

28<sup>th</sup> November 2003

Circular L20/03 (WSP)

*To each local authority*

## **WATER SERVICES PRICING POLICY IMPLEMENTATION NON-DOMESTIC METERING PROGRAMME REVIEW**

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I refer to the Government's Water Services Pricing Policy Framework and the requirement for the universal metering of the non-domestic water services sector by 2006.

### **1. Meeting the 2006 Universal Metering Requirement**

The Government deadline for achieving universal non-domestic metering is end 2006. Only three years remain for delivery on this core requirement. As can be seen from the summary information at paragraph number 3 (below) significant progress was achieved at mid-year which has no doubt continued. It is however critical that all authorities progress the Government's metering requirement and that full delivery is achieved in the period to 2006. You are asked to ensure that planning is rapidly advanced in this regard and that delivery on non-domestic metering is realised within the Government's deadline.

### **2. Sligo Pilot Metering Demonstration Project**

The Department is continuing its support for the metering demonstration project in Sligo. A key deliverable of the project is the development of guidance and information notes to assist implementation of non-domestic metering nationally. Two sets of guidance have issued to date (in July 2002 and February 2003) with additional guidance to be rolled out early in the New Year. You are further advised that a CD-Rom version of the Contract Documents for the Sligo project is available on request from the Water Services Policy Unit.

The Sligo Pilot Project is at tender stage; it is expected that a private service provider will be appointed in January 2004. Authorities are again reminded that non-domestic metering programmes should not await the advancement or conclusions of the Sligo pilot.

### **3. Metering Questionnaire Summary Report 2003**

This is the second year that authorities have completed the Metering Questionnaire. The returns summarised below provide an overview of national non-domestic metering and an assessment of local authority progress on implementation. All 34 County or City Councils responded to the questionnaire with most authorities considering the status of the information submitted as "reliable". The mid 2003 summary of returns indicate that -

### *Customer Base Review*

- At the end of 2003 more than 65% of authorities will have concluded a review of their non-domestic customer base. A total 84% will complete this work in the first half of 2004.

### *Number of Non-Domestic Customers*

- Authorities estimate that 199,652 non-domestic water services customers will be identified at the conclusion of the customer base review. This compares with the 169,616 water services non-domestic users identified in the 2002 Management Information Questionnaire which included 33,012 customers not directly charged. This indicates that there are more than 63,000 non-domestic users not charged for their water services. The metering return shows this figure at 73,008.
- Local authorities anticipate an average increase in the number of non-domestic customers of 32%. This ranges from 2% to a remarkable high of 64%.
- Almost 40% of authorities will have introduced a consolidated charge for the non-domestic sector by the end of 2004. All authorities, with one exception, have confirmed their application of the county or city wide consolidated charge by 2006.

### *Implementation (Contract) Information*

The returns indicate that -

- 9 authorities will implement a metering programme in-house with some of these authorities intending to outsourcing meter installation and other activities.
- 18 authorities have confirmed their intention to appoint a Clients Representative and outsource this work. We have further confirmation that authorities representing approximately 57% of non-domestic users have engaged or are committed to engaging a Clients Representative.
- The remaining 7 authorities have not yet made a decision on how to proceed with the metering programme, i.e. in-house or outsourcing.

Given that only three years remain for delivery on universal non-domestic metering authorities are again requested to finalise and implement their metering programme and to ensure that delivery is achieved within the 2006 universal metering deadline.

- Eleven authorities have advised that they have or intend to appoint a Client Representatives in 2003.

- 66% of authorities have indicated the proposed extent of outsourcing for non-domestic metering. This information is considered as indicative. (The remaining authorities have not determined a preferred approach.):
  - 30% (31%) will outsource the meter installation contract only
  - 18% (34%) will also outsource the operational end of the contract
  - 18% (3%) will also outsource the debt collection aspects of the contract

Relative 2002 information is in brackets (above).

### *Metering Programme*

- While there are an estimated 63,955 meters installed nationally, authorities anticipate that over 71% or 45,726 of these meters will require replacement.
- Authorities also estimate that over 181,538 meters will be installed in the period up to 2006 as follows -

|      |         |
|------|---------|
| 2002 | 66,523  |
| 2003 | 68,871  |
| 2004 | 110,267 |
| 2005 | 145,296 |
| 2006 | 181,538 |

#### **4. Further Information**

We would ask that authorities keep us fully informed of developments on their metering programmes. We will also over the coming weeks be in direct contact with authorities to assess interim progress in the advancement of non-domestic metering generally.

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To - Each County and City Manager, Director of Services (Water Services).  
 Copy to - CCMA, GCCC, AMAI, Ombudsman's Office and Regional Authorities.