

16 February 2017

Mr. Tom Sheridan
Clerk to the Joint Committee
Joint Committee on the Future Funding of Domestic Water Services
Leinster House
Dublin 2

Our Ref: D/17/2947

Re: Joint Committee on the Future Funding of Domestic Water Services in Ireland

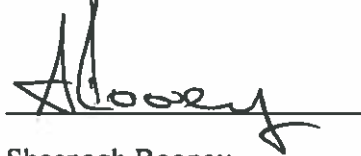
Dear Mr. Sheridan,

Following on from our submission to the Committee on 7 February 2017 regarding 'normal usage', the CER was asked to provide further information based on requested scenarios. The CER was also asked a specific query regarding leak alarms.

Appendix A of this letter responds to those queries.

I trust that the information provided is of assistance to the Committee. Should you require any additional information the CER remains available to assist through further submissions or meetings.

Yours sincerely,



Sheenagh Rooney

Director of Water Regulation

c.c. Paul McGowan, Commissioner, CER

Appendix A

The CER provided information to the Committee on 7 February 2017 regarding what constitutes normal usage (Our ref: D/17/1573). The information did not provide a position regarding the level at which the allowance should be set, rather it provided information to assist the Committee in this regard.

Subsequently (on 10 February 2017) the CER received two queries regarding the information provided and these are addressed below.

Query One

A request was made to reproduce the table which had been provided on page 5 of 10 of the CER document (Our ref: D/17/1573), but with those that have a leakage alarm on their meter removed from the table. The requested table has been provided below. Please note:

1. The table should be read in conjunction with the full note that was provided on 7 February 2017.
2. Part A of the table is the scenario that was originally provided on 7 February 2017 and has been included for ease of reference. An error (relative to the information previously provided) has been corrected in Part A. Under scenario A1, the number of households that would have usage of 50-100m³ and 101-500m³ above the allowance had been listed as 26,000 and 13,000, respectively. This has now been corrected to 17,000 and 22,000, respectively. The total remains the same.
3. For part B of the table, the usage levels are set using a dataset excluding those with leak alarms, but the number of households that would face a charge includes those with and without leak alarms.

Table 1: Example scenarios outlining indicative number of customers that exceed usage levels and indicative bills

Scenario	Usage level		No. of metered households that exceed the usage level (and face a charge)				
	m ³ / year / household	L/day/household	Total	0-50m ³ above	50-100m ³ above	101-500m ³ above	Above 500m ³
A. Results from setting the usage level using Q2 2016 dataset							
A1. 90th percentile	197	540	88,000	42,000	17,000	22,000	7,000
A2. 150% of average	191	523	96,000	47,000	19,000	23,000	7,000
A3. Average	127	349	273,000	153,000	62,000	50,000	8,000
A4. 50th percentile	95	260	440,000	236,000	113,000	82,000	9,000
B. Results from setting usage levels using Q2 2016 dataset excluding those with leak alarms							
B1. 90th percentile	179	490	117,000	60,000	23,000	26,000	8,000
B2. 150% of average	155	425	172,000	94,000	36,000	34,000	8,000
B3. Average	103	282	394,000	216,000	97,000	72,000	9,000
B4. 50th percentile	91	249	464,000	246,000	121,000	88,000	9,000
Indicative annual bill value				Up to €185	Up to €370	Up to €1,850	Over €1,850
<p>Note 1: The indicative bill assumes that households would also be billed for excessive wastewater i.e. not just for excessive use of the water system. The indicative bill provided is for customers with both water and wastewater services.</p> <p>Note 2: The numbers included above for households that would face a charge (1) does not make any allowance for the fact that ideally customers would reduce their usage and therefore less than indicated in the above table would receive bills (2) does not net off households that would be exempt or have an increased allowance due to medical conditions and (3) does not factor in any adjustment whereby high occupancy households could have a higher allowance. These three points would reduce the number that receive bills, relative to that outlined above.</p> <p>Note 3: No differentiation has been made between primary residences and non-primary residences (e.g. holiday homes).</p> <p>Note 4: For B, the usage levels are set using a dataset excluding those with leak alarms, but the number of households that would face a charge includes those with and without leak alarms.</p>							

Query Two

The query stated that the leakage alarm is set at night flow of 6ltrs per hour and asked whether the alarm level be adjusted without accessing the meter.

The leak alarm is set to detect continuous flow for 48hrs of 6ltrs per hour (i.e. not just a night flow). The alarm level could not be adjusted without accessing the meter.

Even with access to the meter, the alarm level was set at manufacture stage and so the CER understands that the alarm level could not be adjusted without substantial work/cost.