

Email reply from South West Water – 23<sup>rd</sup> January 2009

Dear Ms Creasy

Thank you for your letter dated 5 January 2009.

We are very aware of the disquiet organisations such as your own are expressing over site area charging for surface water drainage. However I am not certain that your comments about exemptions are correct. I have worked for South West Water for 26 years and have never understood that any organisation has an exemption from any element of water and sewerage charges unless provided for specifically in legislation. Not charging a customer for a service being used amounts to undue discrimination and this is not permissible under Water Industry legislation. To the best of my knowledge, therefore, all Scout Huts in this region which have a connection for surface water drainage are paying surface water drainage charges now. As most huts are metered, currently these charges are included within the per cubic metre charge for sewerage - this charging arrangement was introduced when we brought in differential sewerage charges in April 2001 and has been approved every year subsequently by Ofwat.

I also am not familiar with your comments about Ofwat ruling that exemptions must stop by 2010. What I do know is that Ofwat has advised sewerage companies that it believes site area charging based on the impermeable area of sites draining surface water to sewers is a more appropriate way of recovering the costs of providing the service for commercial customers and is asking sewerage companies who do not charge in this way to develop plans to do so. We are starting to develop our plans but currently have no view by which charging year we will be in a position to begin to implement a site area charging system for surface water drainage.

Where we have made changes to the way in which we charge, South West Water has always sought to phase change over a number of years in order to limit excessive charges increases for individual customers. We also ensure that we consult with appropriate customer representative bodies and key stakeholders about changes and give as much notice of change as possible to allow both planning for extra costs and mitigating action to be taken if this is possible. However ultimately Ofwat has to approve our charges, and therefore we have to comply with any guidance or requirements it has in respect of charges not discriminating unduly in favour or against any class of customer. This would include different transitory arrangements for different groups of customers in the event of a change in charges. Hopefully if there is going to be specific guidance from Government or Ofwat issued in the next 12 months over the treatment of organisations such as your own, we will be able to build these into our plans for change and limit any adverse affects.

We have no wish to upset any of our customers and therefore do all we can to limit adverse impact when change is required. While I cannot promise that when we do change arrangements for charging for surface water drainage there will be no adverse impact, I can assure you that we are aware of your concerns and will do all that we are permitted to do to try and help ameliorate the effects of change and the speed with which those effects take place.

Yours sincerely

Ned Colman  
Customer Collections Manager  
Exeter (01392) 443016