

By e-mail only to: NAVpolicy@ofwat.gov.uk

8 December 2020

Dear Sir/Madam,

Bulk charges for new appointees - a consultation on revising our guidance

Thank you for seeking our views on the proposed revision to the guidance on bulk charges for new appointees published on 10 November 2020. In particular, the clarification of your approach to disputes and expected behaviours. We welcome the approach you have taken to developing the guidance, providing further clarity where required. We believe this measured approach, learning from experience is the most pragmatic way of evolving this important area.

Having read through the proposals we have no particular issues with the redraft and consider that our NAV charges are compliant.

Looking at your longer-term direction, we note your preference for bottom-up cost estimation approaches which may not be straight forward to implement. We welcome your acknowledgement that your preference may not be realised until future charging years and that it will require further engagement with the industry. We would be keen to participate in the working group, our point of contact will be Sian Leek, Charges Manager [REDACTED].

Yours faithfully,

[REDACTED]

Eleri Rees
Strategy and Regulation Director