

# PC15 – looking 6 years ahead

**John Mills**  
**Network Regulation Manager**



## Delivering sustainability

Two thirds of business people thought that social and environmental matters were significant or very significant, but only 10% thought they were doing enough about it.

*MIT Sloan Management Review  
as quoted in The Economist*

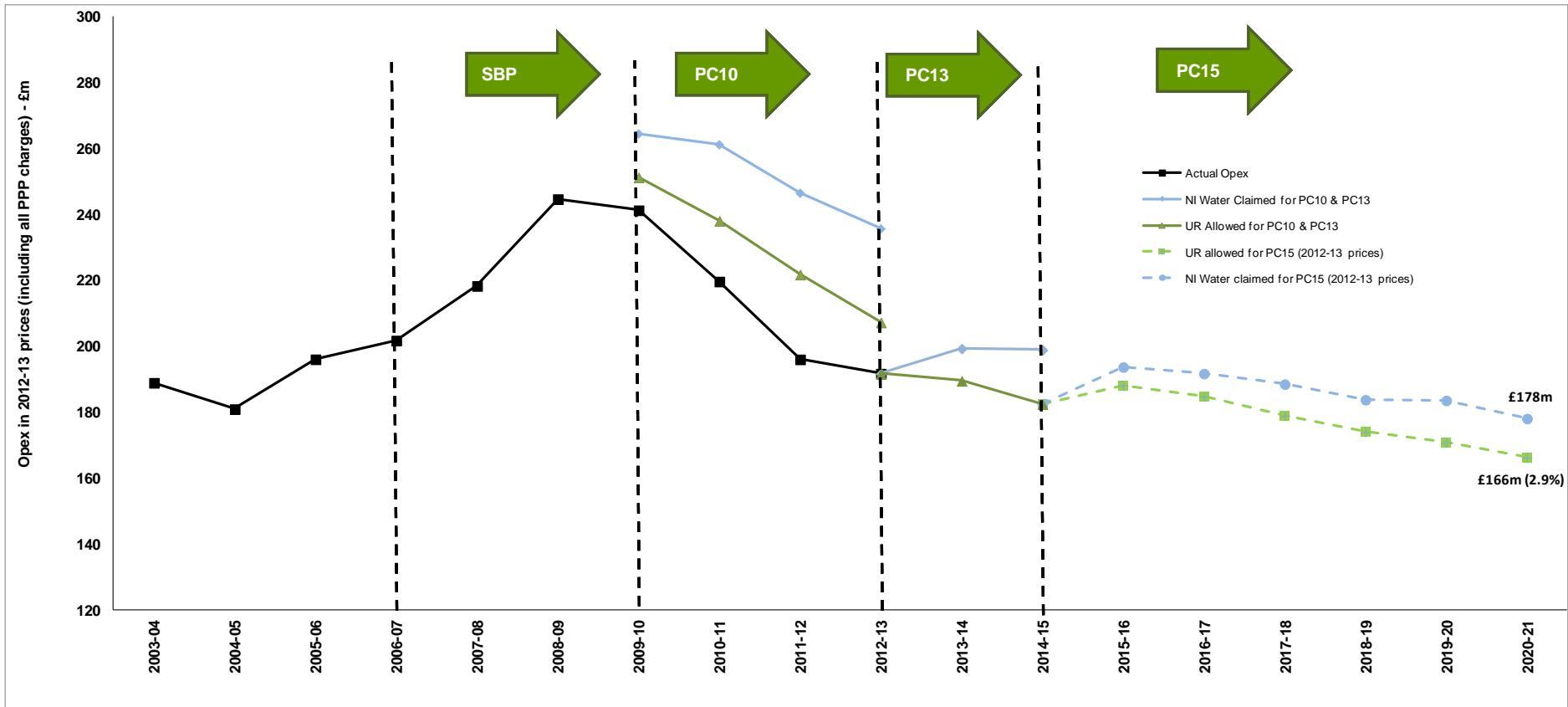
## PC15 programme

- Business Plan submitted 24 Mar 14
- Draft determination published 10 Jul 14
- Consultation closes 15 Oct 14
- Final determination published 10 Dec 14
- 'Start' 1 Apr 15
- Mid term review 2017/18

## PC15 Revenue over 6 years (nominal)

Operational expenditure	£967m
Capital maintenance	£556m
PPP Costs	£320m
Return on capital	£516m
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Total	£2,342m
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# PC15 OPEX profile



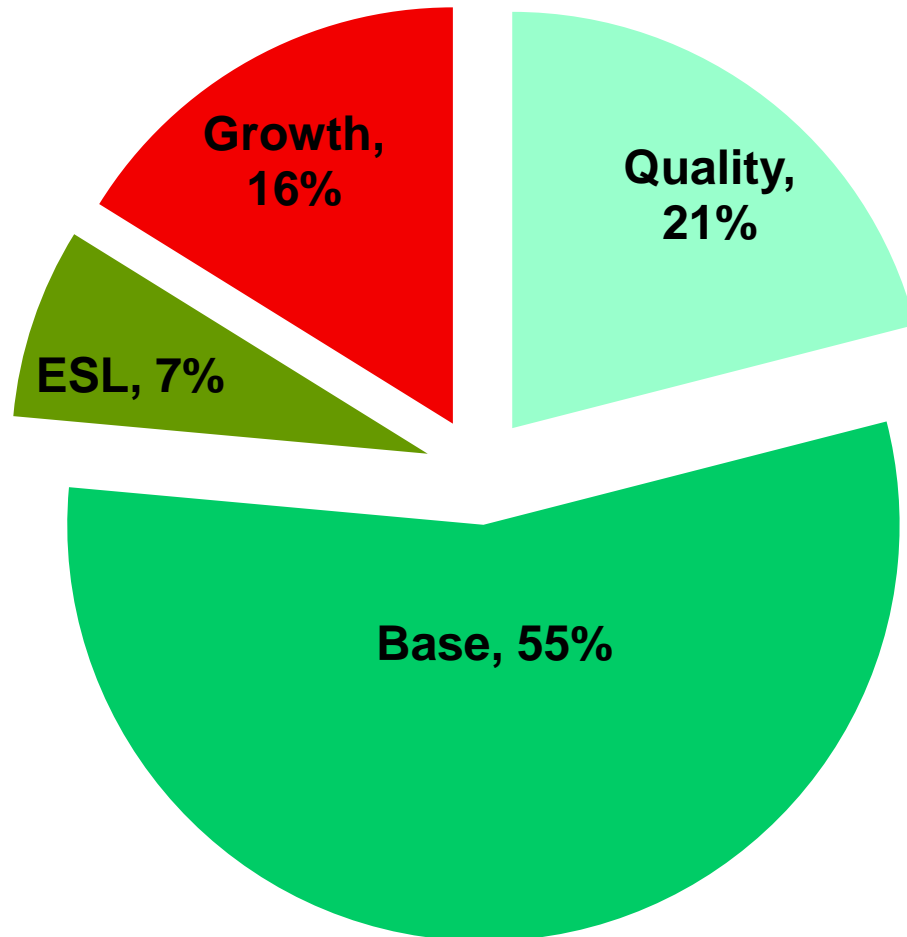
*OPEX in 2012/13 prices*

## PC15 Revenue over 6 years (nominal)

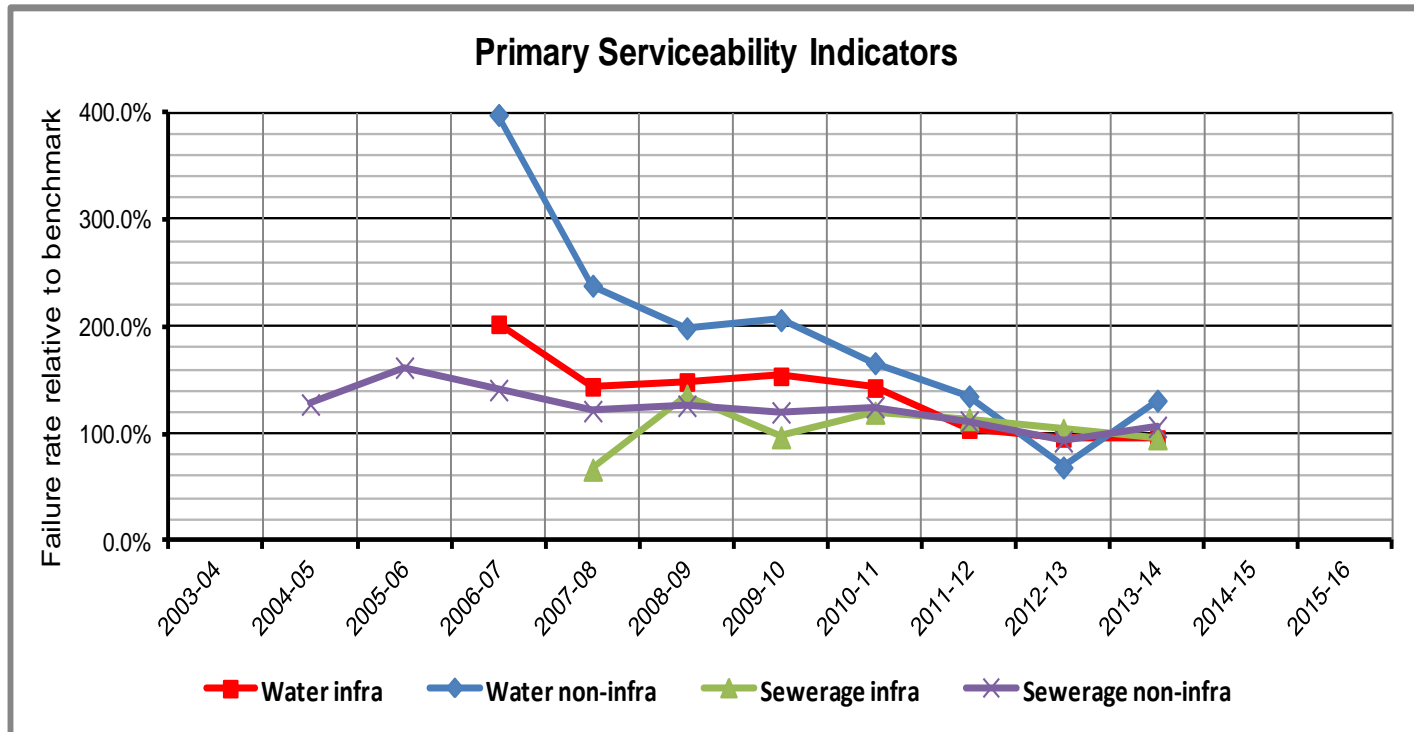
Operational expenditure	£967m
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# Capital expenditure

**Capex**      **£840m**  
*2012/13 prices*

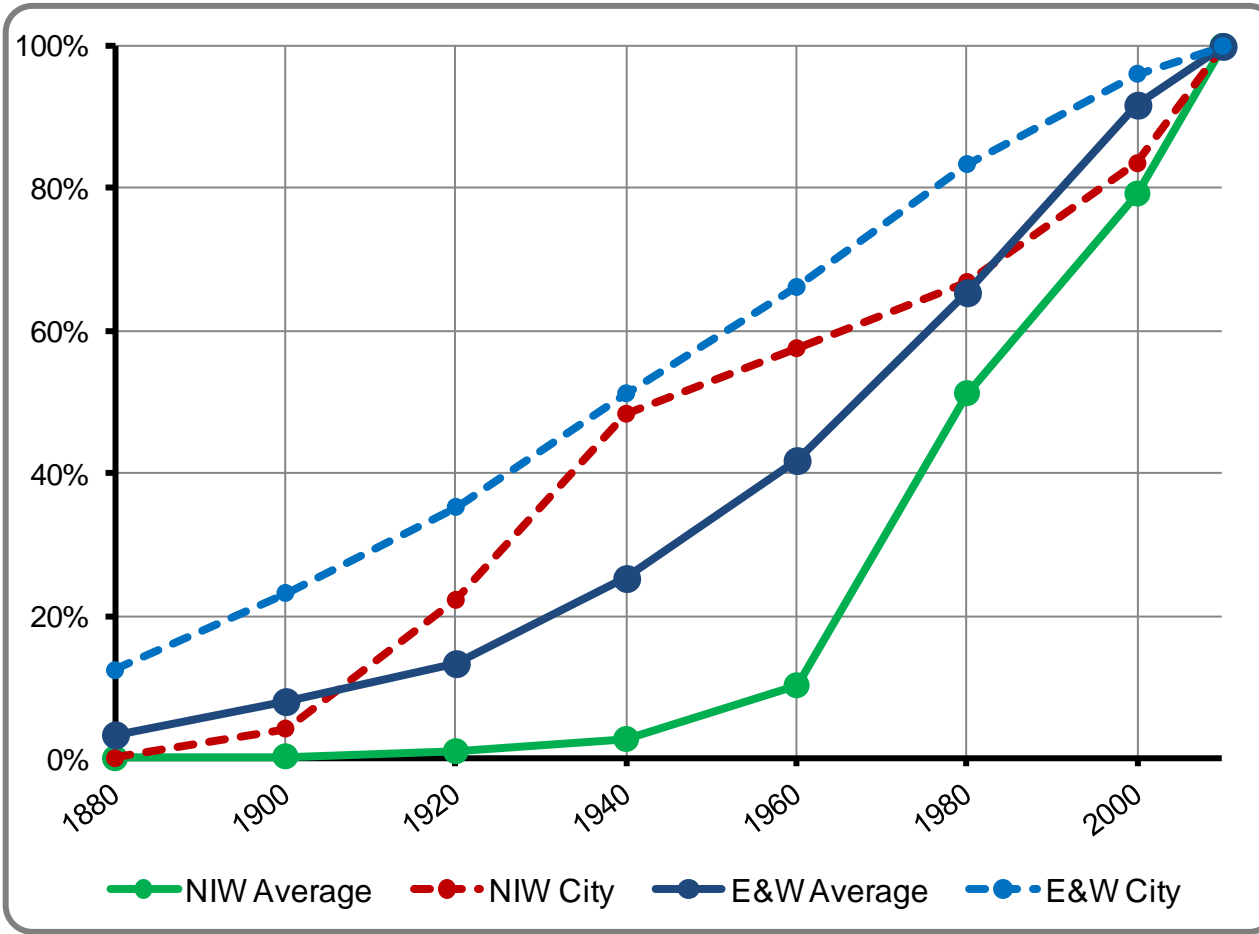


# Capital maintenance - serviceability



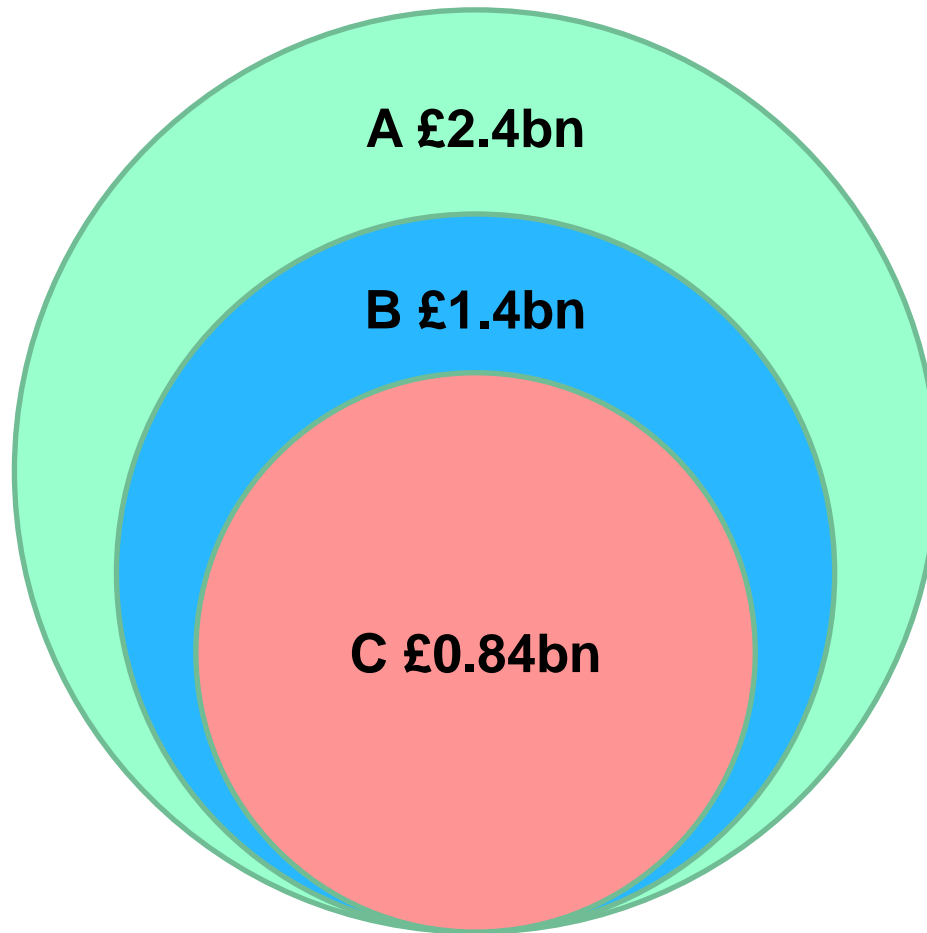


# Water mains age profile



Average age (yrs)	
NIW average	32
NIW city	60
E&W average	49
E&W city	72

# PC15 Capex – NI Water Business Plan



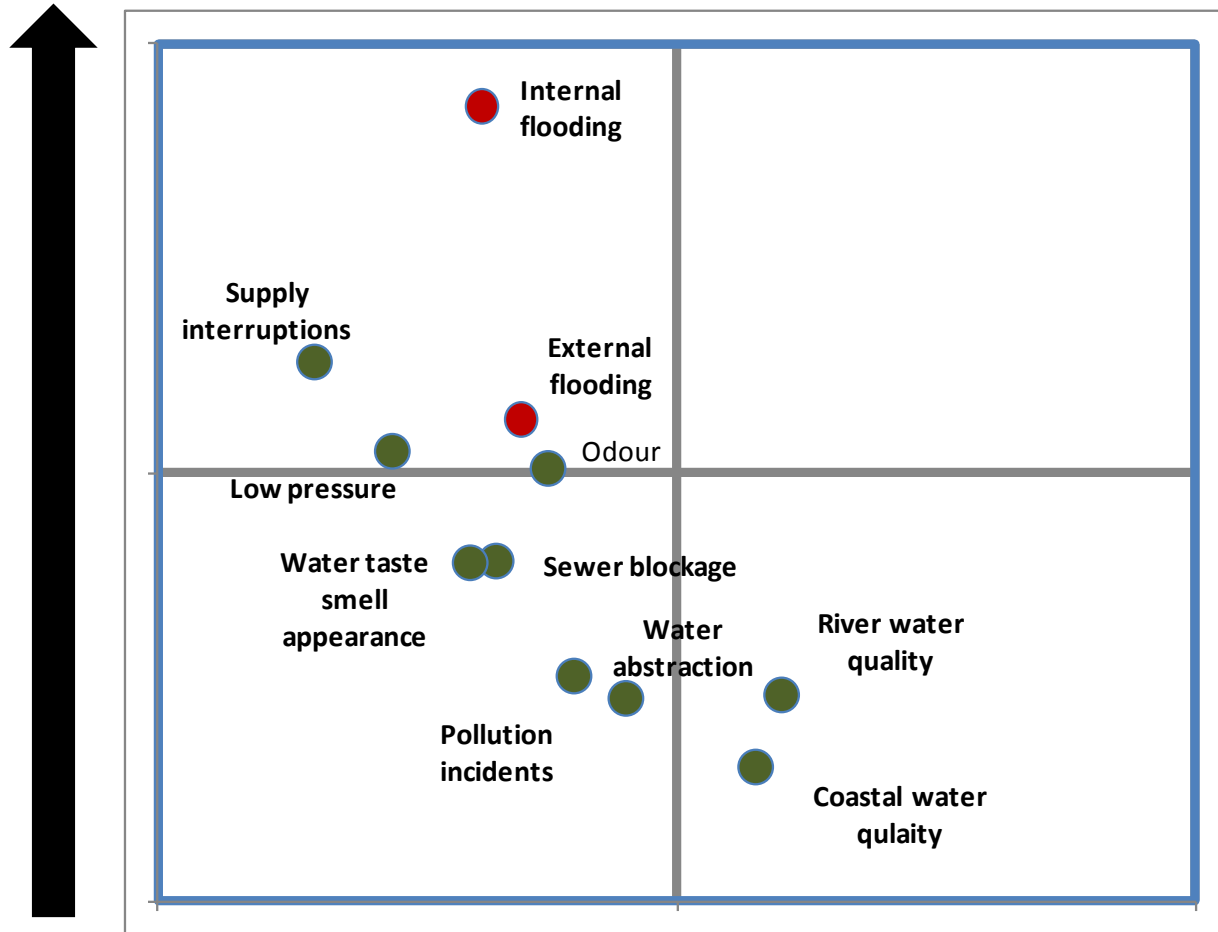
**A:** The total which NI Water believes is necessary to invest to address all current drivers.

**B:** The amount which NI Water believes it can invest efficiently in PC15.

**C:** The constrained sum available in line with the Social & Environmental Guidance.

# PC15 Consumer Preferences

Willingness to contribute



Emotional preference



# PC15 Approach

## Delivering Sustainable Outcomes

- The past is not a good guide to the future.
- Sustainable solutions will not be delivered in isolation.
- A key barrier to sustainable delivery is time.
- Sustainable solutions increase the need for careful planning, a phased approach and risk sharing deliver innovation.

## Looking forward

- A plan for asset maintenance
- Updated water resources management plan
- Plan for energy reduction and generation
- A plan for storm water separation
- Assess opportunities for land purchase to delivery low impact wastewater treatment.
- Strengthen the links between consumer preferences and prioritisation.

# Summary

We won't solve the problems of solar energy over night.

*Gerald Ford (possibly)*

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