

From: Steve Morley
To: [Peter Jordan](#)
Cc: [Helen Orton](#)
Subject: FW: Further consultation on the 2010-15 final reconciliation
Date: 27 March 2017 09:17:13

Dear Peter

Thank you for your email and heads up on the issue.

We have no comments to add to the consultation.

Regards

Steve Morley
Regulation Manager
Portsmouth Water
02392 249207

From: Peter Jordan [<mailto:Peter.Jordan@ofwat.gsi.gov.uk>]
Sent: 24 March 2017 09:38
Cc: PR14 Reconciliation <PR14reconciliation@ofwat.gsi.gov.uk>
Subject: Further consultation on the 2010-15 final reconciliation

Dear Regulatory Director

This email is to highlight a consultation that we have published on our website today that invites further comments on our proposals for reconciling the incentive arrangements for companies' performance and expenditure for the 2010-15 period. It follows an earlier consultation on our draft reconciliation on 5 October 2016.

[Further consultation on the 2010-15 final reconciliation for the change protocol and overlap mechanisms](#)

We have reflected on the responses we received to our earlier consultation. We have revised our proposals for the reconciliation related to the change protocol and 2009 agreed overlap programme incentive mechanisms. We have therefore provided this further opportunity to comment on these revisions by 31 March 2017.

For the change protocol, our draft reconciliation used updated information on company costs, even where there was no difference between the delivery of outputs expected at FD14 and those delivered during the 2010 to 2015 period. However our established policy and practice is that action for logging up, down and shortfalling is principally dependent on changes in output delivery for the 2010-15 period and not on changes in costs. We have therefore modified our approach to the reconciliation for the change protocol to focus on output delivery. In addition, we consider that we should not include further adjustments for the PR09 overlap programme in this final reconciliation. Please see the consultation document for further details.

We do not think that this revision has any impact on your company.

Regards

Peter

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