

WSC ADVISORY BOARD CONSERVATION POLICY – HIGH CONSUMPTION

ARTICLE I PURPOSE

Preamble

WSC's role in the potable water arena is primarily to produce and supply potable water up to the billing meter in each household. The water tariff structure is regulated by the Regulator for Energy and Water Services (REWS) as established by Chapter 545 of the Laws of Malta. The essence of this tariff structure revolves around the concept of pay-per-use, and penalises wasteful practices with the intention to safeguard this resource and the environment in general.

Cases arise whereby high consumption results from undetected leaks in the private network, which although being solely the responsibility of the consumer, does not squarely fall under the 'wasteful practice' umbrella. In light of the fact that consumption higher than 33cum/capita/year is billed at over three times the normal consumption, monetary amounts due can easily exceed household capacity to pay, resulting in an increase in debtors and unnecessary hardship that takes years to solve, if ever.

For the above reasons, WSC has decided that, given that the incremental cost of producing water stands at €0.80c per cubic meter, it may consider, under certain exceptional circumstances, to bill excess water wasted due to an unknown leakage at a rate of €1.60, which amount would still be essentially penalising the consumer for high water consumption, solving the debtor issues, and avoiding unnecessary court cases and hardship, whilst still registering a significant mark-up on the marginal cost of water.

Policy Applicability

This policy outlines the procedure to be followed by the appointed Advisory Board when a consumer calls unto the Water Services Corporation (hereinafter referred to as the 'WSC') or ARMS Ltd claiming that he has received a bill for abnormally-high water consumption.

The Advisory Board shall only hear and decide on claims where the consumer complaining of an abnormally-high water consumption is a domestic, residential or a voluntary organisation ("VO") AND where the consumer has not been informed by WSC of such abnormally high consumption. Also, a consumer who has been previously informed by WSC through any form of communication, including via SMS and/or by a letter, can make a claim to the Advisory Board only up to the date of the first notification.

ARTICLE II DEFINITIONS

i. Abnormally-High Water Consumption

Claims may be considered for eligibility when the consumption in contention:

- 1 exceeds at least 50m³ per 6 months (270ltrs+/day), more than the 'average normal' consumption in the last previous years / of the preceding corresponding period of time,

and

- 2 there is sufficient evidence that an internal leak existed during the high consumption period.

ii. Advisory Board

The Advisory Board (hereinafter referred to as the 'Board') shall be a consultative and a decision-making body comprised of relevant technical staff and headed by a Chairperson, charged to provide advice on claims of abnormal high water consumption.

Chairperson

The president of the Advisory Board whose role is to act as liaison between WSC's Chairman/CEO and the Advisory Board.

iii. Hardship Position

A state of living where the quality of life is substantially below that of the average person.

iv. Internal leakage

A fault in the private water plumbing system found inside a registered residential, domestic or Voluntary Organisation (VO) tenement downstream of the billing water meter.

v. Residential and Domestic tenement

Shall have the same meaning attributed to it in accordance with Regulation 12 et seq. of the Water Supply Regulations (Subsidiary Legislation 545.03).

vi. Voluntary Organisation

A "Voluntary Organisation" (hereinafter referred to as 'VO') is a foundation, a trust, an association of persons or a temporary organisation which is independent and autonomous,

and which is registered with the Commissioner for Voluntary Organisations as per the Voluntary Organisations Act (Chapter 492 of the Laws of Malta, as amended).

ARTICLE III ADVISORY BOARD COMPOSITION

The Board shall be comprised of competent technical staff, whether employed with WSC or otherwise. The composition of the technical staff on the Advisory Board shall be at the discretion of the Chief Executive/Chairman of the WSC and must consist of a minimum of four (4) members.

ARTICLE IV APPLICABILITY

1. The rebates referred to under this policy may apply:
 - (i) Where the abnormally-high water consumption is the result of air flow being read by the water meter, usually due to problems in the WSC's infrastructure;
 - (ii) Where the abnormally-high water consumption is the result of an internal leakage, but only in so far that claims are made by consumers registered on residential, domestic and/or VO tenements and who have not been already informed of such high consumption by WSC

Provided however that such claims will only be entertained where the customer proves that the leak was materially impossible to avoid and is therefore not attributable to any negligence or lack of regular maintenance thereon from his/her end.
2. Non-Residential accounts (with the exception of registered VOs) are not eligible for exemptions, and such claims shall not arrive to the Board's attention in the first place.
3. In clear cases of internal leaks, when this has been substantiated through AMM data and/or an inspection by the WSC Meter Section and/or a private plumber, the rebate is processed by the ARMS representative of the Advisory Board and confirmed by a WSC representative of the Board where the rebate value does not exceed €2,000. Claims for rebate whose values exceed €2,000 must be discussed at Board level.

ARTICLE V POLICY STATEMENT

Whenever a customer receives a bill requesting payment for abnormally-high water consumption, the customer may wish to have that bill investigated and revised upon filling of an application and payment of a Thirty Euro (€30) fee. This fee will be deducted once the case has been approved and the relative fee will be deducted from the credited amount. Applications in this regard must be presented to WSC/ARMS in hard copy including all the required documentation.

Should the water consumption have at least exceeded 50m³ per 6 months (270ltrs+/day) more than the 'average normal' consumption in the last previous years

Upon receipt of such application, the Board shall investigate whether:

- (i) the claim truly falls within its remit
- (ii) whether the claim is justified in accordance with this Policy.

Should the Board find the claim to be justified, any concession granted will be credited on claimant's account. Any credit shall be given absolutely without prejudice to WSC's position and strictly on an 'ex gratia' basis. In deciding on the amount to be credited, the Board shall analyse and compare past consumption with that being reviewed. Any consumption found to be over and above at least 50m³ per 6 months (270ltrs+/day) more than the 'average normal' consumption in the last previous years, shall be charged in accordance with the preferential tariff applicable at the time when the abnormally-high water consumption has been registered and any difference thereof shall be credited; this rate currently being €1.60/m³, which rate may be revised from time to time.

The outcome of the Board's investigation shall be communicated to the customer without delay through a letter as per sample attached at Annex I.

The decision of the Board shall be final.

ARTICLE VI LIMITATION OF THE POLICY

A consumer may only be entitled to apply for a reduction as per clause 5 above only once every five (5) years. Subsequent claims in relation to this clause, shall not be investigated by the Board unless the aforementioned period of five (5) years has elapsed, and no revision of bill shall apply.

The WSC, by means of its AMM setup,, is constantly monitoring the water consumption of its Customers who benefit from such an installation.

When such data shows the possibility of internal leaks, the affected Customers are contacted advising them to address the issue with urgency. Cases shall be considered up where the Customer was never informed of the abnormal consumption or have been notified by the WSC and their claim may only be considered up to the date of the first notification. It is understood that a consumer aware of an abnormal consumption becomes fully accountable for that consumption.

WSC shall strive to ensure that all its consumers benefit from the AMM system. It is expected that as installations increase, the automatic identification of abnormal consumption shall drastically reduce requests applicable to this policy.

Thus, eventual applicable customers shall be those that have not yet benefitted from such an AMM installation and have for whatever reason not been picked up and informed by the automatic detection system. Also, the policy applies to those customers who have been notified by the WSC and their claim may only be considered up to the date of the first notification.

Annex I

Our Ref:

Date

Address

Re: [Account Number]
Contested Water Bill at [address]

Dear Sir/Madam,

Reference is being made to your claim with the Water Services Corporation for the reduction of your water bills on the above-mentioned account

Kindly note that without prejudice and strictly on an 'ex gratia' basis, the Advisory Board; in line with the WSC Conservation Policy – High Consumption (web link), has revised the water bills issued for the period from xxxxxxxxxxxx up to xxxxxxxxxxxx and a credit of €xxxx has therefore been granted.

Consequently, the balance due on account is €xxxx, which you are kindly requested to settle within one (1) month from date of this letter. You may also wish to settle this balance through a re-payment agreement by contact ARMS Credit Control Department on 22452898 email; creditcontrol@arms.com.mt

The decision taken by the Board is final.

Regards,

Executive
Arms Ltd

Our Ref:

Date:

[Address]

**Re: [Account Number]
Contested Water Bill at [address]**

Dear Sir/Madam,

Reference is being made to your claim with the Water Services Corporation for the reduction of the water bills on the above-mentioned account.

We regret to inform you that your claim cannot be considered for a rebate by the Advisory Board in accordance with the WSC Advisory Board Conservation Policy – High Consumption due to the following reason/s:

- The account is a non-residential account and is therefore not eligible to apply for a rebate in accordance with the Advisory Board's Policy;
- The amount of consumption in contention does not exceed the stipulated threshold in accordance with the Advisory Board's policy.
- You have already applied for a rebate on this account within the last five years.

The decision taken by the Board is final.

Regards,

Executive
ARMS Ltd

Our Ref:

Date

Name & Address of consumer

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.....
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Dear.....

Re: contested water bill at above mentioned premises

Reference is being made to your claim for the reduction of water bills.

Kindly note, that strictly without prejudice and on an ex-gratia basis, the water bill issued for the period from xxxxxxxx up to xxxxxxxxx has been revised and a credit of €xxxxx has been granted.

Therefore, your present balance now stands at a credit of €xxxxx.

The decision taken by the Board is final.

Regards,

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Executive
Arms Ltd