

Ofwat
Centre City Tower
7 Hill Street
Birmingham, B5 4UA

By email only to: OfwatPandO@ofwat.gov.uk
21 July 2021

Dear Phill,

Gathering data about developer services – a consultation

Thank you for the consultation on gathering data and the workshops that you have been holding to inform this; we have found them very useful and productive. We also welcome the attention that this important area is being given within the development of PR24.

You have made it clear that you are collecting this data for a number of reasons, all of which we support:

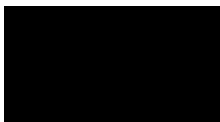
- Information for a decision for the methodology for PR24 on whether an option that relies more on competition can be justified;
- Help in refining existing uncertainty mechanisms; and
- Supporting the evolution of the cost assessment at PR24

Each of these has different data requirements, in particular the first requires robust data to be available in the near future whilst the other two require data that can be developed iteratively over the next couple of years.

We have concerns about requiring a full data submission by September. It is clear from the work already undertaken by CEPA that this data is not readily available in the form requested across the industry. This is an area that requires careful consideration of data requirements to ensure that meaningful conclusions can be drawn.

Responses to the specific questions raised in the consultation are set out in the annex. We look forward to engaging further with you on this matter.

Yours faithfully,



Eleri Rees
Strategy and Regulation Director

Annex - Dŵr Cymru responses to consultation questions

Q1: Do you envisage having any problems completing the data request for 2021-22 by July 2022, or the historical data for 2020-21 by w/c 20 September 2021?

We consider it to be feasible to produce data for 2021-22 by July 2022, based on our understanding of the current requirements. Most of the data requested is captured by Welsh Water but it has never been linked in the format requested within the tables. As there may yet be changes to the data requested, we believe that it may be beneficial to use a September submission to assess what is feasible. We remain willing to continue to participate in any further workshops to refine and finalise the requirements.

Q2: If you envisage problems with providing the full historical dataset for 2020-21, what areas would you remove from the data request, or how much additional time would you need to meet the request?

Given the extent of the manual effort required to pull the requested data together in a short period of time during the holiday season and the need for the project to be resourced by people with experience and knowledge of Developer Services and our underlying data, we consider based on our detailed assessment that a submission date in December 2021 would be more realistic.

Presenting the data for new connections and requisitions separately would more closely align with the configuration of our systems and would facilitate an earlier submission.

Q3: Are the definitions (provided in the cover worksheet) clear enough to mitigate the risk of reporting inconsistencies between companies? If not, what changes would you recommend?

Welsh Water is comfortable that we understand most of the definitions provided. It might be worth having an interim workshop in the Autumn to clarify that all companies are interpreting the definitions in the same way and to provide an opportunity to answer any questions which are raised as a result of populating the template.

Q4: Would you be able to provide information on cost drivers, in particular length of communication pipe and surface type (split into made/unmade)?

We could only provide the sum of additional communication pipe lengths by surface type (i.e. that exceeding the 2m included in the connection cost) included in accepted quotes

Q5: Are there any key new development characteristics you think are missing from the data request and should be included?

The data request is already considered very comprehensive

Q6: Is there any additional developer services data you collect that you think would be helpful to Ofwat?

The data request is already considered very comprehensive

Q7: Would an alternative data format be more appropriate (e.g., list / table of new developments connected in reporting year alongside relevant cost / revenue data and characteristics)

At this stage a table of new developments as suggested would provide an extremely large database and would not be straightforward to complete, and likely delay the submission of data for 2020-21