17 October 2019

Trust in water

Consultation on proposed PR19 uncertainty mechanisms in respect of Direct Procurement for Customers

Ofwat

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About this document

As part of the 2019 price review (PR19), we introduced direct procurement for customers, a process for water companies[1] to competitively tender for a third-party competitively appointed provider (CAP) to design, build, finance, operate and maintain infrastructure. This initiative has the potential to provide significant benefits for customers through promoting innovation and enabling capital and operational cost savings as well as a reduction in financing costs.

In respect of the further development of direct procurement for customers, and with reference to the PR19 draft determinations: Delivering customer value in large projects appendix published on 19 July 2019, this document considers proposals by the Water Services Regulation Authority (Ofwat) to:

(i) provide an uncertainty mechanism to address a possible, albeit unlikely, material change in circumstances following our final determinations, which, in materially changing the value for money assessment, would justify revisiting the use of the direct procurement for customers approach; and

(ii) to provide for an outcome delivery incentive to encourage the efficient and timely delivery of new infrastructure by way of a direct procurement for customers process.

In this document we invite stakeholders to comment on our proposals in respect of direct procurement for customers within PR19 final determinations to include (i) a bespoke uncertainty mechanism and (ii) an outcome delivery incentive. We will consider the comments we receive and set out our final decisions when we publish the PR19 final determinations on 11 December 2019.

[1] By "water companies" we mean companies holding appointments as water undertakers and/or sewerage undertakers under the Water Industry Act 1991

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Introduction

We set out in our PR19 methodology that we expected company business plans to consider direct procurement for customers (DPC) where this was likely to deliver the greatest value for customers. DPC promotes innovation and resilience by allowing new participants to bring fresh ideas and approaches to the delivery of key projects. In chapter 7 and Appendix 9 of the PR19 final methodology we set out our approach and expectations for DPC in relation to company business plans.

We expected companies to consider the use of DPC for large-scale enhancement projects. We did not expect companies to use DPC for every project that met the threshold, rather they should consider for each relevant project which delivery approach had the potential to drive the greatest possible benefits for customers.

Background

DPC involves arrangements where a water company competitively tenders for services and appoints a third-party competitively appointed provider (CAP). This means companies tendering to deliver more aspects of a service, including most importantly financing for the project.

We consider that this makes DPC a different process to appointees' existing commercial arrangements. We do not intend for DPC to replace the provisions companies currently make for outsourcing services to third parties to deliver ongoing operations, maintenance and capital investment. We do, however, believe that DPC can provide significant benefits to customers including in delivering projects at lower costs and driving innovation.

In this document we consider proposals for potential alternative uncertainty mechanisms and outcome delivery incentives.

Uncertainty Mechanisms for DPC

We set out in the PR19 methodology that we expect companies to consider direct procurement for customers where this is likely to deliver the greater value for customers. It is possible, albeit unlikely, that following the PR19 Final Determinations, there is material change in circumstances, for example financial market disruption or a change in applicable legislation, which in changing the assessed value for money for customers would justify revisiting the validity of the DPC approach.

While a water company has the option of incurring expenditure and taking this through the PR19 totex cost sharing mechanism, we propose to set out when we publish our PR19 Final Determinations an uncertainty mechanism by which, in circumstances beyond reasonable management control, a water company could, unless a project is to be deferred to a future price control period, seek to ensure timely delivery of a specified project by way of a traditional in-house delivery process through appropriate recognition in price controls. Given potential risk to customers, we propose that such a decision would require the prior agreement of Ofwat.

Interaction with PR19 methodology

In December 2019 we will publish our PR19 Final Determinations for water companies. This will include our decisions on DPC projects and an associated uncertainty mechanism. We will use the responses from this consultation to inform our final decisions

Responses to our Consultation

We are keen to hear your views on the discussion points raised and whether you think there are any other considerations we should take into account.

Please send your responses to DPC@ofwat.gov.uk by **Friday 15th November 2019**. You can also submit your response by post to:

DPC Consultation
Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA

Please be advised we may publish all the written responses to this consultation on our website at www.ofwat.gov.uk , alongside our final decision. If we do publish and if you believe that any of the information in your response should not be disclosed (for example, because you consider it to be commercially sensitive), you should identify that information and explain why. We expect reasons that are specific to the information concerned. We will take such explanations into account but we cannot give an assurance that information included in responses will not be disclosed.

An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on Ofwat. At a minimum, we would expect to publish the name of all organisations that provide a written response, even where there are legitimate reasons why the contents of those written responses remain confidential.

Please be aware that, information provided in response to this consultation, including personal information, may be published or disclosed in accordance with legislation on access to information legislation – primarily the Freedom of Information Act 2000 (FoIA), the Data Protection Act 2018 and the Environmental Information Regulations 2004. Under the FoIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, among other things, obligations of confidence.

Uncertainty Mechanisms

In our PR19 Appendix for Draft Determinations: Delivering customer value in large projects we indicated that it is possible, albeit unlikely, that following the PR19 Final Determinations, there could be a material change in circumstances, for example financial market disruption or a change in applicable legislation, which in changing the assessed value for money for customers would justify revisiting the validity of the DPC approach. Consequently we proposed to provide an uncertainty mechanism to manage these scenarios and protect customer interests.

We further identified two potential options for the form of uncertainty mechanism – a Notified Item and recorded cost. We discuss these in more detail below and consider the alternatives.

Interim Determinations and Notified Items

Under Part IV (Interim Determinations) of Condition B of water company appointments (licences), the price control for a water company can be reset within the five year price control period if certain events occur which significantly affect, either positively or negatively, revenues or costs. This process is known as an Interim Determination. For the avoidance of doubt we are not proposing any amendments to licences in respect of Interim Determinations.

The items that can be considered in an Interim Determination are the Relevant Changes of Circumstance specified in the licence and Notified Items. A Notified Item is an item that Ofwat notifies a water company has not been allowed for (either in full or in part) when setting price controls. Under this option, a Notified Item would cover circumstances where it would be appropriate for a specified project being delivered by way of a DPC process to instead be delivered by way of a traditional in-house delivery process. Once that event had happened, the water company would (subject to the conditions below) then be able to refer the Notified Item to us for an interim determination (either on its own or together with other eligible items).

An Interim Determination has the following key features:

- **Net present value:** In assessing triviality and materiality, we use the net present value of the related operating cost and revenue changes calculated over a 15 year period and the net present value of capital expenditure calculated over the five years of the price control period.

- **Triviality Test:** Each individual item (including a Notified Item) is subject to a triviality test (for example, in the past items where the net present value of the related change in costs (or revenues) have been excluded if they were less than 2% of the water company's relevant service turnover or (if they related to both water and waste water) 2% of the turnover of the entire regulated business).
- **Materiality Test:** If the net present value of the change in costs (or revenues) for all eligible non-trivial items in an application is at least equal to 10% of the water company's regulated business turnover then the application is material and the level of price controls will be changed.

Notified Item criteria

We propose that only a project identified when we set a water company's PR19 Final Determination to be delivered through a DPC process would be covered by a Notified Item and thus an Interim Determination.

In addition to the threshold tests associated with an Interim Determination we would propose to also include the following qualifying criteria within the relevant Notified Item:

Issue	Criteria	Comment
1	The project to be undertaken by the applicant water company will be identified and agreed by Ofwat as deliverable by way of a DPC process when we set a water company's PR19 Final Determination.	Only identified DPC delivered projects would be able to utilise this mechanism.
2	The applicant water company must provide a value for money assessment, with appropriate third-party assurance, evidencing that delivery of the project through a DPC process is no longer assessed, when compared to an in-house delivery process, to provide value for money to customers.	Any value for money assessment would need to include outline NPV calculations which clearly demonstrate a net benefit to customers from the in-house delivery model. The underlying analysis would be required and should assess both DPC delivery and in-house counterfactual. The analysis submitted by the applicant water company should be accompanied by independent third

		party assurance (to ensure the information is both accurate and complete).
3	An applicant water company must provide supporting evidence where appropriate.	The water company should provide such additional evidence as is considered necessary to support their conclusions. This may include third party assurance that verified all procurement procedures were adhered to. The company must also provide independent, third party assurance confirming the decision is appropriate and represents best value for customers.
4	Evidence of a genuine effort to deliver a successful procurement process.	Water companies will need to provide sufficient and convincing evidence that it is not possible to procure a CAP in a way that delivers greater value for money for customers when compared to an in-house delivery process. In most circumstances we would expect companies to have passed the stage of commencing the procurement process and issuing an OJEU notice (or equivalent) for their DPC projects before they could demonstrate that they would be unable to successfully deliver this.
5	Ofwat will need to agree that delivery of the project through a DPC process no longer provides value for money to customers.	The applicant water company must obtain the consent of Ofwat prior to exiting a DPC process.

Recorded Costs

The PR19 Draft Determinations: Delivering customer value in large projects appendix also referred to recorded costs as an option for an uncertainty mechanism. Under this approach the water company incurs the related expenditure during the relevant control period which is recorded and monitored. At the 2024 price review (PR24) those recorded costs deemed efficient are added to the water company's Regulatory Capital Value (RCV) and remunerated through the water company's future allowed revenues.

We could assess whether recorded costs are efficient at PR24. The assessment could comprise a bottom up appraisal of the accumulated costs to assess whether any costs could have been avoided by prudent management action (assessing what constitutes "prudent management action" by reference to the circumstances which were known or which ought reasonably to have been known to the water company at the relevant time. These reviews could be supported by audited cost information and independent reviews of management actions. The efficiency review may also be supported using appropriate unit cost models and cost data bases.

For reference, an example of the recorded costs approach exists in respect of the Thames Tideway Tunnel project, where the responsible Infrastructure Provider, Bazalgette Tunnel Limited, has the option to request that an ex-poste review of costs be undertaken should costs be expected to exceed the agreed threshold over their base cost allowance as incorporated in the Infrastructure Provider's licence.

Similar mechanisms to the recorded cost approach were adopted in previous price reviews. With the exception of Tideway, we also acknowledge that more recently we moved away from this as we developed a regulatory framework that included, for example, a totex and totex cost-sharing approach. We are mindful that the recorded cost approach may no longer be appropriate within the current framework and we will give this careful scrutiny.

Other uncertainty mechanisms

Adjustments to Allowed Totex

In our engagement with water companies it has been proposed that an alternative for the purposes of DPC could be an adaptation of the PR19 uncertainty mechanism proposed in respect of the Water Industry National Environment Programme (WINEP), whereby an adjustment is available to a water company's allowed totex in its PR19 final determination to take account of Environment Agency/Natural Resources Wales decisions on schemes to be included in the WINEP/NEP following final determination.

An uncertainty mechanism for these purposes could have the following key features:

	Feature	Comment
1	Adjustment to allowed totex	An amount could be added to allowed totex for the unfunded costs of undertaking the project in-house. This adjustment could be done retrospectively so the value need not be set in the PR19 final determination (and therefore would not be included in 2020-25 price controls). This modification could be done as an adjustment at PR24. We consider below how the efficiency of this adjustment could be determined.
2	Sharing factor adjustment	As a company would not have an adjustment to allowed totex applied upfront, an overspend against allowed totex would be experienced. Assuming no adjustment is made this would mean that a water company would, at its PR19 totex sharing rate, bear part of the additional expenditure, and be therefore potentially penalised for taking a project back in-house. To recognize that the change, agreed with Ofwat, from a DPC process to an in-house delivery process is a change in scope and not the result of inefficiency by the water company, any incremental expenditure would be outside of the PR19 cost sharing mechanism. Again this modification could be done as an adjustment at PR24.
3	Projects straddling multiple AMPs	The uncertainty mechanism would only apply to the 2020-25 price control period. For those projects where expenditure is also expected to be incurred in future price control periods Ofwat would require this future expenditure to be

		considered under the methodology for the then relevant price review.
4	Profiling of expenditure	We would need to consider the profile of expenditure. We expect the expenditure profile in respect of some projects will be uneven, especially during the construction phase. As discussed above we could make retrospective adjustments through an adjustment process as part of PR24. Although this is a retrospective adjustment the expenditure profile should match adjusted totex allowances otherwise present value consideration becomes distorted – i.e. a company could get allowances not equating to the year in which expenditure was incurred. We would be keen to avoid volatility in customer bills. If we use an adjustment process, we would not expect the profile of expenditure associated with a large construction project to be mirrored in customer bills. Under an adjustment process the efficient expenditure would be accrued and reflected in customer bills in the next control period.
5	Mode of Adjustment	As discussed, the above amendments would be made through an adjustment process at PR24. We would not propose the PR19 Financial Model is amended.

Efficiency considerations for 2020-25 spend

In making an amendment to allowed totex we have to consider the efficiency of expenditure incurred. There is a clear interaction between any proposed 2020-25 totex expenditure by a water company and procurement timelines. If the timing of a project reverting to in-house delivery is aligned to the receipt by a water company of information resulting from a DPC procurement process, proposed totex expenditure by a water company can be market tested. Under such circumstances we would have more confidence that any proposed adjustment to a water company's allowed cost is efficient. However, this would not on its own preclude Ofwat from undertaking further assessments of efficiency if deemed necessary.

It may be the case that it is agreed with Ofwat that a project in the early stages of a DPC procurement process should be delivered by means of an in-house delivery process and no market tested information is available. Under such circumstances we would expect a water company's proposals to be supported by appropriate cost evidence with third party assurance. We would also undertake a further assessment of the proposed cost adjustments. We will only allow adjustments to allowed totex that are efficient. We note that under the WINEP uncertainty mechanism the proposed adjustments were for the purposes of PR19 Final Determinations assessed for efficiency. We would not include in PR19 Final Determination an assessment of efficiency if this uncertainty mechanism was used. This is because an assessment may depend on circumstances and available information at the time. As such any assessment of efficiency and a subsequent decision would be made during the 2020-25 period.

Our preference

Our preference is to utilise the Interim Determination mechanism as the mechanism for moving a project proposed to be delivered by way of a DPC process to an in-house delivery route. We believe this provides stronger incentives for companies to manage costs and project risks, and also negates the need for detailed ongoing monitoring of costs.

We recognise the potential attraction of adjusting allowed totex using an adjustment process at PR24. However we need to recognise that the drivers for the WINEP uncertainty mechanism are very different to those for a project to be delivered through a DPC process. The Environment Agency and Natural Resources Wales decide on schemes to be included in WINEP/NEP, whereas companies will have a greater degree of control over the successful delivery of projects through a DPC process.

We would also draw attention to some of the challenges adjusting allowed totex presents, particularly around determining efficiency. Although there maybe market testing this may not necessarily equate to a measure for efficient spend – for example if there was limited competition in the bids. Furthermore benchmarking costs against a third party provider may not be possible if a decision was taken to exit a DPC process early in the procurement. Under such circumstances with no available market testing Ofwat would want to ensure costs have been subject to the same scrutiny as experienced in the price review when companies submitted cost adjustment claims.

This would expose companies to greater uncertainty about recovery of costs and may make it difficult to progress schemes.

Outcome Delivery Incentives for DPC

Direct procurement for customers provides opportunities for innovation and for customers to benefit from cost efficiencies. To incentivise companies to fully engage with DPC we believe Outcome Delivery Incentives ("ODI") could be applied.

The Outcome Delivery Incentives outlined in this section would only apply to companies for whom agreed projects have been included within their respective PR19 Final Determinations.

ODI underperformance payment

We believe that companies should be sufficiently incentivised to ensure that DPC projects are delivered on time, to the extent the company's actions can impact on timelines for delivery. This ensures benefits to customers flow in a timely manner and customers are not disadvantaged by any delays.

Underperformance payment value

We would look to set the underperformance payment as being the product of an underperformance rate and the development costs associated with the DPC project as allowed at final determinations. This can be summarised as:

Underperformance payment value = Underperformance Rate (expressed as a %) X Allowed Development Cost (£m)

The underperformance rate would be determined by Ofwat and be set within the range 3% to 15%. We would also expect to adjust it for relevant WACC and CPIH considerations. The underperformance payment should be proportionate and should not create perverse incentives for companies undertaking DPC

Timing of Underperformance

We would propose that the underperformance payment would be linked to any delays experienced in the delivery of the DPC project. Each project is bespoke and timelines will vary. We would therefore agree with companies a suitable milestone by which delay can be measured. For those companies who have 2020-25 DPC Projects but have not provided detailed procurement timetables this would be agreed after Final Determinations.

ODI outperformance payment

We believe that as DPC provides benefits to customers companies, including innovation and potential of lower whole life costs, companies should be able to earn an outperformance payment. This will incentivise companies to deliver DPC projects which benefit customers and drive value.

We have proposed an outperformance payment based on the product of a given percentage and the initial capex proposed by the company in their PR19 Business Plan. We provide further details in Appendix 1 of this document.

Other Issues

We propose the out and underperformance incentives discussed here are only for projects agreed within PR19 Final Determinations. We will review the appropriateness for subsequent control periods as part of the development of our PR24 methodology.

Consultation questions

1. **Do you agree with our proposal for using a Notified Item as the uncertainty mechanism for DPC projects transferring back to the in house delivery route? Are the proposed criteria appropriate?**
2. **What level of materiality test would be appropriate for DPC projects? How could this be limited to DPC projects only?**
3. **Do you agree with underperformance incentives to ensure efficient delivery of CAP projects? What level of underperformance payment would be appropriate and what other methods could Ofwat consider to ensure customers are protected from delays?**
4. **Do you agree with companies being able to earn outperformance payments for successful procurement of a CAP? What level of payment would be appropriate for successful delivery?**

Appendix 1 - Draft Text Outcome Delivery Incentive for DPC for outperformance payment

General

9.1 Delivery of a scheme by way of direct procurement for customers is expected to bring financial savings and promote innovation. Under this performance related mechanism companies would derive a financial incentive for procuring a scheme under direct procurement for customers which demonstrates value for money to customers through delivery by a competitively appointed third party provider.

Incentive Rate

9.2 Where a company successfully completes an agreed procurement process and, following approval by Ofwat, awards the scheme to a competitively appointed provider, a company would be entitled to receive an incentive payment which would reflect the size and complexity of scheme and the procurement undertaken.

9.3 We expect a company to procure the competitively appointed provider within timelines to be agreed with Ofwat. If there is a delay in the award of the scheme to the competitively appointed provider, other than for reasons outside of the control of the company, then the incentive payment available shall be decreased.

Incentive type

9.4 Outperformance only.

Measure description

9.5 The company will develop and carry out a procurement process as agreed with Ofwat to deliver an infrastructure scheme for enhancing water and/or wastewater networks. In general, the process comprises the company competitively tendering for a third-party to design, construct, finance, maintain and operate the scheme. Customers benefit where the scheme is procured at a lower whole life cost and if it is carried out efficiently.

9.6 The company is responsible for the scheme up to the point where a contract is awarded to the competitively appointed provider at which point the competitively appointed provider becomes responsible for delivering the scheme.

9.7 Following contract award the company will, inter alia, pay to the competitively appointed provider such amounts as are and when contractually due and will, pursuant to Condition B (as amended) of its Instrument of Appointment ("licence"), charge an equal amount to its relevant customers.

9.8 Ofwat's assessment of the company achievement against the principles will be an informed by independent review.

Measure definition

9.9 This will be measured in terms of whether the direct procurement for customers scheme meets the qualifying criteria (principles) as set out below.

9.10 Achievement will be assessed when the Outline Business Case is formally submitted for approval by Ofwat prior to the procurement of the scheme by way of a direct procurement for customers process.

9.11. At the Outline Business Case submission Ofwat shall consider all relevant information. This shall include the 'Principles applying to the DPC procurement process' set out in Ofwat's publication "Delivering Water 2020: Our methodology for the 2019 price review, Appendix 9: Direct procurement for customers" and included below. For the avoidance of doubt a company shall not be eligible to receive the incentive payment prior to award of a contract to a competitively appointed provider.

9.12 We provide further guidance below:

Principles applying to the DPC procurement process

Resources and governance

1.1	The contract will not be awarded to an associated company.
1.2	There will be clear and transparent governance processes for the procurement.
1.3	The Appointee will ensure they have access to the skilled resources required to carry out specialised procurement and contract management activities.
1.4	The Appointee will make sure that we have processes in place to respond to bidders' questions and clarifications throughout the procurement process.

1.5	The Appointee will make sure that we have clear processes in place to manage any intellectual property bidders may reveal through the tender process

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Process

1.6	The Appointee will adhere to the Utilities Contracts Regulations 2016 where appropriate.
1.7	The Appointee will standardise the process as far as possible.
1.8	The Appointee will outline clear process timescales and use all reasonable endeavours to meet them.
1.9	The Appointee will use market engagement and testing to establish the appetite for DPC projects. The range of possible technical solutions the market can offer should be explored.
1.10	The Appointee will make all reasonable endeavours to minimise the time between appointing a preferred bidder and awarding the contract, bearing in mind the potential due diligence requirements a preferred bidder may need to complete and the appropriate standstill period.
1.11	The Appointee will make all relevant information available to bidders during the tender process.
1.12	If any preconstruction works need to be transferable to CAPs when they are awarded the contract, The Appointee will provide for this, or otherwise obtain them in such a way as to allow CAPs to benefit from them.

Tender specifications

1.13	The Appointee will provide draft versions of contracts as part of tender specifications.
1.14	The Appointee will allow bidders to comment on draft contracts in the preliminary stage

Bid evaluation

1.15	The Appointee will have clear bid evaluation strategies and scoring systems in place before starting the procurement.
1.16	The Appointee will satisfy ourselves that bidders can meet the key contractual obligations (e.g. delivery milestones and regulatory requirements).
1.17	An appropriate length of contract, with specification of the residual (or terminal) value for the asset when the contract expires, if any, and required asset condition.
1.18	Clear milestones and completion date, and conditions for accepting the assets, with proportionate penalties for late delivery.

Principles for DPC contracts

Revenue and financing costs

1.19	The Appointee will set a duration appropriate for a long-life asset, and consider the balance between financing terms and asset life when deciding on the appropriate contract duration.
1.20	The CAP's revenue entitlement will start after construction is complete, when the appointee accepts the assets.
1.21	Revenue paid to CAPs will be fixed over the contract period, subject only to limited specified variations (e.g. performance incentives, specified cost or pre-agreed events).
1.22	Assets will be depreciated over their useful lives. If not fully depreciated, The Appointee will define a residual (or terminal) value for the asset when the contract expires, associated with a prescribed condition of the asset. The contract will set out how this will be paid to the CAP.
1.23	The Appointee will determine what approach on contract indexation will secure the best value for money for customers.
1.24	The Appointee will include a provision to capture a share of the benefits for customers from any refinancing gains.
1.25	The Appointee will include provisions to require our prior approval of any change of control in the CAP.

Risk allocation

1.26	The Appointee will allocate risks based on the ability of the parties involved to best manage these, unless there is good justification to allocate them differently. Customers will not end up with more risks allocated to them than they would have had if the appointee delivered the project in-house.
1.27	There will be clarity over risk allocation, with any provisions for force majeure events (with impacts on both costs and timetables) will be clearly defined and strictly limited,

Expiry, termination and step in

1.28	The Appointee will clearly specify circumstances under which they can step in, which will be limited to material breaches (e.g. regulatory non-compliance). Provisions for termination will apply for circumstances such as where the CAP has not delivered the assets by a designated backstop date, or as a result of continued non-delivery of outputs over a prolonged period.
1.29	The contract will clearly specify an end date and what happens to the assets at the end of the contract.
1.30	The contract will specify any compensation payable to the CAP under early termination scenarios

Construction programme and completion

1.31	The contract will clearly specify construction milestones and the completion date.

1.32	The contract will clearly outline the acceptance requirements for assets (i.e. to trigger formal completion).
1.33	The Appointee may include provision for proportionate liquidated damages (paid either to the CAP or to the appointee) in the event of late delivery resulting from circumstances within either party's control.

Operations and maintenance

1.34	The contract will specify any operational requirements, including any performance commitments the CAP must fulfil. These may be linked to performance incentives.
1.35	Any operational costs will be fixed for the duration of a contract unless provision for variations in operating expenditure (opex) is in customers' interests.
1.36	The contract will include terms that enable us to fulfil any ongoing reporting or information requirements.

Security

1.37	The contract may require the CAP to post security against late delivery or non-delivery of assets, sized appropriately to cover our relevant costs.

Compliance with relevant legislation

1.38	The Appointee will remain ultimately responsible for making sure our statutory and licence responsibilities as a water and sewerage undertakers are fulfilled.
1.39	The Appointee will clearly specify all relevant statutory or licence obligations that a CAP must comply with on our behalf.
1.40	The contract may include limited provisions to vary allowed revenues because of changes in regulatory requirements.
1.41	A CAP should be able to benefit from our statutory powers, where relevant.

Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We regulate the water sector in England and Wales. Our vision is to be a trusted and respected regulator, working at the leading edge, challenging ourselves and others to build trust and confidence in water.

Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA

Phone: 0121 644 7500
Fax: 0121 644 7533
Website: www.ofwat.gov.uk
Email: mailbox@ofwat.gsi.gov.uk

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