

8 February 2023
By E-mail - customerfocus@ofwat.gov.uk



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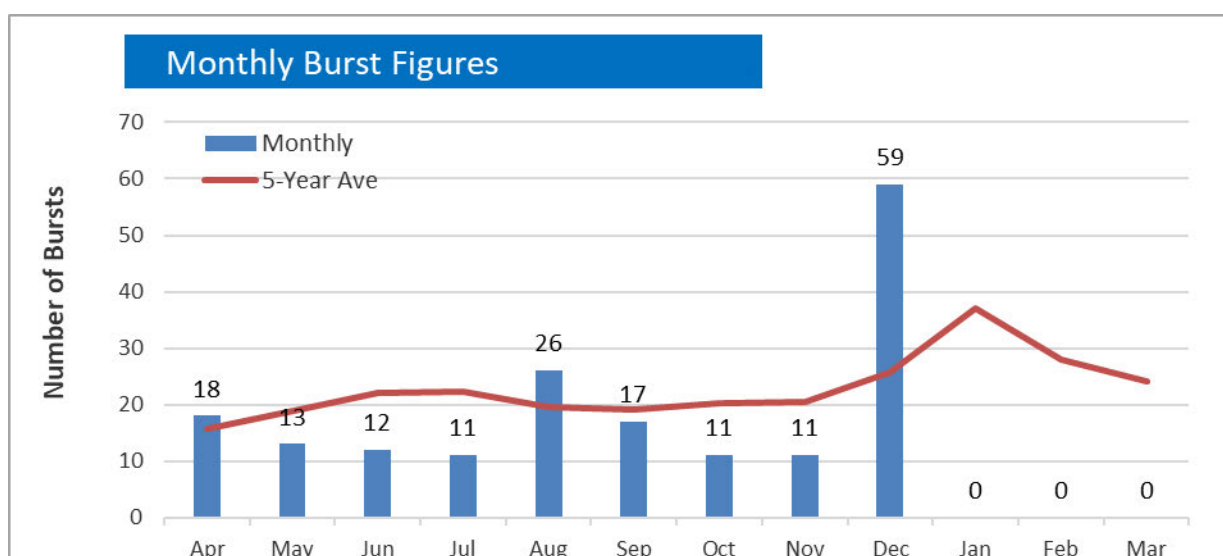
Dear John

December freeze-thaw

Thank you for your letter of 16 January 2023. Please see below our response to your questions and some additional comments which should be of help:

a) Details of the impact of the freeze thaw in your company area, including: underlying causes of any impacts; numbers of properties and customers experiencing problems; length of time to resolve outages; etc.

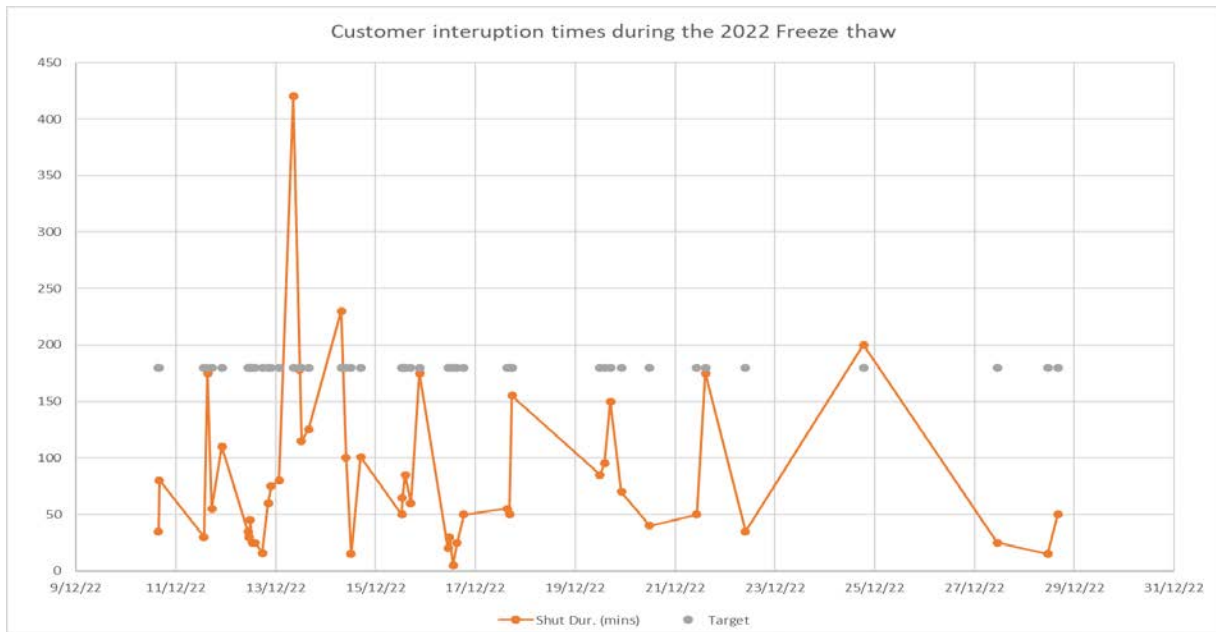
In general, due to our historical asset renewal policy and extensive pressure management our burst frequency is one of the lowest in the sector. The graph below shows the total numbers of mains failures for December 2022 which was clearly above the 5-year average for Portsmouth Water. However, our level of preparedness ensured that we were well positioned to effectively respond to the increase in activity.



The data in Appendices 1 and 2 provides details of the number of mains failures, properties affected and duration of each interruption. Based on weather data, the period of the freeze/thaw 'event' has been deemed to be 10 December to 28 December 2022.

The graph below summaries the number of minutes customer supplies were interrupted. Only 3 mains failures, affecting customer supplies, were above the 3-hour ODI target. Following a period of intensive

focus over several years, our 'business as usual' performance on interruptions is now one of the lowest in the sector – and this knowhow and capability was mirrored in the way that we dealt with this event.



b) A full and candid explanation of your company's response to any impacts, including: communication with customers; mutual aid with other companies; distributions of bottled water; and identification of vulnerable customers and the support provided for them.

Whilst there was a marked increase of mains failures during the period, the breakout was manageable with available resources supported by our period works contractor. Our domestic and business customer communications during the period followed normal burst event protocols with individual events/updates being posted on Portsmouth Water's website. Social media, webchat & telephony services were maintained as normal throughout the event period. Attached are examples of some proactive comms ahead of the freeze thaw.

Ahead of the freeze thaw, we proactively contacted all Retailers operating in our area of supply, reminding them of the increased risk, as a result of the freeze-thaw, and highlighting preventative checks and measures that businesses could take. We also signposted the Watersafe website as a resource should business customers require plumbing advice.

Given the relatively short interruption times, mobilisation of large quantities of bottled water and the provision of alternative water supplies was not required. Priority Service Customers, and any sensitive business customers, requiring bottled water were serviced by the operational teams tasked with the individual pipe repairs from bottled water stock held on vehicles, therefore number of bottles provided was very low.

Over the last 3 years we have developed our Priority Services Register and are now achieving both the PSR attempted contact and actual contact commitments. We are close to completing our PSR engagement for 22/23 and recently we have attempted contact with 95.34% of customers who have been on the PSR register for more than two years; we have received actual contact from 40.71% which is very pleasing.

No mutual aid requests were made by Portsmouth Water during the period in question, however, we did provide bottled water to South East Water under a mutual aid request and supported Southern Water with additional bulk supply volumes into Hampshire over and above their planned/reserved requirements.

c) Arrangements for compensation to impacted customers.

As none of the interruptions to supply events associated with mains failures were of a prolonged period, no GSS payments were made, nor were any discretionary compensation payments made for inconvenience.

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.

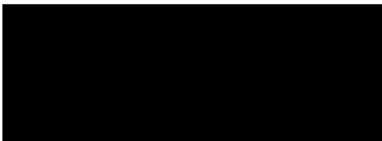
As the likelihood of further freeze-thaw events was foreseeable, following the events of 2018, Portsmouth Water implemented the lessons learnt from both an internal review angle and the specific OFWAT recommendations. OFWAT's letter dated 15 June 2018 is attached for reference. Our proactive actions taken include increasing stocks of repair fittings and associated materials, the doubling of out of hours repair & maintenance teams and increased local stock of bottled water. Our reservoir levels were intentionally maintained at a higher level with operational leads regularly 'checking in' and providing sit reps to allow the situation to be monitored by the senior manager team. This level of attention allowed Portsmouth Water to effectively respond to burst events as they arose.

In terms of an example of company specific actions, we had an issue in 2018 with some of the early design wall mounted meter enclosures. The latch on the door of these enclosures was faulty, leading to the door being slightly ajar which allowed cold air to enter the enclosure and freeze up the water supply. Whilst the unfreeze operation across multiple properties in 2018 was relatively quick to diagnose and remediate, we have since then visited all wall mounted enclosures and replaced the latches where needed.

In terms of the future and learning the lessons, whilst we accept that there is an industry wide need to find new ways to minimise the breakout of widespread leaks and bursts following an extreme weather event, we have invested in digital twin technology which will allow us to visualise these impacts in a predictive way and prepare better. We are also investigating new listening technologies which use microphones in place of hydrophones; in combination with artificial intelligence and machine learning, this technique will improve our effectiveness in pinpointing leak locations in a scenario where large numbers of leaks have broken out in a relatively small area. In addition, we have plans to roll out a programme of universal smart metering beyond 2025 which will provide added critical insight on customer side leakage.

I hope you will feel reassured that our response during the recent freeze thaw event was of a high standard and our customers were largely unaffected. If you have any further questions or would like to discuss the contents of this letter we would be very happy to set up a meeting or a video call.

Yours sincerely

A solid black rectangular box used to redact the signature of C.R. Taylor.

C.R. Taylor
CEO – Portsmouth Water