



Consultation on changing the Water UK metrics on D-MeX

Southern Water Response

August 2020

Please find Southern Water's responses to the consultation on changing the metrics on D-MeX.

Q1: Do you agree with the NAV metrics that we propose to include in the quantitative component of D-MeX?

We agree that the metrics proposed are the key stages of the NAV process and, therefore, are reasonable metrics to include in the quantitative component of D-MeX.

Q2: Do you agree with the NAV metrics that we propose to include in the qualitative component of D-MeX?

We agree with the proposal, and agree that the additional inclusion of the bulk agreement process is appropriate.

Q3: 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?

We agree with the proposal, and agree that the existing sewerage metric S7.1 should be removed where the new metric SAM3/1 applies. We do not believe any other metrics should be removed.

Q4: 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?

We agree that the metrics proposed are the key stages to measure customer experience and agree that the existing sewerage metric S7.1 should be removed where the new metric SAM3/1 applies. We do not believe any other metrics should be removed from the qualitative component of D-MeX.

Q5: 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?

Please see Appendix 1

Q6: 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 the proposal to include the NAV metrics in D-MeX retrospectively from the 1 April 2020. Whilst we understand the need to measure our performance consistently across all customer groups we have been working with Water UK on a new LoS system which is due to go live in October. We understand that Ofwat will make their final decision and communicate this in September 2020,



therefore we would be working to a set of assumed metrics up to this point with little to no time to adapt and test the final metric configuration and calculations. Should we be required to retrospectively report on NAV metrics, and adjust the D-MeX calculation, we are at risk of not being able to deliver the new system by October.

Our preferred proposal would be to shadow report the NAV metrics this financial year, including a retrospective view of Levels of Service performance from 1 April 2020 in October, with the NAV metrics becoming part of our regulatory reporting and D-MeX from April 2021.

We agree that the survey fieldwork and sewerage adoption metrics should apply from October 2020.

Q7: Do you have any comments on our proposed approach to reporting?

D-MeX is a new performance commitment which has not even reported its first quarterly result. Not only are the fundamental parts proposed to be changed retrospectively from April 2020, it's proposed that they will change again for the second half of the year. We are just familiarising ourselves with this measure, after its evolution during shadow year, and we believe these proposals make it unnecessarily complicated and could undermine the transparency and credibility of the new measure.

Appendix 1:

Draft self-lay water metrics inclusion in quantitative and qualitative components of D-MeX

The table below details which draft self-lay water metrics we believe should be included in the quantitative and qualitative components to D-MeX. Our proposal is a balanced view of the key stages of the Self-Lay water process and is based on the current developer and proposed NAV quantitative and qualitative components of D-MeX.

Draft Self-Lay water metrics

Metric	Description	Include in quantitative?	Include in qualitative?
SLPM – S1/1	Acknowledgment of receipt of application completeness	No	No
SLPM – S1/2	Review point of connection proposal	Yes	Yes
SLPM – S2/1a	Acknowledgement of receipt of design application	No	No
SLPM – S2/1b	Review design application	No	Yes
SLPM – S2 2a	Provide design	Yes	Yes
SLPM – S2 2b	Provide design acceptance	Yes	Yes
SLPM – S3	Issue Water Adoption Agreement	No	Yes
SLPM – S4/1	Source of water delivery date	Yes	Yes
SLPM – S4/2	Provide sample results and submit construction records	Yes	Yes
SLPM – S5/1a	Review request and carry out final connection	Yes	Yes
SLPM – S5/1b	Review application and agree date of final connection	Yes	Yes
SLPM – S5/2	Complete connection and provide required information to the Water Co	No	No
SLPM – S6	Issue vesting certificate	Yes	Yes
SLPM – S7/1	Validate notification and provide consent to progress with connection	Yes	Yes
SLPM – S7/2	SLP to notify Water Company that the connection is made	No	No
SLPM – S7/3	Install screw in meter and record details	No	Yes

The table below details the current self-lay water metrics we believe should be removed. This is where the new draft metrics apply and could lead to double counting of the same activity.

Current Self-Lay water metrics

Metric	Description	Remove?	Draft new metric
W19.1	Self-lay point of connection applications - written acknowledgements within target	Yes	SLPM – S1/1
W20.1	Self-lay Point of Connection report < 500 plots etc - reports issued within target	Yes	SLPM – S1/2
W21.1	Self-lay Point of Connection reports >500 plots etc - reports issued within target	Yes	SLPM - S1/2
W22.1	Self-lay design approval and terms request application - written acknowledgements within target	Yes	SLPM – S2/1a
W23.1	Self-lay design and terms request <500 plots etc - quotations within target	Yes	SLPM – S2/1b, 2a & 2b
W24.1	Self-lay design and terms request >500 plots etc - quotations within target	Yes	SLPM – S2/1b, 2a & 2b
W25.1	Self-lay signed agreement - acknowledgements within target	Yes	SLPM – S3
W26.1	Self-lay water for pressure/bacteriological testing - provided within target	Yes	SLPM – S4/2
W27.1	Self-lay permanent water supply - provided within target	Yes	SLPM – S4/1, S5/1a, S5/1b
W28.1	Self-lay vesting certificates - issued within target	Yes	SLPM – S6

W29.1	Self-lay Asset Payments - issued within target	No	
W30.1	Self-lay plot references and costing details - issued within target	No	