

2011 Water & Waste Water Data Request

- This template is designed to provide the Regulator with data required to determine each regulated entities' upper, statutory and lower revenue limits for the 2011-12 Pricing Investigation.
- Data provided must correlate with data provided by each regulated entities' Price & Service Plan and Pricing model.

Components of revenue limits			
Upper	Statutory	Lower	
			O&M expenses
			Interest
			Return on Capital - RAB x WACC
			Return of Capital - RAB x Depreciation rate
			Asset Replacement/Renewal

Shading key:

Input cells
Calculation cells
Hardcoded cells
Illustrative only - components of upper, statutory & lower limit revenue formulas

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REGULATORY ASSET BASE (RAB) - EXISTING ASSETS

CALCULATION OF OPENING RAB Existing assets

DORC asset value as at 30 June 2009
 add: depreciation relating to unregulated assets
 unregulated disposals
 less: unregulated assets
 unregulated transferred assets
RAB Existing Assets Opening Balance - as at 1 July 2009

Actual	
Water	Waste Water
\$'000	\$'000
337,870.00	418,560.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	70,214.00
337,870.00	348,346.00

This is the opening value of the RAB which will be rolled forward until the start of the first regulatory period on 1 July 2012.

Please provide details of basis of allocation between (1) water & waste water and (2) regulated & unregulated assets

as per asset register - see schedule Summary1 (RA/MB); amounts are written down value; combined system included in sewerage opening value and Stormwater separated as unregulated.
 [Query: The model is hard-coded below to apply an indexation factor to 2011

RAB Existing Assets ROLL FORWARD TO START OF REGULATORY PERIOD ON 1 JULY 2012

Water (nominal)

Waste water (nominal)

RAB Existing assets opening balance
 add: transferred assets (**regulated assets only**)
 less: regulated disposals Existing assets
 regulated depreciation Existing assets
 RAB Existing assets closing balance
 indexation
 RAB Existing assets closing balance indexed

Actual	Actual	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
337,870.00	337,639.63	339,205.00
0.00	630.00	
91.00	201.00	125.00
10,449.96	10,831.41	11,106.87
327,329.04	327,237.22	327,973.14
10,310.59	11,967.78	8,339.73
337,639.63	339,205.00	336,312.86

Actual	Actual	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
348,346.00	348,103.31	350,613.85
0.00	1,448.00	
99.00	111.00	125.00
10,773.89	11,180.99	11,479.15
337,473.11	338,259.32	339,009.70
10,630.20	12,354.53	8,620.29
348,103.31	350,613.85	347,629.99

These are the values of the RAB Existing assets At the start of the first regulatory period

Inflation rate to roll forward RAB
 (actual then forecast - June on June quarter)

2009-10	2010-11	2011-12
3.10%	3.60%	2.50%

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REGULATORY ASSET BASE (RAB) - NEW ASSETS

CALCULATION OF OPENING RAB_{New Assets} AS AT 1 JULY 2009

RAB_{New assets} Opening Balance - as at 1 July 2009

Actual	
Water	Waste Water
\$'000	\$'000
8.00	8.00

Please provide details of basis of allocation between (1) water & waste water and (2) regulated & unregulated assets

Nil - by definition there were no assets constructed by BLW on formation at 1 July 2009; the \$16,000 represents minor equipment purchases split 50%:50%

RAB_{New Assets} ROLL FORWARD TO START OF REGULATORY PERIOD ON 1 JULY 2012

RAB_{New assets} opening balance
 add: regulated capex
 less: regulated disposals_{New assets}
 regulated depreciation_{New assets}
 3rd party contributions
 RAB_{New assets} closing balance
 indexation
 RAB_{New assets} closing balance indexed

Water (nominal)

Actual	Actual	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
8.00	8681.98	17498.12
9716.00	9776.00	25834.00
0.00	0.00	0.00
74.16	225.27	515.96
1100.50	1197.50	1039.50
8549.34	17035.21	41776.66
132.64	462.91	740.93
8681.98	17498.12	42517.59

Waste water (nominal)

Actual	Actual	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
8.00	6929.18	13226.60
7931.00	7268.00	13055.00
0.00	0.00	0.00
59.20	173.47	334.09
1056.50	1153.50	872.50
6823.30	12870.21	25075.01
105.89	356.39	478.77
6929.18	13226.60	25553.78

These are the values of the RAB_{New assets} at the start of the first regulatory period

Inflation rate to roll forward RAB
 (actual then forecast - June on June quarter)

2010-11	2010-11	2011-12
3.10%	3.60%	2.50%

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CAPITAL EXPENDITURE (CAPEX)

Nominal			Real 2011/2012			
Actual		Budget	Forecast			
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Total Capex	17,647.00	17,044.00	38,889.00	34,779.61	28,516.35	28,717.15
Less unregulated Capex	0.00	0.00	0.00	582.52	113.11	0.00
Regulated Capex	17,647.00	17,044.00	38,889.00	34,197.09	28,403.24	28,717.15

Please provide basis of allocation between regulated and unregulated categories and an explanation of year-on-year variations.

as per annual accounts and corporate plan (adj for 3% inflation going forward)

Regulated CAPEX must be split between water and waste water and allocated across the cost drivers below.

COST DRIVERS	Nominal			Real 2011/2012		
	Actual		Budget	Forecast		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Growth	0.00	8.00	0.00	145.63	989.73	3,601.08
Renewal of existing infrastructure	7,325.00	1,924.00	9,919.00	2,436.41	1,855.97	1,670.13
Improvement in service	1,518.00	3,130.00	3,934.00	4,767.96	1,008.11	137.27
Compliance	873.00	4,714.00	11,981.00	18,398.06	5,266.28	228.79
Total regulated CAPEX	9,716.00	9,776.00	25,834.00	25,748.06	9,120.09	5,637.27

COST DRIVERS	Nominal			Real 2011/2012		
	Actual		Budget	Forecast		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Growth	145.00	14.00	0.00	0.00	0.00	0.00
Renewal of existing infrastructure	2,857.00	1,254.00	3,031.00	1,075.24	810.63	732.11
Improvement in service	1,644.00	3,756.00	3,299.00	553.40	371.85	366.06
Compliance	3,285.00	2,244.00	6,725.00	6,820.39	18,100.67	21,981.70
Total regulated CAPEX	7,931.00	7,268.00	13,055.00	8,449.03	19,283.16	23,079.87

Check (should sum to zero)

These are CAPEX values for the first regulatory period.

Disposal of assets

Existing assets

		Nominal			Real 2011/2012		
		Actual		Budget	Forecast		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Total disposals	91.00	201.00	125.00	121.36	117.82	114.39	
Less unregulated disposals	0.00	0.00	0.00	0.00	0.00	0.00	
Regulated disposals	91.00	201.00	125.00	121.36	117.82	114.39	

Waste water

		Nominal			Real 2011/2012		
		Actual		Budget	Forecast		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Total disposals	99.00	111.00	125.00	121.36	117.82	114.39	
Less unregulated disposals	0.00	0.00	0.00	0.00	0.00	0.00	
Regulated disposals	99.00	111.00	125.00	121.36	117.82	114.39	

Please provide basis of allocation between regulated and unregulated categories and an explanation of year-on-year variations.

no unregulated disposals; total disposals split 50%/50%; all as per annual accounts 2011 and DG's 10 year projection (adjusted for 3% inflation going forward)

New assets

		Nominal			Real 2011/2012		
		Actual		Budget	Forecast		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Total disposals	0.00	0.00	0.00	0.00	0.00	0.00	
Less unregulated disposals	0.00	0.00	0.00	0.00	0.00	0.00	
Regulated disposals	0.00	0.00	0.00	0.00	0.00	0.00	

Waste water

		Nominal			Real 2011/2012		
		Actual		Budget	Forecast		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Total disposals	0.00	0.00	0.00	0.00	0.00	0.00	
Less unregulated disposals	0.00	0.00	0.00	0.00	0.00	0.00	
Regulated disposals	0.00	0.00	0.00	0.00	0.00	0.00	

Please provide basis of allocation between regulated and unregulated categories and an explanation of year-on-year variations.

New assets:
assumed no new assets disposed until FY2016, as per DG's 10 year projections; will be immaterial impact

3rd Party Contributions:
as per annual accounts 2011 and DG's 10 year plan (adjusted for 3% inflation going forward)

3rd party contributions

		Nominal			Real 2011/2012		
		Actual		Budget	Forecast		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
3rd party contributions - headworks	350.00	355.00	362.50	366.02	369.50	371.09	
3rd party contributions - cash for reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00	
3rd party contributions - reticulation assets	706.50	798.50	510.00	504.85	500.05	502.41	
3rd party contributions - Govt grants	44.00	44.00	167.00	162.14	157.41	152.83	
3rd party contributions - service introduction charges	0.00	0.00	0.00	0.00	0.00	0.00	
3rd party contributions - Total	1,100.50	1,197.50	1,039.50	1,033.01	1,026.96	1,026.33	

Waste water

		Nominal			Real 2011/2012		
		Actual		Budget	Forecast		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
3rd party contributions - headworks	350.00	355.00	362.50	366.02	369.50	371.09	
3rd party contributions - cash for reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00	
3rd party contributions - reticulation assets	706.50	798.50	510.00	504.85	500.05	502.41	
3rd party contributions - Govt grants	0.00	0.00	0.00	0.00	0.00	0.00	
3rd party contributions - service introduction charges	0.00	0.00	0.00	0.00	0.00	0.00	
3rd party contributions - Total	1,056.50	1,153.50	872.50	870.87	869.54	873.50	

OPERATING AND MAINTENANCE EXPENSES (O&M)

Nominal		
Actual		Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
32,802.00	35,611.00	39,999.00
89.00	92.00	95.00
32,713.00	35,519.00	39,904.00

Total O&M expenses
 O&M expenses relating to unregulated assets
Total O&M expenses relating to regulated assets

Please provide basis of allocation between regulated and unregulated categories and year-on-year variations

\$nominal; O&M expenses exclude finance costs and accounting depreciation (calculated on impaired asset values); unregulated O&M is an estimate made by assessing percentage of unregulated income to total income; increase in regulated O&M expenditure is att

Regulated O&M expenses must be split between (1) water and waste water, and (2) labour and non-labour.

Water

Nominal		
Actual		Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
9,993.17	10,903.25	12,196.04
6,556.33	7,065.82	7,991.40
16,549.51	17,969.06	20,187.43

Waste water

Nominal		
Actual		Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
9,760.09	10,648.93	11,911.57
6,403.41	6,901.01	7,805.00
16,163.49	17,549.94	19,716.57

Regulated O&M expenses - non labour
 Regulated O&M expenses - labour
Total O&M expenses relating to regulated assets

Check (should sum to zero)

This is the base value for the O&M labour and non-labour expenses for the first regulatory period.

Please provide basis for allocation between (1) water and waste water and (2) labour and non-labour

\$nominal; the split between water and wastewater has been determined by use of standard accounting allocation of water 50.59% and wastewater 49.41%; labour and non-labour split has been determined from annual accounts 2011 and DG's 10 year financial proje

The non-labour and labour O&M expenses in 2011-12 will be used as a base figure for first financial year of the first regulatory period.

Any forecast changes to O&M expenses (**relating to regulated assets only**) must be detailed below and will be added to/subtracted from the base figure in the first financial year of the first regulatory period and rolled forward in subsequent years.

Water

Real 2011/2012		
Forecast		
2012-13	2013-14	2014-15
\$'000	\$'000	\$'000
59.62	202.85	594.17
323.98	620.68	879.46

Waste water

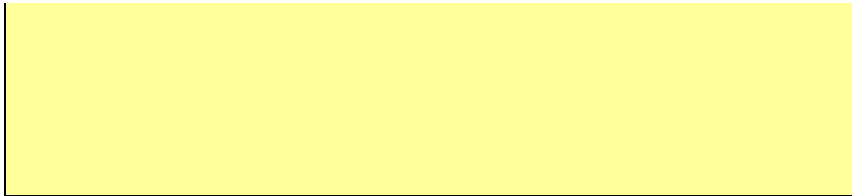
Real 2011/2012		
Forecast		
2012-13	2013-14	2014-15
\$'000	\$'000	\$'000
58.23	198.12	580.31
316.42	606.21	858.95

Total forecast O&M expense adjustments (non-labour)
 Total forecast O&M expense adjustments (labour)

These amounts are cumulative changes.
 Eg. 1
 2, 3, 3, means an increase of 2 in 2012-13, an increase of 1 in 2013-14 and no change in 2014-15.
 Eg. 2
 0, 2, 0 means no change 2012-13, a increase of 2 in 2013-14 and a decrease of 2 in 2014-15.

Please provide reasons for adjustments including year(s) to which they apply.

real\$2011-12; CPI used in forecasts is 3%; salary costs increases are 4%; efficiency factor is CPI MINUS 1%, evident from real numbers FY12 to FY 15 being \$39 904, \$39 500, \$39 241, \$39 431



The aggregate (base plus adjustment) of the labour component for each regulated service will be indexed annually by the forecast real increases in the average weekly earnings offset by an labour productivity factor.

Proposed annual labour productivity factor for O&M expenses (labour)

Forecast		
2012-13	2013-14	2014-15

The Regulator will take the regulated entities proposed annual labour productivity factors into consideration when determining the values that will apply during the first regulatory period.

Please provide basis for determining the annual labour productivity factors for the first regulatory period.

efficiency factor CPI MINUS 1% per annum is already factored into above forecasts

Total O&M expenses for each regulated service will be adjusted annually by an economies of scale efficiency factor

Proposed economies of scale efficiency factor for total O&M expenses.

Forecast		
2012-13	2013-14	2014-15

The Regulator will take the regulated entities proposed economies of scale efficiency factors into consideration when determining the values that will apply during the first regulatory period.

Please provide basis for determining economic efficiency gains expected during the first regulatory period.

efficiency factor CPI MINUS 1% per annum is already factored into above forecasts

ASSET RENEWAL ANNUITY - WATER

(All values in 2011-12 \$'000)

Financial Years ending 30 June	Asset Replacement/Renewal			PV of Total	Equivalent annuity	PV of equiv. annuity	No. of years
	Renewal	Compliance	TOTAL				
2012	83,421.00	18,700.00	102,121.00	96,962.59	15,670.66	14,879.09	1
2013	679.00	5,337.00	6,016.00	5,423.58	15,670.66	14,127.51	2
2014	10,112.00	0.00	10,112.00	8,655.75	15,670.66	13,413.89	3
2015	7,166.00	0.00	7,166.00	5,824.16	15,670.66	12,736.32	4
2016	7,177.00	0.00	7,177.00	5,538.46	15,670.66	12,092.97	5
2017	7,853.00	0.00	7,853.00	5,754.01	15,670.66	11,482.12	6
2018	2,138.00	0.00	2,138.00	1,487.41	15,670.66	10,902.13	7
2019	32,287.00	0.00	32,287.00	21,327.55	15,670.66	10,351.43	8
2020	28,159.00	0.00	28,159.00	17,661.17	15,670.66	9,828.56	9
2021	3,270.00	0.00	3,270.00	1,947.33	15,670.66	9,332.09	10
2022	3,187.00	0.00	3,187.00	1,802.03	15,670.66	8,860.70	11
2023	1,621.00	0.00	1,621.00	870.27	15,670.66	8,413.12	12
2024	4,420.00	0.00	4,420.00	2,253.10	15,670.66	7,988.15	13
2025	6,318.00	0.00	6,318.00	3,057.93	15,670.66	7,584.65	14
2026	1,959.00	0.00	1,959.00	900.27	15,670.66	7,201.53	15
2027	3,386.00	0.00	3,386.00	1,477.45	15,670.66	6,837.76	16
2028	1,961.00	0.00	1,961.00	812.44	15,670.66	6,492.36	17
2029	17,921.00	0.00	17,921.00	7,049.64	15,670.66	6,164.42	18
2030	32,259.00	0.00	32,259.00	12,048.83	15,670.66	5,853.04	19
2031	2,904.00	0.00	2,904.00	1,029.86	15,670.66	5,557.38	20
2032	3,561.00	0.00	3,561.00	1,199.07	15,670.66	5,276.66	21
2033	9,851.00	0.00	9,851.00	3,149.50	15,670.66	5,010.13	22
2034	8,335.00	0.00	8,335.00	2,530.21	15,670.66	4,757.05	23
2035	8,838.00	0.00	8,838.00	2,547.38	15,670.66	4,516.76	24
2036	5,803.00	0.00	5,803.00	1,588.11	15,670.66	4,288.61	25
2037	4,027.00	0.00	4,027.00	1,046.40	15,670.66	4,071.98	26
2038	2,440.00	0.00	2,440.00	602.00	15,670.66	3,866.29	27
2039	21,721.00	0.00	21,721.00	5,088.34	15,670.66	3,670.99	28
2040	41,580.00	0.00	41,580.00	9,248.47	15,670.66	3,485.56	29
2041	16,428.00	0.00	16,428.00	3,469.44	15,670.66	3,309.50	30
	380 782		404 819	232 353	470 120	232 353	

The annuity must be for a minimum of 30 years but can be for a longer time period. To increase the time period select the bottom row of the data table and insert the required number of rows. Copy the formulas (cells shaded in grey) down, over the last row of the data table. This process

Equiv. annuity = NPV * r / (1-(1+r)^(-n))

r	5.32%
n	30
Equiv. annuity	15,670.66
Annual annuity increase	0.00
	15,670.66

The discount rate (r) applied to the annuity for determining the lower revenue limit will be the regulatory WACC as determined by the Regulator. The current value of (r) is for illustrative purposes only and does not reflect the final regulatory WACC.

If required, please provided derivation of increase to annuity to accommodate uncertainties associated with meeting compliance requirements.

starting year is 2013 (first year of PSP); all values 2011/12 dollars (real); taken from capex analysis and Asset Mgt Plan analysis; discount rate as per full real pre-tax WACC calculation (ie. on new assets); annual annuity is not increased by a percenta

ASSET RENEWAL ANNUITY - WASTE WATER

(All values in 2011-12 \$'000)

Financial Years ending 30	Asset Replacements			PV of Total	Equivalent annuity	PV of equiv. annuity	No. of years
	Renewal	Compliance	TOTAL				
2012	63,580.00	6,775.00	70,355.00	67,004.76	11,238.95	10,703.76	1
2013	755.00	18,953.00	19,708.00	17,875.74	11,238.95	10,194.06	2
2014	3,797.00	23,770.00	27,567.00	23,813.41	11,238.95	9,708.62	3
2015	3,767.00	0.00	3,767.00	3,099.12	11,238.95	9,246.31	4
2016	3,932.00	0.00	3,932.00	3,080.82	11,238.95	8,806.01	5
2017	1,450.00	0.00	1,450.00	1,082.01	11,238.95	8,386.67	6
2018	430.00	0.00	430.00	305.59	11,238.95	7,987.31	7
2019	3,952.00	0.00	3,952.00	2,674.87	11,238.95	7,606.96	8
2020	3,506.00	0.00	3,506.00	2,260.00	11,238.95	7,244.72	9
2021	854.00	0.00	854.00	524.28	11,238.95	6,899.74	10
2022	2,745.00	0.00	2,745.00	1,604.94	11,238.95	6,571.18	11
2023	1,979.00	0.00	1,979.00	1,101.98	11,238.95	6,258.27	12
2024	4,572.00	0.00	4,572.00	2,424.63	11,238.95	5,960.25	13
2025	7,362.00	0.00	7,362.00	3,718.31	11,238.95	5,676.43	14
2026	960.00	0.00	960.00	461.78	11,238.95	5,406.13	15
2027	3,400.00	0.00	3,400.00	1,557.58	11,238.95	5,148.69	16
2028	2,186.00	0.00	2,186.00	953.74	11,238.95	4,903.52	17
2029	5,646.00	0.00	5,646.00	2,346.03	11,238.95	4,670.01	18
2030	10,128.00	0.00	10,128.00	4,007.99	11,238.95	4,447.63	19
2031	4,211.00	0.00	4,211.00	1,587.08	11,238.95	4,235.84	20
2032	6,039.00	0.00	6,039.00	2,167.65	11,238.95	4,034.13	21
2033	3,167.00	0.00	3,167.00	1,082.64	11,238.95	3,842.03	22
2034	5,397.00	0.00	5,397.00	1,757.11	11,238.95	3,659.08	23
2035	25,829.00	0.00	25,829.00	8,008.74	11,238.95	3,484.84	24
2036	3,561.00	0.00	3,561.00	1,051.57	11,238.95	3,318.89	25
2037	8,169.00	0.00	8,169.00	2,297.46	11,238.95	3,160.85	26
2038	10,425.00	0.00	10,425.00	2,792.32	11,238.95	3,010.33	27
2039	20,871.00	0.00	20,871.00	5,324.06	11,238.95	2,866.98	28
2040	18,923.00	0.00	18,923.00	4,597.27	11,238.95	2,730.46	29
2041	9,537.00	0.00	9,537.00	2,206.65	11,238.95	2,600.44	30
	241 130		290 628	172 770	337 168	172 770	

The annuity must be for a minimum of 30 years but can be for a longer time period.
To increase the time period select the bottom row of the data table and insert the required number of rows. Copy the formulas (cells shaded in grey) down, over the last row of the data table. This process will minimise

$$\text{Equiv. annuity} = \text{NPV} * r / (1 - (1+r)^{-n})$$

r	5.00%
n	30
Equiv. annuity	11,238.95
Annual annuity increase	11,238.95

The discount rate (r) applied to the annuity for determining the lower revenue limit will be the regulatory WACC as determined by the Regulator. The current value of (r) is for illustrative purposes only and does not reflect the final regulatory WACC.

If required, please provide derivation of increase to annuity to accommodate uncertainties associated with meeting compliance requirements.

starting year is 2013 (first year of PSP); all values 2011/12 dollars (real); taken from capex analysis and Asset Mgt Plan analysis; includes separation of combined so that only sewerage works are included here; discount rate as per full real pre-tax WACC

DEPRECIATION

Regulatory depreciation for the determination will be calculated using the straight line depreciation method based on the opening value of the RAB on 1 July 2012 and the average expected life of assets.

Existing Assets

	Water			Waste water		
Average expected asset life (years)	33.3	33.3	33.3	33.3	33.3	33.3
Depreciation Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

	Water (nominal)			Waste water (nominal)		
	Actual 2009-10 \$'000	Actual 2010-11 \$'000	Budget 2011-12 \$'000	Actual 2009-10 \$'000	Actual 2010-11 \$'000	Budget 2011-12 \$'000
RAB _{Existing assets} opening balance	337,870.00	348,251.56	361,225.34	348,346.00	359,044.19	373,330.85
add: transferred assets	0.00	630.00		0.00	1,448.00	
less: regulated disposals _{Existing assets}	91.00	201.00	125.00	99.00	111.00	125.00
RAB _{Existing assets} closing balance before depreciation	337,779.00	348,680.56	361,100.34	348,247.00	360,381.19	373,205.85
indexation	10,472.56	12,544.78	9,029.07	10,797.19	12,949.66	9,331.71
RAB _{Existing assets} closing balance indexed	348,251.56	361,225.34	370,129.41	359,044.19	373,330.85	382,537.56
Depreciation _{Existing}	10,449.96	10,831.41	11,106.87	10,773.89	11,180.99	11,479.15

New Assets

	Water			Waste water		
Average expected asset life (years)	60.0	60.0	60.0	60.0	60.0	60.0
Depreciation Rate	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%

	Water (nominal)			Waste water (nominal)		
	Actual 2009-10 \$'000	Actual 2010-11 \$'000	Budget 2011-12 \$'000	Actual 2009-10 \$'000	Actual 2010-11 \$'000	Budget 2011-12 \$'000
RAB _{New assets} opening balance	8.00	8757.29	17805.46	8.00	6989.30	13465.48
add: regulated capex	9716.00	9776.00	25834.00	7931.00	7268.00	13055.00
less: regulated disposals _{New assets}	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions	1100.50	1197.50	1039.50	1056.50	1153.50	872.50
RAB _{New assets} closing balance	8623.50	17335.79	42599.96	6882.50	13103.80	25647.98
indexation	133.79	469.675	755.07	106.80	361.68	488.92
RAB _{New assets} closing balance indexed	8757.29	17805.46	43355.03	6989.30	13465.48	26136.90
Depreciation _{New Assets}	74.16	225.27	515.96	59.20	173.47	334.09

no approved Board projections for 2015

Nominal			Real 2011/2012		
Actual		Budget	Forecast		
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1,565.00	1,586.00	1,752.00	3,348.54	4,667.73	

Debt servicing costs

Regulatory debt servicing costs for the first regulatory period will be calculated by multiplying total debt servicing costs by a ratio of regulated assets to total assets to total debt servicing costs
ie
 $\frac{\text{regulated assets}}{\text{total assets}} \times \text{total debt servicing costs}$

commercial in confidence

Nominal			Real 2011/2012		
Actual		Budget	Forecast		
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
952.00	1,988.00	2,704.00	2,782.52	2,471.84	

Dividends

Regulatory dividends for the first regulatory period will be calculated by multiplying total dividends by a ratio of regulated assets to total assets to total dividends.
ie
 $\frac{\text{regulated assets}}{\text{total assets}} \times \text{total dividends}$

commercial in confidence

no approved Board projections for 2015

Nominal			Real 2011/2012			
Actual		Budget	Forecast			
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Total assets	753,850.31	751,867.99	748,024.68	761,611.81	765,635.59	770,123.02
Unregulated assets	68,107.37	66,063.94	64,081.83	62,733.16	60,962.58	59,133.70
Regulated assets	685,742.94	685,804.05	683,942.85	698,878.65	704,673.01	710,989.32
Ratio of regulated assets to total assets	90.97%	91.21%	91.43%	91.76%	92.04%	92.32%

Assets

Total assets
Unregulated assets
Regulated assets
Ratio of regulated assets to total assets

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Revenue

Regulated Revenue must exclude all unregulated revenue and third party contributions where all or any part of these items has been treated as revenue for accounting purposes.

	Nominal			Real 2011/2012		
	Actual		Budget	Forecast		
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Total Revenue	54,393.00	60,358.00	60,812.00	64,275.73	67,585.07	70,048.60
less: Unregulated Revenue	194.00	151.00	204.00	209.71	215.85	222.38
3rd party contributions - headworks	700.00	710.00	725.00	732.04	369.50	742.18
3rd party contributions - cash for reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions - reticulation assets	1,413.00	1,597.00	1,020.00	1,009.71	1,000.09	1,004.83
3rd party contributions - Govt grants	44.00	44.00	167.00	162.14	157.41	152.83
3rd party contributions - service introduction charges	0.00	0.00	0.00	0.00	0.00	0.00
Regulated Revenue	52,042.00	57,856.00	58,696.00	62,162.14	65,842.21	67,926.39

Please provide basis of allocation between regulated, unregulated and third party contributions and reasons for year-on-year variations

analysis as per 2011 annual accounts and DG's 10 year plan; the small difference between FY2011 and FY2012 revenues is due to the removal of the State Government rebate compensation (\$6.997M was predicted for FY12 but the compensation was phased out with

Water

	Nominal			Real 2011/2012		
	Actual		Budget	Forecast		
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Total Revenue	29,289.00	32,564.00	30,764.79	32,517.09	34,191.29	35,437.59
less: Unregulated Revenue	115.44	95.17	123.46	126.72	130.62	134.66
3rd party contributions - headworks	350.00	355.00	362.50	366.02		371.09
3rd party contributions - cash for reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions - reticulation assets	706.50	798.50	510.00	504.85	500.05	502.41
3rd party contributions - Govt grants	44.00	44.00	167.00	162.14	157.41	152.83
3rd party contributions - service introduction charges	0.00	0.00	0.00	0.00	0.00	0.00
Regulated Revenue	28,073.06	31,271.33	29,601.83	31,357.36	33,403.20	34,276.60

Check (must sum to zero)

Waste Water

	Nominal			Real 2011/2012		
	Actual		Budget	Forecast		
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Total Revenue	25,104.00	27,794.00	30,047.21	31,758.64	33,393.78	34,611.01
less: Unregulated Revenue	78.56	55.83	80.54	82.99	85.23	87.72
3rd party contributions - headworks	350.00	355.00	362.50	366.02	369.50	371.09
3rd party contributions - cash for reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions - reticulation assets	706.50	798.50	510.00	504.85	500.05	502.41
3rd party contributions - Govt grants	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions - service introduction charges	0.00	0.00	0.00	0.00	0.00	0.00
Regulated Revenue	23,968.94	26,584.67	29,094.17	30,804.77	32,439.01	33,649.79

Check (must sum to zero)

These are the revenue values that will be used during the first regulatory period.

Customer Impact

Proposed Price Constraint

**Water
Fixed Charge**

Forecast		
2012-13 %	2013-14 %	2014-15 %
11.40	10.50	4.20
10.60	65.90	73.80
55.10	7.70	8.80
22.90	15.90	13.20
100.00	100.00	100.00

Real 2011/2012		
\$'000	\$'000	\$'000
2,182.74	2,833.50	

**Water
Variable Charge**

Forecast		
2012-13 %	2013-14 %	2014-15 %
0.00	0.00	0.00
3.73	75.70	76.56
71.97	2.72	2.93
24.30	21.58	20.51
100.00	100.00	100.00

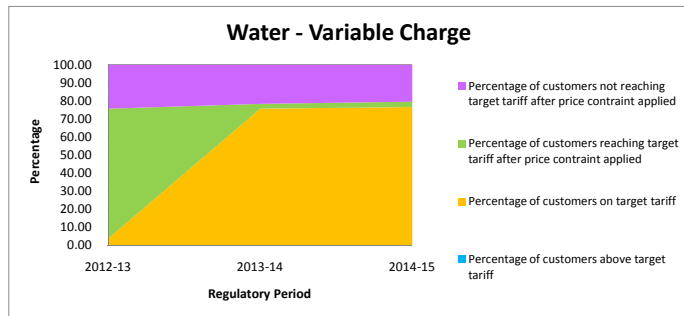
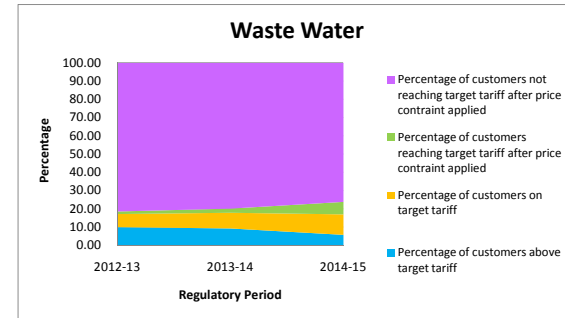
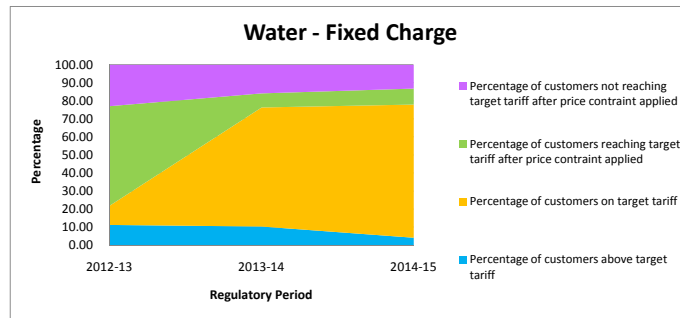
Waste water

Forecast		
2012-13 %	2013-14 %	2014-15 %
9.90	9.30	5.80
7.30	8.60	11.20
1.30	2.30	6.90
81.50	79.80	76.10
100.00	100.00	100.00

Real 2011/2012		
\$'000	\$'000	\$'000
2,131.83	2,767.41	

Percentage of customers above target tariff
A
Percentage of customers on target tariff
T
Percentage of customers reaching target tariff after price constraint applied
C
Percentage of customers not reaching target tariff after price constraint applied
B

Net profit after tax income tax equivalents expense



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Customer Impact

Proposed Alternative Price Constraint - Lower

**Water
Fixed Charge**

**Water
Variable Charge**

Waste water

Percentage of customers above target tariff
 Percentage of customers on target tariff
 Percentage of customers reaching target tariff after price constraint applied
 Percentage of customers not reaching target tariff after price constraint applied

Forecast		
2012-13	2013-14	2014-15
%	%	%
0.00	0.00	0.00

Forecast		
2012-13	2013-14	2014-15
%	%	%
0.00	0.00	0.00

Forecast		
2012-13	2013-14	2014-15
%	%	%
0.00	0.00	0.00

Net profit after tax income tax equivalents expense
 Regulated Revenue
 Regulated capex

Real 2011/2012		
\$'000	\$'000	\$'000

Real 2011/2012		
\$'000	\$'000	\$'000

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Customer Impact

Proposed Alternative Price Constraint - Upper

**Water
Fixed Charge**

**Water
Variable Charge**

Waste water

Percentage of customers above target tariff
 Percentage of customers on target tariff
 Percentage of customers reaching target tariff after price constraint applied
 Percentage of customers not reaching target tariff after price constraint applied

Forecast		
2012-13	2013-14	2014-15
%	%	%
0.00	0.00	0.00

Forecast		
2012-13	2013-14	2014-15
%	%	%
0.00	0.00	0.00

Forecast		
2012-13	2013-14	2014-15
%	%	%
0.00	0.00	0.00

Net profit after tax income tax equivalents expense
 Regulated Revenue
 Regulated capex

Real 2011/2012		
\$'000	\$'000	\$'000

Real 2011/2012		
\$'000	\$'000	\$'000