Greater Metropolitan Water Price Review – City West Water

What impact will the price increases have on other customer bill?

June 2013

The Essential Services Commission

The Commission is the independent economic regulator of the Victorian water. We periodically assesses prices put forward by water businesses in a three to five year Water Plan.

Final decision prices 2013-2018

This fact sheet shows the indicative bills from our final decision. It outlines the effect of the price increases on non-residential customer bills. We approve the maximum prices that each water business can charge its customers in each year during the regulatory period.

The following tables provide an overview of increases to occur to average household bills on 1 July 2013. These increases are averages across each business and are indicative only.

Non-Residential Customers

Non-residential customers pay different rates than household customers. Business customers pay the same rate for all water consumption. Variable sewerage charges are based on more complex assumptions about sewer discharge than those that apply to households. Most industrial enterprises pay specific trade waste charges related to the specific matter they discharge to the sewer system.

Illustrative bills (real and nominal) final decision based on volume of usage

Small businesses - 240 kL consumption per year

Table 1. Illustrative bills (nominal and real) final decision

| Water Business | Bills based on final decision | |
|-----------------|-------------------------------|---------|
| City West Water | 2013-14 | 2017-18 |
| Nominal | 1674 | 1863 |
| Real | 1633 | 1633 |

Note: Trade Waste charges are not included. Actual bills may change subject to usage profile. 90% sewer discharge is assumed.

For City West Water customers, small business bills will increase inline with inflation. Bills will increase by \$188 (or 11.2%) over the next five years including inflation. Excluding inflation would mean unchanged bills over the five years. Table 1 shows the illustrative occupant bills with and without taking into account inflation.

Commercial enterprise - 1000 kL consumption per year

Table 2. Illustrative bills (nominal and real) final decision

| Water Business | Bills based on final decision | |
|-----------------|-------------------------------|---------|
| City West Water | 2013-14 | 2017-18 |
| Nominal | 4607 | 5125 |
| Real | 4495 | 4495 |

Note: Trade Waste charges are not included. Actual bills may change subject to usage profile. 90% sewer discharge is assumed.

For City West Water customers, commercial enterprise bills will increase inline with inflation. Bills will increase by \$518 (or 11.2%) over the next five years including inflation. Excluding inflation would mean unchanged bills over the five years. Table 2 shows the illustrative occupant bills with and without taking into account inflation.