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Mr Chris Jones
Chief Executive
Dŵr Cymru, Welsh Water
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19 June 2018

Dear Chris

Water is an essential service and customers have a right to expect their water company to be well prepared to protect them from the impact of bad weather. The thaw that followed the 'Beast from the East' period of cold weather in late February and early March 2018 caused supply interruptions to over 200,000 customers across England and Wales. Some interruptions lasted several days, impacting households, businesses and essential public services, like hospitals and schools.

As a sector we must understand why this happened; why some companies have performed better than others and, crucially, that we take steps to ensure that there is a significant and sustained improvement in performance by the companies who did not perform well and a step up in the ability of the industry as a whole to protect customers from the impact of bad weather. Importantly, companies should take ownership of and responsibility for this process and ensure that lessons are learned so that their customers are better served in the future.

Our overall analysis of Dŵr Cymru's performance is that although there are some areas where it did well a significant number of its customers (over 20,000) experienced supply interruptions of more than 4 hours and there are real areas where its performance needs to improve. While it is clear that the company and its staff worked hard to manage the incident as it unfolded, it is also clear from our review that the scale of the impact on customers in the region was significant.

We expect Dŵr Cymru to carefully consider the issues identified in our review, in this letter and in any internal review Dŵr Cymru conducts. It should publish its response to the matters raised by 28 September 2018. This response should be proportionate to the issues identified.

Planning and preparation

- **Dŵr Cymru commenced checking the suitability of winter plans from 24 February 2018**, at the point that the first warning of extreme weather was received. From the point that the first red weather warning was issued Dŵr Cymru's major incident teams, including the Crisis Management Team, the Gold Team and Silver Centre were all established at both the control centre and throughout operations depots in Wales and Herefordshire.
- **From 1 March 2018, all non-essential routine and planned activity was suspended** to ensure that there was sufficient resource once the severe weather hit. Winter planning also included holding minimum pallets of water at depots and pre-identified locations for customer collection of alternative water supplies.
- **Dŵr Cymru's Executive was involved in the preparations at an early stage in** assessing and escalating preparations in readiness for the potential issues caused by the oncoming severe weather, representative of some of the elements of good practice demonstrated in the company responses we received.
- **The company's response to the severe weather was informed by early monitoring of the impact of the weather**, a process which was updated following the severe winter weather in 2010/11. Lessons learnt following the 2010/11 event informed Dŵr Cymru's response to the recent severe weather.
- **The customer information campaign demonstrated a proactive approach to customer education**, particularly in the 'Wrap up Wales' campaign which is complemented by the distribution of free lagging kits, over 4000 of which were issued prior to the severe weather.
- Dŵr Cymru provided a comprehensive and detailed response to the outline of winter planning activities.
- The identification of vacant properties, particularly in rural areas which have a high proportion of caravan parks and holiday homes not used over winter is an area which can be improved, and Dŵr Cymru has identified this as an opportunity to improve the quality of data held in this area.

Incident response

- **The emptying of service reservoirs led to loss of supply or intermittent supply for customers and is particularly concerning.** Of the 354 Dŵr Cymru service reservoirs, 80 went into a 'Low Low' state which indicated concerns about the amount of water available to continue supplying water to customers.
- Dŵr Cymru's region suffered from loss of power as a result of the severe weather. The loss of tested generators in freezing weather was an unexpected occurrence and caused significant disruption; in the offline period between the loss of mains power at the Strata Florida water treatment works and the onsite generator swapping over, dosing lines froze and prevented water entering supply.

- An inability to access rural sites or remotely control or monitor rural sites was another issue faced by Dŵr Cymru. The St Davids supply area in Pembrokeshire was one of the most affected locations, and a lack of remote network monitoring resulted in no notification being provided of problems in the supply area.
- **We note some water quality issues were reported to the DWI.**

Communication and support

- **Proactive communication including advice, updated and targeted messaging was made with customers** during the event through the mediums of social media, text messaging, website and traditional media. Dŵr Cymru used a variety of channels intelligently, such as by targeting business customers through targeted platforms like LinkedIn paired with bespoke messaging.
- **Social media communications were used very well**, with a mix of proactive and reactive posts; the geo-targeting of alerts to the worst affected regions was effective, as it allowed Dŵr Cymru to target the correct audience with the most local and up to date messaging.
- **Communication and support continued beyond the event** through community visits to offer customer education, support and advice, issuing apology letters, offering briefing meetings to councillors and using the post-event period as an opportunity to record customer details on to the Priority Services Register.
- **Dŵr Cymru's response also detailed good communication with stakeholders**, including providing advice to stakeholders to share with their constituents. Dŵr Cymru's engagement program meant that they were in contact with Assembly Members and Members of Parliament, who were offered daily updates from 1 March 2018. The worst affected regions received several daily updates to provide further information about Local Authority Leaders and Councillors, and Dŵr Cymru's response indicates that they liaised with local resilience forums before and during the incident.
- Dŵr Cymru contacted customers registered under the Priority Services Scheme to understand their circumstances and determine whether they required alternative supplies of water. It is known that vulnerability is a transient state, and Dŵr Cymru's proactive approach to asking customers questions about their vulnerability as customers were calling in acknowledged this. Alternative water supplies were arranged for nine nursing homes, and hospitals' water supplies were monitored.

Compensation

- Dŵr Cymru identified customers eligible to receive compensation from the text messages it sent out to customers who were impacted by a loss of supply or

supply interruptions. A fixed rate of £75 was provided to all customers who lost supply for over a period of 12 hours, and this figure is an enhanced Guaranteed Standards Scheme payment above statutory levels. Although the enhanced level of compensation provided to customers is positive, Dŵr Cymru's didn't provide complete information about the total level of compensation paid by the company to date.

- Any non-household customer seeking compensation for loss of business or other associated compensation is being dealt with on a case by case basis by Dŵr Cymru. The company's response to us however lacked information about the process that business customers needed go through in order to make such a claim, and whether businesses were advised of their ability to make a claim.

While there were areas where Dŵr Cymru performed well, it must take ownership of the issues identified in this letter and in our report to ensure that customers are better protected the next time there is bad weather.

Yours sincerely



John Russell
Senior Director, Strategy and Planning