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5 February 2015

Dear Cathryn

Thank you for the opportunity to comment on Ofwat's forward programme for 2015-16. I am pleased to respond on behalf of United Utilities Water. We support the strategic priorities that Ofwat sets out in its forward programme and wish to support activity that will:

- deliver the reforms provided for in the Water Act 2014 in a way which delivers real benefits for water customers and society;
- maintain confidence of investors in the water and wastewater sector;
- provide effective monitoring of the sector's performance; and,
- enable Ofwat to have the skills, experience, systems, processes and culture to support its strategy.

We welcome the clarity that Ofwat has provided in setting out the key target dates for delivery of outputs in relation to its workstreams and support the strong focus on delivery against the UK Government's strategic policy priorities. We consider that the three most significant areas of activity for 2015/16 are:

- ensuring that sufficient preparations are made to facilitate the opening of the business retail market to competition in 2017;
- building on the learning from - and outcome of - the PR14 price review in order to develop the approach for Water 2020, including steps towards upstream reforms; and,
- further developing casework – as well as communication of and around casework – as an increasingly important part of the regulatory toolkit.

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We see it as particularly important that these activities are given significant and sufficient prioritisation and resources within Ofwat such that it can successfully deliver against them.

Finally, we wish to make one specific observation on the finance and governance worksteam, where collection requirements for 2015-16 information are currently scheduled to be published in the first quarter of calendar year 2016. In the interests of ensuring that information is available to be collected and reported, in a reliable, accurate and complete form, we would suggest that publication of the collection requirements should be accelerated significantly if at all possible. In any event, early engagement on any new requirements will be essential, as it may be very hard to report against unexpected information requirements which were only provided late in the relevant financial year.

United Utilities Water is committed to positive engagement with Ofwat as it takes forward its strategy in 2015/16 and beyond. If there are any particular areas where we can provide additional support to Ofwat, then please do not hesitate to contact me.

Yours sincerely



James Bullock
Director of Economic Regulation