

FUTURE BILL OPTIONS AND WHAT THEY MEAN

We've looked at the investment we need to make to meet our legal obligations and make sure your services are fit for the future.

This means bills will go up – but our services will remain **Affordable for All. Always.**

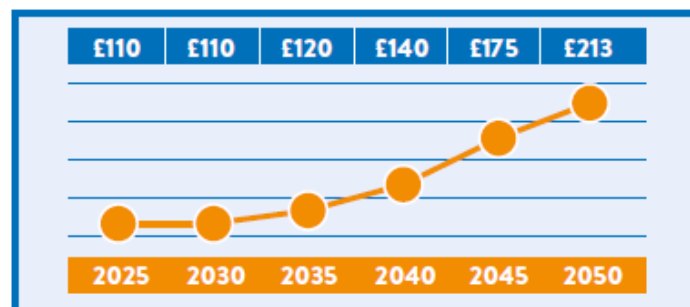
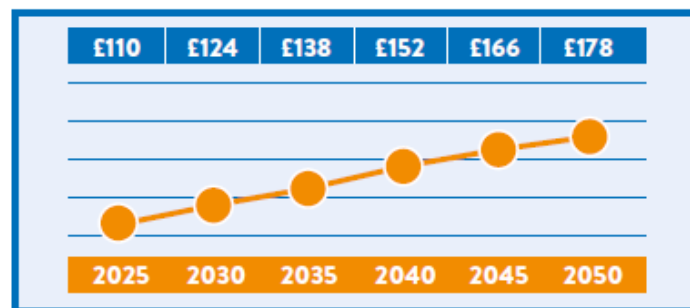
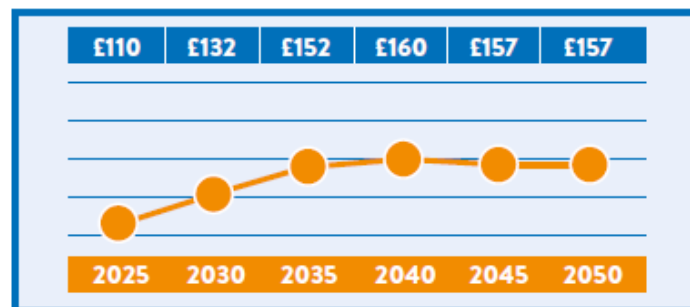
You will be asked to **choose one of three options** – each one goes up by different rates at different times.

- In the first option bills increase in the short term then flatten out. Compared to the other options, more investment is paid for by current customers and less is paid for by future customers.
- In the middle option bills increase moderately both in the short term and into the future. Compared to the other options, investment is paid for more evenly by both current and future customers.
- In the third option, bills remain lower in the short term, then increase more. Compared to the other options, less investment is paid for by current customers and more is paid for by future customers.

CHOICES FOR 2025-2030

On the next four pages, we explore the areas where we could do more than meet our legal obligations and make progress more quickly. You can choose if you'd like to invest more in these areas.

The cost for this would be on top of the bills shown on this page, for the five years of our business plan – 2025 to 2030.



The bill amounts shown are average household drinking water bills per year. They are in today's prices so exclude inflation and wastewater charges.

YOUR CHOICES

REDUCING LEAKAGE

We know reducing the amount of water lost through leaks is really important to you. We're committed to **at least halving leakage by 2050**. This means reducing it from 32 million litres per day in 2017-18 to 16 million litres by 2050. This is enough water to supply a town the size of Bognor Regis every day.

You've told us you want us to do more. However, finding and fixing leaks can be expensive – so we want to give you a choice. We need to **at least** halve leakage – but we want you to tell us when we should do this by.

Reducing leakage earlier would be better for the environment and reduce our carbon footprint as we'd abstract, treat and pump less water.



Low investment: Meeting our commitments



Reduce leakage by **50% by 2050**.

PROS: this is the cheapest option and is in line with government's expectations and our WRMP.

CONS: we won't meet our Vision and it means more water will be lost compared to other options.

The total cost over 25 years is **£157 million**.

This option doesn't increase total bills.

This option costs £0

Medium investment: Maintaining or enhancing our services



Reduce leakage by **50% by 2045**.

PROS: this is less expensive than our Vision and saves more water than waiting until 2050.

CONS: we won't meet our Vision and it's more expensive than waiting until 2050.

The total cost over 25 years is **£167 million**.

The average increase on bills per year is **£0.40** which means bills will increase by **£2** over five years.

This option costs £0.40 each year

High investment: Achieving our Vision



Reduce leakage by **50% by 2040**.

PROS: we achieve our Vision. You've told us reducing leakage is a big priority.

CONS: this is the most expensive option.

The total cost over 25 years is **£178 million**.

The average increase on bills is **£0.55** which means bills will increase by **£2.75** over five years.

This option costs £0.55 each year

YOUR CHOICES

KEEPING YOUR WATER SUPPLY RELIABLE

Our services are the most reliable in the country and the number of households likely to be without water for three hours in any year is 1 in 100, compared to an industry average of 1 in 20.

Climate change means we'll experience extreme weather events, such as droughts or freezing winters, more frequently. This will put more pressure on our pumping stations, supply works and pipes. Some of our network needs replacing and upgrading to meet today's challenges.

We want to give you a choice about how much we should invest to improve and upgrade our pipes and pumps to make sure water keeps flowing to your taps. We've measured this by how likely it is any customer could be without water for at least three hours - which is the government's definition of a supply interruption.



Low investment: Meeting our commitments



Only invest to make sure we meet our legal requirements. This means **our services will be as reliable as the industry average.**

This means the number of households likely to have their supplies interrupted increases **from 1 in 100 to 1 in 20.**

PROS: this is the cheapest option and has no additional increase to bills.

CONS: we won't meet our Vision and it means the level of service we provide customers will fall compared to now.

This option doesn't increase total bills.

This option costs £0

Medium investment: Maintaining or enhancing our services



Spend more to keep our services **the most reliable in the country.**

This means the number of households likely to have their supplies interrupted **stays at 1 in 100.**

PROS: this is less expensive than our Vision and means we'll still be the best in the industry, with no change in our services.

CONS: we won't meet our Vision and it's more expensive.

The total cost over 25 years is **£46 million.**

The average increase on bills per year is **£0.67** which means bills will increase by **£3.35** over five years.

This option costs £0.67 each year

High investment: Achieving our Vision



Achieve our Vision of **no customers being without water for more than three hours by 2050.**

This means no-one should have their supplies interrupted **for more than three hours.**

PROS: we achieve our Vision. No customer will be without water for more than three hours. We'll lead the industry and have the most reliable services.

CONS: this is the most expensive option and the most challenging to deliver.

The total cost over 25 years is **£56 million.**

The average increase on bills per year is **£1.35** which means bills will increase by **£6.75** over five years.

This option costs £1.35 each year

YOUR CHOICES

ENHANCING THE LOCAL ENVIRONMENT AND WILDLIFE

We have got a duty to enhance the environment we all rely on and enjoy. Government expects us to do more at certain key sites we own. We measure this by understanding the variety of plants and animals at our sites and seeing how this changes over time. This is called biodiversity net gain.

Portsmouth Water makes £50,000 available in grants every year to help partners improve our environment. This includes things like creating new wildflower meadows and ponds, looking after woodlands and doing surveys to understand what more we could do to enhance the local environment and wildlife.

It's really important we hear from you about how much we should do above our legal requirements to enhance the environment we all rely on and enjoy. The more we invest now, the faster we can improve our environment.



Low investment: Meeting our commitments



Make sure **the environment doesn't deteriorate at key sites** we own without increasing **the amount available** every year through grants to enhance the environment we rely on.

PROS: this is the cheapest option.

CONS: we won't meet our Vision and government's expectations of us. We won't be able to invest to improve the environment at key sites.

This option doesn't increase total bills.

This option costs £0

Medium investment: Maintaining or enhancing our services



Improve the environment at key sites we own by 2030 **without increasing the amount available** every year through grants to enhance the environment we rely on.

PROS: this is less expensive than our Vision and we improve the environment at our key sites.

CONS: we won't meet our Vision and will miss out on partnership opportunities to improve the environment we rely on.

The total cost over 25 years is **£3.75 million**.

The average increase on bills per year is **£0.06** which means bills will increase by **£0.30** over five years.

This option costs £0.06 each year

High investment: Achieving our Vision



Improve the environment at key sites we own by 2030 and **increase the amount available every year to £100,000** through grants to enhance the environment we rely on.

PROS: we improve the environment at key sites across our region and double the support available to improve the environment we rely on. We can make the most of partnership opportunities.

CONS: this is the most expensive option and the most challenging to deliver.

The total cost over 25 years is **£4.75 million**.

The average increase on bills per year is **£0.08** which means bills will increase by **£0.40** over five years.

This option costs £0.08 each year

YOUR CHOICES

FINDING AND REPLACING WATER PIPES MADE OF LEAD

Lead used to be a common material used for water pipes, both in water companies' networks and in people's homes. However, it was banned for new pipes because it can impact the health and development of very young children.

We use harmless chemical additives to reduce traces of lead in our drinking water. We replace lead pipes that belong to us when we find them, and let our customers know how to replace theirs when we find them too.

We've already replaced many of the lead pipes on our network and are **committed to making sure all schools and vulnerable homes have access to water with no exposure to lead by 2030.**

We know this is not enough, so we're going to help replace more pipes at our customers' properties.

There are about 82,000 homes and 150 schools connected to our network with lead pipes. Along with replacing our lead pipes, we also want to help customers find and replace lead pipes at their homes and want to know whether we should aim to achieve this by 2050, 2060 or 2070.



Low investment: Meeting our commitments



All homes have access to water **with no exposure to lead by 2070.**

PROS: this is the cheapest option.

CONS: we won't meet our Vision and it means it will take a lot longer to reach more customers compared to other options, replacing an average of around 1,800 a year.

The total cost over 25 years is **£142 million.**

This option doesn't increase total bills.

This option costs £0

Medium investment: Maintaining or enhancing our services



All homes have access to water **with no exposure to lead by 2060.**

PROS: this is less expensive than our Vision and means we'll replace an average of around 2,350 a year.

CONS: we won't meet our Vision and this is more expensive than doing the minimum.

The total cost over 25 years is **£183 million.**

The average increase on bills per year is **£1.05** which means bills will increase by **£5.25** over five years.

This option costs £1.05 each year

High investment: Achieving our Vision



All homes have access to water **with no exposure to lead by 2050.**

PROS: we achieve our Vision. All homes will have access to water with no exposure to lead and our treatment costs will be lower. We'll replace around 3,300 a year.

CONS: this is the most expensive option and could be challenging to deliver.

The total cost over 25 years is **£256 million.**

The average increase on bills is **£1.47** which means bills will increase by **£7.35** over five years.

This option costs £1.47 each year