

United Utilities response to the Ofwat consultation

Changing the Water UK metrics in D-MeX



Introduction

United Utilities welcomes the opportunity to comment on Ofwat's consultation on changing the Water UK metrics in D-MeX

We have responded to each of the questions set out in the consultation below.

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

Yes we agree with the seven NAV metrics that are proposed to be included 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?

Yes we agree with the nine NAV metrics that are proposed to be included in the qualitative component of D-MeX

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 that it is appropriate to include two sewerage adoption metrics from Appendix 3 within the quantitative component of D-MeX. We also agree that these metrics should include those activities which reflect key stages of service delivery by companies and exclude metrics that do not sufficiently represent stretching service delivery to customers.

We agree that the metric SAM3/1 should be included and that as a consequence existing metric S7.1 should be removed. No 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 it is appropriate to include the eight sewerage adoption metrics from Appendix 3 within the qualitative component of D-MeX. We agree that the metric SAM3/1 should be included and that as a consequence existing metric S7.1 should be removed. No other metrics should be removed.

United Utilities response to the Ofwat consultation

Changing the Water UK metrics in 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?

We would propose that the following water company metrics are included in the quantitative and qualitative components of D-MeX replacing the equivalent Water UK Levels of Service metrics as shown within the table below.

Proposed D-Mex Metric	Stage of self-lay process	Include in Quantitative D-MeX	Include in Qualitative D-MeX element	Existing Water UK metric to be removed	Comments
<i>S1/1 – Initial Application review</i>	POC (Stage 1C)	No	No	W19.1	We propose not to include this measure as it does not represent sufficiently stretching service delivery to customers
<i>S1/2 – Review PoC proposal</i>	POC (Stage 1C)	Yes	Yes	W20.1 & W21.1	Replace Water UK metric with equivalent self-lay water metric
<i>S2/1a – Review Design Application</i>	Design Self-Laid Main (Stage 2)	No	No	W22.1	We propose not to include this measure as it does not represent sufficiently stretching service delivery to customers
<i>S2/2a – Provide design</i>	Design Self-Laid Main (Stage 2)	Yes	Yes	W23.1 & W24.1	Replace Water UK metric with equivalent self-lay water metric

United Utilities response to the Ofwat consultation

Annual Performance Report Consultation 2020-21

<i>S2/1b – Water Company to Review SLP design application</i>	Design Self-Laid Main (Stage 2)	No	No	New measure	We propose not to include this measure as it does not represent sufficiently stretching service delivery to customers
<i>S2/2b – Water Company to Provide design acceptance</i>	Design Self-Laid Main (Stage 2)	Yes	Yes	W23.1 & W24.1	Replace Water UK metric with equivalent self-lay water metric
<i>S3 – Review / revise Water Adoption Agreement</i>	Execute Water Adoption Agreement (Stage 3)	Yes	No	New measure	We propose that this is not in qualitative element as we complete this transaction at same time as S2/2b so transaction will be captured at the same time.
<i>S4/1 – Source of Water Delivery Date</i>	Delivery Date (Stage 3 /4)	Yes	Yes	W26.1	Replace Water UK metric with equivalent self-lay water metric
<i>S5/1a – Review request and carry out Final Connection</i>	Connect Self-Laid Main – (Stage 5)	Yes	Yes	W27.1	Replace Water UK metric with equivalent self-lay water metric
<i>S5/1b – Review application and agree date of Final Connection.</i>	Connect Self-Laid Main – (Stage 5A)	Yes	Yes	New measure	N/a
<i>S6 – Issue vesting certificate</i>	Vest Self-Laid Main (Stage 6)	Yes	Yes	W28.1	Replace Water UK metric with equivalent self-lay water metric
<i>S7/1 – Validate notification and provide consent to progress with connection</i>	Make Service Connections (Stage 7–Part 2)	Yes	Yes	W30.1	Replace Water UK metric with equivalent self-lay water metric
<i>S7/3 – Install ‘screw in’ meter and record details</i>	Make Service Connections (Stage 7–Part 2)	Yes	Yes	New measure	N/a

United Utilities response to the Ofwat consultation

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Water for the North West

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 note that in its proposed response to this consultation WaterUK note that retrospective mid-year changes to incentive mechanisms should generally be avoided. We support this position, and suggest that any changes to the operation of D-MeX begin from April 2021.

We request that the qualitative elements of the sewerage adoption code metrics are deferred to April 2021. Our system (SAP) currently allows us to capture the applicant's details, (a single party) e.g. developer or its contractor/consultant/legal representative. The proposals to include eight sewer adoption metrics include contacts across multiple organisations, we would therefore need time to review and apply system changes to be able to capture and provide this customer information reliably and accurately.

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

We agree with the approach of using a simple average of the two half year scores.

We note that in its proposed response to this consultation WaterUK note that retrospective mid-year changes to incentive mechanisms should generally be avoided. We support this position, and suggest that any changes to the operation of D-MeX begin from April 2021.

It would be desirable to not have the self-lay water metrics replace the current Water UK metrics and the qualitative elements of the sewerage adoption code metrics until April 2021. This is to allow new processes to be embedded and apply system changes to be able to capture and provide this customer information reliably and accurately.