



Customer Advisory Panel – Part 2

Focus group

November 2022

Section 1: Welcome and introductions!



BLUE MARBLE

Selini



Introductions

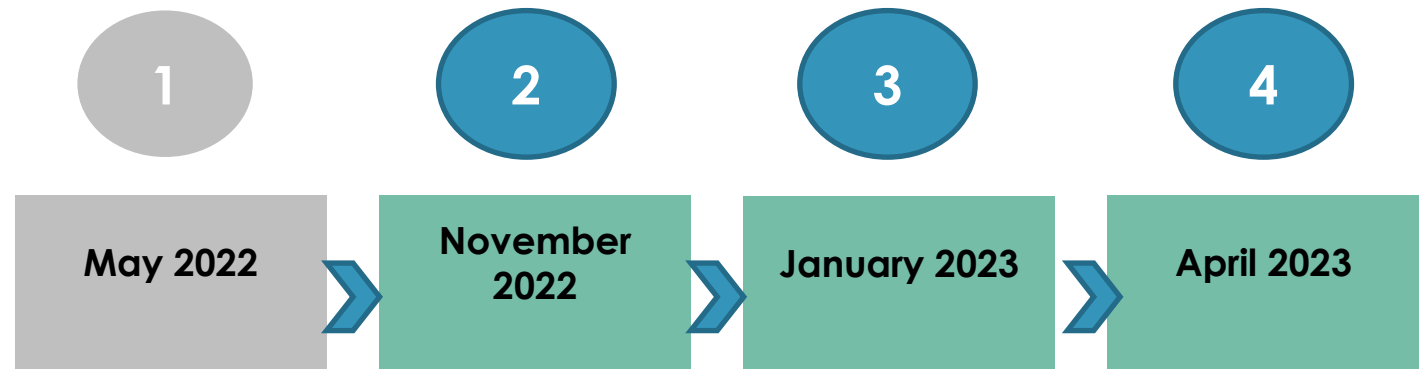
- *first name*
- *where you live*
- *who you live with(if you're living with anyone at the moment)*
- *the one thing that stood out to you from the previous conversation we had about Portsmouth Water and their plans*

About the Customer Advisory Panel

Portsmouth Water's **Customer Advisory Panel** of customers and future customers

Main objective: help Portsmouth Water make good decisions as it plans future investments

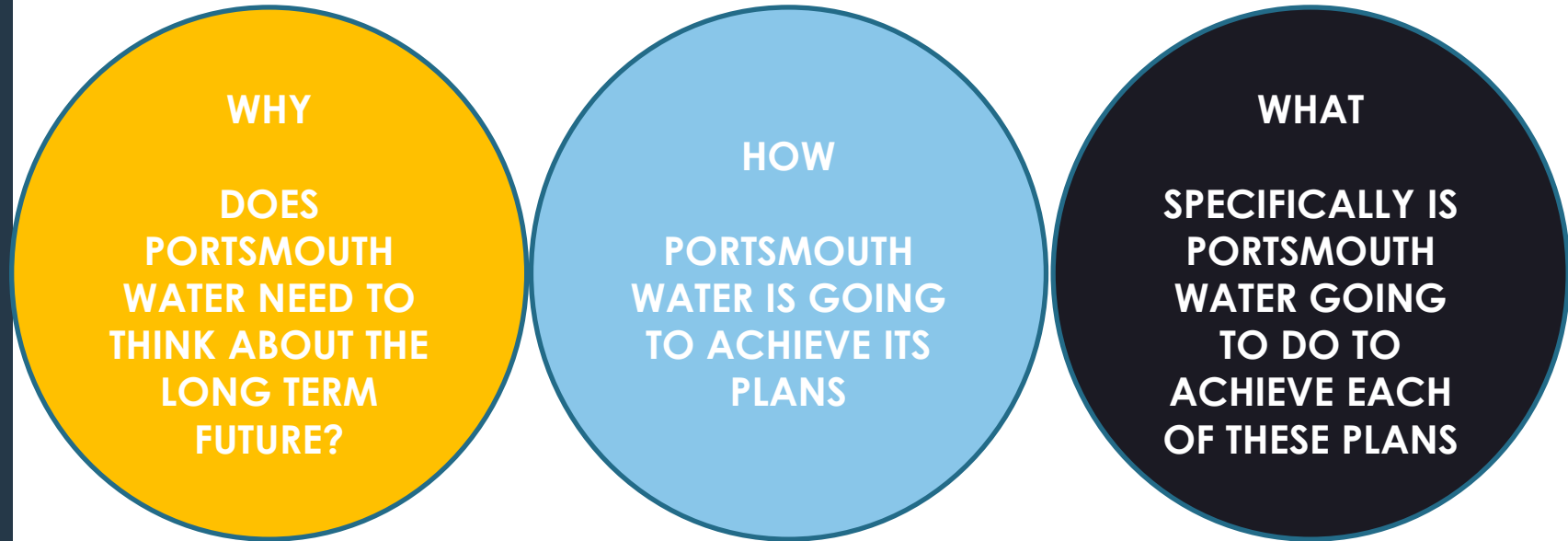
The panel will convene for a **total of 4 times** over the following months:



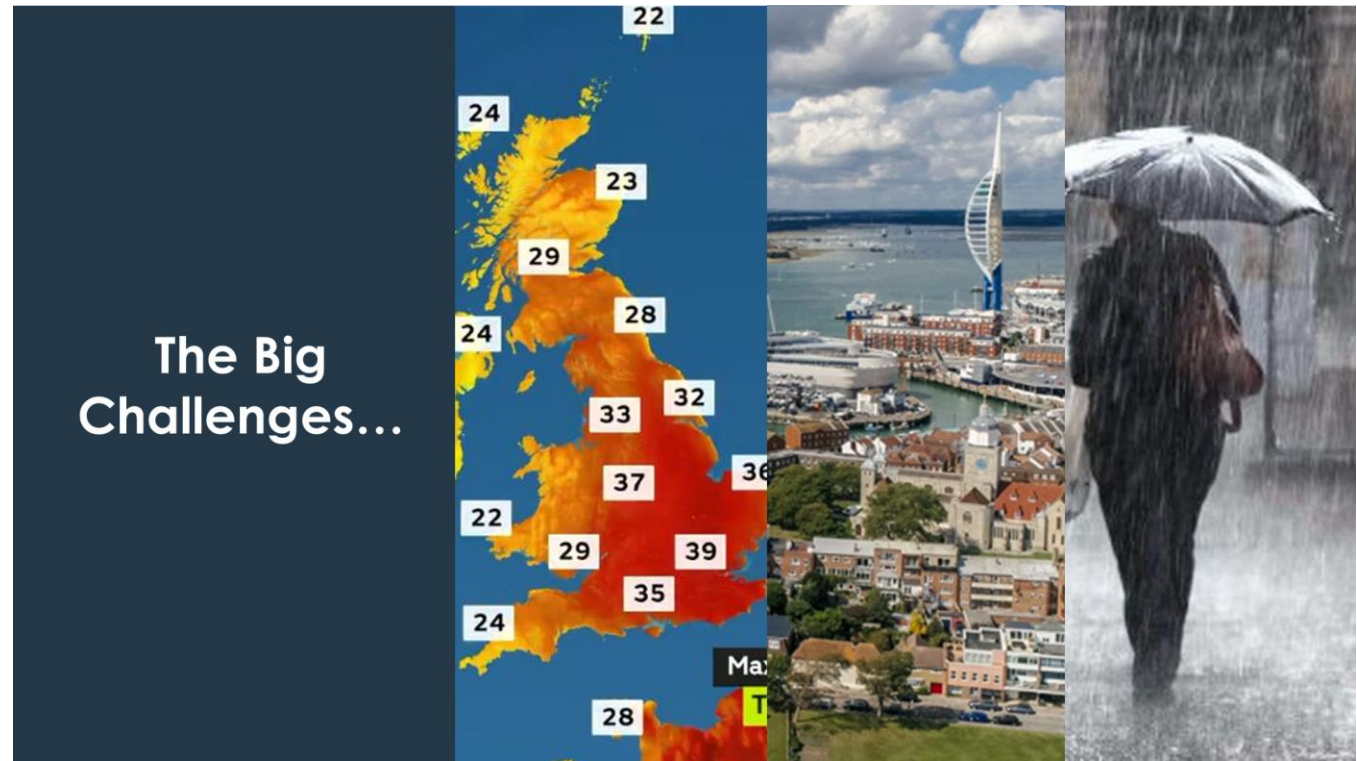
Long term strategy: 2050

Short term 5-year business plans

Section 2: Recap on outcomes from CAP 1



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Recap on outcomes from CAP1

<u>Short-term plans</u>		<u>Ongoing plans</u>		<u>Long-term plans</u>	
	Eradicating lead pipes		Increasing asset reliability and robustness		Havant Thicket reservoir
	No household in water poverty		Using smart technology to reduce leaks in network		Reducing reliance on power and chemicals
	Working with the community / water dispensers		Partnering with renewable energy providers		
	Providing customers with water meters		Not passing the burden to the next generation		
	Enabling digital customer interactions				
	Working with landowners and farmers				

Section 3: Exploring options for Portsmouth Water's plans



Leakage reduction

Portsmouth Water has one of the **lowest leakage levels** in the country, after significant investment over the past 5 years.

From where it was in 2018, Portsmouth Water and all water companies have committed to a **33% reduction by 2030**, and **50% by 2050**.

Leakage reduction is crucial to maintaining **water/supply balance**.

The investment required to **keep leakage levels as they are now** would be £73m.



Portsmouth Water's long-term vision: reduce 50% of leakage by 2040, 10 years ahead of its industry commitment.

Section 3: Exploring options for Portsmouth Water's plans



Leakage reduction

Low option



50% reduction by 2050.

Total cost over 25 years
= **£104m.**

Average annual bill
increase from 2025 -
2030 = **c.£0.27.**

Medium option



50% reduction by 2040
then remain at 50%
reduction until 2050.

Total cost over 25 years
= **£129m.**

Average annual bill
increase from 2025 -
2030 = **c.£0.66.**

High option



50% reduction by 2030
then remain at 50%
reduction until 2050.

Total cost over 25 years
= **£137m.**

Average annual bill
increase from 2025 -
2030 = **c.£1.70.**

Section 3: Exploring options for Portsmouth Water's plans



Lead pipe replacement

Lead pipes that were used before 1970 are **corrosive**, and can have an impact on the health and development of **babies** and **young children**.

This mainly involves pipes that **belong to customers** (within their properties) – so we need to agree to replacement which won't cost customers, but can be disruptive.

There is **no safe level of lead**, and chemical dosing is too expensive, and not sustainable financially.



Portsmouth Water's long-term vision: All schools and homes to have access to water with no exposure to lead by 2050.

Section 3: Exploring options for Portsmouth Water's plans



Lead pipe replacement

Low option



Increase programme to ensure no exposure to lead for all schools and homes by **2070**.

Additional cost **over 45** years = **£256m**.

Average annual bill increase from 2025 – 2030= **c.£0.71**.

Medium option



Increase programme to ensure no exposure to lead for all schools and homes by **2050**.

Additional cost **over 25** years = **£256m**.

Average annual bill increase from 2025 – 2030= **c.£1.28**.

High option



Increase programme to ensure no exposure to lead for all schools and homes by **2040**.

Additional cost **over 15** years = **£256m**.

Average annual bill increase from 2025 – 2030= **c.£2.13**.

Section 3: Exploring options for Portsmouth Water's plans



Smart metering

30% of Portsmouth Water's customers currently have a meter, one of the **lowest proportions in the country**.

Portsmouth Water is now a **designated area of serious water stress**, and is allowed to meter all customers.

Based on forecasts, Portsmouth Water **will not have enough water to supply customers in a severe drought**.

Further new water is required, or reductions in customer usage.

Research/modelling completed at a regional level indicates that **reducing customer demand** through the **introduction of smart metering is the cheapest and most environmental option**.

Portsmouth Water's long-term vision: Support customers to reduce personal water usage by 25%. Deliver universal domestic smart metering by 2040. No customers will experience restrictions on their water use, even in a severe drought.

Section 3: Exploring options for Portsmouth Water's plans



Smart metering

Low option



Dumb metering by 2035 with **significant risk of restrictions of water use** in severe drought from 2035 onwards.

Additional cost of **£125m** over next **15 years** for smart metering.

Average annual bill increase from 2025 – 2030= **c.£1.57**.

Medium option



Smart metering by **2035** to **ensure no restrictions of water use** in severe drought.

Additional cost of **£125m** over next **10 years** for smart metering.

Average annual bill increase from 2025 – 2030= **c.£3.23**.

High option



Smart metering by **2030** to **ensure no restrictions of water use** in severe drought and **enhance flows in our rivers and chalk streams**.

Additional cost of **£125m** over next **5 years** for smart metering.

Average annual bill increase from 2025 – 2030= **c.£12.14**.

Section 3:

Exploring options for Portsmouth Water's plans



Net-zero carbon emissions

The water industry has set itself a target of **net-zero operational carbon emissions by 2030**, and **net zero for all carbon emissions by 2050**.

Operational carbon is associated with **electricity, gas and other fuels** we use, but not carbon related to manufacturing and infrastructure.



Portsmouth Water's long-term vision: To become fully carbon neutral by 2050.

Section 3: Exploring options for Portsmouth Water's plans



Net-zero carbon emissions

Low option



To become **fully carbon neutral by 2050**, including net-zero operational carbon by 2030 will cost **£10m**.

Average annual bill increase from 2025 – 2030= **c.£0.62**.

Medium option



To become **fully carbon neutral by 2040**, including net-zero operational carbon by 2030 will cost **£50m**.

Average annual bill increase from 2025 – 2030= **c.£2.22**.

High option



To become **fully carbon neutral by 2030**, including net-zero operational carbon by 2030, will cost **£300m**.

Average annual bill increase from 2025 – 2030= **c.£12.20**.

Section 3:

Exploring options for Portsmouth Water's plans



Enhancing biodiversity

The water industry is currently considering the correct level of ambition for biodiversity, but it is expected to be that **water companies must show environmental net gain on all key sites they own** – meaning that their approach to land management, leaves the environment in a measurably better state than it was beforehand.

Our current level of biodiversity is assessed as **100% of sites** we own as deemed in **good status**.



Portsmouth Water's long-term vision: Enhance biodiversity on all the sites we own.

Section 3: Exploring options for Portsmouth Water's plans



Enhancing biodiversity

Low option



Maintain **current level of biodiversity** for sites we own until 2030 **at no additional cost**.

Average annual bill increase from 2025 – 2030= **c.£0**.

Medium option



Environmental net gain at **key sites** we own by 2030, at additional cost of **£150k per year**.

Average annual bill increase from 2025 – 2030= **c.£0.10**.

High option



Environmental net gain at **all the sites** we own by 2030, at additional cost of **£185k per year**.

Average annual bill increase from 2025 – 2030= **c.£0.12**.

Section 3: Exploring options for Portsmouth Water's plans



Customer interruptions

We currently have **leading industry performance**, with the **lowest level of supply interruptions over 3 hours**.

However, to continue to be industry leading, we will need to **increase network resilience** to offset effects of climate change, and to achieve no interruptions over 3 hours will require significant improvement in mains renewal rates.



Portsmouth Water's long-term vision: Maintain best interruption performance in the industry.

Section 3: Exploring options for Portsmouth Water's plans



Customer interruptions

Low option



Drop back to industry average in this area, at no additional cost.

Average annual bill increase from 2025 – 2030= **c.£0.**

Medium option



Maintain best interruption performance, with additional cost of **£1.96m** to replace key infrastructure.


Average annual bill increase from 2025 – 2030= **c.£0.11.**

High option




Zero interruptions of 3 hours by 2050, with additional cost to **fast-track mains renewal programme of £6.25m** and additional cost of **£1.96m to replace key infrastructure.**

Average annual bill increase from 2025 – 2030= **c.£0.26.**




A

50% leakage reduction




B

No exposure to lead for all schools and homes




C

Universal domestic metering



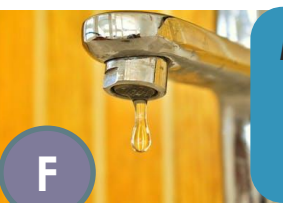
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Becoming fully carbon neutral



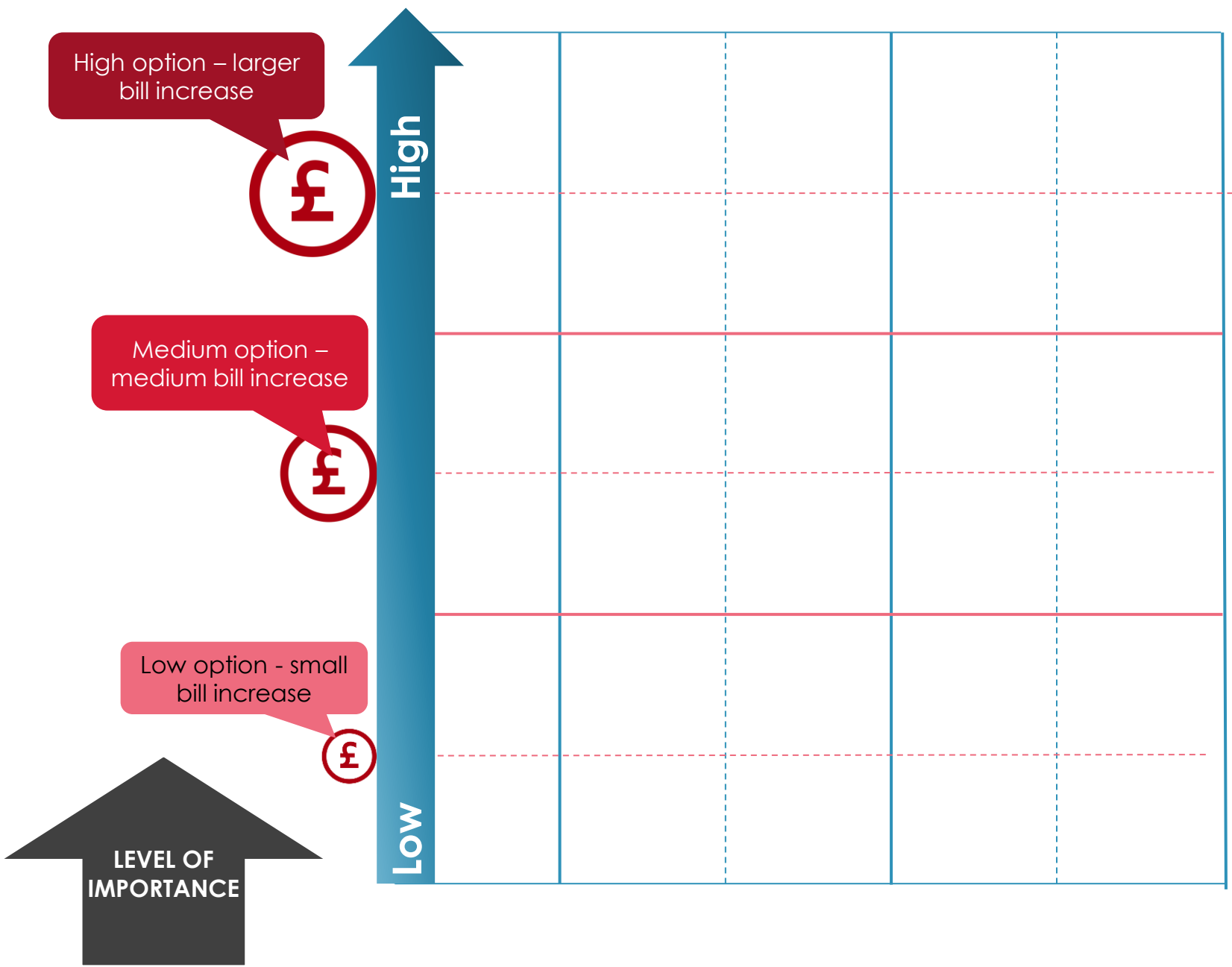
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Enhancing biodiversity on all sites



F

Maintaining best interruption performance in industry



Wrap-up



- What **questions or concerns** do you have based on everything we have discussed today?
- Is there **anything else** you would like to say to Portsmouth Water?



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