



The voice for water consumers
Llais defnyddwyr dŵr

CCW's response to Water Services Regulation Authority (Ofwat) consultation:

**Consultation under section 13 of the
Water Industry Act 1991 on proposed
modification to Condition I of Wessex
Water's licence**

29th July 2021

1. CCW is the independent voice for water consumers in England and Wales. Since 2005, we have helped thousands of consumers resolve complaints against their water company, while providing free advice and support. All of our work is informed by extensive research, which we use to champion the interests of consumers and influence water companies, governments and regulators. We welcome the opportunity to comment on this consultation.
2. We welcome, and support, the modification of Condition I of Wessex Water's Licence proposed by Ofwat. We are pleased to note that Wessex Water has also indicated its consent to the modification.
3. We note that the proposal results from the investigation Ofwat undertook into Wessex Water's compliance with its transfer pricing obligations, and in particular the charge for the transfer of biogas to an associated company, and its intervention in the company's PR19 Final Determination.
4. Ofwat's investigation identified that across the 11 largest water and sewerage companies, Wessex Water is the only company for which the section in its Licence on 'ring-fencing' does not refer to having adequate systems of planning and internal control to enable it to carry out its Regulated Activities. We consider it is important that companies' Licences should be consistent and that all customers should be equally protected under their terms.
5. The proposed modification will resolve this anomaly and will mean Wessex Water's Licence condition is more consistent with the industry. This, together with the additional assurances and steps taken by Wessex Water, will also help ensure that customers are better protected from the potential to pay cross-subsidies in future.

Enquiries

Please address any enquiries about this consultation to:

Michael Barnes
Policy Manager
CCW

Email: [REDACTED]

Telephone: [REDACTED]

Date: 29.07.2021