



An Coimisiún  
um Rialáil Fóntais  
**Commission for  
Regulation of Utilities**

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# Irish Water's Water and Wastewater Disconnection and Reconnection Policy

## Consultation Paper

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## **CRU Mission Statement**

The Commission for Regulation of Utilities' mission is to protect the public interest in Water, Energy and Energy Safety.

The CRU is guided by four strategic priorities that sit alongside the core activities we undertake to deliver in the public interest. These are:

- Deliver sustainable low-carbon solutions with well-regulated markets and networks.
- Ensure compliance and accountability through best regulatory practice.
- Develop effective communications to support customers and the regulatory process.
- Foster and maintain a high-performance culture and organisation to achieve our vision.

## Executive Summary

The Commission for Regulation of Utilities (CRU) is Ireland's independent energy and water regulator. Our key water function, provided for in legislation, is to protect the interests of Irish Water's customers. Part of this is approving charges for Irish Water's services and ensuring that these charges are fair and reasonable.

Under the Water Services (No. 2) Act 2013, Irish Water is responsible for charging for the cost of connecting to the public water and wastewater network. In 2019, the CRU published its decision on a Connection Charging Policy<sup>1</sup> for Irish Water and its customers. In that decision, the CRU requested Irish Water to develop a policy proposal on charging for disconnections, which the CRU is now consulting on. This is another step towards harmonising Irish Water's charges for the services that it provides. Similar to the prior long-standing arrangements for connections and non-domestic tariffs, disconnections are currently carried out by Local Authorities. As a result, current charges for disconnection and reconnection services vary greatly from one county council to the next.

The purpose of this paper is to consult on Irish Water's proposal for enduring, standardised charges and arrangements for customers disconnecting and reconnecting to the Irish Water network.

The proposals herein maintain the approach to harmonising charges for all Irish Water customers, in line with previous connections and non-domestic tariffs decisions, thus ensuring equity and fairness for all.

Irish Water has proposed a suite of disconnection charges for both temporary and permanent disconnections from the network for both domestic and non-domestic customers. In regulating the proposed harmonised disconnection charges, the CRU has maintained the same set of charging principles applied at the decision on connection charges<sup>2</sup> in 2019. These are:

- Cost Reflectivity
- Efficient Use of Assets
- Equity and Non-Discrimination
- Stability
- Simplicity

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<sup>1</sup> [CRU18262-CRU-Decision-on-Irish-Waters-Connection-Policy.pdf \(kinstacdn.com\)](#)

<sup>2</sup> [CRU18262-CRU-Decision-on-Irish-Waters-Connection-Policy.pdf](#)

- Cost Recovery

The proposals apply to both water and wastewater services and cover domestic and non-domestic customers. Please refer to the table below for the criteria for both disconnection and property types.

| <b>Disconnection Type</b> | <b>Domestic properties</b>   | <b>Non-domestic properties</b>  |
|---------------------------|--|---|
| <b>Temporary</b>          | Upon request of the customer. The customer must be able to demonstrate an alternative source of water supply prior to disconnection. | Upon request of the customer.   |
|                           |  | No registered customer at the premises has been established.                      |
|                           |  | Failure to pay a bill relating to the supply of water/wastewater services.        |
|                           |  | Failure to honour a payment plan.   |
| <b>Permanent</b>          | Where the premises is to be demolished and the customer requests the disconnection.  | Upon request of the customer.   |
|                           | Disconnection of an unoccupied premises which either has an unauthorised connection, and/or there is a risk of contamination.        | For an unauthorised connection.   |
|                           |  | Continuation of the use of the connection would pose a risk to health and safety. |

**Table 1: Summary of criteria for temporary and permanent disconnections at domestic and non-domestic properties as proposed by Irish Water**

For clarity, a permanent disconnection of a domestic property is not permitted. This is a customer protection measure. However, there are some exceptional circumstances where a permanent disconnection may be required. Irish Water proposes that circumstances for disconnections at domestic properties are limited to:

1. Where the premises is to be demolished and the customer requests the disconnection.
2. At a proven unoccupied property where there is an unauthorised Connection or where there is risk of contamination

Irish Water proposes that permanent disconnections will be free of charge for both domestic and non-domestic properties, which is in line with other water utilities. The CRU supports this proposal.

For temporary disconnections, Irish Water has proposed rates dependent on the reason for the temporary disconnection, i.e., if the request was made by the customer or if it was due to non-payment. Out-of-hours rates and reconnection charges are also proposed. The proposed rates for both domestic and non-domestic disconnections are contained in Table 1 below. These were benchmarked across various water companies in the UK and compared against other utilities in Ireland.

| Service                    | In/Out<br>Standard<br>hours | For Customer<br>Requested | Due to non-<br>payment | Aborted Site<br>Visit (per<br>visit) |
|----------------------------|-----------------------------|---------------------------|------------------------|--------------------------------------|
| Temporary<br>Disconnection | In                          | €140                      | N/A                    | €140                                 |
|                            | Out                         | €210                      | N/A                    | €210                                 |
| Reconnection               | In                          | €140                      | €500                   | €140                                 |
|                            | Out                         | €210                      | N/A                    | €210                                 |

**Table 2: Irish Water Proposed rates for temporary disconnections and reconnections for domestic and non-domestic properties. Charges listed are inclusive of VAT.**

There are two aspects of Irish Water's disconnections proposals which merit further development and consideration, as follows:

1. Permanent disconnection of a non-domestic property if a risk of contamination to the water supply is identified.
2. Proposal to permanently disconnect any temporary disconnection, for both domestic and non-domestic properties, which exceeds two years in duration.

The CRU is of the view that Irish Water should adopt a process to be followed in advance of disconnecting customers that fall into these categories, similar to what is in place for disconnection of non-domestic properties due to non-payment. This process should include appropriate customer engagement as regards notice periods for disconnection. It should also give the customer the opportunity to engage with Irish Water to seek an alternative course of action to disconnection. The CRU requests the view of respondents in this regard, as indicated in the body of this paper.

The CRU is of the view that the proposed charges for temporary disconnection and reconnection satisfy its charging principles and are appropriate in comparison to water utilities in other jurisdictions and to other regulated Irish networks.

This proposed policy, once in effect, will impact:

- Domestic customers requesting to disconnect/reconnect from the Irish Water network.
- Non-domestic customers requesting to disconnect/reconnect from the Irish Water network.
- Non-domestic customers who have not paid their bills.
- People who have connected to the network without authorisation.

The CRU welcomes responses to this consultation on Irish Water's proposed Disconnection and Reconnection Policy and associated charges to best inform the final decision.

## **Public/ Customer Impact Statement**

This is a consultation on an Irish Water policy proposal to harmonise public water and wastewater disconnection and reconnection charges across the State. Disconnection and reconnection charges are currently set by Local Authorities and the charging methodology and cost varies from county to county. The methodologies for billing and how customers pay are inconsistent. The cost can vary from €100 - €1,300 for the same service, depending on where you live.

Consistent and harmonised charging across the country is important in that it removes the current situation where customers in neighbouring counties can be charged a different amount for the same service. Public water and wastewater services are provided by one utility and consistent charging is fairer to all customers. The charges contained in this paper also have a firm grounding, based on charges applied in other jurisdictions and in other utilities in Ireland, for disconnections depending on the circumstance.

The CRU is of the view that an enduring Disconnection and Reconnection Policy should be:

- Cost reflective
- Clear and transparent
- Easy to understand
- Equitable – all customers should be charged the same regardless of location

This proposed policy, once in effect, will impact:

- Domestic customers requesting to disconnect/reconnect from the Irish Water network.
- Non-domestic customers requesting to disconnect/reconnect from the Irish Water network.
- Non-domestic customers who have not paid their bills.
- People who have connected to the network without authorisation.

This consultation also follows the recent CRU decision on connection charging and non-domestic tariffs and will maintain the approach to harmonising charges for all Irish Water customers ensuring equity and fairness in the utility's approach to charging for its services.

The CRU encourages customers and stakeholders to respond to this consultation and provide your views on the proposals.

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# 1. Introduction

## 1.1 Background

Under Section 21 of the Water Services (No. 2) Act 2013 (the Act), Irish Water is responsible for charging for the cost of connections to the public water and wastewater network. Irish Water is required to outline these charges in its Water Charges Plan under Section 22 (5) of the Act, which is approved by the CRU.

In December 2018, the CRU published a decision<sup>3</sup> on Irish Water's new national connection charging policy, for both water and wastewater connections. This decision facilitated anyone wishing to connect (or modify a connection) to the Irish Water network, introducing a connection charging policy which was standardised across the State. Previously, customers were charged differing rates as directed by the Local Authorities. Irish Water's new national connection charging policy came into effect on the 1<sup>st</sup> of April 2019. In that decision, the CRU requested Irish Water to submit a proposed Disconnections Policy for review and consultation.

Current disconnection and reconnection charging arrangements in Ireland are set by each Local Authority and as a result are varied, with charges differing greatly across the country. The CRU is of the view that an enduring Disconnection and Reconnection Policy should reflect the costs Irish Water faces in providing the service and should be fair to all customers regardless of location.

When finalised, this policy will harmonise charges and remove anomalies. For example, Dublin City Council does not charge for either disconnection or reconnection, however Fingal Co. Council charges €1,300 for reconnection (it has no charge for disconnection). These varying disconnection charging arrangements are overseen by the 31 different Local Authorities. Please refer to Appendix 1 for full details of the current charging arrangements.

This consultation outlines Irish Water's proposal on a Disconnection and Reconnection Policy and associated charges, aiming to move towards harmonised charges across the State. The proposed policy covers disconnections for both water and wastewater.

## 1.2 Structure of Paper

The structure of this paper is to set out the proposed Disconnection and Reconnection policy, and associated charges submitted by Irish Water. This will be presented in separate sections, each of

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<sup>3</sup> [CRU18262-CRU-Decision-on-Irish-Waters-Connection-Policy.pdf \(kinstacdn.com\)](#)

which can be responded to as part of the consultation. The CRU will put forward its view of the proposed charges where applicable.

## 1.3 Responding to this paper

Interested parties are invited to respond to this consultation paper by close of business on 4<sup>th</sup> March 2022. Respondents to this consultation are asked to note the following:

- The Policy should be read alongside the Irish Water Business Customer Codes of Practice<sup>4</sup> and the Irish Water Non-Domestic Customer Handbook<sup>5</sup>
- The CRU recommends that respondents also read Irish Water's proposals for a Disconnection and Reconnection Policy and Supporting Document which are published alongside this consultation paper.
- Submissions in response to the questions posed in this consultation should be clear and specific, with analysis or rationale to support the views provided. Unless marked confidential, all responses may be published on the CRU's website. Respondents may request that their response is kept confidential. The CRU shall respect this request, subject to any obligations to disclose information.
- Respondents who wish their responses to remain confidential should mark the document as confidential and include the reasons for confidentiality. Responses from identifiable individuals will be anonymised before publication on the CRU website unless the respondent explicitly requests their personal details to be published. Our privacy notice sets out how the CRU protect the privacy rights of individuals and can be found here.

Submissions to this paper should be sent to [watercustomers@cru.ie](mailto:watercustomers@cru.ie) or, alternatively, customers may submit a postal response to:

Attention of Water Division,  
Commission for Regulation of Utilities,  
The Exchange,  
Belgard Square North,  
Tallaght,  
Dublin 24,

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<sup>4</sup> [11.09.18\\_NDBillingCode\\_InsideConsultation\\_Clean.pdf \(water.ie\)](#)

<sup>5</sup> [Irish Water Non-Domestic Customer Handbook - Commission for Regulation of Utilities \(cru.ie\)](#)

Ireland,

D24PXW0

## 2. Disconnection and Reconnection Policy

### 2.1 Background

In April 2019, following public consultation by the CRU, a connection charging policy was introduced by Irish Water to provide a harmonised charging mechanism which is transparent, accessible, and straightforward for customers being charged for a water and/or wastewater connection. However, a charging policy for disconnection of water and wastewater services was not decided upon at the time.

In the Connection Charging Policy Decision, the CRU requested Irish Water to submit a proposal for a disconnection policy for domestic and non-domestic customers in 2019. In the interim, Irish Water continued to carry out customer requested permanent disconnections as outlined in its Connection Charging Policy as per the below:

*“Permanent Disconnection: Where a customer wishes to have a Connection to its Premises permanently disconnected, the Customer should notify Irish Water. Irish Water will assess if, in its opinion, a Permanent Disconnection is permissible. If a Permanent Disconnection is permissible, the Customer will be charged the costs incurred by Irish Water in carrying out works and safely rendering the supply disconnected. Irish Water will submit an enduring disconnection policy to the CRU in 2019 for review and in the interim, the process set out above will apply.”*

### 2.2 CRU Charging Principles

In reviewing the proposed charging arrangements, the CRU adopted the same charging principles which framed its decision on the Connection Charging Policy in 2019. These are:

- 1. Cost reflectivity:** Charges should be reflective of the costs associated with providing a connection service to a customer or a developer. Our view is that the same principle holds for disconnections.
- 2. Efficient use of assets:** The policy should promote efficient use of existing assets and minimise the risk of stranding assets.
- 3. Equity and non-discrimination:** Charges should be equitable and not unduly discriminate between customers.

**4. Stability:** Charges should be designed to ensure charge level volatility is kept to a minimum.

**5. Simplicity:** Connection charges and the charging policy should be clear transparent and easy to understand.

**6. Cost recovery:** The Policy should ensure that the utility can recover the efficiently incurred costs in providing disconnections and reconnections.

Irish Water has adopted these principles when developing its Disconnection and Reconnection Policy and associated charges. The CRU considers it important that all customers of Irish Water are charged for disconnection in a consistent manner across the State. As such Irish Water has proposed standardised disconnection charges which are outlined below. The CRU welcomes Irish Water's proposals for these charges as an extension of the national framework to ensuring an equitable charging regime for all public water and wastewater services customers.

## 2.3 Domestic and Non-Domestic Disconnections

Irish Water's policy approach to domestic and non-domestic customers differs.

- A Domestic Disconnection is defined as the physical disconnection of a domestic premises to the public water and / or wastewater network.
- Non-Domestic Disconnection is defined as the physical disconnection of a non-domestic premises to the public water and / or wastewater network.

For clarity, a domestic premises, or dwelling, means a premises (or part (s) of a premises) occupied by a person as their place of private residence (whether or not as their principal private residence). These categories are set out in Section 21(9) of the Water Services (No.2) Act 2013. In relation to domestic properties, the Water Services Act (No.2) 2013<sup>6</sup>, Section 21 (8) states:

*'Irish Water shall not, by reason of a charge in respect of a dwelling being wholly or partly unpaid, discontinue the supply of water to that dwelling either temporarily or permanently.'*

The CRU interprets this as Irish Water cannot disconnect a domestic property while it is inhabited or used as a place which is periodically inhabited. There are very specific criteria which allow Irish Water to disconnect a domestic property which are listed, in Section 2.5.1 below.

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<sup>6</sup> [Water Services \(No. 2\) Act 2013, Section 21 \(irishstatutebook.ie\)](http://www.irishstatutebook.ie)

For the purpose of this proposed policy, mixed use properties will be treated in the same respect as domestic properties, unless there is a separate dedicated connection for each property type.

## **2.4 Disconnection types**

When setting out its proposals for Disconnection, Irish Water has identified three different types of disconnection, which are outlined in 2.4.1 – 2.4.3. These types of disconnection are the same as those offered by Local Authorities in the existing regime.

### **2.4.1 Permanent Disconnections**

A Permanent Disconnection means the permanent disconnection of a premises from the water and wastewater network to the extent that it will not be possible to restore water services through the pipework in the future. In some cases, this may extend to complete removal of the pipework between the water main and the stopcock, as well as the stopcock and meter assembly. On occasion this may involve excavation work in the vicinity of the connection assets.

Permanent disconnections cannot be reversed. If, following a permanent disconnection, a customer wants a new connection, they will have to apply and pay for this in line with the current connection charging policy.

### **2.4.2 Temporary Disconnections**

A temporary disconnection is one which can be easily reversed by Irish Water, for example, closing a valve to suspend the flow of water to a property. A Temporary Disconnection will typically not involve the removal of Connection Assets.

Typically, each temporary disconnections entails the same set piece of work i.e., they are a standard procedure common to the majority of properties where Irish Water temporarily disconnects. However, in limited circumstances, additional works may be required to facilitate the temporary disconnection. Where additional works are required, the temporary disconnection will be classified as non-standard. These works may include, but are not limited to:

- Meter removal
- Excavation works to access the meter or external stop valve

### **2.4.3 Reconnection**

Reconnections can only be carried out after a customer has had a temporary disconnection. If a customer has been permanently disconnected from the network, they must apply for a new connection in line with the Connection Charging Policy.

## 2.5 Irish Water Proposals

### 2.5.1 Domestic Disconnection – Irish Water Proposals

#### a. Domestic Disconnection - Temporary Disconnection

Irish Water proposes that to avail of a temporary disconnection, at the request of the customer, from the public water main, the premises must have an alternative source of water supply.

In its submission, Irish Water also proposes that temporary disconnections may have a limited duration, agreed with the customer (e.g., to facilitate renovation works). Reconnection will take place after the agreed time.

Irish Water proposes that where a temporary disconnection has exceeded two years in duration, it will be deemed to be a permanent disconnection. In such instances, the customer will have to apply for a new connection if they wish to have the connection reinstated. Irish Water will need to assess the condition of the connection assets and may need to carry out works to safely reconnect the premises and/or provide capacity to meet the customers load requirements. A connection charge will apply as per the rates set out in the Connection Charging Policy decision.<sup>7</sup>

#### b. Domestic Properties – Permanent Disconnection

There are two scenarios where Irish Water propose that a permanent disconnection of a domestic customer's premises could be carried out, outlined below.

1. Where the premises is to be demolished and the customer requests the disconnection

Irish Water proposes to require proof of planning permission for demolition before a disconnection will be scheduled. The owner of the premises must provide authorisation for a permanent disconnection. If the person applying for a permanent disconnection is not the owner, written authorisation from the owner must be included with the application form.

2. Disconnection of an unoccupied premises

Irish Water propose that it may only disconnect a domestic customer where:

- the Premises is Unoccupied; and
- the Connection is deemed to be an Unauthorised Connection; and/or
- in the view of Irish Water, a continuation of the use of the Connection would pose a risk to health and safety. This may include circumstances where a Connection is causing a release of pathogens into the Network.

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<sup>7</sup> [CRU18262-CRU-Decision-on-Irish-Waters-Connection-Policy.pdf](#)

## 2.5.2 Non-Domestic Disconnection

As already specified in the Non-Domestic Customer Handbook<sup>8</sup> (Section 8) and Codes of Practice on Disconnections<sup>9</sup> (pages 9-11), Irish Water may disconnect a non-domestic customer's premises in any of the following instances:

1. Upon request of the customer.
2. No registered customer at the premises has been established after attempts to determine occupancy /ownership.
3. Failure to pay a bill relating to the supply of water/wastewater services.
4. Failure to pay a bill relating to the supply of water/wastewater services by a non-domestic customer who shares their supply with another non-domestic customer who has also failed to pay their water/wastewater bill.
5. Where the customer has entered a payment plan and that customer fails to honour that plan.

In addition to those listed in the Codes of Practice, and Non-Domestic Customer Handbook, Irish Water has, in its policy proposal, included disconnection for the following reasons:

- For an Unauthorised Connection:  
Irish Water proposes to disconnect a non-domestic customer premises where the connection is deemed to be an unauthorised connection.
- For health and safety reasons:  
Irish Water proposes to carry out permanent disconnections at non-domestic customer premises if, in the view of Irish Water, continuation of the use of the connection would pose a risk to health and safety. This may include circumstances where a connection is causing the release of pathogens into the network.

Irish Water state in their proposal that where there is a domestic element to a non-domestic customers premises, i.e., a mixed-use customer, for example an apartment above a shop, then a disconnection will not be carried out except in limited circumstances as set out in Section 2.5.1 (Domestic disconnection).

Irish Water proposes that where a temporary disconnection has exceeded two years in duration, it will be deemed to be a permanent disconnection. In such instances, the customer will have to apply for a new connection if they wish to have the connection reinstated. Irish Water will need to assess the condition of the connection assets and may need to carry out works to safely reconnect

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<sup>8</sup> [Irish Water Non-Domestic Customer Handbook - Commission for Regulation of Utilities \(cru.ie\)](#)

<sup>9</sup> [11.09.18 NDBillingCode InsideConsultation Clean.pdf \(water.ie\)](#)

the premises and/or provide capacity to meet the customers load requirements. A connection charge will apply as per the rates set out in the Connection Charging Policy decision.<sup>10</sup>

### **2.5.3 Reconnection**

Irish Water proposed criteria for reconnection as follows:

- Where Irish Water has carried out a temporary disconnection for reasons of non-payment, the customer may reconnect to the network by making all outstanding payments and paying any applicable reconnection fee.
- Where a customer that has previously requested a temporary disconnection wishes to reconnect to the network, they may apply for reconnection by contacting Irish Water and will have to pay a reconnection fee.
- If a temporary disconnection is in place for over two years, it will be deemed to be a permanent disconnection. The customer will have to apply to Irish Water for a new connection should they wish to reconnect to the network.
- Where a permanent disconnection has taken place, the customer will need to apply for a new connection if they wish to have the connection reinstated.

### **CRU Observations**

The CRU notes the different approaches proposed for domestic and non-domestic disconnections which are in line with the legislation in place prohibiting domestic disconnections. This protects the domestic customer by ensuring a supply of water and wastewater services at a domestic premises. In Ireland, the different treatment of customer categories also acknowledges that non-domestic properties are charged for their water supply whereas domestic customers currently are not.

Irish Water also separates the types of disconnections into temporary and permanent disconnections which is also in line with the approach taken in other jurisdictions.

There are two aspects of their disconnections proposals which, in the opinion of the CRU, merit further development as follows:

1. Permanent disconnection of a non-domestic property if a risk of contamination to the water supply is identified.
2. Proposal to permanently disconnect any temporary disconnection, for both domestic and non-domestic properties, which exceeds two years in duration.

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<sup>10</sup> [CRU18262-CRU-Decision-on-Irish-Waters-Connection-Policy.pdf](#)

Once permanently disconnected, the customer can only reconnect via the new connection which is more expensive than the reconnection charge following a temporary disconnection. The CRU is of the view that Irish Water should adopt a process which should be followed in advance of permanently disconnecting customers that fall into these categories, similar to what is already in place for disconnection of non-domestic properties due to non-payment. This process should include appropriate customer engagement as regards notice periods for disconnection. It should also give the customer the opportunity to engage with Irish Water to seek an alternative course of action to permanent disconnection. The CRU’s view is that the process should mimic that already in place for disconnections due to non-payment, i.e., the customer should receive adequate notice in writing and by telephone in advance of a disconnection. Our view is that it would not be fair to the customer if Irish Water disconnects them without any prior engagement. The CRU welcomes the view of respondents in this regard.

| <b>Disconnection Type</b> | <b>Domestic properties</b>  | <b>Non-domestic properties</b>   |
|---------------------------|---|--|
| <b>Temporary</b>          | Upon request of the customer. The customer must be able to demonstrate an alternative source of water supply prior to disconnection | Upon request of the customer   |
|                           |   | No registered customer at the premises has been established                      |
|                           |   | Failure to pay a bill relating to the supply of water/wastewater services        |
|                           |   | Failure to honour a payment plan   |
| <b>Permanent</b>          | Where the premises is to be demolished and the customer requests the disconnection  | Upon request of the customer   |
|                           | Disconnection of an unoccupied premises which either has an unauthorised connection, and/or there is a risk of contamination        | For an unauthorised connection   |
|                           |   | Continuation of the use of the connection would pose a risk to health and safety |

**Table 3: Summary of criteria for temporary and permanent disconnections at domestic and non-domestic properties as proposed by Irish Water**

### **Irish Water Proposals in Summary**

- To separate disconnections by property type: domestic and non-domestic.
- To have two categories for disconnections: temporary and permanent
- That permanent disconnections can occur at domestic properties only after specific conditions are met, i.e., where the premises is to be demolished and the customer requests the disconnection, and disconnection of an unoccupied premises where the connection is unauthorised, and/or where there is risk to water quality.
- That temporary disconnections at both domestic and non-domestic properties can be requested. However, if the length of disconnection exceeds 2 years, then Irish Water has the right to make this a permanent disconnection.
- There will be two new criteria for disconnection of a non-domestic property, in addition to those set out in the Non-domestic Customer Handbook and Codes of Practice on Disconnections.
- Where Irish Water has carried out a temporary disconnection for reasons of non-payment the customer may reconnect to the network by making all outstanding payments and paying any applicable reconnection fee.

### **CRU Questions**

1. Please state if you agree with the differing approach proposed by Irish Water for permanent and temporary disconnections?
2. What are your views on Irish Water's proposal to carry out the permanent disconnection of a non-domestic property if it perceives there to be a contamination risk?
3. Please state if you agree with Irish Water's proposal to carry out a permanent disconnection of a property previously temporarily disconnected, where the temporary disconnection has been in place for more than two years?
4. Please state if you agree with Irish Water's proposed criteria and approach to reconnections?
5. Please state if you agree with the CRU's proposal that Irish Water should establish a customer engagement process prior to permanently disconnecting: 1. a non-domestic property if a risk of contamination to the water supply is identified, and 2. a temporary disconnection which exceeds 2 years in duration?

## 2.6 Charges for Disconnections

### 2.6.1 Current Charges

As illustrated in **Table 1**, current charges and arrangements for disconnection and reconnection services vary greatly across the Local Authorities in Ireland. Please refer to Appendix 1 for Table detailing all current charges.

| Metric | Amount |
|--------|--------|
| Min    | €100   |
| Median | €609   |
| Max    | €1,300 |

**Table 4 Summary of current disconnection and reconnection charges**

#### In summary:

- 29 Local Authorities (LAs) apply reconnection charges but no disconnection charges.
- One LA applies a disconnection charge and a reconnection charge.
- Two LAs apply disconnection charges but no reconnection charges.
- Two LAs apply no charge i.e., neither a disconnection nor reconnection charge and are excluded from the minimum, medium and maximum calculation.

As an example of Local Authorities that take a contrasting approach, Dublin City Council do not charge for either disconnection or reconnection, however neighbouring Fingal County Council charge €1,300 for reconnection (no charge for disconnection).

Irish Water has submitted its proposed standard charges to the CRU, for disconnection and reconnection, as set out below.

#### 2.6.1 Irish Water Proposed Charges

Irish Water does not propose different charges for disconnections for domestic and non-domestic properties. The following proposals are for both property types, except for disconnection due to non-payment, which can only be carried out at non-domestic properties.

#### 2.6.2. Permanent Disconnection

Irish Water propose that the customer should not be charged for a permanent disconnection for both domestic and non-domestic properties

Where a permanent disconnection has taken place, the customer will need to apply for a new connection in accordance with the Connection Charging Policy.

### **CRU Observations**

The CRU has reviewed the disconnection policies of several water companies in other jurisdictions, all of whom do not charge customers for a permanent disconnection. These include Thames Water, United Utilities, Anglian Water, Severn Trent Water, Northern Ireland Water, and Scottish Water. In the case of Anglian Water and Scottish Water, the company charges a fee if the disconnection is a result of non-payment, or if the customer is in breach of the Water Fitting Regulations.

In Ireland, ESB Networks (ESBN) charges for disconnection from its services whereas Gas Networks Ireland (GNI) currently does not.

The CRU therefore agrees with Irish Water's proposed charge (i.e., none) for a permanent disconnection, recognising that the utility is safeguarding its water and/or wastewater network by absorbing these costs. Customers will be more likely to request a permanent disconnection.

#### **CRU Question**

6. Please state if you think that domestic / non-domestic customers should be charged for a permanent disconnection from the water supply network? Please set out your rationale for why you think this.

### **2.6.3 Temporary Disconnection and Reconnection – Irish Water proposal**

Table 2 below shows Irish Water's proposed rates for standard temporary disconnections and reconnections. The table splits the rates into two categories: standard hours and outside of standard hours. Irish Water has also proposed different rates depending on if the disconnection was customer requested or due to non-payment. Irish Water also propose that a fee should be charged in the instance where a scheduled visit has been aborted due to customer related circumstances e.g., access issues at a property.

| Service                 | In/Out Standard hours | For Customer Requested | Due to non-payment | Aborted Site Visit (per visit) |
|-------------------------|-----------------------|------------------------|--------------------|--------------------------------|
| Temporary Disconnection | In                    | €140                   | N/A                | €140                           |
|                         | Out                   | €210                   | N/A                | €210                           |
| Reconnection            | In                    | €140                   | €500               | €140                           |
|                         | Out                   | €210                   | N/A                | €210                           |

**Table 5: Irish Water Proposed standard rates for temporary disconnections and reconnections. Charges listed are inclusive of VAT.**

In its proposal Irish Water explain that standard charges will be applied where the disconnection or reconnection can be facilitated without works to connection assets and/or requiring pipework. For non-standard disconnections and reconnections, Irish Water proposes that these will be charged in accordance with reasonable costs incurred. Irish Water also proposed that any disconnection of an unauthorised connection is charged in accordance with reasonable costs incurred.

### **2.6.3.1 Irish Water Proposal for customer-requested temporary disconnection**

In proposing its charges for requested temporary disconnection Irish Water has:

- Calculated that it takes on average two hours to carry out a temporary disconnection which includes travel time to and from site.
- Estimated that the average hourly costs as charged by Local Authorities and their contractors to carry out this work is €51.50. This equates to €103 for the 2 hours in standard hours (€126 after VAT)
- Calculated other costs for activities to support Disconnections (administration and business support for example) to be €14 for requested temporary disconnection.

This results in a charge of €140 for a temporary requested disconnection/reconnection in hours and €210 for a temporary requested disconnection/reconnection out of hours.

### **2.6.3.2 Irish Water considerations for Disconnection due to non-payment**

Temporary disconnection due to non-payment is slightly different in that Irish Water must follow the procedure as set out in Section 7 of the Irish Water Non-Domestic Customer Handbook<sup>11</sup>. Irish Water has calculated the payment based on three visits to the property:

- Visit 1 – Site visit
- Visit 2 – Disconnection
- Visit 3 – Reconnection

This equates to €378 (3 times €126). The administration and business support charges are higher due to the credit and collections processes, equalling €125.

This means that the total payment for customers who have been disconnected due to non-payment would be €503, which Irish Water have rounded down to €500.

### **2.6.3.3 Benchmarking with UK utilities**

Irish Water has carried out some benchmarking on temporary disconnection prices across the UK; specifically, it has researched charges set out by:

- Scottish Water
- Welsh Water
- Thames Water
- Yorkshire Water
- Southern Water
- Northern Ireland Water

The charging arrangements for each company vary in how they are applied. For example, neither Northern Ireland Water nor Scottish Water charge for customer requested temporary disconnections, however Scottish Water charge for temporary disconnection due to non-payment. Charges are reflective of the time associated with the visits and the level of work undertaken. Scottish Water has hourly rates which it applies for these whereas other companies appear to have standard service rates. Irish Water has taken these into account and have summarised them as follows:

- Some UK utilities apply temporary disconnection and reconnection standard charges.
- Some UK utilities charge for site surveys, for example a first site visit to understand if it is practicable to carry out a temporary disconnection or reconnection. Irish Water has built these into their proposed charges.

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<sup>11</sup> [CRU18041-Irish-Water-Non-Domestic-Customer-Handbook-27-March-2018.pdf](#)

- Some apply different charges depending on whether the disconnection is at a customer's request or for non-payment/denying access to a meter.
- Some apply a charge following the reconnection service only.
- Some do not quote charges for any element (temporary disconnection and reconnection); rather all such services are carried out at reasonable cost.

#### 2.6.3.4 Benching marking with other Irish Utilities

##### 1. Gas Networks Ireland

GNI does not charge its customers to disconnect however customers will be charged for reconnection which varies dependent on the customer type, and or reconnection type.

In GNI's siteworks charging<sup>12</sup> document, Section 3, it sets out the charges for restoration of services that have been disconnected. The term disconnection in this instance can refer to:

1. Locking of the gas meter,
2. Physical removal of the meter; or
3. Cutting and capping of the gas service pipe.

When comparing Irish Water's proposed temporary disconnection charges to GNI, the CRU compares to disconnection type 1 above, (restore supply to a premise that has had supply isolated) as follows:

|   | Proposed charge in hours | Proposed charge out of hours |
|---|--------------------------|------------------------------|
| <b>Domestic Meter, non-safety related</b> | €72.54                   | €145.08                      |
| <b>I/C meter non-safety related</b>       | €147.12                  | €294.24                      |

**Table 6: GNI reconnect service post supply isolation**

Where GNI may have previously been requested to disconnect a service in the footpath/road, the ground will have to be opened in order to reconnect at the mains. This activity is treated the same as an initial connection plus 1 metre of service and the same cost applies as a standard one-off connection plus 1 metre over. This process of charging for reconnection following a disconnection is comparable to Irish Water's permanent disconnection type (i.e. the customer not charged for permanent disconnection, just charged when they want to reconnect again). GNI's charges for this are set out in Table 7 below.

<sup>12</sup> [Siteworks Charging 2012 02 12 11 - 1 0 updated for VAT.doc \(gasnetworks.ie\)](#)

|   | Excluding VAT                      | Including VAT                      |
|---|------------------------------------|------------------------------------|
| <b>Reconnect Domestic Customer</b>                          | €265.21                            | €301.01                            |
| <b>Reconnect I/C Customer = G4</b>                          | €676.89                            | €768.27                            |
| <b>Reconnect I/C Customer = G10, Fitter Fab Meter Unit.</b> | €1,105.75                          | €1,255.03                          |
| <b>Reconnect I/C Customer = G10, Modular Meter Unit.</b>    | €1,534.88                          | €1,742.09                          |
| <b>Reconnect I/C Customer &gt;G10</b>                       | Firm Price to be agreed in advance | Firm Price to be agreed in advance |

Table 7: GNI reconnect service post cut off charges

## 2. ESB Networks

ESBN carries out de-energisations which are comparable to temporary disconnections. A de-energisation is defined as the deliberate prevention of the flow of electricity between the distribution system and the facility through the connection point for any purpose other than a system outage. ESNB charges €70 to de-energise and energise a connection point, exclusive of VAT. Similar to what is proposed by Irish Water, ESNB also charges €70 if the visit has to be abandoned due to no fault of the DSO.

ESBN will charge €162 (excl VAT) for a customer requested disconnection, which is comparable to a permanent disconnection. These charges are set out in Table 5.1 of the ESB Networks DAC Statement of Charges.<sup>13</sup>

Charges for out of hours are multiplied at 1.5 times the standard rate. ESNB also states that:

*For non-standard de-energisations which involve additional work over the normal means of de-energisation (movement of any isolator, breaker, switch or the removal of any fuse), individually assessed charges will be quoted.*

In addition, ESNB has also included a reconnection timeframe for re-energisation which is set out in its 'Guide to the Process for Connection of Demand Customers to the Distribution System'<sup>14</sup>. This sets out different processes and fees that may need to be adhered to if the reconnection timeframes are:

1. <2years from de-energisation

<sup>13</sup> [ESB Networks Statement of Charges](#)

<sup>14</sup> [Distribution Department \(esbnetworks.ie\)](#)

2. >2 years from de-energisation

**CRU Observations:**

The CRU understands that charges for temporary disconnections differ across comparable utilities. Irish Water has proposed to charge at each step of the process for customer requested temporary disconnections which is in line with how some UK utilities (Thames Water, Yorkshire Water and Southern Water for example) charge.

For disconnection due to non-payment, which is a last resort for Irish Water, the company is covering all costs associated the three visits as set out above.

As stated above, the charges reflect the average time it takes to carry out a standard temporary disconnection. Irish Water has reached these costs by basing them on the average hourly rate charged by the local authorities and their contractors to carry out such work and by calculating that it would take on average 2 hours to carry out a standard temporary disconnection. Irish Water proposes to apply a rate for work carried out in normal working hours and out of hours depending on the customer's request. This is common across UK utilities and is also in place for ESB Networks and GNI. This CRU agrees with this approach as it is cost reflective for the company.

**CRU Question**

7. Please state if you think it is appropriate to charge customers for temporary disconnection and reconnection? If so, do you think the proposed approach and charges set by Irish Water are fair, adequate? Please state if you think that the charges are in line with the CRU's charging principles? If not please give rationale and support your answer with evidence of an approach and charge that would be more appropriate in your view.

## 3. Next Steps

This consultation will be live for 6 weeks and anybody wishing to respond to this consultation must do so by 4<sup>th</sup> March 2022. The CRU will carefully review all responses before making a decision with respect to the Disconnection Charging Policy.

The CRU intends to publish a decision on Irish Water's proposed Disconnection and Reconnection Policy and associated charges following a review of the responses to this consultation. A decision is expected in Q2 2022. The Water Charges Plan will be updated and published one month after the CRU's decision.

Irish Water will implement this policy and associated charges following the CRU's decision.

# Appendices

## Appendix 1 – Current Disconnection and Reconnection Charges

| Local Authority/Council             | Disconnection<br>Fee (€) | Reconnection Fee (€)  |
|-------------------------------------|--------------------------|---|
| Carlow Co. Council                  | 0                        | 600 – existing customer only<br>New customer not charged                        |
| Cavan Co. Council                   | 0                        | 0   |
| Clare Co. Council                   | 0                        | 1135  |
| Cork City Council                   | 0                        | 395   |
| Cork Co. Council                    | 0                        | 1100  |
| Dunlaoghaire-Rathdown<br>Co.Council | 590                      | 590 – Existing customer<br>95 – New customer                                    |
| Donegal Co. Council                 | 0                        | 500   |
| Dublin City Council                 | 0                        | 0   |
| Fingal Co. Council                  | 0                        | 1300  |
| Galway City Council                 | 295                      | 0   |
| Galway Co. Council                  | 0                        | 500 – Existing Customer<br>New customer not charged                             |
| Kerry Co. Council                   | 0                        | 1100  |
| Kildare Co. Council                 | 0                        | 1000  |
| Kilkenny Co. Council                | 0                        | 1000  |
| Laois Co. Council                   | 0                        | 940 – 500 refundable after 12 months if no<br>leaks and account is paid to term |
| Leitrim Co. Council                 | 0                        | 650 – Existing customer<br>New customer not charged                             |

|                                  |   |   |
|----------------------------------|---|---|
| <b>Limerick City Council</b>     | 0 | 500   |
| <b>Limerick Co. Council</b>      | 0 | 700   |
| <b>Longford Co. Council</b>      | 0 | 250   |
| <b>Louth Co. Council</b>         | 0 | 296 – Existing customer<br>New customer not charged |
| <b>Mayo Co. Council</b>          | 0 | 125   |
| <b>Meath Co. Council</b>         | 0 | 450   |
| <b>Monaghan Co. Council</b>      | 0 | 1200  |
| <b>Offaly Co. Council</b>        | 0 | 500   |
| <b>Roscommon Co. Council</b>     | 0 | 100 – Existing customer<br>New customer not charged |
| <b>Sligo Co. Council</b>         | 0 | 300   |
| <b>South Dublin Co. Council</b>  | 0 | 300   |
| <b>Tipperary Sth Co. Council</b> | 0 | 350   |
| <b>Tipperary Nth Co. Council</b> | 0 | 350   |
| <b>Waterford City Council</b>    | 0 | 500   |
| <b>Waterford Co. Council</b>     | 0 | 250   |
| <b>Wexford Co. Council</b>       | 0 | 300   |
| <b>Wicklow Co. Council</b>       | 0 | 1000  |

## **Appendix 2 – CRU Consultation Questions**

1. Please state if you agree with the differing approach proposed by Irish Water for permanent and temporary disconnections?
2. What is your view of Irish Water's proposal to carry out the permanent disconnection of a non-domestic property if it perceives there to be a contamination risk?
3. Please state if you agree with Irish Water's proposal to carry out a permanent disconnection of a property previously temporarily disconnected, where the temporary disconnection has been in place for more than two years?
4. Please state if you agree with Irish Water's proposed criteria and approach to reconnections?
5. Please state if you agree with the CRU's proposal that Irish Water should establish a customer engagement process prior to permanently disconnecting: 1. a non-domestic property if a risk of contamination to the water supply is identified, and 2. a temporary disconnection which exceeds 2 years in duration?
6. Please state if you think that domestic / non-domestic customers should be charged for a permanent disconnection from the water supply network? Please set out your rationale for why you think this.
7. Please state if you think it is appropriate to charge customers for temporary disconnection and reconnection? If so, do you think the proposed approach and charges set by Irish Water are fair, adequate? Please state if you think that the charges are in line with the CRU's charging principles? If not please give rationale and support your answer with evidence of an approach and charge that would be more appropriate in your view.