

PR19 Outcomes Consultation

Ofwat
Centre City Tower
7 Hill Street
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31 January 2017

Re A consultation on the outcomes framework for PR19

Thank you for the opportunity to respond to the consultation referenced. Dŵr Cymru Welsh Water (DCWW)'s response to the consultation is set out below.

Overall we are supportive of the proposals, and appreciate the early view of the ten proposed common measures for PR19. With regard to the measures themselves, it is very much the case that the devil is in the details, and the proposals are heavily dependent upon the success and the timing of the cross-industry work to reach agreement on common definitions.

Of particular interest to us is the measure for water quality, and it will be no surprise to Ofwat to hear that we wish to see a move away from the Mean Zonal Compliance measure which, as we have evidenced previously, is statistically biased and penalises companies with a high proportion of small water quality zones. We understand that the DWI are contemplating new water quality measures and we would welcome further engagement with Ofwat on this point as alternatives are explored.

Concerning ODIs, we believe that some caution is due with regard to the expansion and enhancement of the framework. It is still very early days in the implementation of the PR14 framework and we are not yet in a position to evaluate all of its effects.

We believe that customer support should be an overriding principle that underpins the whole framework, including performance measures, targets and ODIs. For example, we would be concerned should performance targets set on a comparative basis go against customer views on the value of achieving particular service outcomes.

We welcome the introduction of a set of principles on resilience, which will be a key theme for PR19 for all companies, and particularly for us this year as we look to launch our long-term vision document, Welsh Water 2050.

Finally, we welcome the review of the SIM measure, and have some detailed comments on how it could be revised to better reflect customer service satisfaction.

We look forward to further engagement with Ofwat as the details of the outcomes framework are developed between now and July.



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Yours sincerely,

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We welcome correspondence
in Welsh and English

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