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23rd April 2019

Matthew Edgerton
Executive Director
Water and Local Government
IPART New South Wales
PO Box K35
Haymarket Post Shop NSW 1240

Dear Mr Edgerton,

CBH Resources Ltd Response to Essential Water 2019 Draft Determination – Charges for Mining Customers

I write to provide you with a formal submission of response from CBH Resources Ltd (CBH) to Essential Water's 2019 Draft Determination, as per letter dated 3rd April 2019.

[REDACTED]. This is a significant operating cost for our business. As per the draft determination we are to expect an increase of 20% on the service charge, in additional to the yearly CPI.

As indicated in your letter, the key driver for this increase is the water restrictions implemented by Essential Water which has decreased revenue from non-mining customers. As a company we have also been implementing processes in order to maintain our water usage. The new service charges have a negative impact on the fixed / variable ratio further limiting the effect of any water savings. The company's view is that we should not be penalised for Essential Water implementing water restrictions.

CBH is accepting of the yearly CPI but have serious concerns in regards to the increase of the fixed service charge.

Please do not hesitate to call me if you wish to discuss any aspect of this submission.

Yours sincerely,

[REDACTED]

Peter Waterhouse
Acting General Manager
Broken Hill Operations Pty Ltd (Rasp Mine)
CBH Resources Ltd