

**Presentation to
Committee for Regional Development,
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NI Water Investing for Our Customers

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NI Water

Investing for Our Customers



We have invested **£1.5 billion** in Northern Ireland's water and sewerage infrastructure since our formation in 2007/08

NI Water - At a Glance



Belfast Sewers Project Assets & Input Locations- Providing part of the solution *(completed 2010)*

Aims:

- Restoring capacity to 1:30yr RP
- Repair of sewers
- Reducing flooding & overflows



WWTW

4.0m dia

1.95m dia

2.44m dia



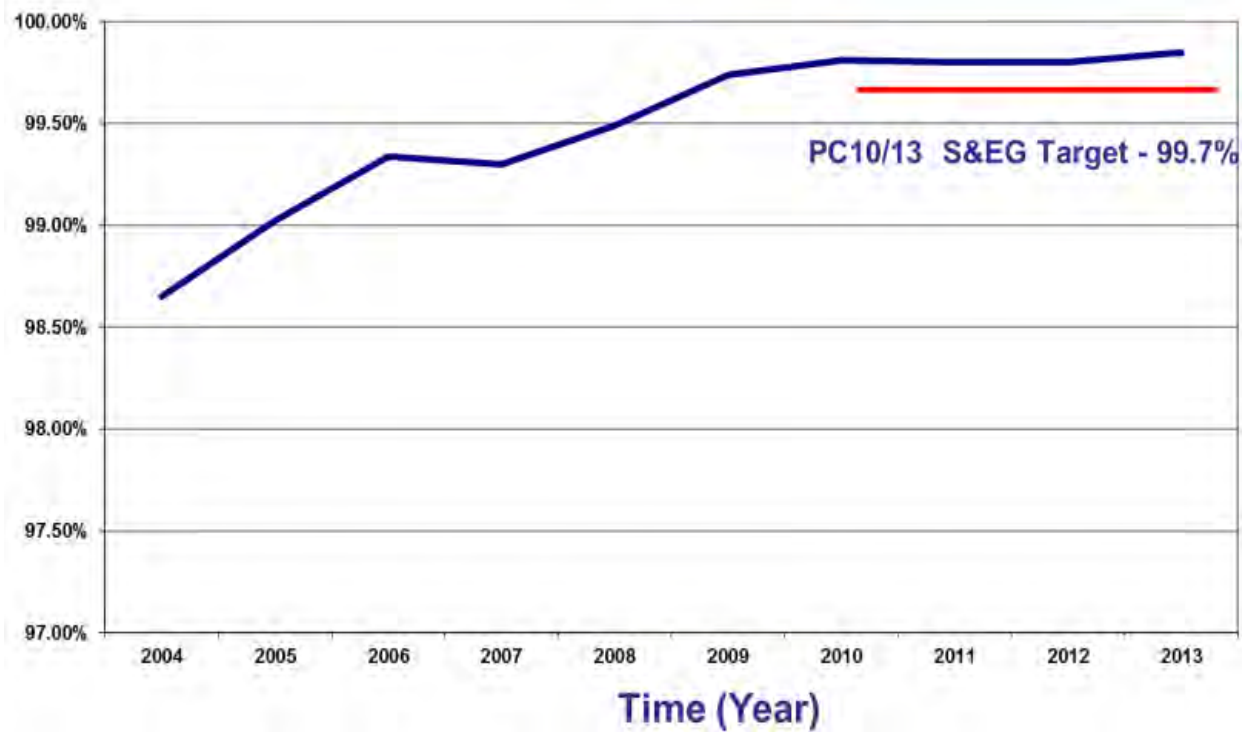
Successful Capital Investment for Customers and the Environment since 2007

NI Water has delivered £1.5billion in capital investment :-

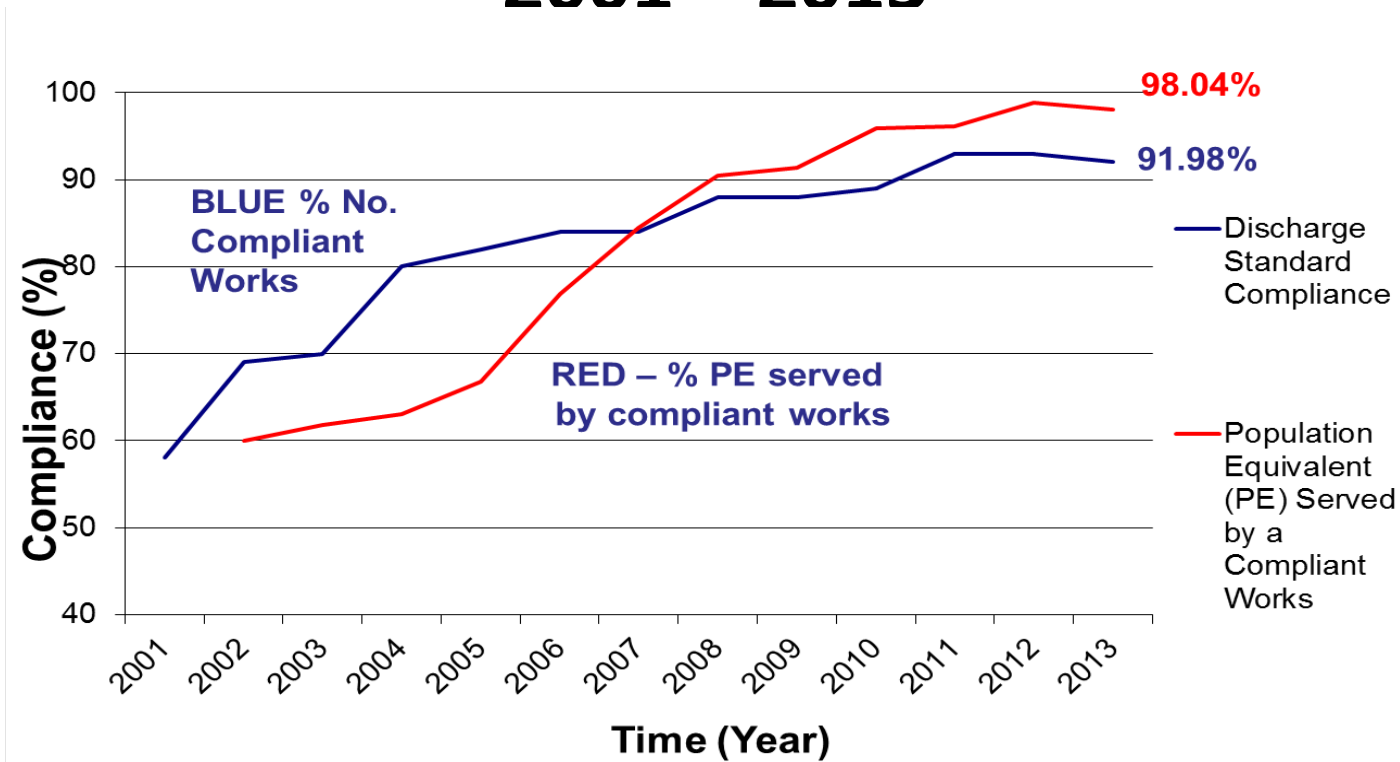
- £160m Belfast Sewers Project - Including the Tunnel
- £100m+ Water Mains Rehabilitation Project
- Improvements in our local environment and prevent EU Infraction- such as:
 - £45m North Coast Wastewater Project -
 - £23m Wastewater Treatment Works upgrade at Antrim
 - £13.5m wastewater facility in Enniskillen
- Reduced out of sewer flooding affecting customers homes
- Reduced pollution incidents to the environment
- Reduced risks of low water pressure
- Reduced water supply interruptions.
- Best ever drinking water quality and wastewater compliance

Drinking Water Quality – 2004 - 2013

(MZC%)



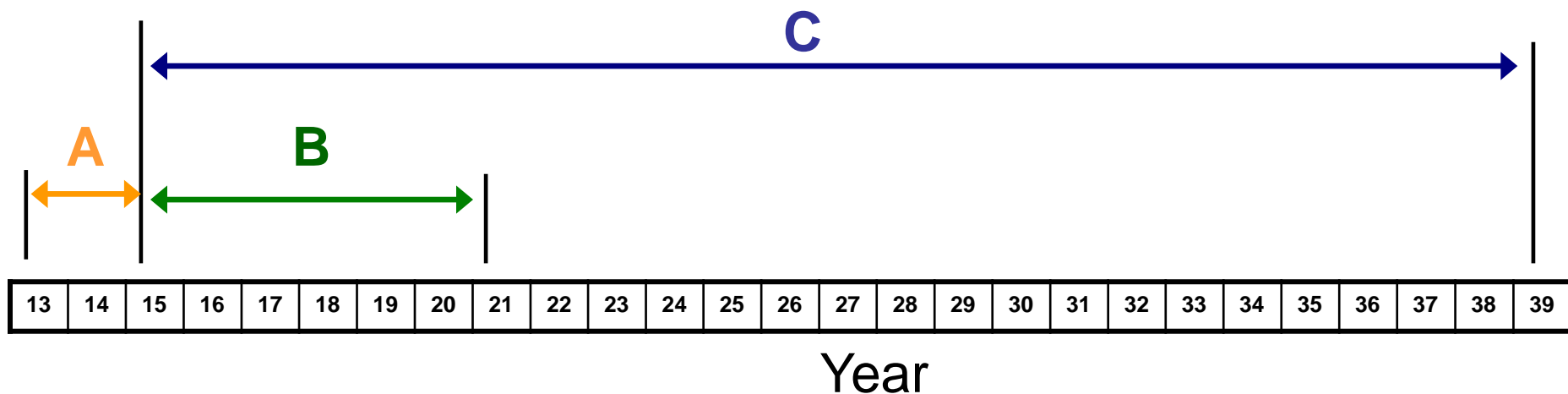
Wastewater Treatment – Discharge Standard Compliance 2001 – 2013



Barriers to more efficient Capital Delivery

- Lack of End of Year Flexibility
- Limited opportunity for Long Term Planning
- Constrains and limitations for delivery

DRD Long-Term Water Strategy and Utility Regulator Price Control Periods



A = PC13 BP Period (2 years)

B = PC15 BP Period (6 years)

C = DRD Long-Term Water Strategy Period (24 years)



PC15 BUSINESS PLAN

Our Strategy
for NI Water



We provide you customer service you value and expect



We provide you with clean, safe water to drink



We seek to give you value for money



We adapt to deal with the effects of climate change



We want to protect and enhance the natural environment



We take care of your waste water so it doesn't pollute your environment



We supply you with the water you need



We provide excellent service by having the right people doing the right thing for you

Our Aims for Capital Investment

Cleaner

We have already achieved the best ever drinking water quality and wastewater compliance in NI. We will maintain these high standards and improve them where possible. This is what our customers want.

Greener

This is our most sustainable plan ever. We will invest in technologies which generate less carbon and plans which protect the environment. This is what the environment needs.

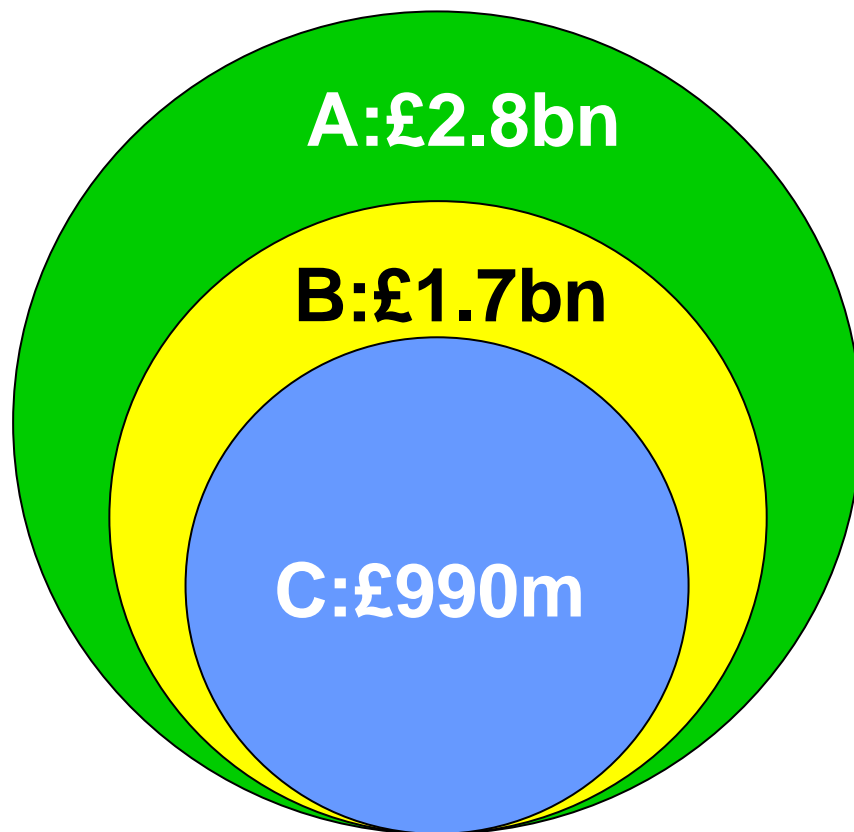
Safer

We want the environment to be safe from harmful discharges and our staff to be safe at work. We will invest in reducing flooding from our sewers and maintain our record as a safe utility. This is what our colleagues and community deserve.

Leaner

We have less capital to spend, so we have to invest even more wisely to maintain services to customers. We have consulted closely with customers, regulators and policy makers to deliver an efficient and effective plan. This is what our stakeholders want.

PC15: the Scale of Capital Investment and Constraints



A: The sum necessary to address the known current capital investment drivers by the end of the PC15 period

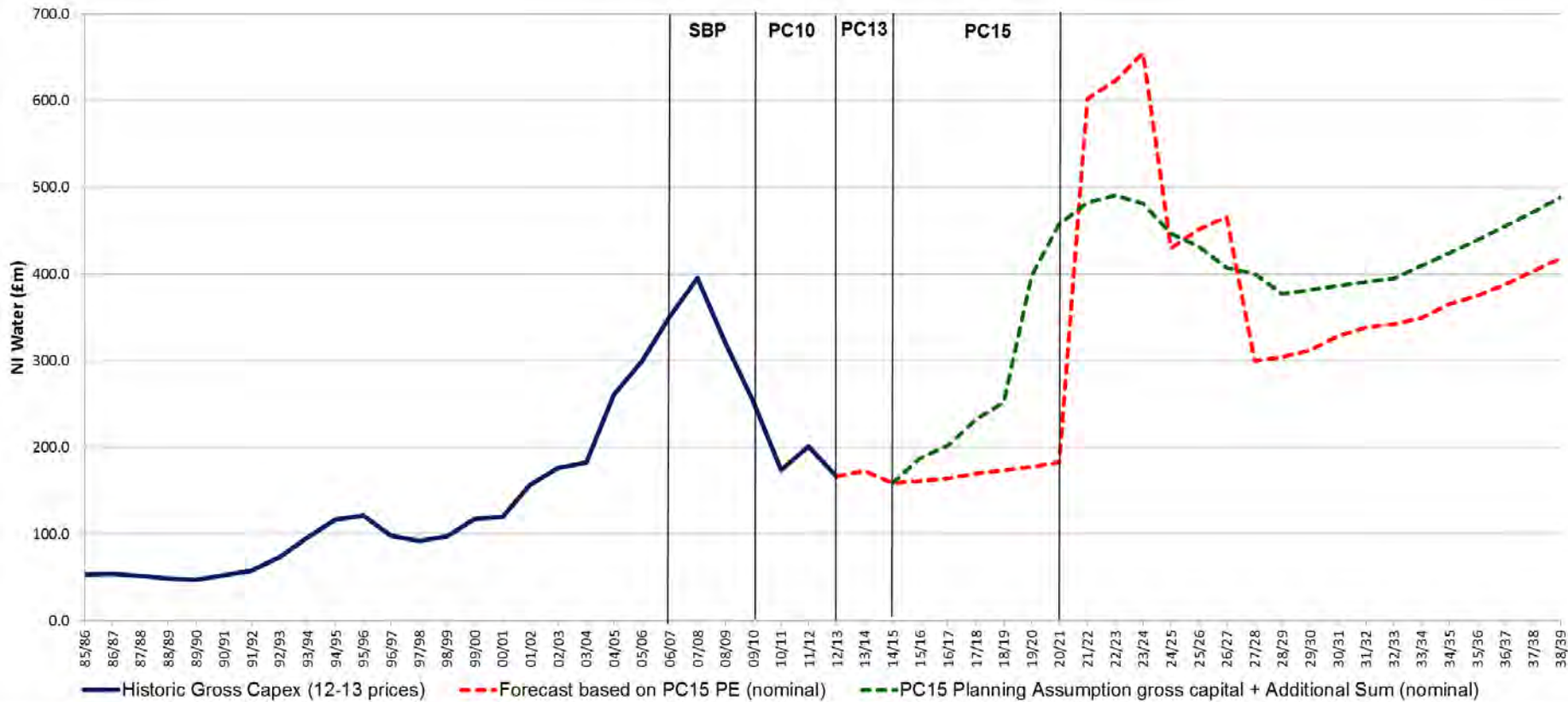
B: The sum which could be efficiently invested by NI Water by the end of PC15 period (subject to completion of studies & appraisals)

C: The constrained sum available in the draft PC15 Social & Environmental Guidance, as allocated in NI Water's PC15 Business Plan

Sums are stated in nominal prices

Northern Ireland – Capital Expenditure in the Water Industry

(In 2012/13 Prices to 31/03/13, thereafter in Nominal Terms. Graph includes PPP)



Red line is based on PE capital budget for the PC15 period and estimates beyond 2021

Green line represents NI Water's bottom up analysis of what could be efficiently invested in the PC15 period (£1.4bn), with the projection from the year 2021/22 smoothed.

Key Outputs for PC15

Water

- 816km of water main rehabilitation / replacement (3% in 6 yrs)
- 2 nominated trunk main schemes
- 9 water treatment works upgrade schemes

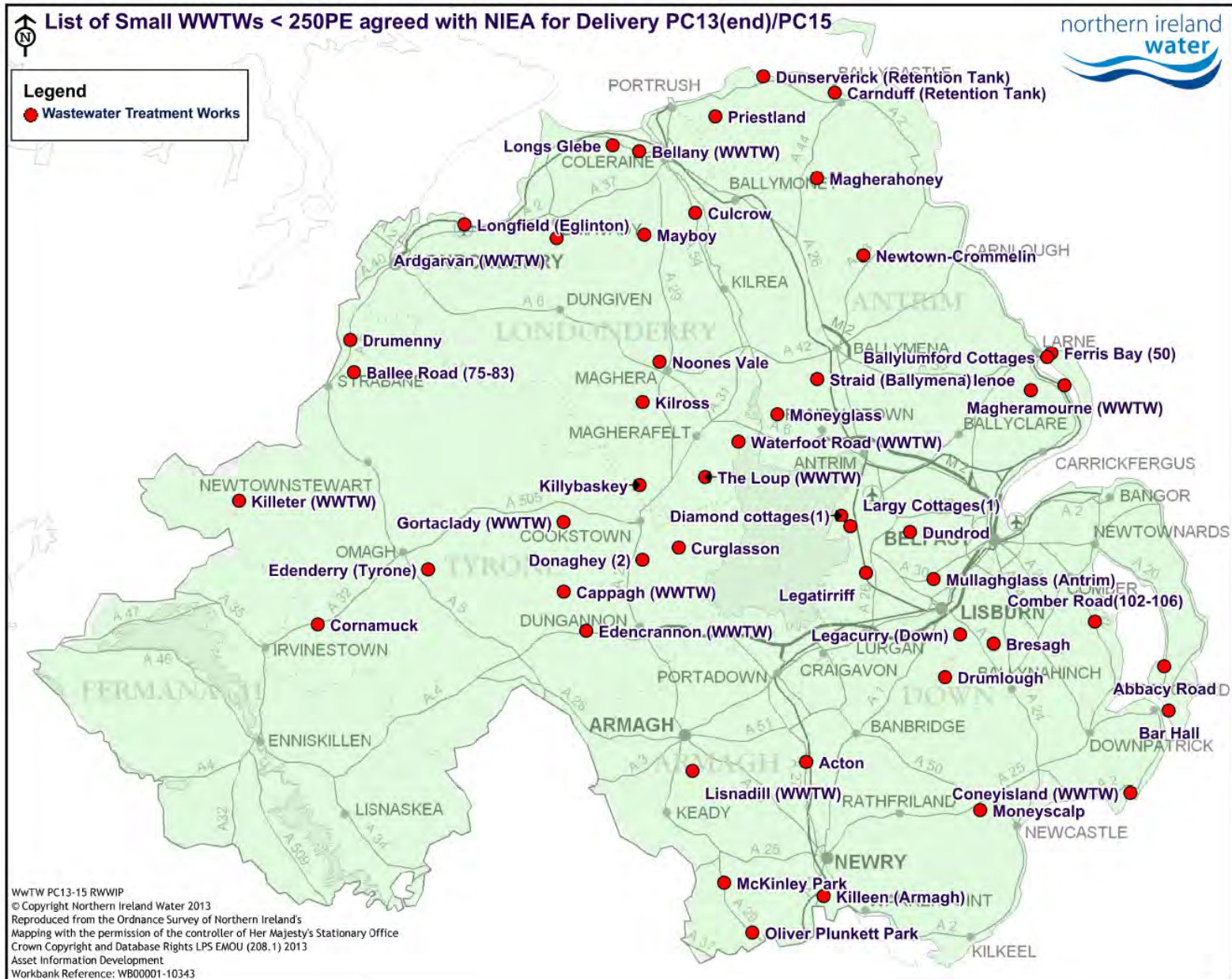
Wastewater

- 74km of new and upgraded sewers (0.5% in 6 years)
- Removal of 54 unsatisfactory sewer discharges (pollution)
- 19 large WwTW upgrades (81 deferred)
- Programme of upgrades to 45 small rural WwTWs

But there are significant constraints:

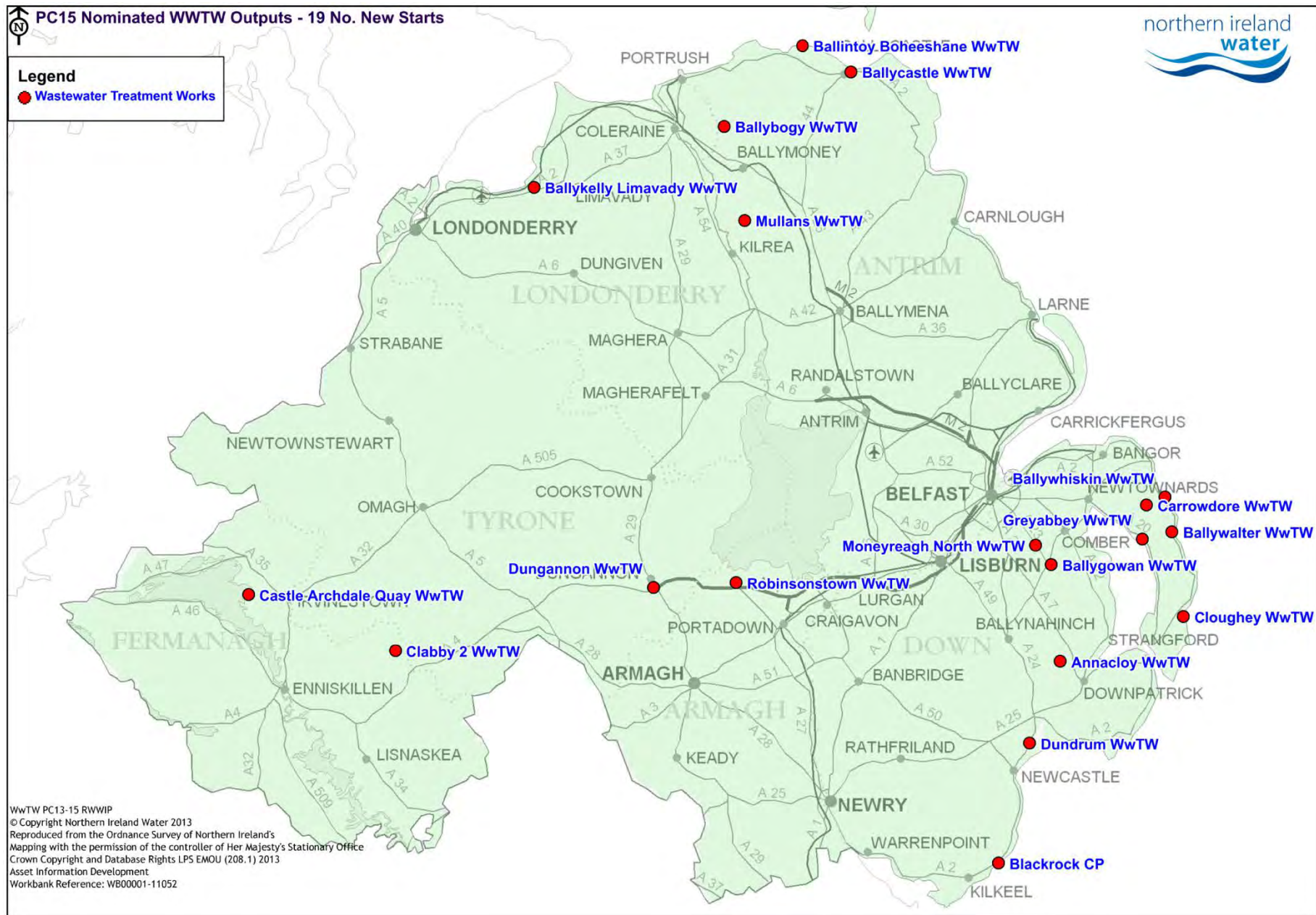
Rural Wastewater Treatment Investment Programme

(Constrained from £22.5m to £12m – will deliver 45 upgrades)



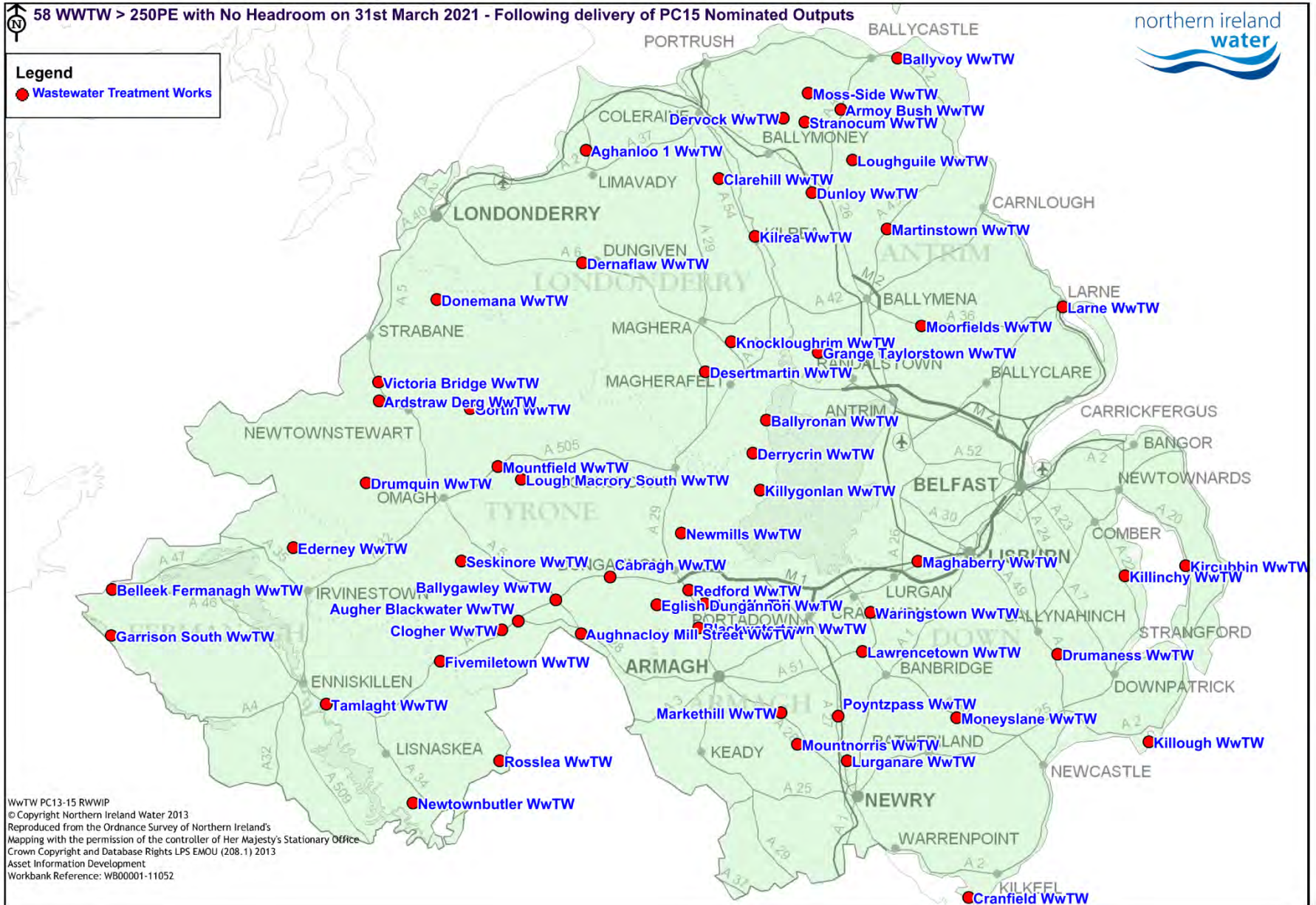
Large Wastewater Treatment Works Programme

(£71.3m for 19 new start upgrades)



Large Wastewater Treatment Works Programme

(£155m* deferred for 81 upgrades)



**Sum excludes the investment necessary for Belfast WWTW, SFW and rBWD*

Capital Allocation

Key Constraints for PC15 for NI Water

- Water:
 - Lough Bradan WTW Phase 2 deferred - c£8.5m
 - Trunk Mains – Glencuil to Cabragh and Killyhevlin to Lough Bradan deferred - c£13.4m
 - Water mains rehab - reduced by £60m
 - Water supply capacity– reduced by £15m (to focus on maintenance)
- Wastewater:
 - Sewerage maintenance, Out of Sewer Flooding and Pollution reduced by £54m
 - Number of new WWTWs reduced and less capital maintenance
- Management & General (vehicles etc) funding reduced by £10m
- Overall Capital Maintenance down from average of £96m to £83m p/a

The PC15 Business Plan Sets Out the Scale of Total Investment Needs: An Appendix sets out that Investment of **c£0.75bn** is Required for Belfast Drainage & Wastewater Treatment- This is not funded.

Key drivers, :

- 1) Economic development (*WWTW compliance with existing standard*)
- 2) Flooding
- 3) EU UWWTD
- 4) EU WFD

This initiated the DRD paper to Executive



Belfast WWTW



Combined Sewer Overflow



Flooding (2012)

Questions