



The voice for water consumers
Y corff sy'n rhoi llais i ddefnyddwyr dŵr

12 March 2020

Rt Hon Lord Andrew Tyrie
Chair
Competition and Markets Authority
25 Cabot Square
London
E14 4QZ

Dear Lord Tyrie

Potential negative impact on water customers from an extended CMA inquiry process

As you plan your arrangements for the CMA references of the four water companies following Ofwat's price review, we wanted to reinforce the importance to customers of completing your inquiry promptly. As you are aware there are advantages for customers for having certainty over their water bills. Given the number of companies that will be referred to you, we understand the inquiry could run beyond your six month deadline and may even be extended by up to an additional six months.

If the inquiry was to stretch beyond the end of December 2020, we are concerned it could miss the deadline for bill setting for the customers of the four companies – Anglian Water, Northumbrian Water, Bristol Water and Yorkshire Water. It would make it difficult for any redetermination of price limits to be included within water bills for 2021/22, as water companies have to publish their charges schemes by February 1st. That would mean any differences in allowed revenues between Ofwat's Final Determination and your redetermination would be spread over three years, instead of four. This would especially be an issue if bills were to rise. Customers would not welcome the significant impact this could have on their bills, particularly those already struggling to pay and sensitive to even the slightest change to their personal finances.

We are sure you will take this into account as you plan your inquiry and hope that you will endeavour to conclude it before the end of December 2020. That would give customers the certainty they need and expect over their bill levels for the 2021-25 period.

Customers are not afforded the same opportunity as companies to challenge Ofwat's Final Determinations and ask for a referral to the CMA. However, we are looking forward to making sure the views of customers are given strong representation during the inquiry to help the CMA reach a fair outcome.

Yours sincerely

Robert Light
Chair
CCW