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20th May 2019

Re: Proposed Decision on Irish Water's Non-Domestic Tariff Framework

Dear Commissioner,

The American Chamber of Commerce Ireland welcome the CRU's recent Proposed Decision on Irish Water's Non-Domestic Tariff Framework. The availability of high-quality water and wastewater services with an assured supply is a significant part of Ireland's competitiveness proposition for retaining and attracting foreign direct investment.

In particular, we welcome the adoption of our recommendation of the creation of four metered classes of customer classification. Not only does this approach better align with other utilities nationally, we believe that it also represents better cost reflexivity for the end users. Furthermore, by considering the efficiencies associated with larger users (e.g. the provision of their own storm drain infrastructure and lack of peak flow usage) this fourth category delivers on the CRU's principle of "no undue discrimination".

We continue to believe that there is an opportunity to improve the cost recovery mechanism within the tariff. For many manufacturers, water is used within the manufacturing process which, depending on the nature of the operation, reduces the wastewater volume they are producing. We look forward to further proposals on metering wastewater in the near future.

We remain concerned that cost competitiveness was not considered as a "tariff principle" during the consultation process. Given the Department of Housing's Water Service Policy Statement 2018-2025 assertion that "*national economic competitiveness depends on the provision of water services in a timely and efficient manner to meet Ireland's needs*", we strongly recommend that the review of the tariff at the end of the three year transition period includes competitiveness as a "tariff principle". In addition, we believe that cost comparisons should be made with Ireland's competitor countries for manufacturing investment which include Singapore, Switzerland, Germany and a handful of States within the USA.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Brian Cotter", written over a horizontal line.

Brian Cotter

Director of Public Affairs & Advocacy