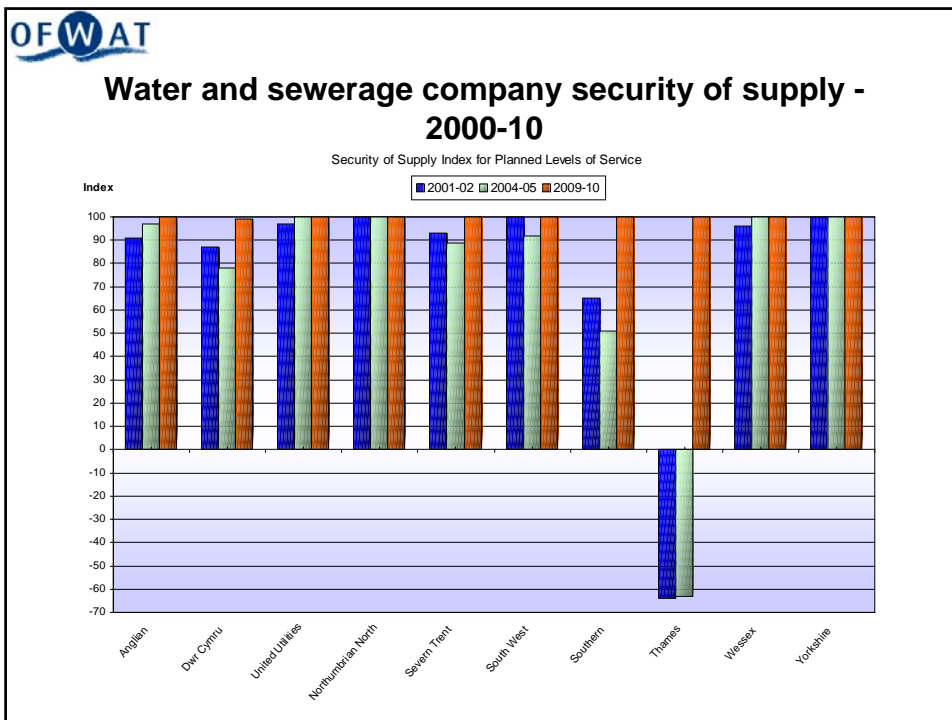
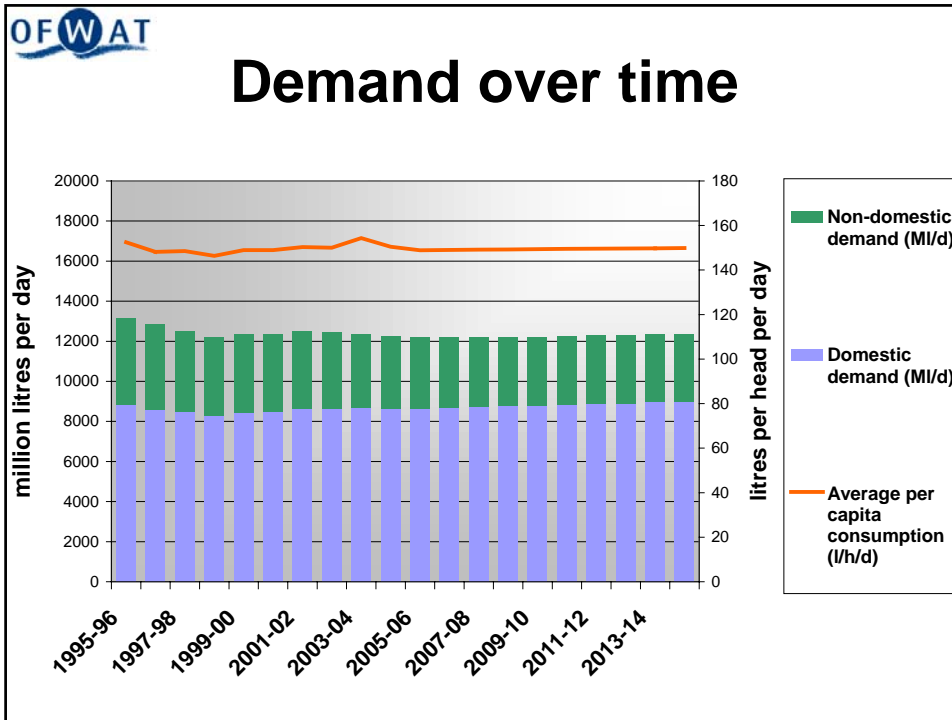




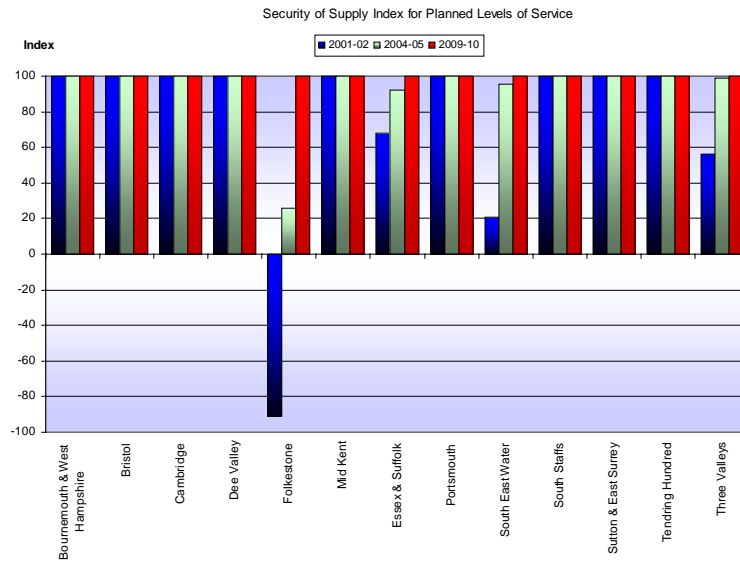
Photo: Environment Agency

Water Resources

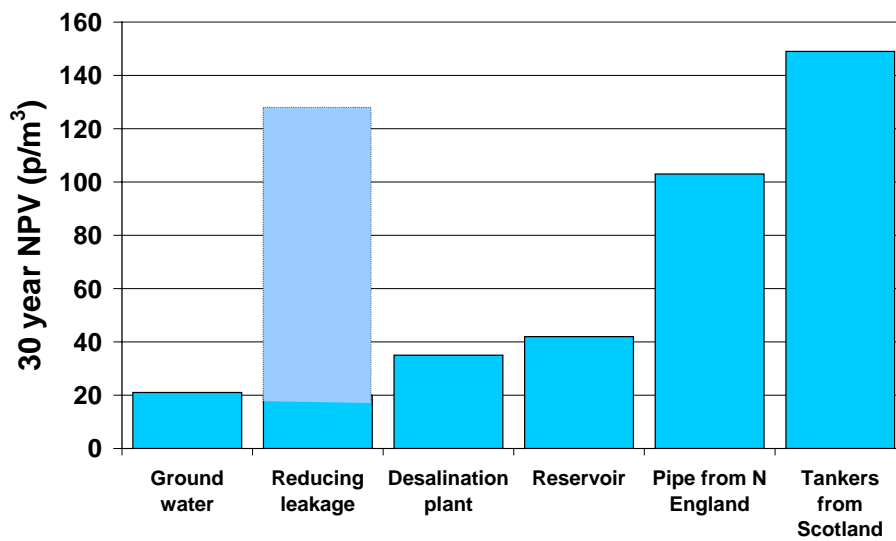
- **Ofwat must**
 - enable efficient water companies to achieve and finance their functions
 - ensure customers get value for money
- **Water companies produce 25-year water resource plans for each periodic review that assess**
 - the imbalance between supply and demand
 - all possible solutions including financial, social & environmental costs
 - the appropriate level of service to reflect their customers' wishes
- **EA scrutinise company plans**
 - to make sure that each company can meet customers' demand, while providing adequate protection for the environment



Water only company security of supply - 2000-10

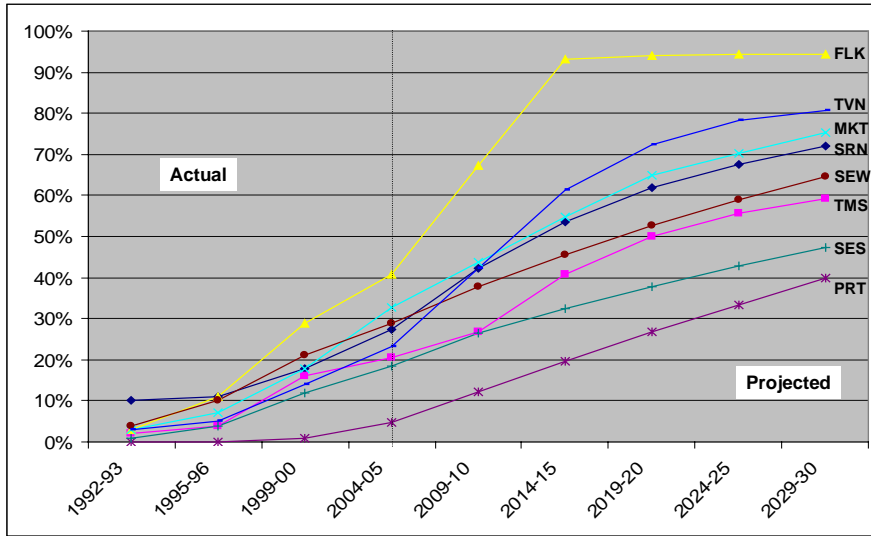


Indicative cost of resource options



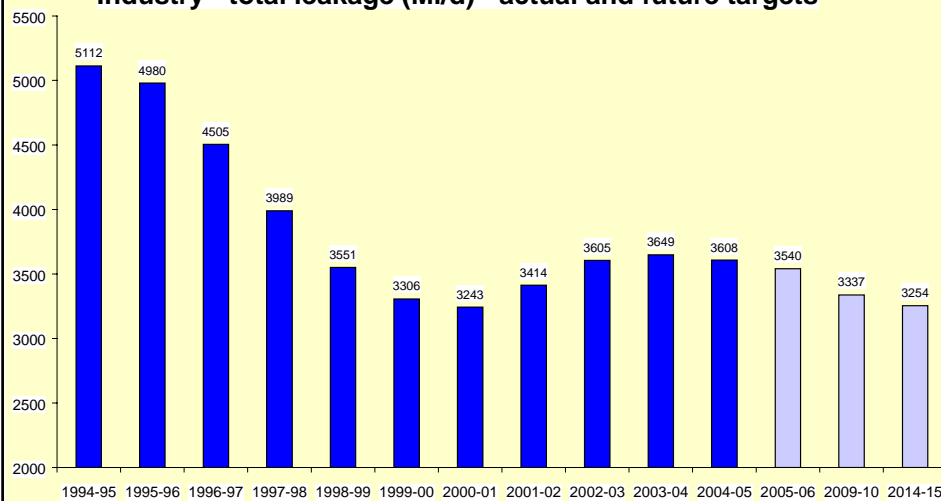
Source – various company water resource plans

Household metering in the south east

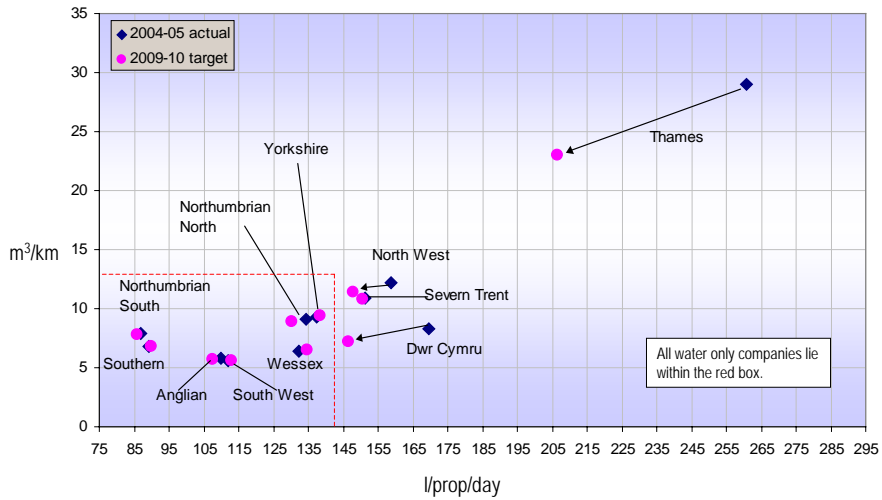


Actual and projected household metering 1992 to 2030

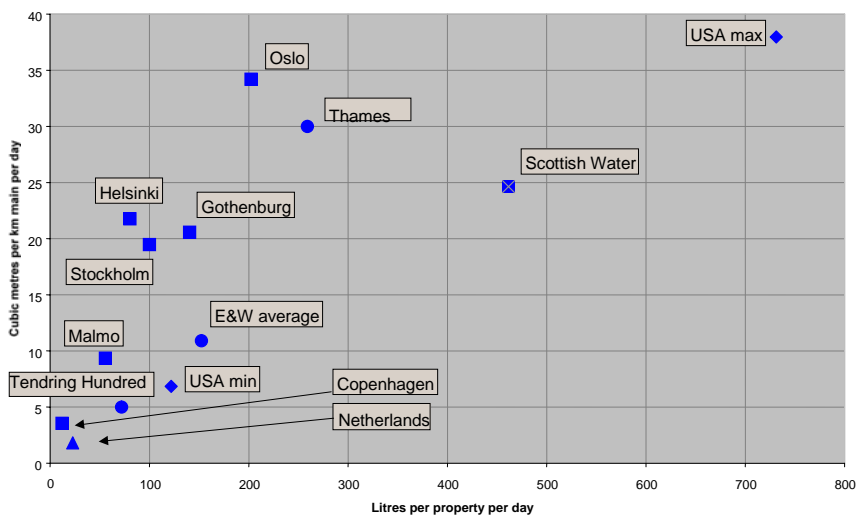
Industry - total leakage (MI/d) - actual and future targets



Water company leakage 2004-05 to 2009-10



International comparisons



Leakage targets

- Conclusions of 2001 Ofwat/DEFRA/EA investigation into how to set leakage targets
 - economic analysis most sound way of taking all impacts into account - including social and environmental
 - consider cost of alternative sources of water eg reservoirs
 - gave advice on how to take environmental and social impacts into account
- Company-specific targets take account of available supply/demand and include environmental costs
- Total leakage in England & Wales to fall every year to 2015 even with new connections
- Reducing leakage by 10% beyond ELL would cost at least £2.5bn – at customers' cost
- The costs are so high because companies are at the point of diminishing returns on leakage



Photo: Environment Agency