



9 March 2018

Mr Marcus Crudden
Director, Water
Essential Services Commission
<water@esc.vic.gov.au>

Marcus
Dear Mr Crudden

WESTERNPORT WATER - DRAFT DECISION

Westernport Water is pleased to accept the Essential Services Commission's draft decision and its view that our submission provided clear and comprehensive information, consistent with its guidance.

I am proud of the proposals that Westernport Water has submitted and confident that they reflect the priorities valued by our customers.

Westernport Water looks forward to engaging further with the Commission at the appropriate time to finalise our outcome measures, targets and public reporting.

Furthermore, I note the Commission's invitation to submit revised price adjustment formulas for changes in the cost of debt. Westernport Water is committed to adjusting regulated tariffs on an annual basis to allow for changes to the trailing average cost of debt. We anticipate that these adjustments will be minimal.

As requested, an updated financial model is attached for the Commission's review, noting minor changes as requested by the Commission.

Once again, I acknowledge and thank the Commission for its support and guidance throughout the 2018 Price Review.

If you have any questions, please contact Gareth Kennedy, General Manager – Customer and Community, on telephone [REDACTED]

Yours sincerely,

P. Quigley

Peter Quigley
MANAGING DIRECTOR