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PRESS RELEASE

## Welsh Water Customers to receive £10 rebate as company apologises for incorrect regulatory reporting in 2020 and 2021

Every Welsh Water customer will receive £10 rebate after an internal review of its leakage and per capita consumption (i.e. the amount of water used per customer) reporting concluded that elements of its calculations for these key measures for the years 2020-2022 did not comply with regulatory requirements.

Welsh Water's own assurance processes initially identified concerns that have consequently been reviewed fully over the past 15 months with support from independent experts. Welsh Water has previously disclosed that the reporting relating to these two measures was being reviewed.

The review identified governance and management oversight failures that led to the issues identified during the assurance process and which have now been addressed.

The restated figures show that leakage is higher than previously reported whilst per capita consumption is lower. The two measures are inherently linked.

Total leakage for 2021/22 was 240.3 ml/d compared to 157.4 ml/d previously reported. This is equivalent to 8.6 m<sup>3</sup> per km of main per day and compares with the latest available industry data (from companies' annual performance reports for 2021/22) which ranges between 4.5 m<sup>3</sup>/km/day (Anglian) and 18.7 m<sup>3</sup>/km/d (Thames Water).

Restating per capita consumption data to reflect the change results in a reduction from 174.7 litres/day to 154.8 litres/day. Latest available comparative data (from companies' annual performance reports for 2021/22) shows that per capita consumption by company in England and Wales ranged between 131.5 litres/day (Yorkshire) and 160.3 litres/day (Portsmouth Water).

As this shows that leakage has been running at a much higher level than was previously recognised the company has allocated an additional £54m to tackling leakage over the next two years to bring the level down as quickly as possible. In total Welsh Water will be spending £284m on this between 2020 and the end of this AMP in 2025.

**Pete Perry, Chief Executive Officer, said:** “We are very sorry and disappointed that this has happened. We’re investing an additional £54m over the next 2 years to identify and reduce leakage as quickly as possible and we have shared the findings of our investigations with our regulator. Whilst our robust assurance process ultimately identified the issue, there were failures in our governance and management oversight processes that allowed this in the first place. We have made the necessary changes to how we manage leakage reporting and closed the gaps in our reporting and governance processes.”

Ofwat have today confirmed that they are reviewing the information we have provided them before deciding whether any further action is required. No further comment will be made on this matter until Ofwat have completed their investigation.

**Ends**

**If you would like to arrange a call to discuss and for further information, please contact:**

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