

F2004/006782

15 October 2013

Ms Pamela Soon
Acting Chief Executive Officer
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Ms Soon

**LICENCE APPLICATION UNDER THE WATER INDUSTRY COMPETITION ACT 2006 (NSW)
CATHERINE HILL BAY WATER UTILITY PTY LTD**

Thank you for your letter dated 9 September 2013 inviting comment on the network operator's licence application submitted by Catherine Hill Bay Water Utility Pty Ltd (CHBWU) for connection to the Wyong Shire Council (WSC) potable water system and supply of water to Catherine Hill Bay. We have reviewed the licence application and supporting documents and have a number of comments, as outlined in this letter.

Firstly we confirm that potable water from the WSC system is available to service the development. The applicant was advised at a meeting in February 2013 that supply could be provided from the existing main in Kanangra Drive. A subsequent letter was issued confirming the ability to supply water from a connection point to be determined at a later date. A copy of that letter has been included in Appendix 4.1.6 of the licence application. That meeting and letter represents the full extent of consultation undertaken with WSC during the preparation of CHBWU's proposed servicing strategy and licence application. Unfortunately CHBWU's licence application contains a number of statements that have not been discussed with or agreed by WSC and do not represent the position of WSC. In particular:

- WSC has not agreed and does not intend to enter into a "bulk supply agreement" with CHBWU. Water will be provided at the regulated fees and charges as is the case for all of WSC's customers, including our large commercial and industrial customers. In addition water supply contributions will be applicable, in accordance with WSC's regulated Developer Servicing Plans;
- Water will be provided under the same terms and conditions as provided to all other customers. Guarantees of flow, pressure or water quality will not be provided specifically for CHBWU. It is noted that Kanangra Reservoir is at the end of the WSC system and it will be the responsibility of CHBWU to ensure an appropriate chlorine residual is provided at their customer's taps;
- CHBWU's proposal to site a booster pumping station at Kanangra Reservoir has not been discussed with WSC. If WSC does agree to allow the pumping station to be sited at the reservoir an easement will not be provided as stated by CHBWU. Instead an area would be leased on a commercial basis as is currently the case for all other users of WSC's reservoir sites;



- CHBWU states that, in the event of extended power failure, water will be able to drawn by tanker from Kanangra Reservoir, which has 24 hour access. This is not correct as CHBWU will not have direct access to Kanangra Reservoir at all. In the event that WSC does consent to the pumping station being located at the reservoir site, CHBWU will have 24 hour access to the leased are only and not to the reservoir itself. Any water extracted from WSC's system by tanker will need to drawn from a designated tanker filling point by a water carter licenced with WSC.

Yours sincerely



Greg Cashin

Commercial Manager Water and Sewer