

SA WATER'S WATER AND SEWERAGE RETAIL SERVICES: 2013/14 – 2015/16

Determination

May 2013



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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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1 GENERAL

1.1 Authority

- 1.1.1 This price determination is made by the Commission pursuant to the price determination powers under the Essential Services Commission Act 2002, exercised in accordance with the authority provided by, and consistent with the requirements of the Pricing Orders made under, section 35 of the Water Industry Act 2012.

1.2 Application

- 1.2.1 This price determination applies to SA Water and:
- (a) regulates the maximum revenues which SA Water may recover from the sale and supply of drinking water retail services and sewerage retail services during the regulatory period;
 - (b) provides mechanisms for adjusting revenues under a subsequent price determination to account for:
 - (i) material variances in drinking water retail service demand during the regulatory period as compared with the forecasts assumed in this price determination; and
 - (ii) the occurrence of specified classes of material changes in costs incurred by SA Water, in respect of the sale and supply of drinking water retail services or sewerage retail services, arising from pass through events during the regulatory period;
 - (c) regulates the manner in which SA Water must set prices for:
 - (i) recycled water retail services; and
 - (ii) excluded retail services.

1.3 Term and commencement

- 1.3.1 Subject to clause 1.3.2, this price determination applies for the period 1 July 2013 to 30 June 2016.
- 1.3.2 The following clauses of this determination take effect prior to 1 July 2013:
- (a) clause 2.2 of this price determination commences on 30 May 2013, requiring SA Water to provide an annual revenue control compliance statement for the regulatory year commencing 1 July 2013;
 - (b) clause 4.2.1(a) and clause 4.3 commence on 30 May 2013, requiring SA Water to prepare and publish a pricing schedule for recycled water retail services for the regulatory year commencing 1 July 2013 (for the avoidance of doubt, nothing in this clause requires SA Water publish a pricing policy statement under clause 4.2.1(b) prior to 31 May 2014);
 - (c) clause 5.2.1(a) and clause 5.3 commence on 30 May 2013, requiring SA Water to prepare and publish a pricing schedule for excluded retail

services for the regulatory year commencing 1 July 2013 (for the avoidance of doubt, nothing in this clause requires SA Water publish a pricing policy statement under clause 5.2.1(b) prior to 31 May 2014).

1.4 Definitions and interpretation

1.4.1 Where a term used in this price determination is defined in the Water Industry Act 2012, it has the meaning given in that Act.

1.4.2 Subject to clause 1.4.1, in this price determination, unless the contrary intention appears:

Business day means any day apart from a Saturday, Sunday or public holiday in South Australia (within the meaning of the Acts Interpretation Act 1915).

Change in legal obligation event means the occurrence of an event under which a new and legally binding obligation is placed on SA Water which has a material impact on the cost of provision of a drinking water retail service or a sewerage retail service during the regulatory period.

Commission means the Essential Services Commission established under the Essential Services Commission Act 2002.

Drinking water retail service means a retail service constituted by the sale and supply of water of a quality fit for human consumption.

Excluded retail services means those retail services specified in the Excluded Retail Services Schedule.

Extraordinary event means an event the occurrence of which:

- a) was unforeseen or, if foreseen, the timing and impacts of which could not be quantified at the time that this price determination was made; and
- b) was or is (as the case may be) beyond the control of SA Water (acting prudently and efficiently); and
- c) has or will have (as the case may be) a material impact on the cost of provision of a drinking water retail service or a sewerage retail service during the regulatory period.

Pricing Order means any pricing order issued by the Treasurer under section 35 of the Water Industry Act 2012.

NWI pricing principles means the pricing principles endorsed by the Natural Resource Management Ministerial Council on 23 April 2010.

Pass through event means each of:

- a) a change in legal obligation event; and
- b) an extraordinary event.

Recycled water retail services means the sale and supply of water which has been generated from sewage, greywater or stormwater and treated to a standard that is appropriate for its intended use.

Regulatory period means the period 1 July 2013 to 30 June 2016.

Regulatory year means each 12-month period commencing 1 July during the regulatory period.

SA Water means the South Australian Water Corporation established under the South Australian Water Corporation Act 1994.

Sewerage retail service means the sale and supply of sewerage services for the removal of sewage.

Subsequent price determination means any price determination made by the Commission pursuant to the Essential Services Commission Act for the purposes of section 35 of the Water Industry Act to apply for the subsequent regulatory period.

Subsequent regulatory period means the operational period of any price determination made by Commission to take effect from 1 July 2016 for the purposes of section 35 of the Water Industry Act 2012.

1.4.3 This price determination must be interpreted according to the following principles:

- (a) words denoting persons include corporations, unincorporated associations, firms, governments and governmental agencies;
- (b) a reference to a person includes that person's agents, successors and permitted assigns, persons who have control over any assets of a person and receivers, managers, trustees, administrators and liquidators and similar persons appointed over:
 - (i) a person; or
 - (ii) any assets of a person;
- (c) headings are only included for convenience and do not affect interpretation;
- (d) a reference to a section, clause, Chapter, Part or Schedule is to a clause, Chapter or Part of or Schedule to this price determination;
- (e) a reference to an agreement, document, regulatory instrument or part thereof is a reference to that agreement, document, regulatory instrument or part thereof as varied, replaced or substituted from time to time and includes any Schedules or attachments to the agreement, document or regulatory instrument; and
- (f) a reference to legislation or regulatory instrument, or to a provision of the legislation or regulatory instrument, includes a modification, re-enactment or re-making of it, a provision substituted for it and a regulation or other statutory instrument issued under it.

1.5 *Revoking or altering decisions*

1.5.1 If the Commission has made a decision under this price determination and it subsequently becomes aware that the decision was made on the basis of information provided to the Commission that was false or misleading in a material particular, then the Commission may:

- (a) revoke that decision and substitute a new decision; or

- (b) alter that decision.
- 1.5.2 If the Commission revokes and substitutes a new decision or alters a decision under clause 1.5.1 (as the case may be), that new or altered decision takes effect on the date specified by the Commission in a written notice.
- 1.5.3 A new or altered decision made under this clause will only differ from the original decision to the extent necessary to correct for:
 - (a) the false or misleading information on which the original decision was based; and
 - (b) the application of the original decision during the period in respect of which that decision was in effect.

1.6 *Modification of time periods*

- 1.6.1 The Commission may, by written notice, extend the time by or within which anything required to be done under this price determination must be done.
- 1.6.2 If the Commission makes a request for information for the purposes of making a decision or exercising any of its powers under this price determination, any time period within which the Commission is required to make a decision, notify any person or exercise any of its powers under this price determination:
 - (a) stops running on the date the request is made; and
 - (b) starts to run again on the date that the Commission notifies SA Water in writing that the Commission is satisfied that the requested information has been provided.
- 1.6.3 If the Commission makes a request for information under clause 1.6.2, it will notify SA Water:
 - (a) as soon as practicable after the request for information has been made, of the date the relevant time period stopped running; and
 - (b) as soon as practicable after the Commission has determined that any information received satisfies the request for information, of the date the relevant time period started to run again.

1.7 *Reviews of decisions*

- 1.7.1 SA Water may make an application to the Commission for a review of a decision made, or deemed to have been made, under this price determination.
- 1.7.2 The only grounds for a review under this clause 1.7 are that a decision made, or deemed to have been made, under this price determination:
 - (a) was not made in accordance with the requirements of this price determination;
 - (b) is unreasonable having regard to all the relevant circumstances; or
 - (c) is based wholly or partly on an error of fact in a material respect.
- 1.7.3 An application for a review of a decision must:
 - (a) be in writing;

- (b) set out the decision made, or deemed to have been made, under this price determination to which the application relates;
 - (c) set out in detail the grounds on which SA Water seeks review and the decision sought on the review;
 - (d) be accompanied by any information that SA Water considers should be taken into account by the Commission in the review; and
 - (e) be lodged with the Commission within 10 business days after the decision made, or deemed to have been made, under this price determination, is published.
- 1.7.4 The Commission will not review a decision made, or deemed to have been made, under this price determination where it determines that:
- (a) the application for review is vexatious; or
 - (b) the subject matter of the application is trivial, misconceived or lacking in substance.
- 1.7.5 If an application is made for a review of a decision made, or deemed to have been made, under this price determination, the Commission:
- (a) will publish a copy of the application on its website; and
 - (b) may invite submissions on the matter the subject of the review in a manner and within a period specified by the Commission.
- 1.7.6 A review will be determined within 6 weeks of the application being lodged with the Commission.
- 1.7.7 Subject to clause 1.6.1, if a review is not determined within that period, the Commission will be taken to have confirmed the decision made, or deemed to have been made, under this price determination on the same grounds on which the original decision was made.
- 1.7.8 After considering the application, the Commission may confirm, vary or substitute the decision.
- 1.7.9 The Commission will give SA Water and any other person who provides a submission to the review written notice of the Commission's decision under clause 1.7.8 and the reasons for that decision.
- 1.7.10 A decision of the Commission made under clause 1.7.8 may not be the subject of a subsequent application for review under this clause 1.7.

1.8 Collection and use of information

- 1.8.1 Any information required to be provided by SA Water in accordance with this price determination is required by the Commission to be provided pursuant to Part 5 of the Essential Services Commission Act 2002.

1.9 Forecasts and estimates

- 1.9.1 For the purposes of statements provided by SA Water under this price determination, all:

- (a) forecasts of demand, customer numbers, sales, connection point numbers and revenue for a regulatory year must be based on the best forecasts available at the time the statement is prepared; and
- (b) estimates of demand, customer numbers, sales, connection point numbers and revenue for a regulatory year must be based on the actual results available for the regulatory year at the time the statement is prepared and the best forecasts available for the remainder of the regulatory year,

provided that any forecast of aggregate demand for drinking water retail services across all customer categories must not exceed 190 gigalitres in any regulatory year.

2 REVENUE REGULATION OF DRINKING WATER RETAIL SERVICES AND SEWERAGE RETAIL SERVICES

2.1 Revenue control

2.1.1 In each regulatory year, SA Water must comply with the maximum average revenue controls specified in the Formula Schedule in respect of the provision of:

- (a) drinking water retail services; and
- (b) sewerage retail services.

2.2 Annual revenue control assessment

2.2.1 By no later than 15 June in each year, SA Water must submit to the Commission, for approval, an annual revenue control compliance statement which:

- (a) sets out the proposed drinking water retail service and sewerage retail service prices to apply for the next regulatory year;
- (b) sets out forecasts of:
 - (i) drinking water retail service demand by pricing tier and customer category (provided that the aggregate forecast demand across all customer categories must not exceed 190 gigalitres in any regulatory year);
 - (ii) average drinking water retail service customer numbers;
 - (iii) average drinking water retail service connection numbers;
 - (iv) average sewerage retail service customer numbers; and
 - (v) average sewerage retail service connection numbers.
- (c) demonstrates the compliance of the proposed drinking water retail service and sewerage retail service prices with the maximum average revenue controls for those retail services, having regard to the forecasts referred to in clause 2.2.1(b).

2.2.2 SA Water must publish each annual revenue control compliance statement under clause 2.2.1 (including a revised statement in accordance with clause 2.2.4(b)(iii)) in a prominent and readily accessible position on its website within 5 business days of providing that statement to the Commission.

2.2.3 The Commission will not approve an annual revenue control compliance statement unless it is satisfied that:

- (a) all forecasts and estimates are in accordance with clause 1.9;
- (b) the proposed revenue outcomes are consistent with the maximum average revenue controls as specified in the Formula Schedule; and
- (c) the statement otherwise meets the requirements of clause 2.2.1.

- 2.2.4 When the Commission is satisfied that an annual revenue control compliance statement is:
- (a) consistent with the matters specified in clause 2.2.3, it will:
 - (i) advise SA Water by notice in writing that the statement is approved; and
 - (ii) publish an approval notice on its website.
 - (b) not consistent with the matters specified in clause 2.2.3, it will:
 - (i) advise SA Water by notice in writing that the statement is not approved;
 - (ii) specify to SA Water in that notice the manner in which that statement fails to satisfy the requirements of clause 2.2.1;
 - (iii) require SA Water to submit within 10 business days of receipt of the notice a revised statement which meets the requirements of clause 2.2.1; and
 - (iv) publish a notice on its website advising that the statement has not been approved and is to be resubmitted.

3 REVENUE ADJUSTMENT FOR SUBSEQUENT REGULATORY PERIODS

3.1 *Revenue adjustment mechanisms*

3.1.1 This chapter establishes:

- (a) for the purposes of clause 4.1.6 of the Pricing Order issued on 24 September 2012, a demand variation revenue adjustment mechanism; and
- (b) a pass-through revenue adjustment mechanism,

to determine any amount (positive or negative) of revenue to be incorporated into any subsequent price determination for drinking water retail services and sewerage retail services (as the case may be).

3.2 *Demand variation revenue adjustment mechanism*

3.2.1 On or before 29 February 2016, SA Water must provide the Commission a demand variation revenue adjustment statement, including (without limitation):

- (a) actual revenues attributable to the sale and supply of drinking water retail services during the period 1 July 2013 to 31 December 2015;
- (b) actual revenues attributable to the sale and supply of sewerage retail services during the period 1 July 2013 to 31 December 2015;
- (c) estimated revenues attributable to the sale and supply of drinking water retail services for the period 1 January 2016 to 30 June 2016; and
- (d) estimated revenues attributable to the sale and supply of sewerage retail services for the period 1 January 2016 to 30 June 2016.

3.2.2 All forecasts and estimates included in a revenue adjustment statement under clause 3.2.1 must be in accordance with clause 1.9.

3.2.3 In respect of a demand variation revenue adjustment statement under clause 3.2.1, the Commission will determine whether or not:

- (a) the variance in actual and estimated revenues attributable to the sale and supply of drinking water retail services during the regulatory period as compared with the revenue forecasts assumed in this price determination (as set out in the Forecast Schedule) is greater than one per cent; and
- (b) the variance in actual and estimated revenues attributable to the sale and supply of sewerage retail services during the regulatory period as compared with the revenue forecasts assumed in this price determination (as set out in the Forecast Schedule) is greater than one per cent.

3.2.4 If the Commission determines under clause 3.2.2 that a variance exceeds one per cent for drinking water retail services and sewerage retail services (as the case may be), it will further determine:

- (a) the amount of that variance; and

- (b) the demand variation revenue adjustment mechanism factor (being 30% of the total variance determined under clause 3.2.4(a)) which will be incorporated into the subsequent price determination.

3.3 *Pass through revenue variation adjustment mechanism*

- 3.3.1 On or before 29 February 2016, SA Water must provide the Commission a pass through event revenue adjustment statement setting out any revenue amounts which SA Water claims are attributable to the occurrence of a pass through event (prior to 31 December 2015) and in respect of which SA Water seeks the Commission's approval to include a revenue adjustment within the subsequent price determination.
- 3.3.2 A pass through event revenue adjustment statement under clause 3.3.1 must include (without limitation):
 - (a) details of the claimed pass through event (including identification of the retail service or retail services affected by the event);
 - (b) the date on which SA Water claims the pass through event took place;
 - (c) the best estimates of the financial impacts of the pass through event on the provision of the relevant retail services by SA Water;
 - (d) the reasons why the financial impacts of the pass through event are considered material;
 - (e) the reasons why the financial impacts of the pass through event could not otherwise have been controlled or substantially mitigated by SA Water (acting prudently and efficiently);
 - (f) the revenue amount that SA Water proposes to pass through within the subsequent price determination; and
 - (g) the basis on and period over which SA Water proposes to apply the pass through revenue amount within the subsequent price determination.
- 3.3.3 All forecasts and estimates included in a revenue adjustment statement under clause 3.3.2 must be in accordance with clause 1.9.
- 3.3.4 In respect of a pass-through event revenue adjustment statement under clause 3.3.2, the Commission will determine whether or not:
 - (a) the proposed pass through event has occurred;
 - (b) the financial impacts of the pass through event are material;
 - (c) the event could not otherwise have been controlled or substantially mitigated by SA Water (acting prudently and efficiently).
- 3.3.5 If the Commission determines:
 - (a) in respect of a pass through event revenue adjustment statement under clause 3.3.2, that each of the criteria specified in clause 3.3.4 are satisfied; or
 - (b) where a pass through event revenue adjustment statement under clause 3.3.2 is not submitted by SA Water in respect of an event, that:
 - (i) a pass through event has occurred;

(ii) each of the criteria specified in clause 3.3.4 are satisfied,
then it will determine a pass through revenue amount (including the time cost of money to be applied) which will be incorporated into the subsequent price determination.

4 PRICE REGULATION OF RECYCLED WATER RETAIL SERVICES

4.1 *Price control for recycled water retail services*

4.1.1 In setting prices for recycled water retail service for each regulatory year, SA Water must comply with the following NWI pricing principles for recycled water and stormwater use:

- (a) Principle 1;
- (b) Principle 2;
- (c) Principle 3;
- (d) Principle 4;
- (e) Principle 5;
- (f) Principle 6;
- (g) Principle 7;
- (h) Principle 8; and
- (i) Principle 9.

4.1.2 In addition to the matters specified under clause 4.1.1, in setting prices for recycled water retail services for each regulatory year SA Water must also comply with any principles, requirements or matters specified by the Commission under an industry code, industry rule or guideline as in force from time to time in respect of the provision of recycled water retail services.

4.2 *Pricing justification for recycled water retail services*

4.2.1 On or before 31 May in each year, SA Water must prepare a pricing statement in respect of the subsequent regulatory year, containing at least the following matters:

- (a) a pricing schedule, setting out the prices which SA Water will charge customers for the sale and supply of recycled water retail services for that regulatory year; and
- (b) a pricing policy statement which demonstrates the manner in which the prices that SA Water will charge customers for the sale and supply of recycled water retail services for that regulatory year meet the requirements of clause 4.1.

4.3 *Publication obligations in respect of recycled water retail services*

4.3.1 In respect of each pricing statement prepared under clause 4.2.1, SA Water must:

- (a) by no later than 31 May in each regulatory year:

- (i) provide a copy of that pricing statement to the Commission; and
 - (ii) publish a copy of that pricing statement on its website, in a prominent and readily accessible position;
- (b) provide a copy (free of charge) to a customer on request (provided that SA Water may charge for the provision of a copy of the pricing statement following any second or subsequent request by the same customer within the period of that regulatory year).

5 PRICE REGULATION OF EXCLUDED RETAIL SERVICES

5.1 *Price control for excluded retail services*

- 5.1.1 In setting prices for excluded retail services for each regulatory year, SA Water must comply with the following principles:
- (a) NWI Principle 1 for the recovery of capital expenditure;
 - (b) NWI Principle 7 for urban water tariffs;
 - (c) NWI Principle 8 for urban water tariffs;
 - (d) NWI Principle 9 for urban water tariffs;
 - (e) NWI Principle 10 for urban water tariffs;
 - (f) where an excluded retail service is provided for the sole benefit of one customer, that customer should pay the full efficient cost of the service and other customers should not be required to contribute to the cost of the service;
 - (g) where an excluded retail service is provided to a distinct group of customers, the prices charges to those customers should reflect:
 - (i) the incremental cost of supply of that excluded retail service to those customers; and
 - (ii) a reasonable allocation of the fixed costs of providing that excluded retail service; and
 - (h) prices should reflect the efficient cost of provision of the relevant excluded retail service, provided that in circumstances where the cost of implementing differentiated prices to different customers is more likely than not to outweigh the benefits, undifferentiated prices may be implemented.
- 5.1.2 In addition to the matters specified under clause 5.1.1 and clause 5.2.3, in setting prices for excluded retail services for each regulatory year SA Water must also comply with any principles, requirements or matters specified by the Commission under an industry code, industry rule or guideline as in force from time to time in respect of the provision of excluded retail services.

5.2 *Pricing justification for excluded retail services*

- 5.2.1 On or before 31 May in each year, SA Water must prepare a pricing statement in respect of the subsequent regulatory year, containing at least the following matters:
- (a) a pricing schedule, setting out the prices which SA Water will charge customers for the sale and supply of excluded retail services for that regulatory year; and
 - (b) a pricing policy statement which demonstrates the manner in which the prices that SA Water will charge customers for the sale and supply of excluded retail services for that regulatory year meet the requirements of clause 5.1.

- 5.2.2 Clause 5.2.1(a) does not apply in respect of an excluded retail service that is of a nature which precludes SA Water (acting reasonably and in good faith) from publishing the relevant prices or unit prices in advance of a request from a customer for the provision of the particular excluded retail service.
- 5.2.3 SA Water must, at the request of a customer, provide credible, evidence-based and transparent information as to how the costs and prices for excluded retail services have been calculated, derived and applied.

5.3 Publication obligations in respect of excluded retail services

- 5.3.1 In respect of each pricing statement prepared under clause 5.2.1, SA Water must:
- (a) by no later than 31 May in each regulatory year:
 - (i) provide a copy of that pricing statement to the Commission; and
 - (ii) publish a copy of that pricing statement on its website, in a prominent and readily accessible position;
 - (b) provide a copy (free of charge) to a customer on request (provided that SA Water may charge for the provision of a copy of the pricing statement following any second or subsequent request by the same customer within the period of that regulatory year).

6 FORMULA SCHEDULE

6.1 Drinking water retail service average revenue control

- 6.1.1 For the regulatory year commencing 1 July 2013, the drinking water retail service average revenue control is:

$$DARC_{2013} = DMR_{2013}$$

Where:

DARC₂₀₁₃ means the Drinking water retail service Average Revenue Control for the 2013 regulatory year and is expressed in \$/kL;

DMR₂₀₁₃ means the Drinking water retail service Maximum average Revenue for the 2013 regulatory year and is \$4.098/kL; and

- 6.1.2 For the regulatory year commencing 1 July 2014, the drinking water retail service average revenue control is:

$$DARC_{2014} = (DMR_{2013} \times CPI_t)$$

Where:

DARC₂₀₁₄ means the Drinking water retail service Average Revenue Control for the 2014 regulatory year and is expressed in \$/kL;

DMR₂₀₁₃ has the meaning given in clause 6.1.1; and

CPI_t is the CPI for regulatory year 2014, calculated in accordance with clause 6.3.

- 6.1.3 For the regulatory year commencing 1 July 2015, the drinking water retail service average revenue control is:

$$DARC_{2015} = (DMR_{2014} \times CPI_t)$$

Where:

DARC₂₀₁₅ means the Drinking water retail service Average Revenue Control for the 2015 regulatory year and is expressed in \$/kL;

DMR₂₀₁₄ means the Drinking water retail service Maximum average Revenue for the 2014 regulatory year and is the product of (**DMR₂₀₁₃** \times **CPI_t**) as defined in clause 6.1.2; and

CPI_t is the CPI for regulatory year 2015, calculated in accordance with clause 6.3.

6.2 Sewerage retail service average revenue control

- 6.2.1 For the regulatory year commencing 1 July 2013, the sewerage retail service average revenue control is:

$$SARC_{2013} = SMR_{2013}$$

Where:

SARC₂₀₁₃ means the Sewerage retail service Average Revenue Control for the 2013 regulatory year and is expressed in \$/connection;

SMR₂₀₁₃ means the Sewerage retail service Maximum average Revenue for the 2013 regulatory year and is \$610.113/connection; and

6.2.2 For the regulatory year commencing 1 July 2014, the sewerage retail service average revenue control is:

$$SARC_{2014} = (SMR_{2013} \times CPI_t)$$

Where:

SARC₂₀₁₄ means the Sewerage retail service Average Revenue Control for the 2014 regulatory year and is expressed in \$/connection;

SMR₂₀₁₃ has the meaning given in clause 6.2.1; and

CPI_t is the CPI for regulatory year 2014, calculated in accordance with clause 6.3.

6.2.3 For the regulatory year commencing 1 July 2015, the sewerage retail service average revenue control is:

$$SARC_{2015} = (SMR_{2014} \times CPI_t)$$

Where:

SARC₂₀₁₅ means the Sewerage retail service Average Revenue Control for the 2015 regulatory year and is expressed in \$/connection;

SMR₂₀₁₄ means the Sewerage retail service Maximum average Revenue for the 2014 regulatory year and is the product of (**SMR₂₀₁₃** x **CPI_t**) as defined in clause 6.2.2; and

CPI_t is the CPI for regulatory year 2015, calculated in accordance with clause 6.3.

6.3 CPI

6.3.1 For each regulatory year t, **CPI_t** is calculated as follows:

- (a) the Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for the March Quarter of regulatory year t;
divided by
- (b) the Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for the March Quarter of regulatory year t-1.

7 FORECAST SCHEDULE

7.1 Forecast demand

7.1.1 For the purposes of this determination, the forecast level of drinking water retail service demand in each regulatory year is 190 gigalitres/annum.

7.1.2 For the purposes of this determination, the forecast level of sewerage retail service demand (expressed in connections) in each regulatory year is as follows:

	2013/14	2014/15	2015/16
Total	578,892	584,102	589,359

7.2 Forecast revenue

7.2.1 For the purposes of this determination, the forecast revenues (\$ million) attributable to the provision of drinking water retail services in each regulatory year is as follows:

\$Dec13	2013/14	2014/15	2015/16
Total	\$778.715m	\$778.715m	\$778.715m

7.2.2 For the purposes of this determination, the forecast revenues (\$million) attributable to the provision of sewerage retail services in each regulatory year is as follows:

\$Dec13	2013/14	2014/15	2015/16
Total	\$353.189m	\$356.368m	\$359.575m

8 EXCLUDED RETAIL SERVICES SCHEDULE

8.1 *Determination of excluded retail services*

8.1.1 For the purposes of this price determination, the following retail services are excluded retail services:

- (a) standard and non-standard connection services;
- (b) miscellaneous minor services;
- (c) annual sewerage and recycled water audit services;
- (d) fire plug flow testing;
- (e) easement extinguishment services; and
- (f) network analysis services.



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