

Commission for Energy Regulation

Joint Oireachtas Committee on Housing, Planning, Community and Local Government

Paul McGowan, Chairperson
Sheenagh Rooney, Director
18th May 2017

The CER's Role

- Economic regulator of Irish Water in the provision of public water and wastewater services
- Protect interests of customers of Irish Water
- Approve Irish Water's proposed Water Charges Plan
 - Revenue (Capital & Operational Expenditure)
 - Tariffs
 - Connection Charges
- Approve Irish Water's Codes of Practice & Terms and Conditions in accordance with Irish Water Customer Handbook
- Dispute resolution
- Monitor Irish Water's performance
- Provide support to the Public Water Forum (MoU)
- Cooperation with the Environmental Protection Agency (MoU)

Irish Water's Capital Expenditure: The CER's Role

- Two revenue reviews to date (Oct 2014/2016, 2017/2018)
- Review of Irish Water' capital investment plan
 - Approach to plan development, balancing and prioritisation
 - Capital programme management and governance
 - Costing of the submissions
- CER determines allowed revenue for defined targets & outcomes incorporating efficiency challenge
- Random sample of project and programme audits to assess:
 - Key drivers and obligations
 - Approach to development of solutions/interventions
 - Cost estimation
 - Project delivery
 - Governance

Urban Wastewater Treatment Directive Infringement

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- CER allowed total capital expenditure of €1.152bn (2017/18)
 - As part of Irish Water's capital planning process certain projects were tagged as 'mandatory' including to address ECJ list
 - 38 agglomerations listed in the EC's referral of Ireland to the ECJ
 - 29 agglomerations requiring work at end 2016
 - Based on Irish Water revenue review submission to the CER (Aug 2016):
 - €243m in 2017-2018
 - €623m in the five year period 2017-2021
 - €286m in the period post 2021
 - CER will monitor Irish Water's delivery against targeted outcomes/outputs for the allowed expenditure



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Thank you.

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