

Centre City Tower, 7 Hill Street, Birmingham B5 4UA  
21 Bloomsbury Street, London WC1B 3HF  
#

By email

14 June 2017

Freedom of Information Act - Request For Information

Reference: FOI 37052017

Dear 

**Thank you for your email in which you request information concerning of how the K factor is calculated for Ofwat's price control**

Ofwat confirms it does hold some of the information requested and the information can be located in our publications regarding setting price controls, which are published every five years. The latest publication "Setting price controls for 2015-20 – final methodology and expectations for companies' business plans", can be found at the following link:

[http://webarchive.nationalarchives.gov.uk/20150624091829/http://ofwat.gov.uk/pricerreview/pr14/pap\\_pos201307finalapproach.pdf](http://webarchive.nationalarchives.gov.uk/20150624091829/http://ofwat.gov.uk/pricerreview/pr14/pap_pos201307finalapproach.pdf)

Further information in relation to the K factor can be found in our publication "Setting price controls for 2015-20: PR14 financial model rule book – October 2013",

[http://www.ofwat.gov.uk/wp-content/uploads/2016/03/pap\\_tec201310pr14rulebook.pdf](http://www.ofwat.gov.uk/wp-content/uploads/2016/03/pap_tec201310pr14rulebook.pdf)

These publications explain Ofwat's approach for each water company and include published models which may help you with your research.

If you have any queries or concerns with regard to the content of this email please contact me at [Foi@ofwat.gsi.gov.uk](mailto:Foi@ofwat.gsi.gov.uk)

Freedom of Information/EIR Provide the Information

---

Centre City Tower, 7 Hill Street, Birmingham B5 4UA  
21 Bloomsbury Street, London WC1B 3HF

Once an FOI request is answered, it is considered to be in the public domain. To promote transparency, Ofwat may publish the response and any material released on our website in the [FOI disclosure section](#). Any personal information in the letter will be removed before publishing. We will hold the information in accordance with Ofwat's [retention and disposal schedule](#) which can be found in our Publication Scheme on our website.

If you are unhappy with the service you have received in relation to your request and wish to make a complaint or request a review of the decision, please contact:

Programme and Project Management Office  
Ofwat  
Centre City Tower  
7 Hill Street  
Birmingham B5 4UA  
[mailbox@ofwat.gsi.gov.uk](mailto:mailbox@ofwat.gsi.gov.uk)

If you are not happy with the outcome of that review you can ask the Information Commissioner's Office to consider your complaint. Generally, the ICO will not make a decision unless you have exhausted Ofwat's complaints procedure. The ICO can be contacted at:

<https://ico.org.uk/>

or

The Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow

Yours sincerely,

Freedom of Information/EIR Provide the Information

---

Centre City Tower, 7 Hill Street, Birmingham B5 4UA  
21 Bloomsbury Street, London WC1B 3HF

Christine Manise  
Senior Associate, Freedom of Information  
Programme and Project Management  
Ofwat  
Centre City Tower  
7 Hill Street  
Birmingham B5 4UA