

**RD 10/01**

**TO REGULATORY DIRECTORS OF ALL  
WATER AND SEWERAGE COMPANIES AND  
WATER ONLY COMPANIES**

**24 May 2001**

Dear Regulatory Director

**REPORTING OF WATER DISCONNECTIONS 2000-2001 AND RELATED  
MATTERS**

Following the implementation of the Water Industry Act 1999, Ofwat reviewed the information collected each year from companies in respect of disconnections and debt-recovery action through the courts. Ofwat now collects more limited data only once each year, primarily on the disconnection of commercial premises and on the number of summonses and judgements. The format of data requested this year is unchanged from that which companies provided last year. This letter also sets out a number of related issues on which information is requested.

Your response will assist with Ofwat's analysis of trends in debt recovery. As in previous years the information on disconnection and court actions will be placed in the Ofwat library. I would be grateful if you could complete the attached pro-forma and provide other information where relevant, by 8 June 2001.

**Responses**

Explanatory notes on the information to be collected and how to complete the pro-forma are attached. Two annexes are attached for you to complete to provide your company's data. Please do not amend the tables or definitions in any way but provide additional commentary when necessary.

Please complete all of the boxes. If a line definition is not applicable to your company please enter "N/A" in the box. If the number is zero please enter "0" in the box.

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Please complete the attached two page proforma and return it to Lynne Currie at Ofwat Consumer Affairs Division by **Friday 15 June 2001**, sending a copy to your CSC.

If you have any queries arising from this letter please contact Lynne Currie on 0121-625-1302.

Yours sincerely

**Sue Cox**  
**Head of Service and Performance Team**

Encs

## **Debt and Disconnection proforma – Disconnection figures and related information 1 April 2000 to 31 March 2001**

### **Explanatory Note**

#### **1 Disconnection Figures:**

Ofwat proposes to continue to collect disconnection figures for non-domestic premises. If, in your view the numbers reported are notably different from the historic range, I would be grateful for a short explanation.

#### **2 Remaining Domestic Disconnections:**

Collection of domestic information in the past has identified a number of properties that had been disconnected for long periods. There may be a few domestic premises which were disconnected prior to the implementation of the WIA 99 and which remain without water supply. Limited data is requested in the attached pro-forma.

#### **3 Pre-Claim notices, County Court Claims and Judgements**

Information on the numbers of pre-Claims/County Court Claims and Judgements will be used by Ofwat and the CSCs to monitor the underlying trends in debt recovery following the ban on domestic disconnection. The data requested is in the same format as that provided last year.

If you are using a debt recovery agent to collect arrears, letters sent to the customer by the recovery agent may inform the customer of the water company's intention to take legal proceedings against the customer. The pro-forma has sections for pre-Claims notices issued either by your company or by a debt recovery agent working on your company's behalf. We would like company and agent pre-Claims notices to be reported separately where possible. If data cannot be disaggregated in this way please explain the basis of the figures you report.

Questions 9 to 14 should contain all pre-Claims notices and Claims/County Court Claims issued, and Judgements obtained in relation to domestic customers in the charging year (i.e. 1 April 2000 to 31 March 2001). Questions on these issues for domestic customers who receive sewerage services only are again included.

#### **4 Budget Payment Units**

The disconnection of water supplies through budget payment units was declared illegal by Mr Justice Harrison's Judgement in 1998. Companies should by now have completed their decommissioning programmes. Please make a note of any units which have remained in commission due to the company being unable to gain entry to remove them. We would also be interested to know the extent to

which BPU's remain in place for the purposes of budgeting only (i.e. with the valve decommissioned) and how payment patterns have developed.

## **5 Solicitors' Fees**

The reporting requirements for debt recovery costs no longer include the costs associated with disconnection.

## **6 Completing the pro-forma**

### **Annex 1**

The following notes apply for each column – domestic properties and non-domestic properties and each column should be considered separately.

- Line one should be the total of lines 2 and 3
- Line 4 – Non-domestic properties disconnected for non-payment which appear empty/unoccupied at the time of disconnection – these should be included in the properties detailed on lines 1, 2 & 3.
- Line 5 – number of properties remaining disconnected at the start of period. The number on this line should be the same as the number reported in line 9 of your last disconnection return (i.e. the return for the period 1 April 1999 to 31 March 2000 RD 13/00).
- Line 8 – the total number of properties remaining disconnected at the end of the reporting period. Use the following formula to ensure that the figures have been correctly entered and calculated:

$$\text{Line 5} + \text{Line 1} - \text{Line 7} = \text{Line 8}$$

If the figures above do not conform to the above criteria for any reason (e.g. you are aware that the property has become void since it was disconnected) then an explanatory note should be provided.

<b>ANNEX 1</b>	Company:		
Completed by:			
Telephone number:			Date:

No.	Definition	Domestic Properties	Non-domestic properties (including mixed use premises)
1	Total number of disconnections for non-payment of a water bill 1 April 2000 – 31 March 2001 (non-domestic).	N/A	
2	Number of unmeasured disconnections.	N/A	
3	Number of measured disconnections.	N/A	
4	Number of properties that were empty/unoccupied when disconnected (please provide your definition of empty/unoccupied if it has changed since last provided).	N/A	
5	Number of properties remaining disconnected at the start of the period (i.e. disconnected in previous reporting periods and not reconnected at the start of this reporting period).		
6	Number of disconnected properties reconnected within 24 hours.	N/A	
7	Total number of properties reconnected within the reporting period.		
	Total number of disconnections made during this		

8	reporting period and previous reporting periods that have not been reconnected at 31 March 2001.		
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<b>ANNEX 2</b>	Company:
Completed by:	
Telephone number:	Date:

<b>Other Debt Related Matters</b>			
<b>Water Bills</b>			
<b>9</b>	Total number of pre-court action notices or letters warning of possible court action issued for non-payment of 'water only' bills and 'water and sewerage' bills 2000-01.	a) By Company:	
		b) By Agent:	
		c) Total:	
<b>10</b>	Total number of county court claims issued for non-payment of 'water only' bills and 'water and sewerage' bills 2000-01.		
<b>11</b>	Total number of Judgements obtained for non-payment of 'water only' bills and 'water and sewerage' bills 2000-01.		
<b>Sewerage Only Bills</b>			
<b>12</b>	Total number of pre-court action notices or letters warning of possible court action issued for non-payment of 'sewerage only' bills 2000-01.	a) By Company:	
		b) By Agent:	
		c) Total:	
<b>13</b>	Total number of county court claims issued for non-payment of 'sewerage only' bills 2000-01.		
<b>14</b>	Total number of Judgements obtained for non-payment of 'sewerage only' bills 2000-01.		
<b>Additional Costs (2000-01)</b>			
<b>15</b>	Solicitors fees charged for issuing a County Court Summons or claim in 2000-01 for a debt of:	£100	£
		£200	£
		£300 or more	£