



GWMWater

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Our ref: 09/070/045
Contact: Jeff Rigby
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8 October 2007

Mr Greg Wilson
Chairperson
Essential Services Commission
Level 2, 35 Spring Street
MELBOURNE 3000

Dear Greg

2008-2013 Water Plan

Please find enclosed the GWMWater 2008-13 Water Plan prepared in accordance with Part 3 of the Statement of Obligations.

The 2008-13 Water Plan includes a detailed pricing proposal for the first year of the regulatory period. Any decision in relation to the revenue requirement and/or the pricing principles for years 2-5 has been deferred subject to resolution of the financing of the \$248 Million funding gap for the Wimmera Mallee Pipeline Project (WMPP). These issues are presently the subject of discussion between the funding partners and GWMWater.

The focus of the WMPP has shifted since it was first conceptualised from a water savings project to a drought response water supply augmentation project. Feedback received on the 2008-13 Water Plan Exposure Draft expressed continued support for the WMPP but there was an overwhelming expression of concern about affordability in responses received from customers and stakeholders in the region.

The program generally aligns with the expectations of the EPA and DHS. In some cases the timing of water quality improvements is not quite as early as DHS expected in feedback received. Water quality has been advanced for the town of Jeparit but the no provision has been made within the program for water quality improvements in Kaniva.

At this stage GWMWater is hopeful of reaching a resolution before the end of the calendar year on the funding issues. In the event that this is achieved, GWMWater will be seeking to lodge a revised 2008-13 Water Plan for consideration by the ESC.

GWMWater will be seeking a meeting with you at your earliest convenience to outline the Water Plan and explore these issues further with you.

Yours faithfully

A handwritten signature in black ink, appearing to read "Jeff Rigby". The signature is fluid and cursive, with the first name "Jeff" and last name "Rigby" clearly distinguishable.

Jeff Rigby
Managing Director

Encl.