

Date: 21 October 2021

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Dear Colleagues

## **REVIEW OF SOUTH WEST WATERs IN-PERIOD ODIs DRAFT DETERMINATION**

We welcome the opportunity to respond to the ODI draft determination.

We agree with both the wholesale ODI payments as well as the retail adjustments for C-MeX and D-MeX.

We have specifically responded to the two key interventions:

### **Mains Repairs**

As confirmed in your query SWB-APR-IP-005, South West Water did not include the number of 'repairs on repairs' to the main in our 2020-21 APR data.

In accordance with your request to quantify the number and corresponding value of repairs on repairs in line with your examples given in query SWB-APR-IP-005, we have identified an additional 26 repairs.

The revised total (2,798) mains repairs normalised by the length of 18,432.71 km of water mains gives a new normalised score of 151.8 to 1dp (compared to 150.4). Whilst the performance remains above the performance commitment, the reward is reduced to £3k from £11k.

We have sought external assurance from our technical auditors - Jacobs.

### **Bathing Waters**

South West Water's 2020-25 bathing water commitment was intrinsically linked to delivering 8 WINEP capital schemes, all of which had been agreed with the EA to tackle our impact on bathing waters, recognising that the categorisation of bathing waters is not solely the responsibility of the water company as there are many other factors (such as agricultural runoff) that impact bathing water quality.

During 2020-21 we have completed 4 schemes ahead of target, all of which have been assessed by the EA, and therefore whilst a formal categorisation has not been made due to the lack of sampling during 2020 (because of COVID-19 restrictions), the completion of the approved intervention is sufficient to make a positive assessment of the ODI delivery. In addition, the draft

2021 bathing water data shows the improvement because of our investment. Therefore, we would expect the ODI reward of £1.104m to be applied at PR24.

If you require any further information or clarity to support our response, please do contact me.

Yours faithfully



**Lisa Gahan**  
**Regulatory Director**

D: [REDACTED]

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