

Good Afternoon Sharon,

I trust that I find you safe and well.

Having read the CMA's Ofwat Price Determinations Provisional Findings, there is much within the report that we find encouraging. However, our primary concern remains in that Ofwat's forecast of new connections, and therefore the necessary investment in water and sewerage infrastructure to meet the Government's housing objectives, falls a long way short of MHCLG's net new homes completions of 300,000 new homes. That said, we can only ask that the CMA take a much more detailed look at this particular aspect and fully reflect upon the infrastructure needs required to sustain the planned growth in new housing.

As referred to in our last e-mail and further to the August 2020 Independent Report we recently disclosed, you may find the content of our Follow-on Report (attached) of equal interest if not concern. A brief introduction to this report and the rationale for undertaking a deeper dive into water and sewerage company costs is provided below. As a result we remain convinced that a root and branch review of Water and Sewerage Sector costs/charges and how they are both determined and justified remains crucial if customers are to have any trust and confidence in what will continue to be a part of the utility sector that has a controlling monopoly.

If there are any aspects of our respective reports that you may wish to discuss further then please do get in touch.

Best wishes

Steve

# A REVIEW AND COMPARISON OF THE WATER AND SEWERAGE SECTORS CHARGING ARRANGEMENTS



**For many years Water and Sewerage Company charging regimes, especially for new housing, have been shrouded in mysticism in addition to a degree of complexity that defies logic.**

**The New Charging Arrangements introduced by respective Companies, and which were unilaterally disclosed on 1<sup>st</sup> February 2018, has for the first time ever provided an insight into the vast variation in charges that exists across the Companies.**

**Following on from the first Independent Report “*WHY THE WATER & SEWERAGE SECTOR REFORMS WILL COST HOUSE BUILDERS SIGNIFICANTLY MORE*” and as a result of undertaking a much deeper forensic analysis of Water and Sewerage Company charges from 2018 onwards, it has been possible to provide a more detailed and informative summary.**

**This second Report includes a short introductory informative but more importantly you will find the tabulated comparisons of considerable interest.**

**Anybody involved with new development, especially the provision of new housing, should be concerned by the significant and disproportionate diversity in the respective Water & Sewerage Company charges. This poses a bigger and perhaps more fundamental question - why is this the case? Perhaps more importantly there needs to be an in depth investigation, as a matter of urgency, into this charging disparity.**

**Attached to this e-mail is this second Report that contains a series of easily understood tables that summarise the outcome of our findings.**

**If you wish to discuss any aspect of this latest report or indeed the August 2020 Report, then please make contact with either author.**

**In addition to the pdf version attached, the Report can also be viewed via the following link - <https://t-d-s.com/tds-industry-news/>**

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