

WESSEX WATER PARTNERSHIP

Ofwat
Centre City Tower
7 Hill Street
Birmingham
B5 4UA

30 August 2019

For the attention of Rachel Fletcher, Chief Executive

Dear Rachel,

Wessex Water Partnership Response to the Draft Determination

I am writing to you with the views of the Wessex Water Partnership on Ofwat's Draft Determination on the company's Business Plan for 2020 to 2025.

The Partnership has received a briefing from Wessex Water on key aspects of Draft Determination. We have had the opportunity to review the elements of the Draft Determination that potentially have most effect on customers. We have also compared the Draft Determination with the views and wishes of the company's customers established during the business planning process. Wessex Water has shared summaries of its representations to Ofwat on the Draft Determination with the Partnership.

The Partnership welcomes Ofwat's focus in the Draft Determination on increasing the proposed reduction in customers' bills in real terms. We welcome the change in the balance of incentives towards under-performance payments in those areas of service that the company's customers consider to be 'business as usual'. However, we are concerned that if the scope and scale of penalties is increased, at the same time, the determination should allow Wessex Water sufficient resources to deliver improvements against these customer priorities.

The Partnership has spent considerable time over the last two years reviewing and challenging Wessex Water's customer engagement and its use of the research findings in developing its Business Plan. We care greatly about this and the strength of the evidence as to what customers want and value. We were content that the Business Plan incorporated the views of Wessex Water's customers accurately in material terms.

The Partnership can see that many performance requirements on the company contained in the Draft Determination are different from those set out in the Business Plan. The Partnership understands and accepts that Ofwat takes a national view on the industry's current and future performance. However, we would welcome reassurance from Ofwat that, in its detailed examination of Wessex Water's Business Plan, it has taken into account the views expressed by the company's customers;

WESSEX WATER PARTNERSHIP

views that were established over a long period of time through the company's comprehensive engagement strategy.

As an example, the Partnership is aware that the Wessex Water Catchment Panel is writing to Ofwat to express concerns that the Draft Determination excludes funding for partnership working; an activity that the company's customers felt was worthwhile. The Partnership would be grateful for Ofwat's assurance that it is confident its funding allowances will not have adverse consequences for the delivery of service in areas that reflect customer priorities.

I'd be very happy to discuss the Partnership's views further with you, if that would be helpful.

Yours,

Dan

Dan Rogerson
Chair of the Wessex Water Partnership

cc Andy Pymer, Managing Director, Wessex Water