

Northumbrian Water response to Consultation on changing the Water UK metrics in D-MeX

Question 1 Do you agree with the NAV metrics that we propose to include in the quantitative component of D-MeX?

On the whole we agree with what Ofwat is proposing to measure and the associated performance standards. However, standardising terminology and definitions with other existing metrics used for SLPs and developers would be very beneficial. For example, using terms like point of connection enquiry, acknowledgements and quotations are more in keeping with existing metric terminology that we are already familiar with. The document entitled "NAV Market behaviour improvements project document" produced on behalf of Water UK is very helpful in terms of its phrasing, terminology and definitions of the individual metrics.

Question 2 Do you agree with the NAV metrics that we propose to include in the qualitative component of D-MeX?

Yes we agree.

Question 3 Do you agree with the sewerage adoption metrics that we propose to include in the quantitative component of D-MeX? Do you agree that the existing sewerage metric S7.1 should be removed where the new metric SAM3/1 applies? Should any other metrics also be removed?

Yes. We agree that the two metrics chosen to be included reflect key stages of the adoption process and are in line with the principles set out in the final determinations. We also agree that S7.1 no longer applies if SAM3/1 is included in the quantitative component of D-MeX as this is a duplication of the same activity. We do not feel that any other metrics should be removed.

Question 4 Do you agree with the sewerage adoption metrics that we propose to include in the qualitative component of D-MeX? Do you agree that the existing sewerage metric S7.1 should be removed where the new metric SAM3/1 applies? Should any other metrics also be removed?

Yes, we agree with the metrics which Ofwat propose to include in the qualitative component of D-MeX. However there are a number of metrics included within the sewerage adoption metrics Ofwat has chosen that duplicate the same activity of some existing metrics included in the qualitative component of D-MeX. Ofwat has recognised that S7.1 is a duplication of SAM3/1 but have not recognised the duplication of S1.1 and SAM 1/1 and the duplication of S6.1 and SAM2/2 / SAM2/3.

S1.1 / SAM1/1- If we are to assume that a pre-development enquiry is the same product as a pre-planning enquiry. Sam 1/1 is an acknowledgement of receipt but also has a full response within 21 days target which is a duplication of S1.1. Therefore if SAM 1/1 is intended to report the response metric, then this should be included and S1.1 be removed.

S6.1 / SAM2/2 & 2/3 – With the introduction of SAM 2/2 & 2/3 sewerage adoption metrics, S6.1 no longer applies for the relevant companies as this is a duplication of the same activities.

We also agree that S7.1 no longer applies if SAM3/1 is included in the quantitative component of D-MeX as this is a duplication of the same activity. We do not feel that any other metrics should be removed.

Question 5 Do you have any comments on which draft self-lay water metrics should be included in the quantitative and qualitative components of D-MeX? Which existing metrics should be removed?

<u>Proposed Self lay Quantitative Metrics to include</u>	<u>Proposed Self lay Qualitative to include</u>	<u>Existing Self lay metrics to remove due to duplication</u>
S1/2 Point of Connection	S1/2 Point of Connection	W20.1 & W21.1
S2/2a Design of self- laid main by Water Company	S2/2a Design of self- laid main by Water Company	W23.1
S2/2b Design approval by Water Company	S2/2b Design approval by Water Company	W24.1
S/3 Issuing of WAA	S/3 Issuing of WAA	
S4/1 Provide a source of water	S4/1 provide a source of water	W26.1
S5/1a making a permanent connection	S5/1a making a permanent connection	W27.1
	S/6 Issuing of Vesting certificates	W28.1
S7/1 Issuing service connections for plot reference	S7/1 Issuing service connections for plot reference	W30.1

Question 6 Do you agree with our proposal that the NAV metrics which we choose to include in D-MeX should apply from 1 April 2020, with survey fieldwork based on relevant transactions made from 1 October 2020, and the sewerage adoption metrics which we choose to include should apply from 1 October 2020?

We do not agree with introducing new qualitative or quantitative requirements to the D-MeX mechanism part way through a regulatory reporting year. To do so could have incidental effects for all companies.

It was agreed that performance against the proposed Sewerage Adoption Metrics would be recorded from April 2020 and submitted for Water UK LoS in October 2020 for publication thereafter. We would be happy to follow the same proposal for the proposed NAV metrics. However, we do not accept that companies' qualitative and/or quantitative performance against either the NAV metrics or the new SAM metrics should be reported for D-MeX before April 2021.

The relatively short notice makes it a challenge for us to incorporate these metrics into our corporate systems which record D-MeX data. We also understand that the proposal gives only a short period of time for Water UK to adapt its proposed new D-MeX reporting system to be used by all companies.

Our experience is that since 1 April 2020, some NAVS are currently not following the processes that were introduced from that date. These new processes are those to which the new metrics relate. As a result, we believe our NAV customers need some time to understand what their responsibilities are in relation to the proposed processes. As a company we are committed to supporting and working in partnership with the NAVS in making sure that this works for all parties involved but we feel there will be some learning and adapting in the early stages.

Question 7 Do you have any comments on our proposed approach to reporting?

Nothing further to add to what is already contained in the above responses.

Northumbrian Water, August 2020