

6 December 2017

Mr Marcus Crudden
Director, Water
Essential Services Commission
Level 37, 2 Lonsdale Street

Water Corporations 2018 Pricing Submissions Review

Dear Mr Crudden

Environment Protection Authority Victoria (EPA) is committed to working collaboratively with water businesses to deliver environmental outcomes at the lowest community cost. At the same time EPA aims to provide an acceptable level of certainty around new regulatory approaches.

In October 2016 EPA provided water corporations with a guidance letter to support their pricing submissions to the Essential Services Commission as part of the 2018 pricing determinations. This letter provided guidance that specifically focused on environmental obligations water corporations have under the *Environment Protection Act 1970* and associated subordinate instruments.

In addition, EPA met with water corporations to provide clarification and further advice for the preparation of their pricing submissions. EPA also attended the corporate plan presentations water corporations provided to the Department of Environment, Land, Water and Planning in late 2017, where aspects of the pricing submissions were discussed.

Finally, EPA undertook a high-level review of the pricing submissions made by water corporations. EPA made it clear, at each of the interactions described above, that it is the responsibility of water corporations to ensure they have priced accordingly to meet their environmental obligations over the pricing period.

I hope these comments are useful and should you wish to discuss anything further, please contact Sam LeRay, Water Policy Officer, Policy & Regulation in the first instance on [REDACTED].

Yours sincerely



CATHY WILKINSON
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12/12/2017

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