



YorkshireWater

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By email: [PR19@Ofwat.gov.uk](mailto:PR19@Ofwat.gov.uk)

29 August 2019

Dear Aileen

**Consultations under section 13 of the Water Industry Act 1991 on proposed modifications to Condition B of the licences of 17 water companies**

Thank you for the opportunity to respond to your consultation dated July 2019 on the proposed modification to Condition B of our licence regarding the proposed introduction of the Revenue Forecasting Incentive ("RFI") to replace the Wholesale Forecasting Revenue Incentive Mechanism ("WFRIM") with such proposed modification being relevant to the 2020-25 period. We also note the proposal to make a small technical modification to make clear, that the 2019 price review final determinations can set the opening revenue allowances in the price controls for network plus activities.

Having considered the July 2019 consultation document, we are writing to confirm our consent to the proposed modifications and specifically the wording of the proposed new paragraphs 9.1A and 9.1B as set out on page 9 of the consultation. If at any stage, any amendments are considered to the wording in the proposed paragraphs 9.1A and 9.1B, then we reserve our position to reconsider our consent to this modification.

Finally, we note that we should expect to receive the formula for each price control period (and the charging years for which shortfalls could be recovered) by no later than 31 December 2019 and if not received, the proposed modification would not apply. We therefore await sight of the formulas on or about 31 December 2019.

We look forward to hearing from you further with confirmation of the date on which we should expect companies' licences to be amended.

Yours sincerely

Kathy Smith  
Company Secretary

