

Summary of September Outcome Working Group – Customer and Environment common PCs

The criteria to select PCs

There was general agreement that the criteria presented were broadly appropriate. Members stressed the importance of companies' actions being able to influence PCs and the need for PCs to make sense to customers at a high level. A further suggestion was that the PCs needed to have a degree of flexibility to be able to accommodate changes between price reviews.

Direct service PCs

There was general agreement with the set of direct customer PCs, particularly that the water supply interruptions and sewer flooding PCs should be included. Some highlighted that low pressure was an important issue for customers and questioned if it should also be a PC. Others asked if there would be overlap if all three water quality PCs were introduced and if ERI was volatile, was it potentially less suitable for a financial PC.

Biodiversity

There was general agreement that in principle we should measure biodiversity, but those present had a lack of understanding of the work that this might entail and whether it could lead to a cottage industry. Those that had already used the Defra Biodiversity metric suggested that this was not the case. It was noted that we would need to consider fitness of purpose across both England and Wales. There was also agreement that this was unlikely to be a measure suitable to a common performance commitment level due to the range of opportunities open to companies from differing geographies.

Next steps

There was a consensus that a task and finish group should be set up to consider the potential options in more detail.

Environmental compliance and river water quality

There were a wide variety of views about whether PCs should include measures for storm overflows, attempt to directly measure river water quality or adopt the EPA star rating as a PC. Particular concerns included; whether there could be duplication between PCs, what factors companies had sufficient control/influence over, whether the incentives would focus companies on the end outcomes. However, a consensus

developed that we should focus on how water companies avoid harm to the environment and can best demonstrate this to customers and other stakeholders.

Next steps

The agreed next step was to set up a task and finish group to consider the potential options in more detail.