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Mr Neville Smith
Chief Executive
Portsmouth Water
PO Box 8
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19 June 2018

Dear Neville,

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 Portsmouth 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 Portsmouth Water based on information received so far and should be read alongside our sector wide report 'Out in the cold' which has also been published today.

We expect Portsmouth Water to carefully consider the issues identified in our review, in this letter and in any internal review it conducts. Portsmouth 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 Portsmouth Water to help share best practice across the sector as a whole.

Planning and preparation

- Portsmouth Water's planning and preparations appears to have been adequate for the incident experienced in its region. **The company had taken steps to improve the resilience of the network and reduce the likelihood of burst mains** and had also ensured that stocks of key repair, maintenance resources and materials were in place to deal with an increase in main bursts.
- Robust evidence of Portsmouth Water's emergency planning, response and communication procedures was not evident in the submitted report. **The company should ensure all documented systems are appropriate and up-to-date with the latest industry learning.**
- While the impact of the incident in Portsmouth Water's region was limited, **the company should stress test all aspects of its planning and organisational response structures to ensure that they are robust enough to cope with a more significant event or multiple events.**

Incident response

- The area was subject to an Amber weather warning, but **the impact of the freeze and thaw incident was relatively localised and short-lived.** Portsmouth Water customers experienced a reduced level of service on Saturday 3 March. This affected a population of 169,000, but was principally due to a loss of water pressure rather than a loss of supply and normal service was restored after a period of 1.5 hours.
- We understand that this incident was triggered by a power cut to the Portsmouth (Farlington) PRV which supplies the whole of Portsea Island. Portsmouth Water arranged for a mobile generator as an interim solution and once full power was re-established, normal levels of service were restored. **Portsmouth Water should consider what steps it can take to minimise the risk of a similar incident occurring again.**
- The company did not have to deploy alternative water supplies to customers. However, **Portsmouth Water acknowledges that had the incident been more serious, it would have struggled to manage the logistics of obtaining sufficient supplies of bottled water** and, because of the regional nature of the incident, mutual aid would not have been an option. **Portsmouth Water should consider how to address this risk to ensure that it is adequately prepared for a more serious incident in its area.**

Communication and support

- Portsmouth Water appears to have learned from previous incidents and recognises the importance of keeping customers regularly updated. Whilst this may have been sufficient for the incident Portsmouth Water experienced in

March, all companies should **review their communication strategies and use a range of different communication tools to maximise reach and to ensure that the tool is appropriate for different stakeholders.**

- We are encouraged that **Portsmouth Water has already conducted a survey of those that had contacted the company to identify areas for improvement** and also appears to recognise the need to be proactive in providing advice to help customers prepare for winter incidents.
- **Engagement with business customers and retailers has also been identified as an area for improvement across the sector.** Whilst we understand that Portsmouth Water communicated with retailers asking them to engage with customers to check for leaks, this is an area that all companies should be reviewing to ensure that their approach is appropriate and targeted.
- **Portsmouth Water should review its approach to wider stakeholder engagement,** however, and, in particular, whether the apparent lack of proactive engagement was appropriate. Whilst recognising that the scale of the incident in the Portsmouth area was relatively minor, the experience from other regions clearly demonstrated the importance of early and ongoing protocols for engagement and collaboration with other stakeholders such as local authorities, other utilities and Local Resilience Forums to minimise the impact on customers.

Vulnerable customers

- We recognise that in Portsmouth Water's case **vulnerable customers were identified, but the short duration of the incident meant that supplies were restored before it was necessary to deploy bottled water** and the company only received one call from a customer on the company's Priority Service Register. Nevertheless, our review has underlined the need for improvements in how companies in all regions identify and engage with customers in vulnerable circumstances. It is also clear that individual companies' Priority Service Registers do not adequately capture all customers who may need additional support.

Compensation

- We understand that the company only declared an "incident" as a result of the freeze and thaw incident on 3 March and on this date there were no interruptions of over 4 hours and, therefore, no compensation payments were made as a result of the incident.

While there were areas where Portsmouth Water 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 'J Russell', written in a cursive style.

John Russell
Senior Director, Strategy and Planning