

Our Ref: F069699
Your Ref: C/12/12112
Enquiries To: Denis Musaefendic

23 May 2012

Water Team
Essential Services Commission
Level 2, 35 Spring Street
Melbourne VIC 3000

To whom it may concern,

Re: Barwon Water Submission: *Barwon Water Application for Price Adjustment*

Barwon Water supports the Essential Services Commission's *Application for Price Adjustment* draft decision dated April 2012, for the Melbourne to Geelong Pipeline, to adjust Barwon Water's core water tariffs by 3% in addition to the already approved 7% price increase.

Barwon Water believes that the adjustment results in a fair and sustainable long term outcome for customers and stakeholders.

The following revised modelling assumptions from the *Application for Price Adjustment* draft decision have also been noted:

- Melbourne to Geelong Pipeline asset life;
- weighted average cost of capital rate;
- demand forecast for 2012/13; and
- financing costs.

Yours faithfully,



Joe Adamski
Interim Managing Director