

# Circulating Hot Water Cost Recovery Solutions



# Cost Recovery Solutions

## Circulating Hot Water

Circulating (Bulk) Hot water is a cost effective way to provide hot water to Occupiers whilst saving space in apartments. Circulating Hot water can be heated with gas or electricity, and can also incorporate solar heating.

In a Circulating Hot Water system, the cost for the water consumed and the energy used to heat it will be borne by the Owners Corporation unless they are billed to Occupiers. Lot Liability is generally used to recover cost from Owners/Landlords for hot water usage, however this does not provide an accurate methodology for cost recovery relative to usage.

## Cost Recovery of Circulating Hot Water

In an Energy-On Circulating Hot Water Network, the Owners Corporation is able to move to a “user pays” model.

To be able to charge Occupiers (Owners or Tenants) for their hot water consumption, an individual hot water meter is installed to measure the volume of water consumed. This calculation is used as the basis for charging the Occupier for both energy and water. This is a valid approach and complies with the Residential Tenancy Acts in Victoria, NSW, QLD, SA and WA\*. Many other solutions recover only the cost of the gas, leaving Owners/Landlords out of pocket.

Energy-On will manage rates for Occupiers to comply with state regulations, utilising the calculations regulated in Victoria by the Energy Retail Code and in other states using a comparable methodology.

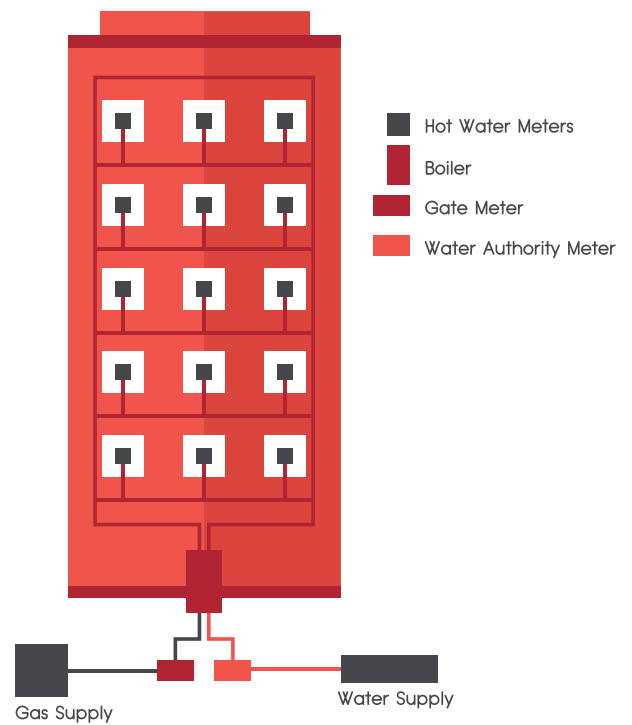
Whilst there is a cost to implement and manage a Circulating Hot Water solution, the value of the cost recovery can mean substantial savings in Owners Corporation expenses as well as accurate cost allocation per residence.

### HOW IT WORKS

The process for determining the invoicing of hot water is regulated in Victoria by the Energy Retail Code and by similar codes in other states. A standard calculation, known as the Common Factor, is used to determine the amount of energy required to heat 1 litre of water.

This calculation result is then multiplied by the volume of water flowing through the meter to arrive at the total cost for Occupier usage. The charge details are clearly displayed on the customer invoice and show the Water Heating component with a description of the Common Factor and the calculation used.

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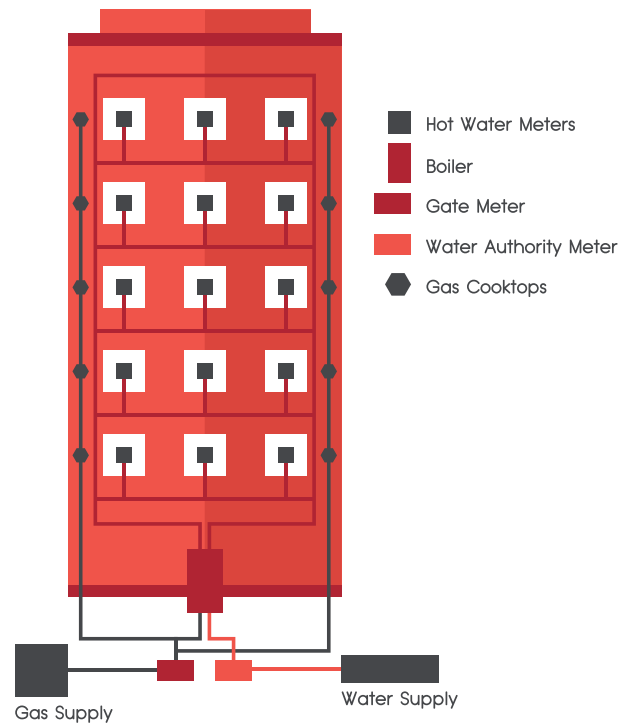


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The invoice also shows the amount of water used and the cost of this. The water is charged to customers as a pass through cost at the rate charged by the Water Authority at the main supply point.

As with every water bill, there is also a cost for Sewage Disposal, also passed through from the Water Authority. Sewage Disposal is based on the volume of water used as it is on a cold water invoice. There are no service charges for water applied to customer invoices as these are borne at the main supply and paid by the owners Corporation.

It is important to note that GST is not charged on the water component of a customer invoice and is only applied to the energy component.



# Energy-On End-to-End Solutions

Energy-On can provide the total service for you; from site evaluation and planning, through to network implementation, installation, meter reading, invoicing and credit management of your Occupiers.

An Energy-On Circulating Hot Water Private Network provides a single point of contact for all utility related matters, giving you a partner with a single minded focus on customer service, with a detailed knowledge and understanding of your site.

To get an evaluation of how an Energy-On Circulating Hot Water Private Network can deliver for your multi-tenant environment, call us today.

It really is that simple.

\* Victoria: Section 52. NSW: Section 38. QLD: Subdivision 2, Sections 164, 165 & 166. SA: Section 53. WA: Section 25.

