
PORTSMOUTH WATER Ltd – Draft Business Plan 2003

D THE COMPANY PLAN FOR FUTURE SERVICES (public domain)

SINGLE PAGE SUMMARY OF OFWAT REPORTER REPORT

Overall Strategy

The Company has described its top five strategic objectives as follows:

1. To avoid the need for supply restrictions
2. To maintain treatment works and infrastructure to ensure serviceability
3. To deliver the AMP4 quality programme in line with Drinking Water Inspectorate (DWI) expectations
4. To ensure that high standards of service, including those measured by Ofwat indicators, are maintained
5. To ensure that the Company remains one of the most operationally efficient water companies.

I have examined the Company's draft business plan submission and reviewed many of the supporting investigation reports produced by the Company and its consultants as part of the business planning process. I consider that the Company's draft business plan is consistent with being able to achieve the strategic objectives described above.

The Company has also highlighted its commitment to helping the environment and pointed out its 20% reduction in abstraction over the past 20 years and 5% reduction in abstraction licence limits during the AMP3 period. It has not included the reductions in water abstraction over the next five years proposed by the Environment Agency (EA) because of their impact on reliability of water supplies and costs to customers. I support the Company's approach unless scientific evidence can be produced to demonstrate that there is an overall environmental benefit in reducing the abstractions from the sources named by the EA and replacing the lost resources with alternatives.

Quality and Service Improvements

The top five improvements listed by the Company are as follows:

1. Providing membrane filtration as a cryptosporidium barrier at three treatment works
2. Rehabilitating trunk mains supplying the Portsmouth area
3. Blending water from four groundwater sources to reduce nitrate levels
4. Replacing lead communication pipes to meet the future lead standard
5. Providing additional customer services to help customers.

The first four improvement programmes have the support of the Drinking Water Inspectorate. From my scrutiny of the proposals, I consider that the programmes are well founded and achievable.

Expenditure and Bills

I consider that the numerical information in the Company's Table D1 is consistent with other parts of the draft business plan.