

## Stewart Glass



To: CEO, Essential Services Commission of SA (ESCOSA)

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**Submission on the ESCOSA draft documents Jan 2021:**

### **Robusto Investments Pty Ltd: Drinking Water Draft Regulatory Determination**

It is my submission that **Compass Springs pricing should directly correspond with SA Water pricing in every instance**, including pricing tiers, supply charges etc.

#### **Double dipping**

A man buys the only taxi in town. It is a little dilapidated and so he gets a good price for it. After the sale his friends mentions that it will take some some mechanical work to be able to provide a taxi service. "Don't worry" he says, "I am the only taxi in town, I can charge extra because it is a necessary surcharge. There are no other taxis in town, what can they do?". Even if the new taxi owner didn't get a mechanical check before, the principle of "buyer beware" dictates that he should have done due diligence or bear the consequences himself.

#### **Less mainline per customer**

According to the presentation - if all of SA Water's mainlines were divided evenly amongst their customers, each would be paying for 37m. Compass Springs would be paying for 17m (or 45% of SA Water). Nothing has been presented that the water needs any costly treatment. Could administrative costs account for such exorbitant pricing?

Source: Consultation on Draft Regulatory Determination 14 Jan 2021 page 8 (SA Water 27,000km ÷ 715,000 customers = 37m each; Compass Springs 3km ÷ 174 customers = 17m)

### **The right to disengage**

To create an alternative to a monopoly, could all Compass Springs customers explicitly be given the option to totally disengage from Compass Springs with no supply charge penalty (perhaps if they had their own rainwater tanks)?

### **Subsidizing the golf course**

Has there been independent verification on the water usage by the 2 businesses using Compass Springs? Will they be charged at identical rates as residential customers? If they are not, then it could be rightly claimed that the residents are subsidizing the businesses (on if which is the Golf Course)?

With regards,

**Stewart Glass**

customer of Compass Springs