

Mr Gareth Kennedy
General Manager Corporate & Customer, Westernport Water
2 Boys Home Road, Newhaven, VIC, 3925

28 September 2022

URA ATTESTATION SUPPORT FOR WESTERNPORT WATER'S 2023 PRICE SUBMISSION

During the development of Westernport Water's (WPW) 2023 price submission, URA was engaged to provide review services for the purpose of supporting WPW's Board attestation process.

The following letter sets out the procedures carried out by URA, designed to be consistent with the ESC's requirements under Section 3.22.2 of the 2023 price review Guidance Paper¹ (noting WPW did not seek for any review of its financial and demand forecasts by URA, as this task was completed internally and/or by other consultants).

The following documents these review procedures, and how they were aligned with the Board Attestation Statement:

Condition 1 - information and documentation provided in the price submission and relied upon to support WPW's price submission is reasonably based, complete and accurate in all material respects

Condition 2 - financial and demand forecasts are the business's best estimates, and supporting information is available to justify the assumptions and methodologies used

- **Structure and contents review** – URA reviewed a draft of WPW's price submission (dated 30 July 2022) to understand whether it:
 - presented a compelling narrative;
 - demonstrated the customer value proposition contained within the submission;
 - put forward its best offer;
 - was consistent with the golden threads of PREMO;
 - presented a robust justification for the prudence and efficiency of its forecasts; and
 - addressed all of the material aspects of the ESC's regulatory framework and guidance requirements.
- **Information review** – URA reviewed the consistency of financial data and information between two iterations of the written price submission and the populated financial template (dated 30 July and 13 September 2022), to ensure that there were no material gaps or errors.

¹ <https://www.esc.vic.gov.au/sites/default/files/documents/2023%20water%20price%20review%20guidance%20paper%20-%20August%202022%20amendment.pdf>

Condition 3 - the price submission satisfies the requirements of the 2023 water price review guidance paper issued by the Essential Services Commission in all material respects

- **Compliance review** – URA reviewed three iterations of WPW’s draft price submission (dated 30 July, 13 September and 27 September 2022) for compliance with the detailed requirements of the ESC’s Guidance Paper.

In completing each of these tasks, WPW presented management responses, allowing for URA to identify how WPW addressed any opportunities for improvement, and to ensure that WPW’s customers were receiving its best offer. WPW has provided URA with appropriate evidence that all feedback provided has been considered and addressed within the written submission and financial template.

In completing its assessment, the last draft of the:

- price submission reviewed was dated 27 September 2022; and
- financial template was dated 13 September 2022.

Any changes made to the price submission or financial template beyond this date, were not considered as part of this review

If you have any questions related to this matter, please do not hesitate to contact me.

Yours sincerely,



Tim White

Executive Director, Utilities Regulation Advisory

+61 408 066 960

twhite@uradvisory.com.au

www.uradvisory.com.au