

Mr Jonson Cox
Chairman
Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA

Direct line: 01225 526402
Direct fax: 01225 528009
Email: colin.skellett@wessexwater.co.uk

30 October 2013

Dear Jonson

BOARD LEADERSHIP, TRANSPARENCY & GOVERNANCE – PRINCIPLES

Thank you for your letter of 19 September and the attached paper setting out Ofwat's proposed governance principles for the water sector.

We support the application of high standards of corporate governance by all companies in the sector and the use of a self regulatory approach. Wessex Water already self regulates in respect of corporate governance as well as complying with its licence obligations. Our practices are not static, last year we made a number of changes, including updating our reporting and we are part way through refreshing non-executive board membership. Our arrangements already deliver or exceed most of the principles and detailed expectations outlined in the Ofwat consultation. Going forward, we intend to make further changes and our corporate governance arrangements will continue to be fully explained in our annual report.

We welcome your recognition that for single investor owned companies like Wessex Water, the governance principles may be different than for other ownership models, for example, in the appointment of the Chairman. We also believe there are other aspects of what may be considered best practice for multi-shareholder ownership models, that may not be appropriate for single investor owned companies: in particular the proposals for the balance of directors on the Board.

We are due to meet you on 7 November when we can discuss this further.

Very best wishes.

Yours sincerely



Colin Skellett
Chairman



Wessex Water Services Limited Registered office as above
Registered in England No 2366648 Printed on 100% recycled paper

