

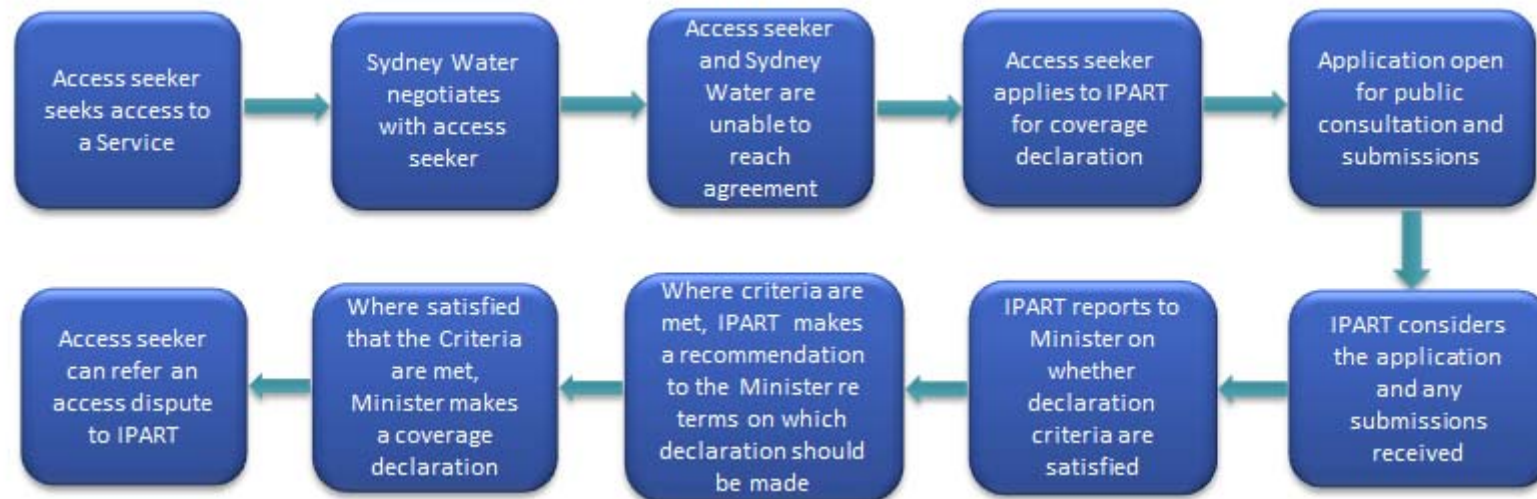
Water network access undertaking

Services – Standard and Non Standard

April 2012

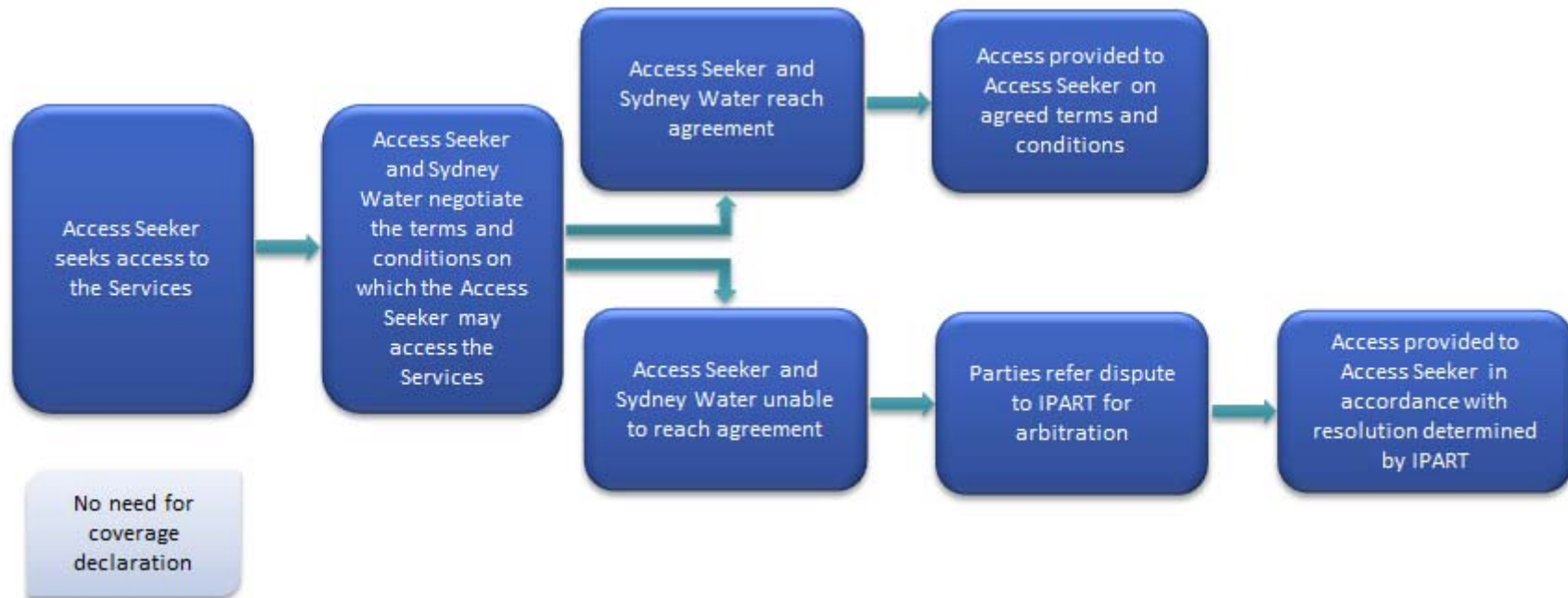
Current position

Currently an Access Seeker must seek a coverage declaration of Sydney Water's infrastructure under the WICA



Proposed position

Access Undertaking provides a simpler and more effective means for Access Seekers to access the Services



Proposed framework

- Based on the WICA definition of “infrastructure services”, the Undertaking covers three services:
 - water transport,
 - interconnection and
 - off-take
- Access seekers entitled to negotiate access to each of the three services under the undertaking
- If agreement cannot be reached during negotiation, an access seeker may refer a dispute under the undertaking

Services

Water transport in the network

- From existing interconnection points to end users, known transfer capacities, operational rules already in place

Interconnection to the network

- Unknown point of physical interconnection and capacity requirements, operational rules would need to be negotiated

Off-take from the network

- Unknown point of off-take and capacity requirements, operational rules would need to be negotiated

Standard service

- Water transport is considered to be the primary (standard) service that will be required for the duration of the undertaking
- Detailed standard terms and conditions applicable to the 'water transport service' have been prepared
- The standard terms apply to existing interconnection and off-take points

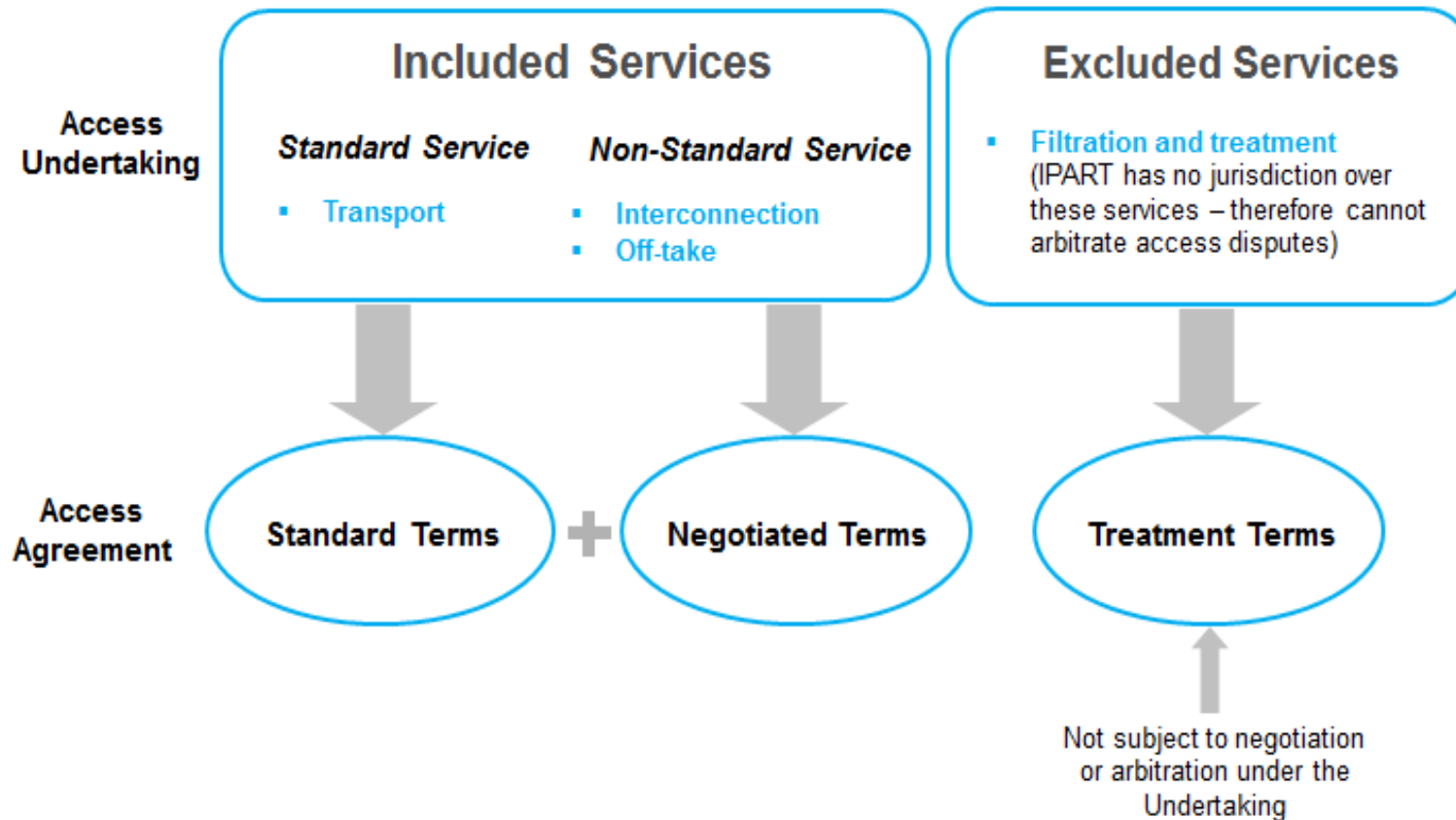
Non-standard services

- Interconnection and off-take are considered unlikely to be required frequently for the duration of the undertaking
- Therefore, considered to be non-standard services
- No detailed standard terms and conditions have been prepared for these services - service requests likely to be bespoke therefore difficult to prepare standard terms in the absence of particular applications
- However, such terms can be negotiated to the extent these services are requested by an access seeker
- Negotiation process under the undertaking applies
- Access seeker may refer a dispute to arbitration under the undertaking

Treatment services

- Treatment services are not covered by the undertaking
- Specifically excluded by the WICA definition of “infrastructure service”
- Exception does not apply – not considered to be an inseparable aspect
- However, an access seeker seeking a water transport service can request treatment services from SWC and terms can be negotiated in a separate access agreement
- **BUT** negotiation and arbitration processes under the undertaking will not apply

Summary





Questions?