



PN 01/10

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Water and sewerage bills flat for 2010-11

- Average bill of £339 across England and Wales -
- £22 billion investment programme over next five years -

The average household water and sewerage bill across England and Wales is set to remain broadly flat in 2010/11. It will decrease by about 0.8 per cent or £3 meaning an average bill of £339 in 2010/11. This takes into account a 0.3 per cent rise in inflation.

This follows Ofwat's decision last November on the prices water and sewerage companies could charge customers between 2010 – 15. The regulator's challenge of companies' investment proposals means that average bills will remain broadly stable until 2015. And around ten per cent (£34) lower than what companies asked for.

Regina Finn, Ofwat Chief Executive Officer said:

"Customers told us that they want us to keep water and sewerage charges flat while maintaining a safe, reliable supply of water.

"Our decision means that at least one household bill is set to remain stable over the next five years. And companies will be investing more than ever before, £22 billion by 2015. That's more than £935 for every property in England and Wales.

"This will deliver real benefits to consumers - from almost ten million people's water supplies being better protected from events such as flooding to dealing with the misery of sewer flooding for thousands of customers.

"We now need to make sure companies deliver on their promises. If they don't, we will take action."

The bill changes for this year will come into effect on 1 April 2010 and apply until 31 March 2011. The impact of the new charges will vary for individual

household customers depending on the company that supplies them and whether or not they have a water meter.

This investment will allow companies to ensure customers continue to see improvements and receive a safe, reliable supply of drinking water. Key benefits of the investment will include:

Safe, reliable supplies

- Improve 140 water treatment works and 550 sewage treatment works to maintain and improve the environment and drinking water quality
- Over 10,000km of water mains being improved or replaced – more than the equivalent of London to Cape Town
- More than £1billion will be spent on maintaining and improving drinking water quality
- Investment in cleaning the mains pipe supplies serving more than 1 million people to help reduce discoloured water.

Protecting Customers

- Extreme events such as flooding can severely disrupt water supplies. Almost 10 million people will benefit from investment to guard against them being without water.
- Addressing sewer flooding problems for more than 6,300 properties.

Environment

- Maintain or improve more than 3,000km of rivers to meet EU environmental standards.
- Improve water quality in more than 55 wetlands and bathing waters.
- More than 100 schemes to work with farmers and landowners. This will help control pollution and reduce costs by better use of land, preventing pollution of drinking water sources requiring costly treatment

Saving water and using energy wisely

- By 2015, the water savings that companies will make by meeting water efficiency targets, reducing leakage, and increasing metering will amount to more than 100 billion litres per year. That is enough water

to supply the cities of Liverpool, Bristol and Brighton for more than a year.

- Over the next five years, companies are investing in renewable energy sources generating enough extra electricity to power around 90,000 homes. That's more than enough electricity for all the homes in Portsmouth. This will both help reduce carbon emissions and keep water bills down.

Note: Release continues with tables on following page

Average household bills in 2010/11 (including inflation ^{a)})

Company	Water		Sewerage		Total Change	
	Value	Change	Value	Change	Value	Change
	£	£	£	£	£	%
Water & sewerage companies						
Anglian	168	-4	213	-2	-7	-1.7%
Dŵr Cymru	165	-5	232	1	-4	-1.0%
Northumbrian						
Northumbrian (excluding Essex & Suffolk)	141	10	170	1	11	3.5%
Essex & Suffolk ^b	183	14	-	-	14	8.5%
Severn Trent	159	6	142	-8	-3	-0.9%
South West	205	-3	282	-6	-9	-1.8%
Southern	131	4	242	-4	1	0.2%
Thames	189	8	114	-4	4	1.3%
United Utilities	171	3	188	-19	-16	-4.3%
Wessex	203	3	205	-3	0	-0.1%
Yorkshire	150	-3	177	0	-3	-0.8%
Water only companies					Change (water only)	
Bournemouth & W Hampshire	136	0	-	-	0	0.4%
Bristol ^c	157	2	-	-	2	1.3%
Cambridge	113	0	-	-	0	-0.3%
Cholderton	189	5	-	-	5	2.6%
Dee Valley	130	2	-	-	2	1.2%
Portsmouth	88	-4	-	-	-4	-4.5%
South East	176	10	-	-	10	6.1%
South Staffordshire	124	2	-	-	2	1.2%
Sutton & East Surrey	162	1	-	-	1	0.6%
Veolia East (formerly Tendring Hundred) ^d	165	-2	-	-	-2	-1.2%
Veolia Central (formerly Three Valleys) ^d	156	1	-	-	1	0.6%
Veolia Southeast (formerly Folkestone & Dover) ^d	181	5	-	-	5	2.6%
					Total change (combined bill)	
Industry average (weighted)	165	3	174	-6	-3	-0.8%

- a) The % included in this table includes a rate of inflation of 0.28 per cent. This is taken from the retail price index (RPI) in November 2009.
- b) The % change for Essex and Suffolk is for water only bills, as they only provide water services.
- c) Since Ofwat's final decision on price limits in November, Bristol Water has asked Ofwat to refer its price limits to the Competition Commission (CC) for review. For the coming year 2010-11 Bristol Water is basing its bills on Ofwat's price limit, with any changes made by the CC taking effect in the following year.
- d) The three companies noted announced that on 1 July 2009 they changed their names to reflect their position as Veolia group companies. Veolia East was formerly known as Tendring Hundred, Veolia Central as Three Valleys and Veolia Southeast as Folkestone and Dover.

Please note: some % figures may not add up due to rounding

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Notes to Editors

1. The Water Services Regulation Authority (Ofwat) is the economic regulator of water and sewerage companies in England and Wales. It exercises its powers in a way that it judges will protect the interests of consumers, promote value and safeguard future water and sewerage services by allowing efficient companies to carry out their functions properly, and finance them.
2. The average household bill is, by definition, an average across all customers. Individual customers' bills may be more or less than the average because of their particular characteristics, for example, whether they have a water meter. Changes to customers' bills will vary according to which company supplies them. Some customers receive their water services from one company and receive their sewerage services from another.
3. Bill changes have been rounded to the nearest whole £ (for example, an increase of £3.82, will be written as an increase of £4). Some % totals may therefore not add up due to rounding.
4. The rate of inflation is taken from the Retail Price Index (RPI) in November 2009. RPI in November 2009 was 0.28%.
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