



Kilkenny County Council Submission to Commission for Regulation of Utilities on CRU/19/091

Irish Water Revenue Control - Revenue Control 3

Kilkenny County Council similar to all other Local Authorities operate most of water service roles throughout the county on behalf of Irish Water under a Service Level Agreement (SLA). This extends mainly to maintenance and operation of water and waste water plants and networks, water quality, compliance and meeting annual KPI targets. Kilkenny County Council would have reservation in relation to reduced revenue (opex) and capital (capex) costs as sought under Revenue control 3 (2020-2024)

Any plans to reduce operational cost would need to be carefully considered having regard to the following:

- Operational budget have either being reduced or remained the same over the past number of years (2014-2019). Further reductions will have a significant negative impact on service delivery into the future.

Regard should be taken of the following all which have a significant impact on costs.

- Increased energy, material and labour costs
- New plants and additions to networks over the past number of years and future planned extension.
- Continued focus and resource requirements in relation to water compliance.
- Business, residential growth and taking in charge of development.
- Implementing efficiencies is not straight forward and may be difficult in advance of the completion of the transformation process.
- Basic comparison with other jurisdiction does not always take account of underlying complexities such as origin of utility, charging for services and other external factors and relations.

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