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Dear Sir/Madam

### **Severn Trent Water and Dee Valley Water NAV Application Consultation Response**

Natural Resources Wales welcomes the opportunity to comment on the consultation on the NAV applications for Severn Trent Water and Dee Valley Water. As the principal environmental regulator in Wales, our purpose is to pursue the sustainable management of natural resources in all of our work. We have no significant concerns with regards to the NAV applications, just the following comments for consideration.

Severn Trent Water (STW) currently have an Outcome Delivery Incentive (ODI) around leakage. They are proposing to split this target between the two new companies. We are aware that at a company level STW are meeting this target but in the Powys water resource zone, the leakage target is currently being failed. We, therefore, seek further clarity on the actions DVW propose to take to ensure the new proposed leakage target for Powys is met.

As the environmental regulator we monitor water company performance annually using the Environment Performance Assessment (EPA). This allows us to compare company performance across the industry in England and Wales. If the application is approved, we will have to consider how to report on these metrics during the transitional period and for the remainder of the AMP6 period.

If the application is approved, we will have to work closely with the water companies to ensure that all permits and legal documents involving us reflect the new operating arrangements, but we do not foresee any significant implications for security of supply or the environment.

Should you wish to discuss our response, please contact Caroline Harris on 03000 654304 or [caroline.harris@cyfoethnaturiolcymru.gov.uk](mailto:caroline.harris@cyfoethnaturiolcymru.gov.uk).

Yours faithfully



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Rheolwr - Dŵr/ Manager Water