

20 November 2014

Regulatory reporting consultation response
Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA

To whom it may concern,

Consultation on Regulatory Reporting

Natural Resources Wales (NRW) welcomes the opportunity to comment on the proposals for Regulatory Reporting for the next price review period 2015-2020.

We explained in our email of 7 Nov 2014 that our comments would be sent outside of your consultation window but asked that they are considered as part of your review.

Overall NRW support the proposals for a regulatory annual report. We agree that the report should be based on regular, consistent audited information that will bring transparency for individual companies and enable both the customer and regulator to have a clear sight on performance, services and costs for customers.

NRW welcomes the provision of financial reporting by companies as a reporting measure to give greater clarity to customers and regulators in how efficiently companies are delivering against aspects of business plans.

To ensure that information is comparable across the water sector we agree that the form and content of the report to be prescribed by Ofwat.

As a regulator we are pleased to see that the proposals contain a section on performance. It is important for us monitor performance commitments set out by the companies for PR14.

We already undertake annual benchmarking and whilst there may be some duplication of information we do not feel this will over burden companies, but we will keep this under review. Further benchmarking of other measures e.g. leakage will allow more effective regulation of the water sector and will also give greater transparency to allow comparison across all companies for specific outcome delivery and ensure that the companies are seeking the most cost effective solution.

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Croesewir gohebiaeth yn y Gymraeg a'r Saesneg

Correspondence welcomed in Welsh and English



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We feel it is best to present the information in a tabular format with simple indicators (such as a traffic light system) to determine delivery against a given target. It would be also useful to have this information presented against historic performance to indicate if performance is

improving. As a number of performance measures are intrinsically linked (but not all companies have the same measures) it would be beneficial if this table is supplemented with a company narrative to explain components of the tables. This will enable stakeholders to understand measures taken by a company to meet the targets they have set.

If you would like to discuss this matter further or require clarification on any points please contact Gillian Lennox on 03000 653834.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ceri Davies', written in a cursive style.

CERI DAVIES
Exec. Director Knowledge, Strategy & Planning

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