

Attitudes to rewards

Thank you to everyone who participated in our third online survey. We received just over 1,000 responses.

In this third survey we asked customers about financial rewards. We explained that as part of our five year business plan we would agree a set of targets with our regulator, Ofwat, to improve the things important to customers. If we fail to meet any of these targets we would suffer a financial penalty, and customers' bills would reduce slightly as a result.

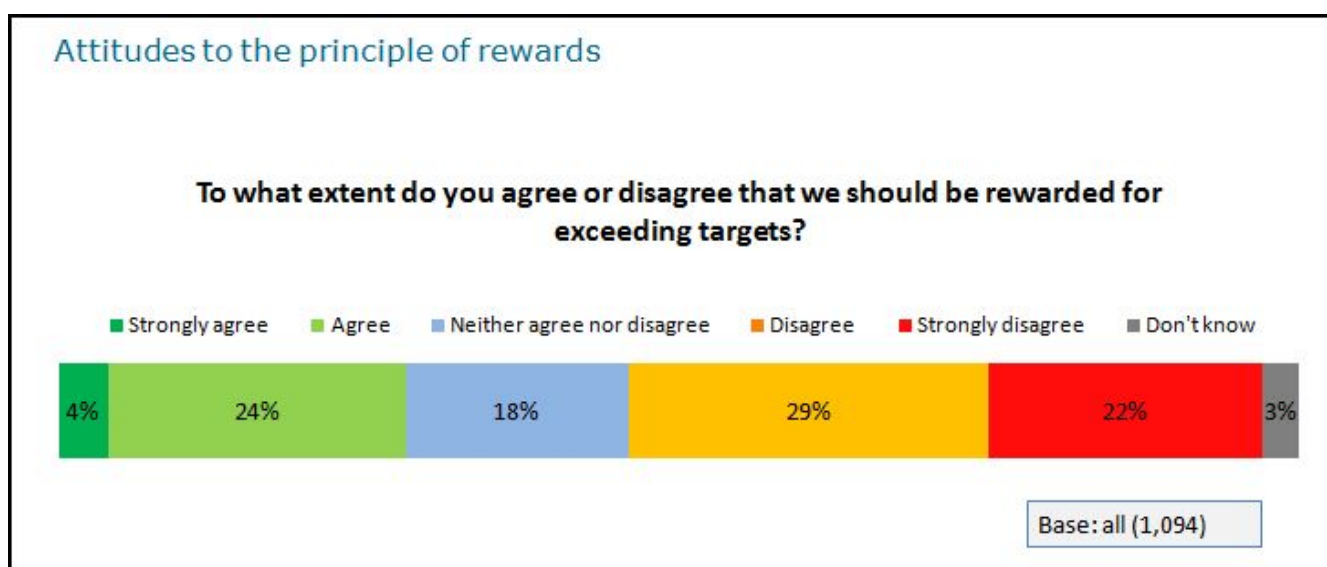
It had been suggested that we should receive a financial reward if we exceeded targets which would result in a slight increase in customers' bills. We wanted to hear what you thought about this. Your responses to our survey were really helpful and showed us that customers do not agree with financial rewards particularly if it means an increase in bills.

We took these views on board and did not propose any financial rewards in our business plan which we submitted to the industry regulator, Ofwat on 2nd December 2013.

To read more about the business plan go to www.wessexwater.co.uk/businessplan

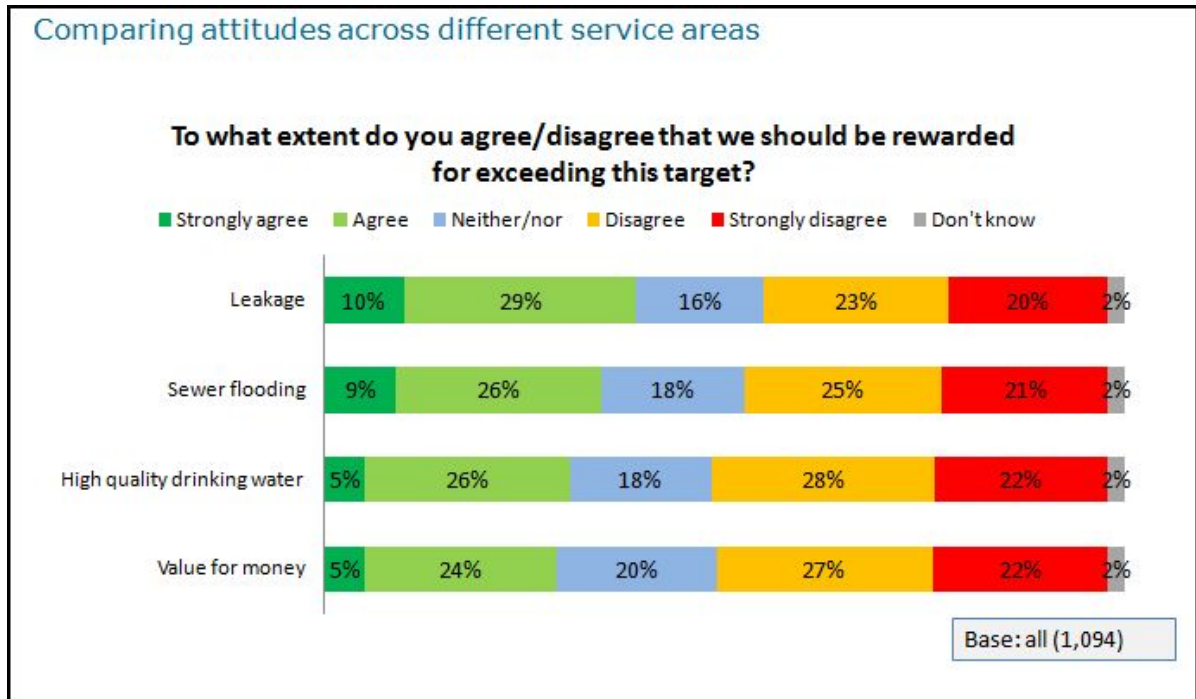
We asked customers what they thought about the concept of Wessex Water receiving financial rewards for exceeding targets. This was alongside penalties for failing to meet targets.

- 28% agreed in principle with a reward
- 51% disagreed in principle with a reward



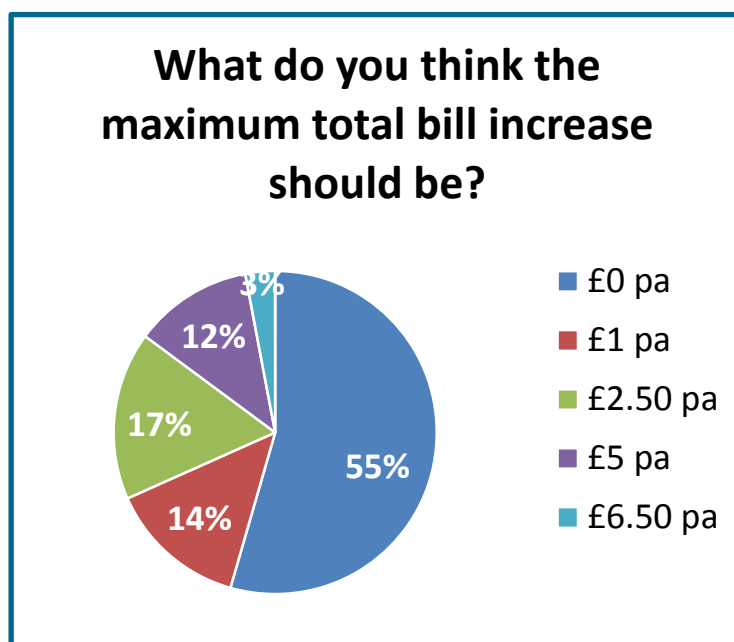
We then told customers about the different areas of the plan where financial rewards could apply and the expected impact on annual water bills.

- Agreement with rewards increased slightly but the majority still disagreed with Wessex Water receiving financial rewards
- Customers said they were more likely to support the idea of rewards in the area of leakage (39%), followed by sewer flooding (35%), high quality drinking water (31%) and value for money (29%).



We also asked, if rewards were introduced, what customers thought the maximum total bill increase should be:-

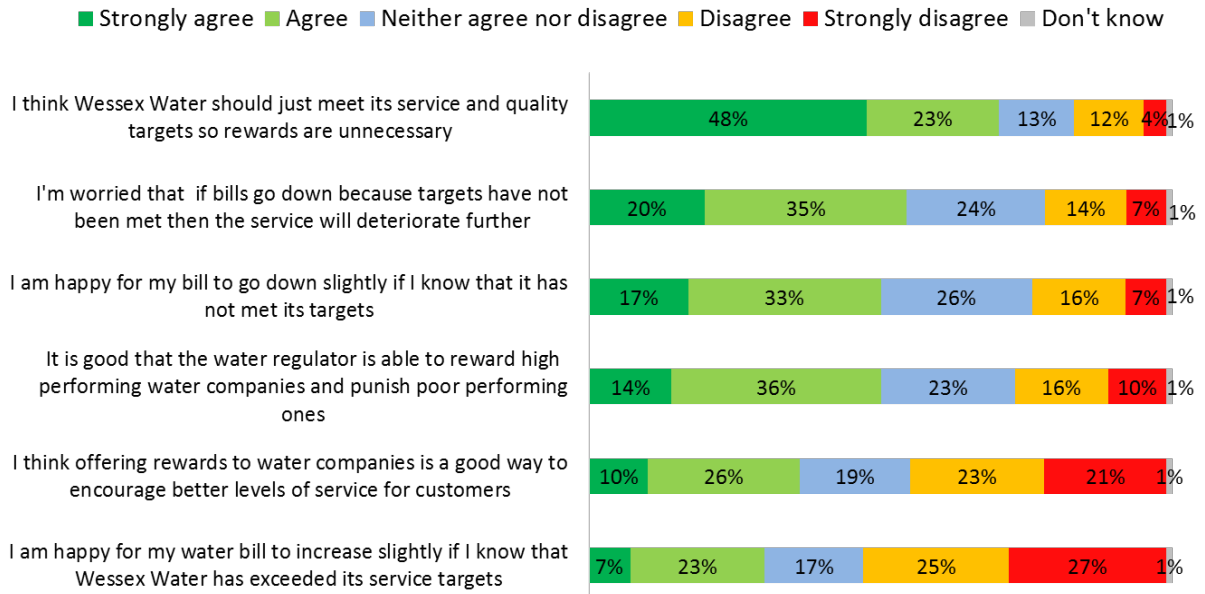
- The majority of respondents thought that there should be no bill increase for Wessex Water exceeding their targets
- 45% of respondents said they would accept a bill increase of between £1 to £6.50 a year.



Lastly, we asked customers for their opinions on a range of issues relevant to the targets and the potential rewards. The results are summarised below.

Attitudes to rewards and penalties

Having considered targets/potential rewards, to what extent do you agree/disagree with the following statements?



Base: all (1,094)

What next?

Ofwat will be scrutinising our business plan over the next 12 months and final decisions about bills and investment are expected by January 2015.

We have another survey planned for January and we hope you will take part.

Thank you once again for being a member of 'have your say'.

**Sue Lindsay,
Head of Customer Relations Wessex Water**