



NEW CUSTOMER CONTRIBUTION FRAMEWORK

December 2012

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
1.0 Background.....	4
2.0 Pricing Principles	4
3.0 NCC Model	5
3.1 General.....	5
3.2 Key Variables	5
3.3 Model Period.....	6
4.0 Water NCC.....	6
4.1 Incremental Capital Expenditure	6
4.2 Gifted Assets	9
4.3 Incremental Revenue	9
4.4 Incremental O&M.....	10
4.5 Calculated Charge	10
4.6 Discussion.....	11
5.0 Wastewater NCC.....	12
5.1 Incremental Capital Expenditure	12
5.2 Gifted Assets	14
5.3 Incremental Revenue	14
5.4 Incremental O&M.....	15
5.5 Calculated Charge	16
5.6 Discussion.....	16
6.0 Proposed NCC Charge	16
6.1 Proposed Charges	16
6.2 Water Plan 3 Pricing Impact	17
6.3 Transition Period.....	17
7.0 Developer Consultation.....	17
8.0 Negotiating Framework	18
9.0 Framework Implementation Timeframe.....	18
Appendix 1 – Water Connections Forecast.....	19
Appendix 2 – Average Water Demand.....	21
Appendix 3 – New Operating Costs - Water	23
Appendix 4 – Wastewater Connections Forecast.....	24
Appendix 5 – Average Wastewater Discharge Volume.....	26
Appendix 6 – New Operating Costs - Wastewater.....	27
Appendix 7 – Negotiating Framework	28

EXECUTIVE SUMMARY

A New Customer Contribution (NCC) is levied when new connections are made to the water and wastewater networks managed by Goulburn Valley Water. Currently NCC are set at uniform levels across Victoria.

A new principle-based NCC framework is to commence on 1 July 2013 coinciding with the commencement of the Water Plan 3 regulatory period. The new framework will enable each Water Corporation to establish NCC charges in accordance with the pricing principles that have been established in a Guidance Paper issued by the ESC.

To provide an equitable NCC charge across the Goulburn Valley Water service region it is proposed to adopt a standard charge across all towns. Modelling has been undertaken on the basis of a standard charge across all towns. The proposed NCC charge for the Water Plan 3 period for Goulburn Valley Water is \$2,323 per new connection.

This charge will apply for all new connections that receive water services. The charge has been determined based on a methodology that is consistent with the pricing principles from the Guidance Paper.

Goulburn Valley Water reserves the right to apply a different charge should unforeseen exceptional circumstances arise requiring high growth capital expenditure to be incurred by Goulburn Valley Water for an unforeseen new development or event. The charge will be calculated in accordance with the new principles based methodology and could apply to water or sewer,

The proposed NCC charge of \$2,323 per new connection is similar to the existing charge of \$2,434.60 for the majority of new connections. The revenue to be generated from the new NCC charge will not be materially different to the existing charge. Goulburn Valley Water does not propose to vary the revenue forecast from NCC charges currently included in Water Plan 3.

A negotiating framework has been developed for the implementation of NCC charges in accordance with the Guidance Paper.

The negotiating framework sets out procedural and information requirements relevant to services to which developer charges apply, as defined in the Water Industry Regulatory Order. It requires Goulburn Valley Water and connection applicants to negotiate in good faith to agree the price, standards and conditions of services to be provided. It also provides for transparent information to enable the connection applicant to understand the reasons for decisions made by Goulburn Valley Water.

A number of key issues covered in the negotiating framework include:

- Pricing principles.
- Definitions for reticulation assets.
- Bring forward charges.
- Benefitting Owners.
- Non Standard Charges
- Timeframes for development applications to be assessed.

1.0 Background

A New Customer Contribution (NCC) is levied when new connections are made to the water and sewer networks managed by Goulburn Valley Water.

Currently NCC are set at uniform levels across Victoria which are shown in the following Table.

Table 1 – Existing NCC

Lot Size	Existing NCC
Category 1 lot size <450m ²	\$608.60
Category 2 lot size 450-1,350m ²	\$1,217.30
Category 3 lot size > 1,350m ²	\$2,434.60

The NCC is applied to both water and sewer connections. For example the existing NCC for a new 700m² lot that receives both water and sewer services would be \$2434.60 (\$1,217.30 for both water and sewer).

A new principle-based NCC framework is to commence on 1 July 2013 coinciding with the commencement of the Water Plan 3 regulatory period.

The new framework will enable each Water Corporation to establish NCC charges in accordance with the pricing principles

A NCC Guidance Paper was issued by the Essential Services Commission (ESC) in August 2012.

2.0 Pricing Principles

The Guidance paper establishes minimum pricing principles that will govern the calculation of standard NCC charges.

The pricing principles are as follows.

NCC must:

- i. have regard to the incremental infrastructure and associated costs in one or more of the statutory cost categories attributable to a given connection
- ii. have regard to the incremental future revenues that will be earned from customers at that connection
- iii. be greater than the avoidable cost of that connection and less than the standalone cost of that connection.

3.0 NCC Model

3.1 General

A spreadsheet model has been provided by the ESC for calculating NCC charges. The spreadsheet model incorporates incremental costs and revenues and calculates an NCC charge per property.

Separate model calculations are completed to determine water and wastewater charges.

3.2 Key Variables

A number of key variables for input to the model are common for both the water and wastewater NCC modeling.

Table 2 – Key Variables

Variable	Value	Comments
Pipes & Civil Assets – Asset Life	60 years	Provision is included in the model for other asset types. For the purpose of the NCC modelling, Goulburn Valley Water has not used other asset types such as valves and meters as they represent only a small proportion of total costs for assets. A Non Depreciating asset type has been used for land acquisition costs.
Pumps & Mechanical / Electrical Assets – Asset Life	25 years	
Inflation	2.00%	Default value contained in the model.
Post Tax Nominal Discount Factor	7.00%	Default value contained in the model.
Value of Franking Credits (as a Proportion of Face Value)	50%	Default value contained in the model.
Corporate Tax Rate	30% - 2013/14 29% - 2014/15 28% - 2015/16 and future years	Default value contained in the model.

3.3 Model Period

The spreadsheet model contains three separate time periods for analysis which are 20 years, 30 years and 35 years.

The Guidance Paper has identified that the 30 year model is to be used for establishing the NCC charge.

The 30 year model has been used by Goulburn Valley Water.

4.0 Water NCC

The Goulburn Valley Water service area covers 54 towns which are serviced by 37 separate water supply systems. It is not practical to undertake NCC modelling for each individual development area within towns.

The majority of development areas within Goulburn Valley Water towns are developed over an extended time period (can be greater than 20 years). A number of assets constructed in the past 15 years are continuing to provide capacity to service new development. The Guidance Paper allows costs from the Water Plan 2 period (2008 – 2013) to be recovered from future NCC charges but does not make provision for costs prior to 2007/2008 to be recovered.

The calculation of NCC charges on an individual town basis is likely to result in major differences in charges across the Goulburn Valley Water service area. There is likely to be inequity in charges across towns depending on the timing of incremental capital costs associated with growth. For example, a town which received growth assets prior to Water Plan 2 is likely to have a lower NCC charge than a town that will require future growth assets.

To provide an equitable NCC charge across the Goulburn Valley Water service region it is proposed to adopt a standard charge across all towns. Modelling has been undertaken on the basis of a standard charge across all towns. The key model inputs are outlined in the following sections.

4.1 Incremental Capital Expenditure

Water Plan 2 & 3 Expenditure

Capital expenditure for water growth projects from the Water Plan 2 and 3 periods has been included in the first year of the NCC calculation.

The proportion of the original capital cost that is recoverable from future NCC charges has been determined based on:

- The current remaining life of the asset.
- The percentage of the asset that related to growth.
- The spare capacity currently remaining within the asset.

A comparison between the original capital cost of growth projects and the recoverable amount used in the NCC calculation is shown in the following table.

Table 3 – Recoverable Value of Water Plan 2 & 3 – Water Growth Projects

Business Plan Number	Asset	Construction Cost (\$)	Current Value to be Recovered (\$)
1707	Alexandra - Alexandra to Eildon Pipeline	\$9,037,000	\$3,097,499
1025	Alexandra - WTP	\$3,129,000	\$480,370
2122	All Areas - Small Town Filtration Plants	\$5,000,000	\$1,517,416
1843	Bonnie Doon - WTP Filtration	\$3,417,000	\$1,330,219
1810	Broadford - Goulburn River to Broadford & Kilmore Pipeline	\$13,306,000	\$4,523,770
1811	Cobram - Water Network Augmentation	\$944,000	\$130,477
1815	Girgarre - WTP Filtration	\$629,000	\$218,177
1507	Kyabram - Raw Water Storage Construction	\$1,140,000	\$299,427
1822	Mansfield - Additional Raw Water Storage	\$2,522,000	\$690,739
1912	Numurkah - Clear Water Storage Upgrade	\$1,425,000	\$883,336
1322	Numurkah - High Lift Pumps	\$513,000	\$54,166
1826	Numurkah - Raw Water Storage	\$4,300,000	\$748,207
1021	Sawmill Settlement - WTP	\$2,331,000	\$175,678
1850	Tatura - Additional Treated Water Storage	\$1,612,000	\$791,812
1841	Tongala - WTP Filter Replacement	\$2,136,000	\$957,862
	Total	\$51,441,000	\$15,899,154

Future Capital Expenditure

Future capital expenditure for water growth projects is based on the current 20 year capital works program.

Future capital works projects related to growth are shown in the following table.

Table 4 – Future Capital Expenditure - Water

% of Asset Related to Growth	Project Description	Total Capital Cost (\$)
50%	2009 - Alexandra - Water Network Augmentation - Stage 1	\$180,000
100%	2343 - Alexandra - Clear Water Storage Augmentation	\$445,000
50%	2348 - Alexandra - Water Network Augmentation - Stage 2	\$1,360,000
100%	1911 - Broadford - Broadford to Kilmore Pipeline	\$15,680,000
100%	2304 - Broadford - WTP Upgrade	\$7,660,000
100%	1384 - Cobram - WTP Augmentation - Stage 2	\$5,730,000

% of Asset Related to Growth	Project Description	Total Capital Cost (\$)
100%	2338 - Euroa - Clear Water Storage Augmentation	\$1,420,000
100%	1817 - Kilmore - Green Street WPS Upgrade	\$545,000
100%	1818 - Kilmore - Water Network Augmentation	\$730,000
100%	2326 - Kilmore - North Tank Land Acquisition	\$430,000
100%	1819 - Kyabram - High Lift Water Pump Station Upgrade	\$940,000
100%	2124 - Kyabram - Albion Street Water Main Augmentation	\$170,000
100%	1821 - Mansfield - WTP Upgrade	\$2,740,000
100%	2003 - Mansfield - Water Network Augmentation - Stage 1	\$260,000
100%	2349 - Mansfield - Water Network Augmentation - Stage 2	\$720,000
29%	1823 - Marysville - Disinfection Upgrade	\$5,500,000
100%	2217 - Mooroopna - McLennan Street Pump Station Upgrade	\$1,695,000
100%	2218 - Mooroopna - DN300 Distribution Main to Mooroopna West Growth Corridor	\$785,000
100%	2220 - Mooroopna - Echuca Road Pump Station Upgrade	\$870,000
100%	2223 - Mooroopna - McLennan Street Water Main Augmentation	\$1,635,000
85%	2126 - Nagambie - Clear Water Storage Upgrade	\$2,020,000
100%	2230 - Nagambie - WTP Capacity Upgrade	\$1,380,000
28%	1825 - Numurkah - WTP Upgrade	\$9,100,000
100%	2245 - Numurkah - Exhibition Street & Tunnock Road Water Main Augmentations	\$255,000
100%	1226 - Shepparton - WTP Capacity Upgrade	\$17,190,000
100%	1403 - Shepparton - Old Dookie Road Water Main	\$905,000
100%	1833 - Shepparton - DN375 Direct Feed Water Main to South Tank	\$3,900,000
100%	1834 - Shepparton - DN450 Trunk Water Main South of Kialla Lakes Drive	\$1,125,000
100%	1835 - Shepparton - DN375 Water Main South of Raftery Road	\$1,620,000
100%	2216 - Shepparton - Shepparton South Tank Pump Station Upgrade	\$1,525,000
100%	2219 - Shepparton - Shepparton South Dedicated Pump Station	\$840,000
100%	2221 - Shepparton - Lemnos Pump Station Upgrade	\$1,855,000
100%	2222 - Shepparton - Poplar Avenue Water Main Augmentation	\$725,000
100%	2334 - Shepparton - Raw Water Pump Station Augmentation	\$5,640,000
100%	2344 - Shepparton - Clear Water Storage Augmentation	\$3,175,000
100%	1854 - Tatura - WTP Capacity Upgrade	\$6,500,000
100%	2335 - Tatura - Additional Raw Water Storage	\$1,370,000
100%	2319 - Yea - East Street Water Main Augmentation	\$80,000
	Total	\$108,700,000

In addition to the individual projects identified in the previous table, Goulburn Valley Water has an annual budget of \$600,000 for shared water assets (growth projects for

which costs are shared between Goulburn Valley Water and developers). The shared assets budget has been included in the model.

The 20 year capital works program does not cover the entire 30 year modelling period for the NCC calculation. For years 21 – 30, the average yearly incremental expenditure for the next 20 years (\$5.1M per year) has been assumed to continue.

A number of pump and mechanical / electrical assets (25 year life) will require replacement within the 30 year modelling period. A replacement schedule has been included in the modelling for these assets.

4.2 Gifted Assets

Gifted assets are constructed and funded by developers to service new development. Based on historical levels of gifted assets an amount of \$1.7M has been included per year in the modelling.

4.3 Incremental Revenue

Incremental revenue is calculated in the NCC model based on the number of new connections, yearly water consumption for new connections, fixed tariff rates and variable tariff rates.

New Connection Numbers

A 50 year forecast for new water connections was developed for the 2012 Water Supply Demand Strategy (WSDS). This forecast has been used for the NCC modelling.

A summary of new connection numbers for the each town is included in Appendix 1.

New Connection Water Volumes

The yearly water volume for new connections used in the modelling is based on the forecast average volume per new connection for 2013/14 from the WSDS demand forecast.

The yearly volume applied for new residential connections is 201KL.

The yearly volume applied for new non-residential connections is 568KL.

A summary of the yearly volume calculations is located in Appendix 2.

Fixed Tariff

The fixed water tariff for 2012/2013 is \$155.47. There are no proposed real price increases to the fixed tariff for the Water Plan 3 period. For the Water Plan 4 period (2018 -2023) a 1.7% real price increase per year is currently forecast.

The fixed water tariff for Year 1 (2013/14) of the NCC model is \$158.58 (\$155.47 plus inflation of 2%). Inflation is applied yearly in the model from 2013/14 and a real price increase of 1.7% is also applied for each year of the Water Plan 4 period.

Variable Tariff

The variable water tariff for 2012/13 is \$1.06/kL. There are proposed real price increases to the variable water tariff per year of 2.4% for the Water Plan 3 period and 1.7% for the Water Plan 4 period.

The variable water tariff for Year 1 (2013/14) of the NCC model is \$1.11/kL (\$1.06 plus inflation of 2% and a real price increase of 2.4%). Inflation is applied yearly in the model from 2013/14 and a real price increase is also applied for each year of the Water Plan 3 and 4 periods.

4.4 Incremental O&M

Incremental operations and maintenance costs include two components.

The first component relates to the delivery of additional water to service growth. The average cost for the production and distribution of water across Goulburn Valley Water is \$210/ML. This cost has been applied to additional water to service new connections.

The second component relates to consequential operating costs from new capital works projects. The consequential operating costs have been calculated on an individual project basis. A summary of the consequential operating costs from new capital works projects are included in Appendix 3.

4.5 Calculated Charge

The incremental costs and revenues identified in Sections 4.1 – 4.4 have been entered into the 30 year NCC model.

The calculated NCC charge is \$2,323 per new connection.

Goulburn Valley Water reserves the right to apply a different charge should unforeseen exceptional circumstances arise requiring high growth capital expenditure to be incurred by Goulburn Valley Water for an unforeseen new development or event. The charge will be calculated in accordance with the new principles based methodology.

4.6 Discussion

For comparison purposes separate modelling has also been undertaken on an individual town basis to test the assumption that inequity would exist between towns depending on the timing of the construction of growth assets.

The calculated NCC for a selection of towns is shown below.

Table 5 – Water NCC Calculation for Selected Towns

Town	Calculated Water NCC	Comments
Broadford & Kilmore	\$3,391	Major growth project constructed in the Water Plan 2 period.
Cobram	\$0	Major growth project which continues to provide capacity for new connections constructed prior to Water Plan 2.
Kyabram	\$0	Major growth project which continues to provide capacity for new connections constructed prior to Water Plan 2.
Numurkah	\$9,471	Major growth projects over the Water plan 2 and 3 periods.
Shepparton & Mooroopna	\$600	Major growth project in the Water Plan 3 period.

The NCC calculation analysis for the selection of towns has confirmed inequity between towns would exist if NCC charges are calculated on an individual town basis. This inequity is particularly apparent when comparing towns which received growth projects prior to Water Plan 2 to towns that require growth projects in the Water Plan 2 and 3 periods.

The analysis has confirmed that the standard charge approach remains the most appropriate NCC calculation methodology for Goulburn Valley Water to avoid inequity in charges between towns.

The methodology used to generate the standard charge is consistent with the pricing principles from the Guidance Paper.

5.0 Wastewater NCC

Modelling of wastewater NCC charges has been undertaken on the basis that a standard charge for all towns will apply

5.1 Incremental Capital Expenditure

Water Plan 2 & 3 Expenditure

Capital expenditure for wastewater growth projects from the Water Plan 2 and 3 periods has been included in the first year of the NCC calculation.

The proportion of the original capital cost that is recoverable from future NCC charges has been determined based on:

- The current remaining life of the asset.
- The percentage of the asset that related to growth.
- The spare capacity currently remaining within the asset.

A comparison between the original capital cost of growth projects and the recoverable amount used in the NCC calculation is shown in the following table.

Table 6 – Recoverable Value of Water Plan 2 & 3 – Wastewater Growth Projects

Business Number	Plan	Asset	Construction Cost (\$)	Current Value to be Recovered (\$)
2311		Shepparton - Doyles Road Sewerage Reticulation Extension	\$230,000	\$226,167
2346		Shepparton - Northside Estate Sewer Distribution Assets	\$960,000	\$939,130
		Total	\$1,190,000	\$1,165,297

Future Capital Expenditure

Future capital expenditure for wastewater growth projects is based on the current 20 year capital works program.

Future capital works projects related to growth are shown in the following table.

Table 7 – Future Capital Expenditure - Wastewater

% of Asset Related to Growth	Project Description	Total Capital Cost (\$)
100%	1903 - Broadford - WMF Reuse Capacity Upgrade	\$1,670,000
100%	1813 - Euroa - WMF Reuse Capacity Upgrade	\$440,000
100%	1901 - Kilmore - WMF Additional Winter Storage	\$4,480,000
50%	2305 - Kilmore - Sewer Network Augmentation	\$1,600,000
100%	2321 - Kilmore - WMF Additional Reuse Area	\$1,060,000
100%	1902 - Mansfield - WMF Additional Winter Storage	\$6,050,000
100%	2312 - Mansfield - Sewage Pump Station No.2 Upgrade	\$215,000
100%	2322 - Mansfield - WMF Additional Reuse Area	\$720,000
100%	2309 - Marysville - WMF Reuse Capacity Upgrade	\$265,000
100%	1502 - Mooroopna - WMF HRAL Upgrade	\$910,000
100%	2235 - Mooroopna - WMF Reuse Capacity Upgrade	\$755,000
100%	1904 - Nagambie - WMF Reuse Capacity Upgrade	\$415,000
100%	2206 - Nagambie - SPS02 Upgrade	\$105,000
100%	2224 - Nagambie - SPS04 Upgrade	\$280,000
100%	2225 - Nagambie - SPS09 Additional Storage	\$195,000
50%	2226 - Nagambie - SPS04 Rising Main Replacement	\$2,420,000
100%	2123 - Sawmill Settlement - WMF Reuse Capacity Upgrade - Stage 2	\$100,000
50%	2211 - Seymour - SPS01 Rising Main Replacement	\$3,705,000
100%	1609 - Shepparton - WMF HRAL Additional Aerators & Mixers	\$1,260,000
100%	1837 - Shepparton - Kialla Lakes South Sewer Pump Station	\$440,000
100%	1838 - Shepparton - Kialla Lakes South Sewer Pump Station Rising Main Stages 1 & 2	\$675,000
100%	1839 - Shepparton - SPS54 Pump Station & Rising Main Upgrades	\$945,000
100%	2008 - Shepparton - WMF Reuse Capacity Upgrade	\$3,100,000
100%	2213 - Shepparton - SPS44 Upgrade	\$310,000
100%	2324 - Shepparton - Kialla Lakes South SPS Rising Main Stage 3	\$325,000
100%	2325 - Shepparton - Kialla Lakes South SPS Rising Main Stage 4	\$1,385,000
100%	1389 - Tatura - WMF Augmentation	\$3,288,000
100%	1606 - Tatura - Additional Offsite Reusers	\$1,180,000
100%	1709 - Tatura - Additional WMF Winter Storage (Stage 2)	\$1,600,000
50%	2306 - Wandong - Sewer Network Augmentation	\$810,000
100%	Kilmore WMF Upgrade*	\$26,000,000
	Total	\$66,703,000

*Note that the Kilmore WMF Upgrade project has been identified at a master planning level but has not been added to the GVW 20 year capital works program at this point. The project has been included in the NCC modelling on the basis that it will be added to the capital works program in future. The project has been scheduled for 2026/27 in the modelling.

In addition to the individual projects identified above, Goulburn Valley Water has an annual budget of \$600,000 for shared wastewater assets (growth projects for which costs are shared between Goulburn Valley Water and developers). The shared assets budget has been included in the model.

The 20 year capital works program does not cover the entire 30 year modelling period for the NCC calculation. For years 21 – 30, the average yearly incremental expenditure for the next 20 years (\$3.1M per year) has been assumed to continue.

A number of pump and mechanical / electrical assets (25 year life) will require replacement within the 30 year modelling period. A replacement schedule has been included in the modelling for these assets.

5.2 Gifted Assets

Gifted assets are constructed and funded by developers to service new development. Based on historical levels of gifted assets an amount of \$2.9M has been included per year in the modelling.

5.3 Incremental Revenue

Incremental revenue is calculated in the NCC model based on the number of new connections, sewer discharge volume for new non residential connections, fixed tariff rates and variable tariff rates.

New Connection Numbers

A 50 year forecast for new wastewater connections was developed for the preparation of Water Plan 3. This forecast has been used for the NCC modelling.

A summary of new connection numbers for the each town is included in Appendix 4.

New Non Residential Connection Wastewater Volumes

Non residential wastewater customers are charged based on a fixed and a variable tariff. Volumes for the variable charge are calculated based on water usage and a sewer discharge factor. An allowance of 180kL is deducted from the calculated volume and the variable tariff is only applied to the remaining volume.

The yearly wastewater discharge volume for new connections used in the modelling is based on the forecast average volume per new connection for 2013/14 from the wastewater demand forecast.

The average yearly wastewater discharge volume applied for new non residential connections is 339kL.

The average yearly volume for new non-residential connections that is subject to variable charges is 159KL (339kL less 180kL).

A summary of the yearly wastewater discharge volume calculations is located in Appendix 5.

Fixed Tariff

The fixed wastewater tariff for 2012/2013 is \$414.91. There are proposed real price increases to the fixed tariff per year of 3.4% for the Water Plan 3 period. For the Water Plan 4 period (2018 -2023) a 1.7% real price increase per year is currently forecast.

The fixed water tariff for Year 1 (2013/14) of the NCC model is \$437.60 (\$414.91 plus real price increase of 3.4% and inflation of 2%). Inflation is applied yearly in the model from 2013/14 and a real price increase is also applied for each year of the Water Plan 3 and 4 periods.

Variable Tariff

The variable wastewater tariff for 2012/13 is \$1.45/kL. There are proposed real price increases to the variable wastewater tariff per year of 3.4% for the Water Plan 3 period and 1.7% for the Water Plan 4 period.

The variable wastewater tariff for Year 1 (2013/14) of the NCC model is \$1.53/KL (\$1.45 plus inflation of 2% and a real price increase of 3.4%). Inflation is applied yearly in the model from 2013/14 and a real price increase is also applied for each year of the Water Plan 3 and 4 periods.

5.4 Incremental O&M

Incremental operations and maintenance costs include two components.

The first component relates to the collection and treatment of additional wastewater to service growth. The average cost for the collection and treatment of wastewater across Goulburn Valley Water is \$260/ML. This cost has been applied to additional wastewater to service new connections.

The second component relates to consequential operating costs from new capital works projects. The consequential operating costs have been calculated on an individual project basis. A summary of the consequential operating costs from new capital works projects is included in Appendix 6.

5.5 Calculated Charge

The incremental costs and revenues identified in Sections 5.1 – 5.4 have been entered into the 30 year NCC model.

The calculated revenues exceed the costs and an NCC charge cannot be generated from the model.

Based on the model outputs an NCC charge for wastewater will not apply for Goulburn Valley Water.

Goulburn Valley Water however reserves the right to apply a charge should unforeseen exceptional circumstances arise requiring high growth capital expenditure to be incurred by Goulburn Valley Water for an unforeseen new development or event. The charge will be calculated in accordance with the new principles based methodology.

5.6 Discussion

Goulburn Valley Water completed a number of major wastewater infrastructure investments prior to Water Plan 2 which are continuing to provide capacity for new connections.

The NCC model does not enable continued recovery of costs made from investments prior to Water Plan 2.

The outcome for wastewater charges from the model is reflective of Goulburn Valley Water wastewater systems currently containing spare capacity from past investments.

6.0 Proposed NCC Charge

6.1 Proposed Charges

A standard charge will apply for all new connections across the Goulburn Valley Water region. The proposed NCC charge for the Water Plan 3 period for Goulburn Valley Water is \$2,323 per new connection.

This charge will apply for all new connections that receive water services. The charge has been determined based on a methodology that is consistent with the pricing principles from the Guidance Paper.

A charge will not apply for new connections (in existing serviced towns) that receive wastewater services only.

Goulburn Valley Water reserves the right to apply a different charge should unforeseen exceptional circumstances arise requiring high growth capital expenditure to be incurred by Goulburn Valley Water for an unforeseen new development or event. The charge will be calculated in accordance with the new principles based methodology and could apply to water or sewer,

6.2 Water Plan 3 Pricing Impact

The majority of new connections in the Goulburn Valley region are in the Category 2 lot size range of 450 – 1,350m².

The current NCC charge for Category 2 lot sizes is \$1,217.30 for both water and wastewater (\$2,434.60 total).

The proposed NCC charge of \$2,323 per new connection is similar to the existing charge of \$2,434.60 for the majority of new connections.

The revenue to be generated from the new NCC charge will not be materially different to the existing charge.

Goulburn Valley Water does not propose to vary the revenue forecast from NCC charges currently included in Water Plan 3.

6.3 Transition Period

The proposed NCC charge will result in a small reduction in charges in comparison to the current NCC charge.

On the basis that developers will not be disadvantaged by the introduction of the new charge, it is proposed that the new charge will apply from 01 July 2013 with no transition period.

7.0 Developer Consultation

Developer consultation forums were held in Shepparton on 13 November 2012 and Seymour on 14 November 2012.

The meetings were attended by approximately 20 representatives from the development industry.

The methodology for determining new NCC charges was discussed and the proposed charges and negotiating framework were presented.

No issues were raised in relation to the proposed charge or negotiating framework.

8.0 Negotiating Framework

A negotiating framework has been developed for the implementation of NCC charges in accordance with the Guidance Paper.

The negotiating framework sets out procedural and information requirements relevant to services to which developer charges apply, as defined in the Water Industry Regulatory Order. It requires Goulburn Valley Water and connection applicants to negotiate in good faith to agree the price, standards and conditions of services to be provided. It also provides for transparent information to enable the connection applicant to understand the reasons for decisions made by Goulburn Valley Water.

A number of key issues covered in the negotiating framework include:

- Pricing principles.
- Definitions for reticulation assets.
- Bring forward charges.
- Benefitting Owners.
- Non Standard Charges
- Timeframes for development applications to be assessed.

A copy of the negotiating framework is included in Appendix 7.

9.0 Framework Implementation Timeframe

The NCC framework will be submitted to the ESC in early December 2012.

A draft decision on NCC for the Water Plan 3 period is scheduled to be released by the ESC in February 2013 for final consultation.

A final decision on NCC for the Water Plan 3 period is scheduled to be released by the ESC in May 2013.

Appendix 1 – Water Connections Forecast

Water - Residential Connections Forecast

Towns	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
Alexandra	1166	1183	1200	1217	1234	1252	1270	1288	1309	1331	1354	1377	1401	1426	1451	1476	1502	1529	1556	1583	1611	1639	1668	1698	1728	1758	1789
Avenel	372	379	385	391	398	405	412	419	426	433	441	448	456	464	472	480	488	497	505	514	523	532	541	551	560	570	580
Barmah	136	137	138	140	141	142	143	144	145	146	147	148	149	149	150	151	152	153	154	155	156	157	158	159	160	160	161
Baxters Road (Goulburn Weir)	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Bonnie Doon	211	212	213	214	215	215	216	217	218	219	220	220	221	222	223	223	224	225	226	226	227	228	229	229	230	231	232
Broadford, Clonbinane	1654	1688	1722	1757	1789	1822	1856	1890	1922	1954	1987	2020	2050	2080	2110	2141	2173	2205	2237	2270	2303	2337	2371	2406	2442	2477	2514
Cobram, Yarroweyah	2345	2381	2419	2456	2491	2527	2563	2600	2635	2671	2708	2745	2780	2816	2853	2890	2927	2965	3003	3042	3082	3122	3162	3203	3244	3286	3329
Colbinabbin	68	68	69	69	70	70	71	71	72	72	73	73	74	74	75	76	76	77	77	78	78	79	79	80	81	81	82
Corop	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28
Dookie	133	133	134	134	135	136	136	137	138	139	140	141	142	142	143	144	145	146	147	147	148	149	150	151	152	153	154
Eildon	568	572	577	582	587	591	596	601	608	614	621	628	635	642	650	657	665	673	681	688	696	705	713	721	729	738	746
Euroa	1551	1564	1577	1591	1604	1618	1631	1645	1659	1674	1688	1703	1718	1733	1748	1764	1779	1795	1811	1827	1843	1859	1876	1892	1909	1926	1943
Girgarre	109	109	110	110	111	111	111	112	112	113	113	113	113	113	113	113	113	113	113	113	114	114	114	114	114	114	114
Katamatite	109	109	110	111	111	112	113	113	114	114	115	115	116	116	117	117	118	118	119	119	120	120	120	121	121	122	122
Katandra West	99	100	100	101	102	103	104	106	107	108	109	110	111	113	114	115	116	117	118	120	121	122	123	125	126	127	129
Katunga	75	76	77	78	79	80	80	81	82	83	84	85	86	87	87	88	89	90	91	92	93	94	95	96	97	98	98
Kilmore	2339	2441	2547	2657	2767	2881	3001	3125	3249	3378	3513	3652	3790	3933	4081	4235	4395	4560	4732	4910	5095	5287	5487	5693	5908	6131	6362
Kirwans Bridge	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33
Kyabram	2709	2735	2761	2787	2811	2834	2858	2882	2903	2924	2946	2967	2982	2996	3011	3025	3040	3054	3069	3084	3099	3114	3129	3144	3159	3175	3190
Longwood	110	111	111	112	112	112	113	113	113	114	114	115	115	116	116	117	117	117	118	118	119	119	120	120	121	121	121
Mansfield	1614	1647	1681	1716	1750	1785	1820	1857	1893	1931	1969	2007	2046	2086	2126	2167	2209	2252	2296	2340	2385	2432	2479	2527	2575	2625	2676
Marysville, Buxton	373	398	424	453	487	523	562	604	608	612	617	621	626	630	635	640	645	650	655	660	665	670	675	680	685	690	696
Merrigum	195	196	197	198	199	199	200	201	201	202	202	203	204	204	205	205	206	206	207	207	208	209	209	210	210	211	211
Molesworth	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Mooroopna, Toolamba	3505	3555	3606	3657	3703	3750	3797	3845	3888	3932	3977	4022	4063	4104	4146	4189	4231	4275	4318	4362	4407	4452	4497	4543	4590	4636	4684
Murchison	375	378	380	382	384	386	387	389	391	392	394	395	397	398	399	401	402	404	405	407	408	410	411	413	414	416	417
Nagambie	758	777	796	815	835	855	876	898	920	943	966	990	1014	1039	1065	1092	1119	1147	1175	1204	1234	1265	1296	1328	1361	1395	1430
Nathalia	712	716	721	726	730	734	737	741	745	748	752	755	758	761	764	767	770	773	776	779	782	786	789	792	795	798	801
Numurkah, Wunghnu	1973	1998	2023	2049	2072	2096	2119	2143	2166	2189	2212	2236	2258	2280	2303	2326	2349	2373	2396	2420	2444	2469	2493	2518	2543	2568	2594
Picola	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58
Pyalong	141	143	145	147	149	151	153	155	157	158	160	162	164	166	168	169	171	173	175	177	179	181	183	185	187	189	191
Rushworth	545	546	547	548	549	550	551	552	552	553	554	555	555	556	557	557	558	558	559	560	560	561	562	562	563	564	564
Seymour, Mangalore, Tallarook	3117	3133	3148	3163	3176	3189	3201	3214	3223	3233	3242	3252	3258	3265	3271	3278	3284	3291	3298	3304	3311	3317	3324	3331	3338	3344	3351
Shepparton, Congupna, Tallygaroopna	15745	16065	16392	16725	17035	17352	17674	18002	18314	18631	18953	19281	19594	19912	20235	20563	20896	21235	21579	21929	22284	22646	23013	23386	23765	24150	24542
Stanhope	234	235	235	236	236	236	237	237	238	238	238	239	239	239	239	240	240	240	240	241	241	241	242	242	242	242	243
Strathbogie	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
Strathmerton	216	217	218	219	220	220	221	222	222	223	224	224	225	225	226	226	226	227	227	228	228	229	229	230	230	230	231
Tatura	1648	1666	1685	1704	1720	1736	1752	1769	1785	1800	1816	1832	1848	1864	1880	1897	1913	1930	1946	1963	1980	1997	2015	2032	2050	2068	2085
Thornton	99	99	100	100	100	101	101	102	103	104	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
Tongala	537	539	542	545	547	549	551	553	555	556	558	560	560	560	560	560	560	561	561	561	561	561	562	562	562	562	562
Upper Delatite	399	406	414	422	430	439	447	455	464	472	481	490	499	509	518	527	537	547	557	567	578	588	599	610	621	633	644
Violet Town	368	369	370	371	372	372	373	374	375	376	377	378	379	380	381	383	384	385	386	387	388	389	390	391	392	393	395
Wandong, Heathcote Junction	638	643	649	655	661	667	673	680	685	690	696	701	705	709	713	717	721	725	729	734	738	742	746	750	755	759	763
Woods Point	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59
Yea	619	627	635	642	651	660	670	679	689	700	710	721	733	744	756	768	781	793	806	819	832	845	859	873	887	901	916
TOTAL	47792	48579	49384	50207	50989	51790	52607	53444	54215	55000	55801	56618	57396	58190	58998	59822	60661	61517	62389	63278	64184	65108	66050	67011	67991	68990	70009

Non Residential Connections Forecast

Towns	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	
Alexandra	198	198	199	199	200	201	202	202	204	205	207	208	210	211	213	214	216	218	219	221	223	224	226	228	230	231	233	
Avenel	27	27	28	28	28	28	29	29	29	29	30	30	30	30	31	31	31	31	32	32	32	33	33	33	33	33	34	34
Barmah	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Baxters Road (Goulburn Weir)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonnie Doon	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	15	15	15	15	15	15	15	15	15	15
Broadford, Clonbinane	115	116	117	118	119	119	120	121	121	122	123	123	124	124	124	125	125	125	126	126	126	127	127	127	127	128	128	128
Cobram, Yarroweyah	402	405	408	412	415	417	420	423	426	429	432	435	438	441	444	447	449	452	455	458	461	464	467	470	473	476	479	
Colbinabbin	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
Corop	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Dookie	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
Eildon	62	63	63	63	63	64	64	64	64	65	65	65	66	66	67	67	67	68	68	69	69	69	70	70	70	71	71	71
Euroa	202	203	204	204	205	206	207	208	209	210	211	212	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	226
Girgarre	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
Katamatite	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
Katandra West	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Katunga	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17
Kilmore	218	221	224	228	230	233	236	239	242	244	247	250	252	254	256	258	261	263	265	267	270	272	274	277	279	282	284	284
Kirwans Bridge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kyabram	378	380	381	383	385	386	388	390	391	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	410
Longwood	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Mansfield	305	308	311	315	318	321	324	327	331	334	337	340	344	347	350	354	357	361	364	368	371	375	378	382	386	390	393	393
Marysville, Buxton	47	55	64	75	81	87	93	100	101	101	102	103	104	104	105	106	107	108	108	109	110	111	112	113	113	114	115	115
Merrigum	31	31	31	31	31	31	31	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Molesworth	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Mooroopna, Toolamba	237	239	240	242	243	244	245	246	246	247	248	248	249	249	250	250	250	251	251	252	252	253	253	253	254	254	255	255
Murchison	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
Nagambie	115	115	116	116	117	117	118	118	119	119	120	120	121	122	122	123	123	124	124	125	126	126	127	127	128	129	129	129
Nathalia	114	115	115	116	116	116	116	117	117	117	118	118	118	118	119	119	119	119	119	120	120	120	120	121	121	121	121	121
Numurkah, Wunghnu	290	290	291	292	292	293	293	294	294	294	294	294	294	294	294	294	294	294	294	294	294	294	294	294	294	294	294	294
Picola	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Pyalong	15	15	15	15	16	16	16	16	16	16	16	16	16	16	16	17	17	17	17	17	17	17	17	17	17	18	18	
Rushworth	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84
Seymour, Mangalore, Tallarook	459	460	461	463	463	464	465	466	467	468	468	469	469	470	470	471	471	472	472	473	473	474	474	475	475	476	476	476
Shepparton, Congupna, Tallygaroopna	2194	2221	2248	2276	2300	2324	2349	2374	2396	2418	2441	2463	2484	2504	2524	2545	2566	2587	2608	2630	2651	2673	2695	2717	2740	2762	2785	2785
Stanhope	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
Strathbogie	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Strathmerton	32	32	32	32	32	32	32	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33
Tatura	187	188	188	189	190	190	190	191	191	192	192	192	193	193	193	194	194	194	195	195	195	196	196	196	197	197	197	197
Thornton	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Tongala	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78
Upper Delatite	14	14	14	15	15	15	15	15	15	15	16	16	16	16	16	16	16	17	17	17	17	17	17	18	18	18	18	
Violet Town	45	45	45	45	45	45	45	45	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	47	47	47	47
Wandong, Heathcote Junction	27	27	27	27	28	28	28	28	28	28	28	28	28	29	29	29	29	29	29	29	29	29	29	29	29	30	30	30
Woods Point	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Yea	115	115	116	117	118	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	140	140
TOTAL	6282	6337	6394	6453	6501	6550	6600	6650	6691	6732	6773	6814	6851	6889	6927	6965	7003	7042	7081	7120	7159	7199	7239	7280	7321	7362	7403	

Appendix 2 – Average Water Demand

New Residential Connection Demand

Town	2013/14 New Connections	Demand Per New Connection (KL)	Total New Demand (KL)
Alexandra	17	159	2703
Avenel	7	186	1302
Barmah	1	217	217
Baxters Road (Goulburn Weir)	0	217	0
Bonnie Doon	1	86.7	87
Broadford, Clonbinane	35	159	5565
Cobram, Yarroweyah	38	318	12084
Colbinabbin	1	182.9	183
Corop	0	180.5	0
Dookie	1	217	217
Eildon	5	119	595
Euroa	13	186	2418
Girgarre	1	217	217
Katamatite	1	217	217
Katandra West	1	217	217
Katunga	1	217	217
Kilmore	110	159	17490
Kirwans Bridge	0	217	0
Kyabram	26	217	5642
Longwood	0	159	0
Mansfield	34	159	5406
Marysville, Buxton	29	139.9	4057
Merrigum	1	217	217
Molesworth	0	159	0
Mooroopna, Toolamba	52	217	11284
Murchison	2	217	434
Nagambie	19	217	4123
Nathalia	5	217	1085
Numurkah, Wunghnu	25	217	5425
Picola	0	217	0
Pyalong	2	159	318
Rushworth	1	217	217
Seymour, Mangalore, Tallarook	15	186	2790
Shepparton, Congupna, Tallygaroopna	333	217	72261
Stanhope	0	217	0
Strathbogie	0	117.3	0
Strathmerton	1	217	217
Tatura	19	217	4123
Thornton	0	159	0
Tongala	3	217	651
Upper Delatite	8	86	688
Violet Town	1	186	186
Wandong, Heathcote Junction	6	159	954
Woods Point	0	159	0
Yea	8	159	1272
Total	823		165079

Average Demand Per New Connection (KL)	201
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New Non Residential Connection Demand

Town	2013/14 New Connections	Demand Per New Connection (KL)	Total New Demand (KL)
Alexandra	0	389	0
Avenel	0	839	0
Barmah	0	255	0
Baxters Road (Goulburn Weir)	0	0	0
Bonnie Doon	0	763	0
Broadford, Clonbinane	1	275	275
Cobram, Yarroweyah	3	408	1224
Colbinabbin	0	326	0
Corop	0	119	0
Dookie	0	1042	0
Eildon	0	756	0
Euroa	1	587	587
Girgarre	0	353	0
Katamatite	0	154	0
Katandra West	0	449	0
Katunga	0	368	0
Kilmore	3	420	1260
Kirwans Bridge	0	0	0
Kyabram	2	681	1362
Longwood	0	715	0
Mansfield	3	360	1080
Marysville, Buxton	11	436	4796
Merrigum	0	495	0
Molesworth	0	1111	0
Mooroopna, Toolamba	1	1131	1131
Murchison	0	705	0
Nagambie	1	1080	1080
Nathalia	0	686	0
Numurkah, Wunghnu	1	270	270
Picola	0	135	0
Pyalong	0	154	0
Rushworth	0	632	0
Seymour, Mangalore, Tallarook	1	572	572
Shepparton, Congupna, Tallygaroopna	28	648	18144
Stanhope	0	166	0
Strathbogie	0	70	0
Strathmerton	0	492	0
Tatura	1	786	786
Thornton	0	1159	0
Tongala	0	818	0
Upper Delatite	0	732	0
Violet Town	0	427	0
Wandong, Heathcote Junction	0	469	0
Woods Point	0	165	0
Yea	1	386	386
Total	58		32953

Average Demand Per New Connection (KL)	568
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Appendix 3 – New Operating Costs - Water

Project Description	Growth (%)	O&M (%)	New Operating Costs WP3 (\$)					New Operating Costs WP4 (\$)					New Operating Costs WP4 (\$)													
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37
820 - Landowner Reticulation Works - Water - GVV	100%	0.8%	14400	28000	41600	55200	68800	82400	96000	109600	123200	136800	150400	164000	177600	191200	204800	218400	232000	245600	259200	272800	286400	300000	313600	327200
823 - Shared Assets - Water - GVV	100%	0.9%	5623	11065	16507	21949	27391	32833	38275	43717	49159	54601	60043	65485	70927	76369	81811	87253	92695	98137	103579	109021	114463	119905	125347	130789
2009 - Alexandra - Water Network Augmentation - Stage 1	50%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2343 - Alexandra - Clear Water Storage Augmentation	100%	1.9%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8455	8455	8455	8455	8455
2348 - Alexandra - Water Network Augmentation - Stage 2	50%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1911 - Broadford - Broadford to Kilmore Pipeline	100%	0.8%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	125440	125440	125440	125440	125440
2304 - Broadford - WTP Upgrade	100%	1.9%	0	0	0	0	0	0	0	145540	145540	145540	145540	145540	145540	145540	145540	145540	145540	145540	145540	145540	145540	145540	145540	145540
1384 - Cobram - WTP Augmentation - Stage 2	100%	1.9%	0	0	0	0	0	0	0	0	0	0	0	0	108870	108870	108870	108870	108870	108870	108870	108870	108870	108870	108870	108870
2338 - Euroa - Clear Water Storage Augmentation	100%	1.9%	0	0	0	0	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980	26980
1817 - Kilmore - Green Street WPS Upgrade	100%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1818 - Kilmore - Water Network Augmentation	100%	0.8%	0	0	0	0	0	5840	5840	5840	5840	5840	5840	5840	5840	5840	5840	5840	5840	5840	5840	5840	5840	5840	5840	5840
2326 - Kilmore - North Tank Land Acquisition	100%		0	0	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
1819 - Kyabram - High Lift Water Pump Station Upgrade	100%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2124 - Kyabram - Albion Street Water Main Augmentation	100%	0.8%	0	0	0	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360	1360
1821 - Mansfield - WTP Upgrade	100%	1.9%	0	0	0	0	0	0	0	52060	52060	52060	52060	52060	52060	52060	52060	52060	52060	52060	52060	52060	52060	52060	52060	52060
2003 - Mansfield - Water Network Augmentation - Stage 1	100%	0.8%	0	0	0	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840	1840
2349 - Mansfield - Water Network Augmentation - Stage 2	100%	0.8%	0	0	0	0	0	0	0	0	0	0	0	5760	5760	5760	5760	5760	5760	5760	5760	5760	5760	5760	5760	5760
1823 - Marysville - Disinfection Upgrade	29%				28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800	28800
2217 - Mooroopna - McLennan Street Pump Station Upgrade	100%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2218 - Mooroopna - DN300 Distribution Main to Mooroopna West Growth Corridor	100%	0.8%	0	0	0	0	0	6280	6280	6280	6280	6280	6280	6280	6280	6280	6280	6280	6280	6280	6280	6280	6280	6280	6280	6280
2220 - Mooroopna - Echuca Road Pump Station Upgrade	100%	4.3%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2223 - Mooroopna - McLennan Street Water Main Augmentation	100%	0.8%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13080	13080	13080	13080	13080	13080	13080	13080	13080
2126 - Nagambie - Clear Water Storage Upgrade	85%	1.9%	0	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783	32783
2230 - Nagambie - WTP Capacity Upgrade	100%	8.4%	0	0	0	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920	115920
1825 - Numurkah - WTP Upgrade	28%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2245 - Numurkah - Exhibition Street & Tunnock Road Water Main Augmentation	100%	0.8%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2040	2040	2040	2040	2040	2040	2040	2040	2040
1226 - Shepparton - WTP Capacity Upgrade	100%	1.9%	0	0	0	0	0	326610	326610	326610	326610	326610	326610	326610	326610	326610	326610	326610	326610	326610	326610	326610	326610	326610	326610	326610
1403 - Shepparton - Old Dookie Road Water Main	100%	8.4%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76020	76020	76020	76020	76020	76020	76020	76020	76020
1833 - Shepparton - DN375 Direct Feed Water Main to South Tank	100%	0.8%	0	0	0	0	0	0	0	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200
1834 - Shepparton - DN450 Trunk Water Main South of Kialla Lakes Drive	100%	0.8%	0	0	0	0	0	0	0	9000	9000	9000	9000	9000	9000	9000	9000	9000	9000	9000	9000	9000	9000	9000	9000	9000
1835 - Shepparton - DN375 Water Main South of Raftery Road	100%	0.8%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12960	12960	12960	12960	12960	12960	12960	12960	12960
2216 - Shepparton - Shepparton South Tank Pump Station Upgrade	100%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2219 - Shepparton - Shepparton South Dedicated Pump Station	100%	8.4%	0	0	0	0	0	0	0	70560	70560	70560	70560	70560	70560	70560	70560	70560	70560	70560	70560	70560	70560	70560	70560	70560
2221 - Shepparton - Lemnos Pump Station Upgrade	100%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2222 - Shepparton - Poplar Avenue Water Main Augmentation	100%	0.8%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5800	5800	5800	5800	5800	5800	5800
2334 - Shepparton - Raw Water Pump Station Augmentation	100%	8.4%	0	0	0	0	0	0	0	0	0	473760	473760	473760	473760	473760	473760	473760	473760	473760	473760	473760	473760	473760	473760	473760
2344 - Shepparton - Clear Water Storage Augmentation	100%	1.9%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60325	60325	60325	60325	60325	60325	60325	60325	60325	60325
1854 - Tatura - WTP Capacity Upgrade	100%	1.9%	0	0	0	0	0	0	0	121600	121600	121600	121600	121600	121600	121600	121600	121600	121600	121600	121600	121600	121600	121600	121600	121600
2335 - Tatura - Additional Raw Water Storage	100%	1.9%	0	0	0	0	0	0	0	0	24510	24510	24510	24510	24510	24510	24510	24510	24510	24510	24510	24510	24510	24510	24510	24510
2319 - Yea - East Street Water Main Augmentation	100%	0.8%	0	0	0	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640
Year 21 - 30+ New Capex Allowance	100%	1.7%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	86939.3	173879	260818	347757	434696	
Total			20023	71848	121690	260492	306514	658446	683328	1040070	1451372	1668684	1687726	1706768	1840440	1859482	2238849	1959931	2081033	2105875	2124917	2364794	2770775	2576756	2682737	2788719

Appendix 4 – Wastewater Connections Forecast

Wastewater - Residential Connections Forecast

Town	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
Alexandra	1,011	1,027	1,043	1,059	1,076	1,093	1,110	1,131	1,152	1,173	1,195	1,218	1,241	1,265	1,289	1,314	1,339	1,365	1,391	1,417	1,444	1,472	1,500	1,528	1,557	1,587
Avenel	291	297	303	310	316	323	329	336	343	350	357	365	372	380	387	395	403	412	420	428	437	446	455	464	473	482
Bonnie Doon	189	190	191	192	192	193	194	195	195	196	197	198	198	199	200	201	201	202	203	203	204	205	206	206	207	208
Broadford	1,185	1,218	1,251	1,282	1,313	1,345	1,377	1,407	1,438	1,469	1,501	1,529	1,557	1,587	1,616	1,646	1,676	1,707	1,738	1,770	1,802	1,834	1,868	1,901	1,935	1,970
Cobram	2,176	2,211	2,247	2,280	2,314	2,348	2,383	2,417	2,451	2,486	2,521	2,554	2,589	2,623	2,658	2,694	2,730	2,766	2,803	2,841	2,879	2,917	2,956	2,996	3,035	3,076
Eildon	503	508	512	517	522	526	531	537	543	550	556	563	570	577	584	592	599	606	614	621	629	637	645	653	661	669
Euroa	1,323	1,336	1,349	1,361	1,374	1,387	1,401	1,414	1,428	1,441	1,455	1,470	1,484	1,499	1,513	1,528	1,543	1,558	1,573	1,588	1,604	1,619	1,635	1,651	1,667	1,683
Girgarre	82	82	83	83	83	84	84	84	85	85	85	85	85	86	86	86	86	86	86	86	86	86	86	86	86	86
Kilmore	1,765	1,866	1,971	2,075	2,184	2,297	2,415	2,534	2,656	2,784	2,917	3,047	3,183	3,324	3,470	3,622	3,779	3,942	4,112	4,287	4,470	4,659	4,855	5,059	5,271	5,490
Kyabram & Merrigum	2,696	2,722	2,748	2,771	2,794	2,817	2,841	2,861	2,882	2,903	2,924	2,938	2,952	2,966	2,981	2,995	3,010	3,024	3,039	3,053	3,068	3,083	3,098	3,113	3,128	3,143
Mansfield	1,365	1,397	1,430	1,463	1,496	1,530	1,564	1,599	1,634	1,671	1,707	1,744	1,782	1,820	1,859	1,899	1,940	1,981	2,023	2,066	2,110	2,155	2,201	2,247	2,294	2,343
Marysville	112	137	164	197	231	268	308	312	316	320	324	328	333	337	342	347	351	356	361	366	370	375	380	385	390	395
Mooroopna	3,269	3,317	3,366	3,410	3,454	3,499	3,544	3,585	3,627	3,670	3,712	3,751	3,791	3,831	3,871	3,911	3,952	3,994	4,036	4,078	4,121	4,164	4,208	4,252	4,296	4,341
Murchison	294	296	299	300	302	303	305	306	308	309	311	312	314	315	316	318	319	321	322	323	325	326	328	329	330	332
Nagambie	685	703	721	740	759	779	800	821	842	864	887	910	934	959	984	1,010	1,036	1,063	1,091	1,119	1,148	1,178	1,209	1,240	1,272	1,305
Nathalia	666	671	675	679	683	686	690	693	697	700	703	706	709	712	715	718	721	723	726	729	732	735	738	741	744	747
Numurkah	1,766	1,789	1,814	1,836	1,858	1,880	1,903	1,925	1,947	1,969	1,991	2,012	2,034	2,055	2,077	2,099	2,121	2,144	2,166	2,189	2,212	2,236	2,259	2,283	2,307	2,331
Rushworth & Stanhope	638	640	641	642	644	645	646	647	648	649	650	651	652	653	654	654	655	656	657	658	659	660	661	661	662	663
Seymour	2,700	2,714	2,729	2,741	2,753	2,765	2,777	2,786	2,795	2,804	2,813	2,819	2,825	2,831	2,838	2,844	2,850	2,856	2,863	2,869	2,875	2,882	2,888	2,894	2,901	2,907
Shepparton	14,497	14,807	15,124	15,419	15,720	16,026	16,337	16,633	16,935	17,241	17,553	17,850	18,152	18,458	18,770	19,087	19,408	19,736	20,068	20,406	20,749	21,098	21,452	21,812	22,178	22,550
Strathmerton	213	214	215	216	216	217	218	218	219	219	220	220	221	221	221	222	222	223	223	224	224	224	225	225	226	226
Tatura	1,422	1,440	1,458	1,473	1,489	1,504	1,520	1,535	1,550	1,565	1,580	1,595	1,610	1,626	1,641	1,657	1,672	1,688	1,704	1,721	1,737	1,753	1,770	1,787	1,803	1,820
Tongala	509	511	514	516	518	520	522	523	525	526	528	528	528	528	529	529	529	529	529	529	530	530	530	530	530	530
Upper Delatite	330	338	346	353	361	369	377	385	393	402	410	419	427	436	445	454	464	473	483	493	503	513	524	534	545	556
Violet Town	244	245	246	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268
Wandong & Heathcote Junction	478	484	489	495	501	507	513	518	523	528	533	537	541	545	549	552	556	560	564	568	572	576	580	584	588	592
Yea	561	568	576	584	593	602	611	620	630	640	650	661	673	684	696	707	719	731	744	756	769	782	795	808	822	835
Total	40,971	41,728	42,503	43,239	43,992	44,762	45,549	46,273	47,012	47,765	48,533	49,265	50,012	50,772	51,547	52,337	53,142	53,963	54,799	55,652	56,522	57,409	58,314	59,236	60,177	61,137

Wastewater – Non Residential Connections Forecast

Town	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
Alexandra	173	173	174	175	175	176	177	178	180	181	182	184	185	187	188	190	191	193	195	196	198	199	201	203	204	206
Avenel	21	21	22	22	22	22	23	23	23	23	24	24	24	24	25	25	25	25	26	26	26	26	27	27	27	27
Bonnie Doon	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	11	11	11	11	11	11	11
Broadford	106	107	108	108	109	110	111	111	112	112	113	113	113	114	114	114	115	115	115	115	116	116	116	117	117	118
Cobram	330	333	336	339	342	344	347	350	353	356	358	361	364	366	369	372	375	377	380	383	386	389	392	395	397	400
Eildon	50	50	51	51	51	51	52	52	52	53	53	53	54	54	55	55	55	56	56	56	57	57	58	58	58	59
Euroa	161	162	162	163	164	165	166	167	167	168	169	170	171	172	173	174	175	175	176	177	178	179	180	181	182	183
Girgarre	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Kilmore	199	202	205	208	210	213	216	218	221	223	226	228	230	232	234	236	239	241	243	245	247	250	252	254	256	259
Kyabram & Merrigum	358	360	361	363	365	366	368	369	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388
Mansfield	256	259	262	265	268	271	274	277	280	283	287	290	293	296	299	302	306	309	312	316	319	323	326	330	333	337
Marysville	28	36	47	52	58	64	71	71	72	73	73	74	75	75	76	77	78	79	79	80	81	82	82	83	84	85
Mooroopna	188	190	191	192	193	194	195	195	196	197	197	198	198	199	199	199	200	200	201	201	201	202	202	203	203	203
Murchison	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38
Nagambie	100	101	101	102	102	103	103	104	104	105	106	106	107	107	108	108	109	109	110	111	111	112	112	113	114	114
Nathalia	88	89	89	89	90	90	90	91	91	91	91	91	92	92	92	92	93	93	93	93	94	94	94	94	94	95
Numurkah	244	244	245	245	246	246	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247	247
Rushworth & Stanhope	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87
Seymour	392	393	394	395	396	397	398	398	399	400	400	401	401	402	402	403	403	403	404	404	405	405	406	406	407	407
Shepparton	1,907	1,933	1,959	1,982	2,005	2,028	2,052	2,073	2,094	2,115	2,137	2,156	2,176	2,195	2,215	2,235	2,255	2,275	2,295	2,316	2,337	2,357	2,378	2,400	2,421	2,443
Strathmerton	21	21	21	21	21	21	21	21	21	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
Tatura	153	153	154	155	155	156	156	156	157	157	157	158	158	158	159	159	159	159	160	160	160	161	161	161	162	162
Tongala	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58
Upper Delatite	11	11	11	12	12	12	12	12	12	12	12	13	13	13	13	13	13	13	14	14	14	14	14	14	15	15
Violet Town	30	30	30	30	30	30	30	30	30	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	32
Wandong & Heathcote Junction	20	20	20	20	21	21	21	21	21	21	21	21	21	21	22	22	22	22	22	22	22	22	22	22	22	22
Yea	101	101	102	103	104	104	105	106	107	108	109	110	111	111	112	113	114	115	116	117	118	119	120	122	123	124
Total	5,138	5,192	5,248	5,293	5,340	5,387	5,435	5,473	5,512	5,551	5,590	5,626	5,661	5,697	5,733	5,769	5,806	5,843	5,880	5,917	5,955	5,993	6,032	6,070	6,109	6,148

Appendix 5 – Average Wastewater Discharge Volume

Non Residential Connections

Town	2013/14 New Connections	Demand Per New Connection (KL)	Total New Demand (KL)
Alexandra	0	172	0
Avenel	0	377	0
Bonnie Doon	0	727	0
Broadford	1	164	164
Cobram	3	281	843
Eildon	0	529	0
Euroa	1	252	252
Girgarre	0	51	0
Kilmore	3	321	963
Kyabram & Merrigum	2	285	570
Mansfield	3	255	765
Marysville	10	311	3110
Mooroopna	1	642	642
Murchison	0	451	0
Nagambie	0	458	0
Nathalia	0	218	0
Numurkah	1	207	207
Rushworth & Stanhope	0	210	0
Seymour	1	265	265
Shepparton	26	382	9932
Strathmerton	0	341	0
Tatura	1	298	298
Tongala	0	357	0
Upper Delatite	0	1344	0
Violet Town	0	184	0
Wandong & Heathcote Junction	0	332	0
Yea	1	281	281
Total	54		18292

Average Demand Per New Connection (KL)	339
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Note that the number of new connections shown above for 2013/14 varies from Appendix 4 due to rounding

Appendix 6 – New Operating Costs - Wastewater

Project Description	Growth (%)	O&M (%)	New Operating Costs WP3 (\$)					New Operating Costs WP4 (\$)					New Operating Costs (\$)													
			13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37
820 - Landowner Reticulation Works - Sewer - GWW	100%	0.8%	14400	37600	60800	84000	107200	130400	153600	176800	200000	223200	246400	269600	292800	316000	339200	362400	385600	408800	432000	455200	478400	501600	524800	548000
823 - Shared Assets - Sewer - GWW	100%	0.9%	5623	11065	16507	21949	27391	32833	38275	43717	49159	54601	60043	65485	70927	76369	81811	87253	92695	98137	103579	109021	114463	119905	125347	130789
1903 - Broadford - WMF Reuse Capacity Upgrade	100%	1.7%	0	0	0	0	0	0	0	0	26010	26010	26010	26010	26010	26010	26010	26010	26010	26010	26010	26010	26010	26010	26010	26010
1813 - Euroa - WMF Reuse Capacity Upgrade	100%	1.7%	0	0	0	0	0	0	0	0	0	0	0	7480	7480	7480	7480	7480	7480	7480	7480	7480	7480	7480	7480	7480
1901 - Kilmore - WMF Additional Winter Storage	100%	1.7%	0	0	0	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160	76160
2305 - Kilmore - Sewer Network Augmentation	50%	0.4%	0	0	0	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200
2321 - Kilmore - WMF Additional Reuse Area	100%	3.0%	0	0	0	0	0	0	31800	31800	31800	31800	31800	31800	31800	31800	31800	31800	31800	31800	31800	31800	31800	31800	31800	31800
1902 - Mansfield - WMF Additional Winter Storage	100%	1.7%	0	0	0	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850	102850
2312 - Mansfield - Sewage Pump Station No.2 Upgrade	100%	4.3%	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375	5375
2322 - Mansfield - WMF Additional Reuse Area	100%	3.0%	0	0	0	0	0	0	0	0	0	0	0	21600	21600	21600	21600	21600	21600	21600	21600	21600	21600	21600	21600	21600
2309 - Marysville - WMF Reuse Capacity Upgrade	100%	3.0%	0	0	0	0	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950	7950
1502 - Mooroopna - WMF HRAL Upgrade	100%	5.2%	0	0	0	0	0	0	0	47320	47320	47320	47320	47320	47320	47320	47320	47320	47320	47320	47320	47320	47320	47320	47320	47320
2235 - Mooroopna - WMF Reuse Capacity Upgrade	100%	4.3%	0	0	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670	29670
1904 - Nagambie - WMF Reuse Capacity Upgrade	100%	3.0%	0	0	0	0	0	12450	12450	12450	12450	12450	12450	12450	12450	12450	12450	12450	12450	12450	12450	12450	12450	12450	12450	12450
2206 - Nagambie - SPS02 Upgrade	100%	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2224 - Nagambie - SPS04 Upgrade	100%	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2225 - Nagambie - SPS09 Additional Storage	100%	1.7%	0	0	0	0	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315	3315
2226 - Nagambie - SPS04 Rising Main Replacement	50%	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2123 - Sawmill Settlement - WMF Reuse Capacity Upgrade - Stage 2	100%	3.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3000	3000	3000	3000	3000
2211 - Seymour - SPS01 Rising Main Replacement	50%	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1609 - Shepparton - WMF HRAL Additional Aerators & Mixers	100%	5.2%	0	0	0	0	0	0	0	0	0	65520	65520	65520	65520	65520	65520	65520	65520	65520	65520	65520	65520	65520	65520	65520
1837 - Shepparton - Kialla Lakes South Sewer Pump Station	100%	4.3%	0	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920	18920
1838 - Shepparton - Kialla Lakes South Sewer Pump Station Rising Main Stages 1 & 2	100%	0.4%	0	0	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700
1839 - Shepparton - SPS54 Pump Station & Rising Main Upgrades	100%	0.4%	0	0	0	0	0	0	0	3780	3780	3780	3780	3780	3780	3780	3780	3780	3780	3780	3780	3780	3780	3780	3780	3780
2008 - Shepparton - WMF Reuse Capacity Upgrade	100%	3.0%	0	0	0	0	0	0	0	0	93000	93000	93000	93000	93000	93000	93000	93000	93000	93000	93000	93000	93000	93000	93000	93000
2213 - Shepparton - SPS44 Upgrade	100%	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2324 - Shepparton - Kialla Lakes South SPS Rising Main Stage 3	100%	0.4%	0	0	0	0	0	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300
2325 - Shepparton - Kialla Lakes South SPS Rising Main Stage 4	100%	0.4%	0	0	0	0	0	0	0	0	5540	5540	5540	5540	5540	5540	5540	5540	5540	5540	5540	5540	5540	5540	5540	5540
1389 - Tatura - WMF Augmentation	100%	1.7%	0	0	0	0	0	0	0	0	0	0	0	55896	55896	55896	55896	55896	55896	55896	55896	55896	55896	55896	55896	55896
1606 - Tatura - Additional Offsite Reusers	100%	0.4%	0	0	0	0	0	0	0	4720	4720	4720	4720	4720	4720	4720	4720	4720	4720	4720	4720	4720	4720	4720	4720	4720
1709 - Tatura - Additional WMF Winter Storage (Stage 2)	100%	1.7%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27200	27200	27200	27200	27200	27200	27200	27200
2306 - Wandong - Sewer Network Augmentation	50%	4.3%	0	0	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415	17415
Kilmore WMF Upgrade	100%	1.7%	0	0	0	0	0	0	0	0	0	0	0	0	0	442000	442000	442000	442000	442000	442000	442000	442000	442000	442000	442000
Year 21 - 30+ New Capex Allowance	100%	1.7%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53070	106140	159211	
Total			25398	72960	151387	359039	394196	430788	473180	537402	644094	836796	865438	894080	1007698	1036340	1506982	1535624	1591466	1620108	1651750	1680392	1709034	1790747	1872459	1954171

Appendix 7 – Negotiating Framework

New Customer Contributions Negotiating Framework

1. Application of Negotiating Framework

This negotiating framework forms part of Goulburn Valley Water's approved water plan for the period 2013/18.

1.1 Purpose

This negotiating framework sets out procedural and information requirements relevant to services to which developer charges apply, as defined in the WIRO. It requires Goulburn Valley Water and connection applicants to negotiate in good faith to agree the price, standards and conditions of services to be provided. It also provides for transparent information to enable the connection applicant to understand the reasons for decisions made by Goulburn Valley Water.

The requirements set out in this negotiating framework are in addition to any requirements or obligations contained in the *Water Act 1989*. In the case of inconsistency between the *Water Act 1989* and this negotiating framework, the *Water Act 1989* will prevail.

This negotiating framework does not alter the rights of a connection applicant to seek a review of Goulburn Valley Water's decision by the Victorian Civil and Administrative Tribunal.

1.2 Who this negotiating framework applies to

This Negotiating Framework applies to Goulburn Valley Water and to any property owner – generally a property developer – that is a connection applicant who requests connection to Goulburn Valley Water's works in accordance with section 145 of the *Water Act 1989*.

It also applies to Goulburn Valley Water in responding to such requests from a connection applicant.

1.3 No obligation to provide service, good faith obligation

Nothing in the negotiating framework imposes an obligation on Goulburn Valley Water to allow the connection applicant to connect to Goulburn Valley Water's works or provide services to the connection applicant.

Goulburn Valley Water can refuse its consent, consent, or consent subject to any terms and conditions that Goulburn Valley Water thinks fit, as provided under section 145(3) of the *Water Act 1989*.

However, Goulburn Valley Water and the connection applicant must negotiate in good faith the price, terms and conditions for services sought by the connection applicant.

2. Timeframes

Goulburn Valley Water and the connection applicant will use their reasonable endeavours to achieve the following timeframes:

- (a) Goulburn Valley Water provides initial commercial information relating to services and identifies any additional information required to be submitted by the connection applicant within 28 days of receipt of service advice request from the connection applicant
- (b) Agree the milestones, information requirements and any other relevant issues prior to the issue of an Offer of Conditions; and
- (c) Adhere to any timetable established for negotiations, and progress negotiations in an expeditious manner.

The Indicative timeframes are set out in the flowchart in Appendix 1.

3. Provision of information by the connection applicant

The connection applicant is required to provide sufficient information to enable Goulburn Valley Water to assess servicing requirements. Additionally, the connection applicant is required to provide additional commercial information if requested by Goulburn Valley Water.

Goulburn Valley Water and the connection applicant are required to maintain confidentiality at all times.

4. Provision of information by Goulburn Valley Water

Goulburn Valley Water is required to provide the following information to the connection applicant in accordance with section 268(4) of the *Water Act 1989*:

- (a) the amount of the payment required;
- (b) the reason why the payment is required;
- (c) any works or services that have been or will be provided;
- (d) the property in relation to which payment is required;
- (e) if payments are required in relation to a group of properties, the amounts required in relation to each property;
- (f) the right of the owner to object and apply for a review under section 271 of the *Water Act 1989*; and
- (g) that details of the proposed services and the costs are available for inspection, free of charge, at Goulburn Valley Water's office during normal business hours.

5. Pricing principles

Goulburn Valley Water's new customer contribution charges will:

- (a) have regard to the incremental infrastructure and associated costs in one or more of the statutory cost categories attributable to a given connection;
- (b) have regard to the incremental future revenues that will be earned from customers at that connection; and
- (c) be greater than the avoidable cost of that connection and less than the standalone cost of that connection.

In setting new customer contribution charges, Goulburn Valley Water will comply with:

- (a) the regulatory principles set out in clause 14 of the WIRO; and
- (b) any specific pricing principles approved by the Essential Services Commission as part of Goulburn Valley Water's water plan.

The pricing principles are based on the following:

When connecting to the Corporation's sewerage and water network, a developer is required to provide:

- All Reticulation Assets, and
- New Customer Contributions (NCC's) to each separate occupancy, calculated as a single charge that will apply across all towns and include brownfield development, and
- Bring forward charge (if development is not in-sequence with a logical and cost efficient network expansion as may be defined in an Infrastructure Master Plan or Capital Works Program)
- Where a reticulation asset is required to be upsized to service other developments, the developer will be required to fund the cost of a reticulation asset size, with the additional cost for upsizing beyond reticulation asset size to be funded by the water corporation.

A Reticulation Asset is defined as, a water main that is 150mm or less in diameter or a gravity sewerage main that is 225mm or less in diameter, and all associated assets. Larger sized assets and larger sized associated assets to predominately serve a single development or property (usually a non-residential, commercial or industrial property) are also reticulation assets.

A Reticulation Asset is to be fully funded by the developer and vested to the water corporation, regardless of whether it is required to be sized or positioned to service other developments.

Associated assets that are deemed to be reticulation assets include; but are not limited to:

- Sewer Pump Stations, emergency storages and rising mains (where the gravity sewer inlet to sewer pumping station is less than or equal to 225mm diameter)

- Water Pump Stations (where the pump discharges into water mains of 150mm diameter or less)
- Pressure Reducing Valves (where connected to water mains of 150mm diameter or less)
- Water Tanks (where outlet main is 150mm diameter or less)

Other growth related assets will be provided by the water corporation, the incremental cost of which is recovered through the New Customer Contributions and the Bring Forward Charge (if applicable).

The standard NCC for water is calculated based on water usage per standard connection. Where water usage for a new customer will vary significantly from the standard amount, a non-standard NCC charge will be negotiated with the customer. The non-standard charge will be based on the equivalent number of standard connections that the new customer represents on a water usage basis. The number of standard connections may be determined based on a yearly volume, peak day volume, winter volume or instantaneous flow rate depending on which is the most critical to servicing the customer

A non-standard NCC for sewer may be negotiated with non-residential, commercial or industrial properties with sewer discharge volumes or loadings that are above standard residential amounts. The non-standard charge will be based on the equivalent number of standard connections that the new customer represents on a discharge volume or loading basis. The number of standard connections may be determined based on a yearly volume, peak day volume, instantaneous flow rate or a range of loading parameters depending on which is the most critical to servicing the customer

Exceptional Circumstances

Goulburn Valley Water reserves the right to apply a different charge should unforeseen exceptional circumstances arise requiring high growth capital expenditure to be incurred by Goulburn Valley Water for an unforeseen new development or event. The charge will be calculated in accordance with the new principles based methodology and could apply to water or sewer,

Benefiting Owners

Where an owner is required by Goulburn Valley Water to provide additional works in servicing their land to achieve efficient servicing at least community cost, the Corporation may make a temporary contribution in respect of the additional works. Such contributions would be assessed on a case by case basis in accordance with the Corporation's guidelines and be subject to formal approval.

Where the additional works benefits land owned by other parties, the Corporation's contribution will be recovered as a "benefiting owner" contribution. The contribution would be raised as a contingent liability against the property in accordance with Section 268 of the Water Act 1989 including the right to object and apply for a review under Section 271. Contributions would be determined by the Corporation on a fair and reasonable basis taking into account the benefit to that property relative to the benefit to other properties.

Further to provide equity between owners a “benefiting owner” arrangement may also be applied where an owner provides works that directly benefits land owned by others. In this case the proponent will temporarily bear the assessed contribution applicable to the other benefiting properties.

Contributions would remain a charge on the land until the benefit was realised by the owner wanting the subject land to become a serviced property (e.g. connected) or is developed in a manner requiring servicing. The contribution would be recovered at present day cost in accordance with the Corporation’s guidelines.

Situations where “benefiting owner” arrangements may apply include:

- Reticulation sewage pumping stations and associated infrastructure;
- Upsizing of reticulation assets;
- Extension of reticulation assets through a development to facilitate servicing of another property or properties; and
- Reticulation works providing direct benefit to properties other than the subject land.

6. Consultation with affected parties

If Goulburn Valley Water considers that persons other than the connection applicant may be affected by proposed connection services, then:

- (a) subject to reasonable confidentiality requirements, Goulburn Valley Water will share any necessary information with others potentially affected to assess impacts; and
- (b) the connection applicant will allow sufficient time for reasonable consultation with affected parties to occur.

7. Payment of Water Business's Costs

The connection applicant will be requested to pay:

- Initial Fee (2% estimated cost at feasibility)
- Existing outstanding works charge (if applicable)
- Administration review fees at cost (less Initial Fee)
- Project oncost (if applicable)
- New Customer Contributions
- Pressure sewer contribution in lieu of sewer (if applicable - subject to GVW approval)
- Maintenance Security Deposit (refundable)

8. Termination of negotiations

The connection applicant may elect not to continue with its application for a service to which a developer charge applies, and may terminate the negotiations by giving Goulburn Valley Water written notice of its decision to do so.

Goulburn Valley Water may terminate a negotiation under this negotiating framework by giving the connection applicant written notice of its decision to do so where Goulburn Valley Water believes on reasonable grounds that the connection applicant is not conducting the negotiation under this negotiating framework in good faith.

9. Dispute resolution

An owner who is required to make a payment under section 268, 269 or 270 may, within one month after receipt of the notice (or any longer time allowed by the Corporation and specified in the notice), object in writing to the Corporation on any of the following grounds:

- (a) in the case of a notice under section 268 (provision of new services), that the property of the owner will not benefit from the provision of the services;
- (b) if there are several properties that will benefit, that the basis of distribution of the cost between the owners of those properties is unreasonable;
- (c) that the amount is excessive;
- (d) if there are several properties that will benefit, that any owner who has been required to pay should not be required to do so, or that any owner who has not been required to pay should be required to do so;
- (e) in the case of a notice under section 269 (increased services), that the use of the services has not increased, or will not increase, as the case requires;
- (f) that the payment was not set in accordance with an Order under section 4D(1)(a) of the *Water Industry Act 1994* or in accordance with the *Essential Services Commission Act 2001*;
- (g) in the case of a notice under section 268(1), any other grounds.

Goulburn Valley Water must, within 2 months after receipt of an objection, notify the connection applicant of its decision on the objection.

2. The connection applicant may apply to the Administrative Appeals Tribunal for review of the Corporation's decision on any of the grounds specified in sub-section (1) (a) to (e).

Appendix 1. Timeframes

