the price(s).

We may also engage consultants to assist us in undertaking this phase of the scheme-specific review.

5. Draft Report and Draft Determination phase

During this phase we will make draft decisions and publicly release a Draft Report and Draft Determination for consultation.

6. Public consultation phase

Following the release of our Draft Report and Draft Determination, we will invite stakeholder submissions on our draft decisions.

7. Final Report and Determination phase

After the public consultation phase, we will then consider stakeholder submissions before we make our final decisions. Following this, we will publicly release a Final Report and Determination.

3.2 The role of the wholesale customer and provider in the process

Box 3.1 outlines the role of the wholesale customer and wholesale service provider in the scheme-specific review process.

Box 3.1 The role of the wholesale customer and wholesale service provider in the scheme-specific review process

Below we outline the role of the wholesale customer and wholesale service provider for relevant stages of the scheme-specific review process.

Pre-request phase

- ▼ The wholesale customer and wholesale service provider should seek to reach an agreement on price.
- ▼ The wholesale customer and/or wholesale service provider should complete a scheme-specific review request form using best available information.

We note that early provision of relevant information to the review would assist us in undertaking any subsequent review and may reduce the scope and time associated with any subsequent information requests.

(See Chapter 5 for further information on what to do prior to making a request for a scheme-specific review).

Initiation phase

- ▼ The wholesale customer and wholesale service provider may be invited to participate in preliminary discussions with IPART, and should make available representatives to be involved in these discussions.

Information gathering and analysis phases

- ▼ The wholesale customer and wholesale service provider may need to respond to information requests from IPART (or our consultants), and should respond in a timely manner.
- ▼ The wholesale customer and wholesale service provider will be invited to attend a public hearing(s) held by IPART, and should make available representatives to attend the public hearing(s).
- ▼ The wholesale customer and wholesale service provider should make available representatives to meet with IPART (and/or our consultants) to assist in undertaking the review.


Public consultation phase

- ▼ The wholesale customer and wholesale service provider will be invited to make a submission to the Draft Report.

Throughout the review, wholesale customers and wholesale service providers may also need to respond to further information requests to resolve any outstanding issues.

3.3 We may allow both parties to withdraw from the review process

IPART may defer a scheme-specific review under certain circumstances. For example, we may defer a scheme-specific review until after parties have had an opportunity to negotiate privately.



If both parties agree to withdraw from a scheme-specific review (in writing), IPART may defer the conduct of that scheme-specific review until further notice.

4 General principles and approach to undertaking a scheme-specific review

Our main objective for a scheme-specific review is to set a price(s) that allows new entry to the market for end-use water and sewerage services to occur where this is efficient, to promote competition for the benefit of consumers.

This means that for a scheme-specific review we would seek to set wholesale prices that:

- ▼ encourage efficient entry where it would result in lower prices (at the same or better service levels) or enhanced service levels over time for end-use customers, and
- ▼ do not encourage inefficient entry where it would result in higher prices over time for end-use customers.

4.1 Our previous decisions for wholesale services provide a starting point

In our Final Report on prices for wholesale water and sewerage services (released in June 2017), we noted that our decisions on pricing approaches for wholesale services would provide the starting point for a scheme-specific review.¹²

Our current view is that if we were to undertake a scheme-specific review for:

- ▼ **On-selling services** (ie, those on-sold to end-use customers) in a scheme with a recycled water plant, **retail minus reasonably efficient competitor costs, plus net facilitation costs**¹³, is the most appropriate pricing approach.
 - We consider that this approach ensures a level playing field in competing for end-use customers, signals efficient investment and prevents service provision to wholesale customers at the expense of Sydney Water's/Hunter Water's existing customers.
- ▼ **Services not on-sold**, eg, potable top-up and disposal of waste from a recycled water plant¹⁴, the **non-residential retail price(s) plus net facilitation costs** is the most appropriate pricing approach¹⁵.
 - We consider that as the wholesale customer is not on-selling the wholesale service to end-use customers, but rather using it as an input in the production of

¹² For further information see our Final Report – IPART, *Prices for wholesale water and sewerage services – Sydney Water Corporation and Hunter Water Corporation – Final Report*, June 2017.

¹³ Net facilitation costs represent the sum of positive and negative facilitation costs (ie, facilitation costs less cost savings). A positive (negative) net facilitation cost would result in higher (lower) wholesale charges.

¹⁴ For example, where a wholesale customer that operates a recycled water plant and purchases drinking water to top up its recycled water plant, or discharges waste from the recycled water plant to Sydney Water's or Hunter Water's sewerage network, but does not on-sell sewerage services to end-use customers.

¹⁵ These prices are included in the 2016 retail price determinations for Sydney Water and Hunter Water. IPART, *Sydney Water Corporation: Maximum prices for water, sewerage, stormwater drainage and other services from 1 July 2016 – Determination*, June 2016; and IPART, Hunter Water Corporation: *Maximum prices for water, sewerage, stormwater drainage and other services from 1 July 2016 – Determination*, June 2016.

another product (recycled water), the wholesale customers are effectively the same as other non-residential customers.

However, we would consider views and information put forward by stakeholders in the scheme-specific review, as well as the matters listed in section 15 of the IPART Act.

In our June 2017 Final Report we recognised that wholesale customers may impose additional costs or cost savings on wholesale service providers beyond those reflected in retail-minus prices (for on-selling services) or non-residential retail prices (for potable top-up and, where there is no on-selling, disposal of waste from a recycled water plant). We refer to these as positive (costs) or negative (cost savings) **facilitation costs**.

In principle, we consider that prudent and efficient facilitation costs should be included in wholesale prices, where they are:

- ▼ additional to what the wholesale service provider would have otherwise incurred in the absence of servicing the wholesale customer, and
- ▼ not reflected elsewhere in the wholesale price or recovered via another charging or funding mechanism of the wholesale service provider.

We also consider that facilitation costs should:

- ▼ reflect the status of water and sewerage developer charges
- ▼ include positive (costs) and negative costs (cost savings), where appropriate
- ▼ exclude initial transaction costs, and
- ▼ exclude ongoing administration costs, except where they are material.

4.2 Other matters we would consider in undertaking a scheme-specific review

In undertaking a scheme-specific review, we would also consider all matters listed in section 15 of the IPART Act, as a scheme-specific price determination would be made in the same way as other price determinations made under section 11 of the IPART Act. Section 15 matters include:

- a) the cost of providing the services concerned
- b) the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standard of services
- c) the appropriate rate of return on public sector assets, including appropriate payment of dividends to the Government for the benefit of the people of New South Wales
- d) the effect on general price inflation over the medium term
- e) the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers and taxpayers
- f) the need to maintain ecologically sustainable development¹⁶ by appropriate pricing policies that take account of all the feasible options available to protect the environment

¹⁶ Within the meaning of section 6 of the *Protection of the Environment Administration Act 1991*.

- g) the impact on pricing policies of borrowing, capital and dividend requirements of the government agency concerned and, in particular, the impact of any need to renew or increase relevant assets
- h) the impact on pricing policies of any arrangements that the government agency concerned has entered into for the exercise of its functions by some other person or body
- i) the need to promote competition in the supply of the services concerned,
- j) considerations of demand management (including levels of demand) and least cost planning
- k) the social impact of the determinations and recommendations, and
- l) standards of quality, reliability and safety of the services concerned (whether those standards are specified by legislation, agreement or otherwise).

Scheme-specific reviews may be complex or simple, dependent on the scheme characteristics, information provided by the parties and the level of agreement reached prior to a review being undertaken. In undertaking a scheme-specific review we would also consider:

- ▼ any matters agreed between the parties (with a view to focusing on areas of disagreement)
- ▼ the extent to which both parties have provided the necessary information for the review
- ▼ the application of IPART's retail minus reasonably efficient competitor costs pricing approach for on-selling services at a scheme-specific level
- ▼ positive and negative facilitation costs (including the potential benefits of recycled water in terms of reducing costs for the wholesale service provider)
- ▼ the regulatory period to apply to the scheme-specific price determination
- ▼ the need to ensure there is no double-counting between facilitation costs and other components of the wholesale charge (eg, the retail-minus element)
- ▼ the management of any information indicated as confidential, and
- ▼ any other matter the Tribunal considers relevant to the review.

4.3 To decide on length of determination we will consider several factors

The length of the period for which a scheme-specific determination would apply would be decided by IPART as part of each scheme-specific review; taking into account the views and information provided by stakeholders in each review.

In deciding on the length of the determination period, we would consider a range of matters, including:

- ▼ the confidence we can place in the cost forecasts
- ▼ the risk of significant changes to the scheme
- ▼ the need for price flexibility and incentives to increase efficiency and encourage efficient entry, and

-
- ▼ the need for regulatory certainty and financial stability.

4.4 We will not use true-ups, interim prices or back-date determinations

In undertaking a scheme-specific review, we would not apply a true-up mechanism or set an interim price.

Because of this, an IPART-determined price will only apply from the commencement of supply of the wholesale service to a wholesale customer if the scheme-specific review process is completed before supply of the service has commenced.

If the scheme-specific review process is not completed before supply of the wholesale service commences, and the wholesale service supplied is not covered by IPART's prevailing wholesale or retail price determinations, the wholesale customer and wholesale service provider would be required to reach a temporary pricing agreement.

5 What to do prior to making a request for a scheme-specific review

Prior to a scheme-specific review, we would expect both parties to negotiate (in good faith) and seek to reach agreement.

At a minimum, this negotiation process would allow both parties to commence a scheme-specific review with a common understanding of the key areas that remain outstanding. This would allow the review to be as targeted and streamlined as possible, which may reduce the time and information requirements, to the benefit of all parties. This negotiation process should also ensure that both parties are well equipped to respond to IPART's information requests during the review. Given the four month timeline for a review, it will be essential for all parties to provide information in a timely manner and as early as possible in the review process.

This guideline, as well as our June 2017 Final Report and the accompanying system-wide price Determinations can help inform negotiations between wholesale customers and wholesale service providers.^{17, 18}

It may also be appropriate to consider alternative mechanisms to resolve areas of disagreement that may better facilitate agreement between parties than a scheme-specific review, such as mediation.

We would also expect the party requesting the review to provide their best available information to IPART in completing the scheme-specific review request form.

Table 5.1 provides a checklist of activities that should be completed prior to making a request for a scheme-specific review.

¹⁷ For further information see our Final Report – IPART, *Prices for wholesale water and sewerage services – Sydney Water Corporation and Hunter Water Corporation – Final Report*, June 2017– available on our website: <https://www.ipart.nsw.gov.au/Home>.

¹⁸ For further information see our Determinations – IPART, *Sydney Water Corporation – Maximum prices for wholesale water, sewerage and trade waste services from 1 January 2018 (excluding services supplied to recycled water systems)*, 2017; IPART, *Hunter Water Corporation – Maximum prices for wholesale water, sewerage and trade waste services from 1 January 2018 (excluding services supplied to recycled water systems)*, 2017 – available on our website: <https://www.ipart.nsw.gov.au/Home>.

Table 5.1 Pre-scheme-specific review request checklist

Activity	Completed
Both parties to negotiate (in good faith) and seek to reach agreement on price. ▼ Use this guideline, and/or our June 2017 Final Report and the accompanying system-wide price Determinations to help inform negotiations.	<input type="checkbox"/>
Identify areas of agreement and areas of disagreement.	<input type="checkbox"/>
Consider alternative mechanisms to resolve areas of disagreement that may better facilitate agreement between parties, such as mediation.	<input type="checkbox"/>
Complete scheme-specific review request form using best available information. ▼ Request form available on our website: https://www.ipart.nsw.gov.au/Home .	<input type="checkbox"/>

6 How to make a request for a scheme-specific review

To make a request for a scheme-specific review, complete the pre-scheme-specific review request checklist (see Table 5.1), including a scheme-specific review request form.

The scheme-specific review request form is available on our website: <https://www.ipart.nsw.gov.au/Home>.

The request form contains instructions for completing the form, and five sections for the requesting party to complete:

1. **Contact information.**
2. **General information** – including details of the party making the request, the wholesale service(s) for which a scheme-specific review is sought, reasons for the request and outcomes of attempted negotiation with the other party.
3. **Cost and supporting information** – including details about infrastructure and operating costs, any facilitation costs, any proposed prices and relevant supporting information.
4. **Deed of Undertaking as to Confidentiality.**
5. **Quality assurance and Chief Executive Officer’s declaration.**

Once completed, submit an **electronic version** of the request form to IPART. Table 6.1 outlines available options for submitting a completed request form to IPART. Further information on submitting a completed request form is outlined in the request form itself.

Table 6.1 Options for submitting a completed scheme-specific review request form

Via email	Via post	In person
Attention: Water Pricing Independent Pricing and Regulatory Tribunal water@ipart.nsw.gov.au	Attention: Water Pricing Independent Pricing and Regulatory Tribunal PO Box K35 Haymarket Post Shop NSW 1230	Attention: Water Pricing Independent Pricing and Regulatory Tribunal Level 15 2-24 Rawson Place Sydney NSW 2000

7 Information we will require to undertake a scheme-specific review

In undertaking a scheme-specific review, IPART will likely require a number of different types of information from both the wholesale customer and wholesale service provider, irrespective of who requested the review.

Table 7.1 provides a checklist to help wholesale customers and wholesale service providers comprehensively complete a scheme-specific review request form and respond to information requests throughout a scheme-specific review.

Table 7.1 Information requirements checklist

Information requirement	Required from	Provided
Details of parties involved.	Requesting party	<input type="checkbox"/>
Description/characteristics of the wholesale service(s) and any existing arrangements for the supply of the services concerned, and the prices currently charged for them (to the extent that there are any).	Requesting party and wholesale service provider (if not requesting party)	<input type="checkbox"/>
Reason(s) for scheme-specific review request.	Requesting party	<input type="checkbox"/>
Negotiation activities undertaken between parties and outcomes of negotiation (ie, areas of agreement/disagreement resulting from negotiation).	Requesting party	<input type="checkbox"/>
Infrastructure and operating requirements to provide end-users with retail services from the wholesale service provided, including relevant schematics.	Wholesale customer	<input type="checkbox"/>
Any facilitation costs the wholesale service provider would incur in supplying the wholesale services concerned, considering both positive (costs) and negative (cost savings or avoided costs) facilitation costs.	Wholesale customer and/or wholesale service provider	<input type="checkbox"/>
Wholesale service provider's relevant growth plans.	Wholesale service provider	<input type="checkbox"/>
Proposed prices and the rationale and key assumptions behind them, including how the other party's input has been considered, and arrangements to transition from the existing to proposed prices (if applicable).	Wholesale customer and/or wholesale service provider	<input type="checkbox"/>
Proposed length of the determination.	Wholesale customer and/or wholesale service provider	<input type="checkbox"/>

Note: Additional information requirements may be necessary during a scheme-specific review (as determined by IPART).

8 How confidential information will be managed

Where a submission¹⁹ from a wholesale customer or wholesale service provider contains confidential information, IPART would not publish this information and would otherwise keep that information confidential.

IPART uses open public processes to undertake price reviews and invites submissions from the public as part of the price review process. Unless confidentiality is claimed, we will treat information contained in scheme-specific review request forms, and any accompanying documentation or subsequent submission as public documents. We will publish these documents on our website and distribute them to interested parties as appropriate.

Where a stakeholder or a party to a scheme-specific review identifies confidential information in a submission to IPART, IPART will consider the claim of confidentiality and whether it is appropriate to redact or remove the information from public documents.

We may share information identified as confidential with our consultants, but will do so on a confidential basis.

The scheme-specific request form also includes a Deed of Undertaking as to Confidentiality which requires that in the event that one party is provided with confidential information provided by the other party, that the information will:

- ▼ be kept confidential
- ▼ only be used for the purpose of the scheme-specific review
- ▼ not be provided to any other party without consent.

If IPART accepts a scheme-specific review request, a similar Deed will be provided to the non-requesting party for signing.

Third parties may apply under the IPART Act and also generally under the *Government Information (Public Access) Act 2009* for access to request forms, accompanying documentation and submissions, including those that contain confidential information. If we receive such an application, we will determine whether disclosure is required in accordance with those Acts.

Where a request form includes personal information, IPART will deal with that information in accordance with the information protection principles set out in the *Privacy and Personal Information Protection Act 1998*.

Further information on submitting confidential information in response to the scheme-specific review request form is outlined in the request form itself.

¹⁹ A submission could be in the form of a scheme-specific review request form, a submission to a draft report, or any other information provided to IPART during the course of a scheme-specific review.