

Information Requirements:

**Business Plan
2018 – 2023**

Water & Sewerage Authority

October
2017

This document is one of a series of discussion papers exploring a specific aspect as part of the first price control review for the water and sewerage sector, when the RIC will set charges for the period 2018-2023.

**Summary
Document**

This document is being released for information. Clarification and enquires should be addressed to:

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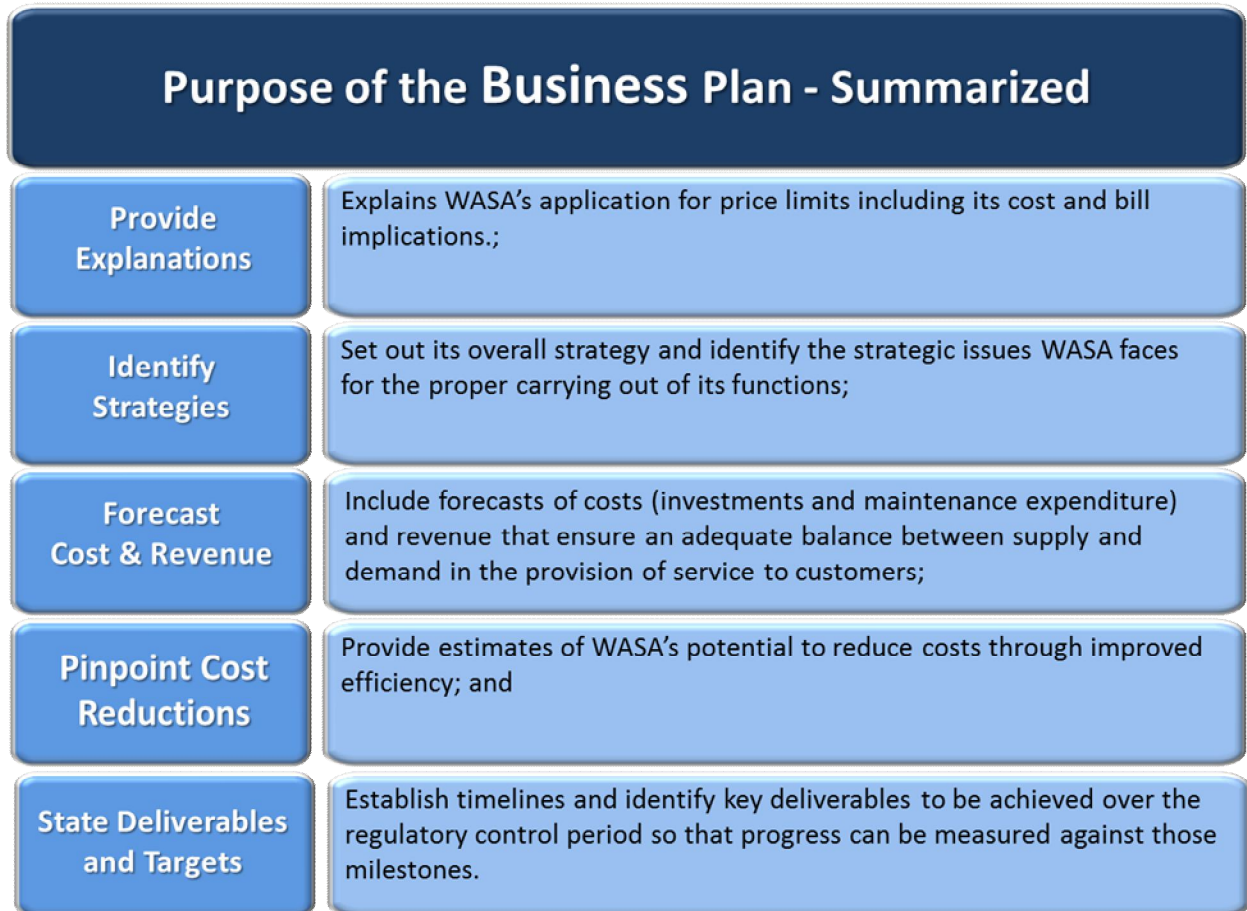
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SUMMARY

The purpose of the **Information Requirements: Business Plan Document** is to provide guidance to the Water and Sewerage Authority (WASA), on the preparation of its **business plan or price control proposal** as required by the RIC for its Price Review.

WASA’s price control proposal must set out how it plans to invest in its network to meet the service needs of its customers and how it intends to recover the cost of providing the service through its tariffs and charges. When completed and submitted to the RIC, this proposal will form the basis for the Draft Determination and stakeholder consultations.

1. PURPOSE OF BUSINESS PLAN

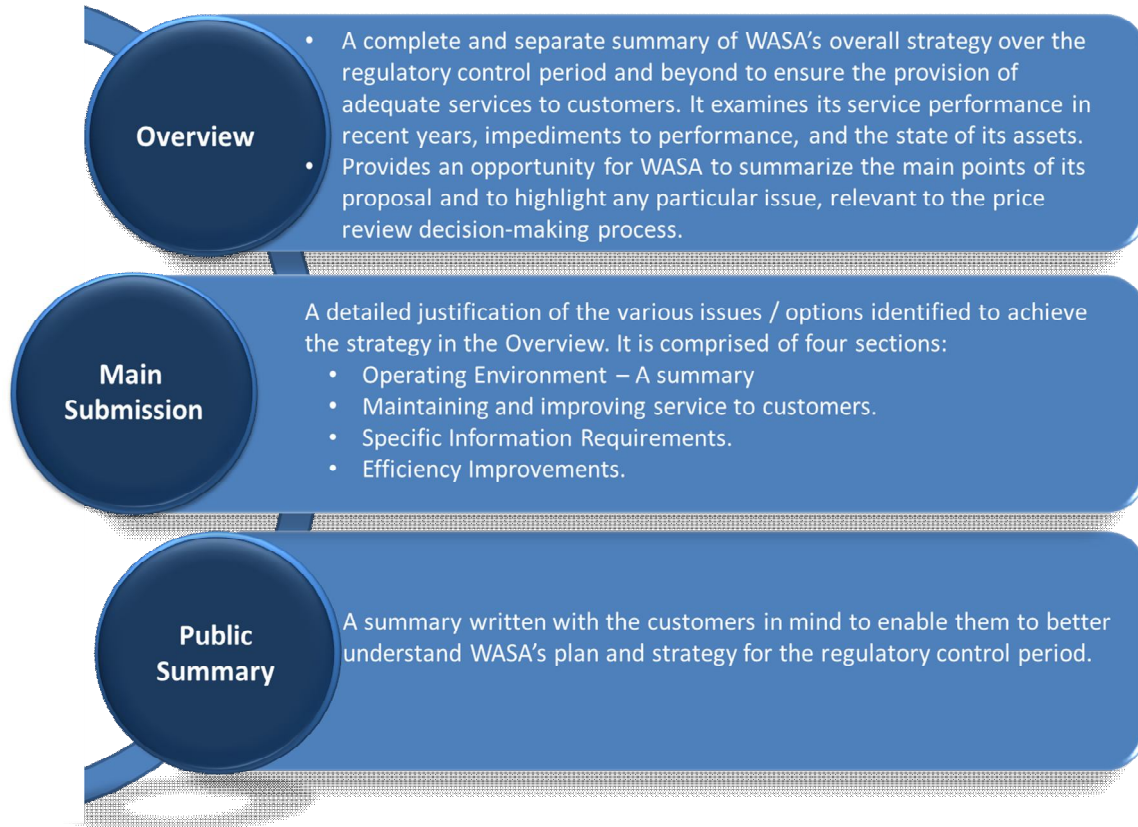


2. CONTENTS OF THE BUSINESS PLAN

The business plan consists of three main sections:

| Main Submission | |
|--|---|
| WASA's Operating Environment | <ul style="list-style-type: none">• Anticipated during the Regulatory Control Period ,• Customer Service Achievements between 2012 & 2017• Status of demand/supply; and• Maintenance of network and assets. |
| Maintaining & Improving Service to Customers | <ul style="list-style-type: none">• Yearly projections of output delivery over the regulatory control period that will maintain base service level and serviceability to both current and future customers;• Plans and Strategies to improve service delivery; and• Strategies for maintaining demand/supply balance. |
| Specific Information Requirements | <ul style="list-style-type: none">• WASA must provide comprehensive information on expenditure & revenue forecast, demand projections, plans to finance its operations, the impact on customers bills, financial projections, existing loan agreements, cost of capital, required rate of return and capital structure |
| Efficiency Improvements | <ul style="list-style-type: none">• WASA must provide details on how its intends to improve its efficiency in both operating and capital expenditure and show how this has been incorporated into their projections and identify the underlying assumptions. |

Further details of the Main Submission Section of the Business Plan is detailed below:



4. MONITORING PLAN – TO SUPPORT RIC'S FINAL DECISION

As part of the efforts to ensure that WASA is held accountable for its performance, WASA must provide details of its Monitoring Plan to be used to ensure planned outputs, targets, and key activities to be delivered during the regulatory control period are achieved.