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SUBMISSION TO IPART: PRICING STRUCTURE DETERMINATION FOR HUNTER WATER

DRAINAGE LEVY

After receiving the new pricing for DRAINAGE on my account in 2014 with Hunter Water I sent an untimely email to IPART objecting to the drainage charge paid by the 70,000 odd customers who are in the declared drainage area as declared by order of Governor pertaining to HUNTER WATER ACT 1991 – SECT 46, the charges are to maintain 94.3 kilometres of concrete drainage network with a life span of 100 to 150 years built in the 1940's to which I received a reply from ██████████ an Analyst within your organisation. I found his reply wanting, he stated 'Hunter Water supplies IPART with the costs of maintaining its stormwater network and we then employ expert consultants to check if the costs are reasonable (ie sufficient). The costs are at a high level (ie, for the whole area covered by Hunter Water) and are not broken down for example into suburbs or streets. We divide the high- level costs by the number of customers who receive a stormwater service to arrive at a price per customer...'

The declared drainage area must be broken down into streets and suburbs surrounding the network and according to HUNTER WATER'S CUSTOMER CONTRACT page 4...3.3 Maps are available from us for inspection to assist in determining whether your land is within a declared stormwater drainage area.

Your very own report states by said consultants on page 127. 11.1 'stormwater charges could be reduced even further as they **over-recover** costs by about \$3.7 million'. Then page 48 Table 4.2 notional revenue requirement...

Stormwater drainage (\$millions, 2014/15)

Operating expenditure 1.2

Depreciation (regulatory) 0.5

Return on assets 1.7

Notional revenue req **3.4**

Where the actual expenditure by Hunter Water has been as low as \$0.4 million per annum to maintain the network.

I believe that IPART should responsibly determine an appropriate charge for Hunter Water Drainage levy to reflect customer expectations and affordability to the ever growing number of customers/properties in the declared drainage area of say \$15 per annum or \$5 per accounting period.

CHERYL A'DISON

(I viewed Sydney Water's reports regarding their drainage levy paid by 525,000 customers to maintain 442 kilometres of stormwater network you allowed them \$52 million where Sydney Water only spent \$14 on maintaining the drains which equates to \$38 million **over-recovery** per annum....pin money for the utility, The Premier and The Treasure of NSW!)