

## **Excluded Retail Services Pricing Policy Statement**

Excluded retail services benefit a single customer or group of customers rather than all customers. Excluded retail services include but are not limited to:

- standard and non-standard connection services (water and sewerage);
- trade waste services;
- non-domestic hauled waste services;
- easement extinguishment and encumbrance services;
- hydrant and fire plug services;
- meter services; and
- network analysis and audit services.

## **Regulatory Framework**

The Essential Services Commission of South Australia (ESCOSA) takes a principles-based approach to regulating excluded retail services. Prices for the excluded retail services are subject to relevant <u>National Water Initiative (NWI) Pricing Principles</u> and <u>ESCOSA</u> pricing principles.

Excluded retail service prices seek to recover the full cost of providing the service from the customers who benefit from it.

Where a service is:

- High volume/low cost with little variation between individual jobs a standard charge based on the average cost of these job types applies.
- Low volumes/high cost with a high degree of variation between jobs a nonstandard charge based on estimated cost of the individual job applies.

A cost-plus approach ensures recovery of incremental capital expenditure and direct and indirect operating costs and provides for a reasonable rate of return.

We periodically review the costs to provide excluded retail services. Where a standard fee or charge no longer reflects the underlying costs, we move towards cost recovery in a structured way to manage the impact on customers.

We may set prices below (or above) full cost to promote customer behaviour which provides net benefit, for example disconnection fees and overdue payment fees.

## Where to find further information regarding our excluded retail service prices

A full list of our miscellaneous fees and charges is published on our website. We also provide information to customers on how our prices are calculated if requested.

D. Ryan, Chief Executive, South Australian Water Corporation

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