



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

WRITTEN STATEMENT BY THE WELSH ASSEMBLY GOVERNMENT

**Title: Announcement of the Draft Determination (draft price limits)
for water and sewerage bills for 2010 - 2015**

Date: 23 July 2009

**By: Jane Davidson, Minister for Environment, Sustainability and
Housing**

The “Draft Determination” for water and sewerage bills for the 2010 – 2015 period was released today (23 July 2009) by Ofwat the economic regulator for the water industry in Wales and England.

The draft determination sets the limit that water companies can charge customers for their services.

The draft determination is an important stage in the periodic review process, which is the mechanism through which water and sewerage bills are set by Ofwat.

The draft determination reflects the outcome of a two year process of developing business plans, evidence gathering, customer research, assessment and discussion, involving Ofwat, the water companies, Environment Agency, the Drinking Water Inspectorate, the Consumer Council for Water, the Countryside Council for Wales and English Nature and the Welsh Assembly Government and UK Government.

Following the publication of the draft determination, there is now an opportunity to comment. Organisations including the water companies and the Consumer Council for Water (the independent and statutory consumer body which represent water consumers) will provide feedback on the draft price limits proposed by Ofwat and Ofwat will take account of these comments before making its final determination in November 2009.

In Wales, the Welsh Assembly Government have given Ofwat a clear steer on the priorities that the periodic review process should provide for. Our Strategic Policy Position Statement on Water, which was issued in March 2009, made it clear that our core principles for water are to ensure access to safe drinking water, maintaining water and sewerage services at an affordable price and compliance with statutory obligations that drive all round water quality.

We have also issued to Ofwat statutory Social and Environmental Guidance in February 2009, which sets out the Assembly Government's priorities in relation to affordability, sustainable development, innovation and goals outlined within the Environment Strategy for Wales. Ofwat are required to have regard to this guidance while conducting their duties.

The key points to note in the draft determination for water companies operating in Wales are:

Dwr Cymru Welsh Water

- The average household water and sewerage bill will reduce in real terms from £ 404 in 2009-10 to £368 in 2014-15
- This is a reduction of 9%
- Dwr Cymru Welsh Water were the only water and sewerage company in England and Wales not to propose an increase in bills.
- Compared to other water and sewerage companies the average bill, £368, is still at the higher end of the scale.
- The bill predictions do not include any investments which may be needed as a result of meeting the requirements under the Habitats Directive, Urban Waste Water Treatment Directive, the Water Framework Directive or the adoption of private sewers.
- They do provide for approximately £1.1bn of investment.

Dee Valley

- The average household water bill will decrease from £128 in 2009/10 to £125 in 2014/15, excluding the effects of inflation.
- This is an overall decrease of 2% over the five years.
- Water bills for Dee Valley will remain among the lowest compared to other water only companies.

Severn Trent Water

- The average household water and sewerage bill will decrease from £305 in 2009/10 to £281 in 2014/15, excluding the effects of inflation.
- This is an overall decrease of 8% over the five year period.
- The average bill of £281 for water and sewerage services by 2015 is the lowest for all water and sewerage companies.

Full details of Ofwat's draft determination can be found at:-
<http://www.ofwat.gov.uk/>
