



Dŵr Cymru  
Welsh Water

# Water Trading Prospectus

November 2015

# Potential Water Surplus

Dŵr Cymru Welsh Water is committed to supporting economic growth in Wales and the areas of England currently supplied by our business. This prospectus provides an overview of water availability for industrial customers and other water companies that may require additional water supplies into the future and will form the basis for commercial discussion.

Welsh Water's supply area is currently split into 24 Water Resource Zones. A Water Resource Zone being the largest area in which all water resources can be shared. We published our latest Water Resource Management Plan in April 2014. This Plan reports a supply against demand balance for each of these zones for the next 25 years.

Our forecasts predict that nineteen of our 24 Water Resource Zones have surplus water available when compared to the forecast demand. A marginal balance will be maintained in the remaining five zones through a staged asset investment programme.

These balances are predicated on the use of national and local government growth information as well as our own assumptions around the impact of growth on water demand. We will act to ensure that all zones retain a surplus as our planning assumptions are updated over time.



Figure 1 indicates the minimum level of surplus within each zone to the end of the AMP6 price review period in 2019.

As part of our water resource planning we have also looked at the most cost effective ways of generating additional water surpluses to meet inward investment in Wales and beyond if this is required.

Significant amounts of water could be made readily available in some areas including, South East Wales and North West Wales. However, the cost of developing solutions is dependent upon the specific location of new development and this will also determine the lead time needed for any infrastructure construction.

Figure 2 shows the level of additional water surplus that could be generated to meet future demand through sustainable water resource options within the bounds of existing abstraction licence constraints.

It would be possible to transfer some of this available water resource outside of our water supply area but this would need to be to the benefit of the Welsh Water customers and supported by our regulators.

The transfer of water over long distances is inherently expensive due to the infrastructure needed and operational costs over and above those necessary to supply more local developments.

We are interested in discussing any requirement for future water need with industry and neighboring water companies. We have both a commercial and developer services team that will deal with specific requests supported by water resources staff.

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