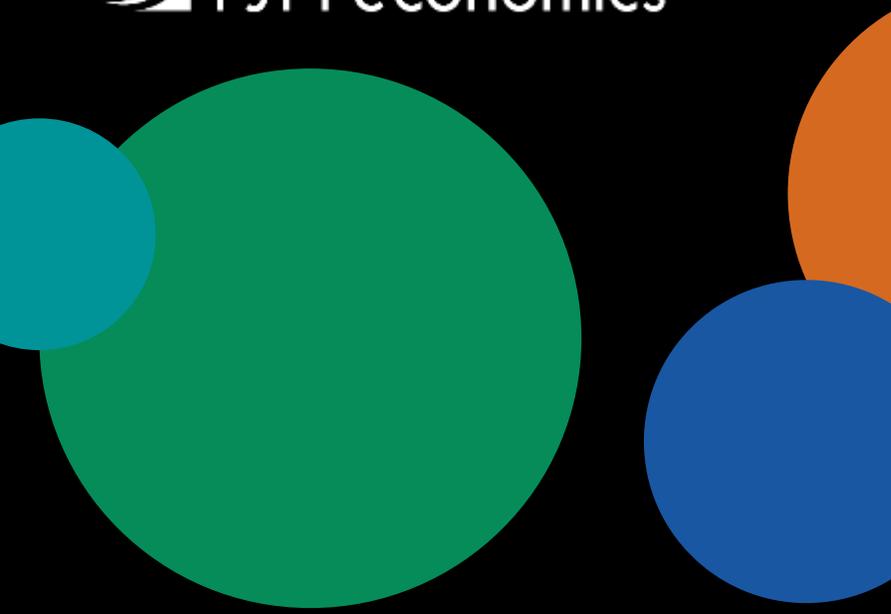


AccentPJM economics

Outcome Delivery Incentive Research

Recommended revisions to stated preference
designs

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Overview

- We are considering three core options for the stated preference design to address the issues identified in the pilot and cognitive testing:
 1. Revisions to compensation exercise only
 - Change the service issues included in the exercise.
 - Change the name from 'compensation' to one-off payment, and revise the introduction accordingly, including an encouragement to participants not to see the amounts shown as indicating the severity of the issue.
 - Change the payment levels shown to be consistent with the findings from the pilot
 2. Combine impact and compensation exercises into a single exercise, incorporating revisions in 1.
 3. Test both 1 and 2 in an extended pilot

Option 1 – Choice of service levels

Original service issues

- Unexpected supply interruption (6h)
- Sewer flooding outside your property (1 week)

Why?

- To include one water and one wastewater service issue.

Why not?

- Sewer flooding is a high-impact incident, meaning that required compensation is higher, perhaps stretching into implausibly high numbers, and weakening precision.
- More ambiguity over severity of impact of sewer flooding in comparison to other service issues, particularly given that properties vary substantially across the population. This potentially links perceived impact with level of compensation shown, causing a bias.
- Some participants doubt it could happen to them, if they live at the top of a hill for example.
- Potential for doubt over whether company will know of impact without it being reported.
- No strong reason for requiring one water and one wastewater service issue in the first place.

Proposed new service issues

- Planned supply interruption (6h)
- Boil water notice (48h)

Why?

- Lower impact service issues, hence lower required compensation.
- Both can affect any property equally
- Little room for ambiguity
- Company will definitely know of the issue as they have already sent a notice.

Option 1 – Introduction and format revision

Original version

Compensation for service issues

The next few questions are about compensation for service issues.

Water and wastewater companies pay their customers compensation in some cases when there are problems with their service. They also invest money to reduce the number of problems that happen in the first place.

The following questions will each present you with a choice between experiencing a service issue and being compensated for it, or not experiencing the issue and not receiving any compensation. The purpose of these questions is to see if the amounts shown are enough to offset the impact on your **[IF HH]** household **[IF NHH]** organisation from the service issue shown.

In each question, the type of service problem and the compensation amount will vary. These amounts do not necessarily reflect current compensation entitlements, and compensation levels will not necessarily be influenced by answers to these questions.

RANDOMISE ORDER OF SERVICE ISSUES SHOWN IN Q30-Q31H.

Q30. Which option would you prefer?

Option A	Option B
<p>UNEXPECTED water supply interruption (6 hours)</p> <ul style="list-style-type: none">Your tap water supply stops working without warningThis is due to a burst pipe in your local areaIt stops for 6 hours, between 12:00 and 18:00 on a Wednesday afternoon  <p>Compensation paid*: £100</p>	<p>No unexpected water supply interruption</p>

Proposed new version

One-off payments for service issues

The following questions will each present you with a choice between experiencing a service issue and receiving a one-off payment from your water company, or not experiencing the issue and not receiving any payment.

In each question, the type of service issue and the one-off payment amount will vary. The amounts will not necessarily reflect current compensation entitlements and may exceed these levels -substantially in some cases.

The purpose of these questions is to see if the amounts shown are enough to make up for the impact on your **[IF HH]** household **[IF NHH]** organisation from the service issue shown. It is important that you consider each amount at face value, even if it seems higher than you would imagine might be offered.

RANDOMISE ORDER OF SERVICE ISSUES SHOWN IN Q30-Q31H.

Q30. Which option would you prefer?

Option A	Option B
<p>PLANNED water supply interruption (6 hours)</p> <ul style="list-style-type: none">Your water company sends you a notice in the post that in 2 days' time your water supply will stop for 6 hours, affecting all taps, toilets, dishwasher, etc.This is due to planned maintenance in your local areaAs planned, it then stops between 12:00 and 18:00 on a Wednesday afternoon  <p>One-off payment amount*: £200</p>	<p>No planned water supply interruption</p>

New version aims to weaken link between perceived impact and payment amount, and strengthen the plausibility of the scenario

Option 2: Combined format (first draft)

Service scenario choices

You are now going to be shown a series of ten short questions where you will be asked to choose between two different scenarios. Please read the following instructions carefully.

Each scenario will show a different type of service issue that could happen to your **IF HH:** household **IF NHH:** premises.

Some of the scenarios would affect your own property whereas others would affect your local area. When comparing the impact that each would have, please:

- **do** consider any concerns you may have for the local area or environment,
- **don't** consider any impacts on other people outside your **IF HH:** household **IF NHH:** organisation - other people will answer for themselves!

On some of the options you will see an ⓘ. Please click on this to see some more information about the option.

<NEW SCREEN>

Additionally, some of these scenarios will involve your water and/or wastewater service provider making a one-off payment to your **IF HH:** household **IF NHH:** organisation.

The amounts will not necessarily reflect current compensation entitlements and may exceed these levels - substantially in some cases.

The purpose of these questions is to see if the amounts shown are enough to make up for the impact on your **[IF HH]** household **[IF NHH]** organisation from the service issue shown. It is important that you consider each amount at face value, even if it seems higher than you would imagine might be offered.

For each question, please state which option you prefer. If neither of the options is appealing, please still choose the better of the two.

Q1. Which option would you prefer? If neither is appealing, please still choose the better of the two.

Option A	Option B
PLANNED water supply interruption (6 hours)	UNEXPECTED water supply interruption (6 hours)
<ul style="list-style-type: none">▶ Your water company sends you a notice in the post that in 2 days' time your water supply will stop for 6 hours, affecting all taps, toilets, dishwasher, etc.▶ This is due to planned maintenance in your local area▶ As planned, it then stops between 12:00 and 18:00 on a Wednesday afternoon   <p>Planned, 6 hours</p>	<ul style="list-style-type: none">▶ Your water supply stops working without warning, affecting taps, toilets, dishwasher, etc.▶ This is due to a burst pipe in your local area▶ It stops for 6 hours, between 12:00 and 18:00 on a Wednesday afternoon   <p>6 hours</p>
One-off payment amount*: £50	One-off payment amount*: £100
<input type="radio"/>	<input type="radio"/>
<p>IF BILLPAYER OR NHH: * one-off payments would be paid automatically, and within 7 days, by crediting your bank account, if you have a direct debit set up, or by sending you a cheque otherwise [IF NON-BILLPAYER] * one-off payments would be paid automatically, and within 7 days, by sending a cheque to your household.</p>	

Thank you

Accent conforms to the requirements of ISO20252:2012



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