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Dear Customer,

I would like to apologise sincerely for the recent loss of water supply you have experienced. I appreciate that this has been a major inconvenience and frustration for you, your families and community.

We put plans in place to deal with the impact of the sudden change in the weather conditions last weekend following the prolonged freezing weather conditions, and whilst we managed to maintain water supplies to 99% of customers across our operating area there were customers in some communities who experienced prolonged loss of supply.

We are undertaking a detailed review of the incident to learn from the issues that we encountered, however, it is clear that there are a number of areas where we could and should have done better – especially in terms of the provision of alternative water supplies in rural areas, timely communication with customers on the issues we were facing and local updates on the progress we were making to rectify these issues. I apologise sincerely for these shortcomings.

The number of repairs we had to make on our network, together with the number of burst pipes customers had on their own properties, as well as poor weather conditions and the rural nature of the area, all contributed to the amount of time it took to restore the service. With over 2000km of water mains in the affected area, there have been significant challenges in restoring the network. The extent of the loss of water from our network due to these circumstances equalled the amount of water we put into supply at the height of the summer drought.

Recognising that many customers were without supply for 12 hours or more, many for a number of days, we will pay our household customers ± 70 per day in compensation and to cover any additional costs that may have been incurred such as the purchase of bottled water. Therefore, any customers who have been without supply for four days will receive ± 280 in compensation. For context, the average annual household water and sewerage bill is ± 446 . We will look to make these payments automatically to the account holder early in the new year, although it could take a few weeks to process these payments.

Similarly, we will also ensure local businesses are compensated for every day that they were without supply and any verifiable losses they incurred as a result of the supply failures. We will write to all business customers impacted by the supply interruptions to outline the compensation they will receive and also how they will be able to claim for the losses they may have incurred as a result of these service failures, we will do this early in the new year.

We are writing now to make clear to customers that we will be going beyond our regulatory obligations in order to compensate customers, because we recognise we have failed to meet customers' expectations. Lessons have and will be learned from this incident, and once again please accept my sincerest apologies for the issues that you have encountered.

Yours,

Peter Perry Chief Executive