

Update to the Ofwat Request for information following severe weather event

This report is an update to the response dated 6 April 2018 from Dŵr Cymru Welsh Water (Dŵr Cymru Cyfyngedig or “DCC”) to the severe weather incident Request for Information by Ofwat. Work has continued on actions associated with the storm event including customer research and further analysis of the customer impact. This report is intended to provide an update to the information supplied originally, and to highlight additional insights.

1. Post incident customer research (conducted by Accent Research)

Following the severe weather incident, we commissioned Accent Research to undertake targeted quantitative research to understand the impact of the incident on our customers, including understanding customers’ perceptions of the company, how we dealt with the incident and how we communicated with them during the period. 400 customers were surveyed, 200 who were affected by low pressure or loss of supply, and a further 200 who were not directly affected in order to understand the wider impact of the incident.

In terms of customer sentiment after the incident, the key findings were:

- Overall satisfaction with the water supply service from DCC was very high: 71% very satisfied and an additional 19% said they were satisfied. Amongst those directly affected, 86% remain satisfied or very satisfied with only 3% saying they are dissatisfied or very dissatisfied with DCC.
- Two-thirds (65%) of those directly affected rate DCC as good or very good value for money and there is no significant difference between those who were or were not directly affected (66% for those not direct affected).
- Of those directly affected, 10% were dissatisfied or completely dissatisfied with how DCC dealt with the bad weather incident and 70% were satisfied or very satisfied.
- 79% of those directly affected agree that you can trust DCC to do the right thing (only 6% disagree) compared to 83% of those who were not directly affected.
- Of those affected, 27% felt that DCC communicated badly or very badly while 54% felt DCC communicated well or very well. The main areas suggested for improvement were providing better information and responding in a more timely manner.

2. Community Engagement in the affected areas (May 2018)

In the aftermath of the severe weather caused by Storm Emma and the “Beast from the East” converging on our supply area at the end of February/beginning of March 2018, DCC has continued its engagement activity with stakeholders and communities in the affected areas.

Our approach was prepared in the immediate aftermath of the severe weather event. We realised that the extent of disruption to some of our worst-affected customers and communities would necessitate the delivery of a short to mid-term comprehensive engagement programme, aimed at regaining trust that may have been lost during the incident. All this activity is based on our vision *to earn the trust of our customers every day* and is based on three key elements;

- Stakeholder management
- Community Engagement and Educational Outreach

- Community Fund

Reassuringly, our research (Accent, May 2018) indicates that the incident and DCC's response to it has had only a limited impact on customer satisfaction (mainly with satisfaction moving from 'very satisfied' to 'satisfied' for some customers), and no significant impact on customer trust or customer perception of value for money. We are, however, continuing with our customer engagement activity.

3. Stakeholder management

Further to the extensive briefings held with elected representatives during the severe weather event, we have continued to work closely with Members of Parliament, Assembly Members and local authority leaders and members to ensure that they are kept informed of:

- Any lessons learnt (identification of issues and the plan for implementation of improvements);
- Where stakeholders should direct any continuing queries or concerns from their constituents (for example, regarding compensation payments); and
- Wider initiatives that we are undertaking (e.g. see reference to the Community Fund below) to help communities recover from the impact of Storm Emma.

During Storm Emma we emailed daily updates to all AMs and MPs and provided regular telephone updates to the elected representatives of all those areas which were significantly impacted by disruption to their water services.

This has been followed up by an offer of a face to face meeting with all AMs and MPs in affected areas. We have subsequently met with Lord Dafydd Elis-Thomas AM (Dwyfor-Meirionnydd), Rhun Iir Iorwerth AM (Anglesey) and Sian Gwenllian AM (Arfon). We also attended the 2018 Spring political party conferences for the all the major parties in Wales in April (with the exception of the Welsh Conservative Party conference which is being held in mid-May), and these have been an invaluable opportunity to meet many other political stakeholders and update them accordingly.

We have also written to the Leader and Chief Executive of all the local authorities whose communities were worst-affected by Storm Emma (namely Anglesey County Council, Gwynedd County Council, Ceredigion County Council and Pembrokeshire County Council) offering a briefing from our Chief Executive/Chief Operating Officer to the full Council on our recovery and operational activity in the respective areas. This has been welcomed with meetings now scheduled to be held with local Councils in May/June (as there are no local elections being held in Wales during this period).

We have also offered meetings with all the major representative and trade associations including the National Farmers' Union for Wales, Farmers' Union of Wales and CBI Wales. However, our offer has not been taken up by any of these organisations.

4. Community Engagement and Educational Outreach

In recent years, through our ongoing business as usual activities, we have found that the most effective way of engaging customers is to attend community events that have been organised locally. As a

result, we have decided to work with local stakeholders to target a number of local community events, particularly over the summer.

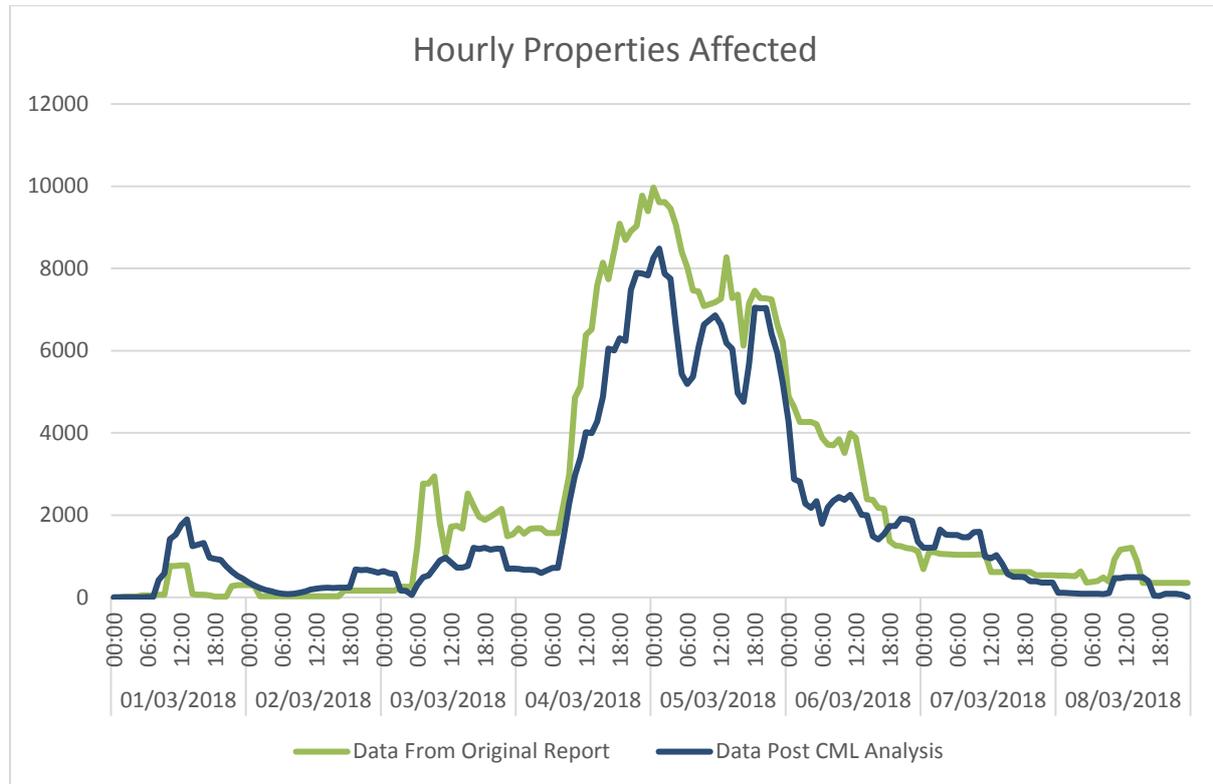
Some of the local events we have already attend or will attend in these areas can be seen below:

County	Events already attended	Events to be attended
Anglesey	05/04/2018 - Anglesey County Council (ACC) event – Amlwch Family Fun Day 06/04/2018 - Penycefn community clean up event in partnership with ACC 10/04/2018 - Amlwch high viz world record attempt event	14-15/08/18 - Anglesey Show 06/05/2018 - Amlwch litter pick event
Gwynedd		July 2018 - Gisda Family Fun Day in Caernarfon November 2018 - Goleuo Stiniog (Christmas light switch-on: where we also promote our Wrap up Wales campaign and give away lagging kits)
Conwy		1/06/2018 - Llanfairfechan celebrates (as this was the only village impacted in the county)
Ceredigion		01/06/18 – Llandysul community day 29/7/18 - Lampeter food festival 4-11/8/18 – Cardigan Carnival/County show 25-27/08/18 - Aberaeron Rugby 7s Festival 27/8/18 - Aberaeron Carnvial
Preseli Pembrokeshire		12/05/18 – CARTEN 100 Tenby 09/06/18 - Saundersfoot motorcycle event 13-15/7/18 - Long course weekend. 14 – 16/8/18 - Pembrokeshire show 06-10/09/18 – IRONMAN Wales TBC - St David’s Food Festival
National events		23-26/07/18- Royal Welsh Show, Builth Wells 03-11/08/18 - National Eisteddfod, Cardiff

We are also using our award-winning Education Team to help identify primary and secondary schools in the worst-affected communities. This will enable us to arrange outreach visits to these schools to promote our key messages around water efficiency / our role in helping combat climate change etc but also potentially scope the feasibility of conducting a water audit to help the site use water more efficiently.

As part of our annual Wrap Up Wales campaign, we encourage customers to prepare for winter by not only offering lagging kits free of charge but also promoting an online challenge (wrapupwales.com) which tests how customers have prepared their homes/pipes for winter. For 2018, we will again

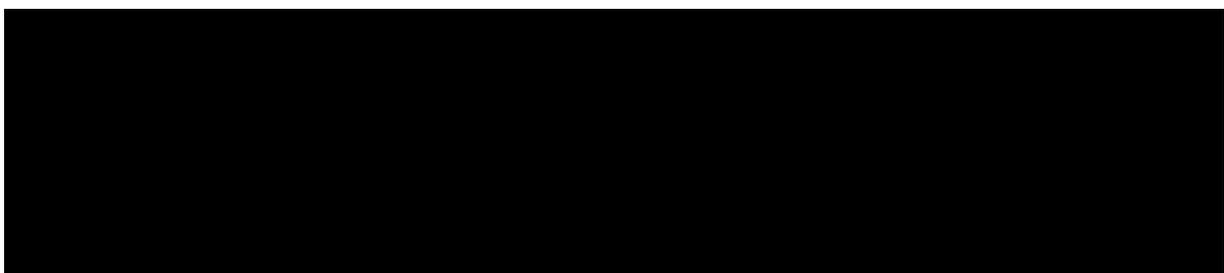
Methodology'. The results of the exercise are shown below and compares the number of customers experiencing supply interruptions at some point during the day on an hourly basis from the table on page 28 of the original submission with the corresponding CML validated data:



The data comparison confirms our original view that the approach to the original calculations was made on a conservative basis hence the over reporting on a number of the days. This was reversed on the first two days because our original analysis only included the top 140 areas and wouldn't have included more widespread small issues caused by the freezing conditions. Our Customer Minutes Lost methodology assumes that all customer calls where we are unable to attend would have been failures in the network rather than customer issues.

8. Costs of the Incident

The full cost of responding to the impact of the Storm Emma event to date is:



The response to the event was reviewed at a meeting of the main Board on 3 May 2018 where it was agreed to invest an additional £3m to purchase more emergency equipment (e.g. for snow clearance) and on minor works to improve the resilience of affected assets.

