

From: Richard Koerner <[REDACTED]>
Sent: Thursday, 5 June 2014 1:56 PM
To: General Water Address
Subject: Fw: TOR for Investigation into Long-term Regulatory Framework for SEQ Water Entities [IWOV-Documents.FID36779]
Attachments: kpmg2007valuation.pdf

Attn CEO Queensland Competition Authority

Dear Sir/Madam,

[REDACTED]

Return on RAB constitutes more than 60% of the MAR for water and sewerage service charges passed through by Unitywater to Coolum Beach households and is a critical component of the MAR calculation for bulk water charges.

Precluding independent verification of rolled forward 2008 RAB determinations by the Queensland Government for consistency with ODV provisions set out in the Statement of Pricing Principles (December 2000) Pages 32-35, makes past and future SEQ prices monitoring investigations ineffective and a waste of public resources.

Please record this communication as my formal public submission.

Yours sincerely,

R. J. Koerner
[REDACTED]

> ----- Original Message -----

> From: "George Passmore" <george.passmore@qca.org.au>
> To: "Richard Koerner" <[REDACTED]>
> Cc: "Rick Stankiewicz" <rick.stankiewicz@qca.org.au>; "Catherine Barker" <Catherine.Barker@qca.org.au>
> Sent: Friday, July 12, 2013 9:45 AM
> Subject: RE: TOR for Investigation into Long-term Regulatory Framework for SEQ Water Entities [IWOV-Documents.FID36779]

>

>

> Mr Koerner

>

> Thank you for your recent email request.

>

> Your interpretation of the Minister's Direction is correct - the Authority is required to accept the RAB valuation as established for the 2010-13 price monitoring period - any revaluation is not to be considered. This valuation was set as at 1 July 2008 as advised by the Minister for Natural Resources Mines and Energy and Minister for Trade at the time, and rolled forward to take account of inflation, depreciation and new capital expenditure.

>
> The Authority's 2000 Statement of Pricing Principles will remain as a
> broad set of guidelines. The long-term framework and pricing
> principles are intended to apply to SEQ distribution/retail activities.
>
> The NWI Pricing Principles allow for a range of asset valuation
> options for existing (legacy) assets, including deprival value or
> 'another recognised valuation method'. The NWI therefore can be
> interpreted very broadly.
>
>
> Regards
> George
>
> George Passmore
> Team Leader Water
>
> -----Original Message-----
> From: Richard Koerner [mailto:]
> Sent: Thursday, 4 July 2013 8:51 AM
> To: Water (External)
> Subject: TOR for Investigation into Long-term Regulatory Framework for
> SEQ Water Entities
>
> This email contains an attachment that may be work related and must be
> filed into the DMS. If you need assistance with this please contact
> the Executive Officer at xo@qca.org.au.
>
>
> Attn. Mr. George Passmore
>
> Dear Mr. Passmore,
>
> I will be happy to participate by providing relevant MWSAB reports and
> supporting correspondence relating to Ombudsman and CMC monopoly
> pricing abuse complaints by the Coolum Beach stakeholders.
>
> The Authority's terms of reference (TOR) appears to preclude
> independent examination of the KPMG opinion (attached) to determine
> fair market value of regulatory assets for 2010 -13. Is this a correct
> interpretation of the TOR?
>
> Does this also imply that the Authority's "Statement of Regulatory
> Pricing Principles for the Water Sector" (December 2000) and NWI
> Pricing Principle agreements under the COAG water reforms will no
> longer apply for commercial business entities in SEQ such as
> Unitywater that are also natural monopoly service providers?
>
> Kind regards,
>
> Richard Koerner
>
> Cc: kpmg-valuation-of-seq-councils.pdf
>
>
>

> The attached PDF document may not be searchable by our Document
> Management System. Please contact Jason at jason.smith@qca.org.au with
> the Document Number so that he is able to check compatability.

> -----

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