

Second submission to the regulator on the water charges plan for domestic customers

I wish to make the following submission in response to the Commission for Energy Regulation water charges plan document of 31st July 2014 (CER/14/367)

Capped Charges:

The CER is proposing that charges will be capped for a 10 week period following the receipt of the first water bill. This is totally inadequate and fails to achieve the stated objective of this cap, to provide a window of opportunity for customers to *"make adjustments to reduce their consumption & control their bills"*.

The following points need to be considered:

- Customers will only realise their actual water consumption following receipt of their first bill in mid-January 2015. At that point, in the depths of winter, Ireland could be experiencing very severe weather conditions such a heavy snow & frost. In such circumstances it would be impossible to get a plumber or to be physically in a position to assess where there may be a possible leak. It should also be noted that thousands of households will be in a similar situation, and all will be seeking the services of a plumber at the same time in late January/early February.
- In practical terms it would be mid/late February before all pipework is inspected and early March before repairs completed. This leaves just 2/3 weeks until the end of the second billing period. How could any household be expected to *"make adjustments to reduce their consumption & control their bills"* in 14 to 21 days?
- It is important to point out that by creating such a tight window, particularly during the winter period when there is a high risk of adverse weather, we are leaving tradesmen in a position where they can charge what they like. Customers will not be in a position to shop around and as a result will be faced with an additional financial burden, which for many families may leave them in a position where they fall into arrears on their water charges.
- Only at the end of the third billing period will households see the full impact of repairs to the pipework that was carried out in February/March 2015. It is at that stage that they can fully review their water usage pattern and make changes to reduce consumption. At this point it will be well into the 4th billing period before these changes are fully implemented and it will only be on their 5th bill that they will see the full impact of these changes to their consumption pattern. Therefore in order to avoid a situation where tradesmen can up their prices for the first quarter of 2015 and to allow families the opportunity in practical terms to *"make adjustments to reduce their consumption & control their bills"*, capped charges should remain in place until after the 5th bill is issued to customers, 12 months after the issuing of the first bill - in January 2016.

Assessed charges:

I believe that any family on an assessed charge, should be provided with an option of having a water meter installed, if the household believes that the unmetered tariff unfairly reflects their actual water usage.

Water quality:

I welcome the fact that the CER has rejected suggestions by some that a paltry 15% discount should apply to customers with a Boil Water Notice in place, and has instead adopted a proposal similar to the one outlined in my submission to your office in June last.

However, customers should not have to cope with a Boil Water Notice for 90 days before they receive a 100% discount due to the following:

- There are significant additional costs associated with a Boil Water Notice e.g. consumers must either spend more money boiling the water and cooling it or purchase bottled water, and this is on top of the inconvenience caused.
- Frequently there is accidental consumption of such contaminated waters causing illness where, for example, consumers, particularly children, inadvertently use the contaminated water for teeth brushing. This can, at the very least, lead to loss of a day's work (either through illness or a parent providing care), sometimes an A&E attendance fee and even the possibility of a hospital admission. Therefore, if water is not fit for human consumption, a charge should not apply until the problem is addressed. While a smaller discount may apply where the disruption is for a number of days, in a situation where the disruption runs into weeks then a 100% discount should apply acknowledging the significant financial & practical impact of a Boil Water Notice on a family.

I also believe that customers should have the 100% discount applied to their wastewater charge as well as their water in charge. This discount should be extended to the wastewater charge because:

- As I pointed out in my previous submission the exemption of customers from such charges is not just about acknowledging the huge cost/inconvenience of a Boil Water Notice but it must also be used as a mechanism to ensure that this problem will be prioritised by Irish Water.
- Presently, the Local Authorities/Irish Water do not consider a Boil Water Notice as a priority for a temporary treatment solution where it is estimated that the notice will be in place for a period of any less than 12 months. In practical terms, this can leave communities with contaminated water for periods in excess of 18 months. This is not acceptable.
- If Irish Water is penalised by not receiving any income from households supplied with contaminated water, I believe that this will be a far more effective mechanism to ensure that temporary and not just long term solutions are explored in order to have Boil Water Notices lifted, as soon as possible. Clearly, the current tool of threatened legal action by the

Environmental Protection Agency has failed to address the problem in many parts of the country.

Other quality issues:

There are instances, other than a Boil Water Notice, where a water supply does not conform to EU standards and in such circumstances a discount model should be developed by CER in conjunction with Irish Water which reflects the actual impact that such non-conformance has on household water usage.

Presently, water hardness does not form part of the EU drinking water standards and in practical terms the cost of its removal on a large scale is prohibitive. However, in light of the fact that a large number of supplies have significant hard water problems the regulator should incentivise Irish Water to explore alternative, cost-effective treatment processes to address this problem.

Water quantity:

It is disappointing that the CER has failed to acknowledge within the charging plan water quantity problems such as water pressure. In its submission earlier this year Irish Water claimed that water pressure is not a significant problem because of the indirect water system (tank in the attic) in Irish homes. However, the fact is that water storage in homes does not meet the totality of the needs of a family and supply issues can directly impact upon the operation of many household appliances; be it the efficient use of such appliances or the reduction in the life of such appliances.

I do not believe that it is equitable that households which cannot function in a similar manner to other homes because of a grossly inadequate supply, should have to pay at the same rate as those with a normal water supply.

Such a pricing policy will also lead to the bizarre situation whereby a customer who refuses to pay for water, and as a result has a reduced supply, may have better water pressure than a neighbour who is paying for water but is experiencing poor water pressure. (*I understand that it is envisaged that consumers who are unwilling to pay for water will have their supply reduced*).

How can this be seen as equitable?

If, as claimed by Irish Water, poor water pressure is not a significant problem, what is to stop more customers refusing to pay, and as a result receive a reduced supply from Irish Water?

Therefore, I would propose that where the water pressure fails to meet the totality of the needs of a family or is impacting on the operation of domestic appliances, then a discount similar to the one which I have suggested for "other water quality issues" should be applied.

I hope that these proposals are taken on board before any final water charging plan is put in place.

Yours sincerely,

Denis Naughten TD