

Section 7 / Urban water and power companies

Storage charges

The table below summarises the proposed storage charges for Merrimu and Lerderderg – based on the Bulk Entitlement shares. The Southern Rural Water share is charged to irrigators in the Werribee and Bacchus Marsh districts, and on the Werribee River. The DSE share relates to the unallocated water share, which currently includes the environmental share.

Entitlement Holder	Merrimu Share	Lerderderg Share	2011/12	2013/14	2014/15	2015/16	2016/17	2017/18	WP3 Total
Western Water	60%	70%	\$639	\$736	\$735	\$895	\$891	\$913	\$4,170
DSE	20%	20%	\$201	\$231	\$231	\$284	\$282	\$289	\$1,318
Southern Rural Water	20%	10%	\$166	\$189	\$188	\$241	\$239	\$244	\$1,101
Total	100%	100%	\$1,006	\$1,157	\$1,154	\$1,420	\$1,412	\$1,446	\$6,589

Table 79: storage charges – Merrimu Reservoir (\$000, \$11/12)

Blue Rock (Latrobe System)

Capital expenditure

There are no major capital works planned for Blue Rock. The largest items include installation of bulkheads to isolate the inlet valves – providing safe access for internal inspection - and a scheduled design review.

Project	Asset	2013/14	2014/15	2015/16	2016/17	2017/18	WP3 Total	WP4
Significant projects								
Design Review	Blue Rock	\$40	\$15	\$215	\$30	\$0	\$300	\$0
Inlet works	Blue Rock	\$25	\$100	\$75	\$50	\$0	\$250	\$1,075
Other projects								
Other Projects	Blue Rock	\$170	\$70	\$69	\$40	\$25	\$374	\$1,198
	Recreation Facilities	\$8	\$60	\$35	\$42	\$70	\$215	\$495
Total		\$243	\$245	\$394	\$162	\$95	\$1,139	\$2,768

Table 80: capital expenditure summary – Latrobe System (\$000, \$11/12)

Revenue requirement

The table below summarises the revenue required across Water Plan 3 to maintain and operate Blue Rock. There are no significant changes from current costs.

	2011/12	2013/14	2014/15	2015/16	2016/17	2017/18	WP3 Total
Blue Rock Dam							
Baseline operating expenditure	\$794	\$794	\$794	\$794	\$794	\$794	\$3,968
Obligations & initiatives	\$0	\$17	\$17	\$17	\$17	\$17	\$83
Productivity & growth	\$0	(\$5)	(\$10)	(\$16)	(\$21)	(\$26)	(\$78)
Capital expenditure charges	\$176	\$229	\$189	\$193	\$207	\$199	\$1,016
Blue Rock Total	\$970	\$1,034	\$989	\$987	\$996	\$983	\$4,988
Unregulated Latrobe River							
Baseline operating expenditure	\$121	\$121	\$121	\$121	\$121	\$121	\$603
Obligations & initiatives	\$0	\$18	\$18	\$18	\$18	\$18	\$92
Productivity & growth	\$0	(\$1)	(\$2)	(\$3)	(\$4)	(\$4)	(\$13)
Capital expenditure charges	\$2	\$3	\$3	\$3	\$4	\$3	\$17
Blue Rock Total	\$123	\$142	\$141	\$140	\$139	\$138	\$699

Table 81: revenue requirement –Blue Rock (\$000, \$11/12)

Storage charges

The table below summarises the proposed storage charges for Blue Rock – based on the Bulk Entitlement shares. The DTF share relates to the entitlement of the former SECV, and the DSE share relates to the unallocated water share. The Southern Rural Water share is charged to river water licence holders on the Latrobe River downstream of Blue Rock.

Entitlement holder	Blue Rock Share	Unregulated Share	2011/12	2013/14	2014/15	2015/16	2016/17	2017/18	WP3 Total
Tru Energy	19.37%	22.41%	\$173	\$232	\$223	\$223	\$224	\$221	\$1,123
Loy Yang Power	21.22%	24.55%	\$189	\$254	\$244	\$244	\$245	\$242	\$1,230
International Power	10.61%	12.28%	\$95	\$127	\$122	\$122	\$123	\$121	\$615
Gippsland Water	21.06%	0.00%	\$120	\$218	\$208	\$208	\$210	\$207	\$1,051
DTF (Ex SECV)	13.50%	15.61%	\$120	\$162	\$155	\$155	\$156	\$154	\$783
DSE (Unallocated)	0.00%	0.00%	\$345	\$0	\$0	\$0	\$0	\$0	\$0
Environmental Water Holder	11.65%	0.00%	\$0	\$120	\$115	\$115	\$116	\$114	\$581
Southern Rural Water	2.59%	25.15%	\$50	\$62	\$61	\$61	\$61	\$60	\$305
	100%	100%	\$1,093	\$1,175	\$1,130	\$1,127	\$1,135	\$1,120	\$5,687

Table 82: storage charges – Blue Rock (\$000, \$11/12)

Narracan and Yallourn (Latrobe System)

Recoverable works

Capital works associated with Narracan and Yallourn are recoverable from the Gippsland power generating companies as incurred – in accordance with the Bulk Entitlement Conversion Orders. These works are reviewed and agreed with the entitlement holders prior to commencement.

The most significant items planned for Water Plan 3 are a scheduled design review for Narracan, and maintenance activities - including repainting the Narracan spillway gates, and maintenance on the seals and rollers to ensure they remain serviceable and able to hold storage and release flood flows as required.

Project	Asset	2013/14	2014/15	2015/16	2016/17	2017/18	Total	WP4
Significant projects								
Maintenance works	Narracan	\$0	\$120	\$380	\$10	\$140	\$650	\$0
Drives for spillway gates	Narracan	\$0	\$40	\$60	\$160	\$0	\$260	\$0
Design Review	Narracan	\$25	\$210	\$0	\$0	\$0	\$235	\$0
Other projects								
	Narracan	\$132	\$137	\$32	\$162	\$57	\$520	\$786
	Yallourn	\$65	\$40	\$122	\$190	\$0	\$417	\$547
Total		\$222	\$547	\$594	\$522	\$197	\$2,082	\$1,333

Table 83: recoverable works expenditure summary – Narracan and Yallourn (\$000, \$11/12)

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Revenue requirement

The table below summarises the revenue required across Water Plan 3 to maintain and operate Narracan and Yallourn storages. The operating revenue requirement is stable across the period, though the recoverable capital works will fluctuate over the Water Plan period.

	2011/12	2013/14	2014/15	2015/16	2016/17	2017/18	WP3 Total
Baseline operating expenditure	\$432	\$432	\$432	\$432	\$432	\$432	\$2,160
Obligations & initiatives	\$0	(\$6)	(\$6)	(\$7)	(\$8)	(\$8)	(\$35)
Productivity & growth	\$0	(\$3)	(\$5)	(\$8)	(\$10)	(\$13)	(\$39)
Capital expenditure charges	\$8	\$10	\$10	\$10	\$11	\$10	\$50
Operating Revenue Requirement	\$440	\$434	\$430	\$427	\$425	\$421	\$2,136
Recoverable capital works	\$1,584	\$220	\$552	\$599	\$535	\$205	\$2,112
Total Revenue Requirement	\$2,024	\$654	\$982	\$1,026	\$960	\$626	\$4,248

Table 84: revenue requirement – Narracan and Yallourn (\$000, \$11/12)

Storage charges

The table below summarises the proposed storage charges for Narracan and Yallourn – based on the Bulk Entitlement shares. The DTF share relates to the entitlement of the former SECV.

Entitlement holder	Share	2011/12	2013/14	2014/15	2015/16	2016/17	2017/18	WP3 Total
Tru Energy	29.9%	\$606	\$196	\$294	\$307	\$287	\$187	\$1,272
Loy Yang Power	32.8%	\$664	\$215	\$322	\$337	\$315	\$205	\$1,393
International Power	16.4%	\$332	\$107	\$161	\$168	\$157	\$103	\$697
DTF (Ex SECV)	20.9%	\$422	\$137	\$205	\$214	\$200	\$131	\$886
Total	100%	\$2,024	\$654	\$982	\$1,026	\$960	\$626	\$4,248

Table 85: storage charges – Narracan and Yallourn (\$000, \$11/12)

Recreation facilities - eastern**Revenue requirement**

The following table summarises the revenue required across Water Plan 3 to maintain recreation areas at our eastern storages and to manage compliance and public access.

	2011/12	2013/14	2014/15	2015/16	2016/17	2017/18	WP3 Total
Baseline operating expenditure	\$247	\$247	\$247	\$247	\$247	\$247	\$1,233
Obligations & initiatives	\$0	\$14	\$14	\$14	\$14	\$14	\$68
Productivity & growth	\$0	(\$2)	(\$3)	(\$5)	(\$7)	(\$8)	(\$25)
Capital expenditure charges	\$44	\$50	\$47	\$49	\$52	\$54	\$252
Total Revenue Requirement	\$291	\$309	\$304	\$305	\$305	\$306	\$1,528

Table 86: revenue requirement - eastern recreation facilities (\$000, \$11/12)