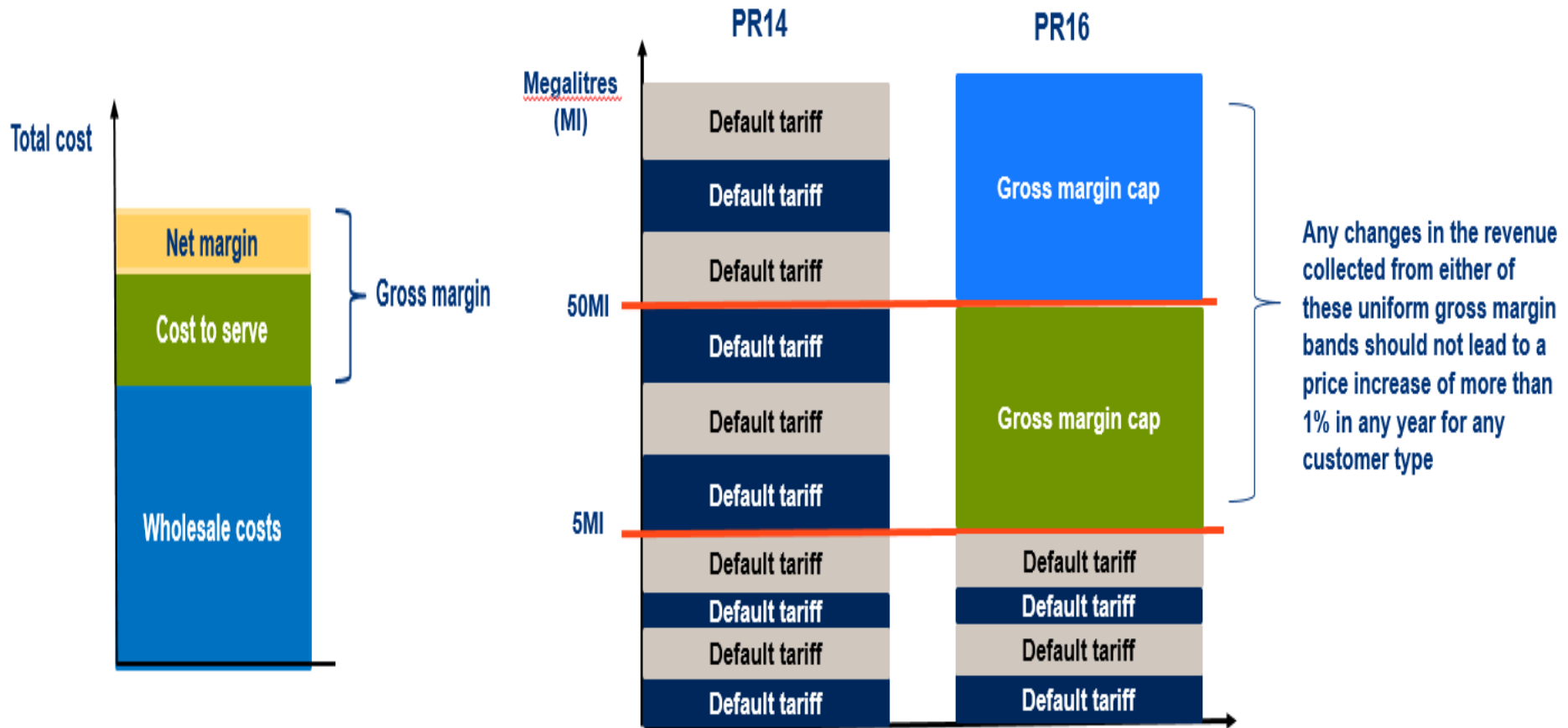


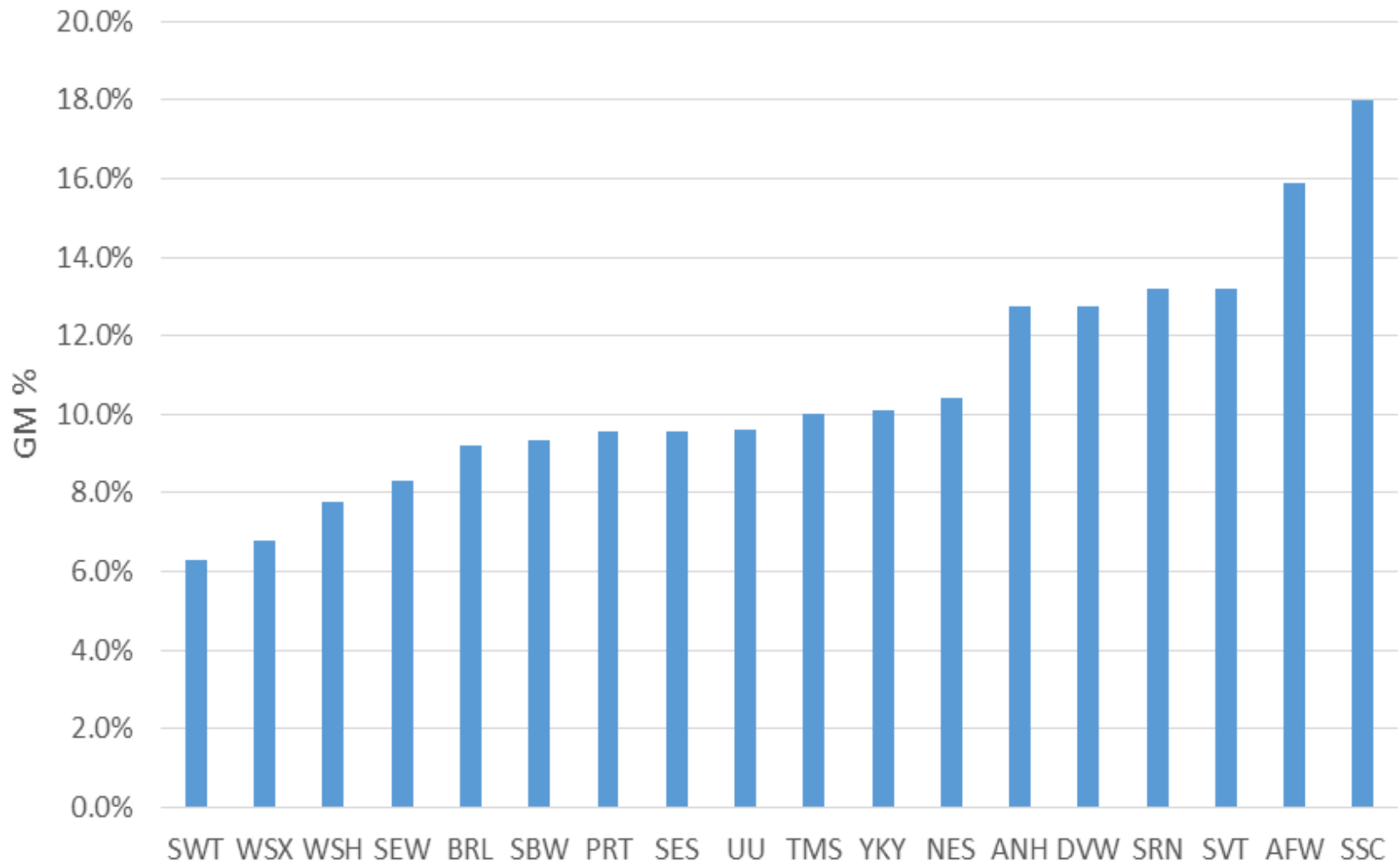
PR19 draft methodology additional slides for discussion

10 August 2017

Main focus was to simplify default tariffs for larger customers

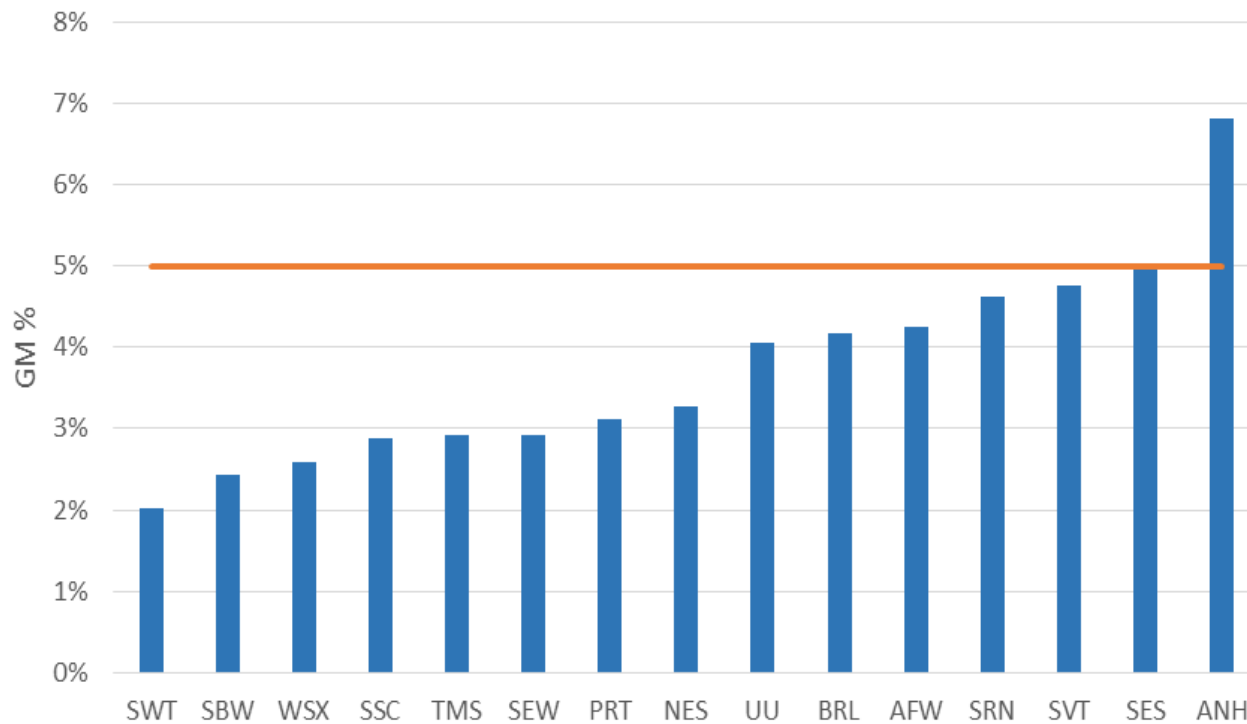
Continuing to protect smaller customers – high evidential bar for changes for these customers





PR16 business retail - water company gross margins above 5 Ml/yr

Volume (mega litres per year)	Water	Wastewater
	(includes mixed use & non-potable water)	(includes trade effluent & surface water drainage)
5 to 50	5.0%	5.3%
50 and over*	3.3%	2.8%



We are not proposing to cover retailer satisfaction with wholesaler services through WaterworCX.

The business retail market operates within a legal framework which regulates the behaviour of market participants, and the market is at an early stage of development so it is not yet clear what, if any, service incentive would best fit the needs of retailers.

Given the limited number of retailers and the relationships between associated retailers and wholesalers, it seems unlikely that our approach for C-MeX or D-MeX would be appropriate for retailers at this point.

Market Operator Services Limited (MOSL) monitors wholesaler performance and there are procedures for retailers to raise disputes about wholesalers.

We will be monitoring the development of the market and will work with MOSL, retailers and wholesalers to ensure that wholesalers are encouraged to deliver good-quality customer service to retailers