

WATER REGULATORY INFORMATION REQUIREMENTS FOR INTERMEDIATE AND MINOR RETAILERS

Water Industry Guideline No.3 (WG3/01)

Consultation Draft

April 2013



REQUEST FOR SUBMISSIONS

The Essential Services Commission of SA (**the Commission**) invites written submissions from interested parties in relation to this draft Guideline. Written comments should be provided by **15 May 2013**. It is highly desirable for an electronic copy of the submission to accompany any written submission.

It is Commission's policy to make all submissions publicly available via its website (www.escosa.sa.gov.au), except where a submission either wholly or partly contains confidential or commercially sensitive information provided on a confidential basis and appropriate prior notice has been given.

The Commission may also exercise its discretion not to exhibit any submission based on their length or content (for example containing material that is defamatory, offensive or in breach of any law).

Responses to this paper should be directed to:

Water Industry Guideline No.3

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The Essential Services Commission of South Australia is the independent economic regulator of the electricity, gas, ports, rail and water industries in South Australia. The Commission's primary objective is the *protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services*. For more information, please visit www.escosa.sa.gov.au.

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PART A – PRELIMINARIES

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1 NATURE OF THE GUIDELINE

1.1 Introduction

1.1.1 The **Commission** has made this Guideline, pursuant to section 8 of the Essential Services Commission Act 2002 (**ESC Act**), to specify requirements for **intermediate** and **minor retailers** for the collection, allocation, recording and reporting to the **Commission** of regulated business data in accordance with the operational and financial reporting schedules contained in this Guideline.

1.2 Purpose of the Guideline

1.2.1 The **Commission** is established under the **ESC Act** as a regulator of certain essential services in South Australia, with the primary objective of protecting the long-term interests of South Australian consumers with respect to the price, quality and reliability of those essential services.

1.2.2 The **Water Industry Act** provides that the water industry is declared to constitute a regulated industry for the purposes of the **ESC Act**. This enlivens the **Commission's** general regulatory powers under the **ESC Act**.

1.2.3 The **Water Industry Act** provides that the **Commission** must make a **licensee** subject to certain conditions including conditions requiring:

- (a) compliance with applicable codes or rules made under the **ESC Act** in force from time to time;
- (b) the **licensee** to maintain specific accounting records and to prepare accounts according to specified principles;
- (c) the **licensee** to monitor and report as required by the **Commission** on indicators of service performance determined by the **Commission**; and
- (d) the **licensee** to provide, in the manner and form determined by the **Commission**, such other information as the **Commission** may from time to time require.

1.2.4 This Guideline's content:

- (a) details the nature of information that the **Commission** requires in order to monitor a **licensee's** performance;
- (b) explains the way in which **licensees** must prepare separate accounts and maintain their accounting records; and
- (c) outlines a mechanism by which this and any other information that may be required by the **Commission** to fulfil its obligations and functions, may be collected.

1.3 Application

- 1.3.1 This Guideline applies to all **intermediate** and **minor licensees** except to the extent that the **Commission** agrees in writing to alternative reporting arrangements.
- 1.3.2 This Guideline is a minimum requirement and the obligation of the **licensee** to comply with this Guideline is additional to any obligation imposed under any other law applying to the **licensee's** business and does not derogate from such an obligation.
- 1.3.3 The **ESC Act, retail licences** and industry codes issued and made by the **Commission** also provide separate specific information gathering provisions to facilitate the provision of information to the **Commission** by **licensees**.

1.4 Definitions and interpretation

- 1.4.1 For the purposes of interpreting this Guideline:
- (a) words and phrases presented in a bold font such as **this** are defined in the Glossary;
 - (b) a word or phrase not defined in the Glossary will have the meaning given by the **Water Industry Act**, the **ESC Act** or any other relevant regulatory instrument (as the case may be);
 - (c) a reference to this Guideline includes its appendices, annexures and schedules;
 - (d) words importing the singular include the plural and vice versa;
 - (e) any heading, index or table of contents is for convenience only and does not affect the construction or interpretation of this Guideline;
 - (f) a reference to any legislation or regulatory instrument includes:
 - (i) all regulations, orders or instruments issued under the legislation or regulatory instrument; and
 - (ii) any modification, consolidation, amendment, re-enactment, replacement or codification of such legislation or regulatory instrument;
 - (g) a reference to a **licensee** includes, without limitation, that **licensee's** administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns; and
 - (h) where an act is required to be done pursuant to this Guideline on, or by, a stipulated day which is not a **business day**, the act may be done on the following **business day**.
- 1.4.2 Explanations in this Guideline as to why certain information is required are for guidance only. They do not, in any way, limit the **Commission's** objectives, functions or powers.

1.5 Confidentiality

- 1.5.1 The confidentiality provisions set out in Part 5 of the **ESC Act** (“Collection and Use of Information”) will apply to any information collected by the **Commission** in accordance with this Guideline.

1.6 Processes for revision

- 1.6.1 The **Commission** may, at its absolute discretion, amend or vary this Guideline from time to time when it considers such action necessary in order to meet the needs of a **licensee**, South Australian water industry customers or the **Commission**.
- 1.6.2 The **Commission** will undertake appropriate consultation with relevant **licensees** and other stakeholders as necessary in accordance with the **Commission’s** Charter of Consultation and Regulatory Practice before making any significant revisions to this Guideline.
- 1.6.3 For all revisions to this Guideline, a commencement date will be nominated on the Amendment Record on the inside front page. The **Commission** will generally give **licensees** not less than 45 days prior notice of the commencement of any significant revisions of this Guideline. If the amendments are of a routine nature, or required by law, the **Commission** may elect to modify the Guideline without consultation.

1.7 Input from interested parties

- 1.7.1 The **Commission** welcomes comments, discussion, or suggestions for amendments to this Guideline from any interested party. Any contributions in this regard should be addressed to:

*Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001
Facsimile: (08) 8463 4449*

E-mail: escosa@escosa.sa.gov.au

2 GENERAL PRINCIPLES OF PREPARATION

2.1 *Substance to prevail over legal form*

- 2.1.1 All information reported to the **Commission** shall report the substance of transactions and events.
- 2.1.2 Where substance and legal form differ, the substance rather than the legal form of a transaction or event shall be reported.
- 2.1.3 In determining the substance of a transaction or events, all its aspects and implications shall be considered, including the expectations of and motivations for, the transaction or event.
- 2.1.4 For the purposes of determining the substance of a transaction or event, a group or series of transactions or events that achieves, or is designed to achieve, an overall commercial effect shall be viewed in aggregate.

2.2 *Information provided shall be verifiable*

- 2.2.1 **Licensees** must maintain accounting and other records and reporting arrangements which enable:
 - (a) separate **Regulatory Accounting Statements** to be prepared;
 - (b) Operating Performance metrics to be measured; and
 - (c) information used in the preparation of **Regulatory Accounting Statements** and Operating Performance metrics to be verified.
- 2.2.2 Information shall be presented in the most understandable manner, without sacrificing relevance or reliability.

2.3 *Materiality*

- 2.3.1 The **Commission** will apply the following standard of materiality:
- 2.3.2 An item is material if its omission, misstatement or non-disclosure has the potential to prejudice the understanding of the financial or operational position, or the nature of the business activities of the **Regulated Business Segment**, gained by reading the **Regulatory Reporting Statements**.

2.4 *Responsibility statement*

- 2.4.1 **Licensees** will be required to provide a **responsibility statement** (in the form specified in Annexure A) evidencing responsibility for information provided to the **Commission**.
- 2.4.2 The annual **responsibility statement** must be signed and dated by:
 - (a) the Chief Executive Officer of the **licensee**; or
 - (b) a person holding an equivalent position to Chief Executive Officer of the **licensee**; or

- (c) a person to whom the Board of the **licensee** has formally delegated the exercise of the power and functions of the **licensee** at a level equivalent to that held by a Chief Executive Officer; or
- (d) the person acting as Chief Executive Officer or equivalent position during an absence of the substantive office-holder.

2.4.3 A **responsibility statement** will be taken as evidence that the data provided by the **licensee** has been verified, is accurate and can be relied upon by the **Commission** in furtherance of the **Commission's** statutory objectives.

2.5 *Quality assurance requirements*

2.5.1 All data provided to the **Commission** under this Guideline must present a true and accurate representation of relevant circumstances, transactions or events as at the final day of a relevant reporting period, except where an alternative time period is expressed in this Guideline or by the **Commission**.

2.5.2 The **retail licences** provide that:

- (a) a **licensee** must undertake periodic audits of its operations authorised by the **retail licence** and of its compliance with its obligations under the **retail licence** and any applicable industry codes in accordance with the requirements of any applicable guideline issued by the **Commission** for this purpose;
- (b) the **Commission** may require that the audits be undertaken by an independent expert or **Auditors** approved by the **Commission**; and
- (c) the results of the audits must be reported to the **Commission**, in a manner approved by the **Commission**.

2.5.3 Where the **Commission** requires independent assurance, on any information submitted under this Guideline not covered under the section above, the **Commission** will give written notice to a **licensee** specifying the required scope of independent assurance, the time by which that assurance is to be provided, and the form of the assurance report.

2.5.4 Independent assurance that is to be obtained by the **Commission** under this Guideline should be consistent with the requirements, where relevant, of Water Industry Guideline No. 1 "Compliance Systems and Reporting".

2.6 *Data variations*

2.6.1 The **licensee** must report a variation to data previously submitted to the **Commission** in circumstances where an error has been discovered in the data previously reported.

2.6.2 The **licensee's** data variation report must:

- (a) be in the format advised by the Commission;

- (b) be acknowledged and explained, including reasons for the variation, in a covering letter accompanying the data variations template.

2.6.3 The data variation template, should be sent:

- (a) electronically to *escosa@escosa.sa.gov.au*; and
- (b) in hardcopy to:

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

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PART B - FINANCIAL PERFORMANCE REPORTING

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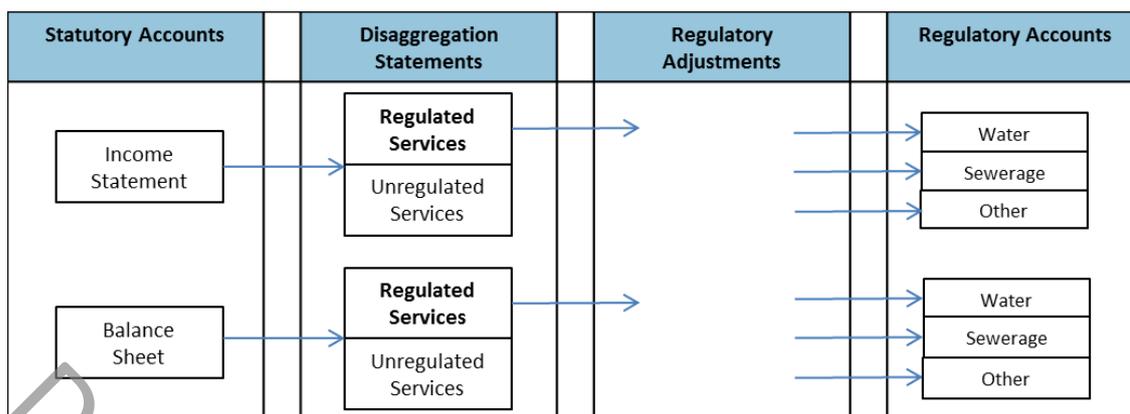
3 PRINCIPLES OF PREPARATION FOR FINANCIAL PERFORMANCE REPORTING

3.1 *Accounting principles and policies*

- 3.1.1 The **licensee** must disclose to the **Commission** any **Regulatory Accounting Principles and Policies** used that are additional to, or in place of, the accounting principles and policies used to prepare the **Statutory Accounts**.
- 3.1.2 **Regulatory Accounting Principles and Policies** must be selected and applied by **licensees**:
- (a) such that there is a recognisable and rational economic basis that underlies their utilisation; and
 - (b) in a manner that ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and events is reported.
- 3.1.3 **Regulatory Accounting Principles and Policies** must be disclosed to the **Commission** in a manner that ensures that the **Commission** is able to understand the resultant **Regulatory Accounting Statements** and can make comparisons between them over time.
- 3.1.4 **Regulatory Accounting Principles and Policies** must conform to Australian Accounting Standards where those Standards are applicable, unless specified otherwise in this Guideline.
- 3.1.5 If material changes to the **Regulatory Accounting Principles and Policies** used are made, the **licensee** must restate prior periods **Regulatory Accounting Statements** as if the changed **Regulatory Accounting Principles and Policies** applied in the prior periods.

3.2 *Principle of disaggregation*

- 3.2.1 This Guideline has been drafted on the basis that a licensee's **Regulated Services** are encompassed by a single set of **Statutory Accounts**. A licensee will inform the **Commission** if this is not the case.
- 3.2.2 The diagram below illustrates the general process for preparing **Regulatory Accounting Statements**, but does not substitute for an understanding of the Guideline:



3.2.3 **Regulatory Accounting Statements** are to be prepared by first disaggregating **Statutory Accounts** into **regulated services** and **unregulated services**. Regulatory accounting adjustments are then made to the **regulated services** segment of the **Disaggregation Statements**.

3.2.4 The **Regulatory Accounting Statements** are to be split into amounts attributable to different **regulated business segments** per the proformas in Schedule 1.

3.2.5 The allocation of amounts between **regulated** and **unregulated services**, and between **regulated business segments** should be made in accordance with the allocation principles in clause 3.3.

3.3 Allocation principles

3.3.1 The principles below should be followed in allocating costs in the production of **Regulatory Accounting Statements**.

3.3.2 Amounts which are directly attributable to:

- regulated services** are assigned to **regulated services**;
- a **regulated business segment** are assigned to that **regulated business segment**;
- an **activity area** are assigned to that **activity area**;
- a **revenue source** are assigned to that **revenue source**;
- a **cost driver** are assigned to that **cost driver**; or
- an **asset category** are assigned to that **asset category**.

3.3.3 Amounts which are not directly attributable to **regulated services**, a **regulated business segment**, an **activity area**, a **revenue source**, a **cost driver** or an **asset category** must be allocated on a causation basis, except where a causal relationship cannot be reasonably established. Items may be allocated on a non-causal basis provided that:

- (a) there is likely to be a strong positive correlation between the non-causal basis and the actual cause of resource or service consumption or utilisation that those costs represent; or
- (b) the cost to derive the causal allocation outweighs the benefits of allocating items on that basis; and
- (c) the aggregate of all amounts allocated on a non-causal basis is not material to the **Regulatory Accounting Statements**.

3.3.4 For amounts allocated on a causation basis (both casual and non-casual), a supporting working paper shall be provided that describes:

- (a) the amounts that have been allocated;
- (b) a description of the allocation basis; and
- (c) the numeric quantity of each allocator.

3.3.5 The **Commission** may require further information, or investigate a **licensee's** bases of allocation:

- (a) to establish their causality;
- (b) to approve non-causal bases of allocation; or
- (c) where the use of non-causal bases of allocation by the **licensees** is more than incidental.

3.4 Account headings

3.4.1 The proformas in Schedule 1 of this Guideline specify for the **Regulatory Accounting Statements**:

- (a) minimum disclosure requirements; and
- (b) **Mandatory Headings**.

3.4.2 **Licensees** may, within the context of the **Mandatory Headings**, define **Discretionary Headings** that are most appropriate to conveying an understanding of the **licensee's** business. Modification to the proforma reports, if any, shall not significantly reduce or alter the nature or description of **Account Headings**. The level of disclosure shall remain relevant and reliable and must be sufficient to provide the **Commission** with financial information that is both comparable and understandable.

3.4.3 **Discretionary Headings** shall be in accordance with, or be traceable to, the **Account Headings** denoted in the **licensee's** general ledger or chart of accounts that underpin its **Statutory Accounts**.

3.4.4 Subject to the provisions of this section, the **Discretionary Headings** applied by the **licensee** to the first set of **Regulatory Accounting Statements** shall be applied consistently by the **licensee** to subsequent **Regulatory Accounting Statements**, unless

- (a) a revision of this Guideline should require a change to **Account Headings**; or
- (b) the **licensee** believes different **Discretionary Headings** will convey a more appropriate understanding of the **licensee's** business. If this is so, the **licensee** should include an explanation of the relationships between revised **Account Headings** and their predecessors.

3.5 *Regulatory accounting periods*

- 3.5.1 The **licensee's Regulatory Accounting Periods** shall correspond to those of its **Statutory Accounts**.
- 3.5.2 The **licensee** shall notify the **Commission** of any change in its **Regulatory Accounting Date** in advance of any such change.
- 3.5.3 The **licensee's Regulatory Accounting Periods** shall cover a continuous period.
- 3.5.4 The **licensee's Regulatory Accounting Statements** shall be reported to the **Commission** within 5 months of the end of the **Regulatory Accounting Period**.

3.6 *Books and records*

- 3.6.1 The **licensee** shall keep books and records that:
 - (a) correctly record and explain the transactions and financial position of any **Regulated Business Segment**; and
 - (b) enable financial information to be prepared in accordance with this Guideline.
- 3.6.2 The **licensee** shall ensure that books and records from which the **Statutory Accounts** are prepared are retained for a period of 7 years.

3.7 *Errors and omissions*

- 3.7.1 The **licensee** shall disclose material prior period errors as soon as practicable and no later than in the first **Regulatory Accounting Statements** prepared after their discovery.
- 3.7.2 In applying this clause, the **licensee** shall disclose to the **Commission**:
 - (a) a full description of each prior period error; and
 - (b) for each prior **Regulatory Accounting Period** affected, the amount of the correction for each **Regulatory Accounting Statement** line item affected.
- 3.7.3 The **Commission** may require the **licensee** to retrospectively restate sections of the **Regulatory Accounting Statements** in respect of the **Regulatory Accounting Periods** in which the errors occurred.

4 INFORMATION REQUIREMENTS FOR FINANCIAL PERFORMANCE REPORTING

4.1 *Use of proformas to report information*

- 4.1.1 The Financial Reporting Proformas in Schedule 1 set out the financial information that has been identified by the **Commission** as necessary for the purpose of performing its statutory functions.
- 4.1.2 Clause 3.5.4 details the **Commission's** timing requirements for the provision of **Regulatory Accounting Statements** to the **Commission** by **licensees**.
- 4.1.3 Where the **Commission** needs to change the nature, context or scope of routine financial information it requires **licensees** to provide, it will provide additional or amended Financial Reporting Proformas.

4.2 *Summary of reporting requirements*

- 4.2.1 **Licensees** must prepare **Regulatory Accounting Statements** in accordance with the proformas in Schedule 1 and the specific requirements in this Guideline.
- 4.2.2 A set of annual **Regulatory Accounting Statements** shall comprise:
- (a) **Regulatory Accounting Statements**, including **Disaggregation Statements**, regulatory accounting journals and other workpapers;
 - (b) the audited **Statutory Accounts** of the Entity or Entities that have been disaggregated to provide the **Regulatory Accounting Statements**;
 - (c) a Directors' **Responsibility Statement** for the **Regulatory Accounting Statements** in a form specified in clause 2.4; and
 - (d) the **Regulatory Accounting Principles and Policies** and any details of changes or developments, as referred to in clause 3.1.
- 4.2.3 Where required by the templates, the **licensee** must prepare explanatory notes which explain the basis of the information recorded in the **Regulatory Accounting Statements**.
- 4.2.4 **Licensees** must prepare pricing schedules and accompanying pricing policy statements in accordance with the requirements in the **licensee's** current **Price Determination**.
- 4.2.5 Unless agreed in writing with the Commission, a **licensee** must submit their pricing schedule and pricing policy statement to the **Commission** by no later than 30 May immediately preceding the start of the regulatory year.

4.3 Disaggregation statements

- 4.3.1 A **licensee** shall prepare **Disaggregation Statements**, per the disaggregation principles in clause 3.2, for the Income Statement and Balance Sheet and for disclosure of asset information as detailed in the Financial Reporting proformas in Schedule 1.
- 4.3.2 A **licensee** shall provide an audit trail to evidence the disaggregation of the **Statutory Accounts** into **regulated** and **unregulated services**.

4.4 Regulatory adjustments

- 4.4.1 Regulatory adjustments may be applied to the **regulated services** segment of the **Disaggregation Statements** when:
- (a) considered appropriate by the **licensee**; or
 - (b) required by the **Commission**.
- 4.4.2 Instances in which the **Commission** may require regulatory adjustments include, but are not limited to:
- (a) Where a **licensee** has capitalised **customer contributions** or **gifted assets** in the **Statutory Accounts** which the **Commission** considers should be treated as revenue for regulatory purposes;
 - (b) Where a **licensee** has capitalised costs in the **Statutory Accounts** which the **Commission** considers should be treated as operating expenditure for regulatory purposes; and
 - (c) Where a **licensee** has not capitalised costs in the **Statutory Accounts** which the **Commission** considers should be treated as capitalised assets for regulatory purposes.
- 4.4.3 A **licensee** must submit its reasoning to the **Commission** for including a regulatory adjustment not covered in clause 4.4.2 above.
- 4.4.4 Regulatory accounting adjustments must be accounted for by journal entries applied to the **disaggregated statements** and relevant working papers must be included in the information reported to the **Commission**.

4.5 Income

- 4.5.1 A **licensee** must allocate revenue items between the **regulated business segments** as listed in the Financial Reporting Proformas in Schedule 1.
- 4.5.2 For revenue allocated to each **regulated business segment** a **licensee** must further allocate this revenue between the **revenue sources mandatory headings** as listed in the Financial Reporting Proformas in Schedule 1. The use of **discretionary headings** must be in accordance with clause 3.4.

4.6 *Operating costs*

- 4.6.1 A **licensee** must allocate operating cost items between the **regulated business segments** as listed in the Financial Reporting Proformas in Schedule 1.
- 4.6.2 For operating costs allocated to each **regulated business segment** a **licensee** must further allocate these operating costs between the **activity area mandatory headings** as listed in the Financial Reporting Proformas in Schedule 1. The use of **discretionary headings** must be in accordance with clause 3.4.

4.7 *Capital expenditure*

- 4.7.1 A **licensee** must allocate capital expenditure items between the **regulated business segments** as listed in the Financial Reporting Proformas in Schedule 1.
- 4.7.2 For capital expenditure allocated to each **regulated business segment** a **licensee** must further allocate this capital expenditure between the **cost drivers** and **asset categories mandatory headings** as listed in the Financial Reporting Proformas in Schedule 1. The use of **discretionary headings** must be in accordance with clause 3.4.

4.8 *Asset information*

- 4.8.1 A **licensee** must allocate gross book value and accumulated depreciation balances between the **regulated business segments** as listed in the Financial Reporting Proformas in Schedule 1.

SCHEDULE 1 FINANCIAL REPORTING PROFORMAS

PROFORMA FR1.1 – Audited statutory accounts

	Current year \$'000	Previous year \$'000
INCOME		
Rates		
Statutory charges		
User charges		
Grants, subsidies and contributions		
Investment income		
Reimbursements		
Other income		
Net gain - joint ventures and associates		
Total Income		
EXPENSES		
Employee costs		
Materials, contracts and other services		
Depreciation		
Finance costs		
Net loss - joint ventures and associates		
Total Expenses		
OPERATING SURPLUS/(DEFICIT)		
Asset disposal and fair value adjustments		
Amounts received specifically for new and upgraded assets		
Physical resources received free of charge		
Operating result from discontinued operations		
NET SURPLUS/(DEFICIT)		

PROFORMA FR1.2 – Disaggregated income statement

	Audited Statutory Accounts \$'000	Regulated services¹ \$'000	Unregulated services² \$'000
INCOME			
Rates			
Statutory charges			
User charges			
Grants, subsidies and contributions			
Investment income			
Reimbursements			
Other income			
Net gain - joint ventures and associates			
Total Income			
EXPENSES			
Employee costs			
Materials, contracts and other services			
Depreciation			
Finance costs			
Net loss - joint ventures and associates			
Total Expenses			
OPERATING SURPLUS/(DEFICIT)			
Asset disposal and fair value adjustments			
Amounts received specifically for new and upgraded assets			
Physical resources received free of charge			
Operating result from discontinued operations			
NET SURPLUS/(DEFICIT)			

General Guidance:

1. Regulated services means retail services as defined in the Water Industry Act
2. Unregulated services means services which fall outside the scope of the Water Industry Act 2012

PROFORMA FR1.3 – Regulatory income statement

	Disaggregated Statement - Regulated Services \$'000	Regulatory Adjustment¹ \$'000	Regulatory Income Statement \$'000
INCOME			
Rates			
Statutory charges			
User charges			
Grants, subsidies and contributions			
Investment income			
Reimbursements			
Other income			
Net gain - joint ventures and associates			
Total Income			
EXPENSES			
Employee costs			
Materials, contracts and other services			
Depreciation			
Finance costs			
Net loss - joint ventures and associates			
Total Expenses			
OPERATING SURPLUS/(DEFICIT)			
Asset disposal and fair value adjustments			
Amounts received specifically for new and upgraded assets			
Physical resources received free of charge			
Operating result from discontinued operations			
NET SURPLUS/(DEFICIT)			

General Guidance:

1. Regulatory Adjustments are unlikely to be required by Intermediate and Minor retailers. Such adjustments are principally made to remove customer contributions from non-current assets. The Commission wishes to review returns on assets funded by the retailer not by customer contributions. If such a customer contribution adjustment is required, depreciation adjustments will also be necessary.

PROFORMA FR1.4 – Regulatory income and operating cost analysis

	Regulated Business Segment			TOTAL (current year) \$'000	TOTAL (previous year) \$'000
	Water (current year) \$'000	Sewerage and trade waste (current year) \$'000	Recycled water and stormwater (current year) \$'000		
INCOME (by Revenue Source)					
Residential from usage charges					
Residential from other charges					
Non-residential from usage charges					
Non-residential from other charges					
Core miscellaneous services					
New customer contributions					
Asset disposal					
Government contributions					
Gifted assets					
Other income					
Total Income					
OPERATING COSTS (by Activity Area)					
Operations and maintenance					
Bulk charges					
Treatment					
Customer service and billing					
Licence fees					
Corporate overheads ²					
Other operating expenditure					
Total Operating Costs¹					

General Guidance:

1. Total Operating costs must equal the sum of Employee costs and materials, contracts and other services in FR1.2.
2. Corporate overheads are an assessed proportion of the licensee's costs that are "allocated" to the water or sewerage business functions

PROFORMA FR2.1 – Audited statutory balance sheet

	Current year \$'000	Previous year \$'000
CURRENT ASSETS		
Cash and cash equivalents		
Trade and other receivables		
Other financial assets		
Inventories		
Total Current Assets		
NON-CURRENT ASSETS		
Financial assets		
Infrastructure, Property, Plant and Equipment		
Other non-current assets		
Total Non-current Assets		
TOTAL ASSETS		
CURRENT LIABILITIES		
Trade and other payables		
Borrowings		
Provisions		
Other current liabilities		
Total Current Liabilities		
NON-CURRENT LIABILITIES		
Trade and other payables		
Borrowings		
Provisions		
Other non-current liabilities		
Total Non-current Liabilities		
TOTAL LIABILITIES		
NET ASSETS		
EQUITY		
Accumulated surplus		
Asset revaluation reserve		
Other reserves		
TOTAL EQUITY		

PROFORMA FR2.2 – Disaggregated balance sheet

	Audited Statutory Accounts \$'000	Regulated services¹ \$'000	Unregulated services² \$'000
CURRENT ASSETS			
Cash and cash equivalents			
Trade and other receivables			
Other financial assets			
Inventories			
Total Current Assets			
NON-CURRENT ASSETS			
Financial assets			
Infrastructure, Property, Plant and Equipment			
Other non-current assets			
Total Non-current Assets			
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables			
Borrowings			
Provisions			
Other current liabilities			
Total Current Liabilities			
NON-CURRENT LIABILITIES			
Trade and other payables			
Borrowings			
Provisions			
Other non-current liabilities			
Total Non-current Liabilities			
TOTAL LIABILITIES			
NET ASSETS			
EQUITY			
Accumulated surplus			
Asset revaluation reserve			
Other reserves			
TOTAL EQUITY			

General Guidance:

1. Regulated services means retail services as defined in the Water Industry Act
2. Unregulated services means services which fall outside the scope of the Water Industry Act 2012

PROFORMA FR2.3 – Regulatory balance sheet

	Disaggregated Balance Sheet - Regulated Services \$'000	Regulatory Adjustment¹ \$'000	Regulatory Balance Sheet \$'000
CURRENT ASSETS			
Cash and cash equivalents			
Trade and other receivables			
Other financial assets			
Inventories			
Total Current Assets			
NON-CURRENT ASSETS			
Financial assets			
Infrastructure, Property, Plant and Equipment			
Other non-current assets			
Total Non-current Assets			
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables			
Borrowings			
Provisions			
Other current liabilities			
Total Current Liabilities			
NON-CURRENT LIABILITIES			
Trade and other payables			
Borrowings			
Provisions			
Other non-current liabilities			
Total Non-current Liabilities			
TOTAL LIABILITIES			
NET ASSETS			
EQUITY			
Accumulated surplus			
Asset revaluation reserve			
Other reserves			
TOTAL EQUITY			

General Guidance:

1. Regulatory Adjustments are unlikely to be required by Intermediate and Minor retailers. Such adjustments are principally made to remove customer contributions from non-current assets. The Commission wishes to review returns on assets funded by the retailer not by customer contributions. If such a customer contribution adjustment is required, depreciation adjustments will also be necessary.

PROFORMA FR2.4 – Regulatory asset schedule

	Per Audited Statutory Accounts \$'000	Regulated services ¹ \$'000	Unregulated services ² \$'000
Gross book value			
Balance brought forward			
Revaluations			
Additions			
Gifted			
Disposals			
Balance carried forward			
Accumulated depreciation			
Balance brought forward			
Revaluations			
Additions			
Gifted			
Disposals			
Balance carried forward			
Net book value at end of period			

General Guidance:

1. Regulated services means retail services as defined in the Water Industry Act
2. Unregulated services means services which fall outside the scope of the Water Industry Act 2012

PROFORMA FR2.5 – Regulatory capital expenditure analysis

	Regulated Business Segment			TOTAL ¹ (current year) \$'000	TOTAL (previous year) \$'000
	Water (current year) \$'000	Sewerage and trade waste (current year) \$'000	Recycled water and stormwater (current year) \$'000		
CAPITAL EXPENDITURE (by Cost Drivers)					
New assets for Growth					
Renewal of existing infrastructure					
New assets for Improved Standards					
Compliance					
Other					
Total Additions					

	Regulated Business Segment			TOTAL ¹ (current year) \$'000	TOTAL (previous year) \$'000
	Water (current year) \$'000	Sewerage and trade waste (current year) \$'000	Recycled water and stormwater (current year) \$'000		
CAPITAL EXPENDITURE (by Asset Categories)					
Headworks					
Pipeworks/network					
Treatment					
Corporate					
Other					
Total Additions					

General Guidance:

1. Total Additions must equal additions in FR 2.4

PART C – OPERATIONAL PERFORMANCE REPORTING

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5 INFORMATION REQUIREMENTS FOR OPERATIONAL PERFORMANCE REPORTING

5.1 *Use of proformas to report information*

- 5.1.1 The Operational Performance Proformas in Schedule 2 set out the categories of statistical information that have been identified by the **Commission** as necessary for the purpose of performing its statutory functions.
- 5.1.2 Those Operational Performance Proformas specify how and when information is to be reported to the **Commission**, including general guidance notes where relevant.
- 5.1.3 Clause 5.3 details the **Commission's** timing requirements for the provision of reports to the **Commission** by **licensees**.
- 5.1.4 Where the **Commission** needs to change the nature, context or scope of routine information it requires **licensees** to provide, it will provide additional or amended Operational Performance Proformas in Schedule 2.

5.2 *Additional information requirements*

- 5.2.1 The **Commission** may from time to time require additional performance measures to be reported by a **licensee** outside of those specified in the Operational Performance Proformas.
- 5.2.2 When seeking such information, the **Commission** will provide a **licensee** with a notice in writing setting out:
 - (a) the **Commission's** information requirements;
 - (b) the scope of any quality assurance that may be required; and
 - (c) the time by which the information is to be provided.

5.3 *Reporting requirements for licensees required to submit annual returns only*

- 5.3.1 The **Commission** has determined that **minor** and **intermediate licensees** need only provide an Annual Return to the **Commission** in respect of each 12 month period 1 July to 30 June.
- 5.3.2 In respect of the Annual Return, the licensee must:
 - (a) unless agreed in writing with the **Commission**, by no later than 30 November immediately following the end of each regulatory year, submit to the **Commission**:
 - (i) an electronic copy of the report using the **Commission's** spreadsheet template;

- (ii) ensure that the report conforms with the relevant Operational Performance Proformas and guidance notes in Schedule 2; and
 - (iii) any other report or information identified by the Commission;
and
- (b) provide a signed **responsibility statement** in accordance with the requirements of clause 2.4, together with a hardcopy of the report.

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SCHEDULE 2 OPERATIONAL PERFORMANCE PROFORMAS

PROFORMA OP1.1 – Timeliness of response to telephone calls

	ANNUAL	
	OVERALL BUSINESS	WATER RETAIL ONLY
Total number of telephone calls answered by a telephone operator		
Number of telephone calls answered by a telephone operator within 30 seconds		
Percentage of telephone calls answered by a telephone operator within 30 seconds		
Average waiting time before a telephone call is answered by a telephone operator (seconds)		
Number of telephone calls sent to voicemail		
Total number of abandoned telephone calls		

General Guidance:

- Fill in as many boxes as possible, noting data at the 'overall business' level will suffice during the transitional period where **licensee** does not collect separate 'water retail' data.
- Water Retail service **telephone calls** should only include calls which relate to licensed water services i.e. not to include bulk water issues or general stormwater issues (e.g. ingress from neighbours yard) etc. Where this information is collected there is no need to supply overall business data for this measure.
- The total number of **telephone calls** answered by a telephone operator should include the total number of calls received by a **licensee** that were handled by an operator or customer service operator, and in the case of an interactive voice response (IVR) system covers the number of calls where the customer has selected the relevant operator option.
This indicator excludes the following calls:
 - IVR calls where the customer does not select an operator option;
 - Calls that are abandoned before the operator is selected.
Calls after the operator option is selected but are abandoned before 30 seconds should be included in the total number of calls to an operator, but excluded from the calls answered within 30 seconds.
- Percentages must be provided to at least one decimal place.
- Average waiting time before a **telephone call** is answered means the total time waited by callers before their **telephone call** was answered by the telephone operator divided by the number of calls answered.
 - For IVR systems, the measurement period is calculated from the time that the customer selects an operator option. If the call's question is answered by the IVR, meaning they don't need to speak to an operator, the call is not counted
 - For non-IVR systems, the measure period commences when the call is received by the switchboard until the call is answered by an operator.

PROFORMA OP1.2 – Customer complaints

	ANNUAL
Number of billing and account complaints (water & sewerage/CWMS)	
Number of water service complaints	
Number of drinking water flow rate or pressure complaints	
Number of drinking water quality complaints	
Number of sewerage service complaints (excluding CWMS)	
Number of CWMS complaints	
Number of other complaints	
Total water and sewerage service complaints (including CWMS)	

General Guidance:

1. **Complaints** include complaints received by the **licensee** in person, by mail, fax, phone, email or text messaging.
2. **Customer queries** should not be included in **complaint** numbers.
3. **Complaints** about third parties over which the **licensee** has no control should not be counted as complaints, complaints about third parties where the **licensee** does have control (i.e. contractors) should be included.
4. **Complaints** from separate customers arising from the same cause count as separate complaints.
5. The **Commission** will convert to 'complaints per 100 customers' using the number of account holders statistic collected under the Statistical Information component of this Guideline.

PROFORMA OP2.1 – Restrictions & legal action for non-payment

	ANNUAL
Total number of water restrictions applied for non-payment of water bill: • residential: ▲ Total – financial hardship program – concession – tenant	
• non-residential	
Total number of water restrictions applied for non-payment removals at the same premises in the same name within 7 days of restrictions applied for non-payment of water bill: • residential ▲ Total – financial hardship program – concession – tenant	
• non-residential	
Total number of legal actions applied for non-payment of water or sewerage (including CWMS): • residential ▲ Total – financial hardship program – concession – tenant	
• non-residential	

General Guidance:

- Section 22 of the **Water Retail Code – Intermediate Retailers** and section 13 of the **Water Retail Code – Minor Retailers** sets out the obligations of **licensees** in respect of **restriction** of water services due to non-payment.
- Water **restrictions** cover the **restriction** of any water services (e.g. **drinking water** and **non-drinking water**).
- For the purposes of this measure **CWMS** is treated as if it were a sewerage service.
- Total number of **water restrictions applied for non-payment** of a water bill does not include:
 - Where a business threatens to restrict a supply, but does not undertake the fitting of a restrictor;
 - Disconnections carried out due to unsafe infrastructure connected to the water utility's system
 - Customers who choose to disconnect from the **licensee's** supply.
- Legal action commences from issue of summons. It does not include where a **licensee** threatens to take legal action, but does not proceed.
- Multiple restrictions, disconnections and legal actions for one customer should be counted as separate occasions.
- This metric requires measures for **residential customers** to be categorised as follows:
 - Total – as indicated represents the total number of **residential customers** affected by the action, including those **customers** that do not fit into any of the categories following, as well as including those **customers** in the categories following.
 - financial hardship** program – represents those **customers** that are either in a **financial hardship** program, or were in a **financial hardship** program, immediately prior to the action occurring (i.e. **restriction** or legal action)

- concession – those **customers** incurring the action (i.e. **restriction** or legal action) that were in receipt of a State Government concession at the time the action was undertaken.
- tenants – those **customers** incurring the action (i.e. **restriction** or legal action) that are tenants.

It is feasible that one **customer** could fit into more than one category. For example, a **residential customer** receiving a concession and in a hardship program would be recorded in three places (including the Total line). [In the case of **water restrictions applied for non-payment**, as an example, this metric should be read as of the total number of **water restrictions applied for non-payment to residential customers**, how many were also in a hardship program, received a concession and/or where a tenant.]

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PROFORMA OP2.2 – Financial support measures

	ANNUAL
Total number of residential customers participating in a financial hardship program during the year	
Number of residential customers who entered the financial hardship program during the year	
Average amount of bill debt (all services combined) for residential customers participating in a financial hardship program as at the end of the year (\$)	
Number of residential customers who successfully exited the financial hardship program during the year	
Total number of instalment payment plans operating during the year:	
• residential	
• non-residential	
Total number of residential customers receiving a water concession	
Total number of residential customers receiving a sewerage concession	

General Guidance:

1. The **Water Retail Code-Intermediate Retailers** (section 7) and **Water Retail Code-Minor Retailers** (section 7) sets out obligations on **licensees** to have an approved hardship policy.
2. The **Water Retail Code – Intermediate Retailers** (section 21) sets out obligations on **Intermediate Retailers** to offer a range of assistance measures prior to undertaking a **restriction** of water services.
3. The total number of **residential customers** receiving a concession means all **customers** receiving a concession, including **residential customers** participating in a **financial hardship** (customer hardship) program.

PROFORMA OP2.3 – Price movements

	ANNUAL
Value of a typical residential bill based on average water consumption:	
• value of a typical residential drinking water annual component	
• value of a typical residential sewerage annual component (including CWMS)	
• value of a typical residential water and sewerage bill (total)	
Value of residential bill based on set water consumption:	
• annual average residential drinking water component (based on set water consumption)	
• annual average residential sewerage component (including CWMS)	
• annual average residential water and sewerage bill (total)	

General Guidance:

1. The method for calculating the value of a typical residential drinking water annual bill component is consistent with the approach adopted under the **NPF definitions handbook** for the water component, comprising:
 - water fixed charge (p.a.);
 - any special levies; and
 - water pay-for-use charge, based on average residential consumption per water customer account (rather than per property).
2. The value of a typical residential sewerage annual bill component should be consistent with that charged to a residential customer with typical (average) drinking water consumption. The value of the total bill is disaggregated to cater for those customers in areas which might have drinking water supplied by a water utility, but effluent managed through a **CWMS** supplied by a separate body.
3. The method for calculating the value of an annual average residential drinking water bill component (based on 200kL) is consistent with the approach adopted under the **NPF definitions handbook** for the water component, comprising:
 - water fixed charge (p.a.);
 - any special levies; and
 - water pay-for-use charge, based on 200kL consumption.
4. The value of the annual average sewerage component should be consistent with that charged to a residential customer with consumption of 200kL.

PROFORMA OP3.1 – Water infrastructure reliability

	ANNUAL		
	DRINKING WATER	NON DRINKING WATER	ALL WATER TYPES
Total number of planned interruptions			
Total number of unplanned water supply interruptions			
Number of customers with 3 or more unplanned water supply interruptions per year - annual			
Average duration of an unplanned water supply interruptions (minutes) – annual			
Average frequency of unplanned water supply interruptions (number per 1000 customers) - annual			
Water main breaks (total number per 100km of water main) – annual			
Water service outage events:			
• Total Number of Category 1 events			
• Total Number of Category 2 events			
• Total number of Category 3 events			

General Guidance:

1. Average duration of **unplanned water supply interruptions** = Total minutes off water supply/total number of customers affected.
2. Average frequency of **unplanned water supply interruptions** = Total number of customers affected by **unplanned water supply interruptions**/ Total water connections.
3. Water main breaks excludes those in the property service (i.e. mains to meter connection) and weeps or seepages associated with above ground mains that can be fixed without shutting down the main.
4. Events dealt with under water service outage events are confined to events that cause a total loss of water supply to one or more customers.
5. The reference to ‘all water types’ in the table heading (column 1) means that the statistics provided should be combined for all water services provided by the licensee (e.g. include drinking and non-drinking water).
6. Water service outage events are as follows:
 - Category 1: Where the interruption could be life threatening or otherwise have serious consequences (e.g. impacting critical needs customers, hospitals, nursing homes, schools, child care centres etc.)
 - Category 2: Where the interruption causes a disruption to a customer’s business activities.
 - Category 3: All other cases.
7. Where it is not possible to distinguish between individual water types (e.g. **non-potable water** is supplied through the same pipes as **drinking water** and reporting system cannot report metrics separately), then the details required of Proforma OP3.1 should be completed for the predominant water type, with separate advice provided to the **Commission** that specific information covers more than one water type, listing the water types and the estimated proportion of each water type (e.g. ‘non-potable component of **drinking water** estimated to be less than 5%’).

PROFORMA OP3.2 – Sewerage infrastructure reliability

	ANNUAL (30 JUNE)	
	SEWERAGE	CWMS
Total number of planned interruptions		
Total number of unplanned interruptions		
Number of customers with 3 or more unplanned full loss events per year - annual		
Total duration of sewerage interruption		
Average sewerage interruption (minutes)-annual		
Sewerage mains breaks and chokes (number per 100 km of sewer main) - annual		
Property connection sewer breaks and chokes (number per 1000 properties) - annual		
Total Number of septic tank pump-outs		
Sewerage service outage events		
• Total Number of Category 1 events		
• Total Number of Category 2 events		
• Total number of Category 3 events		
• Total number of partial loss events		
Sewerage Overflow		
• Total number of inside building overflow events		
• Total number of outside building (on customer's property) overflow events		
• Total number of external overflow events		

General Guidance:

- Average sewerage interruption (minutes) = Total minutes of interruptions/total number of interruptions
- Sewerage mains breaks and chokes includes:
 - all gravity sewer mains;
 - all pressure mains (including common effluent pipelines, rising mains etc);
 - all vacuum system mains of any diameter.
- Sewerage mains breaks and chokes excludes:
 - Property connection sewers
 - Pipelines carrying treated effluent
 - Recycled water distribution and reticulated mains delivery water for urban areas; such mains are to be reported as water mains.
- Sewerage service outage events are as follows:
 - Full Loss Category 1: where the interruption could be life threatening or otherwise have serious consequences (e.g. impacting critical needs **customers** such as hospitals, nursing homes etc. or organisations such as schools, child care centres etc.).
 - Full Loss Category 2: where the interruption causes a disruption to a **customer's** business activities.
 - Full Loss Category 3: all other cases.
 - Partial Loss: all cases (without reference to a full loss of service)

PROFORMA OP4.1 – Statistical Information

OP4.1(A)	
CUSTOMER NUMBERS	ANNUAL (AS AT 30 JUNE)
Drinking water	
<u>Residential</u>	
<u>Non-residential</u>	
Non-drinking water	
<u>Residential</u>	
<u>Non-residential</u>	
Sewerage (excluding CWMS)	
<u>Residential</u>	
<u>Non-residential</u>	
CWMS	
<u>Residential</u>	
<u>Non-residential</u>	

OP4.1(B)	
	ANNUAL (1 JULY TO 30 JUNE)
SALES (ML)	
Volume of drinking water supplied	
<u>Residential</u>	
<u>Non-residential</u>	
Volume of non-drinking water supplied	
<u>Residential</u>	
<u>Non-residential</u>	
Total volume of water supplied other	
Total volume of sewage (including CWMS) collected	

OP4.1(c)	
	ANNUAL (AS AT 30 JUNE)
ASSETS	
Drinking water	
Length of mains (km)	
Non-drinking water	
Length of mains (km)	
Sewerage (excluding CWMS)	
Length of mains (km)	
CWMS	
Length of mains (km)	

OP4.1(D)	ANNUAL (AS AT 30 JUNE)
MISCELLANEOUS	
Life support Number of connected properties registered pursuant to section 8 of the Water Retail Code	
Connections Total number of standard water connections installed Total number of non-standard water connections installed Total number of standard sewer connections installed Total number of non-standard sewer connections installed	

General Guidance:

1. Unless otherwise stated, the statistics are to be reported as at 30 June. That is, most of these statistics are for a 'point in time'
2. For the purposes of this metric, the number of **customers** is determined by the number of account holders
3. In the case of **CWMS**, the volume of 'sewerage' reported would cover the volume of effluent collected through the system excluding any sewerage collected through emptying septic tanks.
4. In the case of multiple water services being provided through shared infrastructure (e.g. **non-potable water** is supplied through the same pipes as **drinking water**), then the details required of Proforma OP4.1 (OP4.1(A) to (C)) should be completed for the predominant water type, with separate advice provided to the **Commission** that specific information covers more than one water type, listing the water types and the estimated proportion of each water type (e.g. 'non-potable component of **drinking water** estimated to be less than 5%').
5. The volume of '**water supplied other**' in relation to OP4.1B means all other water supplied other than to **residential or non-residential customers** (i.e. a catch all or 'remainder'). This is an aggregate figure and is not required to be disaggregated into the various water types, or **customer** categories.
6. For the purposes of OP4.1(D) references to sewer should be read to include **CWMS**.

ANNEXURE A- PROFORMA DIRECTORS' RESPONSIBILITY STATEMENT

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

Financial Reporting

Having reviewed the information contained in the attached Regulatory Accounting Statements for [insert name of licensee] for the period ended[insert period end], in my opinion this report:

- 1. has been prepared in a manner that meets the requirements of Water Industry Guideline No. 3 (“the Guideline”);
- 2. presents fairly and accurately:
 - a. the results of each Regulated Business Segment for the Regulatory Accounting Period ended[insert period end]; and
 - b. information concerning the state of affairs at[period end], of each Regulated Business Segment

The terms and definitions used in this statement accord with the definitions set out in the Guideline referred to above.

Signed: _____
Name of Chief Executive/
Approved Senior Officer _____
Licensee: _____
Date: _____

Operational Reporting

Having reviewed the information contained in the attached Annual Return containing the operational results of [insert name of **licensee**] for the period ended[insert period end], in my opinion this report:

1. has been prepared in a manner that meets the requirements of Water Industry Guideline No. 2 (“the Guideline”);
2. presents fairly and accurately all information concerning operational performance as required by the **Water Retail Code**;
3. contains a fair and accurate description of all significant variations in the data from this reporting period to the same period last year; and

Signed: _____
Name of Chief Executive/
Approved Senior Officer _____
Licensee: _____
Date: _____

GLOSSARY

In this Guideline:

abandoned telephone calls means a telephone call received by a licensee where the customer terminated the telephone call before it was answered by the licensee

account heading means an account heading used in an accounting record such as a general ledger or a higher-level summarisation of such headings

activity area means a group of activities as listed in Schedule 1 of this Guideline

agreed-upon procedures report means an agreed-upon procedure engagement report, prepared in accordance with Australian Auditing Standards AUS904. The objective is for the auditor to carry out procedures of an audit nature specified by the **Commission** and to report on actual findings

asset category means a type of asset as listed in Schedule 1 of this Guideline

attend or **attendance** means the time from when the **licensee** was first notified of a service fault, or becomes aware of a service fault, to when a representative of the **licensee** arrives on site

auditor means a registered company **auditor** that is independent of the **licensee**.

best endeavours means to act in good faith and use all reasonable efforts, skill and resources

billing and account complaints includes, but is not limited to, a **complaint** concerning account payment, financial loss or overcharging, billing errors and affordability

business day means a day that is not a Saturday, a Sunday or a public holiday in the State of South Australia

Commission means the Essential Services Commission established under the **ESC Act**

complaint has the same meaning as defined by the Australian Standards (AS ISO 1002-2006) i.e. a complaint is an 'expression of dissatisfaction made to an organization, related to its products, or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected.' **Complaints** include written or verbal expressions of dissatisfaction about an action, proposed action or failure to act by the **licensee**, its employees or contractors. A complaint is not an **enquiry**. A complaint may be made by a person who is not a **customer**

cost driver means a reason for incurring a cost as listed in Schedule 1 of this Guideline

customer has the same meaning as defined in the **Water Retail Code**

connection has the same meaning as defined in the **Water Retail Code**

CWMS means Community Wastewater Management System

disaggregation statement means a statement that comprises the **licensee's statutory accounts** disaggregated between **regulated** and **unregulated services**

discretionary heading means an **account heading** within the pro forma **regulatory accounting statements** that may be defined by the **licensee**

drinking water means water provided by a reticulated system that is intended for human consumption or for purposes connected with human consumption (such as the washing, preparation or cooking of food or the making of ice intended for human consumption, or for the preservation of unpackaged food), whether or not the water is used for other purposes

drinking water flow rate or pressure complaints includes **complaints** concerning water flow rate and/or pressure

drinking water quality complaints includes **complaints** concerning discoloration, taste, odour, stained washing, illness, cloudy water (e.g. caused by oxygenation)

enquiry means a written or verbal approach by a person (who may or may not be a **customer**) which can be satisfied by providing information, advice, assistance, clarification, explanation or referral about a matter and is not a **complaint**

ESC Act means the Essential Services Commission Act 2002 (SA)

financial hardship means a situation where a **customer** desires to pay an account, but is unable to pay all or some of the account by the due date due to financial difficulty.

hardcopy has its common use language meaning, but where the provision of a hardcopy of material is specified, this can also be met through the electronic provision of a Portable Document Format (PDF) file of the entire material as a single PDF file, including a signed **responsibility statement**

industry codes means the South Australian **Water Retail Codes** and any other industry code, made by the **Commission** pursuant to the provisions of Part 4 of the **ESC Act**

intermediate retailer means a retailer which provides retail services to more than 500 but less than 50,000 connections, with intermediate licensee having the same meaning

installment payment plan means an arrangement between a **licensee** and a **customer** under which the **customer** pays arrears only or arrears and continued usage on its account, according to an agreed payment schedule and capacity to pay

licence means

- (a) a licence issued to a person pursuant to Part 4 of the **Water Industry Act**; or
- (b) an Exemption from the requirement to hold such a licence that contains a condition that requires that person to report against certain obligations specified by the **Commission**

licensee means a **water industry entity** and the holder of a **retail licence** and has the same meaning as 'retailer' under the **Water Retail Code**

mandatory heading means a mandatory **account heading** within the proforma **regulatory accounting statements**

minor retailer means a retailer which provides retail services to 500 or fewer connections, with intermediate licensee having the same meaning

non-drinking water means water other than **drinking water** and includes recycled water and stormwater

non-residential means circumstances where a **retail service** is acquired for purposes other than **residential**

non-standard sewer connection means a sewer **connection** that requires an extension of existing mains/network or specific construction

non-standard water connection means a **connection** that requires an extension of existing mains/network or specific construction. Such **connections** cover **drinking water** and **non-drinking water**

NPF definitions handbook means the 'National Performance Framework: Urban performance reporting indicators and definitions handbook', as published from time to time by the National Water Commission (<http://www.nwc.gov.au/>)

NPR means National Performance Reports for urban water utilities and rural water service providers (refer <http://www.nwc.gov.au/>)

partial loss means when the discharge of **wastewater** takes up to 10 minutes to drain away from a toilet or floor drain (e.g. shower) but no overflow from the toilet or drain is visible around the premises

planned interruption means an interruption to or curtailment of supply or service to a **customer** in the circumstances permitted under clause 13.4 of the **Water Retail Code - Intermediate retailers**

price determination means the **Commission's** determination made under Part 3 of the ESC Act, as in force from time to time and applicable to **minor** and **intermediate retailers**

property connection means the short sewer that is owned and operated by the **licensee**, which connects the sewer main and the customer sanitary drain. It includes a junction on the sewer main, a property connection fitting, a vertical riser (in some cases) and sufficient straight pipes to ensure the property connection fitting is within the lot to be serviced (refer to the WSAA 02 Sewerage Code of Australia)

regulated business segment means the a business segment involved in providing **retail services** as listed in Schedule 1 of this Guideline

regulated services means **retail services** provided by the **licensee** as defined in Clause 4 of the **Water Industry Act**

regulatory accounting date means the end date of a **regulatory accounting period**

regulatory accounting period means a period on which a single set of **regulatory accounting statements** reports

regulatory accounting principles and policies means accounting principles and policies that have been used to prepare **regulatory accounting statements** that may be additional to or in place of the accounting principles and policies used to prepare **statutory accounts**

regulatory accounting statements means the financial reports of a licensee's financial position and performance associated with the supply of **retail services** according to **regulated business segments** and **activity areas**

regulatory audit report means an audit report on the **regulatory accounting statements**

regulatory period means the period for which the current **price determination** is in force

regulatory reporting statement means any regulatory report prepared by the **licensee** and submitted to the **Commission** in accordance with this Guideline

residential means circumstances where **retail services** acquired primarily for domestic use

respond or **response** means an action to resolve a **water service complaint, sewerage service complaint** or other **complaint** by communicating with the **customer** by phone or personal attendance dependent on the appropriate action required to resolve the issue. Where the complaint cannot be resolved within the set timeframes, "responded to" means the customer has been advised of the **licensee's** suggested course of action, identified when the action will be taken and the name of the appropriate contact person for further enquiries

responsibility statement means a statement in the form specified in Annexure A of this Guideline signed and dated by the Chief Executive of the **licensee** (or senior officer as agreed in writing with the **Commission**) evidencing responsibility for information provided to the **Commission**

restore or **restoration** means rectifying the fault such that a water supply is restored to the original flow rates (i.e. the rate prior to the event) or when a sewerage (or **CWMS**) system is discharging effectively – when 'normal' service is restored. Where the loss of water supply is due to the shutdown of a section of water main, the water supply interruption begins when the water supply is shut off and ends when the main is fully recharged. In general, restoration time covers total job duration, including time from receiving first notification or becoming aware, responding to, and rectifying the fault. However, where a separate service standard applies for attendance at a property, restoration time will commence once attendance at property has occurred.

restriction includes all cases where restriction devices are fitted to reduce water flow and excluding disconnection

retail service has the same meaning given to that term in the **Water Industry Act 2012** and includes a water service and a sewerage service

retailer means the holder of a license issued by the **Commission** under the **Water Industry Act 2012**

revenue sources are the services or sources from which the entity's income has come from

sewerage service complaints includes complaints concerning sewer blockages and spills, trade waste services, sewage odours, sewerage system reliability and all other sewerage issues, excluding any **complaints** in relation to **CWMS**.

standard sewer connection means a sewer **connection** that is readily available from existing network adjacent to the property and where there is no extension of mains/network or specific construction required. For **water industry entities** providing **CWMS**, 'sewerage' should be taken to incorporate **CWMS**

standard water connection means a water **connection** that is readily available from existing network adjacent to the property and where there is no extension of mains/network or specific construction required

statutory accounts means the financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, that contain the entirety of the activities of the **licensee's regulated business segments**

telephone call means a call made to any of the **licensee's** telephone numbers identified in the **licensee's customer** enquiries and complaints procedures approved by the **Commission** pursuant to clauses 3.1 and 3.2 of the **Water Retail Code**

unplanned sewerage supply interruption means an interruption to sewerage supply where the customer has not received notification of the interruption and where the duration of a planned sewerage supply interruption exceeds that which was originally notified

unplanned water supply interruption means an interruption to water supply where the customer has not received notification of the interruption and where the duration of a **planned water supply interruption** exceeds that which was originally notified

unregulated services mean services which fall outside the scope of the **Water Industry Act 2012**

wastewater means water/waste from toilets, baths/showers, sinks, washing machines and the like, that drains into the sewerage system

water concession means a **customer** in receipt of a South Australian Government water concession (as at the end of the relevant reporting period), including both permanent concession cardholders and beneficiaries

Water Industry Act means the Water Industry Act 2012 (SA), as in force from time to time and, where the context allows, includes all regulations made under that Act

water industry entity has the same meaning given to that term in the **Water Industry Act 2012**

water restrictions applied for non-payment means each occasion on which a **customer's** supply has been **restricted** (i.e. reduced from normal flow to a level deemed to allow basic health requirements to be met) due to that **customer's** failure to pay amount owed, including in respect of vacant premises

Water Retail Code means the **Water Retail Code-Intermediate Retailers** and **Water Retail Code-Minor Retailers** made by the **Commission** pursuant to the provisions of Part 4 of the **ESC Act**, unless otherwise specified

Water Retailer Code – Intermediate Retailers means the **industry code** of that name made pursuant to the provisions of Part 4 of the **ESC Act**

Water Retailer Code – Minor Retailers means the **industry code** of that name made pursuant to the provisions of Part 4 of the **ESC Act**

water service complaints includes **complaints** concerning bursts, leaks, service interruptions, adequacy of service, water pressure and water reliability, but does not include **complaints** concerning flow rate or water pressure as these latter complaint types are captured under the **drinking water flow rate or pressure complaints** definition.

written complaints means all **complaints** received by the **licensee** via mail, facsimile, e-mail, or other electronic means

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