

IPART ANNOUNCES FINAL WATER AND SEWERAGE PRICES FOR BROKEN HILL

Embargoed until 10 am 10 June 2010

Sydney: June 10 2010: The Independent Pricing and Regulatory Tribunal (IPART) today released its final determination for water and sewerage prices to apply from July 1 2010 until June 30, 2013.

Under the determination, water and sewerage bills for residential customers who receive treated water will increase from the current \$931 to:

- ▼ \$1,033.64 in 2010/11 or by \$1.97 a week
- ▼ \$1,112.34 in 2011/12 or by a further \$1.51 per week, plus inflation
- ▼ and to \$1,192.27 in 2012/13 or by a further \$1.54 a week, plus inflation.

These increases are marginally lower than in the draft determination. These figures are for customers who use an average amount of 300 kL of water per annum.

The water and sewerage bills for pensioner customers will increase from the current \$756.00 to:

- ▼ \$853.92 in 2010/11 or by \$1.88 a week
- ▼ \$932.61 in 2011/12 or by a further \$1.51 a week, plus inflation
- ▼ \$1,012.55 in 2012/13 or by a further \$1.54 a week, plus inflation.

Pensioner bills will continue to be offset by the NSW Government's pensioner rebate scheme.

Acting IPART Chairman and CEO Mr. Jim Cox said: "Prices will increase, but not as much as Country Energy requested. The Tribunal has to balance the interests of residential and business customers with the financial viability of Country Energy".

"We are phasing higher prices in over three years to reduce the impacts of higher prices on water and sewerage customers. Country Energy will earn a fully commercial return on its assets by the third year of the determination."

Mr. Cox said a large capital expenditure program has been undertaken recently. The construction of the Mica Street Water Treatment Plant required a large capital injection. Over the forthcoming determination period Country Energy are planning to refurbish the Umberumberka Dam and replace various sections of the Menindee to Broken Hill pipeline. Major planned expenditure for the sewerage system includes replacing the Wills Wastewater Treatment Plant.

"The NSW Government should review current pensioner rebates and change the way they are calculated to ensure they keep up with rising water and sewerage bills," said Mr. Cox.

Residential customers who receive chlorinated water will have price increases of \$29.84 or 57 cents a week in 2010/11; \$16.85 or a further 32 cents a week in 2011/12; and \$16.99 or a further 33 cents a week in 2012/13.

Bills for business and industrial customers who use an average of 1,000 kLs per annum of water will increase by 8.8% to \$4,619.77 in 2010/11 and by an average of 5.7% plus inflation in the two subsequent years.

The Tribunal also determined the following;

- ▼ Service charges for properties with a 20 mm meter will increase from \$219.00 in 2009/10 to \$241.58 in 2012/13.
- ▼ Usage charges for Tier 1 treated water will increase from \$1.05 a kL to \$1.59 a kL in 2012/13.
- ▼ Usage charges for Tier 2 treated water will increase from \$2.36 a kL in 2009/10 to \$2.67 a kL in 2012/13.
- ▼ Usage charges for Tier 1 chlorinated water will increase from 89 cents a kL in 2009/10 to \$1.03 a kL in 2012/13.
- ▼ Usage charges for Tier 2 chlorinated water will fall from \$2.24 a kL in 2009/10 to \$1.75 a kL in 2012/13.
- ▼ Usage charges for Tier 1 untreated pipeline water will increase slightly from 67 cents a kL in 2009/10 to 69 cents a kL for the 3 years.
- ▼ Usage charges for Tier 2 untreated pipeline water will fall from \$1.17 a kL in 2009/10 to \$1.03 cents a kL in 2012/13.¹

Sewerage charges for 20 mm meters in residential homes will increase by around 8% to \$428.45 in 2010/11 and around 5% plus inflation in the two subsequent years.

Sewerage service charges for business and industrial customers with a 20 mm meter will increase by around 10% to \$590.10 in 2010/11. They will then increase by around 7% in the 2 subsequent years.

The final determination is available on IPART's website <http://www.ipart.nsw.gov.au>.

Alternately, a copy can be obtained from Emma Smith 02 9290 8472.

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¹ All prices from 2010/11 are in dollars of 2010/11 and will be progressively adjusted each year by the movement in the consumer price index.

Prices and price increases for Country Energy's water and sewerage services under IPART's determination

		2009/10 (Current prices)	2010/11 (\$2010/11)	2011/12 (\$2010/11)	2012/13 (\$2010/11)
Water services					
Service charge for 20mm meter	\$/year	219.00	230.34	235.89	241.58
% increase			5.2%	2.4%	2.4%
Usage charge					
Treated water					
Tier 1	\$/kL	1.05	1.25	1.42	1.59
% increase			19.0%	13.7%	12.0%
Tier 2	\$/kL	2.36	2.51	2.59	2.67
% increase			6.4%	3.3%	3.2%
Chlorinated water					
Tier 1	\$/kL	0.89	0.95	0.99	1.03
% increase			6.7%	4.0%	3.8%
Tier 2	\$/kL	2.24	2.12	1.93	1.75
% increase			-5.6%	-8.7%	-9.6%
Untreated water (non-residential)	\$/kL	1.36	1.40	1.40	1.40
% increase			2.9%	0.0%	0.0%
Untreated water (Pipeline)					
Tier 1	\$/kL	0.67	0.69	0.69	0.69
% increase			3.0%	0.0%	0.0%
Tier 2	\$/kL	1.17	1.14	1.09	1.03
% increase			-2.6%	-5.1%	-5.4%
Sewerage services					
Service charge for 20mm meter					
Residential	\$/year	397.00	428.45	450.24	473.13
% increase			7.9%	5.1%	5.1%
Non-residential	\$/year	537.00	590.10	631.41	675.61
% increase			9.9%	7.0%	7.0%
Usage charge					
Non-residential	\$/kL	0.95	1.03	1.08	1.13
% increase			8.4%	5.1%	5.1%

Comparison of existing and future annual water and sewerage bills for residential customers supplied with treated water (\$2010/11)

	2009/10 (current prices)	2010/11 (\$2010/11)	2011/12 (\$2010/11)	2012/13 (\$2010/11)	Total increase
Annual water consumption					
100 kLs	\$721.00	\$783.74	\$828.20	\$873.90	\$152.90
- increase		\$62.74	\$44.46	\$45.70	
200 kLs	\$826.00	\$908.69	\$970.27	\$1,033.09	\$207.09
- increase		\$82.69	\$61.58	\$62.82	
250 kLs	\$878.50	\$971.17	\$1,041.30	\$1,112.68	\$234.18
- increase		\$92.67	\$70.13	\$71.38	
300 kLs	\$931.00	\$1,033.64	\$1,112.34	\$1,192.27	\$261.27
- increase		\$102.64	\$78.69	\$79.93	
400 kLs	\$1,036.00	\$1,158.60	\$1,254.40	\$1,351.46	\$315.46
- increase		\$122.60	\$95.81	\$97.05	
500 kLs	\$1,189.96	\$1,330.50	\$1,440.10	\$1,550.94	\$360.98
- increase		\$140.54	\$109.60	\$110.84	
750 kLs	\$1,779.96	\$1,956.97	\$2,087.11	\$2,218.49	\$438.53
- increase		\$177.01	\$130.14	\$131.38	
1500 kLs	\$3,549.96	\$3,836.38	\$4,028.14	\$4,221.14	\$671.18
- increase		\$286.42	\$191.76	\$193.00	