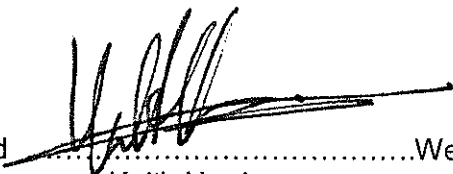
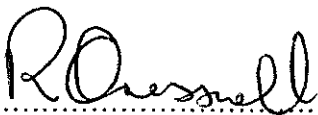
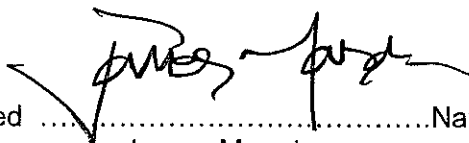


REVISION TO STATEMENT OF INTENT BETWEEN WESSEX WATER, THE ENVIRONMENT AGENCY, NATURAL ENGLAND AND OFWAT TOWARDS RESTORING RIVER FLOWS IN THE RIVER WYLYE, RIVER PIDDLE AND UPPER BRISTOL AVON

Signed Wessex Water
Keith Harris

Signed Environment Agency
Richard Cresswell

Signed Natural England
James Marsden

Signed Ofwat
Jonathan Hodgkin

Date: May 2007

BACKGROUND

Wessex water's abstractions for public water supply caused unacceptably low river flows in the River Wylfe, River Piddle and Upper Bristol Avon. This loss of flow impacted on the ecology, fisheries and amenity value of these rivers. It has also impacted detrimentally on the chalk river species for which the River Wylfe and its tributary the River Till are designated as Sites of Special Scientific Interest and a Special Area of Conservation under the EC Habitat Directive.

To resolve these issues the Environment Agency (EA) proposed that Wessex Water should stop abstracting at Chitterne and Cowbridge (part of the Malmesbury Groundwater Scheme) and abstract less from Alton Pancras in order to restore flows in the River Wylfe, Upper Bristol Avon and River Piddle respectively. Wessex Water said that to do this, they would need to develop a major new source of water to maintain a secure public water supply.

When the Director General of Ofwat determined Wessex Water's prices for period 2000 – 2005 (AMP3), he recommended to the Minister of State for the Environment that the proposal put forward was not cost effective. The Minister agreed that more appraisal work was needed. This triggered a series of reviews to establish a way forward.

In November 2001, a staged way forward was proposed, with the first phase being that Wessex Water should minimise their abstractions from sources at Chitterne, Alton Pancras and Cowbridge by implementing a number of measures and providing stream support to maintain target river flows.

In June 2002 the Statement of Intent was signed by WW, EA, Natural England and Ofwat, formalising the collective aspiration to restore river flows by implementing Phase 1. Phase 1 ends in March 2007. The parties agreed that if Phase 1 proved inadequate then they would together to develop another strategy that would then constitute Phase 2 work.

A review report assessing the effectiveness of the Phase 1 measures has been prepared, the findings for each catchment are summarised below:

Upper Bristol Avon

River flows that provide an acceptable amenity flow have been sustainably restored. The success is primarily due to increased amounts of stream support from existing and new boreholes. This solution can be maintained by increasing stream support abstraction and a reduction in the annual PWS abstraction from the Malmesbury Groundwater Scheme. No Phase 2 work is required.

River Piddle

River flows that provide an acceptable amenity flow have been sustainably restored. The success is due to increased amounts of stream support and an annual reduction in PWS abstraction. This solution can be maintained by continued use of stream support and a reduction in the annual PWS abstraction from Alton Pancras. No Phase 2 work is required.

River Wylfe/Chitterne Brook/River Till

Assessment work has identified that limited out of catchment transfer from the Chitterne source can occur with apparently acceptable impacts. However, this finding is subject to results from the AMP4 investigations assessing the in-combination effects of all abstraction in the Wylfe catchment and the results from detailed ecological studies seeking to relate flow changes to ecological changes. Any future PWS licence changes or the need for Phase 2 work, therefore, will be dependent on the AMP4 investigations findings and the AMP4 solutions work.

Licence Changes

Licence changes will be made once:

1. The in-combination effects have been determined by the AMP4 investigation studies;
2. Satisfactory longer term agreements/licences have been obtained for the sources of water that allow the reductions in PWS abstraction proposed, which are:
 - The Wimbleball licence variation
 - The bulk supply agreement from Bristol Water into Bath

This statement sets down the use of the PWS sources and associated stream support sources during the intervening period whilst replacement water is secured and the AMP4 investigations and solution work is concluded.

REVISED STATEMENT OF INTENT

1. We will work together to put in place a sustainable solution to restore flows in priority order to the Chitterne Brook, River Piddle and the Upper Bristol Avon.
2. Wessex Water and the Environment Agency will use an operating Agreement under Section 20 of the Water Resources Act (1991) to formalise the details of these arrangements.
3. Wessex Water will seek to operate the sources at Cowbridge, Alton Pancras and Chitterne during the period from April 2007 to March 2010 in accordance with revised annual output total and daily peak abstraction rates as specified in the Phase 1 Review Report, and suitably transposed into the Operating Agreement.
4. Stream support will be used to support target river flows in a manner specified in the Operating Agreement.
5. We will regularly inform interested parties of progress and will report progress to Defra annually for a period of 3 years starting 1 June 2008.
6. A formal review of the operation and findings of the agreement will be prepared by 1 January 2010 (notwithstanding that the technical reporting period will continue after this date).
7. In March 2010 the need to extend this Statement of Intent will be considered by the signatories.
8. The revised Statement of Intent will cease on 31 March 2010.