

RD 17/00

**TO REGULATORY DIRECTORS OF
WATER AND SEWERAGE COMPANIES AND
WATER ONLY COMPANIES**

ANNUAL RETURN 2001-05

In May, the Director published the consultation paper *Annual Return 2001-05: a consultation paper on monitoring companies' performance* and invited comments on:

- the proposed format of the Board's overview and data requirements;
- the range and scope of information required for regulation;
- the submission date;
- any concerns on accuracy and timeliness of collections;
- the proposal that companies with more than 300,000 customers should be required to monitor satisfaction with overall service quality at least once a year and provide Ofwat with the results or whether all companies, regardless of size, should be required to provide this information; and
- the use of the web for submitting the returns.

This letter sets out the issues raised by respondents, the Director's main conclusions arising from this consultation and next steps.

Individual responses to the consultation paper are summarised in Appendix A and copies of the responses will be placed in the Ofwat library.

The Board's Overview of Company Performance

Format of the Board level overview

Generally, respondents welcomed the format of the Board level overview and the closer alignment to the *1999 Final Determination* and the *Monitoring Plan*.

Issues raised in relation to particular sections of the Overview by respondents and the Director's response are set out under the appropriate sections.

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Issue: Confidentiality

The question of the confidentiality of the Board's Overview was raised by a number of respondents. Ofwat's Eastern Customer Service Committee stated that the Board's Overview should be available to customers, Surfers Against Sewage specifically requested that information on quality enhancements and capital maintenance activity be made available. Concerns were raised by companies about information relating to competition.

Response:

Ofwat will continue to respect information submitted as confidential provided that the company requesting confidentiality provides clear justification that publishing the information would have serious and prejudicial effects on its interests. Companies should submit a public domain version of the Board's Overview with sensitive material excised, incorporating the justification for restrictions. This should be in hard copy and electronic format, which can then be placed directly in the Ofwat library.

Issue: Capital maintenance activity on non infrastructure assets

Section 3 of the Board's Overview asks companies to report the amount of activity carried out in replacing and refurbishing above and below ground assets as part of their capital maintenance programmes, and to comment on significant activity undertaken to enhance service levels or to improve supply/demand balance.

Companies have raised strong objections to the data requested, querying Ofwat's proposals for the reporting of activities when the focus of reporting should be on the achievement of outputs.

Response:

There is no intention to shift the focus of monitoring companies' performance from outputs to activities. Companies have reported renewal activity on underground assets for many years.

The additional information required in the Overview, Table 4 and Tables 11 and 16 in the main body of the Return simply extends the information requirement to capital maintenance activity on non-infrastructure assets. This information is required to better inform future regulatory decisions on the capital maintenance activity required to maintain serviceability to customers. This information should be readily available, as companies should have systems in place to manage current and future capital maintenance activity.

Issue: Reporting of Competition

For Section 8 of the Board's Overview, the Director requested that companies comment on current activities, including; inset appointment proposals, common carriage proposals, developments in competitive services and other competitive initiatives/new product initiatives.

The main objection raised to supplying this information concentrated on confidentiality.

Response:

The Director recognises that in a developing competitive market, publishing this information may have serious and prejudicial effects on companies' interests. Ofwat will respect the information submitted as confidential provided that the company requesting confidentiality provides clear justification that publishing the information would have serious and prejudicial effects on its interests.

Information Requirements for Bad Debt and Vulnerable Groups (Water Industry Act 1999)

Issue: Information requirements

In RD 7/00, Ofwat consulted on the data required to provide basic comparative information to inform Ofwat's consideration of any interim determinations involving the notified items on bad debt and vulnerable groups. The consultation paper set out revised reporting requirements, with a considerable reduction in the amount of data required.

Companies welcomed the reduction in the reporting requirements. However, they restated concerns about the additional burden on companies and suggested data should only be required when an interim determination was triggered.

Response:

The information required ensures the collection of basic comparable information from all companies. This is essential to monitor the impact of the Water Industry Act 1999 on bad debt levels, and the cost of administering the regulations on vulnerable groups. Ofwat believes that it is essential that any decisions on interim determinations are taken in the light of comparable information on industry norms in this area of companies' activities. Past experience has shown that in order to have robust and reliable data on which to base analyses, it is necessary to collect and review information on an annual basis. It would therefore not be appropriate to collect information only when an interim determination was triggered.

Review of Information Requirements

There has been general agreement that the scope and range of information set out in the consultation paper is sufficient to carry out the Director's statutory duties. However, companies have raised objections or queries concerning specific data items. Ofwat will be responding direct to those companies by the end of October concerning clarification of data definitions and objections to the addition or deletion of specific data requirements. This represents a small proportion of the Annual Return.

Issue: Cost of collecting of new information

A number of companies have objected to the collection of new information on the grounds that the information cannot be collected without excessive expenditure of time or money.

Response: Ofwat *has* always tried to follow a general principle in the June Return that companies should be asked to provide data which a prudent company would collect for its own managerial purposes. Whilst a minority of companies expressed strong reservations over certain Tables there was no one Table specifically identified by a majority of companies that posed excessive or unreasonable problems of data collection.

Issue: Transfer pricing compliance

Companies raised concerns over the involvement of the Ofwat Customer Service Committees (CSCs) in reviewing transfer pricing compliance.

Response:

It is not envisaged that the role of CSCs will increase in the future. The reference merely reflects the fact that CSCs, through regular contact with the companies and customers, can acquire detailed knowledge of the operations of the companies in their region.

Issue: Data to monitor quality

A number of respondents questioned the collection method, validation and level of detail required concerning data to monitor quality.

Response:

The present joint approach as set out in *MD109* has worked well with the Director receiving information from the quality regulators on performance with meeting quality

standards. Ofwat will be reviewing the format of the data with the quality regulators, to reflect new standards required and the timescale for improvement.

Comments on the difference in reporting years between Ofwat and the quality regulators have been noted. As the office of the economic regulator, Ofwat will continue to work in financial years. The quality regulators report in calendar years. The reporting requirements should not be onerous and should not require any duplication of effort as this is a matter of administration. In view of the size and importance of the quality programme, this is a minor administrative point and it is considered that companies should have the necessary systems in place.

Review of Regulatory Accounts

Issue: Inclusion of data for the Return in 2001

Companies welcomed the review but expressed concerns that any significant changes will be too late for inclusion for the Return in 2001.

Response:

The Director accepts that companies require time to ensure that systems are in place for the collection of any new data requirements. Ofwat will be consulting with companies during September and October. Companies will be able to indicate in their responses whether any of the changes proposed are too late for inclusion in the Return for 2001 for the Director's consideration.

Information on customer complaints and customer satisfaction.

Issue: Surveys of customer satisfaction

The objections raised by companies to carrying out surveys of customer satisfaction centred on the additional obligation on companies with more than 300,000 customers to carry out a survey once a year; the costs involved (particularly for smaller companies) and the validity of comparisons. Companies were also concerned that Ofwat might publish companies' research.

Response:

Ofwat considers that companies should regularly canvass their customers' views and reaffirms that it wishes to receive the results of an annual customer satisfaction survey. Ofwat recognises that the smaller water only companies will tend to focus their research on specific operational areas and that additional costs would be imposed if Ofwat required them to undertake general satisfaction surveys. The requirement to carry out an annual survey and report the results to Ofwat has therefore been restricted to water and sewerage companies and water only

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companies serving at least 300,000 billed properties. Many of these companies already carry out regular satisfaction surveys.

Ofwat does not however intend to publish the results of companies' surveys.

Ofwat recognises the value of uniform questions for all companies, as suggested by a number of CSCs but this would mean the loss of valuable trend data. However, care is clearly needed in interpreting and presenting information collected from a range of different surveys. For this reason Ofwat will be primarily interested to examine trends in customer satisfaction over time. Ofwat will consult with the industry on what information should be published in the future on trends in customer satisfaction over time.

Issue: Data relating to unplanned and planned supply interruptions

A number of companies objected to the additional burden and cost of reporting on the number of supply interruptions of greater than 3 hours but less than 6 hours.

Response:

Ofwat considers that customers can be significantly inconvenienced by an unplanned interruption in their water supply lasting more than 3 hours. The extent to which this is occurring should be monitored. All companies already have in place systems for recording the duration of unplanned interruptions. Ofwat does not therefore believe it would be unduly onerous for companies to report the number of unplanned interruptions lasting 3 to 6 hours in addition to those exceeding 6 hours.

Ofwat accepts, however, that planned interruptions of this shorter duration will have less impact on customers and will therefore only require reporting of unplanned interruption in this time band.

As it will take sometime for Ofwat to be confident that such data is robust we would propose only to publish national data in the 2001 Levels of Service report.

Issue: Telephone complaints

A number of respondents questioned how telephone complaints would be audited.

Response:

The Director acknowledges that there are difficulties in defining and auditing telephone complaints but believe these are not insurmountable. In the absence of any means of obtaining qualitative data on customers' experiences of contacting the company by phone, Ofwat therefore proposes to retain the requirement to report the number of telephone complaints. Consultation with the industry will be needed to

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establish a workable definition. Ofwat is prepared, however, to review the matter should the industry develop a more useful measure of customer satisfaction with the handling of telephone contact, based on the successful pilot work commissioned by Water UK in 1999.

Structure and Timing of the Annual Return

Structure

The proposal to restrict changes in the Annual Return over the next five-year period was welcomed.

Issue: Information required for the next price review

A number of companies requested that Ofwat specify the enhanced information required for the next price review as early as possible.

Response:

This will be a matter for the next Director. However it is expected that Ofwat will consult early in the process with interested parties on the scope, content, audit requirements and timetable of each of the information returns that will be required.

Timing

Issue: Date of Annual Return Submission

Historically the Annual Return has been submitted at the beginning of July each year. During 1999 and 2000, the companies submitted the Return in June. The majority of companies felt that, although they had managed to submit the Return in early June, it would be beneficial if the Return could either be submitted later in June or early July.

Response:

The Director's aim in asking for an early June submission is to enable customers and other key stakeholders to compare and use the companies' preliminary results with Ofwat's analysis of the performance of the appointed business. Respondents have welcomed this approach.

On receipt of the Annual Return, analysis of the companies' submissions is carried out which may result in queries being raised with companies resulting in data changes. If companies were to commit to a 5 working day turn around on queries, the Director would be willing to delay submission of the Annual Return to the second Friday in June. The Director will be seeking companies' commitment.

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Use of e-mail and the Web

Issue: Security

Respondents generally welcomed the use of the web or e-mail for submitting returns. The question of security issues will be addressed prior to inviting submissions by e-mail or the web.

Next Steps

Ofwat will be writing to respondents individually by the end of October to address any individual queries and or objections to the data requirements.

Other than clarification on data definitions, it is not envisaged that the data requirements will differ substantially from those proposed in the consultation document.

Ofwat will be issuing the new June Return Reporting Requirements to all registered holders by the end of December 2000. The June Return 2001 Information Capture System will be issued by 31 March 2001.

Yours sincerely

Roger Dunshea
Director of Operations

Annex A – Summary of Responses

Response received from:	Summary of key issues in response:
Organisations representing customer interests	
Campaign against Monopoly Abuse	Annual monitoring of customer satisfaction should be required of all companies, irrespective of size. It is essential that these surveys are based on informed customer opinion. Water and sewerage companies should present separate accounts for water and sewerage operations; the quality element of revenue should not be included as earned income in these accounts. Customer bills should show water and sewerage charges as separate items with the quality element clearly indicated. Operating costs accounts should not include aggregate items
National Union of Residents' Associations	Fully agree with all the information proposed. Request that schedules should be produced by Ofwat for each water company showing year by year additional information pertaining to revenue spend, staffing costs and numbers, and remuneration of Directors.
Ofwat Customer Service Committees	
Eastern	Supports the proposals for the Board Overview and June Return. Customers should have access to the Board overview. Information about the June Return could be made accessible via the company and Ofwat's website. Supports the principle that companies should be required to monitor customer satisfaction. Ofwat should take the lead in developing a standardised survey. Although external factors could influence results, do not see why this alone should prevent results from being published.
North West	Supports the format for the Board overview. Although Ofwat acknowledge the differences in companies' systems for collection of information about customer complaints. CSC believes there is a strong argument for a uniform return. Allowing companies to provide information in the form that their systems can provide leaves the CSC open to receiving information which does not address their questions. An audit index could be developed, in which the results of audits could be translated into comparative data recorded within the annual return structure. Definitions should be clear and comprehensive and accuracy of companies' recording should be checked. Supports the proposal that the Return should be submitted in June. Fully supports the monitoring of customer satisfaction levels. Any research should ideally be undertaken on a uniform basis, there would be benefits in publishing the results of such surveys. All companies irrespective of size should undertake regular research.

Southern	<p>Agreed with the criteria for collecting data. Medium for data capture should reflect security required. Does not believe that the web is sufficiently secure. Some 'soft' information is better collected in face to face situations like audits, when it can be challenged and put into context. Subsequent reports can explain the basis of the information in narrative form.</p> <p>Every good company, however small, should elicit feedback on services provided. Does not require expensive market research. Much more could be made of customer contact opportunities. Ofwat should advocate that all companies supply CSCs with evidence that they have sought and listened to customer views. Wherever necessary, made improvements to services.</p> <p>Speed of response to telephone calls is only part of the picture. Time taken can impinge on quality of response. Time it takes is secondary to the success of contact.</p> <p>Do not believe that number on special needs register has any real value. It is whether the company has identified customers that need additional services and has been able to match services to these customers' requirements. A qualitative assessment best arrived at through CSC auditing.</p> <p>A reassessment of current performance indicators DG6, 7 and 9 is required. Continue to believe that CSC audits provide best opportunities for monitoring companies' commitment to high quality service provision.</p>
Environmentalists	
English Nature	Welcome Ofwat's plans to monitor water and sewerage company performance on implementing their obligations. Essential to help ensure that this major programme is delivered to time and cost and secures the environmental safeguards and benefits expected.
Surfers against Sewage	Welcome the move towards a closer linking of monitoring performance against the Final Determination and some companies' suggestion to update their plans year on year. Information on quality enhancements and capital maintenance activity must be made available to the public and NGOs.
Trade bodies, suppliers and contractors	
Institute of Plumbing	All eight measures in the report are of importance and should be retained, except section on competition. Introduction of feedback from staff would provide another dimension to monitoring how well resources are handled.
National Sewerage Association	<p>The data currently collected represents the impact on customers or the water environment which has already occurred. Monitoring ought to move towards that required to demonstrate that companies are taking actions to anticipate the risk of failure and take pre-emptive action.</p> <p>Drainage Area Studies need to be reviewed at intervals if they are not to become irrelevant. Suggests parameters for a more valid reporting regime.</p>

United Kingdom Society for Trenchless Technology	There is an increasing need for information concerning the condition of the infrastructure, in particular the underground pipeline networks. Within the industry there is an opinion that the current serviceability criteria understate the importance of the condition of assets and the need for investment in renewal.
Reporters and Auditors	
W S Atkins	<p>The timing of the Return in June has been challenging. The proposals for the Annual Return 2001-05 represent a further step in the evolution of the process of monitoring companies' performance.</p> <p>Concerns exist about the production of June Returns with fully audited and scrutinised data within a very tight timescale. The difficulties of producing a June Return are outweighed by the benefits of publication of the reports on financial performance and levels of service in July, clearly of benefit to customers.</p>
Halcrow Management Sciences Ltd	Submitted as 'in confidence'.
Strategic Management Consultants	<p>Confidence grade system has resulted in general improvements to systems and sounder data. Continuing to report grade A does not reflect further improvements. Two options – downgrade all reliability gradings to B, require re-audit by Reporter to gain A, or add an additional category beyond A say A*.</p> <p>Materiality is an essential consideration.</p> <p>It would be helpful to all concerned if the purpose for which data was collected were always identified in the guidance notes.</p> <p>Data requirements have a cyclical element. Attention should be given to parameters which will be useful in the future. A number of current performance indicators are measures of service failure, attention could be given to developing indicators which are measures of sewer system performance. There is also a need to find measures which achieve a balance between responsible resource planning and the over-provision of resources.</p> <p>Problems have occurred in achieving consistency between a range of parameters which serve as denominators for comparative analysis. These might be best resolved through collecting a separate table of base data.</p> <p>Welcome forms which regrouped data and then tells a story.</p> <p>The Board overview tables should reflect the companies, plans and the companies' progress towards achieving them. Recommend that key performance objectives, as outlined in the company-monitoring plan should be added in order that progress can be assessed. Succinct, good commentary should fill any gaps left by data. The purpose of the Board overview should be to provide a summary and get Board sign off to progress reported relative to the company Monitoring Plan.</p> <p>The current submission date is achievable.</p>

WATER AND SEWERAGE COMPANIES RESPONSES TO ISSUES RAISED IN THE CONSULTATION PAPER

THE BOARD'S OVERVIEW

No real issues with the proposed changes to the overview.(MKT)

Information requirements are not onerous. Cannot understand use of £/property measure. Tables do not follow Submission N format. (BWH)

With the exception of Table 4, the company believes that the overview provides a reasonable summary of performance. Table 4 continues to confuse outputs and activity. (PRT)

Welcome the improved guidance for completion of the Overview and agree the objective that the overview should be aligned to final determination and monitoring plan. The reporting of key output and performance data should be used to reduce the data burden in the main Return. (NWT)

Overview should be closely aligned to the final determination and monitoring plan. Focus of reporting should be on achievement of outputs rather than listing of activities. (SRN,SVT,SWT,TMS,WSX,WSH,YKS,BWH,BRL)

Proposed measures for monitoring capital maintenance activities for above ground assets are not meaningful. (WSH)

Provision of data tables is prescriptive.(YKS)

Surprised that some of the lines differ from those in the monitoring plan, is it Ofwat's intention not to monitor against those lines in the monitoring plan which do not feature in the proposed tables. (WSH)

Competition reporting to the level of detail proposed should be categorised as *commercial in confidence*. (SWT,TMS,WSH,WSX,BRL)

Scope of the overview on competition should be limited to the existing requirements. (WSH)

It is also premature to include a section on competition, should await the outcome of the Water Bill. (NWT)

Involvement of the EA and DWI would be more efficiently managed if companies supply data and then Ofwat request sign off by the appropriate quality regulator.(SVT,SRN,SWT,TMS,WSH,WSX)

Several lines are shown as being derived from the DWI and EA annual reports. Clarification requested on how annual and/or financial year data can be exchanged and if timing of the quality regulators reports match the timing of the June Return (YKS)

No mention of whether the overview can be marked *commercial in confidence*. (SST)

	<p>Unnecessarily bureaucratic. Information on competition is not a measure of company performance, and would be unwilling to comment. Some duplication of data in Tables 1 and 4. (MSE)</p>
<p>BAD DEBT AND VULNERABLE CUSTOMERS</p>	<p>Accept the need to collect data on bad debt and vulnerable groups but have difficulties with providing some of the data in the categories proposed, particularly historical data. (MKT)</p> <p>Believes too much detail, including historical data. Should only submit certain data if an interim determination claim is made. (WSH, WSX)</p> <p>Continue to believe that a detailed breakdown should only be provided by companies applying for an interim determination. (SRN, TMS)</p> <p>Historical data will be impossible to provide with any level of accuracy. (SVT)</p> <p>Comments have already been made along the lines that cannot provide the information. (BWH)</p> <p>The company reiterates its response to RD7/00. (SST)</p> <p>We do not consider that the proposed information requirements for bad debts are sufficiently streamlined for annual reporting purposes. (SWT)</p> <p>Requirements are still too onerous. (YKS)</p> <p>Ofwat's need for comparative information should an interim determination be triggered, is not sufficient reason to collect annually from all companies. (MSE)</p> <p>Welcome the reduced reporting requirements but will respond to RD16/00. (ANG)</p> <p>Split of bad debts between domestic and non domestic customers will have to be estimated for 1998/99 and 1999/00. This will impair quality of data. Better if this information was required from 2000/01 onwards. (TVW)</p>
<p>REVIEW OF INFORMATION REQUIREMENTS</p>	<p>The proposals do not address the duplication of effort required to meet the demands of the different regulators, particularly the Environment Agency and the Drinking Water Inspectorate. (PRT)</p> <p>Concerns about data provided independently via other regulators, companies should be able to submit data direct with sign off by the other regulators. (SRN)</p> <p>Ofwat identifies the main purpose of the Annual Return as monitoring the delivered outputs against the output requirements set out in the Final Determination Supplementary Report. The</p>

company requires confirmation of the standards assumed by the Director. The company would assume that Ofwat having identified the outputs would then only use these levels in the penalty for poor service assessment (rather than introducing further measures).(MKT)

Ofwat refers to enhanced service levels 'resulting from a sharing with customers the benefits from greater efficiency'. Ofwat should make it clear in advance exactly what they require. (MKT)

Welcomes attempt to reduce data collection but still do not see merit in some requirements. Ofwat should consider cost effectiveness before collecting some data. (TMS, WSX, YKS)

Welcomes the intention to restrict the changes to the Annual Return to a minimum. Confirmation of the data that will be needed for June 2002 and 2003 would be appreciated. (MKT)

May have to defer reporting the new information requirements until 2002, particularly as the definitions will not be available until December. (TMS)

Some data that is needed for econometric analysis is not to be collected annually. Urge Ofwat to consider data requirements in advance of 2004 review. (SWT)

Doubt whether the proposed involvement of the CSC in reviewing transfer pricing compliance is either appropriate or useful. (NWT,SVT,SWT,TMS,WSH)

Transfer pricing requires a robust knowledge of the regulatory framework and it is important that such regulation is consistently applied, rather than suffering from different interpretations from a number of regional offices. (MSE)

A review of the use of confidence grades should take place. (SST)

Improved guidance on company and Reporter commentaries. (SST)

Clarification of the factors contributing to future overall levels of service and assurance that all relevant information is being collected. (SST)

Quality enhancements, the consultation document indicates that the level of detail required from the quality regulators and companies will differ. Clarification of details of information is required. Consistency of information requirements between water and sewerage service is also beneficial.(YKS)

A need for review is the Environment Agency reported number of non-compliant bathing waters. Concur with Ofwat's view that it is effects of discharges, not compliance per se. If able to agree with the EA see no reason not to report numbers which demonstrate how discharges are impacting on bathing water compliance. (YKS)

	<p>Some areas of proposed tables relate to inputs, not out puts. These lines should be omitted, so that focus is clearly on outputs achieved. (TVW)</p> <p>Table 19C (from June Return 1998) should be collected annually. Avoid any misunderstandings on working capital at the next review. (NWT)</p> <p>Reduce the data burden in the main Return to the headline numbers used by Ofwat in the four annual reports. (NWT)</p> <p>An analysis by cause of any variance on quality opex . This is already provided for capex should be extended to opex. (NWT)</p> <p>Whilst the deletion of lines is welcome, additional work is involved in extracting additional information (notably Table 33). A burden of additional cost will placed on the company as a result of the proposed reporting requirements. (CAM)</p>
<p>Review of Regulatory Accounts</p>	<p>Must take account of changes that can easily be made from next April. (SWT)</p> <p>Any significant changes will be too late for inclusion in 2001. (SST,BRL,WSH,WSX, SRN, TMS)</p> <p>Look forward to the consultation. (NWT)</p>
<p>Information on customer satisfaction</p>	<p>Proposal accepted, for smaller companies the cost will be a real issue, do not wish to impose any unnecessary burden. (YKS)</p> <p>For companies with low average bills, the requirement for companies with 300,000 or more customers to undertake a customer satisfaction survey would be onerous. A minimum annual turnover from regulated customers of £50m would be more appropriate. If number of customers is to be used then the figure should be 500,000. (PRT)</p> <p>Precise questions in customer surveys are important. Concerned about the cost of carrying out full scale surveys. Costs of the surveys are disproportionate for small companies. Costs needed to be funded and taken into account in the efficiency modelling. (MKT)</p> <p>Extremely disappointed that Ofwat is proposing an additional regulatory burden, understood that the intention of the review had been to minimise regulatory costs.(SST)</p> <p>Proposal is unnecessary. (BRL)</p> <p>Little benefit in publishing results annually, but there is benefit if all companies, including less than 300,000 customers, provide the required information. (WSH)</p> <p>Happy to publish results annually, but this should not be a regulatory requirement. If a requirement should apply to all companies except the very small. (WSX)</p>

	<p>Meeting this obligation will place an unnecessary financial burden on the company. A dialogue needs to take place about how customer research can be seen to play an active part in price setting. (SRN)</p> <p>Do not support proposal. (TMS)</p> <p>Happy to share summary of research, subject to consultation on what information should be published on trends in customer satisfaction. (SVT)</p> <p>Does the requirement that Ofwat wants the industry's views on at least once a year mean that reporting may be more frequent in the future? Is the 300,000-threshold population or connections? (BWH).</p> <p>Given the degree of subjectivity involved in customer surveys, it would prove meaningless to use them as a comparative tool. If customer feedback is important in the regulatory environment it is not clear why a threshold of 300,000 customers has been applied. (MSE)</p> <p>Undertake regular customer surveys, but do not agree that these should be compulsory and the results shared with Ofwat. To publish results in an attempt to draw comparisons would be misleading. Cannot support the sharing of information when, with increasing competition, this type of customer information will become increasingly valuable to competitors. (ANG)</p> <p>Willing to disclose and discuss results with Ofwat, but believes it over-prescriptive to force surveys at least once a year. Company would prefer to schedule its surveys based on the needs of customers, business planning and optimum use of resources. (TVW).</p> <p>There is a need for an industry and regulatory consensus on a defined and standard approach to monitoring satisfaction if these measures are to be meaningful. (NWT)</p>
Information on customer complaints	<p>Surprised that Ofwat favour inconsistent reporting of complaints information to CSCs. (SST)</p> <p>Note request for complaints data for CSCs. Consider the proposal is pragmatic. (TMS)</p>
TIMETABLE	<p>The submission date of June is manageable.(PRT)</p> <p>Supports the earlier June submission. (SWT)</p> <p>Submission date of early June causes problems for the company. (MKT)</p> <p>Next year's Return should be submitted by 1 July, subsequent annual returns be submitted early to mid June. (SVT)</p> <p>Defer 2001 return to mid June, then review in the light of this</p>

	<p>experience. (TMS)</p> <p>Submission date should be 1 July. (BRL)</p> <p>It would be extremely difficult to bring forward any earlier than the current early June submission. (SST)</p> <p>Urge Ofwat to return to July reporting. (WSX)</p> <p>Prefer a date of mid-June. (YKS, WSH)</p> <p>Further time should be allowed during 2002 and 2003. (YKS)</p> <p>If early June, then amendments will need to be sent post submission. (BWH)</p> <p>Reporters need more than a week to audit the company and write the report. (WSX, BRL)</p> <p>Happy to report in June. (MSE)</p> <p>Agree with the proposal to complete the annual return in early June for a standard return but not an enhanced. Some of the new data may not be available for June 2001 if new systems are required. (ANG)</p> <p>Proposed submission date, is demanding but achievable. (TVW)</p> <p>Beneficial to all parties if a half way house between early June and 1 July could be adopted. (NWT)</p>
<p>Use of e-mail and the web.</p>	<p>Companies should be able to submit the Annual Return by e-mail as well as the normal method. (PRT)</p> <p>Annual Return should be submitted in electronic format, only a single hard copy version. (SWT)</p> <p>Assuming security issues addressed welcomes use of the web (or e-mail) for submitting returns. (SST, BRL, WSH, WSX, SRN, TMS, SVT, NWT, ANG, MSE)</p> <p>Should eliminate or reduce number of hard copies required. (SST,ANG,NWT,WSH,WSX,)</p> <p>Company would want to review ability to transmit large documents, but does not have a problem in principle. (MKT)</p> <p>Not appropriate for transfer of sensitive material. (YKS)</p> <p>Use of web is fraught with dangers, security, and size of files. (BWH)</p>

List of respondents

Water companies

Water and sewerage companies

Anglian Water Services Ltd (ANG)
Dwr Cymru Welsh Water (WSH)
North West Water Ltd (NWT)
Southern Water (SRN)
Severn Trent Water Ltd (SVT)
Thames Water Utilities Ltd (TMS)
South West Water Ltd (SWT)
Wessex Water Services Ltd (WSX)
Yorkshire Water Services Ltd (YKS)

Water companies

Bristol Water plc (BRL)
Bournemouth and West Hampshire Water plc (BWH)
Cambridge Water plc (CAM)
Mid Kent Water plc (MKT)
Portsmouth Water plc (PRT)
South East Water plc (MSE)
South Staffordshire Water plc (SST)
Three Valleys Water plc (TVW)

Environmentalists

English Nature
Surfers Against Sewage

Reporters and Auditors

W S Atkins
Halcrow Management Sciences (submitted in confidence)
Strategic Management Consultants

Organisations representing customer interests

Campaign against Monopoly Abuse
National Union of Residents' Associations
Ofwat Eastern Customer Service Committee
Ofwat North West Customer Service Committee
Ofwat Southern Customer Service Committee

Trade bodies, suppliers and contractors

Institute of Plumbing
National Sewerage Association
United Kingdom Society for Trenchless Technology