Let me make my position perfectly clear!

- Water privatisation in the UK has been a huge success. It has promoted investment , updated technologies and has started to renew our Victorian legacy.

- The water business in the UK is the best regulated water business in the world.

Rent a Quote

We trained hard – but it seemed that every time we were beginning to form up into teams we would be reorganised.

I was to learn later in life that we tend to meet any new situation by reorganising,

and a wonderful method it can be for creating the illusion of progress while producing

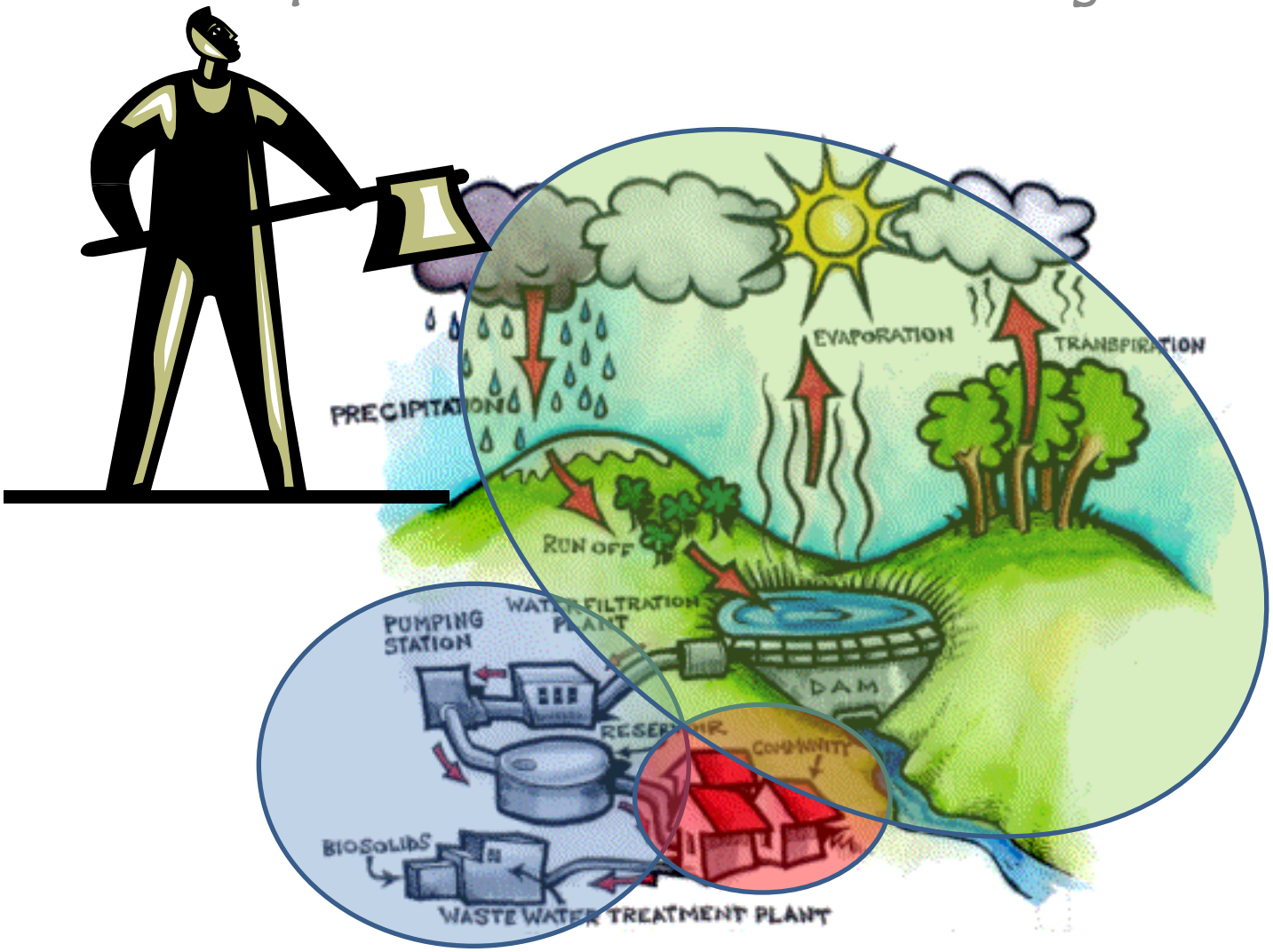
confusion, inefficiency and demoralisation.

Gaius Petronius AD66

G 1:Try to maintain as much comparability between demand samples as possible

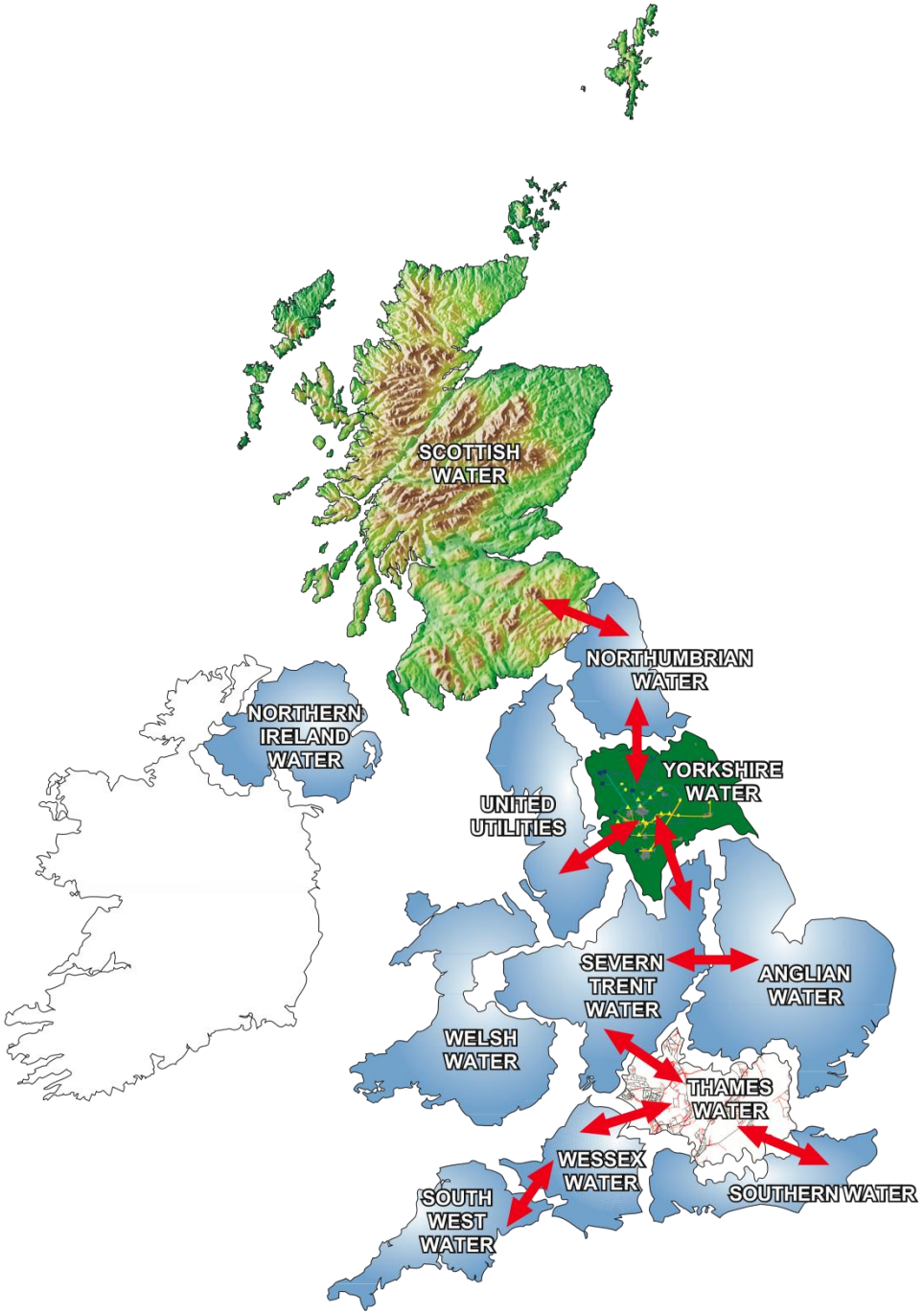
- Sampling required as there is no complete picture of demand.
- Questions posed to demand managers vary from time to time so sampling modifications are needed.
- Keep an unchanged core of sample and questions!
- It would be better if that was a nationally agreed core

Once upon a time there was an integrated system



G2: Don't unlink sinks and sources

- It's seductive to seek more competition
- No need to drive down costs
- Destroy the twin track approach
- There might be lessons from rail and energy that suggest the approach has flaws!


SCOTTISH WATER
NORTHUMBRIAN WATER
NORTHERN IRELAND WATER
YORKSHIRE WATER
UNITED UTILITIES
SEVERN TRENT WATER
ANGLIAN WATER
WELSH WATER
THAMES WATER
WESSEX WATER
SOUTHERN WATER
SOUTH WEST WATER

G3: Differentiate between types of demand

Demand on resources

1. Leakage
2. Theft
3. Emergency use
4. Operational use

Consumer demand

Exploitation of groundwater resources in China for agricultural irrigation is unsustainable.

"The government must adopt a new policy to reduce water consumption. The main thing is to reduce demand. We have relied too much on engineering projects."

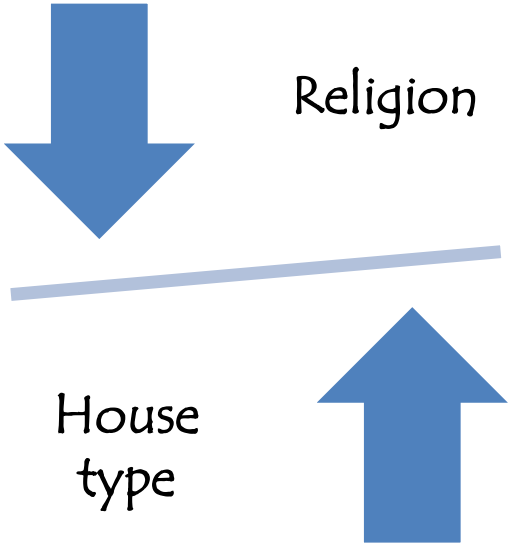
"We must reduce food production. It would be more economical to import."

Zheng Chunmiao

G4: Distinguish clearly between potable and raw water demand. Demand management in the former is unlikely to solve issues in the latter.

G5:Establish priorities

1. Population
2. Demography
   a) Household size
   b) Age
   c) Religion
3. House type
4. Consumption behaviour
5. OVF



Universal metering: consensus

'…metering is the fairest way to pay for water, provides a mechanism for managing demand for water, and with lower demand will also help reduce greenhouse gas emissions' *EA*

'metering is the fairest method of charging for water, as customers are charged for the amount of water they use and/or the sewage they discharge. It reflects the actual costs of the services used' *OFWAT*

Concerns

'…in many areas, the extra capital and operating costs of metering might outweigh the benefits in water savings'

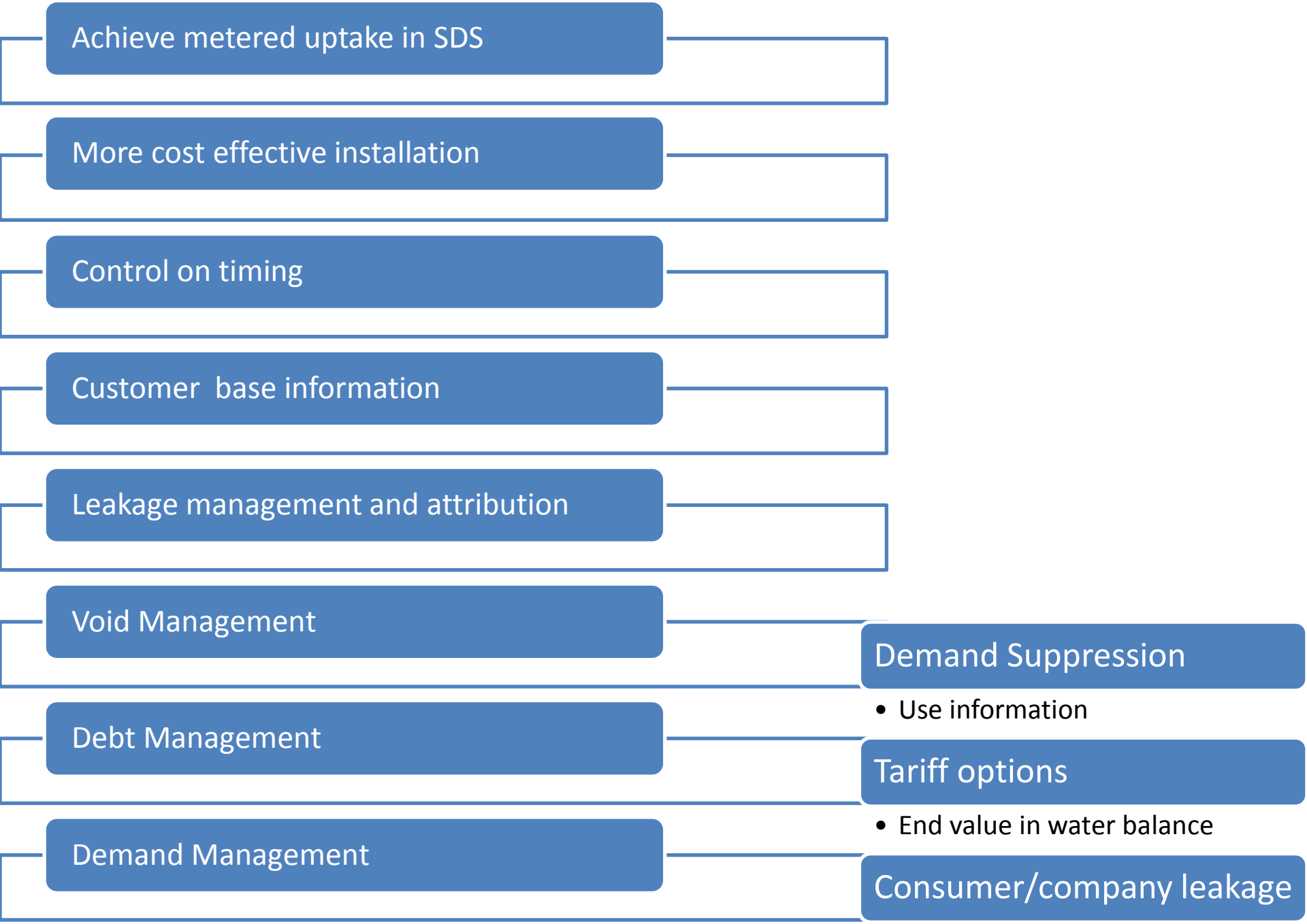
OFWAT

'…but only if their 25 year water resource plans, which take account of social and environmental costs, identify compulsory metering as the most economic way to balance supply and demand for the future'

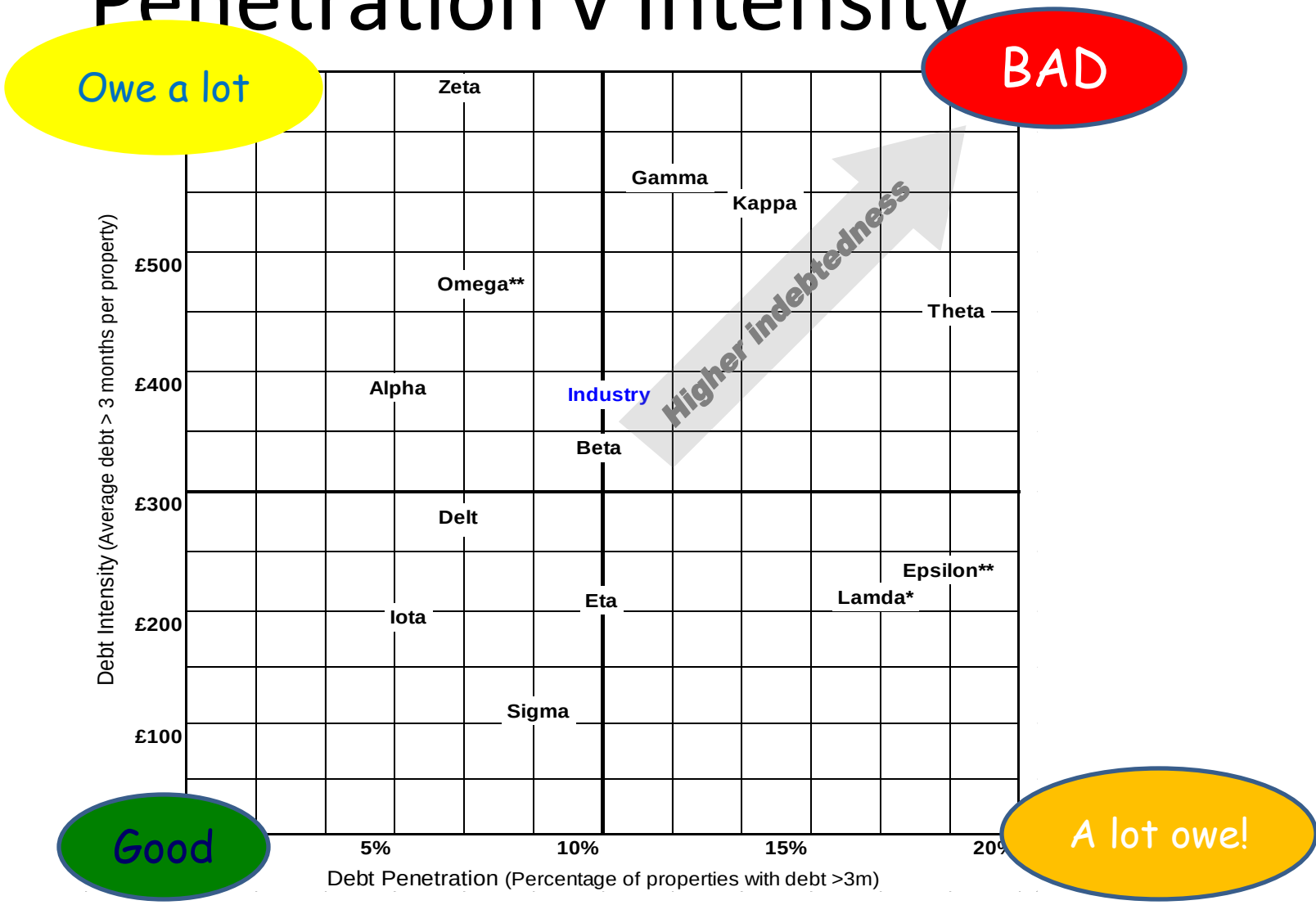
DEFRA

Current trajectories

- Approximately 30% of households on water meters,
- Increasing across England and Wales at a rate of roughly 2% per year
- 50% of households in England and Wales metered by 2015?
- Universal metering?


Achieve metered uptake in SDS
More cost effective installation
Control on timing
Customer base information
Leakage management and attribution
Void Management
Debt Management
Demand Management
Demand Suppression
• Use information
Tariff options
• End value in water balance
Consumer/company leakage

Penetration v Intensity



Guidelines

A core of comparable information

Avoid disintegration

Distinguish resource & consumer demand

Distinguish potable &raw demand

Prioritise demand drivers

Promote universal metering

Thank you

Questions?