

## Amendment to Price Determination

Clause 3 of the Price Determination for Coliban Region Water Corporation will be amended.

### Amendments

A new clause 3 is inserted:

#### 3. Amendment of Schedule 2

##### (a) Amendment

- (i) *Coliban Water* may apply to the Commission in accordance with this clause 3 for the amendment of the prescribed price movements and/or price components included in Schedule 2 for the following *regulatory year*  $t$  (the *relevant regulatory year*) and all subsequent *regulatory years* remaining in the *regulatory period* (the *revised tariff schedule*).
- (ii) The average price movement for the *relevant regulatory year* and for each subsequent *regulatory year* in the *regulatory period* determined in accordance with the *revised tariff schedule* must not exceed the average price movement that would otherwise have applied under this Determination as calculated in accordance with the following formula.

$$\frac{\sum_{i=1}^n \sum_{j=1}^m p_i^{ij} q_{t-2}^{ij}}{\sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-2}^{ij}} \geq \frac{\sum_{i=1}^n \sum_{j=1}^m a p_i^{ij} q_{t-2}^{ij}}{\sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-2}^{ij}}, i = 1, \dots, n; j = 1 \dots m$$

where *Coliban Water* has  $n$  tariff categories, which each have up to  $m$  tariff components, and where, for each *regulatory year*  $t$  for which the calculation is undertaken:

$p_{t-1}^{ij}$  is the tariff charged in *regulatory year*  $t-1$  for component  $j$  of tariff  $i$

$p_{t}^{ij}$  is the proposed tariff for component j of tariff i determined in accordance with Schedule 2 where the *revised tariff schedule* is not applied

$ap_{t}^{ij}$  is the proposed tariff for component j of tariff i determined in accordance with Schedule 2 where the *revised tariff schedule* is applied

$q_{t-2}^{ij}$  is the quantity of component j of tariff i that was sold in *regulatory year* t-2, or, if an actual quantity is not available, either an estimate of the quantity of component j of tariff i that would have been sold in *regulatory year* t-2 or a forecast of the quantity of component j of tariff i that is expected to be sold in *regulatory year* t-2

**(b) Amendment procedure**

(i) An application by *Coliban Water* under this clause 3 must be received by the Commission at least 80 *business days* prior to the commencement of the *relevant regulatory year* and must be accompanied by the following information:

- (A) (1) a clearly articulated new tariff strategy that is consistent with the regulatory principles in clause 14(i)(a) of the *WIRO* (the *revised tariff strategy*); or
- (2) an explanation of how the *revised tariff schedule* is consistent with the tariff strategy for *Coliban Water* approved by the Commission in connection with this Determination, (*the relevant tariff strategy*);

(B) a *revised tariff schedule* that specifies proposed prices for the *relevant regulatory year* and prescribed price movements for each subsequent *regulatory year* in the *regulatory period* that is consistent with the *relevant tariff strategy*;

(C) a statement setting out evidence demonstrating that *Coliban Water* has provided information to its customers explaining the *revised tariff schedule* and

how it relates to the *relevant tariff strategy* and has consulted effectively with its customers on the *revised tariff strategy* (if clause 3(b)(i)(A)(1) applies) and the *revised tariff schedule*;

- (D) a statement setting out the customer impacts resulting from the *revised tariff schedule* and actions proposed by *Coliban Water* to address these customer impacts; and
- (E) an explanation of the calculation of the relevant quantities “ $q_{i-2}^j$ ”.

(ii) The Commission may approve the *revised tariff schedule* submitted by *Coliban Water* under this clause 3 if it is satisfied that:

- (A) *Coliban Water* has complied with clause 3(b)(i)(A);
- (B) the price movements calculated in accordance with the *revised tariff schedule* comply with the requirements of clause 3(a)(ii);
- (C) the *revised tariff schedule* is consistent with the *relevant tariff strategy*;
- (D) *Coliban Water* has consulted effectively with its customers on the *revised tariff strategy* (if clause 3(b)(i)(A)(1) applies) and the *revised tariff schedule*;
- (E) *Coliban Water* has effectively addressed customer impacts resulting from the *revised tariff schedule*; and
- (F) the basis for calculating the relevant quantities “ $q_{i-2}^j$ ” is reasonable.

(iii) In determining whether it will approve the *revised tariff schedule*, the Commission may request *Coliban Water* to provide any additional information specified by the Commission and/or to resubmit any of the matters in clause 3(b)(i)(A)-(E).

(iv) The Commission will be deemed to have not approved a *revised tariff schedule* if it has not provided notice to *Coliban Water* within 40 *business days* from the date of its receipt of *Coliban Water's* application under this clause 3.

---

**The Common Seal of the  
Essential Services  
Commission** was affixed to  
this Determination with the  
authority of the Commission.



Date: 16 October, 2013

---

**Dr Ron Ben-David**  
**Chairperson**