

## CONSULTATION ON CHANGING THE WATER UK METRICS IN D-MEX

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

We agree with the inclusion of NAV metrics within the quantitative component of D-MeX; however, we note that NAV Metric WN3.1, which relates to the signing and issuing of the bulk supply agreement, is excluded from the proposal. We would consider this metric sufficiently important, and time critical to a NAV in their application process, that it would justify its inclusion within the quantitative component of D-MeX.

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

We agree that the NAV metrics proposed be included in the qualitative component of D-MeX, and have no comments to add.

**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?**

As a water only company, we do not have any comments to make regarding this 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?**

As a water only company, we do not have any comments to make regarding this 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?**

Our comments are in reference to the draft self-lay water metrics outlined in the draft water Codes for Adoption document 'Appendix G1 – Levels of Service (LoS)' revised 19 May 2020. We would envisage that the draft metrics that are chosen to be included in the quantitative and qualitative components of D-MeX are in line with the principles set out in the final determinations.

From our review of these draft self-lay water metrics, we make the following comments:

- Acknowledgement metrics would be excluded from both quantitative and qualitative components of D-MeX in line with existing metrics. These include metrics S1/1, S2/1a and S2/1b.

- Metrics which measure the performance of the Self-Lay Provider would be excluded from both quantitative and qualitative components of D-MeX, as D-MeX is designed to incentivise water companies as opposed to their customers. These metrics are S4/2, S5/2 and S7/2.
- Metric S6 would be excluded from the quantitative component of D-MeX as the corresponding existing metric W28.1 is currently not included.

In response to which existing metrics should be removed, we would expect all existing self-lay metrics to be removed and replaced by the new draft self-lay metrics proposed for implementation with the Water Codes for Adoption.

Metric #	Metric Description
S1/1	PoC Initial Application review
S1/2	Review PoC proposal
S2/1a	Review Design Application
S2/2a	Provide design
S2/1b	Water Company to Review SLP design application
S2/2b	Water Company to Provide design acceptance
S3	Execute Water Adoption Agreement
S4/1	Source of Water Delivery Date
S4/2	Provide sample results and submit construction records
S5/1a	Review request and carry out Final Connection
S5/1b	Review application and agree date of Final Connection.
S5/2	Complete connection and provide required information to the Water Company
S6	Issue vesting certificate
S7/1	Validate notification and provide consent to progress with connection
S7/2	SLP to notify Water Company that the connection is made
S7/3	Install 'screw in' meter and record details

Table 1: Summarised self-lay performance metrics taken from draft water Codes for Adoption document 'Appendix G1 – Levels of Service (LoS) (May 2019)'

**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 agree that it is reasonable for D-MeX to be changed by incorporating the NAV metrics, but do not agree with the proposed timing of the change. We believe changes mid-year is not consistent with the tests set out in the Final Determination.

The incorporation of changes mid-year will change companies' positions in the 2020/21 D-MeX system. We believe the introduction of such backdated changes should be avoided as it creates inconsistency and given the relatively small numbers of NAV transactions, we are not persuaded that the benefits to customers outweigh the negative effect on the integrity and consistency of D-MeX data.

To change metrics at the mid-year point create uncertainty about the status of the metrics as it will not be obvious to customers why changes are being made or what their implications are. We do not view such a change as being helpful to customers.

We believe that implementation of both changes be delayed until April 2021. This would also coincide with the likely date for implementation of the water code measures.

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

We acknowledge the intention to reduce the submission deadline, for companies to provide qualitative transaction date to their survey agent, considerably to the 10<sup>th</sup> day of the following month. We would make note that this reduction would be challenging to incorporate, given the assurance process required.