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Andy Pymmer
Wessex Water
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19 June 2018

Dear Andy,

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 Wessex Water's performance is that it performed well and largely met its customers' expectations. Nevertheless, there is still room for improvement. This letter sets out our findings and recommendations for Wessex 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 Wessex Water to carefully consider the issues identified in our review, in this letter and in any internal review it conducts. Wessex 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 Wessex Water to help share best practice across the sector as a whole.

Planning and preparation

- Whilst it is encouraging that the company appears to be reviewing and enacting its plans at an early stage, it is also important to **ensure that plans are comprehensive and include an assessment of network capacity and storage to cope with any increase in demand from leaks on the company's or customers' pipework**. We expect that Wessex Water's plans already address these issues, but this is not explicit in your submission.
- Wessex Water has established processes for gathering and assessing information on potential adverse weather events but there is little evidence provided on the extent to which Wessex Water engages in scenario planning or sensitivity checks on response measures and little information on any risk assessments undertaken by the company. Whilst it does not appear to have caused any significant problems with Wessex Water's ability to respond to this incident, as we have highlighted for all companies, **it is essential that plans are fully stress tested, have sufficient tolerances and include "worst case scenarios"**.
- We note the steps taken by Wessex Water to ensure that additional technical and customer service resources were in place to enable it to manage the anticipated increase workload and recognise the efforts that the company's employees and sub-contractors made to minimise the impact on customers. Whilst again we would expect Wessex Water to ensure that employees and sub-contractors are aware of, and trained in, plans to deal with severe weather events, it is not explicit from your response.

Incident response

- **Wessex Water's plans and preparations enabled it to respond well** with the severe weather conditions it faced. While the company faced challenges due to the amount of snow and the conditions of the roads in the area, it was able to maintain near normal service to customers and those customers that did experience an interruption to supply, had their supply restored within a 4 hour period.
- It is encouraging that in addition to ensuring that it had sufficient resources and equipment in place throughout the incident, the company **had also taken steps to improve its ability to manage the performance of the network**. It appears to have had good visibility of what was happening on the network and remote-control capability to move water around the region in response to increased demand and pressure on service reservoirs. This meant that although the increase in leakage levels was mainly due to leaks on customer pipework or within business premises properties, Wessex Water's systems enabled it to identify the sources of leaks quickly, rezone the network and centrally coordinate the repair of leaks that were causing the greatest demand on reservoirs.

Communication and support

- Wessex Water appears to have communicated with customers early through social media to help them prepare for the expected cold weather and updates were provided throughout the event using a range of different media. Whilst this may have been appropriate for the scale of the event in the Wessex Water region, there is little information in the company's submission on how messages/information was targeted to particular groups. It is important for Wessex Water to **review its communication strategy and ensure that it is using a range of different communication tools to maximise reach and to ensure that the tool is appropriate for the different stakeholders.**
- **Engagement with business customers and retailers has also been identified as an area for improvement across the sector.** Whilst we understand that Wessex Water communicated with retailers during the event to alert them to leaks detected on business premises, and have subsequently been communicating with them to encourage them to work with their customers to resolve any emerging leakage, Wessex Water, like all companies, needs to be consider whether this is sufficient. Given the scale of the leaks on business premises that Wessex Water experienced, a more proactive and targeted communications strategy may be appropriate.
- In relation to wider stakeholder engagement we note that Wessex Water had regular situation updates with the local resilience forum and whilst we acknowledge that Wessex Water appear to have coped well with the weather events in its area – the experience from other regions clearly demonstrated the importance of early and ongoing engagement and collaboration with other stakeholders to minimise the impact of the event on customers.

Vulnerable customers

- **Our review of the freeze-thaw event has underlined the need for significant improvements in how companies in all regions identify and engage with customers in vulnerable circumstances.** It is clear that individual companies' Priority Service Registers do not adequately capture all customers who may need additional support. It would appear that Wessex Water also assesses the vulnerability of customers on the phone to ensure that they receive the right care and is working with a Water UK working group to explore opportunities to share data with regional distribution network providers.

Compensation

- Wessex Water made a number of goodwill payments to customers due to the need to cancel appointments as a result of the incident but that it was not necessary to make any payments in relation to supply interruptions.

Wessex Water performed well but 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