

Industry Panel

MS MARY ANNE HARTLEY Q.C.

MS SALLY FARRIER

MS CLAIRE THOMAS PSM

Mr J Knox
Managing Director
Icon Water
GPO Box 366
CANBERRA CITY ACT 2601

Dear Mr Knox



Response to Cardno report – confidentiality issues

Thank you for your letter dated 21 November 2014 about the material prepared by Cardno to assist the Panel with various aspects of its review of the Independent Competition and Regulatory Commission (ICRC)'s 2013 price direction for regulated water and sewerage services.

I note your confirmation that Cardno's report does not contain any data or information that Icon Water (Icon) considers to be confidential.

In relation to other matters raised in your letter, I confirm that the Panel is relying on \$140 million as the expenditure on the Murrumbidgee to Googong pipeline. However, for the purposes of its draft decision, the Panel has adopted an estimate of \$420 million for the Enlarged Cotter Dam because it is consistent with the value adopted by the ICRC in its price direction and pricing model and had not been raised in the Statement of Facts and Contentions.

As far as the water security model information is concerned, I understand that there has been agreement at officer level that Cardno were unable in the time available to use Icon's extensive hydrological modelling information within the scope of its work.

I acknowledge receipt of the revised worksheet provided to the Panel on 25 November 2014 with updated details about the capital expenditure initiation documentation. While this arrived too late to be incorporated in Cardno's analysis within the timeframes for the release of the Panel's draft report, the Panel will ensure that the updated table is made available on its website, along with Cardno's report and your letter of 21 November 2014. Subject to any further submissions from Icon, the information in the worksheet will also be taken into account by the Panel when making its final decision, along with any other information relating to the matters in this letter.

I would like to take this opportunity to acknowledge the continuing cooperation that Icon has provided to the Panel during the course of its review.

Yours sincerely



Mary Anne Hartley QC
President of the Industry Panel
1 December 2014

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