



## South Staffs Water

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PR14 Reconciliation Rulebook WRFIM issues consultation,  
Ofwat,  
Centre City Tower,  
7 Hill Street,  
Birmingham,  
B5 4UA

10 August 2015

Dear Sir,

Thank you for the opportunity to respond further on the PR14 Reconciliation Rulebook in respect of the Wholesale Revenue Forecasting Incentive Mechanism (WRFIM).

We support an amendment to licence condition B for all companies. To have an asymmetrical incentive isn't in the customer's interest and if companies continually under recovered there could be a significant impact on customer bills in the first year of AMP7. This would repeat some of the experience with the Revenue Correction Mechanism (RCM) during PR14 where there were large revenue adjustments to a number of companies.

In supporting an amendment to companies' licences we agree with the illustrative example set out on page 55 of the PR14 reconciliation rulebook policy document; in particular that any change would cease to take effect on 1 April 2020.

Yours faithfully,

Philip Saynor,  
Director of Finance and Regulation  
South Staffordshire Water PLC