



Relate

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The journal of developments in social services, policy and legislation in Ireland

Water charges

Water charges for domestic users will be introduced from 1 October 2014. The first bills will be issued in January 2015 in respect of the period October–December 2014. Some aspects of the charging regime have been decided, for example, there will be no standing charge such as applies to electricity and gas bills; each household will have a free allowance of 30,000 litres a year in the main residence, and households with children will have an extra allowance for each child. The precise level of the charges has not yet been decided but the proposals in Irish Water's water charges plan have been the subject of public consultation. The final decisions are due to be made in September 2014. Here we describe how the level of charges is being decided and what the proposed charges are. We also give a general description of the customer service standards that you, as a customer of Irish Water, can expect.

Non-domestic water customers already pay water charges. The current arrangements for charging non-domestic water customers will continue for the present. Plans for a new system of charging will be drawn up by the end of 2014. The information here applies to domestic customers only.

Process of deciding on water charges

The legislation governing water charges was described in the February 2014 issue of *Relate*. The main legislation is the Water Services (No. 2) Act 2013. There are a number of bodies involved in providing water services and in deciding on the level of charges.

The Minister for the Environment, Community and Local Government is responsible for water policy. The legislation gives the Minister the power to issue policy directions in relation to water charges – see water charges policy direction below. Website: environ.ie

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Irish Water is the State body which now has statutory responsibility for delivering public water services – that is, water supply and wastewater services. Irish Water took over this responsibility from the then 34 local authorities on 1 January 2014. (Since 1 June 2014, there are 31 local authorities – see *Relate*, May 2014.) It also has responsibility for the installation of meters to measure water consumption.

The legislation requires Irish Water to charge customers for water services. It must draw up a water charges plan setting out how it proposes to charge customers for its services. This plan must be submitted to the Commission for Energy Regulation (CER) – see water charges plan below. Website: water.ie

The 31 local authorities continue to have responsibility for domestic water treatment systems and rural water services including group water schemes. The local authorities also act as agents for Irish Water in providing water services for which Irish Water is responsible. This is done under service level agreements agreed between each local authority and Irish Water.

The Commission for Energy Regulation (CER) is the regulator for water services and water charges. It is required to carry out its regulatory functions in a manner that best serves the interests of the consumers. In doing this, it must have regard to a number of factors including that Irish Water operates efficiently, effectively and in a commercially viable manner. Its functions include assessing and approving investment decisions by Irish Water. Its functions in relation to water charges require it to consider the water charges plan submitted to it by Irish Water, and to decide on the water charges regime. In doing so, it is bound by any policy directions issued by the Minister for the Environment, Community and Local Government. (Its role in relation to customer standards is described below.)

Website: cer.ie

The Environmental Protection Agency (EPA) is responsible for ensuring the quality of water supplies. Website: epa.ie

Water charges policy direction

The Minister for the Environment, Community and Local Government issued a water charges policy direction to the CER on 2 July 2014. This policy direction applies for the period 1 October 2014 to 31 December 2016 (this is known as the interim regulatory period). The CER is obliged to comply with this direction. This direction provides, among other things, that:

- Each household is entitled to get 30,000 litres of water free annually in their primary residence

- There is to be a free allowance for each child (aged under 18) in the household; this is to cover the normal consumption of water supplied and waste water treated in respect of each child; the direction states that this normal consumption is estimated to be 38,000 litres a year but this is to be verified by actual consumption data from metering
- Charges which are based on an assessment of usage (where the premises is not metered) must be primarily based on occupancy but may include other factors such as a comparison with metered usage
- When moving from non-metered to metered supply, charges may be adjusted retrospectively if metered usage proves to be lower than the assessed usage
- Charges must be capped for people who have specific medical conditions that require increased water consumption; the medical conditions will be set out by the Minister for the Environment, Community and Local Government following consultation with the Minister for Health
- There will be no standing charge for primary residences; but the CER may consider a minimum charge for non-primary residences
- The water charges plan should make provision for circumstances where the quality of water services provided by Irish Water to customers is impaired or where services are reduced or restricted (for example, where there are “boil water” notices)

The Minister also issued a “conditions of funding” letter to Irish Water (the final version was issued on 29 July 2014). Among other things, this deals with the government payment to Irish Water to cover the costs of the free allowances. It includes a requirement that the average annual household bill in the interim regulatory period (that is, from October 2014 to the end of 2016) for households with combined water supply and wastewater treatment should not be more than €240, with households receiving only one service paying a lower average charge.

Water charges plan

As required by the legislation, Irish Water submitted a water charges plan to the CER. The CER issued its response on 31 July 2014. This sets out the proposals from Irish Water with some amendments by the CER. These proposals were open for public consultation until 28 August 2014 and the CER is due to make a final decision in September 2014.

The full details are available at:

cer.ie/docs/000979/CER14366a%20Water%20Charges%20Plan%20Consultation.pdf

Proposed water charges

As already stated, final decisions on water charges had not been made by the date of this publication (early September 2014). Here we describe the proposals that were published on 31 July 2014 for public consultation.

The main features of the proposals are:

Water supply and wastewater

You will be charged for both water supply and wastewater services if you are availing of both from the public system. Legally, the amount of wastewater discharged from a premises is deemed to be equal to the amount of water supplied to that premises, unless Irish Water and the customer agree otherwise. In most cases, the amount of water you take from the public system and the amount of wastewater you discharge are actually the same.

Some people have a public water supply but discharge the wastewater to a domestic wastewater system such as a septic tank. They will be charged for water supply only.

Some people have a private water supply but discharge to the public wastewater system. They will not have a meter installed but will be charged for the wastewater service on the basis of assessed charges – see below.

The proposed charging system assumes that the cost of providing water supply and of dealing with wastewater is the same. The CER may reconsider that assumption when more information is available about the actual costs.

Free allowance

Each household will get a free allowance of 30,000 litres, plus 21,000 litres for each child in the household. Irish Water takes the view that 38,000 litres (the upper limit for each child mentioned in the Minister's water charges policy direction) is too high for the normal consumption of a child. The CER accepts that 21,000 litres is the appropriate volume for the child allowance during the interim regulatory period and may review this allowance should more robust and verified evidence of normal child consumption become available.

The World Health Organization (WHO) recommendations indicate that each person has a minimum requirement of 20 to 25 litres of water a day (7,300 to 9,125 litres a year).

The free household allowance and the free child allowance apply to your primary residence only. There is no facility for dividing it between two residences. There is no free allowance

in respect of any other residence, such as a holiday home. (Holiday homes that are used commercially are already subject to non-domestic water charges.)

The free allowances will be applied proportionately to each quarterly bill. So, your household free allowance will be 7,500 litres each quarter. Any unused allowances may be carried over to the next billing period but there cannot be a carryover from one year to the next. The year starts on 1 October – your first bill will be for the period 1 October–31 December 2014. Your annual allowance applies for the period 1 October 2014 to 30 September 2015. While the billing period will be three months, Irish Water will facilitate the payment of bills on a monthly basis or perhaps more frequently.

Information about households

Irish Water has launched its "customer application campaign" asking people to indicate which (if any) public water or wastewater services they have, and to apply for the appropriate free allowances by confirming their details.

Irish Water is legally entitled to ask you for your Personal Public Service Number (PPSN) and those of your children. If you do not provide details of your household, you will be billed on an "assessed charges" basis and will not get any free allowances – see below.

The definition of a child for the purposes of the free allowance is the same as that for entitlement to Child Benefit; the main condition is that the child is under the age of 18. You will get a free allowance in respect of any child for whom you are getting Child Benefit.

Assessed charges

Unmetered charges or "assessed charges" will apply to households where a meter has not been installed and to households which have a combined household and non-household water supply (for example, farmers and people living over the shop). These charges will be assessed on the number of adults living in the household. It is proposed that, after the household free allowance has been applied, a single-adult household will have an annual assessed charge of €176. The extra charge for each adult will be €102, so a two-adult household will be charged €278, a three-adult household €380, and so on.

The CER has calculated that the overall annual average household charge will be €238 for households receiving both water supply and wastewater services. However, this figure is

based on all houses being considered equal; it does not take account of the occupancy of a given household. (The average household has 2.7 residents of whom some are children.)

These charges are based on the assumptions that a single person living alone uses 66,000 litres of water a year and each additional adult in the household uses 21,000 litres a year. It is also assumed that each child uses an additional 21,000 litres a year.

People who have a private water supply and discharge wastewater to the public system will be billed for half the assessed charges. They will not have a meter installed.

If you do not provide Irish Water with details of your household by 31 October 2014, you will be charged as an unmetered household with two adults but with no household or child allowances. Under the proposals being described, a two-adult household with no allowances would be charged €424 a year.

It is up to you to tell Irish Water if the composition of your household changes so that your allowances can be adjusted accordingly.

Metered charges

It is proposed that metered charges will be €2.44 for each 1,000 litres of water supply and a further €2.44 for each 1,000 litres of wastewater; if you have both services, you will pay €4.88 for each 1,000 litres of water you use above the free allowance.

Capped charges

It is proposed that all customers will have their water charges capped at the assessed level for six months from 1 October 2014, or from the date on which the meter is installed, whichever is later, to help you to adjust to the new system. This means that if you have a meter installed, you will be billed on your metered consumption if it is less than the assessed charge, but the most you will pay is the assessed charge.

Leaks

If, once a meter is installed, water usage is identified as being very high and a leak is found, your bill will be capped at the equivalent unmetered charge for the period until the leak is fixed.

This is part of the "first fix free" policy whereby Irish Water proposes to fix the first leak that is discovered on the customer side of the water supply.

In general, under the Water Services Act 2007, Irish Water is responsible for leaks in the pipes up to the stopcock and you are responsible for leaks occurring in the connection between the

stopcock and your premises. A formal "customer side leakage policy" will be drawn up by Irish Water and submitted to the CER for approval.

Medical conditions

If you have a specific medical condition, your bill will be capped at the relevant unmetered charge. As stated in the Minister for the Environment, Community and Local Government's water charges policy direction mentioned above, decisions on the specific medical conditions will be made in consultation with the Minister for Health in advance of the commencement of domestic charges.

Moving from unmetered to metered

If, after your meter is installed, you find that your water charges are lower than the assessed charges that you have been paying, you may be able to get a rebate. Irish Water proposed that you must have been paying an unmetered charge for at least six months in order to get a rebate but the CER proposes that there be no minimum time period.

Non-primary residences

It is proposed to apply a minimum charge of €80 a year for each service (that is, €160 if you have a public water supply and use the public wastewater system) in premises that are not permanently occupied, such as, holiday homes. This charge would apply whether the premises is metered or not. If the premises is metered, you must pay the metered bill or the minimum charge, whichever is higher.

Water not fit for consumption

It is proposed that there would be a 50% discount on the water supply element of the charges in cases where water is declared unfit for human consumption, for example, if there is a "Boil Water" or Drinking Water Restriction Notice in effect. The discount would apply if the notice lasted for more than one day. If the water remains unfit for six months, Irish Water proposes that there be a 100% discount on the water supply element; the CER is proposing that the 100% discount apply after three months. No discount is proposed on the wastewater charge.

In 2012, 47 Boil Water Notices were issued. These affected 18,205 households. 27 Drinking Water Restriction Notices were also issued and these affected 2,925 households. It is proposed that the duration of any such notices that are in effect at 1 October 2014 will be used to calculate the appropriate discount.

Hard water is not considered unfit for consumption and no discount will apply in respect of it. (Hard water does have an effect on the lifespan of electrical equipment.)

Paying your bill

In general, bills will be issued every three months. The first, second and final bill may deviate from this in some cases. All the usual options for paying your bill will be available. These include direct debit, payments over the counter, cheques, electronic funds transfer and credit/debit cards. Bills must be paid within 14 days of issue. While bills will be issued every three months, you may make arrangements to pay them monthly or possibly more frequently.

Additional services

Irish Water may charge for the provision of other services. For example, it may have connection charges, it may charge for testing of meters or for site inspection where a blockage

or leak is suspected. Charges for such services have yet to be agreed by Irish Water and the CER. Existing connection charge arrangements will continue until such an agreement is reached.

Public group water schemes

These are the responsibility of the local authorities and will remain subject to their present conditions for the time being.

Value Added Tax (VAT)

The supply of water by Irish Water and by local authorities is exempt from VAT. This is provided for in the Value-Added Tax Consolidation Act 2010 as amended by the Finance (No. 2) Act 2013. VAT is charged at 13.5% on utilities such as electricity and gas.

Assistance with the costs

Some people may get help with the cost of their water charges. This will be provided through the Household Benefits Package, under which certain groups qualify for assistance with electricity or gas costs and free TV licences. The Statement of Government Priorities 2014–2016 includes a commitment to increase the Household Benefits Package by €100 in Budget

2015 "in part to compensate older people and other vulnerable groups for the introduction of water charges". The full details of who will qualify for this extra €100 are not yet known but it is expected that it will be granted to pensioners, people with disabilities and carers who are receiving the Household Benefits Package.

Rented accommodation – who pays?

The legislation provides that Irish Water will charge each customer for water services. A customer is defined as the occupant of the premises which is being provided with water services. Irish Water will assume that the owner of a premises is the occupier unless the contrary is proved. It seems likely that landlords will identify the occupiers of their rented

premises to Irish Water and the tenants will then be regarded as the customer of Irish Water and be liable for the charges. Irish Water is required to have procedures in place for clearly identifying who is liable for the charges and these procedures are to be specified in a code of practice – see below.

Water meters

There are approximately 1.35 million domestic properties connected to public water supplies. Irish Water intends to install a meter in any household connected to a public water supply where it is technically feasible to do so. About 300,000 domestic properties are unlikely to be metered in the current phase of the metering programme because of technical difficulties or excessive costs. These include apartment blocks, other multi-occupancy buildings and houses with shared service connections. Irish Water expects to have installed about 450,000 meters by the time billing starts in January 2015; about 875,000 meters by the end of 2015, and 1.1 million meters by the end of 2016.

Irish Water has also examined possible approaches to metering properties which are not part of the current metering programme, for example, apartments and properties with shared service connections. It has identified about 48,000 apartments which could be separately metered in future.

The water meters that are being installed have a low power radio unit fixed to the top which enables them to be read periodically from a passing van. The meters are the property of Irish Water but you have access to them in order to verify your usage.

Customer service standards

The CER has issued the Irish Water Customer Handbook CER/14/364.

cer.ie/docs/000956/CER14364%20Irish%20Water%20Customer%20Handbook.pdf

This provides guidelines to Irish Water on the required levels of customer service and customer protection measures to be implemented by it. The handbook sets out the required content of Irish Water's customer charter, terms and conditions and codes of practice. Irish Water is required to prepare separate documents for domestic and non-domestic customers.

Irish Water must have a customer charter for domestic customers and codes of practice for domestic customers covering the following areas:

- Customer communication
- Metering
- Billing
- Vulnerable customers
- Network operations
- Complaint handling
- Terms and conditions of supply

These documents were to be submitted to the CER by 1 September 2014 at the latest. The CER must approve them before they are published. If they are not approved by 1 October 2014, then the guidelines set out by the CER in the handbook will apply. The following is a brief summary of the guidelines. Some of the areas covered in the handbook have already been covered above under the description of proposals in relation to water charges.

Customer charter

The Irish Water customer charter must set out the services provided and the service quality levels offered. These include time limits for the resolution of problems in relation to supply and procedures for dealing with problems with bills. The charter must also provide for payments to customers if the quality service levels are not met – these payments will be called "charter payments". They are in addition to any rebates that you may get or to any compensation that may arise as a result of the failure to meet the standards. The circumstances in which charter payments must be made to customers will be gradually introduced over the period to January 2016.

Customers who have problems paying their bills

The code of practice on billing must outline the procedures for dealing with customers who have problems paying their bill and the options available to them. You may nominate a third party to represent you in your dealings with Irish Water, for example, MABS or a charity which provides such assistance. The options available are likely to include a payment plan whereby you make a staged repayment of the arrears.

Reducing supply

The legislation provides that Irish Water does not have the power to cut off water supply to domestic customers because of non-payment of charges but it does have the power to reduce the supply. The handbook elaborates on the conditions under which supply may be reduced.

Water supply may be reduced if you have accumulated arrears and have:

- Not reached agreement on a payment plan despite Irish Water's attempts to make such an agreement on more than one occasion or
- Failed on more than one occasion to make the required payments on an agreed payment plan

Reduction of supply must be used as a last resort in all cases. All other methods of arrears repayment must have been exhausted. If supply is reduced, you must still be able to meet basic domestic needs and 24-hour supply must continue. Irish Water will define what constitutes "basic domestic needs" and this must be approved by the CER.

Irish Water must set out in its code of practice the situations in which your supply cannot be reduced, even if you are in arrears. This must include:

- Where your premises has a known shared supply pipe with another customer and reduction of the supply would have an impact on another customer
- Where you are the owner of the property, have registered an account with Irish Water and an outstanding amount is owed by a previous owner of the same property, and that previous owner is no longer living at the property
- Where you have entered into a payment plan with Irish Water and you are honouring that arrangement

- Where you are pursuing a genuine complaint using the complaint handling procedures specified by Irish Water and the complaint is related to the reason for the reduction. Irish Water will not initiate a reduction in relation to the disputed amount until the complaint process is exhausted
- Where you fail to pay a bill to Irish Water which is not related to the supply of water or waste water services, for example, meter testing
- Where you fail to pay a bill which is based on a regular estimate unless that estimate is fair and reasonable

Vulnerable customers

Irish Water may not reduce supply to a premises where it is made aware that a registered critically dependent vulnerable customer is resident. Alternative methods of debt recovery must be used such as payment plans.

Premises with no registered account holder

The code of practice must set out clearly Irish Water's process for handling properties where there is no registered account holder. This is to identify whether the owner or the occupier is responsible for the water charges (see above in relation to rented property). The code must also set out what is to happen if an account is closed and no new account is registered. As already stated, the legislation provides that it will be assumed that the owner of a premises is the occupier unless the contrary is proved.

Code of practice on vulnerable domestic customers

Irish Water will recognise two categories of vulnerable customers:

- People who are critically dependent on water for their medical needs
- People who for reasons that may include advanced age or physical, sensory, intellectual or mental health reasons require additional support communicating with, or receiving services from Irish Water

Irish Water must establish and maintain a "priority services" register for people who are critically dependant on water and a "special services" register for people who are registered as vulnerable. The registers must be available to customers who are not account holders but who live in a household with an account holder. Irish Water must try to ensure that there is full awareness of these registers. You may need to provide medical evidence that you are in one of these categories.

Priority services register

Irish Water must ensure that the provision of safe and clean water is prioritised for those people who are on the critically dependant register. This means, among other things, that they must be given advance notice of, and details of the duration of, any planned interruption in supply. They must be provided with an alternative water supply where possible.

If water is being declared unfit for human consumption, they must be contacted directly and their needs must be facilitated where possible.

As already stated, they may not have their water supply reduced, even if they are in arrears.

Special services register

The aim of having this register is to enable Irish Water to adapt its services and communications to cater for the specific needs of those customers who need additional support. Additional support should be provided to customers who need special assistance in accessing alternative water supplies due to mobility restrictions or who need specific communication assistance due to sight, hearing or intellectual impairments. Such customers may nominate a person to be contacted by Irish Water if there are issues in relation to matters such as billing, arrears or interruptions to supply. Such customers should be contacted if supply is interrupted or if the water is officially declared unfit for human consumption, and Irish Water should provide whatever assistance is possible.

Complaint handling

Irish Water must provide an easy complaint handling process. Its code of practice on complaint handling must set out the process including response times and the arrangements for making charter payments, if appropriate (see above). If Irish Water has not resolved the complaint about the quality of supply, or about a pollution incident, you must be informed of the role of the EPA and given its contact details (see below).

At present, the CER does not have a specific role in investigating or resolving disputes. It can, however, direct Irish Water to comply with all codes of practice so if you consider that Irish Water is not acting in accordance with a code, you may ask the CER to investigate.

Irish Water is obliged to keep records of complaints and of its actions to resolve them. It must also provide reports to the CER about the complaints.

The Citizens Information Board provides independent information, advice and advocacy on public and social services through citizensinformation.ie, the Citizens Information Phone Service and the network of Citizens Information Services. It is responsible for the Money Advice and Budgeting Service and provides advocacy services for people with disabilities.

Head office t 0761 07 9000
Ground Floor f 01 605 9099
George's Quay House e info@ciboard.ie
43 Townsend Street w citizensinformationboard.ie
Dublin 2

Network operations

Irish Water must have a code of practice that covers how you can access information on connecting to the water and wastewater networks and on the level of service you can expect. It must make available clear and concise guidance on the split in ownership between Irish Water assets and those of a typical domestic and non-domestic customer. Faults on the Irish Water network which are brought to its attention by customers must be dealt with quickly.

If there is evidence that you are allowing water to be wasted, Irish Water may serve notice directing you to take action. The problem may be a leak on your side of the water supply. (See above in relation to "first free fix"). If you do not take action as a result of such a notice, you may have your supply reduced.

The code must also deal with interruptions to water supply, what happens if your premises is flooded by Irish Water and what happens when water pressure is reduced.

Water and wastewater quality standards

Water and wastewater quality standards are set by EU legislation. The main legislation is Directive 2000/60/EC establishing a framework for Community action in the field of water policy (generally called the Water Framework Directive). eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02000L0060-20090625

Directive 98/83/EC on the quality of water intended for human consumption is the main legislation on the standards for drinking water. This is implemented in Ireland by the European Communities (Drinking Water) Regulations 2014 (SI 122/2014). These regulations require that suppliers of drinking water ensure that the water supplied is wholesome and clean. This means it must be free from any micro-organisms and parasites and from any substances which in numbers or concentrations constitute a potential danger to human health. The detailed technical requirements are set out in the regulations. If a water supplier fails to meet the standards set, it must investigate the cause. It must consult with the EPA to ensure that appropriate remedial action is taken. If there is a potential risk to human health, it must also consult the HSE. The EPA is responsible for ensuring compliance

with the regulations. The regulations set out the supervision and enforcement procedures in relation to supplies of drinking water, including requirements as to sampling frequency, methods of analysis and the provision of information to consumers. The EPA publishes an annual report on the quality of drinking water supplies in Ireland, which sets out details on the numbers of water restrictions and "boil water" notices.

Domestic wastewater treatment

People who use domestic waste water treatment systems are obliged to operate and maintain the systems correctly. Their obligations are set out in the Water Services (Amendment) Act 2012 and in the Water Services Acts 2007 and 2012 (Domestic Waste Water Treatment Systems) Regulations 2012 (SI 223/2012). Owners of premises which are connected to a domestic waste water treatment system are obliged to register with the local authority and to ensure that the system does not constitute a risk to human health or the environment. Septic tanks and similar systems should be de-sludged at intervals appropriate to the tank capacity and the number of people living in the premises connected to it. The local authorities are responsible for the enforcement of these obligations.

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