

8 August 2014

**SOUTH AUSTRALIAN
WATER CORPORATION**

Mr Adam Wilson
Chief Executive Officer
Essential Services Commission of South Australia
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Dear Adam

SA Water Service Standards Draft Framework and Approach (Draft Framework)

Further to SA Water's letter dated 5 February 2014, ESCOSA agreed to grant SA Water additional time to review the outcomes of its customer engagement program. This was to allow SA Water to be informed by customer values and opinions when assessing the Draft Framework put forward by ESCOSA and any possible improvements that may be beneficial to customers.

SA Water's customer engagement program obtained feedback from 144 customers across seven South Australian regional and two metropolitan workshops and surveyed 1232 online respondents. SA Water's residential and business customer advisory groups were also engaged.

Throughout the customer engagement program, customers supported the current service level they receive from SA Water and advised SA Water that the price of water and sewerage services are their primary concern at present. Customers advised SA Water that they are looking for value in services.

Whilst the levels of service customers value and are willing to pay for are still subject to more detailed analysis, SA Water did not receive any information from customers that would prompt changes to the Draft Framework proposed by ESCOSA.

On this basis, SA Water submits, in response to ESCOSA's Draft Framework, that:

1. SA Water supports the framework set out by ESCOSA in its Draft Framework;
2. SA Water does not support any increase in costs associated with the reporting framework for the forthcoming regulatory period, specifically:
 - a. Increases in service standard metrics;
 - b. Increases in reportable data items;
 - c. Increases in reporting frequencies; or
 - d. Increases in the quality of interim quarterly data.

SA Water's primary objective with regard to the service standard framework is to ensure that it understands the level of service customers expect and is able to perform satisfactorily during the forthcoming regulatory period. This will form a key part of SA Water's Regulatory Business Proposal to be submitted to ESCOSA in August 2015.

Secondary to this, but in support of meeting customer price expectations in the longer term, is a strong objective to minimise the costs of regulatory reporting in order to assist SA Water in operating as efficiently as possible. SA Water would welcome the opportunity to discuss any possible efficiencies to the current reporting regime that would benefit SA Water customers in this way.

We thank you for the additional time to consider the needs of our customers in response to the Draft Framework and look forward to discussing new ways to save our customers' money in the future.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'JR', with a long horizontal flourish extending to the right.

John Ringham
CHIEF EXECUTIVE