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25 May 2017

...Open Letter...

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Subsequent Determination to vary the 2013-2017 Price Determination for minor and intermediate retailers

As you are aware, the Commission is currently undertaking an Inquiry into regulatory arrangements for small utility networks, including water and sewerage. The aim of the Inquiry is to identify and implement a streamlined, risk-based regulatory scheme for those networks, focussing on outcomes and looking to gain efficiency and effectiveness for all parties. I note at the outset my continued thanks for you and your staff's engagement in that Inquiry.

The Inquiry remains ongoing, with an anticipated completion date in early 2018 and an intention that the revised regime will take effect from mid-2018.

One of the key areas for the Inquiry will be price regulation. As you may recall, the current price determination, made in 2013, continues through until 30 June of this year. It was originally intended that a new price determination would take effect from 1 July this year. It is now proposed that the current determination be extended until the Inquiry is completed. This will allow for the form and effect of any new price determination to be considered by all stakeholders as part of the Inquiry.

Consistent with its collaborative regulatory approach, the Commission is seeking your comments on the proposal to extend the current price determination. At the same time, it also seeks comment on a proposal to slightly modify the existing determination to remove prescription around regulatory reporting requirements. Those matters are explained further in the draft subsequent determination, available at <http://bit.ly/subsequentMIRdetermination>.

Any feedback on this proposal needs to be provided by **close of business Friday, 9 June 2017**. It is preferred that submissions are provided electronically. Submissions can be:

- ▶ uploaded at: <http://bit.ly/subsequentMIRdetermination> or
- ▶ sent to escosa@escosa.sa.gov.au.

Should you wish to discuss these matters further, please contact Ms Amber Miller, Manager, Policy on 08 8463 6656 or via email on amber.miller@escosa.sa.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'AW', with a horizontal line extending to the right.

Adam Wilson
Chief Executive Officer