

Wessex Water Services Ltd Response to Ofwat's PR19 Draft Determination – August 2019

Representation reference: Cost Assessment C20

Representation title: Using 2018-19 data in the models

Summary of issue

One more years' worth of data will be available when setting final determinations. Cost allowances should be set on the most up to date data available.

Change requested

The 2018-19 data published in the APR is incorporated into the econometric models for setting AMP7 cost allowances.

Rationale (including any new evidence)

In the Bristol water CMA redetermination for PR14, the opinion was that using the most up to date data is the most appropriate course of action.

This ensures that prices are set using the most recent and accurate data.

This is of particularly relevance now. 2017-18 is the first year where upper quartile targets on the common performance commitments are in force, and so including another year (2018-19) where these targets are in force will aid the models in picking up the cost impact of these.

Why the change is in customers' interests

It is in customers interests that the final determinations are set on the best available data in all cases.

Links to relevant evidence already provided or elsewhere in the representation document