

## Outcomes – Water 2020 stakeholder workshop

Ofwat offices, Birmingham  
21 February 2017

## Agenda

Tuesday 21 February 2017  
 City Centre Tower, Birmingham  
 10.00 am to 3.30 pm

### Outcomes and Customer Engagement workshop

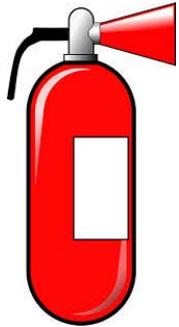
Item	Time	Activity	Facilitator
	10.00 am	Arrival – refreshments	
<b>1</b>	10.20 am	Overview of Water 2020 and aims of the day	Jon Ashley
<b>2</b>	10:30 am	Future customer experience measure	Jasminder Oberoi
<b>3</b>	11:45 am	Coffee break	
<b>4</b>	12 noon	Affordability	Alison Cullen
<b>5</b>	1 pm	Lunch	
<b>6</b>	1.30 pm	Outcomes - introduction	Dena Barasi
<b>7</b>	1.40 pm	Outcomes issue 1 - Asset Health	Dena Barasi
<b>8</b>	2.30 pm	Outcomes issue 2 – Bespoke PCs and ODIs	Amelia Daair
<b>9</b>	3.20	Wrap up	Jon Ashley
	3.30	Close	



## Introduction to Water 2020 and aims of the day

Jon Ashley

Associate Director, Water 2020, Outcomes and Customer Engagement



There is no fire drill planned today.  
If the fire alarm sounds, please make your way down  
the 18 flights of stairs.  
We will guide you to the fire assembly point outside  
Debenhams.



The lavatories are located to the left and right of the lifts.  
We have passes to let you back into the workshop room.



A reminder to please turn your mobile phones to silent.

# Progress towards PR19 – what we have done and what is still to do?

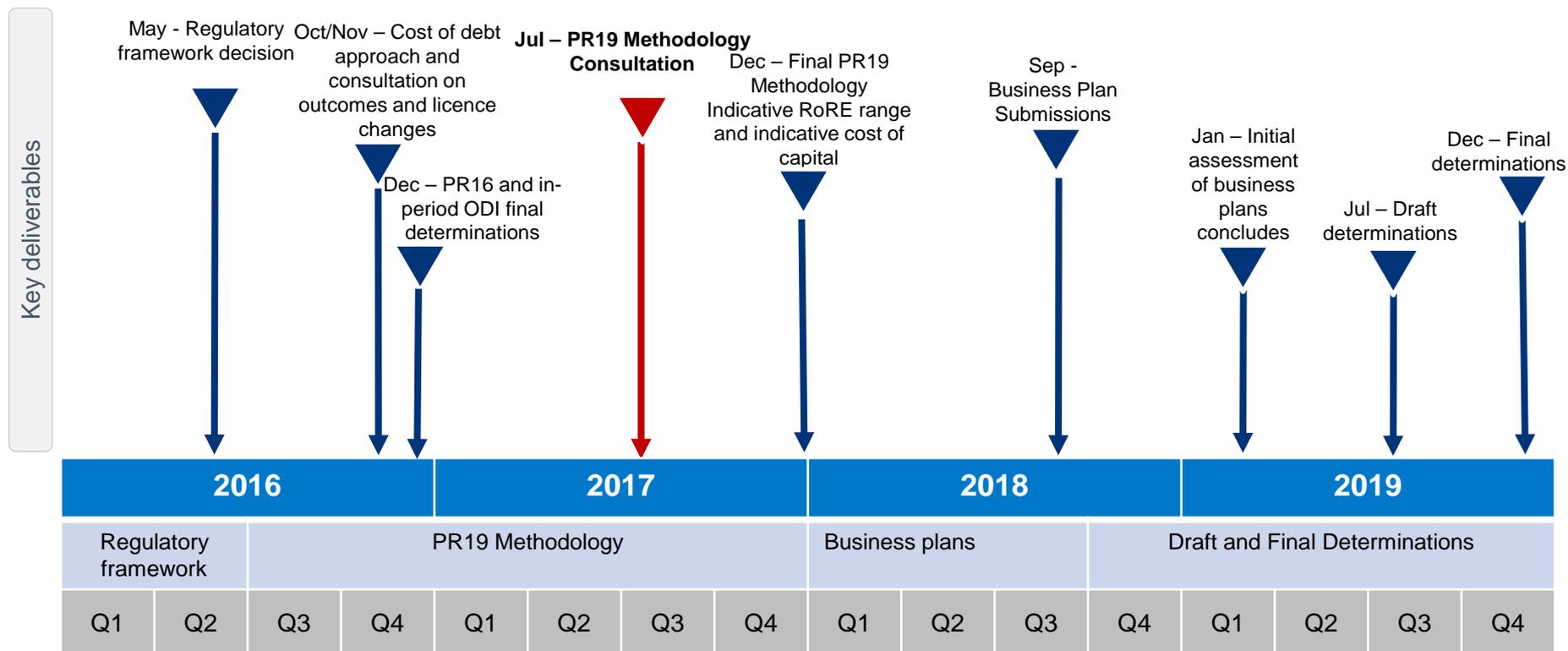
## We have already decided some key elements of the regulatory framework

- Strengthened approach to customer engagement and outcomes
- CPI/CPIH indexation of price/revenue controls and the RCV
- Separate binding price controls for water resources and bioresources (and the broad outline of how these controls will operate)
- Information platforms for the water resource and bioresource markets
- Greater use of markets in the financing and provision of new assets by third parties (direct procurement for customers)

## The PR19 methodology will set out further detail of our regulatory approach.

In particular our expectations of what we expect to see in company business plans, how we will assess those business plans and our approach to intervening if companies do not submit good business plans.

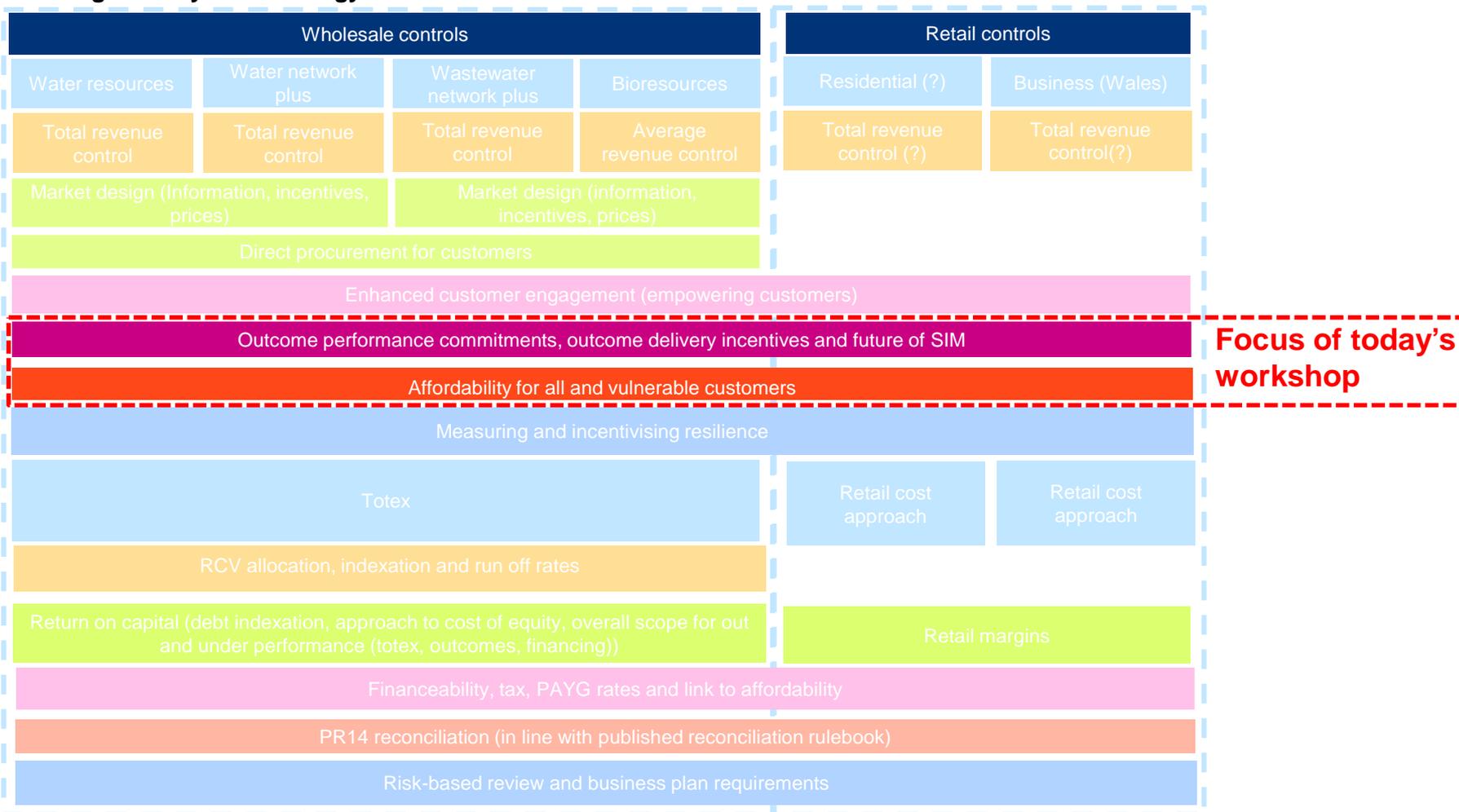
This will cover our approach to individual elements of the price control such as affordability, resilience and financeability.



# What the PR19 methodology will need to cover

The PR19 methodology will cover each area of the price control, and where appropriate consider issues separately for the different wholesale and retail controls

## Coverage of July methodology document



# Weighing the balance of incentives: ODIs; financing; and cost efficiency

## Totex

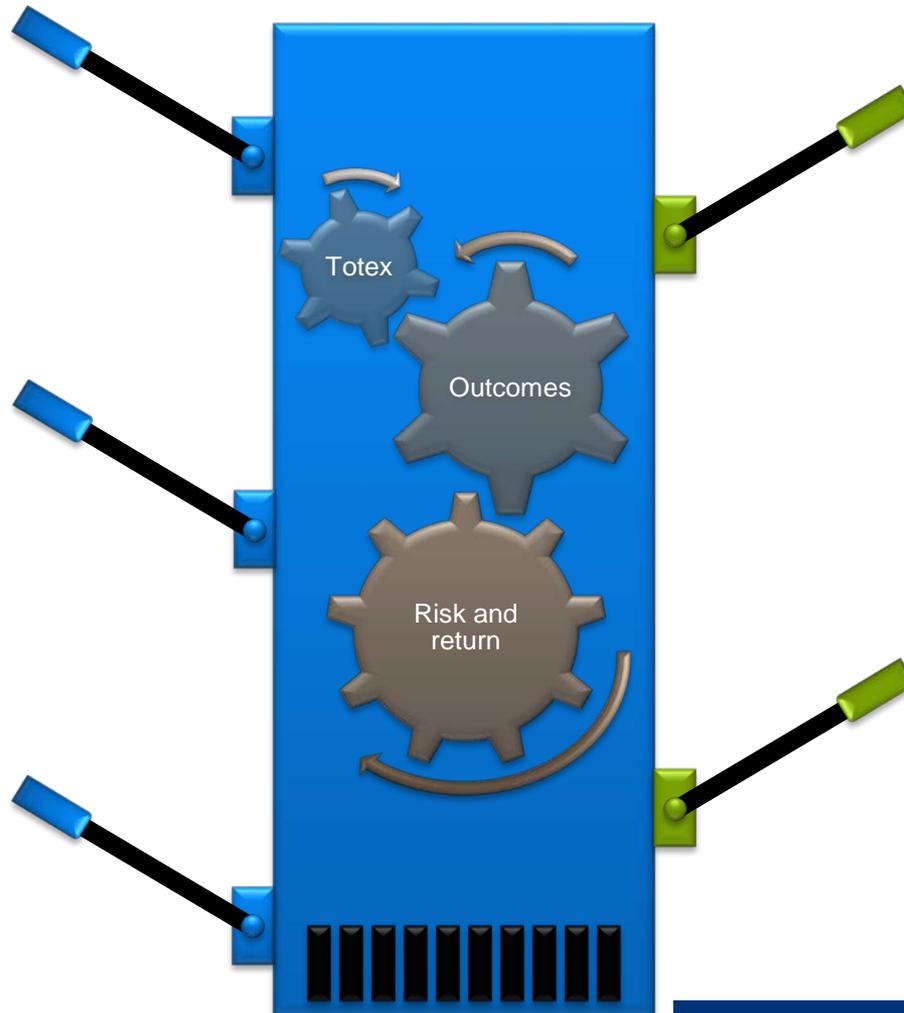
Set allowances for total expenditure (capital and operating) for price review period.

## Risks

Allocate risk between company, investors and customers such as demand risk, cost variances and risk transfer mechanisms such as interim determinations of K (IDoKs).

## Returns

We set the level of return - Weighted Average Cost of Capital (WACC) - on the regulated capital value (RCV).



## Outcomes

Set performance commitments and financial and reputational rewards and penalties for delivery of what current and future customers want.

## Financeability and affordability

Set speed of recovery of totex over time via Pay As You Go (PAYG) rate and speed of depreciation of the RCV. This impacts on financeability, level of bills and sharing of costs between current and future customers.

The tools are the same in England and Wales, but they can be applied in different ways

These tools come together in our “Initial Assessment” of business plans (the new name for “RBR”)



Inform you about some of the key messages from the responses to the outcomes consultation



Collect your views on our proposed policy development for particular areas of outcomes policy



Give you the opportunity to comment on our current policy thoughts on affordability for PR19



Have an enjoyable day and be open and participative

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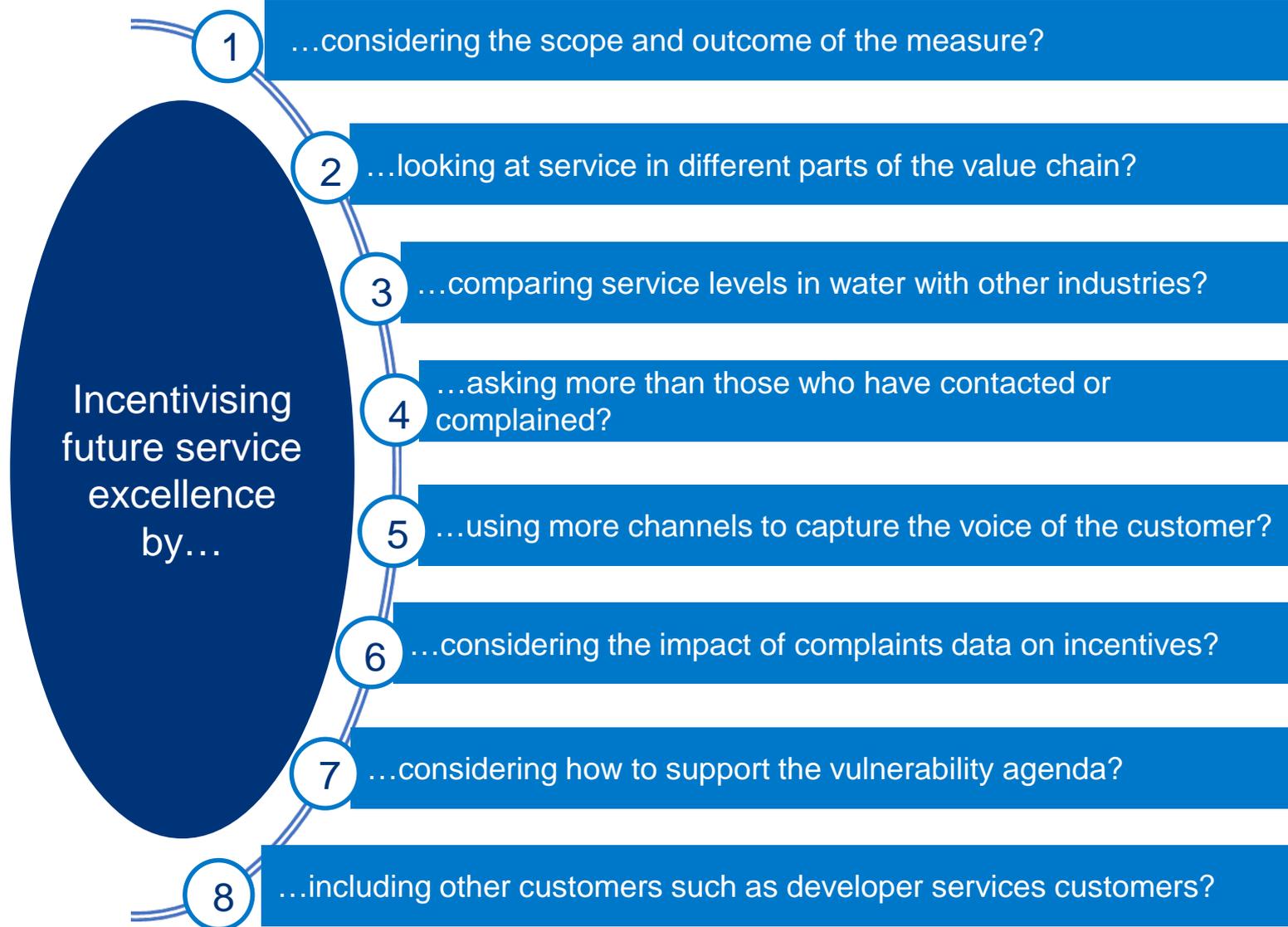
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## **Future customer experience measure**

Jasminder Oberoi  
Principal, Customer Engagement, Ofwat



# You broadly agreed that the SIM must change in order to be fit for the future

Key Questions	Agree	Disagree
1. Ultimate outcome?	Broad agreement that a <b>satisfaction</b> measure should be maintained, and that it should apply to the <b>full service experience</b>	Several suggest alternatives such as <b>NPS</b> or <b>trust</b> . A few want to maintain narrow <b>customer service measure</b> for ease of comparison and greater business controllability.
2. Wholesale to retail?	General agreement that <b>current 50:50 retail: wholesale split works</b>	Some concerns over <b>customers' ability to differentiate between wholesale and retail</b> .
3. Beyond water?	Wide support for <b>comparisons beyond water</b> .	Some cautioned <b>against using only UKCSI</b> in this context, suggesting <b>NPS</b> as an alternative. Debate over whether cross-sector target should be <b>absolute or relative</b> .
4. Beyond contacts & complaints?	Mixed. Most think <b>all customers</b> should be included; others think only <b>contacts should be surveyed</b> . Some suggest including self-service contacts.	
5. Multi-channel approach?	<b>Wide agreement</b> that channels should be widened to reflect newer communication channels.	Some point out that <b>difficulties around consistency of definitions/channels</b> between companies is a concern.
6. Role of complaints?	Most suggest maintaining a complaints element.	Some acknowledge <b>quant measure is becoming less useful</b> over time but do not suggest complete removal at this time.
7. Incorporate vulnerability?	Agreement that vulnerability is important, but does not belong in the future measure	
8. Beyond end users?	Mixed. Some caution against including developers; others suggest creating a separate developer measure; some recommend adding developers to current measure.	



John Lewis  
amazon



How do we incentivise overall service excellence?

How do we incorporate cross sector comparisons?

How do we better capture the voice of the customer using multiple channels?

Break out session 1 - potential  
options for the Future Customer  
Experience Measure

o f w a t

## Discuss the elements of the option



### 1. Trade-offs

- What trade-offs, if any, do you see between the individual elements of the option? What is the main element that you would change?



### 2. Implementation issues

- How would you propose implementing this option in practice? What would you measure and how? For example: data collection methodology, sample sizes, weightings in the measure etc.



### 3. Pros & cons of overall package

- Taking all the elements together, what are the main costs (to industry & Ofwat) and benefits (to customers) of the overall package?

## Feed back from discussion

# Option 1 for discussion: Speedboat

	Status quo/ current SIM comparison	Option 1: Speedboat
		
<b>1. Ultimate outcome?</b>	<p>Incentivises customer service only</p> <p>Measures customer satisfaction which forms 75% of SIM score</p> <p>Measures customer satisfaction on a scale of 1-5 via phone survey administered by Ofwat</p>	<p>Incentivises full customer experience</p> <p>Measures customer satisfaction which forms 90% of score (see below for further weightings)</p> <p>Measures customer satisfaction on a scale of 1-7 using SMS and an online survey sent via email. Administered and funded by companies</p>
<b>2. Wholesale to retail?</b>	Incentivises wholesale and retail performance	Incentivises wholesale and retail performance
<b>3. Beyond Water?</b>	<p>No comparison with other sectors. Ranking system published annually.</p> <p>Best (worst) performer gets reward (penalty) of up to 6% (12%) of household retail revenue at end of control period</p>	<p>Compares water with all other industries: sets minimum absolute target using UKCSI with relative ranking above that where only top performer receives financial reward each year/in-period. Target changes annually. Results published annually.</p>
<b>4. Beyond contacts and complaints?</b>	Includes only those who have contacted their supplier; maximum of 3 month gap between direct interaction and survey	Includes satisfaction of those who have not contacted their supplier; maximum of 1 week gap between direct interaction and survey
<b>5. A multi-channel approach?</b>	Captures experience of mainly phone and some web-based inbound contacts	Rant and rave / social media sentiment analysis results form 10% of overall score.
<b>6. The role of complaints?</b>	Includes complaints numbers which forms 25% of SIM score	Removes complaint numbers from score calculation. Monitor and publish complaints numbers annually, but separately
<b>7. Incorporate vulnerability?</b>	No specific incentive regarding vulnerability	No specific incentive regarding vulnerable customers; addressed through other commitments
<b>8. Beyond end users?</b>	Only end users included in the survey and the complaints metrics	Satisfaction survey includes developer services customers

# Option 2 for discussion: Hovercraft

	Status quo/ current SIM comparison	Option 2: Hovercraft
		
<b>1. Ultimate outcome?</b>	<p>Incentivises customer service only</p> <p>Measures customer satisfaction which forms 75% of SIM score</p> <p>Measures customer satisfaction on a scale of 1-5 via phone survey administered by Ofwat</p>	<p>Incentivises full customer experience</p> <p>Measures customer satisfaction which forms 70% of score (see below for further weightings)</p> <p>Measures satisfaction on a scale of 1-5 using SMS and an online survey sent via email. Administered and funded by Ofwat</p>
<b>2. Wholesale to retail?</b>	Incentivises wholesale and retail performance	Incentivises wholesale and retail performance
<b>3. Beyond Water?</b>	No comparison with other sectors. Ranking system published annually. Best (worst) performer gets reward (penalty) of up to 6% (12%) of household retail revenue at end of control period	Compares water with other utilities: sets minimum target using UKCSI with relative element above that where only top performer receives financial reward at end of control period. Target remains same for each year of control period. Publish results annually.
<b>4. Beyond contacts and complaints?</b>	Includes only those who have contacted their supplier; maximum of 3 month gap between direct interaction and survey	Includes satisfaction of those who have not contacted their supplier; maximum of 1 week gap between direct interaction and survey
<b>5. Multi-channel approach?</b>	Captures experience of mainly phone and some web-based inbound contacts	Rant and rave / social media sentiment analysis results contribute 10% of overall score.
<b>6. Role of complaints?</b>	Includes complaints numbers which forms 25% of SIM score	Includes complaints numbers which forms 20% of score
<b>7. Incorporate vulnerability?</b>	No specific incentive regarding vulnerability	No specific incentive regarding vulnerable customers; addressed through other commitments
<b>8. Beyond end users?</b>	Only end users included in the survey and the complaints metrics	Satisfaction survey includes developer services customers; include complaints from developer services customers in complaints weighting

# Option 3 for discussion: Kayak

	Status quo/ current SIM comparison	Option 3: Kayak
		
<b>1. Ultimate outcome?</b>	<p>Incentivises customer service only</p> <p>Measures customer satisfaction which forms 75% of SIM score</p> <p>Measures customer satisfaction on a scale of 1-5 via phone survey administered by Ofwat</p>	<p>Incentivises customer service only</p> <p>Measures customer satisfaction which forms 75% of score (see below for further weightings)</p> <p>Measures satisfaction on a scale of 1-5 via a phone survey. Administered and funded by Ofwat</p>
<b>2. Wholesale to retail?</b>	Incentivises wholesale and retail performance	Incentivises wholesale and retail performance
<b>3. Beyond Water?</b>	<p>No comparison with other sectors. Ranking system published annually.</p> <p>Best (worst) performer gets reward (penalty) of up to 6% (12%) of household retail revenue at end of control period</p>	No comparison with other sectors. Publish UKCSI scores alongside scores for new measure as a reputational incentive.
<b>4. Beyond contacts and complaints?</b>	Includes only those who have contacted their supplier; maximum of 3 month gap between direct interaction and survey	Includes only those who have contacted their water company; maximum of 1 week gap between direct interaction and survey
<b>5. Multi-channel approach?</b>	Captures experience of mainly phone and some web-based inbound contacts	Includes satisfaction of only those who contacted supplier (inbound contacts) but also includes contacts by email, webchat, online, phone and where attributable, by social media
<b>6. Role of complaints?</b>	Includes complaints numbers which forms 25% of SIM score	Include complaints numbers which forms 25% of score
<b>7. Incorporate vulnerability?</b>	No specific incentive regarding vulnerability	No specific incentive regarding vulnerable customers; addressed through other commitments
<b>8. Beyond end users?</b>	Only end users included in the survey and the complaints metrics	Survey only end users; include complaints from developers in complaints weighting

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## Affordability

Alison Cullen  
Principal, Customer Engagement, Ofwat

## It is the **ability of a customer to pay** for his/her water bill

- Although it is hard to define precisely when a water bill becomes unaffordable, there are risk indicators we, as a sector, can use.

## It is an **important element of delivering trust and confidence**

- Affordability is one of the four main themes of PR19.
- In 'Water 2020: our regulatory approach for water and wastewater services in England and Wales' we identified the **pressure on customer bills and affordability as one of the key challenges** for companies.

## It is a **key focus for Governments, Consumer groups and Charities**

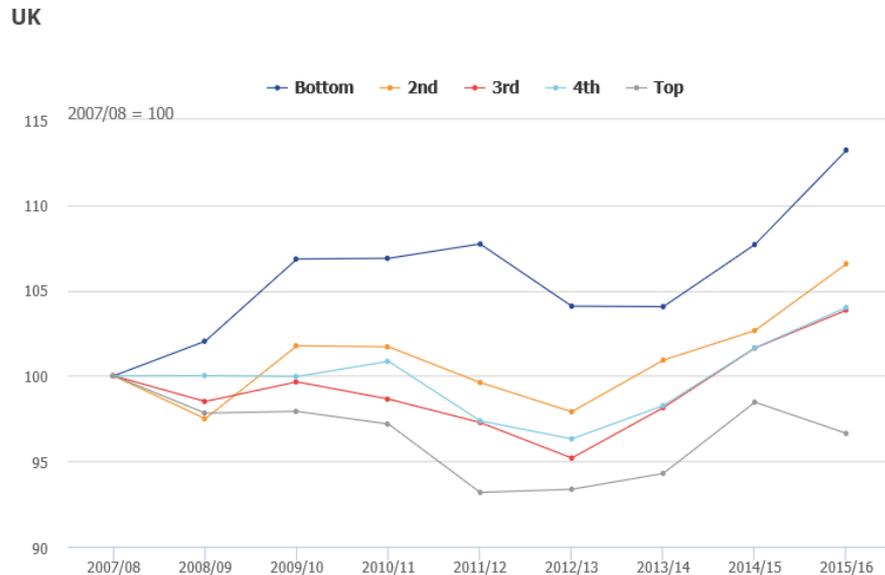
- For example, the Joseph Rowntree Foundation found last week in relation to economy-wide concerns: 'Nearly a third of the population of Britain is living on an "inadequate" income' and 'millions of families "just about managing" are on the tipping point of falling into poverty'
- New ONS data last week showed the bottom income decile of households spent on average 3.3% of their income on water in 2015-16.

# What has happened since PR14? Overall economic background

According to recent ONS data the bottom quintile's median equivalised household disposable income has grown most since 2007/08. This is mostly due to increases in employment. Other data show increasing debt issues for consumers and reduced availability of debt advice.



Figure 2: Growth in median equivalised household disposable income, financial year ending 2008 to financial year ending 2016



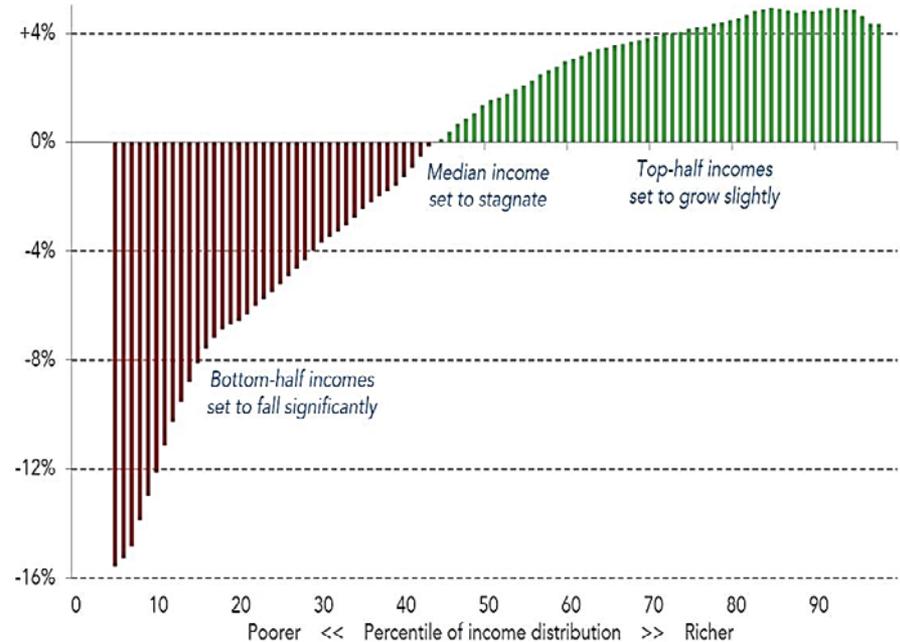
Source: Office for National Statistics

The Resolution Foundation forecasts that lower income earners will see significant reductions in real income in the next five years due to higher inflation, continued low nominal pay growth, lower or no rises in employment and cuts in working-age welfare payments



Figure 3: Forecast income growth from poorest to richest (working-age, after housing costs)

Real equivalised household disposable after-housing income growth, 2016-17 to 2020-21, working-age



Source: Resolution Foundation projection using OBR economic forecasts, planned tax and benefit policies and other assumptions.

### PR14 approach

At PR14 we had tests for affordability, long-term affordability and customer engagement on companies' approaches, including how well companies engaged with hard-to-reach customers.

Since PR14 UK and Welsh Government policy has developed, we have produced new analysis of affordability and vulnerability and the customer uptake of social tariffs has increased considerably.

### Government policy

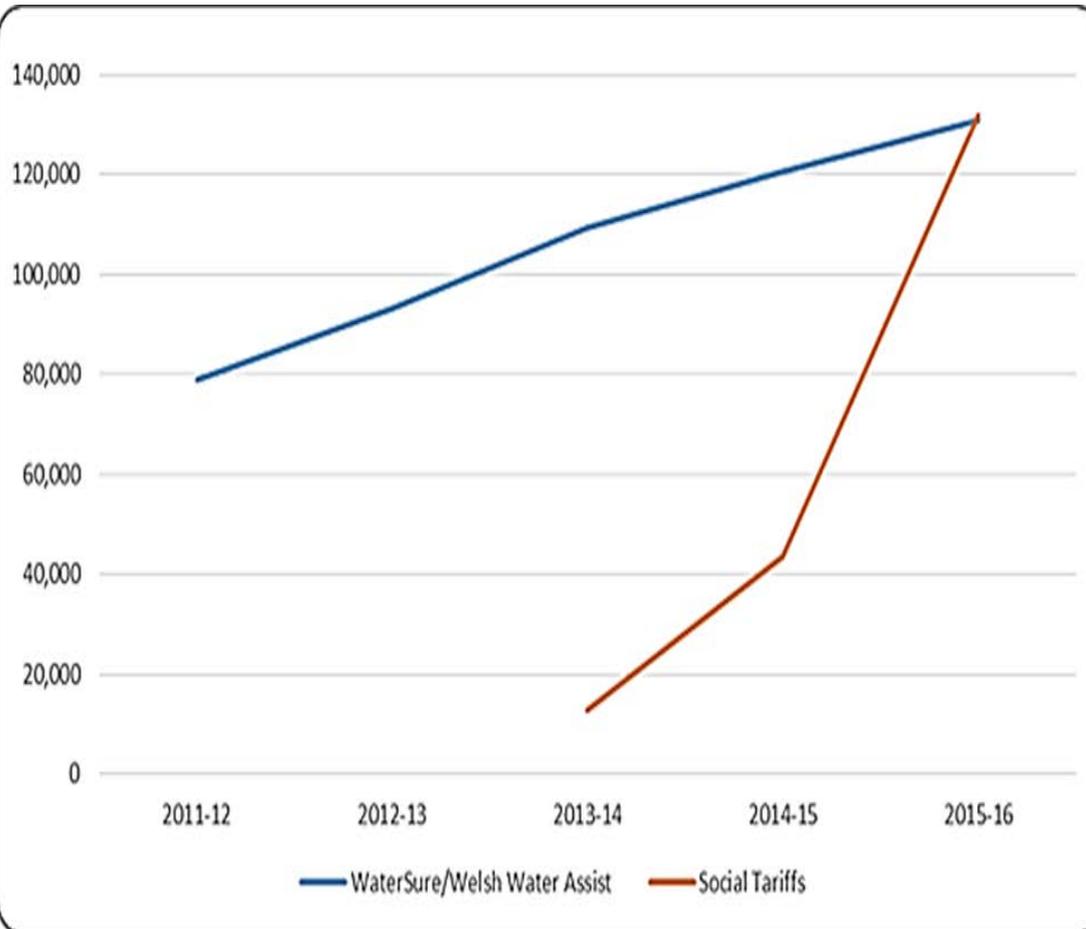
- The UK Government has a focus on a 'shared society,' and announced in its Autumn Statement 2016 measures to support those who are just about managing to get by.
- The Welsh Government's well-being goals (2015) include "A more equal Wales"
- The Welsh and UK Governments' strategic policy statements are likely to provide more information on the Governments' views.

### Ofwat reports

**Affordability report (December 2015)** – companies to own, address and put affordability related issues at the top of their agendas.

**Vulnerability report ( February 2016)** – companies to provide excellent customer service for all their customers, make effective use of data to understand their customers and identify those in situations of vulnerability, engage in partnership working with other utilities and other third party organisations.

## Number of customers on financial assistance schemes 2011-12 to 2015-16



Source : The Consumer Council for Water  
‘Delving into Water 2016’

- The UK and Welsh Governments issued social tariffs guidance in 2012
- All 17 companies offer social tariffs following customer engagement, although two still have to implement them in parts of their areas in 2017,
- By March 2016 262,670 customers were receiving financial help through WaterSure and social tariffs (of which 130,000 through social tariffs)
- The schemes currently in place have the potential to deliver assistance to around 350,000 to 400,000 households.
- Eligibility, the discounts offered and funding for the social tariffs vary between companies
- The industry needs to continue to improve awareness of social tariffs with customers who would benefit from them.

We consider there are **three main aspects** to affordability which are relevant at PR19

## 1. Overall affordability

– low and value for money bills for everyone during the next price control period

## 2. Long-term affordability

– low and value for money bills for everyone over the long term

## 3. Affordability for those struggling to pay their bills

– reductions to bills for qualifying customers

We are currently developing ways of testing these three aspects of affordability at PR19, building on the PR14 approach to affordability, companies' existing performance commitments and policy developments since PR14.

**Affordability for those struggling to pay is one part of the wider vulnerability agenda.** We will assess company support for customers in circumstances which make them vulnerable as part of PR19. We will continue research and engagement on vulnerability as part of our broader work programme.

## Break out session 2 - Affordability

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1. Should we use a metric to assess the overall affordability of business plans e.g. percentage acceptability? Is there other information we should use?

2. What information and metrics are needed to assess whether a company has addressed long-term affordability?

3. What metrics or other information could we use to assess companies' efforts to address affordability for customers who are struggling to pay their bills?

**Continue to engage  
and refine our policy  
on affordability**

**Finalise policy  
proposals on  
affordability for  
consultation**

**PR19 methodology  
consultation July  
2017**

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Outcomes - introduction

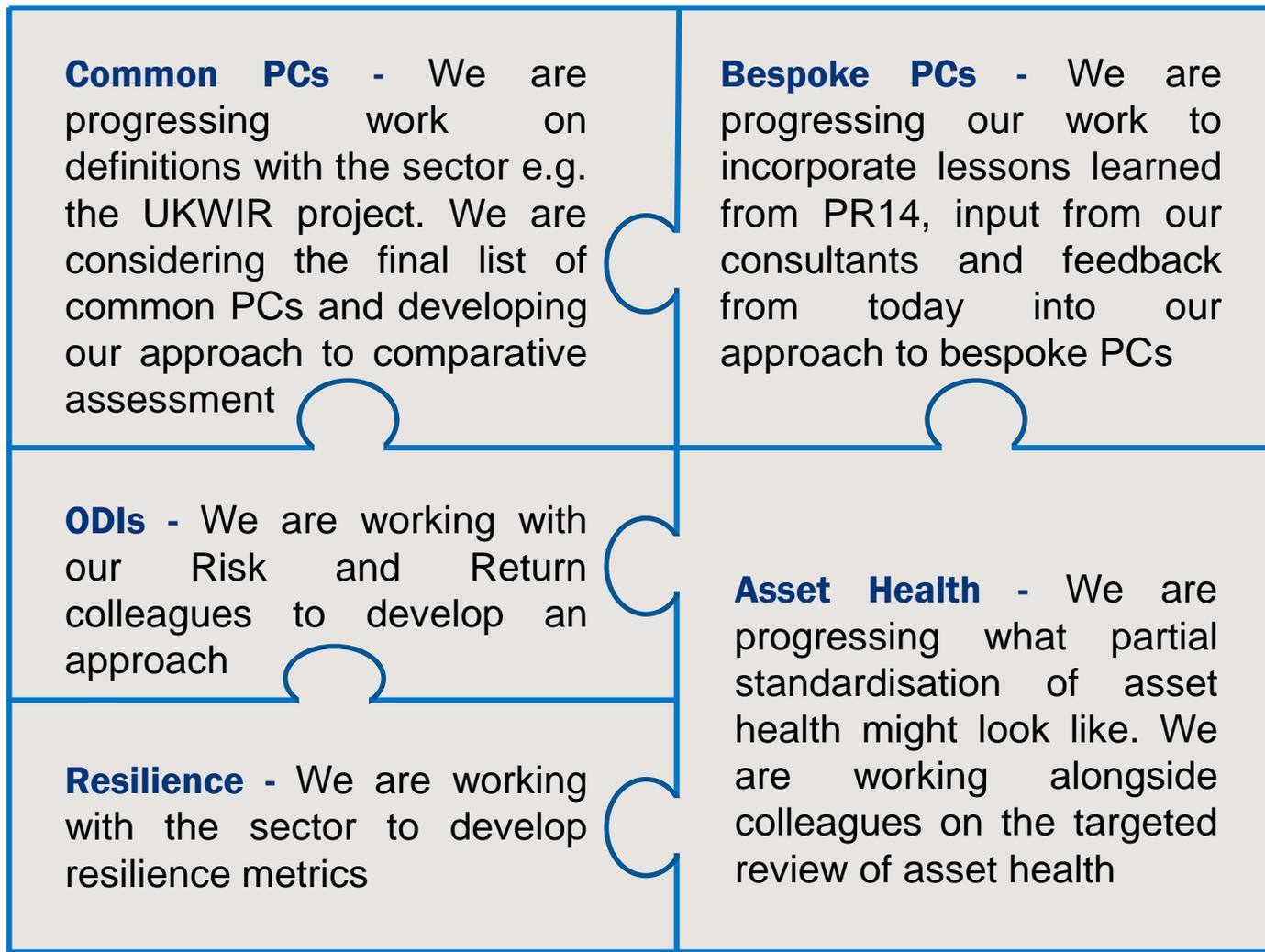
Dena Barasi

Principal, Outcomes

No.	Question
Q1	What is your view on the use of improved information, including comparative performance information, to make performance commitments more stretching?
Q2	What is your view on the common performance commitments we are suggesting for PR19?
Q3	What is your view on how we might apply comparative assessments at PR19?
Q4	To what extent do you agree with our proposed approach to leakage performance commitments for PR19?
Q5	What factors should we take into account in our guidance on setting performance levels for bespoke performance commitments at PR19?
Q6	What is your view on our development of a new customer experience measure for PR19?
Q7	What is your view on the options for increasing the power of reputational and financial ODIs at PR19?
Q8	What is your view on our proposals for better reflecting resilience within the outcomes framework?
Q9	What is your view on the options and our preferred approach to asset health outcomes?
Q10	To what extent do you agree with our proposals for making performance commitments more transparent for customers?

- There was **strong support** for making better use of comparative information.
- There was general **support** for a group of common PCs, but no-one supported all 10 without any reservations
- **General agreement** on the leakage proposals, but differing views about the the SELL
- There was **majority agreement** for using a wider range of information in bespoke PCs and enhancing reputational ODIs
- **General support** for our approach to resilience, including partial standardisation of asset health
- **Strong support** for our transparency proposals

- There were **mixed views** on comparative assessment and common PC levels
- There were **mixed views** on bespoke PCs in particular the level of detailed guidance required and the level of coverage of specific areas that could / should be mandated
- There were **mixed views** on more powerful ODIs including the use of in-period ODIs, common ODIs and a wider RORE range for ODIs



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## Outcomes – Issue 1 – Asset health

Dena Barasi

Principal, Outcomes

We proposed **two asset health measures as common PCs**:

Water mains bursts and sewer collapses

We suggested both were appropriate for comparative assessment

We proposed **six draft asset health outcomes expectations** for PR19

e.g. Companies should clearly present in their business plans their approach to asset health and which of their performance commitments and ODIs relate to it.

We proposed **draft** asset health performance commitments **reporting requirements**

e.g. Companies must provide: clarity on what the asset health sub-measures are.

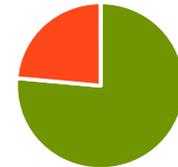
We discussed whether we should move towards **some standardisation** or **full standardisation** of companies' approach to asset health

We considered when **ODI rewards** might be appropriate for asset health performance commitments

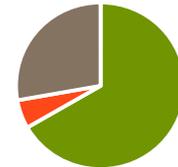
Should water mains bursts and sewer collapses be common PCs?



Do you agree with our asset health expectations for PR19?



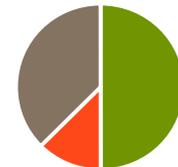
Do you agree with our asset health reporting requirements for PR19?



Should we introduce some partial standardisation to asset health?



Are ODI rewards appropriate for asset health PCs?



## More standardisation



Sub-measures	A minimum set of sub-measures with choice beyond those	Companies choose from approved list of sub-measures (infra/non infra)	A prescribed list of sub-measures
Aggregation method	Guidance on approaches that we recommend	Prescribe aggregation (e.g. matrix), but leave details to companies	Prescribe aggregation method in full
ODIs	Penalty information captured in a common metric (e.g. % of totex)	Set ranges for asset health penalties (and any rewards) as e.g. % of totex	Require penalties to be a certain level, e.g. a percentage of totex

## Water

### Mains bursts

Supply interruptions

Discolouration (orange/brown/black) contacts per 1,000 population supplied

Low pressure

Iron mean zonal non-compliance

TIM (turbidity, iron and manganese) index

Coliforms at treatment works non-compliance

Service reservoirs coliforms non-compliance

Overall compliance at treatment works

Number of water treatment works where turbidity is greater than 0.5 NTU

Enforcement action considered for microbiological standards

Unplanned maintenance

## Waste Water

### Sewer collapses

Blockages

Pollution incidents

General internal flooding

Internal sewer flooding due to overloaded sewer

Flooding due to other causes

Equipment failures

Sewage treatment works numeric discharge consent non-compliance

Population equivalent look-up-table discharge consent non-compliance

Unplanned maintenance

BOD, SS and NH<sub>3</sub> non-compliance.

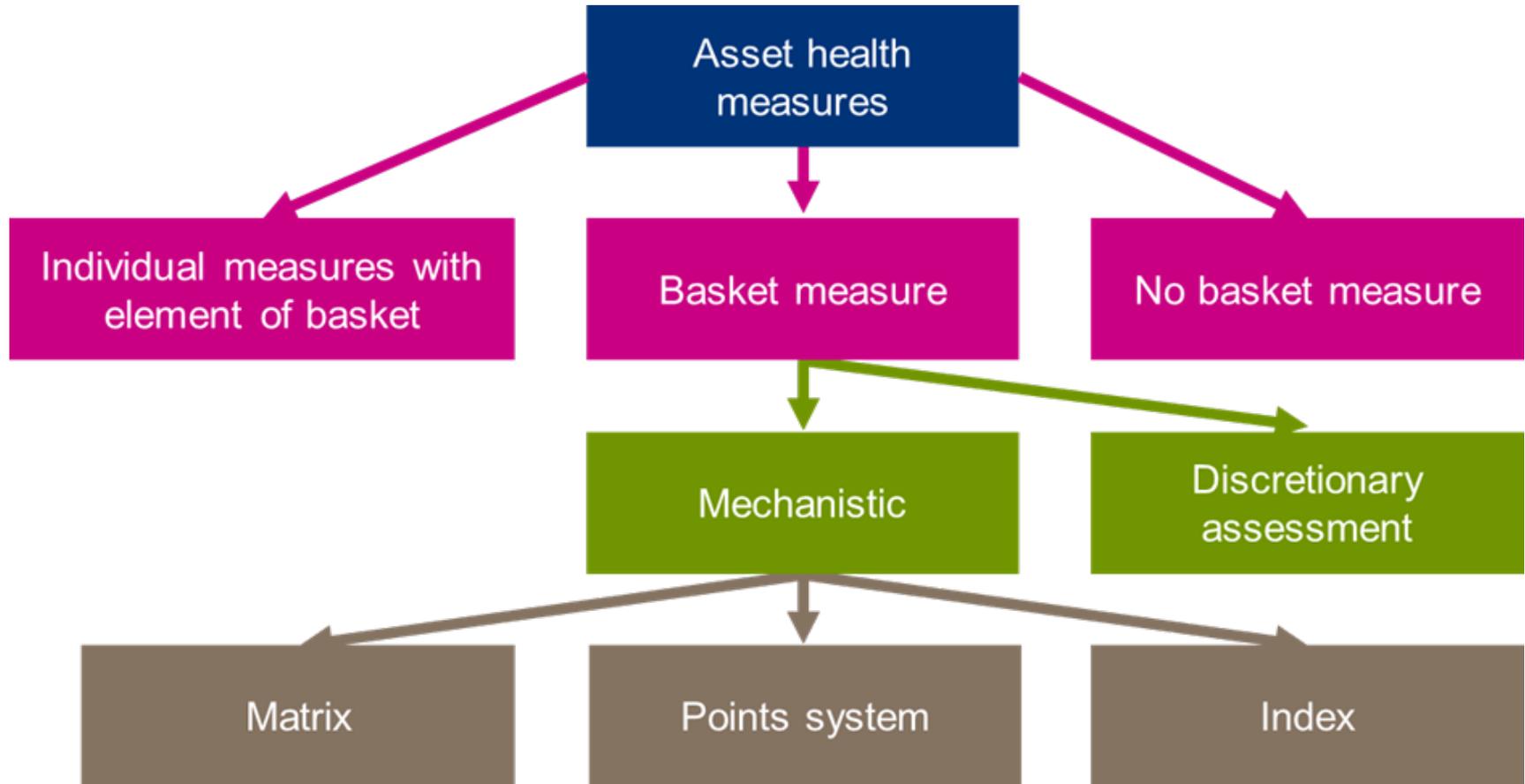
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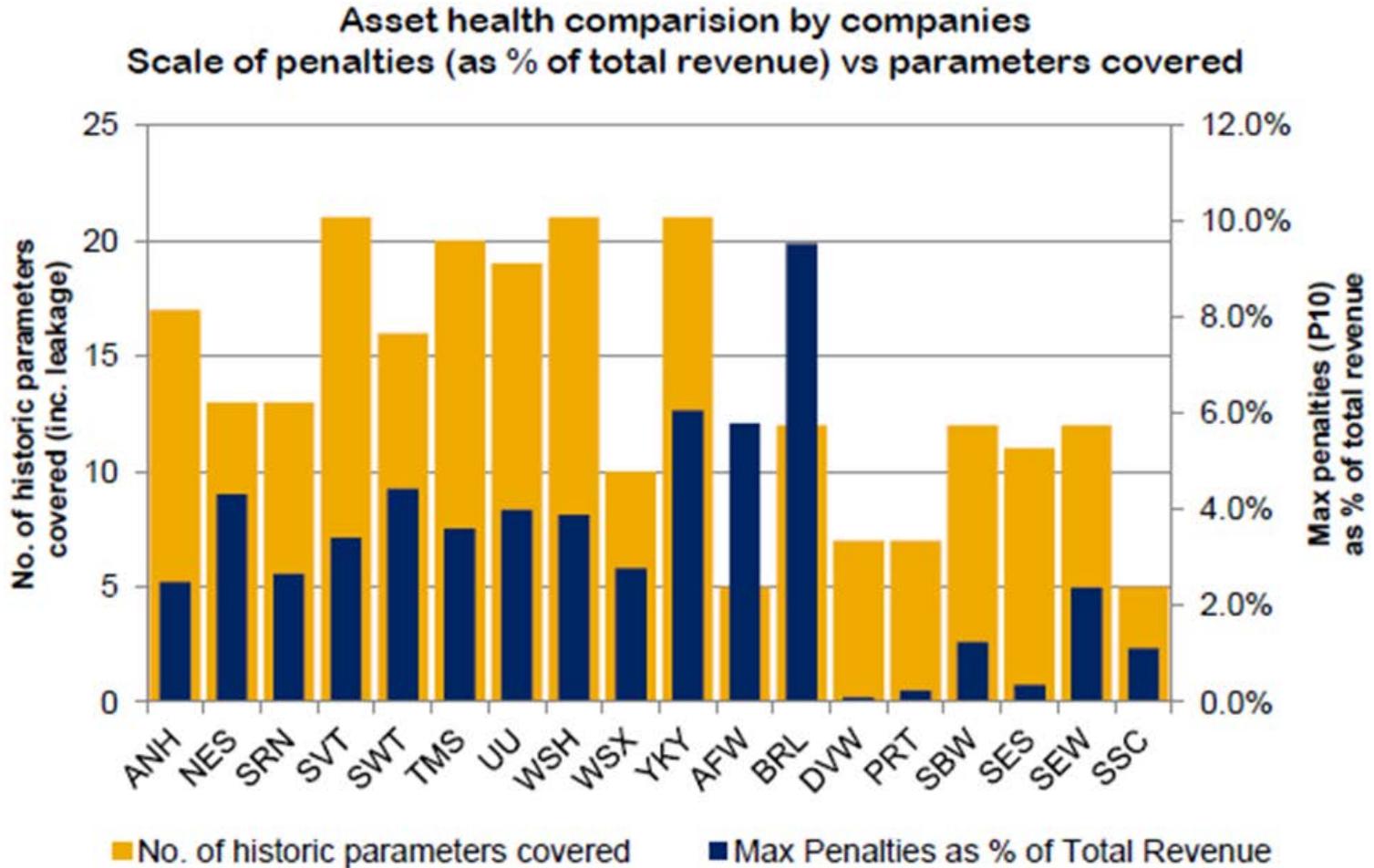
Infra

Non

Infra

Partial standardisation could involve requiring companies to select a certain number of sub-measures (with standard definitions) from the list above. We need to consider if there should be at least one asset health measure for each price control.





## Break out session 3 – asset health

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1. How far do we go towards standardisation of asset health? ( pros and cons of the different options?)

2. What minimum set of sub-measures would you propose?

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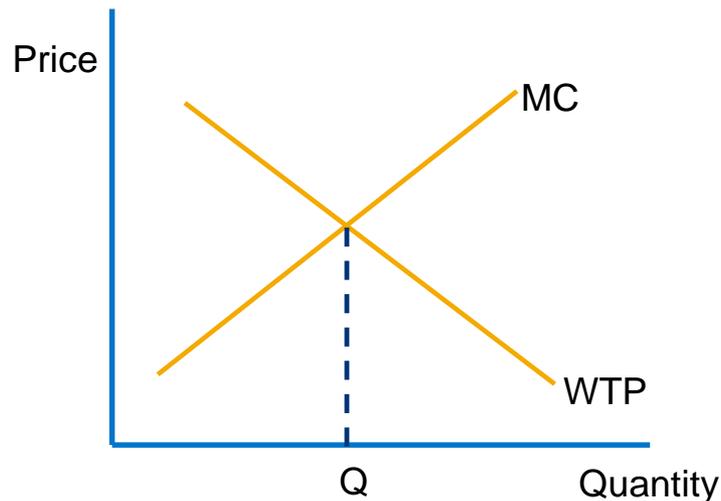
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<b>7</b>	1.40 pm	Outcomes issue 1 - Asset Health	Dena Barasi
<b>8</b>	2.30 pm	Outcomes issue 2 – Bespoke PCs and ODIs	Amelia Daair
<b>9</b>	3.20	Wrap up	Jon Ashley
	3.30	Close	

## Outcomes – Issue 2 – approach to setting PCs and ODIs

Amelia Daair

Principal, Outcomes

- At PR14 we prescribed an approach to how companies should set their performance commitment levels for bespoke PCs.
- To deliver this approach, companies needed to identify and understand their marginal costs and customers' marginal willingness to pay. The PC level was set where the two lines intersected (see diagram below).



**However**, in some cases, it was difficult, in practice, for companies to implement the framework, especially to use marginal WTP and MC consistently and demonstrate robustness (e.g. sensitivity to inputs)

- We also prescribed an approach to setting ODI reward and penalty rates

$$\text{ODI}_{\text{penalty}} = \text{Incremental WTP} - (\text{incremental cost} \times p)$$

$$\text{ODI}_{\text{reward}} = \text{Incremental WTP} \times (1-p)$$

**However**, many companies told us they found it hard to find reliable values to use in the formulas. Some companies used different approaches to the formulas.

## Advantages of guidance on setting bespoke PCs and ODIs

- > Could provide clarity on our expectations for setting bespoke PCs and ODIs at PR19
- > Can pick up lessons learnt from PR14 approach
- > Could allow companies to frame their customer engagement to fit with the guidance
- > Without new guidance stakeholders might assume the PR14 guidance still applies

## Disadvantages of guidance on setting bespoke PCs and ODIs

- > Might reduce the scope for innovation in how companies set bespoke PCs and ODIs at PR19
- > Might restrict the ability of companies to reflect customers' preferences in the setting of PCs and ODIs for PR19
- > Might cause companies to rely unduly on our guidance

For PR19 therefore we have been considering; what is the appropriate:

- Approach to setting PCs and ODIs?
- Type and level of guidance to assist companies?

In the November Outcomes Consultation we sought views on an appropriate approach for PR19. Are the same approaches to setting PCs / ODIs appropriate for PR19?



## **Using a broader range of techniques to provide customer valuations**

A majority of respondents to the Outcomes consultation supported using a wider evidence base to support Willingness To Pay

## **Considering most appropriate tool for setting each type of PC/ODI?**

Is the same approach appropriate for all PC types?

- Comparative information available (cross industry)
- Historical information available
- Statutory measures
- Asset health measures
- Resilience measures
- Unique / bespoke measures

Different approaches could be appropriate for different types of PC.

Area of focus for this discussion

Aim is to ensure PCs and ODIs are stretching and robust to any data issues. Frontier Economics has been working with us on these issues. The following two slides represent work in progress.

Options for setting PC level	Description
<ul style="list-style-type: none"> <li>&gt; CBA approach</li> </ul>	<ul style="list-style-type: none"> <li>• As at PR14 but with potential improvements: multiple data sources on customer valuation, improving quality of cost data.</li> </ul>
<ul style="list-style-type: none"> <li>Comparative information</li> </ul>	<ul style="list-style-type: none"> <li>• Where comparative information exists and can be used to challenge PC level</li> </ul>
<ul style="list-style-type: none"> <li>Historical information and minimum improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Look at historical performance improvements (either on a company or industry basis) and use that to forecast a rate of future improvement.</li> <li>• Define a minimum improvement/challenge for companies</li> </ul>
<ul style="list-style-type: none"> <li>&gt; Maximum level attainable</li> </ul>	<ul style="list-style-type: none"> <li>• Use the maximum possible level attainable for a measure and justify performance under that rather than taking status quo as starting point</li> </ul>
<ul style="list-style-type: none"> <li>&gt; Evidence and engineering expertise</li> </ul>	<ul style="list-style-type: none"> <li>• For example, asset health PCs might be informed using engineering models that assess network.</li> </ul>

Options for setting ODI rewards / penalties	Description
<b>Penalties</b>	
> PR14 formula	ODI penalty = Incremental WTP – (incremental cost x p)
> Highest Marginal Cost	Highest marginal cost across companies (where you have comparative data)
> Marginal cost	Based on marginal cost with no WTP link
> None	No financial penalty since fines already in place e.g. statutory targets
<b>Rewards</b>	
> PR14 formula	Incremental WTP x (1-p)
> Include any externalities	Uplift for wider externalities that may not be captured in WTP valuation
> No reward	No reward applied - this could be due to unintended consequences / lack of confidence about PC level / lack of customer support

## Break out session 4 - approach to setting PCs and ODIs

1. How detailed should any guidance on setting bespoke PCs and ODIs be at PR19?

2. What are your views on a measure-specific approach to PCs and ODIs? Will it be easier / harder to implement compared with PR14?

## Agenda

Tuesday 21 February 2017  
 City Centre Tower, Birmingham  
 10.00 am to 3.30 pm

### Outcomes and Customer Engagement workshop

Item	Time	Activity	Facilitator
	10.00 am	Arrival – refreshments	
1	10.20 am	Overview of Water 2020 and aims of the day	Jon Ashley
2	10:30 am	Future customer experience measure	Jasminder Oberoi
3	11:45 am	Coffee break	
4	12 noon	Affordability	Alison Cullen
5	1 pm	Lunch	
6	1.30 pm	Outcomes - introduction	Dena Barasi
7	1.40 pm	Outcomes issue 1 - Asset Health	Dena Barasi
8	2.30 pm	Outcomes issue 2 – Bespoke PCs and ODIs	Amelia Daair
9	3.20	Wrap up	Jon Ashley
	3.30	Close	



Next steps

Jon Ashley

Associate Director, Outcomes and Customer Engagement



We will reflect on the views you have expressed today when developing our approach



We might want to follow up on specific points with you



We will consult on proposals for outcomes, the new customer experience measure and affordability in the methodology consultation in July

**Please have a safe journey home**

