

# CHOLDERTON & DISTRICT WATER COMPANY

MEETING - SHIPTON BELLINGER  
6 February 2017

# PRESENTATION TOPICS

NITRATE TREATMENT UPDATE

WATER CHARGES 2017-18

PROPOSED REGULATORY CHANGES

# NITRATE TREATMENT PLANT

Commissioned February 2016

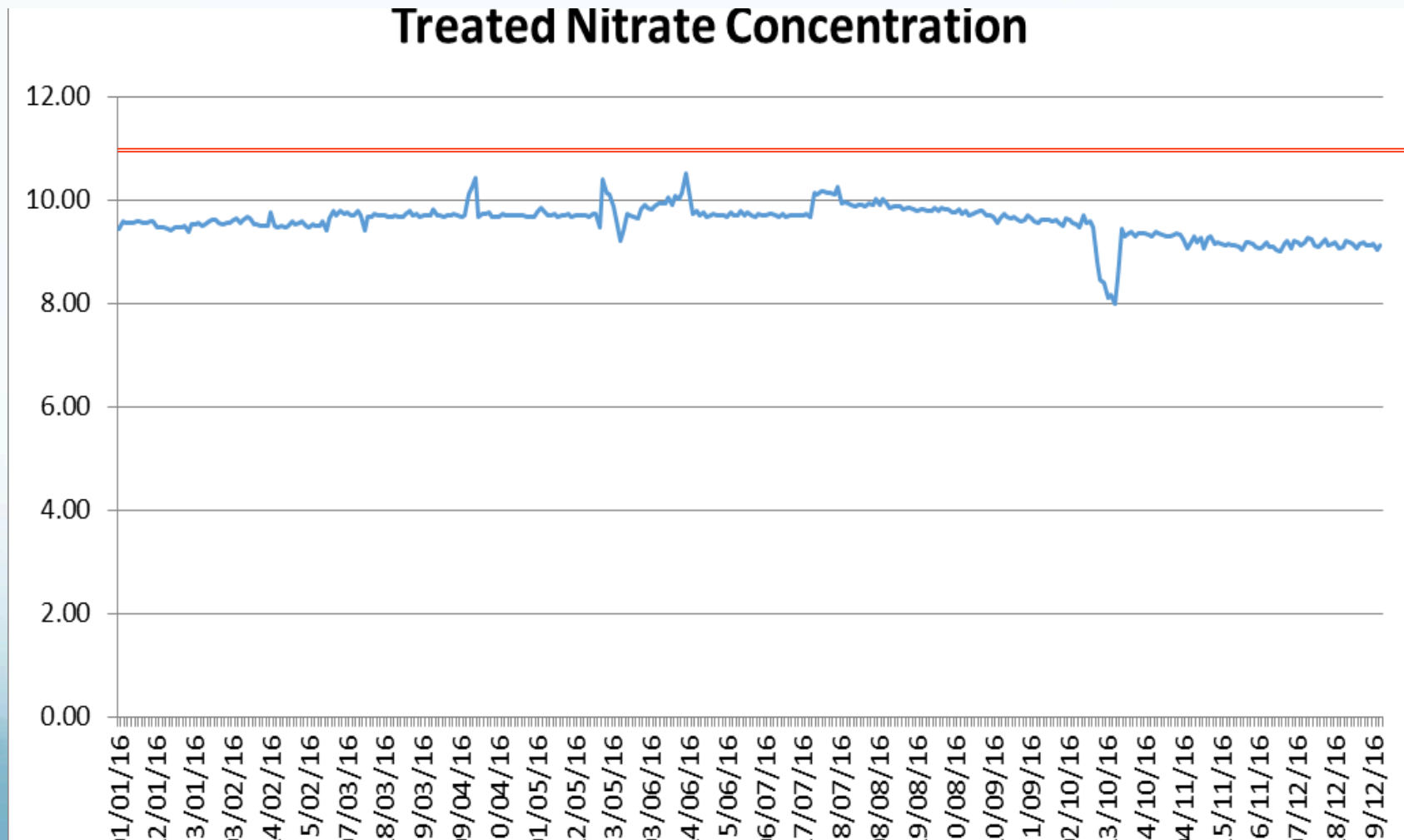
Required until 2022/3

Equipment availability 99%

Water treated 330 Million litres

Water Quality maintained within DWS

# Nitrate Treatment Record



# WATER CHARGES 2017-18

- Overall 1.92% increase in Regulated Income
  - RPI 2.26 less 'K' factor

## Average Household Bills 2017-18

	Revenue £	Houses	Av. Bills £
Unmeasured	112,763	452	249.48
Measured	<u>43,913</u>	<u>260</u>	168.89
Total annual revenue	<u>156,676</u>		
Total Households		<u>712</u>	
Average Bill	<u><b>£220.05</b></u>		
Increase over 2016-17		1.14%	

# Metered & Unmetered Households

## Household Bill Comparison 2017-18 with 2016-17

	2017-18			2016-17	
<b>Unmeasured water</b>					
	<u>revenue</u>	<u>properties</u>	<u>average bill</u>	<u>average bill</u>	<u>Increase</u>
Houses & Revenue	92,405	452	204.44	197.18	
Standing Charge	20,358		45.04	43.43	
	<u>£112,763</u>		<u>£249.48</u>	<u>£240.61</u>	3.68%
<b>Measured water</b>					
	<u>revenue</u>	<u>properties</u>	<u>average bill</u>	<u>average bill</u>	<u>Decrease</u>
Houses & Revenue	35,585	260	136.87	145.22	
Standing Charge	8,328		32.03	31.43	
	<u>£43,913</u>		<u>£168.90</u>	<u>£176.66</u>	-4.39%

# Reasons for Differential Bills

Measured customers continue to show reductions in consumption – essential for water efficiency.

Unmeasured customers have an increase in charges as on average they are consuming more water per property.

Meters are fitted for free

Check with the office to see if a meter will save you money

# Summary of Increases Umeasured Properties

Excludes MoD Houses

Properties	21	100	106	47	44	23	341
	6.2%	29.3%	31.1%	13.8%	12.9%	6.7%	100.0%
RV Band	<100	100-150	151-200	201-250	251-300	>300	
Average RV	83	124	174	217	268	378	
2017-18 Bill	134.456	178.625	232.49	278.814	333.756	452.259	
2016-17 Bill	129.659	172.254	224.199	268.871	321.855	436.134	
Increase £	4.80	6.37	8.29	9.94	11.90	16.13	3.70%



# Existing Regulatory Position

- Cholderton's instrument of appointment gives it a monopoly area in which to supply water
- The company is subject to 5 yearly price reviews from Ofwat.

In addition:

- It has to meet performance measures & commitments:
- Provide customers with safeguards and guaranteed standards of service

# Regulatory Burden

- The company produces plans & returns for
  - Defra
  - Environment Agency
  - DWI
  - Ofwat
- Since 2010 the regulatory requirements have increased significantly
  - PR14 alone ran to 35,000 words
- PR19 will place an even greater burden on the company

# Adding to the Burden

- PR19 business plan is integrated with:
  - Water Resource and Drought Plans with additional requirements from Defra
  - Software alone will cost more than the company's annual revenue from customers
- April 2017 the non-household retail market opens
- Water 2020
  - An integrated approach to regulation to accommodate
    - Population increase
    - Environmental protection
    - Mitigation of Climate Change

# Future for Cholderton

- The regulatory authorities recognise that PR19 and Water 2020 will overstretch Cholderton's limited resources.
- Discussions have been held with Ofwat, Defra, DWI and CCW.

## The Plan

- Cholderton will revert to being a Private Supply

# Details of the Plan

- Cholderton's License is revoked  
and
- Wessex takeover the Area of Appointment  
but
- Being unable to supply the area is 'unserved'  
hence
- Cholderton continues to supply water to its current customers

# Customer Service From April 2017

- No Change to Company's obligation to provide:
  - An Adequate, Reliable and Wholesome water supply
  - and
  - Performance Commitments will remain in place
- Contract for sampling & laboratory testing of water samples will remain unchanged
- The General Standard of Service (GSS) provisions will be retained & applied
- From 2018-19 onwards the CCAG will set water charges for customers.

# Safeguards

## **CCAG**

- Independent chairperson
- Representatives of:
  - Customers
  - Local authorities (including Parish councils)
  - Consumer Council for Water
  - Water company
- Members have the right to review
  - Company performance
  - Set water charges
- Wessex Water will be the supplier of last resort in the event of company failure