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5th February 2015

Dear Dylan

**Ofwat Forward Programme 2015 -16 - draft for consultation**

We welcome the opportunity to comment on the recently published consultation on your Forward Programme.

The document identifies the challenges ahead for the water sector. We fully support the development of a new long-term strategy and a vision for Ofwat that will enable Ofwat to play its full part in helping the sector to meet those challenges and to deliver the best possible outcome for our customers. We note that it is your intention to develop the strategy over the next 12 months and that you intend to fully engage with stakeholders during this period. This is a good opportunity to build on experience and what has been achieved to date and, with customers at the forefront of thinking, we look forward to learning more about the programme and to working with you towards achieving our common goals.

We particularly welcome the emphasis placed on "dialogue" in the programme. We are keen to make sure that the channels of communication are clear so that we can engage effectively with you at different levels as you formulate and implement the "New Strategy". In this context, we note that there have been significant changes in key personnel within your organisation and we feel that part of the strategy should embrace developing relationships at all levels of our respective organisations, including at practitioner level.

In respect of your identified programmes, the following areas are of particular interest to us where we believe that we can make a useful contribution:

- Lessons learnt from the 2014 price review;
- Working with the Welsh Government to ensure that the service to non-households customers who can choose their supplier under the existing WSL provisions are compatible with the new market arrangements;
- Charging rules following guidance from Government; and
- Consulting on the definition of wholesale water and wastewater services.

Cathryn Ross, in her speech of the 11<sup>th</sup> November 2014 "PR14 and beyond", made reference to work you proposed undertaking on the allocation of the RCV. We could not find an explicit reference to this in the consultation and it may be that it is a sub-set of one of the other work-streams planned. We believe that this is an important aspect of future strategy and planning and would welcome the opportunity to be involved in any discussions and review of this important topic at the appropriate time.

We hope that you find the comments in this response constructive.

Yours sincerely

pp Mike Davis  
Director of Regulation and Strategy

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We welcome correspondence  
in Welsh and English

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