



Our Ref. AAB/YMO

Company Monitoring Framework Consultation Response  
Ofwat  
Centre City Tower  
7 Hill Street  
Birmingham  
B5 4UA

7 May 2015

Dear Sir/ Madam

### **CONSULTATION ON THE PR14 RECONCILIATION RULEBOOK**

We welcome the opportunity to respond to your proposals on the PR14 Reconciliation Rulebook and have set out our response below.

The PR14 Reconciliation Rulebook, as drafted can effectively be split into two sections, namely reconciling performance in relation to AMP6 and closing out and reconciling performance for AMP5.

With regard to reconciling performance in relation to AMP6 we would agree with the general principals of the proposals contained within the rulebook.

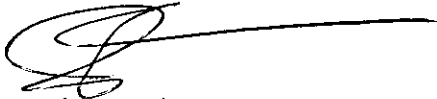
The proposals for Outcome Delivery Incentives, Wholesale Totex, WFFIM and Household retail (noting that Water Trading Incentives are not relevant for Dee Valley Water) would appear to be focused on Ofwat's statutory duties but we would emphasise that to ensure absolute clarity and comprehension for stakeholder's consistency in approach in the final rulebook is essential.

In terms of the close out and reconciliation of performance for AMP5 we would again emphasise the importance of regulatory certainty and transparency for customers with specific reference to the proposed retrospective CIS adjustment to the RCV. Dee Valley Water has relied and will continue to rely on Ofwat's statements and regulatory direction to make interlinked investment, customer service and financing decisions for AMP6 and beyond.

It is important that through this process all parties achieve both regulatory certainty and transparency for customers and other stakeholders.

In the event that you have any queries on the above responses we look forward to hearing from you, and can provide further information as required.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized initial 'A' followed by a long horizontal line extending to the right.

Andrew Bickerton  
Finance Director