Drinking Water Inspectorate Statement for South Staffordshire Water's Customer Challenge Group (incorporating Cambridge Water's Local Water Forum) report to Ofwat

1. Introduction

1.1 The Drinking Water Inspectorate (DWI) is the independent regulator of drinking water quality in England and Wales. We protect public health and maintain confidence in public water supplies by ensuring water companies supply safe clean drinking water that is wholesome, and that they meet all related statutory requirements. Where standards or other requirements are not met, we have statutory powers to require water supply arrangements to be improved.

1.2 We publish information about drinking water quality and provide technical advice to the Secretary of State for the Environment, Food & Rural Affairs, and to Welsh Ministers.

1.3 For PR14, water companies are expected to ensure that their business plans make provision to meet all their statutory obligations, including the need for public water supplies to be safe, clean and wholesome, and that provision is made for a sustainable level of asset maintenance to maintain public confidence in drinking water quality. Ministers summarised these requirements in Defra's Statement of Obligations[1], and in their further guidance on PR14 matters to Ofwat. In addition, the Inspectorate set out in **DWI Information Letter 01/2013 – The 2014 Periodic review of Prices – Guidance for water companies**, published on 1st February 2013 supplementary guidance to companies on the regulatory framework for drinking water quality, statutory requirements, the Inspectorate's role in the Price Review process and our requirements for companies seeking technical support. The Inspectorate also published separate PR14 guidance on a range of specific issues. All of the Inspectorate's published PR14 guidance is available on the DWI website.

1.4 It is worth noting the particular emphasis that Ministers placed in their Guidance on the resilience of supply systems, and that the Inspectorate placed on existing duties to manage the introduction of new sources and to plan supply arrangements to protect consumers and ensure no deterioration in the quality of their supplies.

1.5 The Inspectorate has a position on all of the water companies' customer challenge groups in England and Wales. The Inspectorate's representative on South Staffordshire Water's Customer Challenge Group and Cambridge Water's Local Water Forum has supported the process by acting as an independent member with the overall remit of ensuring that the Company business plan proposals reflect the views of consumers and place drinking water quality at the forefront of such plans.

[1] http://www.defra.gov.uk/publications/files/pb13829-statement-obligations.pdf

2. Formal Drinking Water Proposals Requiring DWI Technical Support

2.1 As with previous periodic reviews, water companies seeking technical support from the Inspectorate must demonstrate the need for each proposal. The case for justification must be accompanied by evidence of the company's options appraisal process to identify the most robust, sustainable and cost-effective solution, with evidence that the preferred solution will adequately address the risk and deliver the required outcome within an appropriate timescale.

2.2 South Staffordshire Water (including Cambridge Water) submitted 6 formal proposals for drinking water quality to the Inspectorate, listed in the table below:

PR14 DWI Ref.	Scheme Name	Quality Parameter(s)	Scheme Type	Preferred Option	DWI Final Decision
CAM45	Fowlmere WTW	Nitrate	Treatment	Ion exchange	Regulation 28 notice
SST46	Churchill PS	Nitrate	Treatment	Blending	Regulation 28 Notice
SST47	Chilcote PS	Lead	Treatment	Phosphate dosing	Regulation 28 notice
SST48	Hampton Loade and Seedy Mill WTWs	Metaldehyde	Catchment	Various catchment activities	Undertaking
SST49	Lead strategy	Lead	Other	Various	Regulation 28 Notice
SST50	Disinfection by-products	Regulation 26(1) (a)	Other	Various	Commend for support

2.3 The Company submitted its proposals to the Inspectorate by the published deadline of 31st July 2013, however, the information provided was not sufficient. Guidance was provided and the Inspectorate also discussed the information requirements with the Company in some detail. A further submission was subsequently made by the Company by 16 October.

2.4 The Inspectorate met with the Company before the proposals were submitted therefore we were very broadly aware of the Company's plans for drinking water quality although there were not discussed in any detail. We are generally supportive of the Company's approach.

2.5 The Inspectorate has formally supported 5 of the 6 proposals with the remaining proposal being commended for support. Where appropriate we will put legal instruments in place to make the proposals legally binding programmes of work. Our final decision letters were sent to the Company on 31 October 2013.

2.6 The proposal for Fowlmere WTW, in the Cambridge region, is for nitrate removal via ion exchange treatment. There is also a scheme included in the NEP phase III to undertake catchment measures to reduce nitrate levels at Fowlmere WTW. The proposal for Churchill WTW is for nitrate reduction via increased blending capability.

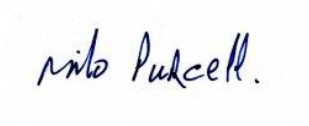
2.7 The proposal for Chilcote WTW is for phosphate dosing to reduce the risk of lead contraventions in water supplied by the works. Other measures taken to reduce lead levels in supply across the Company's area are included in the Company's lead strategy. The proposed strategy is consistent with DWI PR14 Guidance for managing lead in drinking water in that it should form part of a risk-based programme of work that includes a range of measures to address lead in identified high risk areas, and target high risk properties and vulnerable consumers.

2.8 For the Seedy Mill and Hampton Loade WTW supply systems, the Company has proposed a number of catchment activities to address the risk of contravention of the pesticide standard, in this case metaldehyde, in water supplied from the works. The proposal for disinfection by products aims to investigate and better understand the causes for the occurrence of disinfection by products in the aforementioned works and we consider that this work will add to the Company's understanding of the contribution of the treatment processes and other factors towards the formation of disinfection byproducts, which will inform any future proposals for operational measures implemented to improve compliance with Regulation 26(1A).

2.9 It should be noted that these improvement schemes will make only a small contribution to enabling the Company to meet its legal obligations in respect of drinking water quality. These obligations are met overwhelmingly by the Company making sufficient provision for operational and maintenance requirements in its business plan, and by its use of those resources. These are matters for the Company to determine and deliver. For its part, the Inspectorate will continue to keep under review, and report on, the performance of the Company in meeting its legal obligations. Statutory powers are available to secure or facilitate compliance, if necessary.

2.10 The summary of improvement schemes above reflects the position at the time of writing this note. Further discussions are needed with the Company to finalise details. We will advise the groups of any material changes.

2.11 This note will be copied to Steve Morley of South Staffordshire Water. Any queries arising should be directed to Elinor Cordiner, Principal Inspector, Drinking Water Inspectorate via dwipricereview@defra.gsi.gov.uk.



Milo Purcell
Deputy Chief Inspector (Regulations)

Drinking Water Inspectorate
Area 7e, 9 Millbank
c/o Nobel House
17 Smith Square
London SW1P 3JR

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