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Our Ref: HW 2011-1081/3

Mr Hugo Harmstorf  
Chief Executive Officer  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

Dear Mr Harmstorf

## **DISCHARGE FACTORS FOR NON RESIDENTIAL CUSTOMERS**

Hunter Water welcomes the opportunity to comment on IPART's draft report on 'Discharge factors for non-residential customers', as published in September 2014.

Hunter Water supports IPART's assessment and recommendations as outlined in the draft report. We agree that there are limited benefits to moving towards a standardised utility-wide list of discharge factors. The costs associated with maintaining and updating such a list are likely to outweigh any benefits of a centralised system.

Hunter Water's current approach of setting discharge factors at the mid-point of five property-type bands has sharply reduced the number of queries and complaints about sewerage bills by non-residential customers. This is first-hand evidence that the current system is working effectively.

The draft report recognises that there are two important checks and balances in the existing process for calculating discharge factors – IPART's four-yearly price review process and the option for customers to seek an individual assessment of their discharge factor.

Hunter Water currently publishes a complete list of sewer charges on its website, including fixed and usage charge components for non-residential customers as well as details of the five property categories for the sewer discharge bands. The website provides a description of how customer bills are calculated based on these charges and categories.

Hunter Water accepts that it can do more to make customers aware of the process for an individual assessment of a customer-specific discharge factor within a band. While the Hunter Water website makes reference to a separate sewer discharge factor category where customers have provided evidence of discharge flows, we do not currently publish detailed information on how customers can initiate and provide input to a review. Hunter Water agrees with IPART that it should communicate more clearly the process, cost and information required for customers to seek such an assessment.

Hunter Water supports IPART's draft recommendations regarding the 'transparency' of sewerage discharge factors for non-residential customers. Hunter Water will implement arrangements to give effect to these measures.

Yours sincerely

**Fiona Cushing**  
CHIEF FINANCE OFFICER