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Mr Mel Karam
Chief Executive
Bristol Water plc
Bridgwater Road
Bristol
BS13 7AT

19 June 2018

Dear Mel,

Water is an essential service and customers have a right to expect their water company to be well prepared to protect them from the impact of bad weather. The thaw that followed the 'Beast from the East' period of cold weather in late February and early March 2018 caused supply interruptions to over 200,000 customers across England and Wales. Some interruptions lasted several days, impacting households, businesses and essential public services, like hospitals and schools.

As a sector we must understand why this happened; why some companies have performed better than others and, crucially, that we take steps to ensure that there is a significant and sustained improvement in performance by the companies who did not perform well and a step up in the ability of the industry as a whole to protect customers from the impact of bad weather. Importantly, companies should take ownership of and responsibility for this process and ensure that lessons are learned so that their customers are better served in the future.

Our overall analysis of Bristol Water's performance is that it performed well and largely met its customers' expectations, but there is still room for improvement. This letter sets out our findings and recommendations for Bristol Water based on information received to date and should be read alongside our sector wide report 'Out in the cold', which has also been published today.

We expect Bristol Water to carefully consider the issues identified in our review, in this letter and in any internal review it conducts. Bristol Water should publish a response to the matters raised by 28 September 2018. This response should be proportionate to the issues identified. We would also like Bristol Water to help share best practice across the sector as a whole.

Planning and preparation

- **Bristol Water's planning in advance of, and response to, the incidents in the region appears to have worked well.** This is supported by the evidence provided of positive feedback from customers and Bristol City Council.
- The company appears to have **learned from previous freeze and thaw incidents**, and a number of other incidents in the region and has been able to test and improve the company's operational response. As a result, **plans for dealing with a severe weather incident were enacted at an early stage** through a Severe Weather Task Force with regular engagement with, and involvement from, all impacted areas of the organisation as the incident unfolded
- Although the incident did not escalate through the defined steps in Bristol Water's incident management procedures to the level that formalises the role of the Executive, it is encouraging that **the company was "planning for the worst-case which did not arise in practice"**.
- It is also encouraging to see that in addition to increased staffing, **Bristol Water took a steps to increase the company's operational resilience and ensure that service reservoir and production levels could accommodate an increase in demand due to main bursts and customer leaks.** This included bringing small works back into supply and rescheduling maintenance. It also included working with Wessex Water to manage bulk supplies to ensure that the company's stocks of water were preserved.

Incident response

- While the region was subject to a Red weather warning, **the impact of the freeze and thaw incident was relatively localised.**
- 9,802 properties experienced some interruptions to supply during the incident with 471 customers experiencing interruptions that lasted between 12 and 24 hours. The majority of these, however, were located in three tower blocks in Bristol and **Bristol Water's ability to respond more rapidly to restore supplies was hampered by the location of a damaged high voltage cable.** This meant that the company had to wait for the power company to move the cable before it was able to repair the burst main.
- **The evidence Bristol Water has provided indicates that it had sufficient resources in place throughout this incident, and it also appears to have had good visibility of the performance of the network and the capability to redirect water supply between treatment works** – so supply interruptions were by exception for particular burst incidents rather than a consequence of lack of resilience in production and network recovery.
- The **availability of up-to-date information through its operational control systems and the ability to have a full central view of production and network performance**

from its incident room allowed Bristol Water to coordinate water production, network repairs and customer response and communication activities.

- Although the company's response was good given the scale of the incident in the region, it is still important for Bristol Water to continue to identify areas for further improvement and to consider how it would have responded had the scale of the incident been more severe.

Customer and stakeholder communications

- The evidence we have seen indicates that **Bristol Water took steps to engage with other stakeholders** such as local authorities and other utilities both before and during the incident. This also included engagement and collaboration with Wessex Water to manage bulk supplies of water and improve the resilience of service reservoirs.
- Bristol Water's overall approach appears to have worked well for the scale of incident it was managing, with a particular reliance on the company website and social media in the overall communications strategy during the incident. While we note that Bristol Water's plans to use existing platforms to enable it to provide quicker and real-time information to stakeholders, **the company should also use a range of different tools to maximise reach and ensure that the tool is appropriate for different stakeholders.**
- Engagement with business customers and retailers also needs to be improved. **Bristol Water appears to have been proactive in contacting all retailers** to let them know what the company was doing to manage the incident and warn retailers in advance any potential customers affected by interruptions. Nevertheless, in general, **this is an area that all companies should be reviewing to ensure that their approach is appropriate and targeted.**

Vulnerable customers

- We recognise that the number of customers vulnerable circumstances affected by supply interruptions in the Bristol Water region was limited, and acknowledge the steps that Bristol Water took to identify customers who might need additional assistance (for example, by allowing customers to 'port' their support between Bristol Water and Western Power Distribution). However, it is clear from our review that individual companies' Priority Service Registers do not adequately capture all customers who may need additional support.

Compensation

- Bristol Water made a number of compensation payments as a result of the incident with the level of compensation in line with standard GSS payments.

While Bristol Water generally performed well, it must take ownership of the issues we have identified so that its customers are even better protected the next time there is bad weather.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Russell', written in a cursive style.

John Russell
Senior Director, Strategy and Planning