

July 2019

Trust in water

PR19 draft determinations

Dŵr Cymru – Addressing affordability and vulnerability actions and interventions

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PR19 Draft Determinations: Dŵr Cymru - Addressing affordability and vulnerability actions and interventions

Following our initial assessment of plans, we categorised two types of actions for slow-track and significant scrutiny companies:

- required actions for companies which in general were required for draft determinations (or final determinations for some aspects of past delivery); and
- advised actions for companies to do by a specific date but that are not required for our draft determinations.

Table 1 below sets out the required and advised actions, a summary of the company's response to the action, our assessment of the company's response, and any further interventions we are making as part of the draft determination.

Each action has a unique reference. The prefix 'WSH' denotes the company Dŵr Cymru. The central acronym references the test area where the action has been identified, please see the 'PR19 draft determinations: Glossary' for a key to these acronyms. Actions whose numbers are preceded with an 'A' denote required actions and actions whose numbers are preceded with a 'B' denote advised actions.

Table 2 below sets out any further interventions that are not resulting from an action which we are making as part of the draft determination.

Each further intervention that is not resulting from an action has a unique reference. The prefix 'WSH' denotes the company Dŵr Cymru. The central acronym references the test area where the action has been identified, please see the 'PR19 draft determinations: Glossary' for a key to these acronyms. Intervention numbers are preceded with a 'C'.

For all other documents related to the Dŵr Cymru draft determination, please see the [draft determinations webpage](#).

Table 1: Dŵr Cymru's response to required actions and interventions for draft determinations

Test area	Action reference	Action type	Action	Date required	Summary of company response to action	Our assessment and rationale	Required interventions
Addressing affordability and vulnerability	WSH.AV.A1	Required	Dŵr Cymru has not provided sufficient evidence to demonstrate that it has tested multiple bills profiles with customers beyond 2025, particularly for the 2025-30 period. Dŵr Cymru should undertake customer engagement on long-term bill profiles for the 2025-30 period and provide sufficient evidence to demonstrate customer support for each of the profiles tested. Dŵr Cymru should confirm that testing has been assured by its CCG and conducted in line with social research best practice.	1 April 2019	Dŵr Cymru undertakes conjoint acceptability testing of the nominal and real terms bill over the 2020-30 period. Research is a mixture of face to face and online interviews and results are weighted in line with age, gender and social grade. The company undertakes testing of its proposed profile only and does not test any alternatives. 40% of customers find the bill profile acceptable and 23% find it unacceptable. Those who had previously stated that they find their current bill 'very unaffordable' were significantly more likely to say that the proposed profile is unacceptable. The customer challenge group notes that	No intervention required because long-term bills are not being set as part of PR19. We have considered the evidence provided in making a decision on the 2020-25 bill profile for the company. The company undertakes bill profile testing, but we consider this to be incomplete as it does not test multiple profiles. Therefore, it is unclear whether customers would prefer an alternative.	N/A

					19% of customers find the profile both unacceptable and unaffordable and states it is 'keen for the company to take this finding into account and demonstrate how they are going to factor this into their future financial planning'.		
	WSH.AV.A2	Required	<p>Dŵr Cymru has proposed a reputational performance commitment on Priority Services Register (PSR) growth called 'Vulnerable customers on priority services register' (PR19WSH_Sv5). It is proposing to increase its PSR reach from 1.7% in 2019/20 to 3.3% of customers in 2024/25. Dŵr Cymru has checked no PSR data over the past two years.</p> <p>We propose to introduce a common performance commitment on the Priority Services Register (PSR): Dŵr Cymru should adapt its performance commitment on 'Vulnerable customers on priority services register' (PR19WSH_Sv5) to align with this proposed PSR Common Performance Commitment. This will include committing to grow its PSR to at least 7% of its customer base (measured by households) by 2024/25 and committing to checking at least 90% of PSR data every two years.</p> <p>For further information on the performance commitment definition, and reporting guidelines, please refer to 'Common performance commitment outline for the Priority Service Register ("PSR")', published on the initial assessment of plans webpage.</p>	1 April 2019	See PR19 Draft Determinations: Dŵr Cymru - Outcomes actions and interventions	See PR19 Draft Determinations: Dŵr Cymru - Outcomes actions and interventions	See PR19 Draft Determinations: Dŵr Cymru - Outcomes actions and interventions
	Advised actions	Advised	No advised actions.	N/A			

Table 2: Further interventions for draft determinations

Intervention reference	Our assessment and rationale	Interventions
N/A	N/A	N/A

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