

Date: 24 February 2017

IMPORTANT NOTICE TO ALL CUSTOMERS - CHANGE TO COMPANY STATUS

Since 1989 Cholderton Water has been part of the regulated water industry. This has meant that the company is subject to regulations from the following:

- Water Services Regulation Authority (Ofwat), the body responsible for economic regulation and the control of Water Bills,
- Drinking Water Inspectorate (DWI), providing independent reassurance that public water supplies in England & Wales are safe and drinking water quality is acceptable
- Environment Agency (EA), ensuring that water resource and drought plans are maintained and the appropriate environmental controls are in place.

In addition, the Consumer Council for Water (CCWater) supports customers in the regulated water sector and helps protect their interests.

The costs and management workload associated with being a regulated water company have increased substantially over the years; the 2014 business plan alone took months in preparation. The next major hurdle is 2019 price review, which will be much more wide ranging in scope; as well as being integrated with the company's 5-year Water Resource Management and Drought Plans, it will have to include an integrated approach to population increase, environmental protection and the mitigation of climate change.

Realising that the company's has neither financial resources nor the personnel to meet the requirements of this latest review, discussions have taken place with Defra, Ofwat, the DWI and CCW for a way forward. The outcome is a proposal for the company to become a private supply. This will ease the regulatory burden but will not in any way reduce the company's responsibility to provide an adequate, reliable and safe supply of drinking water to consumers. The monitoring of water quality, the setting of water prices and the protection of consumer interests will be maintained but will pass to other bodies.

It is intended that the company's Customer Challenge Group (CCAG), which has been operating since 2013 will be at the forefront of those matters that directly affect customers. The membership of the CCAG includes councillors from the local authorities as well as consumer representatives from households and local business. The EA will continue to attend meetings and CCW has been invited to maintain its presence. This arrangement is designed to put the company's consumers at the centre of the business and give them a voice in the development of future plans. 1st April 2017 has been earmarked as the date when the change will take effect.

Overleaf is a list of **Frequently Asked Questions**, which are designed to give greater details on various aspects of the change in status and what these will mean to consumers.

Ofwat will be conducting a consultation inviting a response from all stakeholders on the subject of Cholderton's change of legal status from that of a regulated water undertaker to a private supply. The consultation will be open for 28 days from 1st March. The link to the consultation on the Ofwat website will be posted on the Cholderton website as soon as it is available.

The company is hosting a question and answer session at Shipton Bellinger village hall between **9:00am and 11:00am on Saturday 4th March**. All consumers are welcome. If you have any queries company representatives will be pleased to provide answers. Coffee or tea will be available.

If you are unable to attend but would like to see a copy of the company's presentation on the subject please contact the office and we will send you an email with a pdf attachment.

FREQUENTLY ASKED QUESTIONS

1. Who will ensure that the water quality is monitored?

The local authority rather than the DWI will be responsible for monitoring water quality. The existing contract with Wessex Water for weekly water sampling and analysis will continue unchanged. The same standards for water quality will apply.

2. What will happen to prices and may the company increase them?

Prices will continue to be reviewed annually. The CCAG, which has customer representatives and oversees customer interests, will have the power to set prices. The wider customer base will have the opportunity to discuss the proposed prices at their parish meetings prior to 1st April each year.

3. Will I be able to speak to someone locally to deal with any queries about my bill or to report any service issues?

You will still be able to contact the contact the office. If the company is unable to answer your query or you are dissatisfied with the response you will be able to notify a member of the CCAG. If necessary, your query will be handled at the next meeting. The names of customer representatives on the CCAG will be published on the website and water bills.

4. Will I still be able to pay my water bill as I do now?

The existing options for settling your water bill will continue including payments in cash at the Estate Office or in an envelope at the village shop.

5. I currently pay water rates; will I still have the option to switch to a water meter?

Yes, water meters will be fitted free of charge to those who want one.

6. Will the General Standards of Service as shown on the company's website still apply?

Yes they will. The company will maintain the same standards as it has as a regulated water company. The CCAG will monitor performance rather than Ofwat or CCW. Your existing rights as a consumer will not be affected by the change.

7. I am a business customer, how will the change affect me?

There will be no change in the existing rights. However, the opening of the non-household retail market will not apply.

8. My wastewater services are provided by Southern Water; will this change after 1st April?

No it will not. Customers in Shipton Bellinger will see no change from the current arrangements.

9. If something happens after the change that means Cholderton Water is no longer be able to supply my water, what will happen?

Under the terms of the change of status, Wessex Water, in whose area of appointment Cholderton falls, will become the 'supplier of last resort'. In the unlikely event that Cholderton is no longer able to supply drinking water, Wessex will be required to step in and maintain supplies. Wessex are willing and capable of fulfilling this role.

10. What will happen if the change in status does not happen?

Although there will be no immediate impact, Ofwat may have to nominate an alternative supplier if the company proves unable to meet the extra regulatory obligations related to PR19. The reason for the proposal to change the status of the company is to avoid the uncertainty and potential disruption this could cause customers.

If you any questions that are not included here or wish to have more information, please come to the Shipton Bellinger village hall between 9:00am & 11:00am on Saturday 4th March.