



TF10D04273
T&F09/1724

Date : 27 SEP 2010

Dr Patrick Walsh
Chair
Essential Services Commission of South Australia
GPO Box 2605
ADELAIDE SA 5001

Dear Dr Walsh

The Government has recently approved the drafting of the Water Industry Bill, which would include the appointment of the Essential Services Commission of South Australia (ESCOSA) as independent economic regulator of the South Australian water industry.


Pursuant to section 5(f) of the *Essential Services Commission Act 2002*, I am writing to seek ESCOSA's advice on the following matters:

- An effective licensing framework for retailing of water and sewerage services in the South Australian water industry where the services are provided to the customer by network infrastructure.
- Codes relating to consumer protection.
- Any guidelines required for the performance monitoring and compliance frameworks and regulatory accounts.
- The development of information requirements for ESCOSA's first pricing determination on SA Water's drinking water and sewerage services.
- The most appropriate form of economic regulation for:
 - SA Water's trade waste and miscellaneous services;
 - drinking water and sewerage retail services provided by suppliers other than SA Water, where the services are provided to the customer by network infrastructure; and
 - non drinking water, including recycled water, retail services provided to the customer by network infrastructure.

ESCOSA's advice on these matters should be based on the NWI Pricing Principles and developed in a manner that is consistent with ESCOSA's Charter of Consultation and Regulatory Practice.

A statement of issues about these matters should be provided to me by 30 November 2010, interim advice by 1 March 2011, and final advice would be provided by 1 June 2011. If you have any queries about these matters, please do not hesitate to contact Penny Black-Tiong on (08) 8204 1727.

Yours sincerely



Kevin Foley MP
DEPUTY PREMIER
TREASURER