

Forward programme consultation
Dylan Spedding
Ofwat
Centre City Tower
7 Hill Street
Birmingham
B5 4UA

Direct line: 01392 443963
Email: imcguffo@southwestwater.co.uk
Minicom: 0800 169 9965
Our ref:

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Dear Dylan

Ofwat forward programme for 2014-15

Response from South West Water

We are pleased to provide comments on the Ofwat draft forward programme for 2014-15. There is much for the industry to consider during the next year, with the completion of the PR14 process, preparation for the implementation of the new price controls and the challenges and opportunities arising from the Water Bill, which is currently being considered in Parliament.

We fully support the way that the forward programme places customers at the heart of this work. We recognise how strong Board leadership, governance and transparency will maintain the confidence of both customers and investors at this time of change.

We are pleased that Ofwat will set out a new strategy that reflects the necessary changes to the long term regulation of the water sector and we look forward to contributing to this. We think it would be useful for this strategy to consider the influences on how transition will be achieved as well as setting out the long term direction. We think it would also be useful to set out how the cost benefit of regulation can be assessed as part of this strategy.

In finalising the forward programme, we think it would be useful for Ofwat to set out where they will be developing their proposals with specific stakeholders prior to consultation. In particular, it would be useful for the forward programme to set out for customers and stakeholders where CCWater will be involved in developing any proposals.

We note the significant volume of consultations planned for Q4 2014/15, when companies will need to finalise work towards applying new price controls to customers' bills for the first time following PR14 Final Determinations. The potential scope for accelerating some consultation into Q3 2014/15 should be considered where this is possible, together with an early indication of how long it is planned to keep each consultation open for so that consideration of each topic can be phased between company Board meetings.

Please do not hesitate to contact me if you require any further information.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Iain McGuffog', written in a cursive style.

Iain McGuffog
Economic Regulation Manager