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Water



Subsequent Determination

Robusto Investments Pty Ltd ACN 117 034 545

Subsequent determination to vary the Preservation
Regulatory Determination made on 29 June 2023
(as varied)

DRAFT

X March 2025

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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2002* and in accordance with Part 4 of the *Water Industry Act 2012*, varies the preservation regulatory determination originally made by the Commission on 29 June 2023 (as varied on 3 October 2023), which applies to Robusto Investments Pty Ltd ACN 117 034 545 (**preservation regulatory determination**).

1.2 Term

- 1.2.1 This subsequent determination takes effect on and from the date on which notice of its making is published in the South Australian Government Gazette until 30 June 2026 (or until such other time as it ceases to have effect).

1.3 Variations

- 1.3.1 From the date this subsequent determination takes effect, the following clauses of the preservation regulatory determination are varied and a new clause 3.4.1 is added, as follows:

Clause 1.3 – Term and commencement

- 1.3.1 *This preservation regulatory determination takes effect on and from 1 July 2023 until 30 June 2026 (or until such other time as it ceases to have effect).*

Clause 1.6.2 – definition of “regulatory period”

- 1.6.2 **regulatory period** means the period from the date on which this preservation regulatory determination takes effect up to and including 30 June 2026.

Clause 2.1 – Revenue Control

- 2.1.1 *The maximum revenue that Robusto Investments may recover from the sale and provision of drinking water to residential customers and Mount Compass Sand and Loam during the regulatory period (1 July 2023 to 30 June 2026) must not exceed the following:*

- (a) \$539,208 (in dollars of December 2018), and
(b) \$631,484 (in nominal terms).

- 2.1.2 *For the period 1 July 2023 to 30 June 2024, the annual maximum revenue (in nominal terms) that Robusto Investments may recover from the sale and provision of drinking water to residential customers and Mount Compass Sand and Loam must not exceed \$204,034.*

- 2.1.3 *For the period 1 July 2024 to 30 June 2025, the annual maximum revenue (in nominal terms) that Robusto Investments may recover from the sale and provision of drinking water to residential customers and Mount Compass Sand and Loam must not exceed \$210,359.*

- 2.1.4 *For the period 1 July 2025 to 30 June 2026, the annual maximum revenue (in nominal terms) that Robusto Investments may recover from the sale and*

provision of drinking water to residential customers and Mount Compass Sand and Loam must not exceed \$217,091.

Clause 2.2 - Price Control

- 2.2.1 *Taking into account the maximum revenue control specified in clauses 2.1.1 and 2.1.2, the maximum nominal prices that Robusto Investments can charge its residential customers from 1 July 2023 to 30 June 2024 are:*
- (a) *a quarterly supply charge of \$92.59*
 - (b) *a Tier 1 charge of \$3.80 per kL*
 - (c) *a Tier 2 charge of \$5.43 per kL, and*
 - (d) *a Tier 3 charge of \$5.88 per kL.*
- 2.2.2 *Taking into account the maximum revenue control specified in clause 2.1.1, in setting prices for drinking water retail services to apply to residential customers during the regulatory period, Robusto Investments must adopt the formula set out in clause 3.1.1 in the Price Schedule.*
- 2.2.3 *Taking into account the maximum revenue control specified in clause 2.1.1 and 2.1.3, the maximum nominal prices that Robusto Investments can charge its residential customers from 1 July 2024 to 30 June 2025 will be determined by the Commission in accordance with the formula set out in clause 3.3 of the Price Schedule. The maximum nominal prices that Robusto Investments can charge its residential customers from 1 July 2024 to 30 June 2025 will be published on the Commission's website at a date no later than 31 May 2024.*
- 2.2.4 *The maximum nominal prices determined by the Commission in respect of the matters specified in clause 2.2.3, will be based on information submitted by Robusto Investments in accordance with clauses 2.4.1 and 2.4.2 and/or any related information requested of Robusto Investments, or otherwise obtained, by the Commission.*
- 2.2.5 *Taking into account the maximum revenue control specified in clause 2.1.1 and 2.1.4, the maximum nominal prices that Robusto Investments can charge its residential customers from 1 July 2025 to 30 June 2026 will be determined by the Commission in accordance with the formula set out in clause 3.4.1 and 3.4.2 of the Price Schedule. The maximum nominal prices that Robusto Investments can charge its residential customers from 1 July 2025 to 30 June 2026 will be published on the Commission's website at a date no later than 31 May 2025.*
- 2.2.6 *The maximum nominal prices determined by the Commission in respect of the matters specified in clause 2.1.4, will be based on information submitted by Robusto Investments in accordance with clauses 2.4.3 and 2.4.4 and/or any related information requested of Robusto Investments, or otherwise obtained, by the Commission.*
- 2.2.7 *In setting prices for drinking water retail services during the regulatory period in accordance with clauses 2.1.1, 2.1.4, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5 and 2.2.6, Robusto Investments must also comply with the following NWI pricing principles:*
- (a) *Principles 1, 2, 3, 4, 5 and 6 for the Recovery of Capital Expenditure set of principles; and*

(b) Principles 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 of the Setting Urban Water Tariffs set of principles.

2.2.8 In addition to the matters specified in clause clauses 2.1.1, 2.1.4, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.6 and 2.2.7, in setting prices for drinking water retail services, Robusto Investments must also comply with any principles, requirements or matters specified by the Commission in an industry code, industry rule or guideline (as in force from time to time) applicable to the provision of drinking water retail services by Robusto Investments.

Clause 2.4 – Reporting Requirement

2.4.1 Robusto Investments must provide to the Commission a copy of all customer invoices relating to the billing period November 2023 to January 2024 and/or any related information as requested by the Commission.

2.4.2 Robusto Investments must provide the information specified in 2.4.1 to the Commission no later than 20 business days after all customer invoices for that billing period have been issued, or at such later time as determined by the Commission.

2.4.3 Robusto Investments must provide to the Commission a copy of all customer invoices relating to the billing period November 2024 to January 2025 and/or any related information as requested by the Commission.

2.4.4 Robusto Investments must provide the information specified in 2.4.3 to the Commission no later than 30 business days after the end of the period for which customer bills have (or should have) been issued.

2.4.5 Should the information provided by Robusto Investments in respect of the matters specified in clauses 2.4.1 and 2.4.2 be determined by the Commission to be incomplete for the purposes of clauses 2.2.3 and 2.2.4, the maximum nominal prices that Robusto Investments can charge its residential customers from 1 July 2024 to 30 June 2025 will be set as follows:

- (a) a quarterly supply charge of \$90.75
- (b) a Tier 1 charge of \$3.73 per kL
- (c) a Tier 2 charge of \$5.33 per kL, and
- (d) a Tier 3 charge of \$5.76 per kL.

2.4.6 Should the information provided by Robusto Investments in respect of the matters specified in clauses 2.4.3 and 2.4.4 be determined by the Commission to be incomplete for the purposes of clauses 2.2.5 and 2.2.6, the maximum nominal prices that Robusto Investments can charge its residential customers from 1 July 2025 to 30 June 2026 will be set as follows:

- (a) a quarterly supply charge of \$101.97
- (b) a Tier 1 charge of \$4.19 per kL
- (c) a Tier 2 charge of \$5.98 per kL, and
- (d) a Tier 3 charge of \$6.47 per kL.

Clause 2.5 - Assessing compliance

2.5.1 *In a manner and form specified by the Commission in writing, by 30 April 2026, Robusto Investments must provide to the Commission the following information for the purposes of assessing compliance against clauses 2.1 and 2.2:*

- (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 2026 and Robusto Investments' best estimate of drinking water retail services revenue for the period between 1 April 2026 to 30 June 2026 (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 2026 and Robusto Investments' best estimate of drinking water retail services demand for the period between 1 April 2026 to 30 June 2026 (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 2026 and Robusto Investments' best estimate of drinking water retail services prices for the period between 1 April 2026 to 30 June 2026 (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.*

2.5.2 *In assessing compliance, the Commission will:*

- (a) *take into account the period from 1 April 2021 to 30 June 2026*
- (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 2026 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 2026 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 2026*
 - (ii) *actual and forecast customer numbers during the period 1 April 2021 to 30 June 2026, and*
 - (iii) *actual and forecast Consumer Price Index inflation during the period 1 April 2021 to 30 June 2026.*

Pricing for 2025-2026 – new clause added

3.4.1 *In setting prices for drinking water retail services to apply to residential customers in accordance with clause 2.1.4, Robusto Investments must adopt the following formula in calculating the nominal prices it can charge its residential customers:*

(a)
$$P_s = \frac{aR}{QN}$$

where:

P_s is the quarterly supply charge

N is the weighted number of customers (defined below) (including residential customers and Mount Compass Property)

$N\text{-supply}_{2025-26}$ is the number of customers that are charged for their connection. This number will be determined by the Commission based on the information submitted by Robusto Investments to the Commission in accordance with clauses 2.4.3 and 2.4.4.

$N\text{-usage}_{2025-26}$ is the number of customers that are charged for water usage through the retail service. This number will be determined by the Commission based on the information submitted by Robusto Investments to the Commission in accordance with clauses 2.4.3 and 2.4.4.

N is the weighted number of customers (defined below) (including residential customers and Mount Compass Sand and Loam)

$R \leq \$217,091$ (maximum revenue control in nominal terms for the period 1 July 2025 to 30 June 2026, as set out in clause 2.1.4)

$a = 32.12849\%$

where a is the proportion of R recoverable via supply charges

where $(1 - a)$ is the proportion of R recoverable via usage charges

$$(b) P_{T1} = \frac{(1-a)R}{(V_1 + (1 + \lambda_{T12})V_2 + (1 + \lambda_{T12})(1 + \lambda_{T23})V_3)N}$$

where the Tier 1 unit charge (per kL) is P_{T1}

$$(c) P_{T2} = (1 + \lambda_{T12})P_{T1}$$

where the Tier 2 unit charge (per kL) is P_{T2}

$$(d) P_{T3} = (1 + \lambda_{T23})P_{T2}$$

where the Tier 3 unit charge (per kL) is P_{T3}

3.4.2 The inputs for the formulas above are fixed and set out as follows:

The price differential between P_{T1} and P_{T2} must be in percentage terms

$$(e) \lambda_{T12} = 42.90909\%$$

The price differential between P_{T2} and P_{T3} must be in percentage terms

$$(f) \lambda_{T23} = 8.14249\%$$

The number of customers, N , is $= a * N\text{-supply}_{2025-26} + (1 - a) * N\text{-usage}_{2025-26}$

N will be determined in respect of the matters in section 2.4.3 and 2.4.4.

The number of quarters (or part thereof) in the year, Q , is

$$(g) Q = 4$$

The average customer usage, in kL, applicable to Tier 1 is

(h) $V_1 = 120$

The average customer usage, in kL, applicable to Tier 2 is

(i) $V_2 = 60$

The average customer usage, in kL, applicable to Tier 3 is

(j) $V_3 = 0.00$

1.4 Limitation of variation

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

This subsequent determination, made pursuant to Part 3 of the *Essential Services Commission Act 2002* as authorised by the *Water Industry Act 2012*, takes effect on the date on which notice of its making is published in the South Australian Government Gazette.

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Adam Wilson
Chief Executive Officer and Commission authorised signatory

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Date

Draft for consultation



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