

Industry Panel

MS MARY ANNE HARTLEY Q.C.

MS SALLY FARRIER

MS CLAIRE THOMAS PSM

Mr J Knox
Managing Director
ACTEW Corporation Ltd
GPO Box 366
CANBERRA CITY ACT 2601

Dear Mr Knox

Industry Panel Review of the Independent Competition and Regulatory Commission's Price Direction for Regulated Water and Sewerage Services July 2013 – June 2019

As you will be aware, the Industry Panel (the Panel) has been established under the *Independent Competition and Regulatory Commission Act 1997* (the Act) to conduct the review of the price direction made by the Independent Competition and Regulatory Commission (ICRC) for regulated water and sewerage services for the period from 1 July 2013 to 30 June 2019 (the original price direction).

The Panel is cognisant of the need to provide certainty about the pricing of water and sewerage services in the ACT, and is therefore aiming to complete the review in time for its final decision to be presented to the Legislative Assembly before the end of 2014.

The Panel's proposed approach to the review

The enclosed Approach Paper, which the Panel will place on its public website (<http://apps.treasury.act.gov.au/industrypanel>), provides an overview of the Panel's intended approach to the review.

The Panel is cognisant of the need to resolve the matter of ACTEW's prices for water and sewerage services expeditiously. However, an important objective for the Panel is that the pricing direction it ultimately decides to adopt is robust and will stand up to scrutiny, and so it will have regard to accepted, well-tested regulatory techniques.

The directions hearing

As outlined in the Approach Paper, the Panel intends to convene a directions hearing of the parties to the review on the morning of **Friday, 25 July 2014** in Canberra (at a venue and time to be advised). At this directions hearing, the Panel will consider and make directions in respect of:

INDUSTRY PANEL

GPO Box 158, Canberra ACT 2601

Phone: (02) 6207 6128 Fax: (02) 6207 0267 Email: industrypanel@act.gov.au

Website: <http://apps.treasury.act.gov.au/industrypanel>

- the date for the filing of a ‘Statements of Facts and Contentions’ by ACTEW Corporation Limited (ACTEW);
- the filing and format of submissions by other review participants; and
- any other procedural directions as the Panel considers appropriate.

Information that the Panel will be seeking from ACTEW

It is the Panel’s intention that, at the directions hearing, it will direct ACTEW’s Statement of Facts and Contentions to specifically address:

- the full list of matters which are the subject of ACTEW’s application for review and, potentially, any other contentious matters raised on its behalf in submissions to the ICRC;
- the alternative form of price direction that ACTEW proposes; and
- in respect of each matter it has raised, the facts and contentions ACTEW would rely on in support of that matter, including identifying:
 - the evidence or submissions in support of that fact or contention which were before the ICRC when it made the price direction; and
 - if ACTEW wishes to provide further evidence, the nature and scope of that evidence (and reasons why that evidence was not before the ICRC when it made the price direction).

In order to meet the strict timelines for this review, the Panel intends to direct ACTEW at the directions hearing to submit its Statement of Facts and Contentions by close of business on **31 July 2014**.

If ACTEW is unable to meet this deadline, it will have an opportunity at the directions hearing to discuss an alternative submission date. However, if a timely completion of the Panel’s review is to be achieved, then the proposed submission date is important given the procedural steps imposed by the Act, such as public consultation.

ACTEW will also have an opportunity to provide any feedback about the Panel’s proposed approach to the review (as outlined in the enclosed Approach Paper). The Panel requests that any feedback be provided in writing by **18 July 2014** so that it may be considered by the Panel ahead of the directions hearing. The Panel intends to place all written submissions on its website in due course.

The directions hearing will also cover topics such as the documents and information that the Panel will be taking into account during its investigation and procedural matters, including the procedures for the filing of materials to the Panel, and procedures for confidentiality.

The Panel will also consider any other applications in respect of which ACTEW gives adequate notice. If there are other issues that ACTEW wishes to raise with the Panel, please provide written notice no later than **18 July 2014**.

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Other parties

The Panel has also written to those persons who have notified the ICRC of their intention to appear as a party to the review, outlining the directions that the Panel intends to make in respect of them. (Consistent with the Industry Panel's charter commitment to be open and transparent, the copies of all relevant letters sent to ACTEW and other review participants will be posted on the Panel's website.)

Further information

If you have any questions in relation to the matters raised in this letter or the enclosed Approach Paper, please contact the Panel's secretariat on tel: (02) 6207 6128 or email: industrypanel@act.gov.au. Any written feedback or notice of issues to be discussed at the directions hearing can be emailed to this address, or posted to:

Industry Panel
GPO Box 158
Canberra ACT 2601

The Panel looks forward to working cooperatively with ACTEW as it embarks on its review.

Yours sincerely



Mary Anne Hartley QC
President of the Industry Panel

30 June 2014

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