

WSS service organization and regionalization

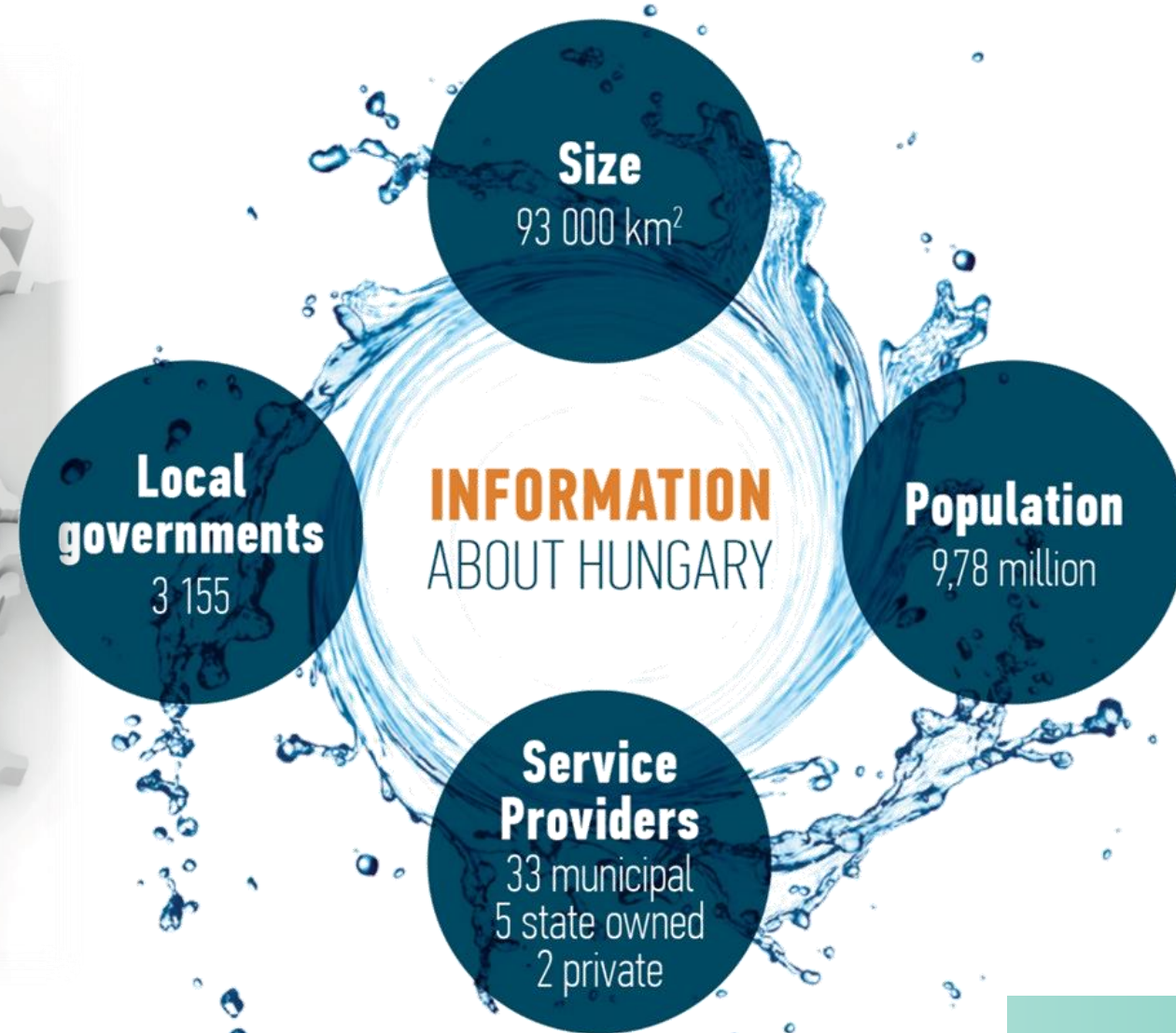
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Hungarian Energy and Public Utility Regulatory Authority

Clean energy, sustainable environment

3 February 2022

Introduction



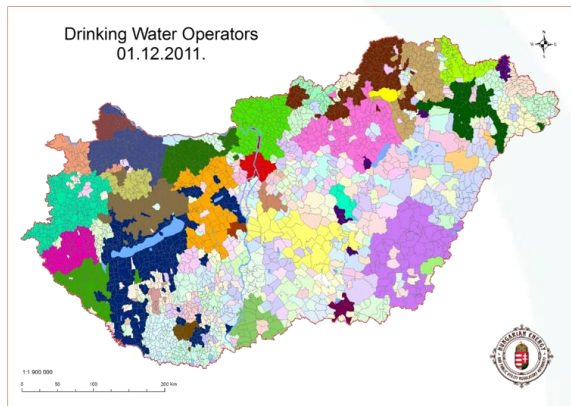
Implementation of the Reform



Specific data of water services in 2020	
Service coverage (drinking water)	99%
Service coverage (wastewater)	83 %
Abstracted water volume	664 million m ³
Collected wastewater volume	526 million m ³
Average water consumption	101,5 l/person/day
NRW	21,9 %
Average rate of water prices	1,02 EUR/m ³
Average rate of wastewater prices	1,10 EUR/m ³
Length of water network	94 252 km
Length of wastewater network	75 452 km
Number of wastewater treatment plants	832
Capacity of wastewater treatment plants	2 663 594 m ³ /day



2011



2021



Fragmentation
Wave of privatization
in the 1990s
By 2010 more than
400 operators/service
providers

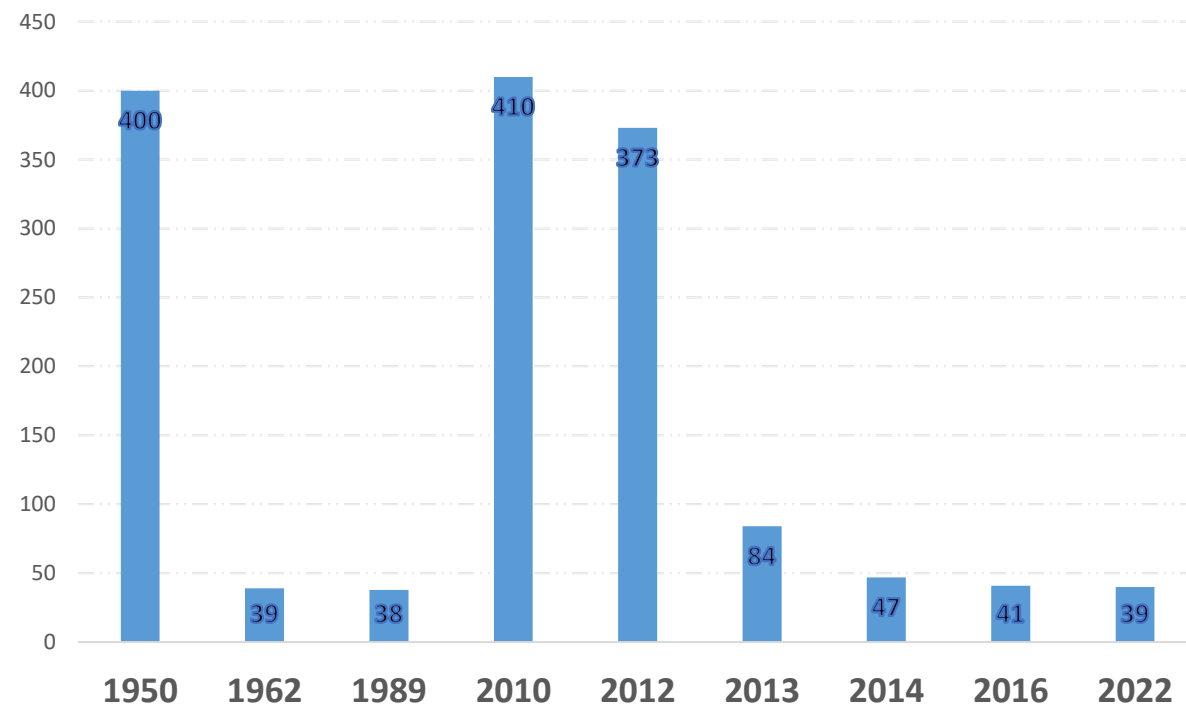


POLITICAL WILL



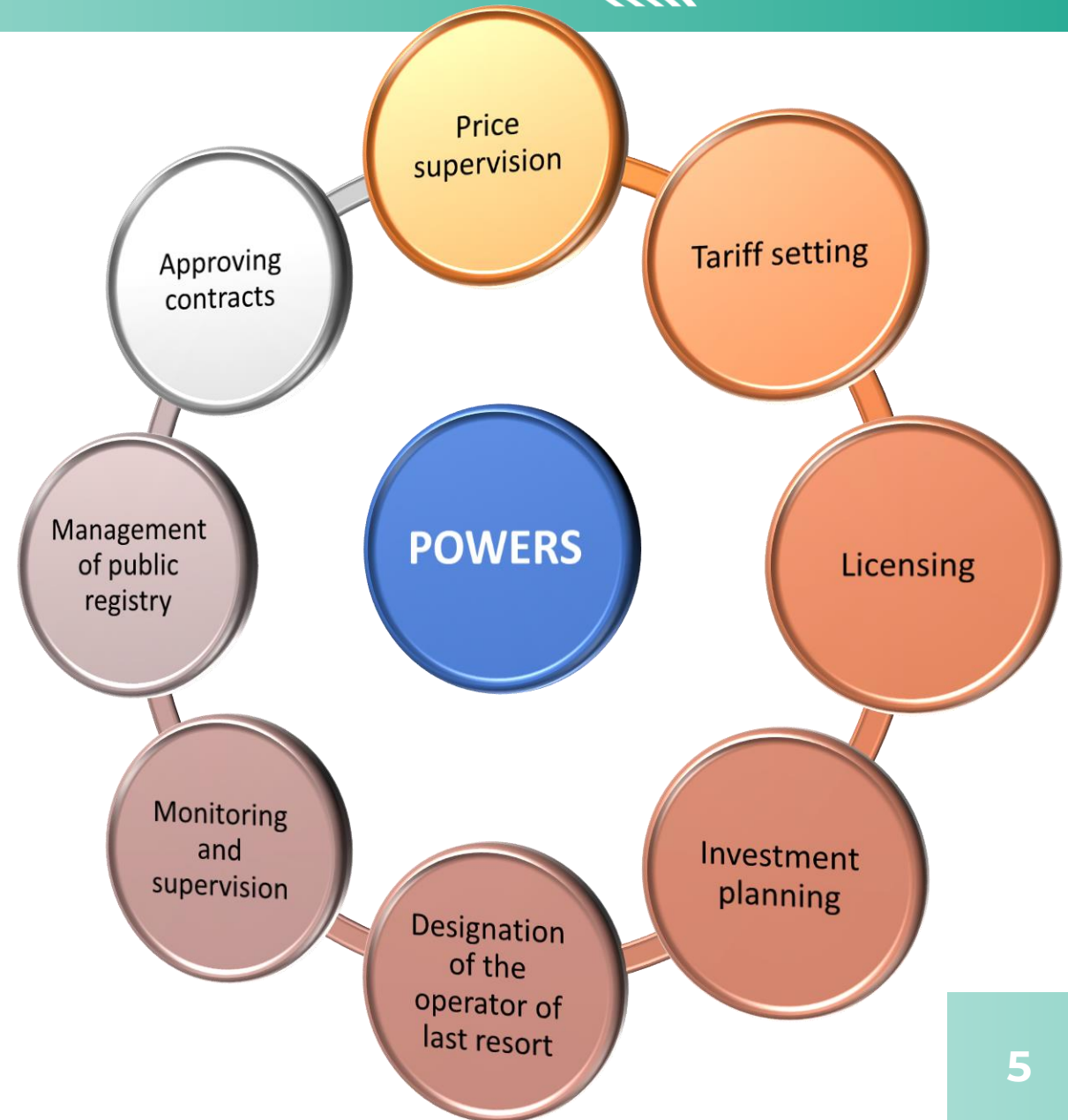
New Act on Water Utility Supply

Numbers of operators from 1950



Setting up a *regulator*

1. independent
2. only subject to the law
3. separate and independent budget
4. the only responsibility towards legislation is to give an annual report to the Parliament
5. regulated sectors: electricity, natural gas, district heating, drinking water, wastewater, solid waste



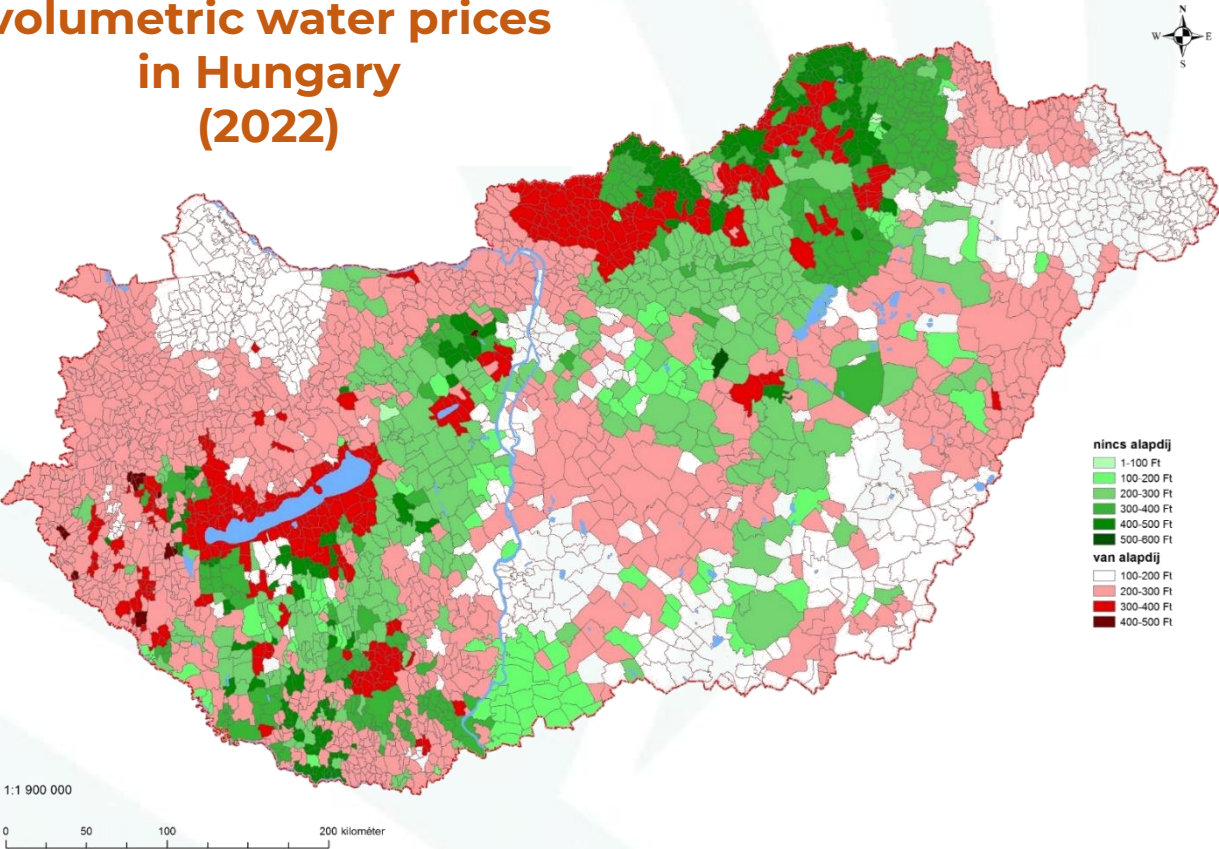
THEN

- Chaos in tariffs and tariff setting methods (lack of uniform principles)
- Lack of development (aging of infrastructure)
- Cross-financing
- Lack of responsible management
- Lack of regulation and supervision
- Ownership issues

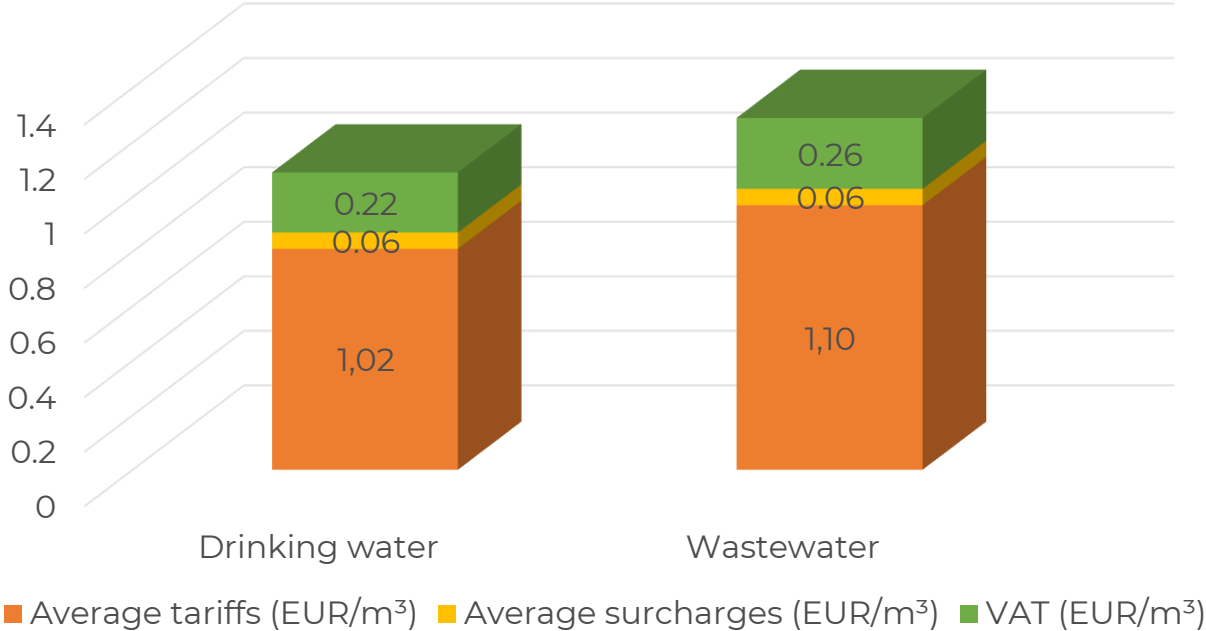
NOW

- Frozen tariffs and central price regulation
- The implementation of the WFD
- Lack of development (aging of infrastructure)
- Prohibition of cross-financing
- Obligation of licences for operation
- Setting up a regulatory agency
- Settled ownership issues

The different rate of volumetric water prices in Hungary (2022)



Average tariffs with VAT and surcharges



- ✓ Setting up the regulatory body
- ✓ Implementing the market integration
- ✓ Enhancing regionalization
- ✓ Data gathering - Tariff setting (recommendation)

ACHIEVEMENT



Further challenges:

- Ministerial decree on prices has never been launched
- Frozen service prices and the decrease of household water prices



Aging of
infrastructure
Few investments



Further regulatory changes are necessary

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