

## 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
344,377.00	335,374.00
<b>344,377.00</b>	<b>335,374.00</b>

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**

The forecast value of unregulated assets over the life of the Plan is Nil, as irrigation customers and tankered waste operate from pipes and systems which would not be any different in size or diameter in the event that the unregulated activities were to cease. Thus, it is viewed by CMW that there are no dedicated unregulated assets and therefore the unregulated asset value is Nil. In addition, there is not intended capital expenditure on unregulated assets. In the event that this were to occur, the amounts would be fully funded by the unregulated customers.

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

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

Water (nominal)		
Actual	Actual	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
344,377.00	344,895.11	343,969.17
142.00	2,935.00	44.00
9,860.54	10,171.25	10,383.12
334,374.46	331,788.86	333,542.05
10,520.65	12,180.31	8,468.89
<b>344,895.11</b>	<b>343,969.17</b>	<b>342,010.94</b>

Waste water (nominal)		
Actual	Actual	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
335,374.00	335,836.81	337,719.39
180.00	83.00	56.00
9,602.16	9,944.05	10,190.68
325,591.84	325,809.75	327,472.72
10,244.97	11,909.64	8,314.90
<b>335,836.81</b>	<b>337,719.39</b>	<b>335,787.62</b>

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<sub>New Assets</sub> AS AT 1 JULY 2009

RAB<sub>New assets</sub> Opening Balance - as at 1 July 2009

Actual	
Water	Waste Water
\$'000	\$'000
0.00	0.00

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

The forecast value of unregulated assets over the life of the Plan is Nil, as irrigation customers and tankered waste operate from pipes and systems which would not be any different in size or diameter in the event that the unregulated activities were to cease. Thus, it is viewed by CMW that there are no dedicated unregulated assets and therefore the unregulated asset value is Nil. In addition, there is not intended capital expenditure on unregulated assets. In the event that this were to occur, the amounts would be fully funded by the unregulated customers.

### RAB<sub>New Assets</sub> ROLL FORWARD TO START OF REGULATORY PERIOD ON 1 JULY 2012

RAB<sub>New assets</sub> opening balance  
 add: regulated capex  
 less: regulated disposals<sub>New assets</sub>  
 regulated depreciation<sub>New assets</sub>  
 3rd party contributions  
 RAB<sub>New assets</sub> closing balance  
 indexation  
 RAB<sub>New assets</sub> closing balance indexed

#### Water (nominal)

Actual	Actual	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
	<b>7942.96</b>	<b>13687.78</b>
8750.00	7201.00	11127.00
0.00	0.00	44.00
199.28	586.65	943.08
729.00	1252.00	919.00
7821.72	13305.31	22908.70
121.24	382.47	457.46
<b>7942.96</b>	<b>13687.78</b>	<b>23366.16</b>

#### Waste water (nominal)

Actual	Actual	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
	<b>3658.73</b>	<b>8820.35</b>
4418.00	6525.00	6410.00
0.00	0.00	56.00
86.12	332.03	618.45
729.00	1252.00	919.00
3602.88	8599.70	13636.91
55.84	220.65	280.72
<b>3658.73</b>	<b>8820.35</b>	<b>13917.62</b>

These are the values of the RAB<sub>New assets</sub> 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)**

Total Capex  
Less unregulated Capex  
**Regulated 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
13,168.00	13,726.00	17,537.00	20,742.52	18,441.24	18,124.24
0.00	0.00	0.00	0.00	0.00	0.00
13,168.00	13,726.00	17,537.00	20,742.52	18,441.24	18,124.24

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

The forecast value of unregulated assets over the life of the Plan is Nil, as irrigation customers and tankered waste operate from pipes and systems which would not be any different in size or diameter in the event that the unregulated activities were to cease. Thus, it is viewed by CMW that there are no dedicated unregulated assets and therefore the unregulated asset value is Nil. In addition, there is not intended capital expenditure on unregulated assets. In the event that this were to occur, the amounts would be fully funded by the unregulated customers.

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

**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
0.00	735.00	0.00	0.00	0.00	0.00
1,799.00	1,502.00	3,164.00	2,144.70	2,028.15	3,121.15
730.00	707.00	4,288.00	5,057.56	4,671.97	6,595.97
6,221.00	4,257.00	3,675.00	3,928.00	1,215.00	337.00
<b>8,750.00</b>	<b>7,201.00</b>	<b>11,127.00</b>	<b>11,130.26</b>	<b>7,915.12</b>	<b>10,054.12</b>

**COST DRIVERS**

Growth  
Renewal of existing infrastructure  
Improvement in service  
Compliance  
**Total regulated CAPEX**

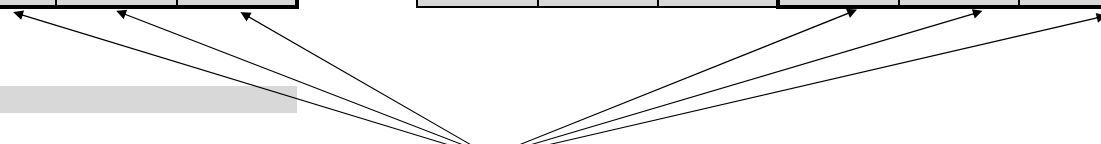
**Waste water**

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
21.00	47.00	0.00	0.00	0.00	0.00
1,347.00	956.00	2,500.00	3,798.70	8,399.15	5,560.15
1,530.00	1,851.00	580.00	2,229.56	1,502.97	1,999.97
1,520.00	3,671.00	3,330.00	3,584.00	624.00	510.00
<b>4,418.00</b>	<b>6,525.00</b>	<b>6,410.00</b>	<b>9,612.26</b>	<b>10,526.12</b>	<b>8,070.12</b>

Check (should sum to zero)



These are CAPEX values for the first regulatory period.



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## Disposal of assets

### Existing assets

	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 disposals	142.00	2,935.00	44.00	44.00	0.00	0.00
Less unregulated disposals	0.00	0.00	0.00	0.00	0.00	0.00
<b>Regulated disposals</b>	<b>142.00</b>	<b>2,935.00</b>	<b>44.00</b>	<b>44.00</b>	<b>0.00</b>	<b>0.00</b>

### 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 disposals	180.00	83.00	56.00	56.00	0.00	0.00
Less unregulated disposals	0.00	0.00	0.00	0.00	0.00	0.00
<b>Regulated disposals</b>	<b>180.00</b>	<b>83.00</b>	<b>56.00</b>	<b>56.00</b>	<b>0.00</b>	<b>0.00</b>

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

The forecast value of unregulated assets over the life of the Plan is Nil, as irrigation customers and tankered waste operate from pipes and systems which would not be any different in size or diameter in the event that the unregulated activities were to cease. Thus, it is viewed by CMW that there are no dedicated unregulated assets and therefore the unregulated asset value is Nil. In addition, there is not intended capital expenditure on unregulated assets. In the event that this were to occur, the amounts would be fully funded by the unregulated customers.

### New assets

	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 disposals	0.00	0.00	44.00	44.00	88.00	88.00
Less unregulated disposals						
<b>Regulated disposals</b>	<b>0.00</b>	<b>0.00</b>	<b>44.00</b>	<b>44.00</b>	<b>88.00</b>	<b>88.00</b>

### 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 disposals	0.00	0.00	56.00	56.00	56.00	112.00
Less unregulated disposals						
<b>Regulated disposals</b>	<b>0.00</b>	<b>0.00</b>	<b>56.00</b>	<b>56.00</b>	<b>56.00</b>	<b>112.00</b>

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

The forecast value of unregulated assets over the life of the Plan is Nil, as irrigation customers and tankered waste operate from pipes and systems which would not be any different in size or diameter in the event that the unregulated activities were to cease. Thus, it is viewed by CMW that there are no dedicated unregulated assets and therefore the unregulated asset value is Nil. In addition, there is not intended capital expenditure on unregulated assets. In the event that this were to occur, the amounts would be fully funded by the unregulated customers.

## 3rd party contributions

	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
3rd party contributions - headworks	53.00	55.00	59.00	62.00	66.00	70.00
3rd party contributions - cash for reticulation assets						
3rd party contributions - reticulation assets						
3rd party contributions - Govt grants	676.00	1,197.00	860.00	639.00	655.00	671.00
3rd party contributions - service introduction charges						
<b>3rd party contributions - Total</b>	<b>729.00</b>	<b>1,252.00</b>	<b>919.00</b>	<b>701.00</b>	<b>721.00</b>	<b>741.00</b>

### 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
3rd party contributions - headworks	53.00	55.00	59.00	62.00	66.00	70.00
3rd party contributions - cash for reticulation assets						
3rd party contributions - reticulation assets						
3rd party contributions - Govt grants	676.00	1,197.00	860.00	639.00	655.00	671.00
3rd party contributions - service introduction charges						
<b>3rd party contributions - Total</b>	<b>729.00</b>	<b>1,252.00</b>	<b>919.00</b>	<b>701.00</b>	<b>721.00</b>	<b>741.00</b>

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**OPERATING AND MAINTENANCE EXPENSES (O&M)**

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

Nominal		
Actual	2010-11	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
30,328.00	30,549.00	32,549.00
140.00	144.00	144.00
<b>30,188.00</b>	<b>30,405.00</b>	<b>32,405.00</b>

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

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

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

Water		
Actual	2010-11	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
9,828.50	9,070.50	9,963.00
5,335.50	6,204.00	6,311.50
<b>15,164.00</b>	<b>15,274.50</b>	<b>16,274.50</b>

Waste water		
Actual	2010-11	Budget
2009-10	2010-11	2011-12
\$'000	\$'000	\$'000
9,828.50	9,070.50	9,963.00
5,335.50	6,204.00	6,311.50
<b>15,164.00</b>	<b>15,274.50</b>	<b>16,274.50</b>

Check (should sum to zero)

-140.00	-144	-144
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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

50/50 split for total expenses due to lack of information. Labour expenses are all costs associated with staffing that have not been capitalised as part of assets.

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.

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

Water		
Real 2011/2012		
Forecast		
2012-13	2013-14	2014-15
\$'000	\$'000	\$'000
3.40	1.00	4.40
2.00	0.50	1.60

Waste water		
Real 2011/2012		
Forecast		
2012-13	2013-14	2014-15
\$'000	\$'000	\$'000
3.40	1.00	4.40
2.00	0.50	1.60

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

Expected expense associated with increasing labour costs, as a result of agreed Enterprise Agreement figures and anticipated staffing needs. Costs associated with electricity and chemicals expected to rise, despite CMW policy of CPI 1% efficiency.

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.

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.

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
1.00	1.00	1.00

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.

Board approved approach to managing operational expenditure at CPI - 1%.

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**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
	Renewals	Compliance	TOTAL				
2012	3,164.00	2,170.00	3,164.00	3,004.18	7,060.76	6,704.10	1
2013	617.00	8,466.00	617.00	556.24	7,060.76	6,365.46	2
2014	617.00	5,418.00	617.00	528.14	7,060.76	6,043.92	3
2015	1,710.00	6,464.00	1,710.00	1,389.80	7,060.76	5,738.63	4
2016	3,773.00	4,353.00	3,773.00	2,911.61	7,060.76	5,448.75	5
2017	3,123.00	2,048.00	3,123.00	2,288.27	7,060.76	5,173.52	6
2018	2,929.00	285.00	2,929.00	2,037.71	7,060.76	4,912.19	7
2019	1,200.00		1,200.00	792.67	7,060.76	4,664.06	8
2020	1,200.00		1,200.00	752.63	7,060.76	4,428.47	9
2021	2,400.00		2,400.00	1,429.23	7,060.76	4,204.78	10
2022	2,200.00		2,200.00	1,243.95	7,060.76	3,992.38	11
2023	800.00		800.00	429.50	7,060.76	3,790.72	12
2024	1,200.00		1,200.00	611.70	7,060.76	3,599.24	13
2025	2,900.00		2,900.00	1,403.61	7,060.76	3,417.43	14
2026	500.00		500.00	229.78	7,060.76	3,244.81	15
2027	5,800.00		5,800.00	2,530.78	7,060.76	3,080.90	16
2028	2,000.00		2,000.00	828.60	7,060.76	2,925.28	17
2029	1,800.00		1,800.00	708.07	7,060.76	2,777.51	18
2030	1,700.00		1,700.00	634.95	7,060.76	2,637.21	19
2031	7,800.00		7,800.00	2,766.16	7,060.76	2,504.00	20
2032	2,500.00		2,500.00	841.81	7,060.76	2,377.52	21
2033	4,100.00		4,100.00	1,310.83	7,060.76	2,257.42	22
2034	3,800.00		3,800.00	1,153.54	7,060.76	2,143.39	23
2035	7,300.00		7,300.00	2,104.08	7,060.76	2,035.12	24
2036	12,300.00		12,300.00	3,366.15	7,060.76	1,932.32	25
2037	6,200.00		6,200.00	1,611.05	7,060.76	1,834.72	26
2038	6,800.00		6,800.00	1,677.71	7,060.76	1,742.04	27
2039	6,000.00		6,000.00	1,405.55	7,060.76	1,654.05	28
2040	7,800.00		7,800.00	1,734.92	7,060.76	1,570.50	29
2041	2,600.00		2,600.00	549.10	7,060.76	1,491.17	30
	106 833		106 833	42 832	211 823	104 692	

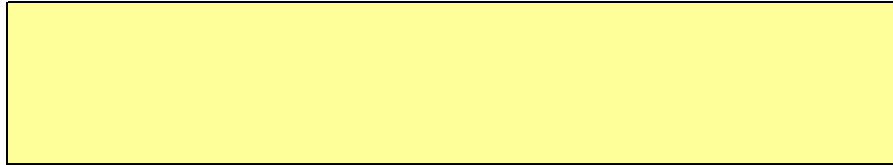
The annuity must be for a minimum of 30 years but can be for a longer time period. To increase the time period select the bottom row of the data table and insert the required number of rows. Copy the formulas (cells shaded in grey) down, over the last row of the data table. This process

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

r	5.32%
n	30
Equiv. annuity	2,888.76
Annual annuity increase	4,172.00
	7,060.76

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.



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**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
	Renewals	Compliance	TOTAL				
2012	2,500.00	3,303.00	2,500.00	2,373.72	12,705.07	12,063.30	1
2013	1,450.00	6,040.00	1,450.00	1,307.21	12,705.07	11,453.95	2
2014	3,305.00	5,722.00	3,305.00	2,829.04	12,705.07	10,875.38	3
2015	2,725.00	3,635.00	2,725.00	2,214.74	12,705.07	10,326.03	4
2016	3,993.00	4,517.00	3,993.00	3,081.38	12,705.07	9,804.44	5
2017	2,043.00	7,543.00	2,043.00	1,496.94	12,705.07	9,309.19	6
2018	2,043.00	10,749.00	2,043.00	1,421.32	12,705.07	8,838.96	7
2019	2,043.00	12,849.00	2,043.00	1,349.53	12,705.07	8,392.48	8
2020	2,043.00	13,857.00	2,043.00	1,281.36	12,705.07	7,968.55	9
2021	3,876.00	10,220.00	3,876.00	2,308.21	12,705.07	7,566.04	10
2022	1,400.00		1,400.00	791.61	12,705.07	7,183.86	11
2023	800.00		800.00	429.50	12,705.07	6,820.98	12
2024	2,500.00		2,500.00	1,274.38	12,705.07	6,476.43	13
2025	3,600.00		3,600.00	1,742.41	12,705.07	6,149.29	14
2026	21,800.00		21,800.00	10,018.29	12,705.07	5,838.67	15
2027	10,300.00		10,300.00	4,494.32	12,705.07	5,543.75	16
2028	26,800.00		26,800.00	11,103.26	12,705.07	5,263.72	17
2029	1,700.00		1,700.00	668.73	12,705.07	4,997.83	18
2030	1,100.00		1,100.00	410.85	12,705.07	4,745.38	19
2031	4,600.00		4,600.00	1,631.33	12,705.07	4,505.68	20
2032	2,100.00		2,100.00	707.12	12,705.07	4,278.08	21
2033	25,500.00		25,500.00	8,152.70	12,705.07	4,061.98	22
2034	5,900.00		5,900.00	1,791.03	12,705.07	3,856.80	23
2035	4,200.00		4,200.00	1,210.57	12,705.07	3,661.98	24
2036	7,700.00		7,700.00	2,107.27	12,705.07	3,477.01	25
2037	0.00		0.00	0.00	12,705.07	3,301.37	26
2038	8,300.00		8,300.00	2,047.79	12,705.07	3,134.61	27
2039	900.00		900.00	210.83	12,705.07	2,976.28	28
2040	10,900.00		10,900.00	2,424.44	12,705.07	2,825.94	29
2041	5,700.00		5,700.00	1,203.79	12,705.07	2,683.19	30
	171,821		171,821	72,084	381,152	188,381	

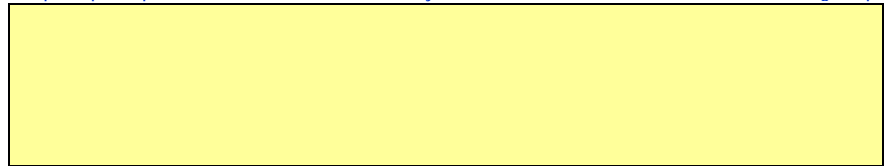
The annuity must be for a minimum of 30 years but can be for a longer time period.  
To increase the time period select the bottom row of the data table and insert the required number of rows. Copy the formulas (cells shaded in grey) down, over the last row of the data table. This process will minimise

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

r	5.32%
n	30
Equiv. annuity	4,861.57
Annual annuity increase	7,843.50
	12,705.07

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.





**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)	36.0	36.0	36.0	36.0	36.0	36.0
Depreciation Rate	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%

	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 <sub>Existing assets</sub> opening balance	344,377.00	354,908.49	364,697.36	335,374.00	345,587.80	357,944.47
add: transferred assets	0.00	0.00		0.00	0.00	
less: regulated disposals <sub>Existing assets</sub>	142.00	2,935.00	44.00	180.00	83.00	56.00
RAB <sub>Existing assets</sub> closing balance before depreciation	344,235.00	351,973.49	364,653.36	335,194.00	345,504.80	357,888.47
indexation	10,673.49	12,723.88	9,116.88	10,393.80	12,439.67	8,947.91
RAB <sub>Existing assets</sub> closing balance indexed	354,908.49	364,697.36	373,770.25	345,587.80	357,944.47	366,836.38
Depreciation <sub>Existing</sub>	9,860.54	10,171.25	10,383.12	9,602.16	9,944.05	10,190.68

**New Assets**

	Water			Waste water		
Average expected asset life (years)	18.9	18.6	20.8	17.9	18.0	19.1
Depreciation Rate	5.29%	5.39%	4.81%	5.60%	5.55%	5.24%

	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 <sub>New assets</sub> opening balance	0.00	8145.33	14494.64	0.00	3746.18	9248.96
add: regulated capex	8750.00	7201.00	11127.00	4418.00	6525.00	6410.00
less: regulated disposals <sub>New assets</sub>	0.00	0.00	44.00	0.00	0.00	56.00
3rd party contributions	729.00	1252.00	919.00	729.00	1252.00	919.00
RAB <sub>New assets</sub> closing balance	8021.00	14094.33	24658.64	3689.00	9019.18	14683.96
indexation	124.33	400.314	489.42	57.18	229.78	299.16
RAB <sub>New assets</sub> closing balance indexed	8145.33	14494.64	25148.06	3746.18	9248.96	14983.12
Depreciation <sub>New Assets</sub>	199.28	586.65	943.08	86.12	332.03	618.45



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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	48,066.00	52,605.00	54,728.00	57,082.00	61,592.00	64,114.00
less: Unregulated Revenue	264.00	250.00	255.00	140.00	147.00	148.00
3rd party contributions - headworks	106.00	110.00	118.00	124.00	66.00	140.00
3rd party contributions - cash for reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions - reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions - Govt grants	1,352.00	2,394.00	1,720.00	1,278.00	1,310.00	1,342.00
3rd party contributions - service introduction charges	0.00	0.00	0.00	0.00	0.00	0.00
<b>Regulated Revenue</b>	<b>46,344.00</b>	<b>49,851.00</b>	<b>52,635.00</b>	<b>55,540.00</b>	<b>60,069.00</b>	<b>62,484.00</b>

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

Anticipated reduction in unregulated revenues due to expected allocation issues with data in previous years.

	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						
less: Unregulated Revenue						
3rd party contributions - headworks	53.00	55.00	59.00	62.00		70.00
3rd party contributions - cash for reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions - reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions - Govt grants	676.00	1,197.00	860.00	639.00	655.00	671.00
3rd party contributions - service introduction charges	0.00	0.00	0.00	0.00	0.00	0.00
<b>Regulated Revenue</b>	<b>-729.00</b>	<b>-1,252.00</b>	<b>-919.00</b>	<b>-701.00</b>	<b>-655.00</b>	<b>-741.00</b>

	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						
less: Unregulated Revenue						
3rd party contributions - headworks	53.00	55.00	59.00	62.00	66.00	70.00
3rd party contributions - cash for reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions - reticulation assets	0.00	0.00	0.00	0.00	0.00	0.00
3rd party contributions - Govt grants	676.00	1,197.00	860.00	639.00	655.00	671.00
3rd party contributions - service introduction charges	0.00	0.00	0.00	0.00	0.00	0.00
<b>Regulated Revenue</b>	<b>-729.00</b>	<b>-1,252.00</b>	<b>-919.00</b>	<b>-701.00</b>	<b>-721.00</b>	<b>-741.00</b>

Check (must sum to zero)

-48066.00 -52605.00 -54728.00 -57082.00 -61592.00 -64114.00  
-264.00 -250.00 -255.00 -140.00 -147.00 -148.00

Check (must sum to zero)

47802.00 52355.00 54473.00 56942.00 61445.00 63966.00

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

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Customer Impact - Residential

Proposed Price Constraint

Water  
Fixed Charge

Forecast		
2012-13	2013-14	2014-15
%	%	%
3.46	3.31	3.07
32.46	50.47	50.66
18.02	0.20	45.64
46.06	46.02	0.63
100.00	100.00	100.00

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

Water  
Variable Charge

Forecast		
2012-13	2013-14	2014-15
%	%	%
0.00	0.00	0.00
0.00	2.39	7.37
2.39	4.98	2.26
97.61	92.63	90.37
100.00	100.00	100.00

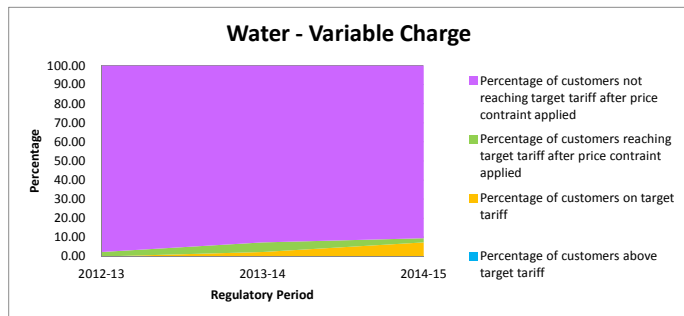
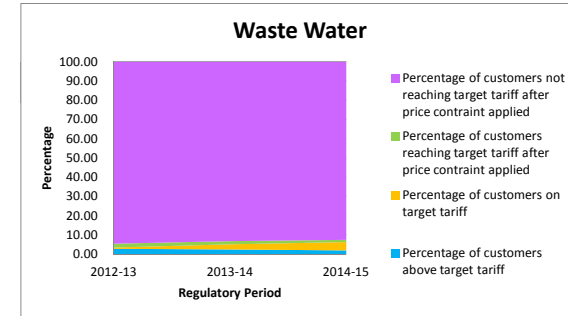
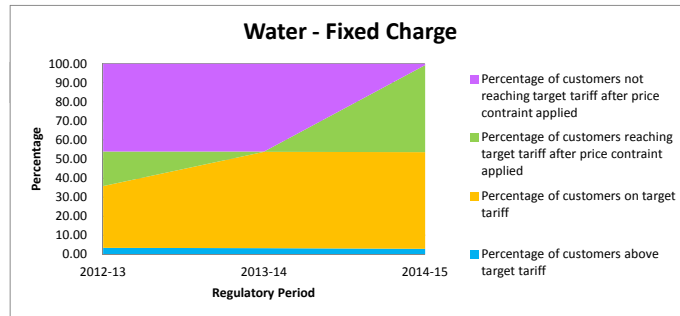
Waste water

Forecast		
2012-13	2013-14	2014-15
%	%	%
2.95	2.58	2.08
0.72	2.75	4.43
2.03	1.68	1.21
94.30	92.99	92.28
100.00	100.00	100.00

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

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

Net profit after tax income tax equivalents expense



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**Customer Impact - Non Residential**

**Proposed Price Constraint**

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

**Water  
Fixed Charge**

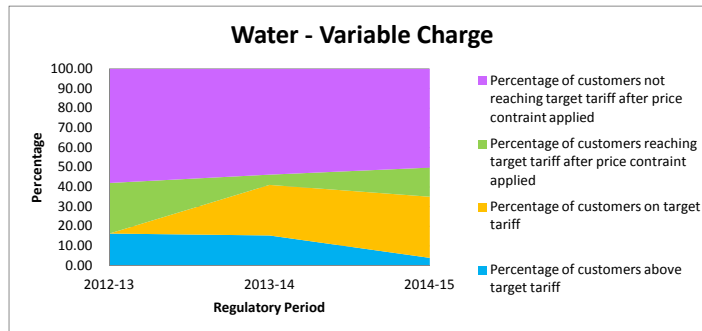
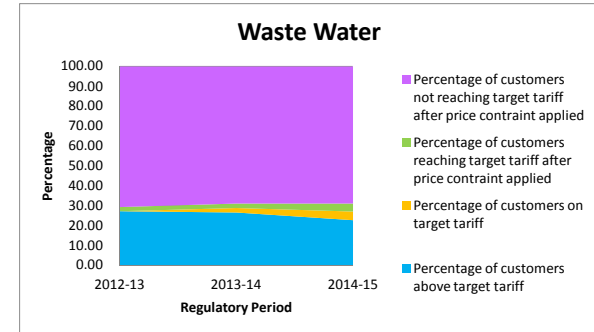
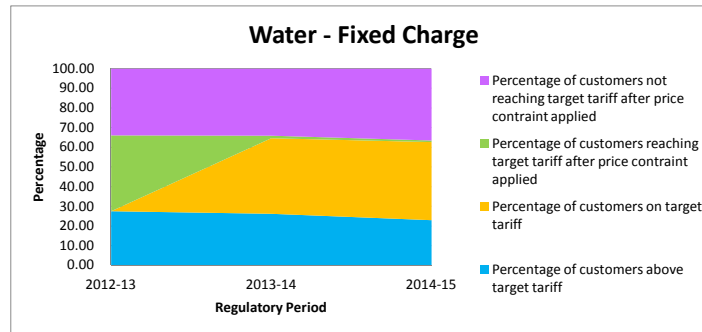
Forecast		
2012-13 %	2013-14 %	2014-15 %
27.64	26.27	23.02
0.00	38.48	39.70
38.48	1.22	0.80
33.88	34.03	36.48
<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Water  
Variable Charge**

Forecast		
2012-13 %	2013-14 %	2014-15 %
16.35	15.38	4.08
0.00	25.69	30.94
25.69	5.25	14.88
57.96	53.68	50.10
<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Waste water**

Forecast		
2012-13 %	2013-14 %	2014-15 %
27.28	26.71	22.80
0.00	2.10	4.37
2.10	2.27	3.91
70.62	68.92	68.92
<b>100.00</b>	<b>100.00</b>	<b>100.00</b>



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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