
From: Steve Arthur
Sent: 29 October 2014 11:32
To: Richard Field
Cc: Phil Wickens; Tom Hall; Andrew J Phillips
Subject: Highway drainage & NAVs- Consultation response (Wessex Water)

Richard,

Thank you for the opportunity to provide feedback on your consultation regarding highway drainage charges for NAVs.

We welcome the clarity that your proposed policy gives in this area. We also welcome your reference to efficiency considerations in bulk price determinations, which we understand to mean that where there is a pricing dispute you would not determine a price that would allow inefficient market entry.

As you say, it is for incumbent companies to consider the appropriate charging policies within the framework set-out by legislation, Ofwat's charging rules and codes - the clarity that you have given on highway drainage is helpful as we continue to review our own charging policies for future new development.

We note the point raised in your paper regarding the commercial nature of the agreement between incumbent and NAV appointee. We also note that current legislation means that you cannot vary an existing agreement if requested to by means of a party requesting a determination, the Water Act 2014 will, however, change this situation.

Please note our specific responses, below, to questions posed in the consultation document:

1. We agree with the principle of roads within a NAV area, which drain into the appointee's sewerage system, being a valid reason for the existing appointee to charge for highway drainage within the bulk supply agreement.
2. In point 2 of Section 3 of the Ofwat consultation document we would differ from the proposed approach. We would expect the status of the road to be immaterial to the inclusion of highway drainage charges. We would seek for the Ofwat guidance to be based on connectivity of sewerage rather than adoption status of highways. In other words, if roads within a NAV area drain into our sewerage system, then we would seek to include a charge for this conveyance, regardless of whether the roads are adopted or not.
3. We agree with the statements in point 3 and 4 of Section 3 in that charges payable are a matter for commercial negotiation and ,as far as possible, should be cost reflective.

Regards

Steve Arthur
Strategic Planning Manager
Wessex Water Services Ltd
01225 526 231
07795 305 994