



Future Customer Research Portsmouth

21 March 2023



BLUE MARBLE



You!



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Toilets



Fire exit / alarms



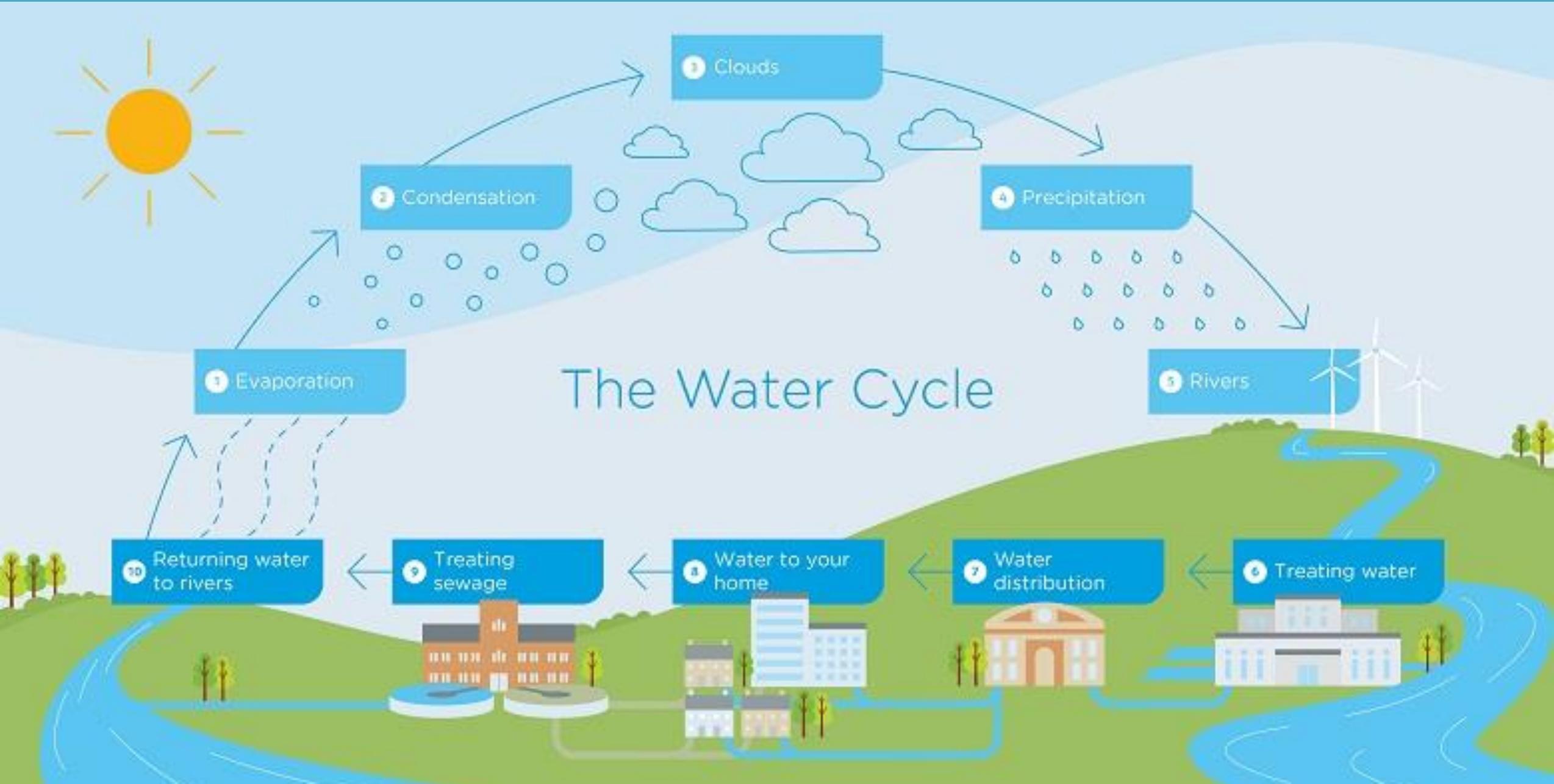
Phones off or on silent please



It's absolutely fine to disagree - but please respect other people's views



SERVICES PROVIDED BY WATER COMPANIES



CHALLENGES FACED BY WATER COMPANIES



Protect & enhance environment



Reducing demand for water



Fast track to net zero



Rising sea levels



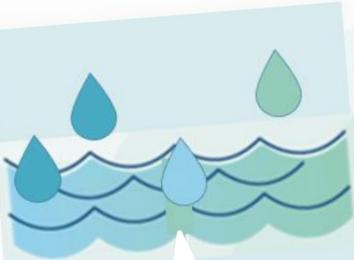
Climate change



Urban development



A growing population



New water sources



Intensive agriculture



Ageing infrastructure



New government policies



Cost of bills

WATER COMPANY BUSINESS PLANNING

Ofwat requires all water companies to submit their plans for the future

- 5 year cycles
- Next submission date in October 2023

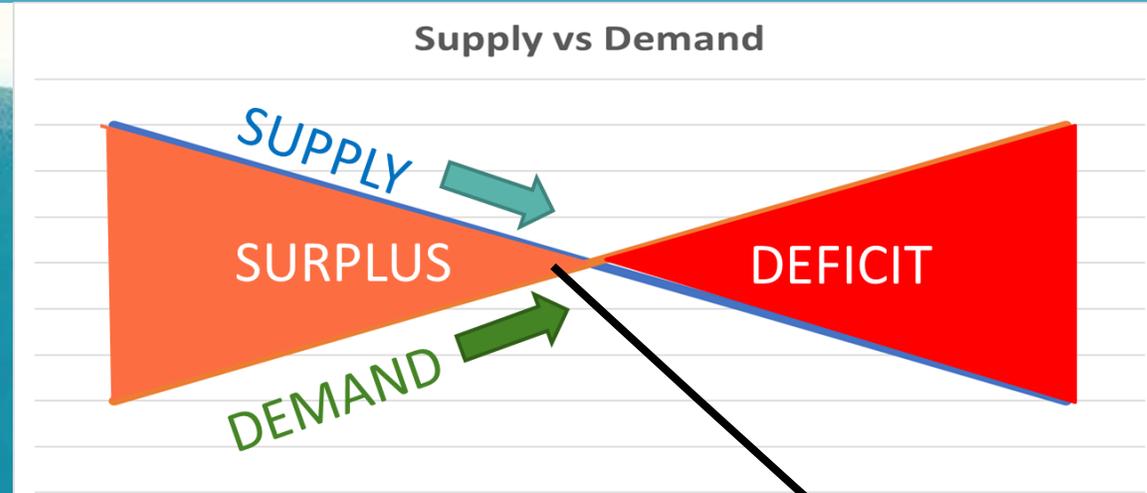
Portsmouth Water is currently putting together its plan for 2025 - 2030. Key aims:

- Support customers
- Ensure resilience
- Protect the environment

Your feedback will help shape how Portsmouth Water supports its customers in future



WATER SUPPLY VS DEMAND



"The point at which, unless we take action to change things, we will not have enough water to supply our needs"
(CEO of Environment Agency).

**WE ARE
HERE**



BENEFITS OF REDUCING LEAKAGE

Benefits of reducing leakage

- More clean water available to meet demand
- Lower environmental impact on rivers as less water abstracted
- Smaller carbon footprint as less water abstracted, treated and pumped

Portsmouth Water is committed to halving leakage by 2050

- Reduce water lost from 32M litres/day in 2017-18 to 16M litres/day by 2050
- 16M litres is enough water to supply Bognor Regis for a day

However, finding and fixing leaks is expensive

- Portsmouth Water need your input to decide how quickly to halve leakage



TIMESCALES FOR REDUCING LEAKAGE

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



WATER METERS

Impacts of water meters:

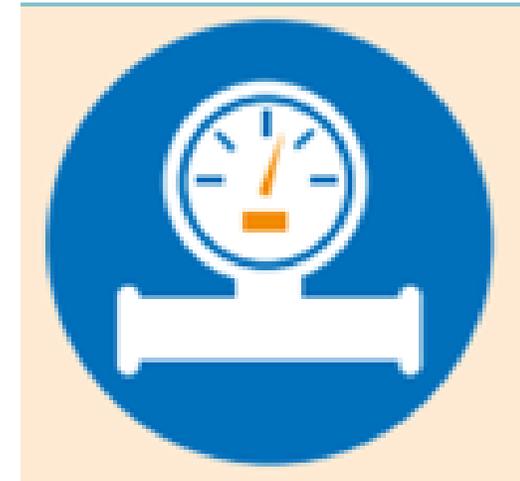
- Encourages water saving by making customers more aware of usage through real-time monitoring
- Reduces wastage by making it easier to identify leaks
- Makes bills fairer, as all customers pay for what they use
- May cause short-lived installation disruption in streets

Penetration of water meters is low in the Portsmouth region

- Just over 1/3 of Portsmouth Water customers have water meters – a lower proportion than most other areas in the South East
- Very few customers have smart water meters

Portsmouth Water intends to increase the proportion of customers with water meters:

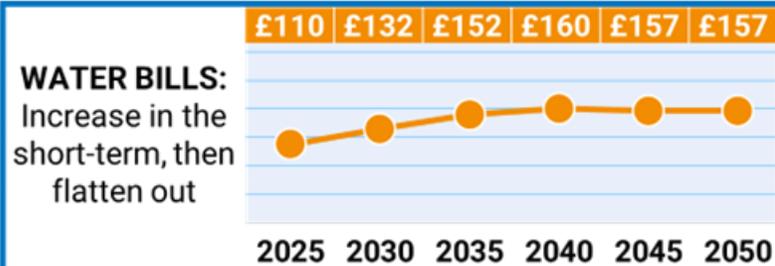
- By 2035, they will install 200k+ smart meters and by 2040, they will replace existing meters with smart ones, totalling 94% penetration
- Will help reduce water usage by 12%
- Will cost £2 million per year on average from 2025



FUTURE BILL OPTIONS AND WHAT THEY MEAN

Option 1

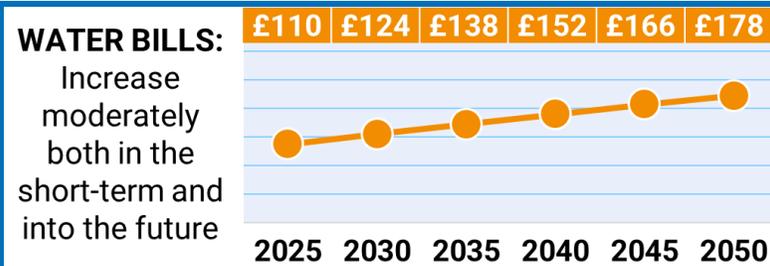
Bills increase in the short term then flatten out. Compared to the other options, more investment is paid for by current customers and less is paid for by future customers



WHAT THIS MEANS? Compared to the other options, more investment is paid for by current customers, and less is paid for by future customers.

Option 2

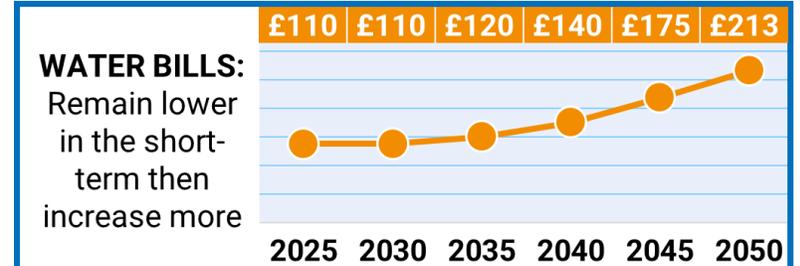
Bills increase moderately both in the short term and into the future. Compared to the other options, investment is paid for more evenly by both current and future customers.



WHAT THIS MEANS? Compared to the other options, investment is paid for more evenly by both current and future customers.

Option 3

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.



WHAT THIS MEANS? Compared to the other options, less investment is paid for by current customers, and more is paid for by future customers.



WRAP UP

- Any questions?
- Please make sure you have left your payment details
- Thank you very much for all of your input today!





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