



Submission to the Independent Regulatory and Pricing Tribunal

IPART Annual Review of WaterNSW Rural Bulk Water Prices

1 July 2018 to 30 June 2019



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1. Introduction

This document is WaterNSW's application to the Independent Regulatory and Pricing Tribunal (IPART) for an Annual Review of WaterNSW's Rural Bulk Water Prices from 1 July 2018 to 30 June 2019.

Rule 34 of the *Water Charge (Infrastructure Rules) 2010 (Cth)* (the Rules) requires WaterNSW to submit to the Regulator for approval or determination of its regulated charges in respect of the second year and each subsequent year of the regulatory period.

IPART is the relevant regulator for WaterNSW's bulk water customers in the NSW Murray Darling Basin Valleys. IPART was accredited under Part 9 of the Rules in 2016 to determine or approve pricing applications for MDB large bulk water providers, and made the "WaterNSW, Prices for rural bulk water services from 1 July 2017, June 2021" (Determination) for the period 2017-2021.

This application, together with the attached information spreadsheets, complies with the form and content requirements in Rule 34 (2) and includes:

- WaterNSW's forecast of demand for, or consumption of, infrastructure services for the year 2018-19;
- WaterNSW's estimate of demand or consumption during 2017-18;
- information on how the forecast and estimate were calculated; and
- updated regulated charges for 2018-19.

Upon receipt of the application IPART must, within 3 months, approve or determine the regulated charges in respect of the year to which the application relates. However, IPART must not approve the regulated charges specified in WaterNSW's application except to the extent, if any, that it is reasonably necessary to make variations to those charges having regard to:

- changes in demand or consumption forecasts; and
- price stability.

In its Final Report on the 2017-2021 Determination, IPART said that it intended to apply the same annual review process for the 2017-21 regulatory period, as previously used by the ACCC during the 2014-2017 regulatory period, except that IPART would no longer update prices to reflect the balance of the 'Under and Overs Mechanism'. The formulas which IPART intended to apply for the upcoming annual reviews were presented in Appendix C Box C.1 to Box C.3 of the Final Report and involved updating prices for the second and subsequent years of the 2017-21 regulatory period for the following:

- expected number of entitlements issued for the valley in the relevant year (for updating the fixed entitlement charges); and
- expected water usage for the valley in that year based on the 20- year rolling average of past water usage (for updating usage charges)

The annual reviews do not alter the revenue requirement to be recovered from customers, other than for the effects of inflation.

This application is structured under the following headings for each requirement specified in the Rules for an annual review application:

- WaterNSW's forecast of demand for, or consumption of, bulk water infrastructure services for the year 2018-19, including information on how the forecasts were calculated;
- WaterNSW's estimate of demand or consumption during 2017-18, including information on how the estimates were calculated;
- updated regulated charges for 2018-19 in accordance with the formula set out in Appendix C of the IPART Final Report on the 2017-21 Determination; and
- the extent to which it is reasonably necessary to vary the 2018-19 regulated charges for 2018-19.

This application, and the annual review process, does not extend to WaterNSW's regulated charges in the NSW Coastal Valleys and urban water supply customers in the Fish River Scheme (i.e. Lithgow and Oberon Council). These charges were determined by IPART under the *Independent Pricing and Regulatory Tribunal Act 1992 (NSW)*. According to the Determination, WaterNSW is required, in each year of the 2017-21 regulatory period, to escalate the value of its Coastal Valley and Fish River urban supply charges using the March to March Customer Price Index (CPI) factor notified by IPART.

2. WaterNSW's forecast of demand for, or consumption of, infrastructure services for the year 2018-19

WaterNSW has compiled a forecast of demand for, or consumption of, bulk water supply services for the year 2018-19, for each of the NSW Murray Darling Basin (MDB) Valleys, including water sales volumes (using the 20 year rolling average of annual historical usage volumes) and the number of entitlements.

2.1 Water sales volumes

Water sales volumes are an input into the calculation of the usage charge. The usage charge is determined by dividing the variable revenue requirement by a forecast of water sales volumes for the relevant year, which is based on the 20 year rolling average of annual historical usage volumes. If the 20 year rolling average is in line with its actual water sales, then WaterNSW successfully recovers its variable revenue requirement.

In WaterNSW's 2017-2021 Pricing Proposal, WaterNSW submitted that the forecast of water sales and usage charges should be set using a 20-year rolling average of annual historical usage volumes to forecast annual usage volumes for the 2017-2021 regulatory period. WaterNSW proposed that the rolling average would be updated each year, with a 2 year lag from the year to which the forecast relates.¹ This approach was applied by IPART in setting the 2017-18 usage charges.

¹ Usage volumes include any trade volumes involving buyers who do not hold a NSW works approval (e.g. trade volumes to buyers outside of NSW). WaterNSW is unable to source the historical actual trade volumes for the Murray and Murrumbidgee valleys before 2005. Consistent with the ACCC 2015-16 Annual Review of Regulated Charges, WaterNSW proposes to make an adjustment to the historical usage volumes before 2005, by adding onto the historical usage an average of known interstate trade volumes outside of NSW. This is considered a reasonable proxy/estimate of the potential trade volumes in the Murray and Murrumbidgee valley prior to 2005.

In this application, WaterNSW has supplied the inputs and calculations to allow IPART to update the 20 year rolling average of annual historical usage volumes to forecast annual usage volumes for 2018-19. The updated rolling average has been calculated by taking a historical average of actual water sales from 1997-98 to 2016-17 (i.e. with a 2 year lag from 2018-19).

The updated 20 year rolling average of annual historical usage volumes are shown below for each MDB valley and the Fish River Scheme.

Table 1: 2018-19 Water Sales forecast by MDB Rural Valley (MLs)

Valley (MLs)	Current Rolling Average for 2017-18	Current Rolling Average for 2018-19	Variance
Border	148,174	151,299	2%
Gwydir	262,135	259,040	-1%
Namoi	164,799	165,531	0%
Peel	11,496	11,732	2%
Lachlan	206,001	194,539	-6%
Macquarie	259,099	253,261	-2%
Murray	1,557,396	1,521,877	-2%
Murrumbidgee	1,736,133	1,694,482	-2%
Total	4,345,232	4,251,761	-2%

Table 2: 2018-19 water sales forecast by Fish River customer (MLs)

Fish River (MLs)	Current Rolling Average for 2017-18	Updated Rolling Average for 2018-19	Variance %
EnergyAustralia	1,541	1,541	0%
Minor Customers - Raw Water	50	50	0%
Minor Customers - Filtered Water	116	110	-5%
Total	1,707	1,701	0%

In the Determination, IPART approved a fixed charge per entitlement volume in the Lowbidgee, which is levied irrespective of water usage. As water sales are not an input into the calculation of the Lowbidgee water charges, WaterNSW has excluded in its application a forecast of water sales volumes in the Lowbidgee.

2.2 Entitlement volumes

Entitlement volumes are an input into the calculation of the High Security (HS) and General Security (GS) fixed charges. The GS fixed charge is determined by dividing the fixed revenue requirement for GS customers by a forecast of GS entitlement volumes. Similarly, the HS fixed charge is determined by dividing the fixed revenue for HS customers by a forecast of HS entitlement volumes.

In this application, WaterNSW has supplied the inputs and calculations for IPART to vary the fixed charges, by using the entitlement volumes sourced from its Water Accounting System, which are current as of February 2018, being the latest entitlement volumes available at the time of this application. WaterNSW's forecasts of entitlement volumes for 2018-19 are shown below against the 2015-16 actual entitlement volumes, which were used by IPART to set the fixed charges. It should be noted that the entitlement volumes are relatively steady year on year and are to be differentiated from allocation volumes.

Table 3 2018-19 Entitlement volumes forecast by MDB Rural Valley (MLs)

Valley (MLs)	Determination GS Entitlements	2018-19 GS Entitlements	Variance (%)	Determination HS Entitlements	2018-19 HS Entitlements	Variance (%)
Border	263,238	263,281	0%	3,121	3,141	1%
Gwydir	509,665	509,665	0%	26,920	26,920	0%
Namoi	256,212	256,529	0%	8,866	8,866	0%
Peel	30,428	29,635	-3%	17,367	17,367	0%
Lachlan	633,166	633,166	0%	57,304	57,302	0%
Macquarie	632,466	632,466	0%	42,712	42,688	0%
Murray	2,083,271	2,083,271	0%	263,603	263,555	0%
Murrumbidgee	2,267,963	2,267,963	0%	438,328	438,328	0%
Lowbidgee*	747,000	747,000	0%	N/A	N/A	NA
Total	7,423,409	7,422,976	0%	858,221	858,167	0%

*Refers to a fixed charge for supplementary licence holders in the Lowbidgee

The WaterNSW licence for the Fish River Scheme designates the 'Minimum Annual Quantities (MAQ) for each customer type in the Fish River scheme.² The MAQ set the baseline volumes which can be extracted from the piped supply scheme by customers in any given year. The MAQs are used as an input into the calculation of the fixed charges in the Fish River Scheme. WaterNSW's forecast of MAQs for the 2017-18 year have been sourced from the WaterNSW's licence for the Fish River Scheme and is shown below:

Table 4: 2018-19 MAQs by Fish River customer (MLs)

Fish River (MLs)	MAQ
EnergyAustralia	8,184
Minor Customers - Raw Water	17*
Minor Customers - Filtered Water	45**

* The license provides an MAQ of 200kls per minor customer (that is, 200kls x 83 customers as of December 2017 = 17MLs)

**The license provides an MAQ of 200kls per minor customer (that is, 200kls x 224 customers as of December 2017 = 45MLs)

2.3 Water allocation rates

The HS and GS water allocation rates are an input into the calculation of the HS premium for the Fixed Charges in the MDB valleys.

The HS premium sets the relative difference between the HS and GS fixed charges and therefore determines the proportion of fixed revenue which is allocated to the HS & GS fixed charges.

The HS premium is determined by multiplying the following factors:

- the reliability ratio – which is the ratio of the average allocation rate of HS entitlements over last 20 years to the average allocation rate of GS entitlements over last 20 years, with a two year lag; and
- the conversion factor – which is a fixed factor set by IPART, using information sourced from each valley's water sharing plan. Their purpose is to represent the 'units' of general security water required to secure one 'unit' of high security water.

WaterNSW has supplied the inputs and calculations for IPART to update the reliability ratio (a subset of the HS premium) for 2018-19, by using an updated average of annual historical water allocation rates for both HS and GS entitlements, calculated from the period 1997-98 to 2016-17

² Issued under Part 9 of the Water Act 1912 (NSW).

http://www.water.nsw.gov.au/_data/assets/pdf_file/0008/547109/utilities_state_fish_river_water_supply_scheme_pt9_licence.pdf

(i.e. with a 2 year lag from 2018-19). The proposed updates are consistent with the ACCC's decision to update the HS premium for the 2015-16 and 2016-17 annual review of regulated charges.

The updated 20 year average of annual historical water allocation rates and the calculations for the 2018-19 HS premiums are shown below by MBD valley.

Table 5 Calculation of the High Security Premium:

High Security Premium									
Valley	Updated 20 year average of annual historical water allocations			=	Reliability Ratio	X	Conversion factor	=	HS Premium
	High Security	/	General Security						
Border	100%	/	49%	=	2.05	X	1.25	=	2.56
Gwydir	100%	/	44%	=	2.27	X	1.40	=	3.17
Namoi	100%	/	59%	=	1.68	X	1.25	=	2.10
Peel	98%	/	64%	=	1.54	X	6.54	=	10.06
Lachlan	83%	/	40%	=	2.15	X	2.49	=	5.36
Macquarie	100%	/	40%	=	2.47	X	1.89	=	4.66
Murray	95%	/	61%	=	1.56	X	1.31	=	2.04
Murrumbidgee	97%	/	62%	=	1.57	X	1.69	=	2.65

The table excludes Lowbidgee, which consists of a single category of customers (supplementary licence holders)

3. WaterNSW's estimate of demand or consumption during 2017-18

WaterNSW has compiled a forecast of demand for, or consumption of, bulk water infrastructure services for the year 2017-18, for each of the NSW Murray Darling Basin (MDB) Valleys, including water sales volumes and the number of entitlements. These forecasts are shown below.

3.1 Water sales volumes

WaterNSW's is required to provide a forecast of water sales volumes for 2017-18 in accordance with the requirements of the Rules. However, a forecast of current year water sales volumes is not expected to be used as an input into the calculation of 2017-18 usage charges. WaterNSW has included the forecast in its application for information purposes only.

WaterNSW's 2017-18 water sales volumes forecast was compiled as at February 2018 using:

- actual (billed) usage of 2,457GLs for the 1st and 2nd Quarter of 2017-18;
- a forecast of water usage for the period January 2018 to June 2018 of 2,195 GLs, including a median forecast, which is consistent with current storage levels, water account balances, water orders and assumes median inflows for the remainder of the year.

Actual water sales volumes for 2017-18 are expected to be 7 per cent higher than the 20 year rolling average of annual historical usage volumes.

Table 6 2017-18 Water Sales forecast by MDB Rural Valley (MLs)

Valley (MLs)	2017-18 Water sales forecast	Current 20 year rolling average	Variance %
Border	150,000	148,174	1%
Gwydir	310,000	262,135	18%
Namoi	214,000	164,799	30%
Peel	15,000	11,496	30%
Lachlan	306,000	206,001	49%
Macquarie	380,000	259,099	47%
Murray	1,497,000	1,557,396	-4%
Murrumbidgee	1,780,000	1,736,133	3%
Total	4,652,000	4,345,232	7%

WaterNSW's 2017-18 forecast of annual historical usage volumes for the Fish River Scheme were compiled using year to date actual recorded water volumes:

- until February 2018 for EnergyAustralia; and
- until December 2017 for minor customers of raw and filtered water,

which were extrapolated out to the end of the year using straight line phasing. The results are shown in the table below:

Table 7 2017-18 water sales forecast by Fish River customer per ML

Fish River (MLs)	Water Sales Forecast	Current 20 year rolling average by customer type	Variance %
EnergyAustralia	4,681	1,541	204%
Minor Customers - Raw Water	22	50	-57%
Minor Customers - Filtered Water	42	116	-64%
Total	4,744	1,707	178%

WaterNSW expects to see a significant increase in water usage volumes in the Fish River Scheme for the 2017-18 year due to increased utilisation by EnergyAustralia of their MAQ. WaterNSW has been advised that EnergyAustralia intends to utilise 100% of their MAQ (5,760 MLs) from between 1 January 2018 to December 2018.

3.2 Entitlement volumes

WaterNSW's forecast of entitlement volumes for the 2017-18 year is based on the entitlement volumes sourced from its Water Accounting System which are current as of February 2018, being the latest entitlement volumes available at the time of this application. The entitlements volumes can be found above in section 2.2 of this application.

4. Updated regulated charges for 2018-19

This section outlines the updated regulated charges for 2018-19

The regulated charges, including Murray Darling Basin Authority (MDBA) and Border Rivers Commission (BRC) pass through charges, have been updated using:

- the forecast assumptions for water usage volumes, entitlement volumes, and water allocation rates, as explained in section 2 of this application; and
- the revenue requirement assumptions, by charge category, as per the IPART determination.

The charges in this section are shown in real dollars (16-17 \$ i.e. without inflation), as per the dollar values which were used in the IPART Final Report for the Determination. Under the IPART Determination, IPART is required to escalate the value of the proposed charges into nominal dollars using March to March CPI. The updated charges for 2018-2019 are shown in nominal terms in attachment A to this document, as per the forecast inflation rates specified to WaterNSW by IPART.³

Table 8 WaterNSW's updated charges for 2018-19 for the MDB valleys per ML

Valley (\$ 16-17)	HS Fixed Charge	GS Fixed Charge	Usage Charge
Border	\$5.07	\$1.98	\$5.33
Gwydir	\$11.04	\$3.48	\$12.02
Namoi	\$16.72	\$7.96	\$19.90
Peel	\$41.56	\$4.13	\$17.99
Lachlan	\$14.87	\$2.78	\$20.16
Macquarie	\$13.33	\$2.86	\$14.10
Murray	\$1.54	\$0.75	\$1.95
Murrumbidgee	\$2.95	\$1.11	\$3.39
Lowbidgee*	N/A	\$0.78	N/A

*Refers to a fixed charge for supplementary licence holders in the Lowbidgee

Table 9 Variance from 2016-17 charges for the MDB valleys per ML

Valley (\$ 16-17)	HS Fixed Charge	GS Fixed Charge	Usage Charge
Border	-\$0.26	\$0.00	-\$0.11
Gwydir	-\$0.04	\$0.00	+\$0.15
Namoi	-\$0.36	+\$0.01	-\$0.08
Peel**	\$20.78	+\$2.12	-\$37.10
Lachlan	-\$0.51	+\$0.05	+\$1.12
Macquarie	-\$0.18	+\$0.01	+\$0.32
Murray	\$0.00	\$0.00	+\$0.04
Murrumbidgee	\$0.00	\$0.00	+\$0.08
Lowbidgee*	N/A	\$0.00	N/A

*Refers to a fixed charge for supplementary licence holders in the Lowbidgee

** Peel valley customers will experience increases in their fixed charges (and a reduction in their usage charge) relative to 2017-18 charging levels, as IPART has decided to increase the proportion of revenue to be recovered from fixed charges, from the current 40% fixed to 60% variable tariff structure split in 2017-18 to an 80% fixed to 20% variable tariff structure split from 2018-19

³ In the letter, IPART assumed June to June inflation from 2017-18 into 2018-19 of 2.5% however WaterNSW expects inflation to be closer to 2%.

Table 10 WaterNSW's updated charges for 2018-19 for the Fish River Scheme per KL

Fish River (\$ 16-17)	Access (KL)	Usage < MAQ (\$/KL)	Usage > MAQ (\$/KL)
Raw water - major customers	\$0.39	\$0.25	\$0.63
Raw water - minor customers	\$0.39	\$0.25	\$0.63
Filtered water - minor customers	\$0.73	\$0.44	\$1.35

Table 11 Variance from 2016-17 Fish River charges per KL

Fish River (\$ 16-17)	Access (KL)	Usage < MAQ (\$/KL)	Usage > MAQ (\$/KL)
Raw water - major customers	\$0.00	\$0.01	\$0.00
Raw water - minor customers	\$0.00	\$0.01	\$0.00
Filtered water - minor customers	-\$0.03	-\$0.02	+0.13

Table 12 WaterNSW's updated MDBA/BRC pass through charges for 2018-19 per ML

Valley (\$ 16-17)	HS Fixed Charge	GS Fixed Charge	Usage Charge
Border	\$4.39	\$1.71	\$0.77
Murray	\$7.27	\$3.56	\$1.53
Murrumbidgee	\$1.61	\$0.61	\$0.31

Table 13 Variance against 2016-17 MDBA/BRC pass through charges per ML

Valley (\$ 16-17)	HS Fixed Charge	GS Fixed Charge	Usage Charge
Border	-\$0.21	\$0.00	-\$0.01
Murray	\$0.00	\$0.00	+\$0.03
Murrumbidgee	\$0.00	\$0.00	+\$0.01

5. Miscellaneous Charges

The Determination approved a number of miscellaneous charges which are ancillary or incidental to the provision of bulk water infrastructure services. They are set out in Schedule 4 of the Determination and include the meter service charge, meter accuracy testing charge, environmental gauging station charge, trade processing charge, the Fish River connection charge, and the Fish River disconnection charge. Under the IPART Determination, IPART is required to escalate the value of the miscellaneous charges into nominal dollars using March to March CPI, as envisaged in the Determination.

WaterNSW notes that IPART is also required to update all other charges and rebates (such as the Yanco Creek Levy and the Irrigation Corporation District rebates) with CPI (where relevant), as per the Determination. For the avoidance of doubt, WaterNSW expects that IPART will approve all other charges and rebates for the 2018-19 year in line with its 2017-21 Determination.

6. The extent to which it is reasonably necessary to vary the regulated charges for 2018-19

6.1 Changes in demand or consumption forecast

As highlighted in section 1 of this application, WaterNSW has supplied the inputs and calculations to allow IPART to update the 20 year rolling average of annual historical usage volumes for each year of the regulatory period. The methodology of permitting annual updates to the water sales forecast was approved by the ACCC in its the 2014-17 ACCC Price Determination, as well as the 2015-16 and the 2016-17 ACCC Annual Review of Regulated Charges.

Annual updates to the rolling average of annual historical usage volumes:

- produce a forecast which is more indicative of recent water usage patterns (incorporating for example any recent variations resulting from sudden changes in the demand profile or consumption patterns of the industry).
- provide a hedge against the revenue volatility risk experienced by WaterNSW, as it relies on a high portion of usage charge revenues to recover the predominately fixed cost of operating and maintaining its bulk water infrastructure. For example, annual updates (and the subsequent amendments to the usage charge) could assist in offsetting a fall in WaterNSW's revenues within the regulatory period caused by lower than expected usage volumes. In contrast, annual updates would capture higher than expected usage volumes, triggering a reduction in both the 20 year rolling average and the usage charges within the regulatory period, for the benefit of customers.
- avoid price shocks to customers because of sudden and/or prolonged changes in water usage volumes within a regulatory period i.e. a drought or a period of high water allocations ('wet years'). Annual updates to the 20 year rolling average would promote more gradual updates to the usage charge within each year of the regulatory period. In comparison, 4 yearly updates to the rolling average are infrequent, and in certain circumstances, may result in sudden movements in the usage charge. For example, the usage volumes from 4 years of consecutive drought may not be incorporated into the 20 year rolling average until the next (4 year) regulatory period.

6.2 Price stability

Under the Australian Competition and Consumer Commission's (ACCC) Final Decision of its 2016-17 Annual Review of Regulated Charges, the ACCC noted:

"an analysis of expected bills is the most appropriate method of assessing the impact of charge increases on WaterNSW's customers, given that customers will face a combination of fixed and variable charges."⁴

In applying the price stability test, the ACCC implied that a 10 per cent cap (in real terms) may be an appropriate limit for annual price increases, referring to its own precedent in the 2014-17 ACCC Determination in which the ACCC applied a 10 per cent cap on annual charge increases in the Peel valley.⁵

⁴ Page 26, ACCC Final Decision - 2016-17 Annual Review of Regulated Charges.

⁵ Ibid

WaterNSW's has conducted analysis on the bill impact from 2017-18 into 2018-19 in real dollars for a GS customer, who utilises 60% of their entitlement and for a HS customer who utilises 100% of their entitlement.⁶

Most customers will experience a bill increase of between 0.5% in the Macquarie and Gwydir valleys to up to 5.1% in the Lachlan valley, which is caused by a reduction in the 20 year rolling average of annual historical usage volumes (see table 1), increasing the unit rate of the usage charges (i.e the variable revenue requirement is extracted from a reduced sales base).⁷

A bill impact summary is shown in the table below.

Table 14 Bill impact MDB valleys for a medium sized customer with 500MLs of entitlements volumes⁸

2018-19 Bill Impact relative to 2017-18 Bills (16-17 \$)		
	High Security (100% Usage)	General Security (60% Usage)
Border	-3.4%	-1.3%
Gwydir	0.5%	0.8%
Namoi	-1.2%	-0.2%
Peel*	-21.5%	-57.4%
Lachlan	1.8%	5.1%
Macquarie	0.5%	1.8%
Murray	1.2%	1.3%
Murrumbidgee	1.3%	1.6%
Lowbidgee	N/A	0.0%

* Peel valley customers will experience significant bill reductions into 2017-18, as IPART has decided to increase the proportion of fixed revenue to be recovered from fixed charges, from the current 40% fixed to 60% variable tariff structure split in 2017-18 to an 80% fixed to 20% variable tariff structure split from 2018-19

Table 15 Bill Impact – Fish River Scheme customers (with average water usage scenario)⁹

Fish River	2018-19 Bill Impact relative to 2017-18 Bills (16-17 \$)
Raw water - major customers	0.65%
Raw water - minor customers	0.78%
Filtered water - minor customers	4.68%

WaterNSW observes that the bill movements identified in this application are relatively minor (in real terms). Further, it should be noted that the 2018-19 year is only the second year of the 2017-2021 regulatory period. Price stability should be assessed over multiple years within the regulatory period, to ensure a fair balance between allowing the regulated entity to recovery its total revenue requirement over the regulatory period and maintaining price stability for the customer within the regulatory period.

⁶ These assumptions are consistent with the methodology adopted by both the ACCC and IPART in their past reviews on WaterNSW/State Water Corporation's bulk water charges.

⁷ WaterNSW's also observes a slight increase in GS fixed charge across most valleys. This is due to a reduction in the HS premium (see section 2.3 of this application). A lower HS premium would shift fixed revenue from the HS fixed charge into the GS fixed charge (e.g. the Lachlan valley, where the GS fixed charge would increase by \$0.05 and the HS fixed charge would decrease by \$0.51 (see table 8 of this submission).

⁸ This approach is consistent with IPART's analysis of bill impacts in its IPART Final Report for the 2017-21 Determination. See page 183 & section 14.1.1 of the Report.

⁹ Average usage for EnergyAustralia is the 20 year rolling average of actual water sales. See table 7. Average usage for minor customers is 605kls for raw water customers and 493kls for filtered water customers (i.e. the 20 year rolling average of actual water sales for minor customers divided by the number of minor customers).

WaterNSW's submits that this application for 2018-19 regulated charges should be approved having regard to changes in demand or consumption forecasts and price stability.

Attachment A - Updated regulated charges for 2018-19 in nominal \$

Table 16 WaterNSW's Updated charges for 2018-19 for the MDB valleys per ML

Valley (nominal \$)	HS Fixed Charge	GS Fixed Charge	Usage Charge
Border	\$5.30	\$2.07	\$5.57
Gwydir	\$11.53	\$3.64	\$12.55
Namoi	\$17.47	\$8.32	\$20.79
Peel	\$43.42	\$4.32	\$18.80
Lachlan	\$15.54	\$2.90	\$21.06
Macquarie	\$13.92	\$2.99	\$14.73
Murray	\$1.61	\$0.79	\$2.04
Murrumbidgee	\$3.09	\$1.16	\$3.54
Lowbidgee*	N/A	0.82	N/A

*Refers to the fixed charge levied on supplementary licence holders in the Lowbidgee

Table 17 WaterNSW's Updated charges for 2018-19 for the Fish River Scheme per KL

Fish River (nominal \$)	Access (KL)	Usage < MAQ (\$/KL)	Usage > MAQ (\$/KL)
Raw water - major customers	\$0.41	\$0.26	\$0.66
Raw water - minor customers	\$0.41	\$0.26	\$0.66
Filtered water - minor customers	\$0.76	\$0.46	\$1.41

Table 18 WaterNSW's Updated MDBA/BRC pass through charges for 2018-19 per KL

Valley (nominal \$)	HS Fixed Charge	GS Fixed Charge	Usage Charge
Border	\$4.58	\$1.79	\$0.80
Murray	\$7.59	\$3.72	\$1.60
Murrumbidgee	\$1.69	\$0.64	\$0.32