



Duane Reid
Metering Consultation
Water Supply and Regulation Division
Department for the Environment, Food and Rural Affairs
C/o 3-8 Whitehall Place
London
SW1A 2HH

17 May 2007

Dear Duane

Consultation on water metering in areas of serious water stress

The SBWWI is an active, not-for-profit Trade Association, representing the interests of c80+ UK contractors, manufacturers, consultants, distributors and others supplying the water and wastewater companies throughout the UK. Our members provide over 95% of pipeline and metering products used by the UK water companies and contractors range from the very large Tier 1 framework partners to the smaller, specialist niche skills companies.

The views expressed in this document represent an amalgamation of the opinions of individual SBWWI members who may not necessarily agree on all issues arising from the consultation document.

SBWWI has both carefully read through the consultation and discussed the content in more detail with members, which includes the four main UK water meter manufacturers.

1. Should those companies within a designated area of serious water stress be permitted the option of compulsorily metering their customers?

Yes. There are many reasons why a greater level of metering could support sustainable development, including:

- promoting more efficient water use
- fairer way of charging
- enabling alternative tariffs to encourage water conservation or tackle affordability
- environmental

The Society encompasses the concept of introducing compulsory metering in areas that are designated as water stress in the first instance, but would ultimately encourage the extension of the process to include the installation of a meter in every household.

The UK water industry has confirmed that a significant increase in household water metering will take place over the next 25 years and the opportunity exists for better, more intelligent, technology to be installed. Metering may not be strictly 'economic' in the short-term, but would provide long-term benefits in innovation and has the ability to tackle tariffs and measurement of consumption in a much more efficient process.



2. What are your views on the appropriateness of considering metering alongside other supply-side and demand-side measures as part of the WRMP process?

Very appropriate. Members comment that metering is the only direct demand-side measure that could be implemented, that would provide qualitative data on water use. Indirect measures, such as customer publicity on the benefits of using water more wisely should run alongside this activity. It is important, however, to understand that although the metering technology that is now available can provide all the relevant data to identify consumption and trends, better statistics on the actual impact of household metering is required.

In addition, volume 'lost' by supply pipe leakage does cause problems, as identified during the Metering Trials, completed in 1992 and a number of more recent, smaller scale projects. Consideration should be made for the type of technology that could be introduced to identify and report on losses through the supply pipe.

3. Are there sufficient incentives for companies to better manage the quantity of water into supply, and if not, what could be done about it?

Ofwat should ensure that the metering policy in water stressed areas has clear objectives and is sufficiently funded to ensure that the most appropriate technical solution is implemented. There is a unique opportunity to maximise the benefits to all stakeholders if this is done. Ofwat should also examine the impact on those areas that do not fall into the water stressed category, and be clear on the metering policy that is most suited to these areas.

4. What are the additional costs and savings companies would have to consider in their WRMPs, and what is the magnitude of these costs?

It would be difficult for SBWWI to identify specific cost savings that could be achieved across the water companies. However, the Meter Manufacturers Group has been involved in various discussions and workshops, resulting in the production of a set of Data Specification Requirements* (*copy attached) for intelligent meters. If the water companies could identify and agree on a certain set of 'common' criteria/specifications, the manufacturers' development and technology costs could be reduced, resulting in more cost effective solutions being provided.

5. How effectively will the WRMP options assessment process ensure that companies take account of the additional costs and savings associated with metering?

SBWWI is not particularly qualified to address this question, but comments that it anticipates that Ofwat would ensure effectiveness as it has done in the past.

6. Do you agree that the approach proposed is the most appropriate for dealing with the effects upon customers, and if not how would you improve it?

SBWWI agrees that the approach proposed is the most appropriate. Apart from metering being a fairer way of charging, a greater level of metering could provide customers with the ability to track their water usage. Tariffs could be introduced to:



- encourage more careful water use and thereby encouraging environmental benefits
- encourage reduced use at times of shortage
- redistribute the charging burden more fairly, ie increasing charges to those whose demand profile is most costly to supply (sprinklers, swimming pools, etc) but at the same time ensuring that those customers at the other end of the scale are not disadvantaged

However, it is accepted that there are many regional differences between the water companies throughout England and Wales on current and future water resources. The consumers' preferences should be sought through consultation, to examine the level of service they would be willing to pay. This should form part of the WRM Planning process.

7. How could companies incentivise those customers to save water where it is not cost effective or practical to meter?

A more co-ordinated awareness campaign of the effect on the environment by 'wasting' water, maybe with discounts applied to various water saving devices that are available from the water companies. It is also important to ensure that any issues relating to water efficiency and bills are communicated and explained clearly.

8. Do you think that the proposed Water Resources Management Direction, alongside the Environment Agency's guidelines, will ensure the case for compulsory metering is considered in the most appropriate context, and if not, what alternative arrangements would you propose?

SBWWI would agree that the proposed Water Resources Management Direction, together with the EA guidelines would ensure that the case for compulsory metering is considered.

SBWWI recognises the comprehensive nature of this Consultation and would be pleased to participate in any future similar consultations or discussions.

We look forward to receiving copies of the final document in due course.

Yours sincerely

Carol Hickman
Executive Director
SBWWI



Draft Data Requirements Specification for Intelligent Metering

| Key Topic | Data field | Purpose | Comment |
|----------------------------|--|--|--|
| Essential Base Information | Meter identification number | Check with billing file record | These are the data that are recovered from conventional meters in normal meter reading activities. |
| | Current meter reading | | |
| | Date of current reading | | |
| Tariffing | Peak demand | Support a peak demand tariff to encourage reduction in consumption | One view was that peak week would be a sufficient statistic for peak demand tariffing. Others felt that there should be wider consultation on the possible use of a shorter period peak |
| | Consumption in a specified time period | Support a time of use tariff | The industry would have to specify which time period was most important for the exercise of tariff control. If this was not to be embedded in the meter it could be achieved either by collecting meter readings at a time resolution sufficient to meet this requirement or by instructing the metering system on the relevant time interval at the start of the charging period. |
| | Consumption in billing period | Support a flat rate or rising block tariff | If the householder is to be given remote access to metered information these details are likely to be most important. |
| | Date by which minimum block in rising block tariff is consumed | Provide information to customer to warn of increased price of additional water use | |
| Leakage | Leak alarm | Indicate that there is a leak running at the property | Information on supply pipe leakage was identified by the workshop as a very important feature of intelligent metering systems |
| | Leak start/finish dates | | |

| | | | |
|-------------------|--|--|--|
| | Leak rate | | Other factors discussed included possible identification of the source of the leak and calculation of household consumption in the minimum nighttime |
| Meter Integrity | Tamper alarm | Show if the meter has been removed and reinstalled | |
| | Battery status | Can be related to meter maintenance/ replacement schedule | The metering systems which will be able to support the additional data collection and transfer involved in intelligent metering are likely to involve battery power at some point, either in the meter itself or in an automatic reading module. |
| | Accuracy | Indicate if the meter is measuring reliably | |
| | History | Show installation date and history of alarm counts | Possible check on need for replacement |
| Consumption Data | Hourly/daily/ weekly profiles of use | Show customer comparison of current and past use and with average household. | May be used to provide customer with comparative data to encourage change in water use behaviour. |
| | Periods of zero flow – start/finish dates | | |
| | Negative flow | Alarm | Could indicate risk of contamination |
| | Periods of registration of air flow – start/finish dates | Resolution of customer disputes | |
| Other Information | Date of last meter reading | | |
| | Next bill date | | |



| | | | |
|--|---------------------|--|--|
| | Supply pressure | | Require other sensors to be installed |
| | Water quality | | |
| | Time of meter reset | | If there are two way communications with meter, there could be remote re-setting of readings/counts/alarms |