

## Corrigendum

### **Tier 2 consumption – typographical errors** (Tables 1.1, 1.2, 14.1, 14.2, 14.3,14.4 and 15.6)

Tier 2 consumption refers to annual consumption in excess of 200 kL, and so references to Tier 2 in Table 1.1 (page 4 of the draft report), Table 1.2 (page 5), Table 14.1 (page 135), Table 14.2 (page 136), Table 14.3 (page 137),Table 14.4 (page 137) and Table 15.6 (Draft Substituted Price Direction – Page 4) should refer to “200+ kL pa” (and not “0-200 kL pa” as shown).

### **Year-on-year bill comparisons** (pages 141 and 142 of draft report)

There are typographical errors in the base years used for the comparison of change in the annual bills for the typical residential customer, contained in sections 15.1 and 15.2.1 of the draft report. The year of comparison should be 2017-18 and not 2018-19 as stated in the report.

The first bullet point under section 15.1 on page 141 should read (amended text highlighted):

- **For residential customers**, these prices are likely to result in relatively stable annual bills over the regulatory period, and are unlikely to have a material impact on the bills faced by vulnerable consumers or the number of customers seeking assistance from financial hardship programs. For a typical residential customer using 200kL of water per annum, the annual bill is expected to be approximately:
  - 2% **higher** in **2017-18** than the equivalent bill today, and
  - 3% **lower** in **2017-18** than the equivalent bill in 2012-13.

The first paragraph under section 15.2.1 on page 142 should read (amended text highlighted):

Table 15.1 sets out combined water and sewerage bills for residential customers (with varying levels of water consumption) over the five-year regulatory period. The indicative bills for 2015-16, 2016-17 and **2017-18** assume inflation of 2.5% per annum and that there are no material changes in ACTEW’s costs or Government charges (e.g. the WAC and UNFT) that would trigger the cost pass-through mechanism.

### **Indexing of operating expenditure**

After the draft report went to print, the Panel identified an error in the indexing of ACTEW’s proposed water controllable operating expenditure from its Statement of Facts and Contentions model (which was expressed in \$2012-13) to nominal dollars.

For 2015-16 to 2017-18, the index used picked up *actual* inflation in previous years and so was higher than the Panel's inflation assumption of 2.5%. This had the effect of overstating operating expenditure by approximately \$7,000-\$8,000 each year, or \$22,000 over the last three years of the regulatory period.

The impact of this error is not material. It has no impact on the  $P_0$  for water, and subsequently no impact on the Panel's draft decision on water prices.

The error will be corrected in the Panel's final decision.