

SYDNEY DESALINATION PLANT PRICING REVIEW

29 AUGUST 2016

The Independent Pricing and Regulatory Tribunal (IPART) is reviewing the charges associated with the Sydney Desalination Plant (SDP) for the first time since 2011.

The desalination plant at Kurnell provides an additional source of drinking water for residents of greater Sydney when dam levels are low. No drinking water has been supplied from the plant since 2012.

IPART today released an Issues Paper providing details of the review. IPART Chairman, Dr Peter Boxall, said the Issues Paper highlights key issues for comment from stakeholders, and invites submissions from the public and other stakeholders.

“In the Issues Paper, we propose refining the price structures to enable greater pricing and operating flexibility to promote the efficient use of the plant,” Dr Boxall said.

Prices set by IPART in this review will apply from 1 July 2017. In determining prices, IPART will assess whether SDP’s planned spending is efficient given the plant’s operating environment, as outlined in the Government’s Metropolitan Water Plan. IPART must also comply with a range of pricing principles set out in the Terms of Reference issued by the NSW Government.

Concurrent with this review, IPART is also reviewing its 2012 Methodology Paper for the energy and efficiency adjustment mechanisms that apply to SDP. More information on this is available on IPART’s website and in the Issues Paper.

Feedback on the Issues Paper is being sought from stakeholders and the public by 11 November 2016. SDP will submit a pricing proposal in response to IPART’s Issues Paper by 24 October 2016, which will be placed on IPART’s website for stakeholder and public comment.

Copies of the Issues Paper are available on IPART’s website <<http://www.ipart.nsw.gov.au>>.

Media Contact: Julie Sheather 02 9290 8403 or 0409 514 643

Timetable for SDP 2017 reviews

Milestone	Timeframe
SDP’s submission due on the Issues Paper	24 October 2016
Public submissions due on Issues Paper and SDP’s submission	11 November 2016
Public hearing	8 December 2016
IPART releases Draft Determination and Draft Report	March 2017
IPART releases Draft Methodology Paper	March 2017
Submissions to Draft Determination and Draft Report and Draft Methodology Paper	April 2017
IPART releases Determination and Final Report	June 2017
IPART releases Final Methodology Paper	June 2017
New prices take effect	1 July 2017