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Ms. Dervla Murphy
Water Division
Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

11 August 2016

Re: CER Consultation on Performance Assessment (CER/16/173)

Dear Dervla,

Irish Water (IW) welcomes the opportunity to comment on the CER's consultation paper (CER/16/173) on future Irish Water Performance Assessment. Performance measurement and reporting is an important means of communicating with our customers and stakeholders on the operational challenges facing the water services sector and the progress being made by IW in addressing these.

Our national water and wastewater infrastructure is in a very poor condition as a result of decades of under-investment. Upon taking responsibility in 2014, IW was faced with a wide range of serious operational deficiencies. These included the loss through leakage of almost half of our drinking water; the discharge of untreated sewage into our rivers and seas at multiple locations; and close to one million people receiving water from treatment plants which required major upgrades to avoid contamination.

IW was established to address such issues through bringing a single utility approach to the management and operation of national water and wastewater services. Since then, we have worked hard to begin to put in place the necessary processes and systems to enable radical improvements. Our Business Plan to 2021 has set out challenging targets in relation to investment, service performance, and cost efficiency. While we have made significant progress to date, these targets will not be easily achieved and much remains to be done.

In this context, the CER's proposed introduction of Performance Assessment is very welcome. The establishment, over time, of a robust baseline of performance data will be invaluable in setting out IW's starting point relative to international comparators. It will also help IW to prioritise investment needs and, in turn, to identify necessary funding required to deliver the most critical improvements.

We welcome the CER's acknowledgment of the practical challenges associated with the introduction of a performance reporting framework. In our preliminary engagement with the CER, we have set out the steps which must be taken before certain performance measures can be fully implemented. These include the further roll-out of enabling technology and the development of agreed measurement systems and metric definitions.

We remain committed to working constructively with the CER to ensure that the framework which is put in place is robust, is of value to our customers and stakeholders, and provides a balanced assessment of IW's operational performance over time.

Yours sincerely

Maurice Scully

Economic Regulation Manager