



MABS Submission to CER on Water Charges Plan Consultation CER/14/366

**Date: August 2014
MABS National Development Limited**

Introduction

The Money Advice and Budgeting Service (MABS) was established in 1992 to help people on a low income to cope with debts and take control of their own finances. It is a free, confidential and independent service. It currently comprises 53 MABS Services, located in over 60 offices nationwide. It is funded by the Department of Social protection through the Citizens' Information Board, which has overall responsibility for the management of the MABS service, including monitoring, financial administration, executive decision-making, facilitating regional networking and funding the MABS service in its entirety.

MABS National Development Limited was established in 2004 to further develop the MABS Service in Ireland. It provides training and technical support to MABS staff nationally. MABSndI also assists the MABS service in providing educational and informational supports as well as assisting in highlighting policy issues that arise in the course of the money advice work on behalf of clients. MABSndI has responsibility for the on-going development of the MABS website www.mabs.ie and for providing the MABS national helpline service.

MABS Submission

In MABS we concur with the View expressed by the Society of the Vincent De Paul and others as to the complexity of consultation documents emanating from the Commission and the often short timeframe allowed for consultation. Consultations on issues that have a specific consumer interest, such as the issues surrounding water and waste water charges, should be formulated and designed appropriately for general consumer understanding and to facilitate response.

MABS has concerns as to the regulation of the economic and consumer aspects of Irish Water by one single entity and we seek for consideration to be given as to the possibility of a conflict of interest.

In MABS view there is an urgent necessity to put in place a strong consumer group in the Commission or elsewhere which has the capacity to influence and effect change. This is an

important issue, particularly during the bed down period of this new institution and given its importance to the general public now and into the future.

As our competency does not extend to comment on the proposed capital expenditure, operational costs, Investment priorities etc. we will focus on the issues that directly impact on consumers.

MABS Submission:

Q13. Do you agree with our proposed approach to incentivising improvements in quality and customer service? Are there any other aspects of Irish Water's customer service that you would expect to see covered in the proposed reporting and incentive mechanism?

A13. That CER has defined a number of minimum commitments which Irish Water must meet when engaging with its customers is to be welcomed. However where Irish Water fail to comply with the defined minimum commitments the penalty payments to customers are so inappropriately low that effect will be of little consequence from a financial perspective.

Domestic Water and Wastewater Charges

Q16. Do you agree with the proposal to set the single occupancy consumption and incremental consumption levels at 66,000 and 21,000 litres per annum respectively? If not, do you think there is a more appropriate way to set the annual incremental consumption?

A16. MABS agrees with these values as initial incremental consumption levels. In our view they should be under review during the first years of Irish Water.

Q17. Do you agree with the proposal to change the child allowance from 38,000 litres to 21,000 litres a year?

A17. We are of the view that not enough research has been undertaken on this issue. We therefore suggest that the child allowance should revert to 38,000 litres during the initial period until more robust data emerges.

Q18. Do you agree with the CER's proposals for the application of water allowances?

A18. We agree

Q19. Do you agree with CER's proposal that Irish Water provide water and wastewater services to customers where domestic tariffs are calculated on a national basis, with separate tariffs for water and waste calculated on a 50/50 cost basis? If not, please state why.

A19. We agree

Q20. Do you agree that flexibility to pay on a monthly basis should be provided for domestic customers?

A20. MABS is of the view that Irish water should bill as frequently as other utilities i.e. every two months. We agree that every effort must be made to facilitate customers on a low income to pay for usage in a manner appropriate to their income and its frequency.

Q21. Do you agree with CER's proposed unit rates for water and wastewater services? If not, please state why.

A21. MABS accepts CER's evaluation of the proposed unit rate for water and wastewater as balanced and fair to the consumer.

Q22. Do you agree with CER's proposal for setting water and wastewater charges for unmetered customers?

A22. We agree with the proposal that unmetered customers be charged on the basis of the number of adult occupants in the household. However we are of the view that the assumed litres per annum allocation for occupants be revisited when verifiable data becomes available.

Q23. Do you agree with the proposal to apply a default tariff to customers that do not validate before the end of the campaign?

A23. MABS acknowledges that it is necessary for Irish Water to provide an incentive to customers to validate occupancy in order to accurately bill customers. However we are mindful that punitive incentives do have a considerable negative impact on vulnerable citizens such as the elderly, those with physical and mental illness and those with an educational disadvantage. In MABS view appropriate efforts must be made to inform these consumers and to protect them from punitive outcomes proposes.

Q24. Do you agree that, where a customer is late to validate, allowances should only be applied from the data that the customer validates and that the allowance prior to that date would not be available to the customer?

A24. In MABS view, where it is judged that the consumer is a non-cooperation consumer then we agree with this proposal. However, if the consumer is judged to be in a category considered 'vulnerable' then no punitive action should take place and the full allowances should be restored.

Q25. Do you agree that the cap on customers' bills should be extended where a leak is identified?

A25. We agree

Q26. Do you think there should be a minimum unmetered period for customers to qualify for a rebate?

A26. MABS agrees that there should be no minimum unmetered period to qualify for a rebate.

Q27. Do you agree with either of the CER's proposals to operate the rebate? If so, please indicate a preference and if not, please provide detail of how you think rebates should be applied.

A27. We are of the view that the consumer should be given the option to decide how the rebate should be applied.

Q28. Do you agree that there should be no minimum amount due to qualify for a rebate?

A28. We agree that there should be no minimum amount due to qualify for a rebate.

Q29. Do you agree with the proposal to apply a minimum charge for premises which are not permanently occupied? If not, what do you think would be a more suitable charge for metered and assessed customers and why?

A29. MABS agrees

Q30. Do you agree with the CER's proposed definition of long term, i.e. 3 months?

A30. In MABS View where water is unfit for human consumption even three months is a very long time giving rise to considerable costs and inconvenience. In our view long term should be one month or less given the severity of the impact on families with children and vulnerable groups.

Q31. Do you agree with the CER's proposed discounts for water that is unfit for human consumption?

A31. Because of the serious impact on individuals and families the discount of 50% is not reflective enough. A discount of 75% in MABS view would be more appropriate.

Q32. Do you think that Irish Water's proposed definition for Force Majeure is appropriate?

A32. In MABS view it is appropriate

Q33. Do you agree with the CER's proposals and are there any other payment options you feel Irish Water should offer?

A33. We have concerns with over the counter payments through PayPal or PayZone as many of their agents are presently charging extra for top-up payments where customers are paying for electricity and gas.