



# Subsequent Determination



## Robusto Investments Pty Ltd ACN 117 034 545

Subsequent determination to further vary the varied regulatory determination made on 26 August 2021

**DRAFT FOR CONSULTATION**

Date: 1 July 2022

**Enquiries concerning this document should be addressed to:**

Essential Services Commission of South Australia  
GPO Box 2605  
Adelaide SA 5001

Telephone: (08) 8463 4444  
Freecall: 1800 633 592 (SA and mobiles only)  
E-mail: [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au)  
Web: [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)

# Table of contents

- 1 Subsequent Determination.....1
- 1.1 Authority.....1
- 1.2 Term.....1
- 1.3 Variation .....1
- 1.4 Limitation of variation.....4

# 1 Subsequent Determination

## 1.1 Authority

- 1.1.1 This subsequent determination, made by the Essential Services Commission (**Commission**) pursuant to Part 3 of the *Essential Services Commission Act 2002* and in accordance with Part 4 of the *Water Industry Act 2012*, further varies the regulatory determination made by the Commission on 26 August 2021 which applies to Robusto Investments Pty Ltd ACN 117 034 545 (**varied regulatory determination**).

## 1.2 Term

- 1.2.1 This subsequent determination takes effect on and from 1 July 2022 until 30 June 2023 (or until such other time as it ceases to have effect).

## 1.3 Variation

- 1.3.1 From the date this subsequent determination takes effect, the following clauses of the varied regulatory determination are further varied as follows:

**Clause 1.3.1:**

- 1.3.1 *This regulatory determination takes effect on 1 July 2022 until 30 June 2023 (or until such other time as it ceases to have effect).*

**Clause 2.1.1**

- 2.1.1 *In setting prices for drinking water retail services to apply to residential customers and Mount Compass Sand and Loam during the regulatory period (1 July 2022 to 30 June 2023), Robusto Investments must not exceed the following maximum revenue control for drinking water retail services:*

- (a) \$179,736 (in dollars of December 2018), and
- (b) \$196,944 (in nominal terms).

**Clause 2.2.1:**

- 2.2.1 *Taking into account the maximum revenue control specified in clause 2.1.1, the maximum nominal prices that Robusto Investments can charge its residential customers from 1 July 2022 to 30 June 2023 are:*

- (c) *a quarterly supply charge of \$84.59*
- (d) *a Tier 1 charge of \$3.09 per kL*
- (e) *a Tier 2 charge of \$4.41 per kL, and*
- (f) *a Tier 3 charge of \$4.77 per kL.*

## Clause 2.4:

### 2.4 Assessing compliance

2.4.1 *In a manner and form specified by the Commission in writing, by 30 April 2023, Robusto Investments must provide to the Commission the following information for the purposes of assessing compliance against clauses 2.1.1, 2.2.1, 2.2.2 and 2.2.3:*

- (a) *Actual drinking water retail services revenue, which must be based on actual drinking water retail services revenue from 1 April 2021 to 31 March 2023 and Robusto Investments' best estimate of drinking water retail services revenue for the period between 1 April 2023 to 30 June 2023 (inclusive).*
- (b) *Actual drinking water retail services demand (sales volumes), which must be based on actual drinking water retail services demand from 1 April 2021 to 31 March 2023 and Robusto Investments' best estimate of drinking water retail services demand for the period between 1 April 2023 to 30 June 2023 (inclusive).*
- (c) *Actual drinking water retail services prices for residential customers, which must be based on actual drinking water retail services prices from 1 April 2021 to 31 March 2023 and Robusto Investments' best estimate of drinking water retail services prices for the period between 1 April 2023 to 30 June 2023 (inclusive). The actual drinking water retail services prices for residential customers must also specify the Tier 1, Tier 2, Tier 3, and supply charges charged.*

2.4.2 *In assessing compliance with the regulatory determination, the Commission will:*

- (a) *take into account the period from 1 April 2021 to 30 June 2023*
- (b) *in calculating the real (inflation-adjusted) drinking water retail services revenues recovered under clause 2.1.1, adjust Robusto Investments' actual drinking water retail services revenues using the change in the September 2018 to March 2023 Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australian Bureau of Statistics, as a proxy for the December 2018 to June 2023 change in the Consumer Price Index, and*
- (c) *have regard to any material differences between:*
  - (i) *actual and forecast water retail services demand (sales volumes) during the period 1 April 2021 to 30 June 2023*
  - (ii) *actual and forecast customer numbers during the period 1 April 2021 to 30 June 2023, and*
  - (iii) *actual and forecast Consumer Price Index inflation during the period 1 April 2021 to 30 June 2023.*

**Clause 3.2(a) – definition of “R”:**

*R ≤ \$196,944 (maximum revenue control for the regulatory period in nominal terms)*

**Clause 3.3(c) – definition of “N”:**

*The number of customers, N, is*

(c)  $N = 187$

**Clause 3.3(d) – definition of “Q”:**

*The number of quarters (or part thereof) in the regulatory period, Q, is*

(d)  $Q = 4$

**Clause 3.3(e) – “The average customer usage, in kL, applicable to Tier 1”**

(e)  $V_1 = 120$

**Clause 3.3(f) – “The average customer usage, in kL, applicable to Tier 2”**

(f)  $V_2 = 78.1502890$

**Clause 3.3(g) – “The average customer usage, in kL, applicable to Tier 3”**

(g)  $V_3 = 0.00$

**Clause 3.4 – Example:**

On the basis that the regulatory determination sets out the maximum revenue control, maximum prices and specifies the price formula, the table below shows an example of how the maximum prices for residential customers could change, depending upon the revenue chosen (parameter R, as outlined in clause 3.2) to be recovered during the regulatory period. The example illustrates the choice of R being made at the start of the period at 80 percent and 90 percent of the maximum allowed, and other variables held fixed.

	PRICES PRIOR TO THIS DETERMINATION	MAXIMUM PRICES AND REVENUES	ILLUSTRATIVE EXAMPLES	
			90% of maximum revenue control chosen	80% of maximum revenue control chosen
<i>Revenue level to be recovered (nominal terms)</i>		\$196,944	=0.9 multiplied by \$196,944	=0.8 multiplied by \$196,944
Supply charge per quarter	\$86.74	\$84.59	\$76.13	\$67.67
Tier 1 charge per kL	\$3.16	\$3.09	\$2.78	\$2.47
Tier 2 charge per kL	\$4.52	\$4.41	\$3.97	\$3.53
Tier 3 charge per kL	\$4.89	\$4.77	\$4.29	\$3.81
Supply charge revenue		\$63,275	\$56,948	\$50,620
Tier 1 revenue		\$69,233	\$62,310	\$55,387
Tier 2 revenue		\$64,435	\$57,992	\$51,548
Tier 3 revenue		\$0	\$0	\$0
<b>Total revenue</b>		<b>\$196,944</b>	<b>\$177,250</b>	<b>\$157,555</b>
Supply charge change relative to current price		-2%	-12%	-22%
Tier 1 charge change relative to current price		-2%	-12%	-22%
Tier 2 charge change relative to current price		-2%	-12%	-22%
Tier 3 charge change relative to current price		-2%	-12%	-22%

## 1.4 Limitation of variation

- 1.4.1 For the avoidance of doubt, in all other respects, the terms and conditions of the varied regulatory determination (as amended from time to time) remain in effect.

This subsequent determination was made by the Commission on XX June 2022, pursuant to Part 3 of the *Essential Services Commission Act 2002*, as authorised by Part 4 of the *Water Industry Act 2012*, to take effect on and from 1 July 2022.

The COMMON SEAL of     )  
the ESSENTIAL            )  
SERVICES COMMISSION    )  
was hereunto affixed by   )  
authority of the            )  
ESSENTIAL SERVICES     )  
COMMISSION                )

.....

Commissioner

.....

Date





The Essential Services Commission of South Australia  
Level 1, 151 Pirie Street Adelaide SA 5000  
GPO Box 2605 Adelaide SA 5001  
T 08 8463 4444

E [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au) | W [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)