



From the Chief Executive

John Russell
Senior Director, Strategy, Finance and Infrastructure
Ofwat
11 Westferry Circus
Canary Wharf
London E14 4HD

Anglian Water Service Ltd
Lancaster House
Lancaster Way
Ermine Business Park
Huntingdon
PE29 6XU

Tel 01480 323000
www.anglianwater.co.uk

Our ref:
Your ref

Sent by email to: customerfocus@ofwat.gov.uk

20 February 2023

Dear John

Re December Freeze-Thaw

Thank you for your letter of 16 January asking us to set out how we prepared for and responded to the freeze-thaw event in mid-December 2022.

I am pleased to be able to report that the freeze-thaw event was prepared for well throughout the Anglian region, with the lessons learned from the Beast from the East event on communications and operational response having been taken on board and mainstreamed throughout the company.

This meant that, whilst we had to cope with the impact of the severe weather on our assets, we maintained almost seamless operations throughout. A minor issue around the Haddenham area was the only exception, which we reported to Ofwat at the time. And here, we managed the situation so that the impact on our customers was minimal, with no customers being off water for an extended period. We provided alternative supplies to all customers on the Priority Services Register (PSR) at short notice, additional bottled water stations were deployed as a precautionary measure and no compensation needing to be paid.

The feedback on the quality of our response and communications during the Haddenham incident was very positive, and I have thanked those members of teams across the company who pulled together to support front line colleagues in providing assistance to customers as needed, ensuring communications were clear and up to date.

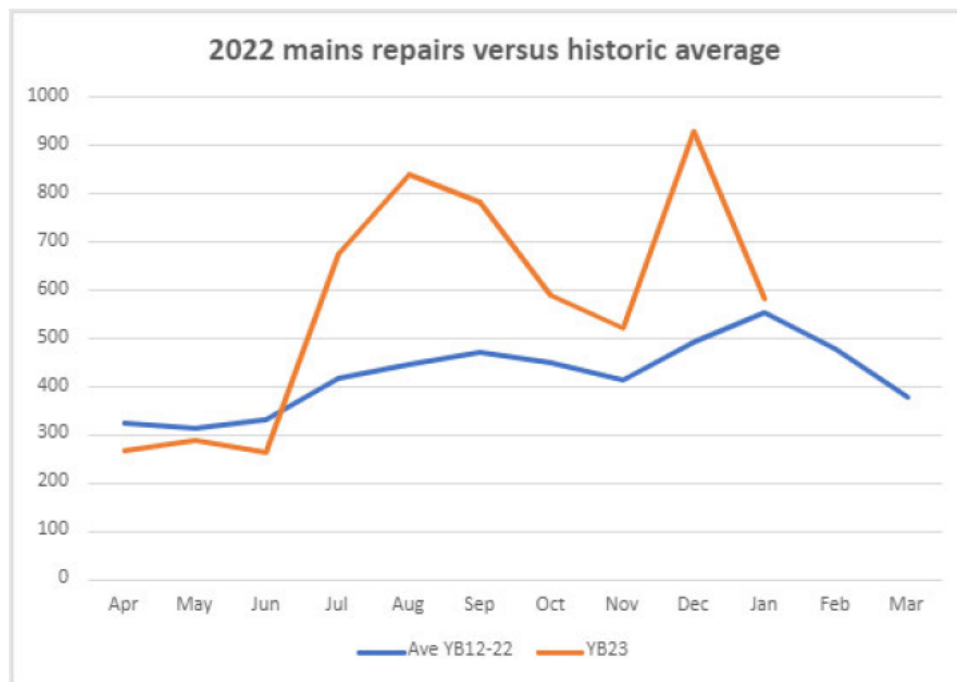
Your letter asked for some specific details, which I set out below. As ever, we would be happy to discuss any of these points further with you if helpful, and to contribute to ongoing lessons learned reviews.

a) Details of the impact of the freeze thaw in your company area

As mentioned above, the only part of our region where we saw customers with any material interruption to supply during the freeze-thaw event was in the Haddenham area. This event has contributed 32 seconds to our interruptions to supply score for the current financial year. The underlying cause was a burst on a 16" main supplying two of our WTW assets. Approximately 9,559 properties experienced either supply interruption or low water pressure, with the worst affected being returned to supply in less than 12 hours.

To put this specific incident in the wider operational context, the contribution to our annual Supply Interruption score for all of December was 1 minute and 42 seconds, despite a materially higher level of bursts linked to the rapid temperature changes, and the resultant freeze thaw, relative to the historic average level for December.

To illustrate the scale of this impact, the graph below compares the number of mains repairs completed in each month of 2022 compared with the average historic number of mains repairs per month for the period 2011-12 to 2021-22:



Whilst not the subject of this request, this comparison also highlights the impact of the prolonged period of high temperatures seen in the summer of 2022, driven by both the highest demand on record and the extreme impact on Soil Moisture Deficit experienced, which resulted in a material increase in mains bursts and associated water losses.

This graph demonstrates that the risk of climate change having a more aggressive impact on our assets is not a future risk, but one that is already crystallising, as we briefly discuss further under point d) below. This will be a relevant consideration for Ofwat and companies in relation to assessing the best approaches for PR24.

b) A full and candid explanation of your company's response to any impacts.

We provided extensive and frequent communication to customers and key stakeholders, including MPs, Councillors and the Local Resilience Forum, during the incident. We distributed bottled water to affected customers, including delivering bottled water to the doorstep of all 1,980 customers in the area on our Priority Services Register. We set up distribution hubs in two locations in the area, which gave out 2,205 packs of water to 824 customers on 20 December. We did not need to trigger mutual aid as we had sufficient stocks of water to meet the requirement.

c) Arrangements for compensation to impacted customers.

No compensation was required as customers were only affected for a short period of time.

d) Lessons learned from this experience and changes you intend to implement; and whether lessons learned from the 2018 freeze-thaw and recommendations from Ofwat's Out In The Cold review have been implemented.

As mentioned above, we had already taken on board the lessons learned from Beast from the East and implemented them in our operational response and communications approach. We have also reviewed lessons from the 2022 event and this has confirmed that our approach worked well.

Looking forward, the extremes of the weather seen in December and the proceeding summer with the period of extended extreme temperatures will continue to place greater strain on our asset base and the resultant potential impact on the service provided to customers. That is why at Anglian, we have continued to invest in asset management approaches and predictive capacities to continue to understand the impact of these changing conditions on the resilience of our assets. As Ofwat will be aware, the maturity of these approaches was recently positively assessed through the Asset Management Maturity Assessment (AMMA).

The development of the forthcoming PR24 and Long-Term Delivery Strategies present the most material opportunity to present the compelling investment case to ensure a step change in investment in the assets which are most vulnerable to a changing climate and those which have the biggest impact on the service delivered to our customers.

I hope the above answers your questions and, as always, we'd be happy to discuss any particular points further.

Yours sincerely

