

27 October 2021



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Please ask for **Jamie Jones**
Our Ref [REDACTED]
Your Ref

Dear Ken,

Portsmouth Water response to draft determination of in-period ODIs 2020/21.

Thank you for the opportunity to respond to the draft determination of our in-period ODIs for 2020/21 and subsequent discussion on our proposal.

As discussed, Portsmouth Water fully support the rationale behind Ofwat's decision to defer the assessment of PCC until end-of-period to allow time for conduct further analysis.

We are mindful that the inflation outlook will put additional pressures on our customers at a time when other utility bills, fuel and food prices are increasing. Portsmouth Water therefore propose to defer £323k rewards from our net ODI reward from 2020/21 to keep the average tariff increase in line with our draft wholesale charges, at a forecasted 4.7%.

We understand that 4.7% is still an increase. We have already made contact with CCWater, and will complete a programme of customer engagement before submitting final tariffs in January 2022. We are also working hard to reduce demand through a refreshed water efficiency campaign which started in 2021.

Yours faithfully

[REDACTED]

Chris Milner
Chief Financial Officer