

# Customers' balance – a transparency initiative of the German water sector

Abstract

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## 1 Objective

The customers' balance is a tool used to make the water supply industry's prices and services more transparent to customers and politicians. A systematic method is applied to show the effects of structural framework conditions, performance and quality features and different calculation principles on the customers' expenses.

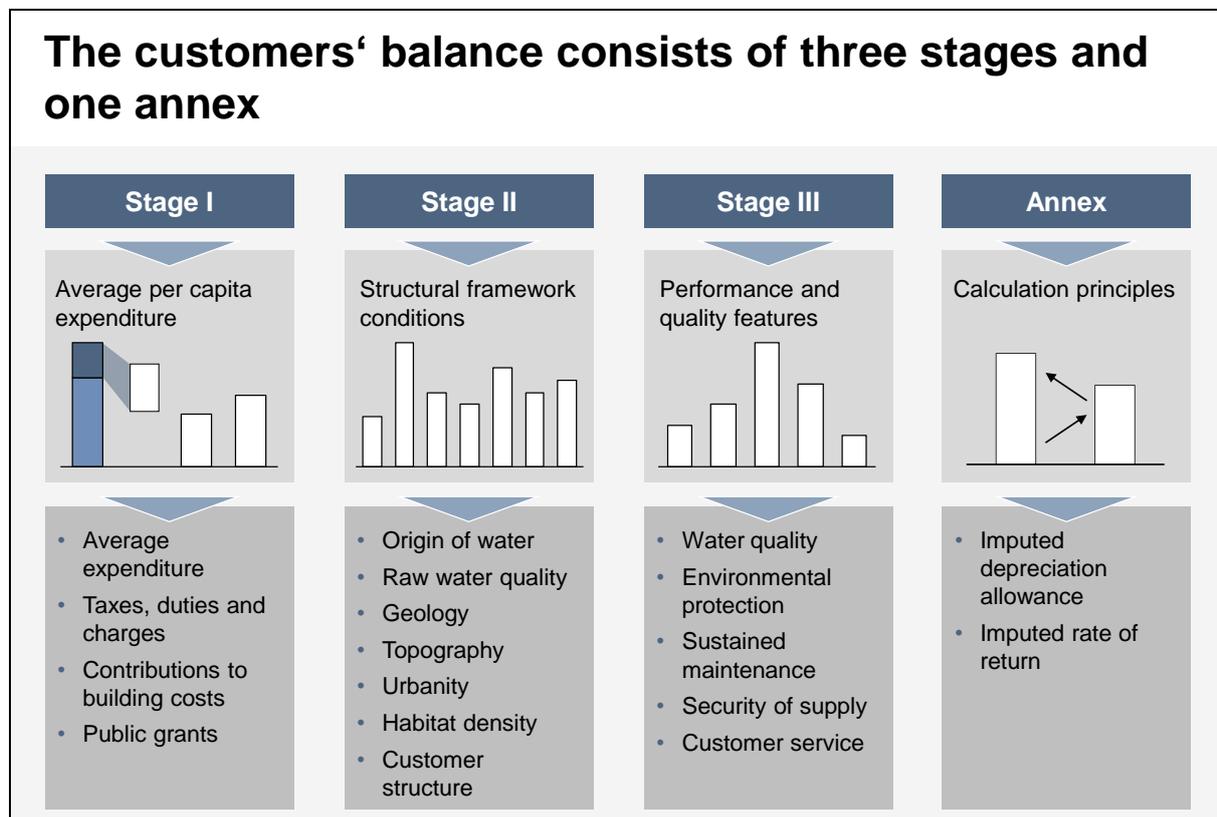
## 2 The customers' balance project

The discussion about water prices has shown that customers require information from the water suppliers as a natural monopoly. In an attempt to base the price discussion on objective performance-related data, the BDEW, in a transparency initiative and at the suggestion of the consumer advice centre, has developed a tool called customers' balance. On the one hand, the balance shows the services provided to the customers and, on the other, it demonstrates the cost components which determine the level of the customers' expenses.

We have succeeded in developing a tool for the water supply industry that can be used by the water companies to transparently explain their fees and the reasons for price differences to customers and politicians.

## 3 The contents of the customers' balance

The customers' balance has three stages and one annex. Each stage contains several parameters that describe factors which have a substantial influence on the expenses per customer and year.



## 4 Examples of results

The results of the customers' balance are prepared in such a way that the prices and services can easily and comprehensibly be explained to the target group on site.

### What are the structural framework conditions that influence your expenses?

**EXAMPLE**

	<p><b>Surface water</b></p> <p>Compared to ground and spring water, surface water is more exposed to environmental influences. This makes the treatment of surface water more expensive (membrane filtration, adsorption using activated carbon, biological treatment).</p>
	<p><b>Rocky soil</b></p> <p>Soil conditions have an influence on the costs incurred for distribution and transport. Installation of water pipes in rocky soil types is more expensive than installation in sandy soil.</p>
	<p><b>Urban infrastructure</b></p> <p>In cities which in general have a complex infrastructure (roads, public transport, power supply and telecommunication lines etc.), the expenses incurred for the restoration of surfaces after construction work may be higher.</p>

Expenses per inhabitant

€13.50

... more than for deep ground water

€5.90

... more than in sandy soil

€2.50

... more than in rural areas

## Contact

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