

Our Ref: CMcL
Your Ref:
Enquiries To: Chris McLeod

August 4, 2010

Mr. A. Chow
Director
Local Government and Water
Essential Services Commission
Level 2, 35 Spring Street
MELBOURNE VIC 3000

Attention: Dean Wickenton

Dear Dean

Re: Hardship Related Guaranteed Service Level Proposal

Barwon Water would like to advise the Essential Services Commission (ESC) of its support for the proposed Hardship related Guaranteed Service Level (GSL).

In relation to the specific questions raised in the ESC's Issues Paper regarding this matter, Barwon Water responds as follows.

The proposed \$200 threshold below which no legal action or restriction could take place.

Barwon Water does not currently take legal action or restrict customers where the balance owing is below \$200.

Barwon Water does request that the current provision contained within the ESC's Customer Service Code that permits water corporations to commence legal action or take steps to restrict a customer's supply due to non-payment of consecutive bills over a period of more than 12-months be retained within the Code.

Proposed checklist for minimum 'reasonable endeavours' to contact a customer.

Barwon Water agrees with the principles of 'reasonable endeavours' set out in Table 1 of the Issues Paper.

Barwon Water notes that steps 4 and 5 may be taken 'either verbally or through written notice...' (see Note at the bottom of the Table) and seeks clarification of this point.

Comment on the Proposed Guaranteed Service Level.

Barwon Water supports the proposed GSL for Hardship.

Proposed coverage of the GSL and proposed review period.

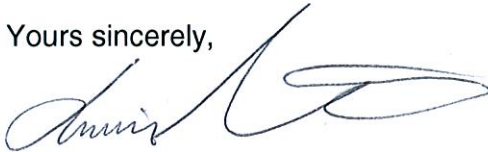
Barwon Water will implement the Hardship GSL by the end of 2010.

The proposed review period is satisfactory, and Barwon Water would like to be included in that review.

Proposed payment amount and process for breaches.

Barwon Water supports the ESC's proposed fixed payment of \$300 and also welcomes the Commission's resolution that any payment can be credited to a customer's outstanding bill, at the discretion of the water corporation.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Luisa Muñoz', with a large, stylized flourish extending to the right.

Luisa Muñoz
General Manager
Customers & Communication