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By email – [REDACTED]

Mr David Hinton  
Chief Executive  
South East Water  
Rocfort Road  
Snodland  
Kent  
ME6 5AH

31 March 2023

Dear David

## **December 2022 freeze-thaw follow up**

Thank you for South East Water's response to our letter dated 16 January 2023.

We are getting back in contact to request some further information from you and to outline our next steps.

Our questions are focused on areas where we have some concerns: the scale and nature of the incident and its impact on customers. We would like to understand more about the circumstances and the steps South East Water took to restore supplies of water and support its customers following interruptions. We would also like to understand more about your approach to paying customers compensation following these events. The information provided in Section 4 of your response is limited and insufficient for understanding how customers were compensated. We require this information under Condition M of your licence.

The deadline for responding to our request for information is 24 April 2023. Please set out your responses against the question numbers set out in our request and send your completed response to [customerfocus@ofwat.gov.uk](mailto:customerfocus@ofwat.gov.uk)

Finally, we also plan to publish your February 2023 response on our website, alongside other company responses. We do not think there is any reason why company responses should not be published (save for redaction of any personal data). However, if you believe that any of the information in your response should not be disclosed (for example because you consider it to be commercially sensitive), you should identify that information and explain why. We expect

reasons that are specific to the information concerned. We will take such explanations into full account, but we cannot give an assurance that information included in responses will not be disclosed. Please let us know by 24 April 2023 if you have any issues with publication of your response by responding to our [customerfocus@ofwat.gov.uk](mailto:customerfocus@ofwat.gov.uk) mailbox.

Yours sincerely,



**John Russell**

**Senior Director, Strategy, Finance, and Infrastructure**

31 March 2023

## December 2022 freeze-thaw follow up questions

We are seeking some additional information from South East Water. Our questions are focused on understanding more about the circumstances around the December 2022 event in your area and the steps South East Water took to restore supplies of water and support its customers following interruptions. We would also like to understand more about your approach to paying customers compensation following these events.

Condition M of your company's instrument of appointment requires you to provide Ofwat with any information that we reasonably require for the purpose of carrying out our functions. Please provide your response by **24 April 2023**. It should be sent to [customerfocus@ofwat.gov.uk](mailto:customerfocus@ofwat.gov.uk). We also plan to share your response with CCW and DW for their information.

### Questions about the scale and nature of the incident

1. We note that no other company considered the incidents caused by the same weather event to be exempt from the Guaranteed Standards Scheme. If you still consider the event is classified as subject to a GSS exemption, tell us more about how and why you have arrived at this view and specifically which exemption(s) in regulation 17F of the Water Supply and Sewerage Services (Customer Service Standards) Regulations 2008 you consider apply here and why?
2. Your response notes that during the w/c 19 December you worked continuously to find and fix leaks. Your report also provides information about how the freeze thaw event caused problems that led to a loss of water supply but provides little detail as to whether the weather had any specific impacts in relation to your ability to restore supplies. For each geographical area in which supply was lost, please provide the following information:
  - 2.1. The dates and times between which there was no or limited water supply and/or reduced water pressure;
  - 2.2. The time at which your company first became aware of the loss of supply and/or reduced water pressure;
  - 2.3. The cause of the loss of supply to that area (please make clear if due to a leak or burst of a strategic main),
  - 2.4. Details of whether the weather prevented you from restoring supply and, if so, details of the nature of that weather, the dates and times this weather took place, and a brief explanation of how the weather prevented you from restoring water supply; and
  - 2.5. Any evidence that you have to support your responses.

3. Sussex area: Your response states that the underlying cause of supply problems was "the increase in demand linked to increased bursts due to the freeze thaw event". You also identify the planned maintenance at Barcombe on 7 December and the unplanned outage at that site on 17 December as contributing factors.
  - 3.1. For the Sussex area, set out the number of bursts and volume of water lost to bursts (ML/d) during each day of the freeze thaw event and what impact this had on the area's demand for water. For context, please provide the leakage and demand values for the same period last year.
  - 3.2. Explain how the planned maintenance at Barcombe was a contributing factor. We understand it was due to last for one day and took place a week before the supply problems you have identified.
  - 3.3. You explain that the total outage at Barcombe on 17 December lasted for 10 hours but that it took time to refill the extensive pipeline. Provide details of how long it took to refill the pipeline; the date and time by which this was completed; and how this impacted on supplies, including what shortfall in supply the loss of operation at the site caused.
  - 3.4. You identify two trunk main bursts in the West Hoathly and Selsfield areas as causing a loss of 0.5ML/d. Provide details of the date and time when each of these trunk main bursts occurred, when the company first became aware of this; how they impacted supplies; and how long it took to repair each?
  
4. Tunbridge Wells area: Your response states that the underlying cause of supply problems was the increase in demand linked to increased bursts due to the freeze thaw event. You identify planned and unplanned outages at water treatment works (WTW) that led to reduced water levels in some strategic service reservoirs as contributing factors.
  - 4.1. For the Tunbridge Wells area, set out the number of bursts and volume of water lost to bursts (ML/d) during each day of the freeze thaw event and what impact this had on the area's demand for water. For context, please provide the leakage and demand values for the same period last year.
  - 4.2. What impact did each of the following have on water levels at the Langton, Bloodshot and Blackhurst service reservoirs?
    - 4.2.1. The reduced output from Saints Hill WTW due to planned borehole maintenance between 5 and 16 December;
    - 4.2.2. The shutdown at Groombridge WTW on 10 December; and
    - 4.2.3. The flooding at Tonbridge WTW which put the site out of service between 17 November and 20 December.
  - 4.3. Was any consideration given to delaying the borehole maintenance given the shutdown of Tonbridge WTW?
  - 4.4. When were the issues at Groombridge WTW resolved?

5. Rural Kent area: your response identifies several areas where leaks arising from the freeze thaw event resulted in low pressure or no water for customers.
- 5.1. For the Rural Kent area, set out the number of bursts and volume of water lost to bursts (ML/d) during each day of the freeze thaw event and how this impacted water supplies and water pressure.

## Impact on customers

6. Your response notes the level of communication undertaken by your company was unprecedented. How have you evaluated the effectiveness of your information provision to customers? In this evaluation, please include which customers you targeted, the effectiveness of different communications channels for different customers, and the timeliness of your communication. How does this compare with your experience following the 2018 freeze thaw event?
7. How many customers were on your priority service register for the impacted postcodes? How many PSR customers for the impacted postcodes were you unable to contact due to not having either a contact phone number and/or email address?
8. How many priority service customers who experienced an outage did you support by providing a bottled water delivery within 24 hours, and how many were you unable to support? Provide more details of frequency and quantity of bottled water delivery.

## Customer compensation payments

Area	No. of properties	Average Outage (hrs)
Balcombe	1914	109
Barcombe	3700	47
Beacon	6718	67.9
Best Beech	731	30
Bewl	3553	12.3
Blackhurst	7762	111.2
Bloodshots	319	7.25
Charing	1	12.75
Cottage Hill	3310	37
Cuckfield	2723	22.9
Forstal	77	6
Groombridge	4001	15.6
Grovelands	4863	63.5
Weald	2379	78.3
Wych Cross	261	41.4
<b>Total</b>	<b>42312</b>	

Table 1 – No. of properties experiencing problems

9. Provide two tables to distinguish between household and non-household properties experiencing problems. For each table, please add extra columns to firstly, set out your 'average payment per property' for each row and secondly, the amount that would have been payable to customers if you had made payments under the GSS. Also, provide minimum, maximum, and average amounts of compensation that has been paid.

10. What methodology and approach have you used to generate the total compensation and number of customers receiving goodwill payments? Please make clear any differences in approach for household and non-household customers. What factors affected your considerations and how have you taken account of different customer circumstances?
11. How confident are you that you have accurately identified all properties affected by a loss of water supply and the duration for which they were without water? Please describe the approach you took to identifying the properties affected and calculating the duration of outage.
12. Your response notes that you communicated with all customers impacted to offer apologies and compensation payments. Provide an example of this communication to customers.
13. Are there any customers who would have been eligible for a payment under GSS, had you not applied an exemption, and who received either no payment or a payment of less than the amount which regulation 17F(4) would have required?
14. What approach have you taken to compensating customers receiving intermittent supply and/or reduced water pressure? Were any of these customers subject to one or more interruptions to supply of over 12 hours and/or supply interruptions of over 48 hours?

### **Timing of payments**

15. How are payments processed? Are customers automatically issued payment?
16. How many payments to customers were made within 20 working days and how many after this period? [please also provide proportions]. How many payments remain outstanding?
17. How many customers have complained about payments and/or not receiving any payment and how are these complaints being handled?