



# Logan River Water Supply Scheme

## Scheme submission to QCA

2020-21 to 2023-24

Submitted: 30 November 2018



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# 1. Introduction

## 1.1 Review context

The Queensland Competition Authority (QCA) has been directed by the Queensland Government to recommend irrigation prices for the Logan River Water Supply Scheme (the Scheme) for the four-year regulatory period 1 July 2020 to 30 June 2024. Prices are to recover the efficient operating, maintenance and administration costs, and an annuity to recover renewals expenditure.

# 2. Scheme Details

## 2.1 Scheme background and context

The Scheme is located in the Logan River Basin and supplies bulk raw water to water allocation holders in the nine zones that comprise the Scheme. The scheme stretches along a 101.4 km length of the Logan River and along 27 km of Burnett Creek. It was designed to supplement natural flows for the fertile alluvial areas along Burnett Creek and the Logan River.

The Scheme is regulated under the Logan Basin Resource Operations Plan (ROP) first issued in December 2009. The ROP was amended to include Wyaralong Dam as part of the Scheme in December 2012. A further amendment in March 2014 included Christmas Creek and Running Creek under the ROP. However, these two creeks, which are not supplemented by Seqwater’s infrastructure, do not form part of the Scheme.

The water year runs from 1 July to 30 June.

The Scheme consists of one tariff group, “Logan River”.

## 2.2 Infrastructure details

The table below sets out the bulk water assets, owned and operated by Seqwater, that comprise the scheme.

**Table 1:** Bulk water assets

Dams/	Weirs	Off-stream storages	Other bulk water assets
<ul style="list-style-type: none"> <li>• Maroon Dam</li> <li>• Wyaralong Dam</li> </ul>	<ul style="list-style-type: none"> <li>• Cedar Grove Weir</li> <li>• Bromelton Weir</li> <li>• South Maclean Weir</li> </ul>	<ul style="list-style-type: none"> <li>• Bromelton Off-Stream Storage</li> </ul>	<ul style="list-style-type: none"> <li>• Gauging stations</li> <li>• Customer water meters</li> </ul>

Source: Seqwater (2018)

## 2.3 Customer service standards

Service standards for the Logan River Water Supply Scheme are attached in Appendix 1.

Seqwater publishes a performance report each year on the Logan River WSS page on Seqwater's website.

## 2.4 Customers and water entitlements serviced

The following table sets out the distribution of water allocations amongst classes of customers.

**Table 2:** Ownership of water allocations

Customer type	Number of customers	Medium priority volume (ML)	High priority volume (ML)
Irrigation	131	13,552	-
MP Industrial	1	2.5	-
HP Industrial	5	-	936
Seqwater	7	-	8,920
<b>Totals</b>	<b>145</b>	<b>13,554.5</b>	<b>9,856</b>

Source: Moreton Resource Operations Plan June 2014; Seqwater (2018)

Note: Irrigation customers yet not be verified against the definition given in the Referral Notice

## 2.5 Water availability and use

### 2.5.1 Water availability

The announced allocation determines the percentage of nominal water allocation volume that is available in each water year. The following table sets out the announced allocations for the current year plus the historical position for the twelve years starting 2007-08.

**Table 3:** Announced allocations history

Year	MP %	HP %	Year	MP %	HP %
2007-08	0 - 90	0 - 100	2013-14	100	100
2008-09	95 - 100	100	2014-15	100	100
2009-10	100	100	2015-16	100	100
2010-11	100	100	2016-17	100	100
2011-12	100	100	2017-18	100	100
2012-13	100	100	2018-19	100	100

Source: Seqwater (2018)

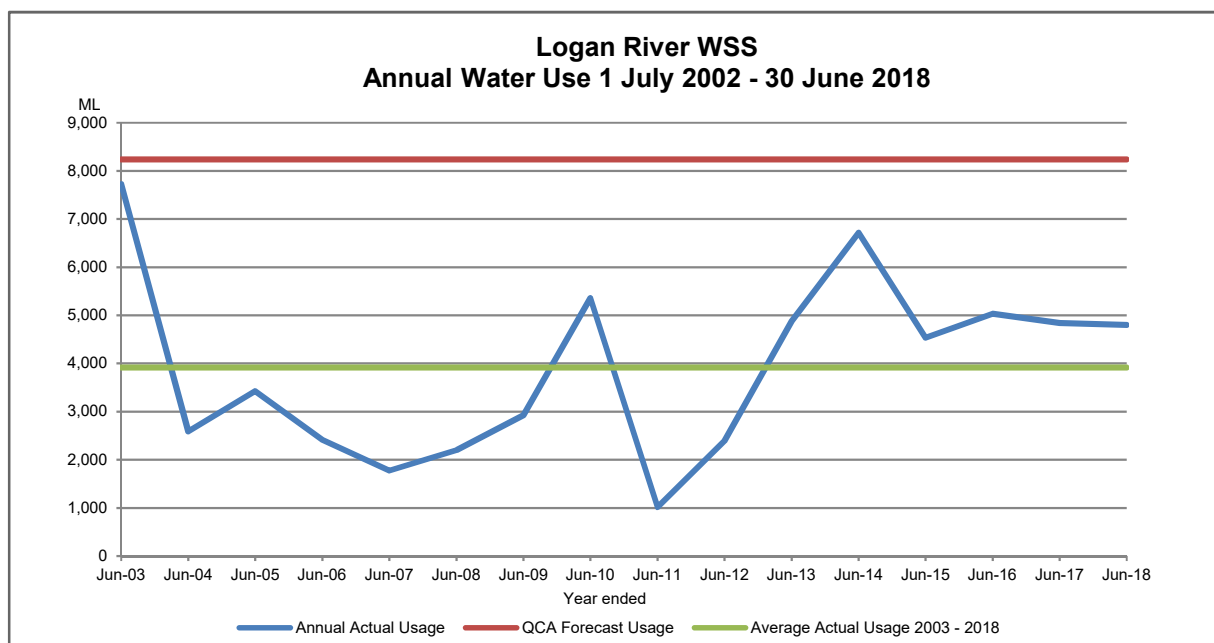
### 2.5.2 Water use

Figure 1 below shows the actual medium priority water usage per year from 2002-03 to 2017-18.

Also shown is the medium priority usage assumption adopted by the QCA for the 2013-17 price path (extended to 2019) which is 8,238 ML. The QCA's usage assumption has been extrapolated to prior years for comparison purposes only. Average water usage over the period has also been included for comparison purposes.

Seqwater submits that forecast water deliveries should be based on the most accurate and reliable data available and be the most likely forecast. Accordingly, we submit that a simple 15-year average be used to determine the water use forecast. In Logan River, this results in a water use forecast of 3,914 ML per annum, which is 29 per cent of total nominal water allocations.

**Figure 1:** Annual Scheme water usage for years ending 30 June 2003 to 30 June 2018



Source: Seqwater (2018)

### 3. Irrigation Customer Consultation

Seqwater is committed to customer engagement as required under its Statement of Obligations. Annual Customer engagement includes customer forums and web-based information. Attendance at forums is open to all irrigation customers of the Scheme and other stakeholders. All customer or stakeholder submissions in relation to the annual NSPs will be published on Seqwater's website along with Seqwater's responses and decisions.

In preparation for this price review, Seqwater undertook additional customer engagement to gain feedback for its submission to QCA. This included establishing customer reference groups and expanding the content for the annual forum.

A customer reference group was established for the Logan River which included five members. These groups were not formally elected by customers and were not decision-making groups. Rather they provided a small group with whom we could share matters of

detail and seek feedback for how to most appropriately share information with the wider scheme at the forums.

The annual forum was held this year on 26 September 2018. All customers were invited to attend and 7 customers attended.

Customers were also invited to complete a survey to provide feedback to Seqwater either online or at the forums.

### 3.1 Reference group feedback

The Logan reference group met on three occasions (1 June 2018, 21 August 2018 and 31 October 2018).

The key feedback provided by the reference group included:

- Customers were supportive of the proposal to provide surplus revenue above cost reflective into renewals account, and/or consideration of putting the funds away for a drought relief fund for Part A charges in drought times.
- Sought for Seqwater to provide a breakdown of the ARR into irrigation only.
- Sought further information regarding renewals projects – this was followed up at the forum.
- Noted meter replacements are expensive – action has been followed up by Seqwater, in the Logan and in all schemes, to address this concern as it was also raised at a number of the customer forums.
- Raised issue regarding the reliability of the scheme, particularly with the scheme focused towards HP use.
- Customers have raised concern with the costs of rates, particularly at Wyaralong Dam.
- Customers commented that the billing process could be quicker and getting a running total of water usage and notification before the end of the water year would be helpful to manage water use.
- Concern raised regarding reliability of the water should dam levels reduce as a result of the changed water sharing rules prioritising high priority urban water supply.

### 3.2 Customer forum feedback

Seqwater presented to the Logan River irrigators at the forum including an annual update on operations and renewals activities, then provided more detail regarding the cost position and pricing proposals for the upcoming price review. These messages were consistently provided to each scheme in the same format. Although some schemes had differences for example where the scheme is a shared scheme, such as in the Logan this also covered a discussion of the Headworks Utilisation Factor.

Concern raised regarding the ARR balances. Customers found it difficult to understand the ARR given the irrigation share is now only 2% of this balance, how does the balance affect them? Seqwater committed to proposing to QCA how this could be presented more simply to have an irrigation only ARR. The reference group wanted to work in more detail with Seqwater, particularly to understand the detail of the ARR.

Customers were supportive of Seqwater’s proposal, particularly the proposal of 95:5 fixed to variable costs and the proposal to reinvest and surplus revenue into the renewals balance.

### 3.3 Survey results

Three questions were asked in the survey:

1. Do you support Seqwater’s proposal for your scheme? Yes, No or Unsure
2. How satisfied are you with the services Seqwater provides to you? Rate from 1 to 7 where 1 = Entirely unsatisfied and 7 = Entirely satisfied.
3. Would you like more government investigation for this price review? Please note that additional investigation by the QCA will incur a cost for irrigation customers. Yes, No, or Unsure.

Four responses were received at the forum. This data is provided below.

**Table 4:** Survey response data from forums

	Number of respondents	Question 1 – Seqwater’s proposal		Question 2 – Our Service		Question 3 – more investigation?	
		Positive responses (Yes)	Negative or neutral responses (No or Unsure)	Positive responses (6 or above)	Negative or neutral responses (5 or below)	Positive responses (No)	Negative or neutral responses (Yes or Unsure)
Logan River	4	75%	25% (unsure)	75%	25% (rated 2)	100%	

Note: For question 2 responses, those rating 1 or 2 as unsatisfied with the service did not leave any written comments explaining this view.

These results indicate strong customer support for Seqwater proposal and indicate limited interest in further investigation.

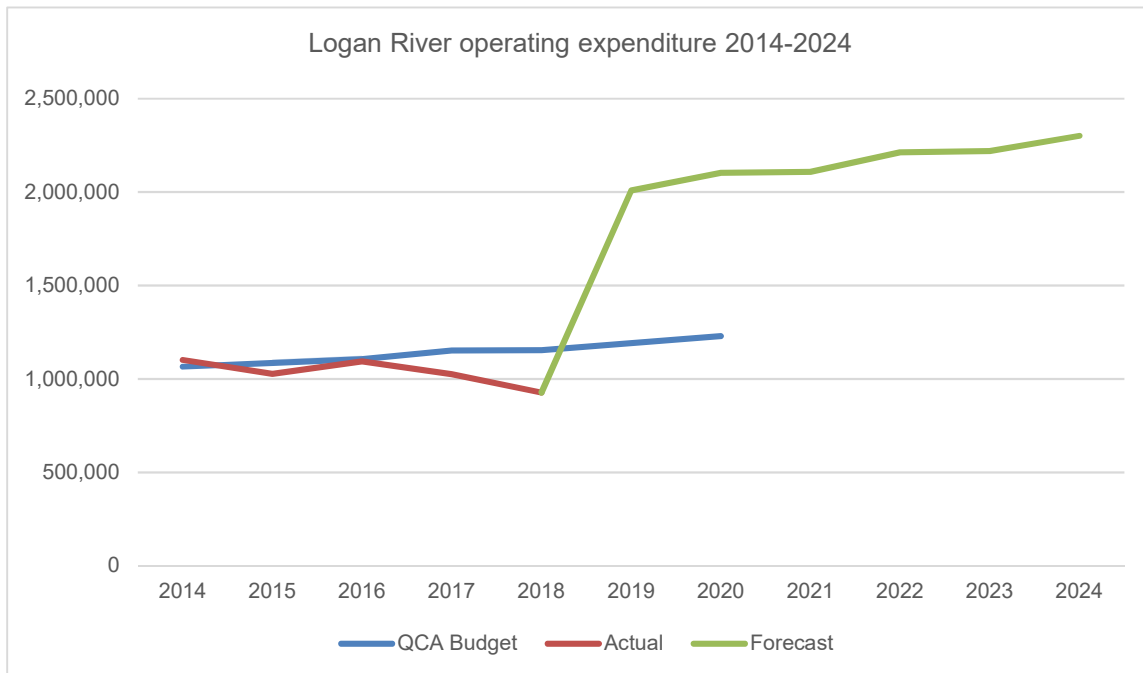
## 4. Financial Performance

### 4.1 Operating expenditure

#### 4.1.1 Overview

Over the past five years, Seqwater has spent 7% less than the QCA’s operating expenditure allowance in the Logan River scheme. This significant cost reduction was primarily due to lower labour costs and other costs than the QCA allowed.

**Figure 2:** Logan River operating expenditure (\$ nominal)



Source: Seqwater (2018)

From 1 July 2018, Wyaralong Dam is included in the scheme. This has a significant impact on total costs, although the allocation of costs also changes.

#### 4.1.2 2013-18 extended price path cost/budget comparison

The forecast operating costs set as a budget target by the QCA for the 2013-17 regulatory period extended to 2017-18 and the corresponding actual costs and actual revenues are set out in the table below. The 2017-18 forecast costs were calculated by applying the QCA's cost escalation rates to the 2016-17 forecast operating costs.



**Table 5:** 2013-17 price path budget and actual costs extended to 2017-18 (\$Nominal)

Operating cost category	2013-14		2014-15		2015-16		2016-17		2017-18	
	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$
<b>Direct</b>										
Labour	312,394	319,542	318,711	323,861	325,079	323,978	331,492	242,615	343,426	264,561
Electricity	7,468	9,288	7,655	18,258	7,846	23,283	8,043	4,276	8,244	16,258
Other	131,436	96,974	133,260	125,972	135,083	126,487	136,902	98,064	156,273	102,621
R&M	103,793	124,880	106,301	90,292	108,843	67,326	111,419	153,406	115,875	130,384
Rates	57,623	29,935	59,063	31,109	60,540	33,658	62,053	38,662	39,629	42,947
Dam safety	-	-	-	-	-	-	24,643	-	-	-
Consultation	7,175	-	7,354	-	7,538	-	7,727	-	7,920	-
<b>Total direct</b>	<b>619,888</b>	<b>580,619</b>	<b>632,345</b>	<b>589,492</b>	<b>644,929</b>	<b>574,732</b>	<b>682,278</b>	<b>537,023</b>	<b>671,367</b>	<b>556,771</b>
<b>Indirect</b>										
Operations	270,410	319,104	274,414	277,728	278,411	381,185	282,396	367,296	291,009	252,643
Non-infrastructure	27,544	28,504	27,803	24,292	28,057	38,297	28,307	32,315	29,015	9,448
Insurance	147,709	173,259	151,402	135,269	155,187	100,183	159,066	89,264	163,043	107,950
<b>Total indirect</b>	<b>445,663</b>	<b>520,867</b>	<b>453,618</b>	<b>437,289</b>	<b>461,655</b>	<b>519,665</b>	<b>469,769</b>	<b>488,875</b>	<b>483,067</b>	<b>370,041</b>
<b>Total operating</b>	<b>1,065,551</b>	<b>1,101,486</b>	<b>1,085,963</b>	<b>1,026,781</b>	<b>1,106,584</b>	<b>1,094,397</b>	<b>1,152,048</b>	<b>1,025,898</b>	<b>1,154,433</b>	<b>926,812</b>
<b>Revenue</b>										
Irrigators		348,140		413,226		406,941		522,131		427,725
CSO		27,646		28,862		1,172				
<b>Total revenue</b>		<b>375,786</b>		<b>442,088</b>		<b>408,113</b>		<b>522,131</b>		<b>427,725</b>

Source: Seqwater (2018)

Variances between budget and actual expenditure have been explained in the annual network service plan for each year. The network service plans are published on Seqwater's website. Material variances relate to:

- Over the price path, labour costs have been reduced through improvements in scheme operations
- Other costs were lower than budget mainly because water quality monitoring costs were much lower than expected.

During the price path, Seqwater found additional costs that were not previously costed to the scheme and consequently, were not included in the cost base submitted to the QCA in the previous price review. In these cases, Seqwater has amended the 2016-17 forecast base costs before applying the QCA's escalation rates through to 2018-19. One amendment was to include internal vehicle hire costs incurred by the scheme but not included in the cost submission for the previous price review. The second amendment was to reduce the budget for local council rates by removing rates for land associated with Wyaralong Dam. These adjustments were explained in the 2017-18 network service plan published on Seqwater's website.

#### 4.1.3 2018-20 extended price path budget

The following table sets out the extended budgets for 2018-19 and 2019-20. The 2018-19 and 2019-20 budgets were calculated by applying the QCA's escalation rates to the 2017-18 extended budget amended to include additional costs as explained in section 4.1.1 above.

**Table 6:** Forecast operating costs 2018-19 and 2019-20 (\$Nominal)

Operating cost category	2018-19	2019-20
	Budget \$	Budget \$
<b>Direct</b>		
Labour	355,789	368,597
Electricity	8,450	8,661
Other	160,845	165,557
R&M	120,511	125,331
Rates	40,620	41,635
Dam safety	–	–
Consultation	8,118	8,321
<b>Total direct</b>	<b>694,332</b>	<b>718,102</b>
<b>Indirect</b>		
Operations	299,885	309,031
Non-infrastructure	29,740	30,483
Insurance	167,119	171,297
<b>Total indirect</b>	<b>496,744</b>	<b>510,812</b>
<b>Total operating</b>	<b>1,191,076</b>	<b>1,228,914</b>

Source: Seqwater (2018)

#### 4.1.4 2018-19 base year

Seqwater submitted its entire operating costs program to the QCA for its review, as part of the bulk water price investigation. This was based on a base year of 2018-19. To ensure consistency, we have adopted the QCA's approved 2018-19 costs as the base year to forecast operating costs. This is consistent with the referral notice. Costs associated with the management of recreation activities were removed.

**Table 7:** 2018-19 Base Year Comparison (\$Nominal)

Cost category	QCA extended budget \$	Seqwater base year \$	Rationale for base year forecast
<b>Direct</b>			
Labour	355,789	299,939	Based on the percentage of time staff spend on scheme operations excluding recreation and catchments (80%) plus time on Wyaralong Dam operations excluding recreation and catchments (30%).
Electricity	8,450	10,057	Comprised of fixed electricity at Maroon Dam excluding the water treatment plant and fixed electricity at Wyaralong Dam.
Other	160,845	68,178	Includes materials and consumables (\$25,013), regulatory water quality monitoring (\$14,986) and internal plant hire (\$29,061)
R&M	120,511	287,130	Includes contractors (\$128,752), civil maintenance (\$30,055) and mowing (29,061)
Rates	40,620	571,990	Increase in rates due to inclusion of land associated with Wyaralong Dam.

Dam safety	25,000	–	Next dam safety inspection will be in 2019-20
Consultation	8,118	–	Consultation costs are accounted for as part of indirect operations
Insurance	167,119	152,068	Seqwater allocates the overall insurance premium depending on the asset replacement costs.
<b>Total direct</b>	<b>886,452</b>	<b>1,389,362</b>	
<b>Indirect</b>			
Operations	299,885	633,999	Indirect costs based on the indirect allocators.
Non-infrastructure	29,740	25,292	
<b>Total indirect</b>	<b>329,625</b>	<b>659,291</b>	
<b>Total operating</b>	<b>1,216,077</b>	<b>2,048,653</b>	

Source: Seqwater (2018)

#### 4.1.5 2021-24 budget forecast

The price path commences on 1 July 2020. In preparing these operating cost forecasts, Seqwater began with the scheme's direct operating costs budget for 2018-19 as the base year. Consistent with the referral notice, costs associated with the management of recreation activities were removed.

The scheme's share of the corporate insurance premium proportional to the value of scheme assets was calculated and included.

The scheme's share of indirect costs, proportional to the total of scheme direct costs was calculated and added to give the total forecast operating costs in the base year. These costs were then escalated by an allowance for CPI and projected forward to 2020-21 to 2023-24.

The following table sets out the forecast operating costs for 2020-21 to 2023-24.

**Table 8:** Operating costs budget for 2020-21 to 2023-24 (\$Nominal)

Operating cost category	2020-21	2021-22	2022-23	2023-24
	Budget \$	Budget \$	Budget \$	Budget \$
<b>Direct</b>				
Labour	318,206	328,070	337,617	347,441
Electricity	9,118	9,456	10,311	10,264
Repairs & Maintenance	278,895	286,118	293,472	301,014
Other	71,488	73,290	75,133	77,023
Local government rates	599,481	614,468	629,830	645,576
Dam safety inspection	0	49,776	0	24,080
Insurance	159,377	163,362	167,446	171,632
<b>Total direct</b>	<b>1,436,566</b>	<b>1,524,540</b>	<b>1,513,808</b>	<b>1,577,030</b>
<b>Indirect</b>				
Operations	646,755	662,924	679,497	696,484
Non-infrastructure	25,802	26,447	27,108	27,786
<b>Total indirect</b>	<b>672,557</b>	<b>689,370</b>	<b>706,605</b>	<b>724,270</b>
<b>Total operating</b>	<b>2,109,122</b>	<b>2,213,910</b>	<b>2,220,413</b>	<b>2,301,300</b>

Source: Seqwater (2018)

A large portion of the increase due to the inclusion of Wyaralong Dam is associated with rates. We propose that rates should be allocated on the basis of the HUF alone as:

- The cost of rates is dependent on the area of land, which is related to the size of the storage;
- Since the cost of rates is related solely to the dam, the costs should be allocated in accordance with the benefit of the storage. Therefore, the HUF is the appropriate allocator.

## 4.2 Renewals

### 4.2.1 Asset Restoration Reserve

In September 2017, Seqwater engaged Indec Consulting to undertake an independent review of the Asset Restoration Reserves (ARR) for each of Seqwater's irrigation schemes. On the recommendation of the consultant, Seqwater has recast the ARR for this scheme and the updated account is presented below.

For the purposes of this review and for more meaningful reporting going forward, Seqwater has elected to report the irrigation-only share of the asset restoration reserve which is set out in the table below.

**Table 9:** Logan River WSS Asset Restoration Reserve 2013-14 to 2019-20 (\$Nominal)

Asset Restoration Reserve	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Estimate	2019-20 Estimate
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Opening Balance 1 July (1)	-112,103	-187,534	-219,537	-286,819	-288,844	-295,396	-473,818
Interest for year (2)	-6,950	-11,627	-13,611	-17,783	-17,908	-18,315	-29,377
Revenue – irrigation	30,910	39,832	39,848	39,874	40,871	41,893	42,940
Expenditure - non-meter (3)	-16,588	-5,961	-3,388	-872	-5,646	-4,000	-4,200
Expenditure – meter upgrades	-65,011	-54,248	-90,130	-23,245	-23,868	-198,000	-297,000
Flood costs not claimable	-17,791	–	–	–	–	–	–
Closing Balance 30 June	-187,534	-219,537	-286,819	-288,844	-295,396	-473,818	-761,455

Source: Seqwater (2018)

**Notes:**

- (1) The irrigation share of the whole-of-scheme opening balance was apportioned according to the 2013 HUF percentage of 16%.
- (2) The interest rate is the Queensland Competition Authority's recommended weighted average cost of capital (WACC) of 6.2% post-tax nominal.
- (3) The irrigation share of non-metering renewals expenditure for 2013-14 was apportioned by the HUF percentage of 16% and thereafter by the revised HUF percentage of 2%.

### 4.2.2 Renewals expenditure

#### 4.2.2.1 2014-18 renewals

The following table sets out the renewals projects that were undertaken from 2013-14 to 2017-18. Actual expenditure is shown against QCA's renewals budgets for the scheme<sup>1</sup>.

<sup>1</sup> Sourced from the QCA pricing model.

**Table 10:** Renewals expenditure compared to budget 2013-14 to 2017-18

2013-14		2014-15		2015-16		2016-17		2017-18	
Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$
217,932	168,687	85,500	352,273	37,795	259,534	39,307	66,834	131,302	306,181

Source: Seqwater (2018)

In total, Seqwater spent \$642,000 more than the QCA allowed. This variance may be attributed to:

- Upgrading the programmable logic controller at Maroon Dam water treatment plant for a cost of \$269,000 across 2013-14, 2014-15 and 2015-16
- Installation of water sensor and gauge hut for \$89,000 in 2014-15
- Installation of Maroon Dam water treatment plant clarifier shading for \$39,000 in 2015-16
- Replacement of water meters for \$123,000 in 2017-18
- Installation of safe access to the Cedar Grove fishway for \$66,000 in 2017-18
- Electrical safety switch compliance work for \$53,000 in 2017-18

Details of the renewals expenditure including explanations of variances from Seqwater's budget are set out in the annual network service plan for each year. The network service plans are published on Seqwater's website.

In addition to the above, an amount of \$111,192 being flood damage repairs carried out but not claimable under insurance was attributed to the scheme in 2013-14. The irrigation share is set out in table 9 above.

#### 4.2.2.2 2019-20 forecast renewals

Forecast renewals expenditure for 2018-19 and 2019-20 is set out in the table below.

**Table 11:** Forecast renewals expenditure for 2018-19 and 2019-20 (\$Nominal)

2018-19 renewals budget		2019-20 renewals budget	
Metering \$	Non-metering \$	Metering \$	Non-metering \$
198,000	200,000	297,000	210,000

Source: Seqwater (2018)

#### 4.2.2.3 2021-24 forecast renewals

Forecast renewals expenditure for the next price path period of 2020-21 to 2023-24 is set out in the table below.

**Table 12:** Forecast renewals expenditure for 2020-21 to 2023-24 (\$Nominal)

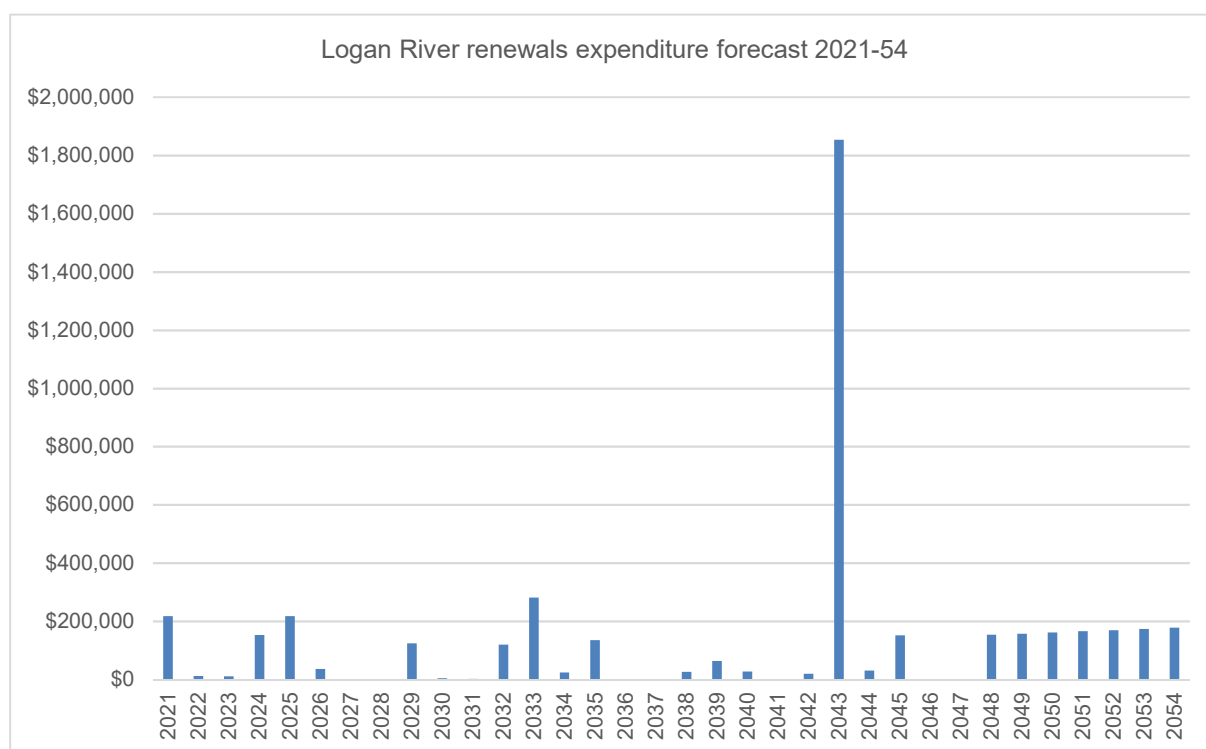
2020-21		2021-22		2022-23		2023-24	
Metering	Non-metering	Metering	Non-metering	Metering	Non-metering	Metering	Non-metering
\$	\$	\$	\$	\$	\$	\$	\$
217,997	–	–	12,891	–	11,011	–	153,496

Source: Seqwater (2018)

Seqwater is proposing a 30-year rolling annuity. Each year, the 30 year forecast rolls forward one year so that there is constantly a 30-year forecast of costs in the annuity calculation.

Proposed expenditure over the period 2020-21 to 2053-54 for the Logan River scheme is shown in the chart below.

**Figure 3:** Logan River renewals expenditure 2021-54 (\$ nominal)



Source: Seqwater (2018)

## 5. Total costs and proposed prices

The cost recovery target for irrigation prices includes the components of a lower bound cost target such as the costs of operations, administration, maintenance and renewals. Each of these components have been discussed in the sections above. Together they form the cost recovery target for irrigation prices.

The total maximum allowable revenue (MAR) for medium priority water allocations is shown below.

**Table 13:** Total forecast maximum allowable revenue (\$Nominal)

Cost type	2020-21 \$	2021-22 \$	2022-23 \$	2023-24 \$
Direct operating costs	147,030	157,041	154,978	161,932
Indirect operating costs	117,685	120,627	123,643	126,734
Rolling Annuity	62,025	62,391	62,760	63,132
Revenue Offset	-2,490	-2,552	-2,616	-2,682
Efficiency Target	-1,031	-1,587	-2,171	-2,783
<b>Maximum allowable revenue</b>	<b>323,218</b>	<b>335,920</b>	<b>336,594</b>	<b>346,334</b>

Source: Seqwater (2018)

Seqwater considers that most of our costs do not vary with water use. Accordingly, we consider it appropriate to recover the majority of costs through the fixed charge. We have calculated the prices needed to recover these costs over the price path period, such that they increase smoothly by 2.5% and are not impacted by one-off costs.

Seqwater's proposed cost reflective prices for Logan River are set out below. These are based on our interpretation of the referral notice.

The cost recovery target for irrigation prices includes the components of a lower bound cost target such as the costs of operations, administration, maintenance and renewals. Each of these components have been discussed in the sections above. Together they form the cost recovery target for irrigation prices.

**Table 14:** Logan River proposed cost reflective water prices 2021-24 (Nominal \$/ML)

Tariff Group	Tariff	2020-21 (\$)/ML	2021-22 (\$)/ML	2022-23 (\$)/ML	2023-24 (\$)/ML
Logan River	Cost reflective fixed Part A	23.61	24.20	24.81	25.43
	Cost reflective variable Part B	0.88	0.90	0.93	0.95

Source: Seqwater (2018)

## Appendix 1: Logan River WSS service targets

These service targets were agreed at the Logan River Water Supply Scheme consultation forum held on 8 May 2014.

### Planned shutdowns

**Definition:** A planned shutdown occurs when customers' supply is interrupted or restricted due to the performance of work by Seqwater that is planned in advance.

In managing planned shutdowns, Seqwater recognises that the following are important service issues:

- That you will be notified about a shutdown so that you can plan ahead;
- The timing of the shutdown should suit most customers;
- The duration of the shutdown should minimise the impact on customers while enabling Seqwater to perform maintenance on the Scheme.

#### Planned shutdowns – timing target

The timing of all planned shutdowns will be set following consultation with the Irrigation Consultation Forum (for a shutdown affecting a large part of the scheme) or customer groups or individuals (for shutdowns effecting small areas).

#### Planned shutdowns – duration target

Seqwater will complete all planned shutdowns within the period notified to customers unless later varied by agreement with the groups originally consulted, or unless circumstances arise that are beyond Seqwater's control, such as adverse weather conditions.

#### Planned shutdowns – notice target

For shutdowns planned to exceed 2 weeks, 8 weeks written notice will be provided to each customer affected by the shutdown. A reminder notice will be sent 2 weeks before the commencement of the shutdown.

For shutdowns planned to exceed 3 days but are less than 2 weeks, at least 2 weeks written notice by letter, fax, telephone, text, email or verbal advice will be provided to each customer affected by the shutdown unless the shutdown is opportunistic in which case less than 2 weeks' notice may be given.

For shutdowns planned to be less than 3 days, at least 5 days' notice will be provided at least verbally to each customer affected.

Each notice will state the start date, and anticipated shutdown duration.

**Note:** A courtesy reminder may be placed in the local newspaper one week before the planned shutdowns commence.

### Unplanned shutdowns

**Definition:** An unplanned shutdown is an unforeseen or unplanned failure of Seqwater's water delivery infrastructure that stops or restricts the supply of water to a customer for more than 2 hours (including emergency repairs). It does not include events that are beyond Seqwater's control (e.g. power failure,



or storm) and does not include interruptions to supply caused by errors in estimating water demand and releases, or the taking of water without authorisation.

#### **Unplanned shutdown – duration targets**

- Unplanned Shutdowns will be fixed so that at least partial supply can be resumed to those customers requiring water within 48 hours of Seqwater being notified of the event.
- Some events may interrupt supply greater than the above standard and are excluded from these targets. Seqwater will publish these events from time to time.

#### **Unplanned shutdown – notice target**

Seqwater will notify all affected customers requiring water verbally or by email, text, telephone, radio announcement or fax of the likely duration of the interruption to supply within 24 hours of learning of the event, or by the end of the first business day following the event, whichever is the earlier.

#### **Unplanned shutdown – meter repairs target**

Faults causing restrictions to supply will be repaired within one working day of Seqwater being notified.

### **Frequency of interruptions to supply**

No customer will experience more than 6 planned or unplanned interruptions per water year (as defined above).

### **Complaints**

Seqwater will provide an initial response to all complaints in writing, including email, or by telephone within 5 working days of receiving a complaint by the customer:

Seqwater will either resolve a customer's complaint, or provide a written response providing reasons why the complaint has not or cannot be resolved within 21 days of receiving the complaint.