



Hunter Water Corporation
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Office of the Managing Director

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Our Ref: HW 2006-722/43/45

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

Dear Mr Harmstorf

CATHERINE HILL BAY WATER UTILITY'S RETAIL SUPPLIER LICENCE APPLICATION

Hunter Water refers to the retail supplier licence application made by Solo Water Pty Ltd for the Catherine Hill Bay Water Utility Scheme to the Independent Pricing and Regulatory Tribunal.

As noted in Hunter Water's submission to the Catherine Hill Bay Water Utility's network operator licence application, Hunter Water supports greater levels of competition in the lower Hunter region for the provision of water, wastewater and recycled water services. Hunter Water has actively worked with developers and potential network operators and retailers, including Solo Water, and will continue to work constructively to facilitate competitive approaches to service delivery within Hunter Water's area of operations.

Hunter Water notes that the *Water Industry Competition Act (NSW) 2006* currently allows for the nomination of a Retailer of Last Resort. To date, Hunter Water has not held any discussions with Solo Water in regard to the Retailer of Last Resort provisions. As stated previously, it is Hunter Water's view that appointment of a retailer or operator of last resort should not burden the appointee's customer base should such a provision be enacted.

Should you wish to discuss any aspect of Hunter Water's correspondence, please feel free to contact Nicole Holmes, Manager Corporate Strategy and Regulation on (02) 4979 9530.

Yours sincerely

KIM WOOD
Managing Director