

# LOWER MURRAY WATER

## SUMMARY OF 2013-18 WATER PLAN

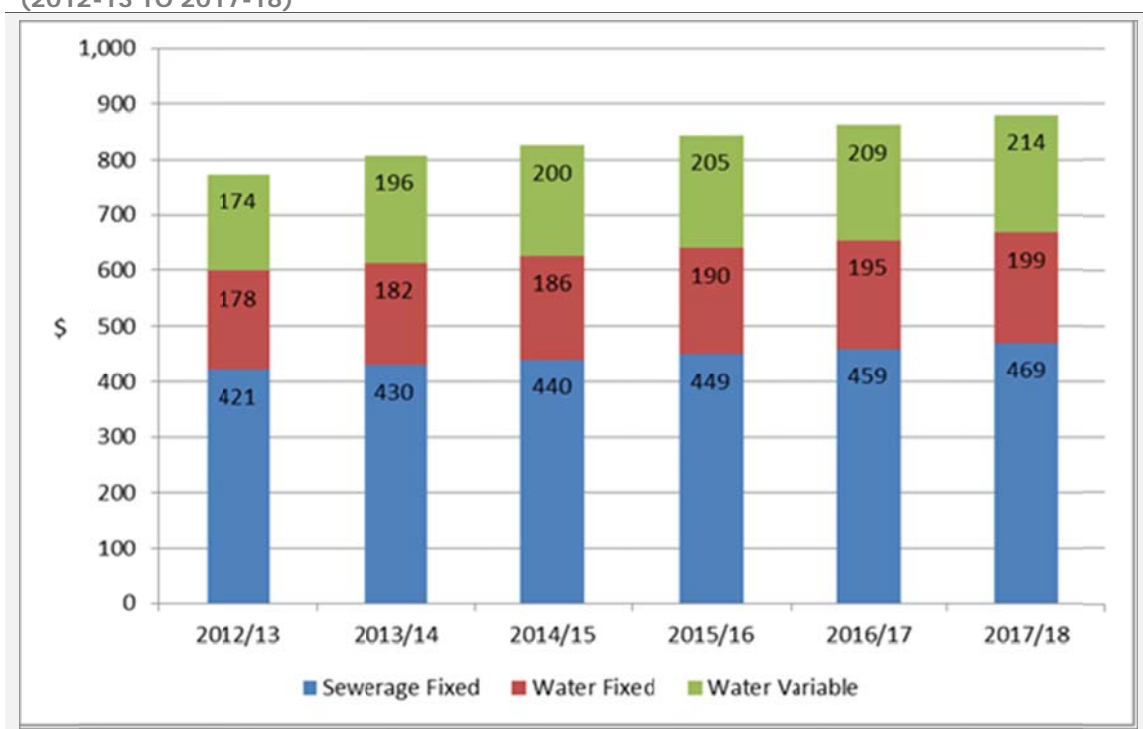
*Lower Murray Water provides water and wastewater services to almost 32 000 urban customers in townships including Mildura and Swan Hill. Lower Murray Water provides treated drinking water to 14 cities and towns, and waste water services to 12 cities and towns.*

Proposed real price increases of 2.2 per cent in each year from 2013-14 to 2017-18.

### KEY OUTCOMES

- Annual water and sewerage bill for an indicative residential owner occupier estimated to rise from \$774 in 2012-13 to \$881 in 2017-18 (remaining among the lowest bills in the State).
- Investment in renewal of ageing existing assets to maintain existing levels of service, and to meet growth requirements for water and sewerage infrastructure across the region.
- Key projects include implementation of the Mildura Water Supply Strategy to accommodate growth, and a number of water treatment plant upgrades to improve water quality.

**INDICATIVE ANNUAL HOUSEHOLD BILL, RESIDENTIAL OWNER OCCUPIER (2012-13 TO 2017-18)**



Note: Household tenants pay only the water variable charge. Annual household bills are calculated using 2011-12 average customer consumption of 391kL per annum. Note that water businesses may have used a different assumption for average customer consumption in developing their Water Plans.

## PROPOSED PRICING STRUCTURES

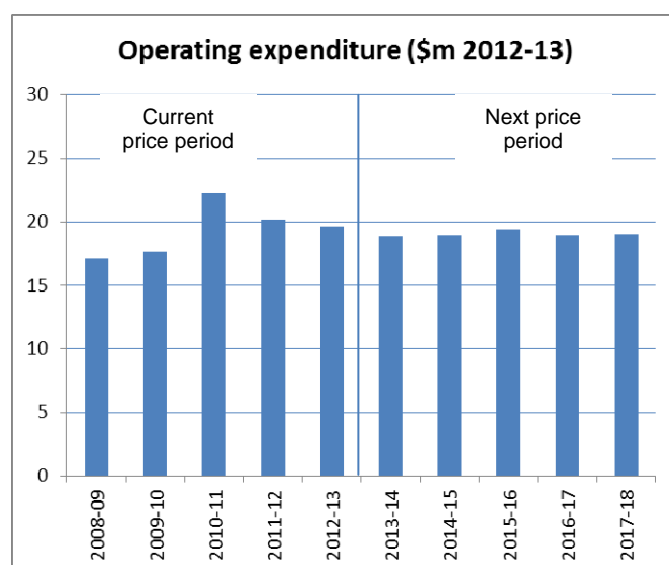
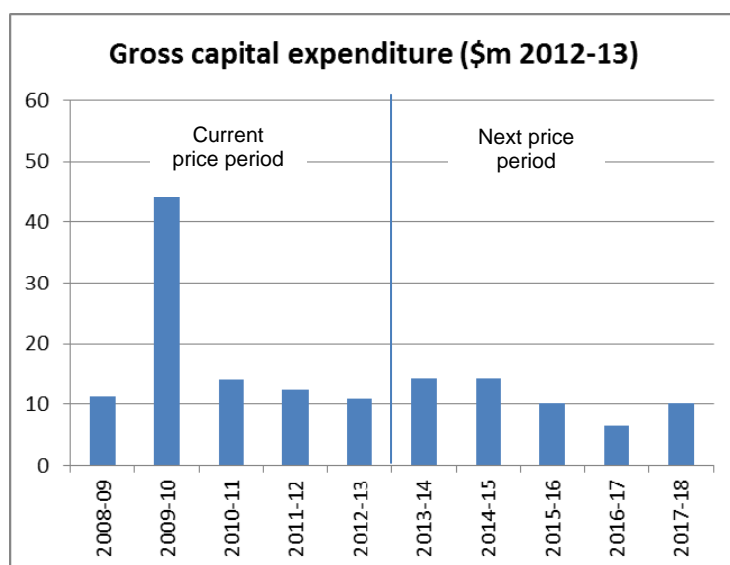
- Water — fixed charge for residential and non-residential customers (differentiated by meter size). Maintain 3 tier inclining block tariff for residential customers. Single volumetric charge for non-residential customers.
- Sewerage — proposes a single fixed charge for residential and non-residential sewerage services.
- Trade Waste — proposes a fixed minor trade waste charge. The trade waste charges consist of an annual direct charge, a flow component, and pollutant based component.
- Recycled water — charges are negotiated with recycled water customers.
- Locational pricing — uniform pricing.
- Form of price control — tariff basket.

## KEY PROJECTS FROM THE WATER PLAN

	Reason	Forecast cost (\$m 2012-13)
Mildura Water Supply Strategy	Growth	9.4
Water Treatment Plants quality improvements	Improved service	6.6
Red Cliffs Water Treatment Plant Upgrade	Renewals/Growth	2.4
Water Treatment Plants PLC replacements	Renewals	2.7
Water and sewerage main renewals	Renewals	9.0

## PROPOSED EXPENDITURE

- Total capital expenditure forecast is \$55m, down from \$98m for the current price period.  
Total operating expenditure forecast is \$95m, down from \$97m for the current price period.



**BREAKDOWN OF PROPOSED REVENUE (\$M 2012-13)**

	2013-14	2014-15	2015-16	2016-17	2017-18
Operating expenditure	18.88	18.98	19.37	18.94	19.06
Return on assets	7.22	7.60	7.84	7.86	7.86
Depreciation	5.23	5.77	6.18	6.43	6.76
Revenue requirement offset	0.31	0.32	0.33	0.33	0.34
<b>TOTAL</b>	<b>31.02</b>	<b>32.03</b>	<b>33.07</b>	<b>32.89</b>	<b>33.34</b>

**PROPOSED SERVICE STANDARDS**

	Actual average 2007-08 to 2011-12	Proposed average 2013-14 to 2017-18
<b>Water</b>		
Unplanned water supply interruptions (per 100km)	48.2	51.3
Average time taken to attend bursts and leaks (priority 1)	17.5	20.0
Average time taken to attend bursts and leaks (priority 2)	15.6	20.0
Average time taken to attend bursts and leaks (priority 3)	13.9	20.0
Unplanned water supply interruptions restored within 5 hours (per cent)	99.6%	99.5%
Planned water supply interruptions restored within 5 hours (per cent)	99.3%	99.6%
Average unplanned customer minutes off water supply	11.3	13.4
Average planned customer minutes off water supply	36.3	40.9
Average unplanned frequency of water supply interruptions per customer	0.2	0.2
Average planned frequency of water supply interruptions per customer	0.2	0.3
Average duration of unplanned water supply interruptions (minutes)	59.3	63.7
Average duration of planned water supply interruptions (minutes)	82.4	82.1
Number of customers experiencing more than 5 unplanned water supply interruptions in the year	9.6	15.0
Unaccounted for water	8.9%	15.0%
<b>Sewerage</b>		
Sewerage blockages (per 100km)	19.5	22.6
Average time to attend sewer spills and blockages (minutes)	20.4	18.0
Average time to rectify a sewer blockage (minutes)	101.0	99.7
Spills contained within 5 hours (per cent)	97.0%	97.0%
Customers receiving more than 3 sewer blockages in the year	0.2	0.0
<b>Customer service</b>		
Telephone calls answered within 30 seconds (Accounts Line) (% of Calls)	83.5%	85.0%

Note that water businesses may have used a different time period for estimating actual average outcomes in their Water Plans due to data availability.

## PROPOSED GUARANTEED SERVICE LEVELS

GSL Measure	Customer rebate for breach of GSL (\$)
More than 5 unplanned water supply interruptions in a year	75
More than 3 sewer blockages in a year	75
Priority 1 and 2 sewerage spills not contained within 5 hours	500
Restricting the water supply of, or taking legal action against, a residential customer prior to taking reasonable endeavours to contact the customer and provide information about help that is available if the customer is experiencing difficulties paying	300

## CUSTOMER CONSULTATION

### Consultation has included:

- Customer Consultative Committee (North and South region) briefings
- Public notices and newsletters
- Twitter
- Customer surveys
- Public meetings
- Public submissions on Draft Water Plan.

## ISSUES IDENTIFIED BY THE COMMISSION FOR FURTHER INVESTIGATION

- • Proposal to maintain 3 tier inclining block tariff.
- • Capital expenditure in second price period above forecast.
- • Prudence and efficiency of proposed operating and capital expenditure.
- • Number of service standard targets proposed below recent outcomes.

**More information:** View Lower Murray Water's Water Plan at [www.esc.vic.gov.au](http://www.esc.vic.gov.au)