

29th November 2013

Mr. Jamie Burke  
Water Regulation  
Commission for Energy Regulation  
The Exchange  
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Dear Mr Burke

**Re: CER/13/246 – ‘Economic regulatory framework for the public Irish water services sector’**

Irish Water welcomes this opportunity to respond to the Commission for Energy Regulation’s (CER) consultation paper on its proposed approach to economic regulation of the Irish water services sector.

In April 2012, the Government announced a transformation of public water services in Ireland, that would encapsulate;

- The creation of a public water utility, Irish Water, to assume responsibility for delivery of public water and waste water services from the Local Authorities.
- The extension of the principles of economic regulation to the public water sector, in the appointment of the CER as the independent economic regulator to be responsible for economic regulation and determination of the cost of water services to the consumer.
- A new funding regime, based on domestic water charges and raising capital on international markets, so that future investment in Irish Water will be financially self-sustaining.

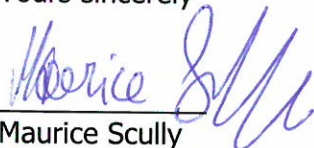
Irish Water is fully supportive of the CER’s regulatory framework consultation and the introduction of an economic regulatory framework, that is already well in place in the Irish energy sector. This framework has served Irish energy customers well over the last 15 years and has led to:

- A very strong focus on customer service and significant improvements in service quality.
- The delivery of operational and efficiency improvements to the Irish energy sector, such that it is now in line with some of the most efficient in Europe.
- Delivery of investment in the renewal of, and extension to, critical Irish Energy infrastructure, as a platform for stable economic growth to the country.

- The structure and certainty to allow Irish utility companies to have access to substantial levels of external debt financing at the lowest cost.

Irish Water believes that the Irish Water customer will similarly benefit from the presence of a strong and independent regulator and in the extension of a strong, proven and well-understood regulatory framework. This is of particular importance, given the establishment of Irish Water is taking place at a time when very substantial investment in the sector is needed to ensure the continuity and growth of a national water network which is fit-for-purpose and delivers to customers increased levels of service quality. In order to fund this investment, it is critical that Irish Water can gain the confidence of external lenders. A strong transparent Regulator and robust framework are essential components in providing this confidence to potential investors.

Yours sincerely



Maurice Scully  
Regulation Manager  
Irish Water Programme