

11 February 2014



Severn Trent Water Limited

Forward programme consultation
Corporate Communications
Ofwat
Centre City Tower
7 Hill Street
Birmingham
B5 4UA

Severn Trent Centre
PO Box 5309
Coventry
CV3 9FH

Tel 024 7771 5601
Fax 024 7771 5872
www.severntrent.com
www.stwater.co.uk

Dear Dylan

Ofwat forward programme 2014-15: draft for consultation

We welcome the opportunity to comment on Ofwat's forward work programme.

We agree with the forward work programme and the areas it proposes to cover. We welcome the recognition that 2014-15 is an important year for the industry and that PR14 and market reform are likely to draw heavily on the resources of Ofwat and companies. By proposing a more focused work plan than we have seen in previous years, we believe it will give us all more opportunity contribute towards its successful implementation. We look forward to continuing our constructive working relationship with Ofwat over the coming year.

One area of work that was not explicitly covered in the plan is access pricing. We see development of appropriate access prices as being key to efficient upstream competition and it is not clear from the programme what is planned for 2014-15. We think this needs further work to establish what approach would best meet Ofwat's objectives.

We would also welcome further detail around the timings of each workstream. Where Ofwat has previously published detailed timelines this has worked well and we would like to see a continuation of this in the future.

We would be pleased to discuss any of the points raised above in more detail. Please contact Harriet Towler (harriet.towler@severntrent.co.uk) for further information.

Yours sincerely

A handwritten signature in black ink that reads 'A J Ballance'.

Dr Tony Ballance
Director, Strategy and Regulation