



ICRC

independent competition and regulatory commission

Regulated water and sewerage
services

2017–18 price adjustment

Report 5 of 2017, June 2017

The Independent Competition and Regulatory Commission is a Territory Authority established under the *Independent Competition and Regulatory Commission Act 1997* (the ICRC Act). The Commission is constituted under the ICRC Act by one or more standing commissioners and any associated commissioners appointed for particular purposes. Commissioners are statutory appointments. Joe Dimasi is the current Senior Commissioner who constitutes the Commission and takes direct responsibility for delivery of the outcomes of the Commission.

The Commission has responsibilities for a broad range of regulatory and utility administrative matters. The Commission has responsibility under the ICRC Act for regulating and advising government about pricing and other matters for monopoly, near-monopoly and ministerially declared regulated industries, and providing advice on competitive neutrality complaints and government-regulated activities. The Commission also has responsibility for arbitrating infrastructure access disputes under the ICRC Act. In discharging its objectives and functions, the Commission provides independent robust analysis and advice.

The Commission's objectives are set out in section 7 and 19L of the ICRC Act and section 3 of the *Utilities Act 2000*.

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1 Introduction

The Substituted Price Direction for Regulated Water and Sewerage Services 1 July 2013 to 30 June 2018 (the price direction) requires the Independent Competition and Regulatory Commission (the Commission) to undertake a price adjustment process to determine the maximum prices that Icon Water Limited (Icon Water) can charge for its regulated water, sewerage and miscellaneous services in 2015–16, 2016–17 and 2017–18.¹

This price direction adjusts water, sewerage and miscellaneous prices to account for two cost variations. The first is for inflation, which is the change in the consumer price index (CPI). The second is to incorporate approved pass-through events into Icon Water's costs in the following year, and adjust prices accordingly.

On 1 May 2017, Icon Water provided the Commission with a submission that estimated the 2017–18 CPI adjustment and applied for a pass-through adjustment to be incorporated in Icon Water's regulated charges from 1 July 2017. In this submission, Icon Water further proposed to split the current single schedule of charges into three sub-schedules to differentiate the charges that are covered by the Standard Customer Contract (SCC) and those that are not covered.² The submission also included an application for a new miscellaneous service to allow for the introduction of a precinct charge under the proposed water and sewerage capital contribution code.

This report sets out the Commission's final decision on the maximum prices for regulated water, sewerage and miscellaneous services to apply in 2017–18.

The proposed changes to the schedule of charges do not have any implications for the final outcome or the maximum prices determined by the Commission. The Commission believes that Icon Water's proposed sub-schedule differentiation improves the degree to which pricing information is accessible and comprehensible, and has updated its Standard Water and Sewerage Services Charges Schedule and Miscellaneous Fees and Charges Schedule accordingly – see Appendix 1.

The Commission will consider Icon Water's application for a new miscellaneous service in due course, as part of its determination of the proposed water and sewerage capital contribution code. No pricing or cost variations associated with the proposed capital contribution charge are included in the price adjustment of this report.

The remainder of the report is structured as follows:

- Chapter 2 describes the price adjustment calculations and sets out the adjusted maximum prices to apply from 1 July 2017;

¹ Industry Panel (2015a). Available at: <http://www.icrc.act.gov.au/water-and-sewerage/inquiries-and-investigations/>.

² The details of the proposed changes to the schedule of charges can be found in Appendix 1 of this report.

- Chapter 3 illustrates the impact of the price adjustments on water and sewerage services customer annual bills; and
- Appendix 1 presents the detailed schedule of maximum water, sewerage and miscellaneous service charges for 2017–18.

2 2017–18 price adjustment

2.1 Consumer price index adjustment

Clause 9.1 of the price direction requires the Commission to calculate the maximum prices for regulated water, sewerage and miscellaneous services for each regulatory year on the basis set out in clauses 6 and 7 and provide Icon Water with notice of the adjusted prices on or before 1 June each year. The Commission is also required to provide Icon Water with details of the Commission’s calculations of the adjusted prices, including the values of the change in the CPI used in the calculations.

The CPI adjustment formula used by the Commission, as set out in clause 6.1 of the price direction, is³:

$$P_t = P_{t-1} \times \left(\frac{CPI_{June(t-2)} + CPI_{Sept(t-1)} + CPI_{Dec(t-1)} + CPI_{March(t-1)}}{CPI_{June(t-3)} + CPI_{Sept(t-2)} + CPI_{Dec(t-2)} + CPI_{March(t-2)}} \right)$$

The CPI adjustment for 2017–18 is:

$$CPI_{2017-18} = \frac{108.6 + 109.4 + 110.0 + 110.5}{107.5 + 108.0 + 108.4 + 108.2} - 1 = 1.481139\%$$

2.2 Pass-through adjustment

2.2.1 General provisions

Clauses 8 and 9 of the price direction set out the process for incorporating the effect of any approved pass-through events on Icon Water’s costs in prices in the following year.

The price direction allows for seven pass-through events, three of which have been triggered for the 2017–18 price adjustment. These are events associated with the ACT Government’s Water Abstraction Charge (WAC), utilities network facilities tax (UNFT) and Commonwealth subvention payment events.

Clause 9.2 of the price direction provides for Icon Water to submit a pass-through application to the Commission. Icon Water is required to make the submission by 1 May with the Commission required to make a decision and advise Icon Water by

³ The CPI adjustment for 2017–18 prices is not a forecast of inflation in that year but rather is based on historical changes in the CPI up to March 2017 from June 2015 based on quarterly figures, using the ‘four quarter on four quarter’ approach. The CPI data (weighted average of eight capital cities) are available from the Australian Bureau of Statistics website at <http://www.abs.gov.au/ausstats/abs@.nsf/0/938DA570A34A8EDACA2568A900139350>.

30 May. In the event that Icon Water does not lodge a submission, Clause 9.5 of the price direction allows the Commission to initiate a pass-through amount.

2.2.2 Pass-throughs for 2017–18 prices

Icon Water submission

Icon Water provided a pass-through submission to the Commission on 1 May 2017 for consideration in 2017–18 prices. Consistent with the Commission's May 2015 approach, the submission relates to amounts associated with WAC, UNFT and subvention payments for the 2015–16 financial year, the most recent year for which actual data is available. Icon Water's submission requested that positive pass-through amounts in 2017–18 dollars of \$40,815 for water, and negative pass-through amounts in 2017–18 dollars of \$333,945 for sewerage be taken into consideration.

Commission's decision

When setting prices in advance of a regulatory period, a forecast of the amount of the WAC and UNFT to be recovered from customers by Icon Water and paid to the ACT Government in any particular year is required. In the case of the Commonwealth subvention payment, the forecast amount is subtracted from Icon Water's revenue requirement and is therefore excluded from customer charges. Any difference between the forecast and actual amounts is then subject to an annual pass-through adjustment, which can be positive or negative. Positive pass-throughs raise prices, while negative pass-throughs bring prices down.

As illustrated in Table 2.1, the pass-through amounts of about \$40,815 for water and \$333,945 for sewerage in the 2017–18 price adjustment are primarily associated with a divergence between the WAC and UNFT forecast amounts and the actual amounts collected and paid in 2015–16.

Table 2.1 Pass-through amounts, 2015–16 (\$, 2015–16)

	Industry Panel forecast	Actual	Difference
Water			
WAC	27,344,996	27,470,685	125,689
UNFT	4,697,968	4,519,154	-178,814
Subvention payment	-1,130,395	-1,036,455	93,940
Total			40,815
Sewerage			
UNFT	3,857,687	3,714,730	-142,957
Subvention payment	-10,173,557	-10,364,545	-190,988
Total			-333,945

Source: Calculations based on Industry Panel (2015b) and Icon Water's Submission (2017).

In accordance with clause 9.2 of the price direction, the Commission’s decision is that the pass-through events specified in the submission occurred and fall within the scope of clause 8 and the Commission approves the negative pass-through amounts proposed by Icon Water.

In calculating the pass-through price adjustment, in conformity with the post-tax model used to calculate the price path in the price direction, account has been taken of the time value of money (at the weighted average cost of capital), and its effect on the return to shareholders (tax equivalent payments and imputation credits).

The pass-through price adjustment to account for the pass-through amounts, which is applied in addition to the CPI adjustment, is calculated, in consistent with the approach applied by the Commission in determining adjusted prices for 2016–17 and based on the post-tax model used to calculate the price path in the price direction,⁴ as:

- positive 0.025259 per cent for water; and
- negative 0.292086 per cent for sewerage.

2.3 2017–18 maximum water prices

The CPI and pass-through adjustments have been applied to the fixed charge and two volumetric charges, as per the formula below, with prices rounded to the nearest cent:

$$P_{2017-18} = P_{2016-17} \times (1 + \text{CPI}_{2017-18}) \times (1 + \text{PT adj water}_{2017-18})$$

Calculated water prices for 2017–18 are shown in Table 2.2. The fixed charge and volumetric charges have increased by approximately 2.7 per cent from 2016–17, as the positive pass-through adjustment has further increased the positive CPI adjustment of 1.48 per cent. The change in water prices is higher than the sum of the CPI change and the positive pass-through adjustment for 2017–18 due to the unwinding of the previous year’s negative pass-through adjustments.⁵

⁴ The methodology is described in Industry Panel 2015a and 2015b.

⁵ The 2017–18 price adjustments have been made after removing the 2014–15 negative pass-through amounts, which have been already passed-through to customers as part of 2016–17 price reset.

Table 2.2 Water prices, 2016–17 to 2017–18 (\$, current prices, percentages to two decimal places)

	2016–17	2017–18	Change (%)
Fixed (\$/year)	101.48	104.21	2.69
Tier 1 (0–200 kL/a) (\$/kL)	2.61	2.68	2.68
Tier 2 (200 kL/a+) (\$/kL)	5.24	5.38	2.67

2.4 2017–18 maximum sewerage services prices

Maximum sewerage services prices for 2017–18 have been calculated using the following formula, with prices rounded to the nearest cent:

$$P_{2017-18} = P_{2016-17} \times (1 + \text{CPI}_{2017-18}) \times (1 + \text{PT adj sewerage}_{2017-18})$$

Calculated sewerage services prices for 2017–18 are shown in Table 2.3. Prices have increased by 1.5 per cent from 2016–17. Despite the negative pass-through amount applied for 2017–18, the change in sewerage prices is above the 2017–18 CPI change, due to the unwinding of the previous year’s pass-through adjustments.

Table 2.3 Sewerage services prices, 2016–17 to 2017–18 (\$, current prices, percentages to two decimal places)

	2016–17	2017–18	Change (%)
Supply charge (\$/year)	529.38	537.34	1.50
Fixture charge non-residential customers (\$/year) ^a	517.73	525.51	1.50

^a For every additional flushing fixture greater than two.

2.5 2017–18 maximum charges for miscellaneous services

Maximum charges for miscellaneous services for 2017–18 have been calculated using the following formula, with charges rounded to the nearest dollar for the GST-inclusive price:

$$P_{2017-18} = P_{2016-17} \times (1 + \text{CPI}_{2017-18})$$

The full list of calculated maximum miscellaneous services charges for 2017–18 is provided in Appendix 1.

2.6 Icon Water’s proposal for a new miscellaneous charge

As previously mentioned, Icon Water’s submission included an application for a new miscellaneous service under the proposed water and sewerage capital contribution code. The Commission will consider Icon Water’s application in due course as part of its determination of proposed water and sewerage capital contribution code.

3 Impact on customers

This chapter outlines the financial impact on ACT consumers of the Commission's final decision on maximum water and sewerage service prices. It does this by illustrating the impact of the change in water and sewerage service prices in 2016–17 on annual water charges and combined water and sewerage services bills.

3.1 Water charges

Table 3.1 shows the change in annual water charges from 2016–17 to 2017–18 for residential customers at different consumption levels.

Table 3.1 Change in annual water charges for residential customers from 2016–17 to 2017–18 (\$, current prices, percentages to two decimal places)

Annual water consumption (kL)	Annual 2016–17 water charge (\$)	Annual 2017–18 water charge(\$)	Change in water charge (%)	Change in water charge (\$)
0	101	104	2.69%	3
50	232	238	2.69%	6
100	362	372	2.68%	10
150	493	506	2.68%	13
200	645	663	2.68%	17
250	885	909	2.68%	24
300	1,147	1,178	2.68%	31
350	1,409	1,447	2.68%	38
400	1,671	1,716	2.68%	45
500	2,195	2,254	2.68%	59
750	3,505	3,599	2.67%	94

Table 3.1 shows that for a typical customer consuming 200 kilolitres (kL) per year, their annual water charge will increase by about 2.7 per cent, or \$17.⁶ Table 3.2 shows a percentage increase of about 2.7 per cent for non-residential customer annual water charges. Increases range from a low of \$129 to a high of \$1,389 per year.

⁶ The calculations include the application of daily pricing consistent with historical water use in each quarter. This means that 200 kL per year customers pay for a small amount of water at the tier 2 price in some quarters.

Table 3.2 Change in annual water charges for non-residential customers from 2016–17 to 2017–18 (\$, current prices, percentages to two decimal places)

Annual water consumption (kL)	Annual 2016–17 water charge (\$)	Annual 2017–18 water charge (\$)	Change in water charge (%)	Change in water charge (\$)
1,000	4,815	4,944	2.67%	129
2,000	10,055	10,324	2.67%	269
5,000	25,775	26,464	2.67%	689
10,000	51,975	53,364	2.67%	1,389

3.2 Combined water and sewerage bills

Table 3.3 shows the change from 2016–17 to 2017–18 in the combined water and sewerage services bill for residential customers. A typical customer consuming 200 kL of water per year will see an increase in their combined bill of 2.15 per cent, or \$25.

Table 3.3 Change in annual combined water and sewerage services bill for residential customers from 2016–17 to 2017–18 (\$, current prices, percentages to two decimal places)

Annual water consumption (kL)	Annual 2016–17 combined bill (\$)	Annual 2017–18 combined bill (\$)	Change in combined bill (%)	Change in combined bill (\$)
0	631	642	1.69%	11
50	761	776	1.86%	14
100	892	910	1.98%	18
150	1,022	1,044	2.07%	21
200	1,175	1,200	2.15%	25
250	1,415	1,447	2.24%	32
300	1,677	1,716	2.31%	39
350	1,939	1,985	2.36%	46
400	2,201	2,254	2.39%	53
500	2,725	2,792	2.45%	67
750	4,035	4,137	2.52%	102

Table 3.4 shows the change from 2016–17 to 2017–18 in the combined annual water and sewerage services bill for non-residential customers. Bill increases range from a low of \$214 to a high of \$2,175 per year.

Table 3.4 Change in annual combined water and sewerage services bill for non-residential customers from 2016–17 to 2017–18 (\$, current prices, percentages to two decimal places)

Annual water consumption (kL)	Number of billable fixtures (#)	Annual 2016–17 combined bill (\$)	Annual 2017–18 combined bill (\$)	Change in combined bill (%)	Change in combined bill (\$)
1,000	10	10,522	10,737	2.04%	214
	50	31,231	31,757	1.68%	526
	100	57,118	58,033	1.60%	915
2,000	10	15,762	16,117	2.25%	354
	50	36,471	37,137	1.83%	666
	100	62,358	63,413	1.69%	1,055
5,000	10	31,482	32,257	2.46%	774
	50	52,191	53,277	2.08%	1,086
	100	78,078	79,553	1.89%	1,475
10,000	10	57,682	59,157	2.56%	1,474
	50	78,391	80,177	2.28%	1,786
	100	104,278	106,453	2.09%	2,175

Appendix 1 Water, sewerage and miscellaneous service charges 2017–18

As previously mentioned, Icon Water, in its submission, proposed to split the current single schedule of charges into three sub-schedules to differentiate the charges that are covered by the Standard Customer Contract (SCC) and that are not covered.

- **Schedule A: Standard water and sewerage services charges** – this schedule contains the standard water and sewerage charges, Class 1 through Class 6 land category charges (except for the metered hydrant standpipe water charge) and items 1 and 2 from the current miscellaneous charges schedule.
- **Schedule B: Miscellaneous fees and charges** – this schedule contains the metered hydrant standpipe water charge and the remainder of the miscellaneous charges.
- **Schedule C: Miscellaneous fees and charges: Precinct charge** – this contains the precinct charge for the proposed Water and Sewerage Capital Contribution Code, and is only distinguished from Schedule B for reason of timing.

The proposed changes to the schedule of charges associated with Schedule A and Schedule B do not have any implications for the final outcome or the maximum prices determined by the Commission. The Commission believes that Icon Water’s proposed sub-schedule differentiation improves the degree to which pricing information is accessible and comprehensible, and has updated its Standard Water and Sewerage Services Charges Schedule and Miscellaneous Fees and Charges Schedule accordingly

The schedules below represent the charges included in Schedule A and Schedule B. The Commission is yet to consider the proposed water and sewerage capital contribution code, and therefore Schedule C charges are not reported here.

A. Standard Water and Sewerage Services Charges, Icon Water 2017-18		
<p>The following charges apply from 1 July 2017 for, or in connection with, the provision of water services and sewerage services. This schedule includes other fees and charges associated with these services.</p> <p>Where water services are provided to any class of land in a meter reading period that ends after 30 June:</p> <ul style="list-style-type: none"> the supply charge will be the charge applicable at the date of the account; and water consumption charges are determined based on average daily usage. The 2017–18 charges will apply to average consumption on and from 1 July 2017. The 2016–17 charges will apply to average consumption prior to 1 July 2017. <p>GST does not apply to water services and sewerage services unless otherwise stated.</p> <p>In this Schedule of Charges:</p> <ul style="list-style-type: none"> a “flushing system” means a flushing cistern or flush valve. a “subsidiary building” means a building that is only used for purposes connected with the use of the main building 		
Standard Charges		
Standard Water Charges		
The standard water charge is:		
· the Standard Water Supply Charge - a supply charge to each parcel of land;	\$101.48	\$104.21
plus		
· The Standard Water Consumption Charge, being:		
o consumption charge for the first 0.548 kilolitres supplied on average per day of the billing period; plus	\$2.61 per kL	\$2.68 per kL
o for all water supplied in excess of 0.548 kilolitres on average per day of the billing period.	\$5.24 per kL	\$5.38 per kL
Standard Sewerage Charge		
The Standard Sewerage Charge is:		
	\$529.38	\$537.34
Charges for categories of land		
Class 1 – Single residential		
This class applies to a parcel of land:		
(a) with a single residential dwelling (with or without a granny flat) and no other building is erected on the land; or		
(b) with more than one building on the land if one is a single residential dwelling (or a single residential dwelling and granny flat) and any other buildings are subsidiary build		
Charges		
Water charge (where the parcel of land is connected to the water network and metered):		
· water supply charge; plus	Standard Water Supply Charge	Standard Water Supply Charge
· water consumption charge.	Standard Water Consumption Charge	Standard Water Consumption Charge
Sewerage charge (where the parcel of land is connected to the sewerage network):		
· sewerage supply charge.	Standard Sewerage Charge	Standard Sewerage Charge
Class 2 - Multiple residential (not unit title or community title)		
This class applies to a parcel of land:		
(a) with more than one residential dwelling (for example, flats, dual occupancy or multiple residential buildings), and no other building is erected on the land other than subs		
but excludes:		
(b) any parcel of land included in Class 1 Single residential; and		
(c) any parcel of land included in Class 3 Unit title or community title.		
Charges		
Water charge (where the parcel of land is connected to the water network and metered):		
· water supply charge; plus	Standard Water Supply Charge (calculated based on the number of residential dwellings – see below)	Standard Water Supply Charge (calculated based on the number of residential dwellings – see below)
· water consumption charge.	Standard Water Consumption Charge (calculated based on the number of residential dwellings – see below)	Standard Water Consumption Charge (calculated based on the number of residential dwellings – see below)
Sewerage charge (where the parcel of land is connected to the sewerage network):		
· sewerage supply charge.	Standard Sewerage Charge (calculated based on the number of residential dwellings – see below)	Standard Sewerage Charge (calculated based on the number of residential dwellings – see below)
<p>Note:</p> <ul style="list-style-type: none"> For a complex in this class which is not sub-divided into units under unit titles legislation or is included in a community title scheme under community title legislation (for example, ‘dual occupancy’) : <ul style="list-style-type: none"> there is a single parcel of land; and the water supply charge and sewerage supply charge are each calculated based on the number of residential dwellings. For example, if a complex contains 4 units the water supply charge and the sewerage supply charge are the relevant standard charge x 4; and in determining water consumption charges under this class, each residential dwelling is given a daily allowance in relation to the volume of water supplied at the lower consumption charge rate. For example, if a complex contains 4 units the daily allowance would be 0.548 kilolitres x 4, being charged at the lower rate with any consumption in excess of that being charged at the higher rate. 		

Appendix 1 – Water, sewerage and miscellaneous service charges 2017–18

Class 3 – Unit title or community title		
Where a parcel of land is sub-divided into units under unit titles legislation or is included in a community title scheme under community title legislation:		
(a) each unit or community title lot (which is not common property) is a separate parcel of land in this class; and		
(b) each common property is a separate parcel of land in this class.		
Charges	2016-17	2017-18
Water charge for each parcel which is a unit or community title lot:		
- water supply charge (including for a parcel of land for which services are available but the parcel is not connected to the water network); plus	Standard Water Supply Charge	Standard Water Supply Charge
- water consumption charge (where the parcel of land is connected to the water network and separately metered).	Standard Water Consumption Charge	Standard Water Consumption Charge
Water charge for each parcel which is common property:		
- water supply charge; plus	Nil	Nil
- water consumption charge (where the parcel of land is connected to the water network and separately metered) and the units or community title lots are each separately metered; or	Standard Water Consumption Charge	Standard Water Consumption Charge
- water consumption charge (where the parcel of land is connected to the water network and separately metered) and the units or community title lots are not each separately metered.	Standard Water Consumption Charge (calculated based on the number of residential dwellings – see below)	Standard Water Consumption Charge (calculated based on the number of residential dwellings – see below)
Sewerage charge for each parcel which is a unit or community title lot (where the parcel of land is connected to the sewerage network):		
- sewerage supply charge; plus	Standard Sewerage Charge	Standard Sewerage Charge
- (where the parcel of land permits any use other than residential purposes only) charge for each flushing system in excess of two flushing systems.	\$517.73	\$525.51
Sewerage charge for each parcel which is common property:		
- sewerage supply charge for any common property parcel where there is no flushing system; or	Nil	Nil
- sewerage supply charge for all other parcels of land in this class which are common property; plus	Standard Sewerage Charge	Standard Sewerage Charge
- charge for each flushing system in excess of two flushing systems.	\$517.73	\$525.51
Note:		
<ul style="list-style-type: none"> In determining water consumption charges under this category, each unit is given a daily allowance in relation to the volume of water supplied at the lower consumption charge rate. For example, if a complex contains 4 units and a common property the daily allowance would be 0.548 kilolitres x 5, being charged at the lower rate of \$2.68 per kL with any consumption in excess of that being charged at the higher rate of \$5.38 per kL. 		

Class 4 - Community institutions		
This class applies to a parcel of land:		
(a) with a building used for the purpose of a church or other religious establishment, hospital, benevolent institution or charitable institution, and no other building is erected on the land other than subsidiary buildings; or		
(b) that is occupied by or used in connection with a school that is registered (or provisionally registered) under the Education Act 2004 (ACT) including grounds belonging to or used in connection with such a school.		
Charges	2016-17	2017-18
Water charge (where the parcel of land is connected to the water network and metered):		
- water supply charge; plus	Standard Water Supply Charge	Standard Water Supply Charge
- Water consumption charge for a parcel of land used for:		
o the purpose of a church or other religious establishment under paragraph (a) above; or	\$2.61 per kL	\$2.68 per kL
o a school under paragraph (b) above; or		
- water consumption charge for all other parcels of land in this class.	Standard Water Consumption Charge	Standard Water Consumption Charge
Sewerage charge (where the parcel of land is connected to the sewerage network):		
- sewerage supply charge; plus	Standard Sewerage Charge	Standard Sewerage Charge
- charge for each flushing system in excess of two flushing systems.	\$258.86	\$262.75

Class 5 – Commercial and other non-residential		
This class applies to all other parcels of land which are not covered by Classes 1-4 above, including but not limited to:		
(a) the Australian National University;		
(b) the University of Canberra; and		
(c) commercial and retail premises.		
Charges	2016-17	2017-18
Water charges (where the parcel of land is connected to the water network and metered):		
- water supply charge; plus	Standard Water Supply Charge	Standard Water Supply Charge
- water consumption charge.	Standard Water Consumption Charge	Standard Water Consumption Charge
Sewerage charge (where the parcel of land is connected to the sewerage network):		
- sewerage supply charge; plus	Standard Sewerage Charge	Standard Sewerage Charge
- charge for each flushing system in excess of two flushing systems.	\$517.73	\$525.51

Appendix 1 – Water, sewerage and miscellaneous service charges 2017–18

Class 6 - Unmetered, unconnected and metered standpipe charges		
Unmetered water charges		
This charge applies to a parcel of land that is connected to the water supply network, but which is not metered. This charge does not apply to a parcel of land in Class 3 Unit title or community title.		
Charges	2016-17	2017-18
Water supply charge	\$565.91	\$574.29
Unconnected Water & Sewerage Charges		
This charge applies to a parcel of land that is not connected to:		
(a) the water network but water supply infrastructure has been installed and is available to the land; and/or		
(b) the sewerage network, but sewerage supply infrastructure has been installed and is available to the land, including but not limited to a vacant parcel of land or carpark.		
Charges	2016-17	2017-18
Water supply charge (where the parcel of land is not connected to the water network)	Standard Water Supply Charge	Standard Water Supply Charge
Sewerage supply charge (where the parcel of land is not connected to the sewerage network)	Standard Sewerage Charge	Standard Sewerage Charge

Other fees and charges		
Special reading of a water meter	\$40.00	\$41.00
Testing a standard 20 mm water meter	\$262.00	\$266.00
Notes: 1. Testing fees for meters larger than 20mm are by individual quote. 2. Meter testing fees are refundable where a test shows a meter to be defective as defined in the Water Metering Code.		
Fee payable upon request for a certificate showing the amount of charges payable in respect of a quantity of water or of a parcel of land.	\$36.00	\$37.00
Attendance (debt collection or disconnection / restriction):		
• first visit in a 12 month period (in office hours)	\$63.00	\$64.00
• within a year of a previous visit (in office hours).	\$86.00	\$87.00
Reconnection fee (following disconnection / restriction for non-payment).	\$59.00	\$60.00
Dishonoured cheque and credit card reversal (admin charge). The greater of:	\$15.00 per account or \$37.00 per cheque for multiple accounts	\$15.00 per account or \$38.00 per cheque for multiple accounts
Direct debit reject	\$8.00 per reject	\$8.00 per reject

Payments		
Account payments		
Annual charges for water services and sewerage services are billed quarterly.		
The due date for payments is the date shown in the account issued to you.		
Interest		
Where you fail to pay by the due date, and the amount remains unpaid for a further 14 days, Icon Water may levy interest at the prescribed rate on the amount outstanding for each month or part of a month that the amount remains unpaid, calculated from the day on which the payment became due.		
The amount of interest calculated and levied will be included on the next account issued to you.		
Payment assistance		
Icon Water offers a range of flexible payment options. If you would like information on these or if you need payment assistance, please call us on 02 6248 3111. If you are having difficulty paying your account and we are unable to assist, you may also apply to the ACT Civil and Administrative Tribunal (ACAT) for assistance by calling (02) 6207 7740.		

B. Miscellaneous Fees and Charges, Icon Water 2017-18		
The following fees and charges apply from 1 July 2017 for miscellaneous services associated with water and sewerage services.		
Drawings	2016-17	2017-18
1. Work-as-executed drawings		
Work-as-executed drawings resubmission fee (for the third and any subsequent submission of drawings that have already been rejected twice as incorrect or not compliant with standards).	\$627.00	\$636.00
Work-as-executed drawings non-compliance fee (for drawings that are submitted and do not comply with Icon Water electronic file standards).	\$314.00	\$319.00
Water main connections	2016-17	2017-18
2. Tapping into water main		
100mm diameter main		
20mm main cock	\$753.00	\$764.00
25mm main cock	\$858.00	\$871.00
32mm main cock	\$903.00	\$916.00
40mm main cock	\$922.00	\$936.00
50mm main cock	\$964.00	\$978.00
150mm diameter main		
20mm main cock	\$770.00	\$781.00
25mm main cock	\$878.00	\$891.00
32mm main cock	\$932.00	\$946.00
40mm main cock	\$953.00	\$967.00
50mm main cock	\$989.00	\$1,004.00
225mm diameter main		
20mm main cock	\$833.00	\$845.00
25mm main cock	\$890.00	\$903.00
32mm main cock	\$939.00	\$953.00
40mm main cock	\$953.00	\$967.00
50mm main cock	\$1,003.00	\$1,018.00
300mm diameter main		
20mm main cock	\$901.00	\$914.00
25mm main cock	\$915.00	\$929.00
32mm main cock	\$964.00	\$978.00
40mm main cock	\$984.00	\$999.00
50mm main cock	\$1,022.00	\$1,037.00
3. Temporary Water Connection	By quote	By quote
The price for a temporary water connection will include connection, disconnection and surveillance costs.		

4. Installation of fire hydrant		
Where insertion of hydrant tee is required (“standard” main depth)		
100mm diameter tee	\$2,570.00	\$2,608.00
150mm diameter tee	\$2,755.00	\$2,796.00
225mm diameter tee	\$3,131.00	\$3,177.00
300mm diameter tee	\$3,934.00	\$3,992.00
Note 1: Where the main exceeds the “standard” depth, additional risers are to be		
Note 2: Hydrant covers and indicators etc, are to be supplied and fixed by the		
Installation of a hydrant from an existing tee connection	\$1,480.00	\$1,502.00
5. Raise or lower hydrant	\$1,301.00	\$1,320.00
6. Remove hydrant / endcap and connect main		
100mm main	\$1,501.00	\$1,523.00
150mm main	\$1,917.00	\$1,945.00
225mm main	\$2,695.00	\$2,735.00
300mm main	\$3,382.00	\$3,432.00
7. Cut in stop valve		
100mm main	\$1,980.00	\$2,009.00
150mm main	\$2,068.00	\$2,099.00
225mm main	\$3,097.00	\$3,143.00
300mm main	by quote	by quote
8. Supply and fix stop valve locking cover		
This charge includes the installation and removal at a later date	\$639.00	\$648.00
9. Disconnection of water service		
Service 20mm to 32mm diameter (cap main cock)	\$678.00	\$688.00
Service 40mm to 150mm diameter (cap main cock / blank flanged tee)	\$890.00	\$903.00
10. Relocation of 20mm and 25mm stop cock and meter		
Where no shutdown is required	\$701.00	\$711.00
Where additional excavation is required	\$989.00	\$1,004.00
Where shutdown of main is required	\$1,680.00	\$1,705.00
11. Sewer main connections	2016-17	2017-18
100mm diameter junction into 150mm diameter main	\$1,691.00	\$1,716.00
100mm diameter junction into 225mm diameter main	\$1,828.00	\$1,855.00
100mm diameter junction into 300mm diameter main	\$1,969.00	\$1,998.00
Break out existing 150mm, 225mm or 300mm diameter main to a new manhole	\$1,415.00	\$1,436.00
Connection to existing standard manhole without drop, 100mm, 150mm or 225mm diameter	\$2,833.00	\$2,875.00
150mm connection to existing standard manhole including external drop of up to 2 metres	\$7,455.00	\$7,565.00
Charge for each additional metre of drop	\$269.00	\$273.00
225mm connection to existing standard manhole including external drop of up to 2 metres	\$7,455.00	\$7,565.00
Charge for each additional metre of drop	\$269.00	\$273.00
Provide 100mm or 150mm diameter collar out of existing standard sewer manhole for house connection without drop	\$3,081.00	\$3,127.00
Connecting main to end of existing main or collar out of existing manhole, 150mm or 225mm	\$2,317.00	\$2,351.00
100mm diameter PVC temporary connection to standard sewer manhole including removal of PVC pipe from manhole at completion of project	\$2,317.00	\$2,351.00
Alterations to height of manhole. Raise or lower manhole up to 300mm where the only alteration is to the neck of the manhole and the total length of neck and ring	\$1,034.00	\$1,049.00
Supply and fit “gatic” type cover to an existing manhole	\$1,315.00	\$1,334.00
Disconnection (temporary cap off) of sewer tie for non-compliance	\$922.00	\$936.00
Permanent disconnection of sewer connection to a main 150 or 225 mm	\$922.00	\$936.00
Note: This price does not include excavation works which are commonly carried out by the project contractor (or by Icon Water at a negotiated price).		
Rebuild sewer manhole	\$6,830.00	\$6,931.00
Gatic (if required)	\$521.00	\$529.00

12. Hydrants (metered standpipes)	2016-17	2017-18
32mm hydrant (metered standpipe):		
• annual hire	\$389.09	\$395.00
• quarterly hire	\$138.18	\$140.00
• short-term hire (14 days maximum)	\$76.36	\$77.00
65mm hydrant (metered standpipe):		
• annual hire	\$528.18	\$536.00
• quarterly hire	\$177.27	\$180.00
• short-term hire (14 days maximum)	\$76.36	\$77.00
Metered standpipe water charges		
Water consumption charge for consumption of water through a metered hydrant standpipe	\$5.24 per kL	\$5.38 per kL

Note:

- The above charges relating to (non-contestable) water main connections, hydrants and sewer main connections apply to basic installations only. Additional charges will apply to non-standard components, work of unusual complexity or work that is necessary outside of normal business hours. Estimates can be supplied on request.
- Only property owners or their authorised agents are entitled to apply to Icon Water for the (non-contestable) works listed in this schedule.
- It is the responsibility of the lease owner (or authorised agent) to meet the costs of Icon Water charges together with all internal and external works which may be necessary to carry out a connection or disconnection to Icon Water's water and sewerage network.
- Where the site is not ready at the nominated time to allow Icon Water to commence work, additional charges will apply for rescheduled works.

Payments

Interest

Where you fail to pay by the due date, and the amount remains unpaid for a further 14 days, Icon Water may levy interest at the prescribed rate on the amount outstanding for each month or part of a month that the amount remains unpaid, calculated from the day on which the payment became due.

The amount of interest calculated and levied will be included on the next account issued to you.

Abbreviations and acronyms

Commission	Independent Competition and Regulatory Commission
CPI	Consumer price index
GST	Goods and services tax
ICRC	Independent Competition and Regulatory Commission
ICRC Act	<i>Independent Competition and Regulatory Commission Act 1997 (ACT)</i>
kL	kilolitre
price direction	<i>Substituted Price Direction for Regulated Water and Sewerage Services 1 July 2013 to 30 June 2018</i>
SCC	Standard customer contract
UNFT	Utilities Network Facilities Tax
WAC	Water abstraction charge

References

- Icon Water (2017) *Regulated water and sewerage services price adjustment for 2017–18: Pass-through submission and new miscellaneous service charge application*, Icon Water, Canberra.
- ICRC (2015) *Statement on Commission-initiated pass-through events*. Independent Competition and Regulatory Commission, Canberra. May 2015.
- Industry Panel (2015a) *Substituted Price Direction: Regulated water and sewerage services 1 July 2013 to 30 June 2018 2013*, Industry Panel, Canberra. April 2015.
- Industry Panel (2015b) *Review of the Independent Competition and Regulatory Commission's 2013 Price Direction for regulated water and sewerage services in the ACT: Final report*, Industry Panel, Canberra. April 2015.