

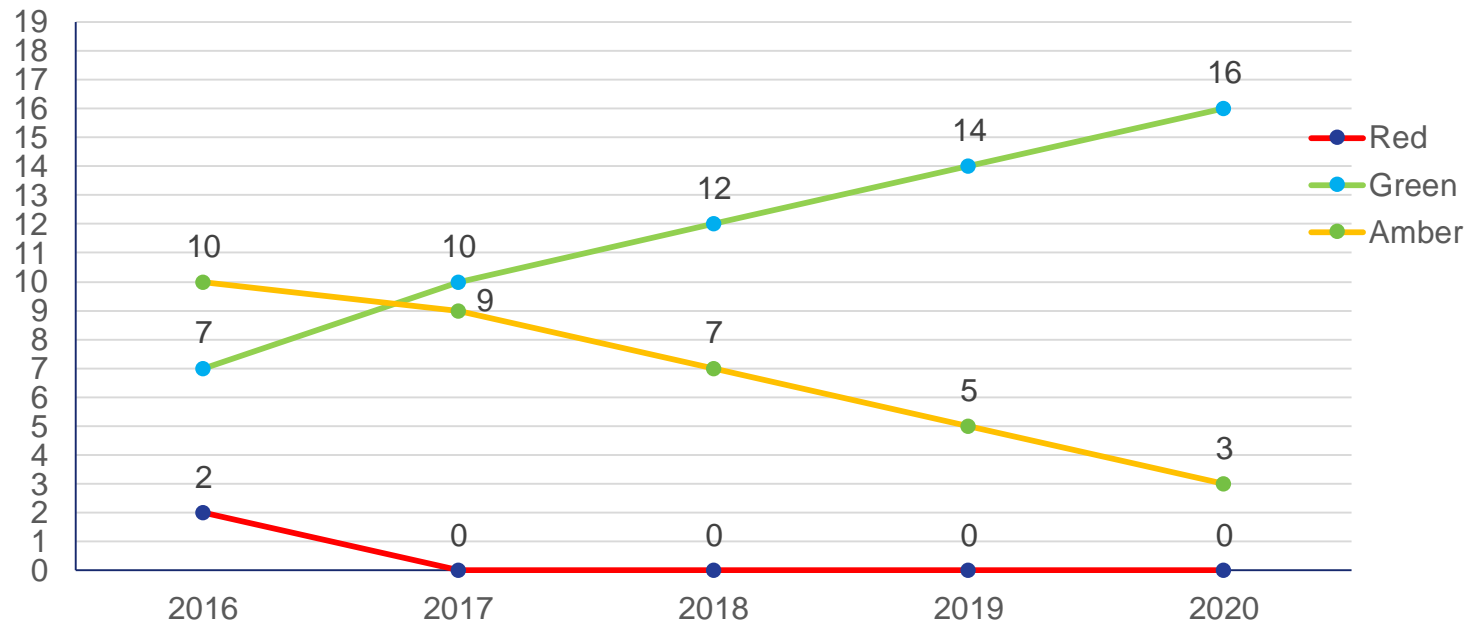
PAF – IW position on metrics and targets

Date: 19th April 2021



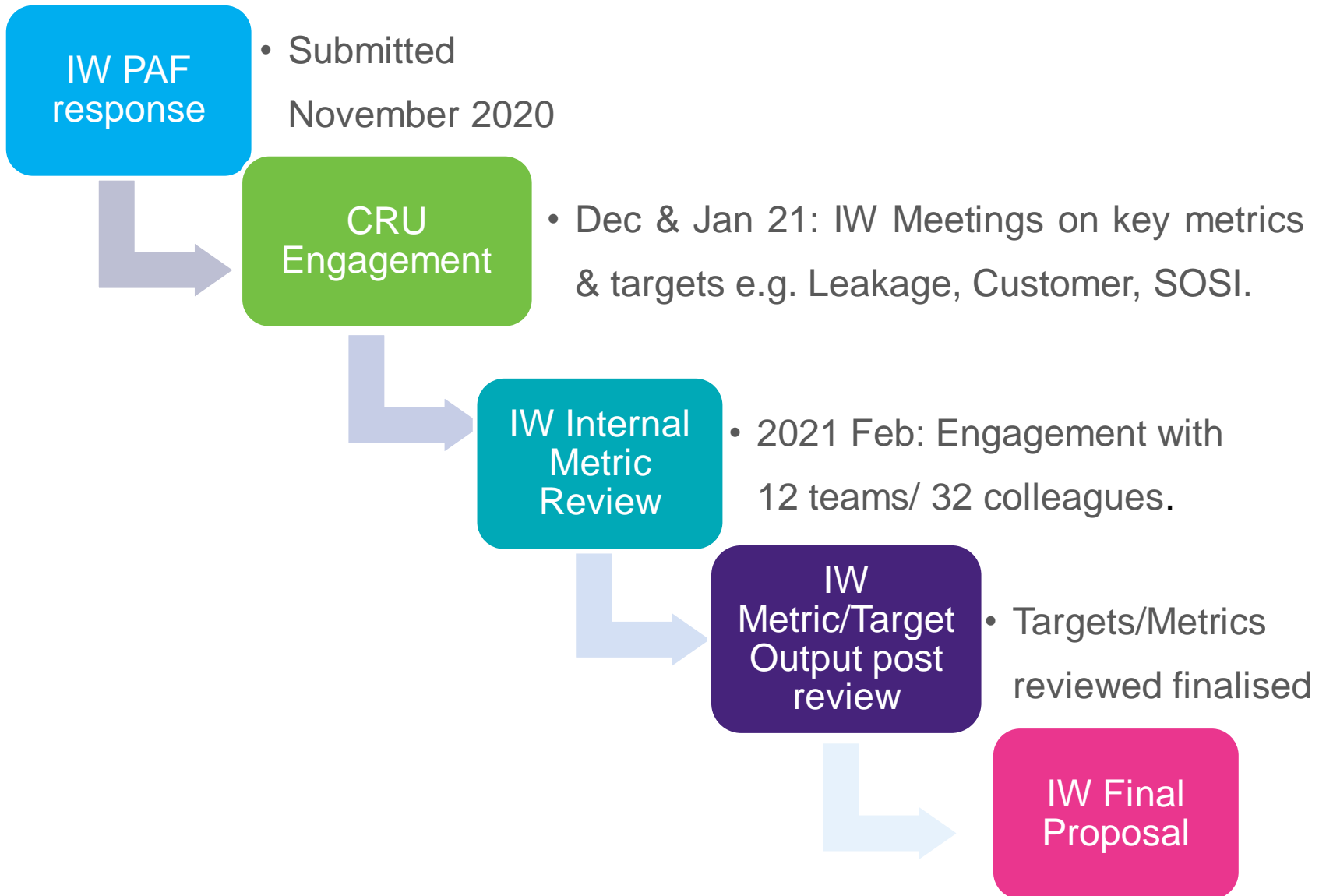
Substantial progress made since 2016

- PAF metrics established in 2016 for assessing IW's performance, progress & efficiency over time.
- Big challenges:
 - IW inherited a multitude of different systems and ways of working across the 31 LAs; and
 - Collating reliable information into a single reporting structure for PAF purposes.
- Good progress made in developing capability for annual data reports, with 16 metrics now in place and targets being put in place for vast majority.



PAF Reporting Capability – RAG Trend

We have prioritised this work within IW



Targets are proposed for vast majority of metrics

- We propose targets for 8 of the 9 Customer Service metrics
- We either agree with the CRU proposals and/or provide targets for 7 of the 8 Environmental Performance metrics
- We either agree with the CRU proposals and/or provide targets for all 9 Quality of Water Supply metrics.
- We provide leakage targets that match our recent response to the CRU's Incentive consultation. We also propose an alternative Security of Supply approach.
- We agree with the CRU's proposals and targets on both of the Energy and Emission metrics.
- We agree with the CRU that the 3 Sewer Incident metrics are important in the overall PAF. We propose waiting until these metrics are available and reported on in 2022 before setting targets.

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Environmental Performance

Environmental Performance

Proposed Metric Name	Proposed Metric Definition	CRU proposed RC3 update to metric	CRU proposed RC3 Target	Proposed Targets 2021-2024
Aggloms with no wastewater treatment	Monitoring the number agglomerations with no wastewater treatment or preliminary treatment only	Remove	TBC	TBC

- We understand from recent discussions with the CRU that the intention is for this metric to be re-introduced as part of the PAF decision paper.
- We support this proposal as this metric is a key indicator of IW environmental performance.
- Assume target alignment with RC3 Investment Plan 2020-2024.

Environmental Performance

Proposed Metric Name	Proposed Metric Definition	CRU proposed RC3 update to metric	CRU proposed RC3 Target	Proposed Targets 2021-2024
Compliance with the Emission Limit Values for Urban Wastewater Licences	<ul style="list-style-type: none"> • Overall compliance with the emission limit values for wastewater licences. 	N/A - not included in 2016 Decision	Establish baseline performance	As per IW PAF response agree with establishment of baseline and report one figure rather than individual targets.
	<ul style="list-style-type: none"> • Compliance with BOD limit values for wastewater licences. 			
	<ul style="list-style-type: none"> • Compliance with COD limit 			
	<ul style="list-style-type: none"> • Compliance with Suspended Solids limit 			
	<ul style="list-style-type: none"> • Compliance with Ortho Phosphate limit, where applicable. 			
	<ul style="list-style-type: none"> • Compliance with Ammonia limit, where applicable. 			

Environmental Performance

Proposed Metric Name	Proposed Metric Definition	CRU proposed RC3 update to metric	CRU proposed RC3 Target	Proposed Targets 2021-2024
Sludge Reuse and Disposal	The CRU will monitor the a) percentage of drinking water sludge that is disposed of in an satisfactory manner	Change name from <i>Sludge Disposal</i>	100%	As per IW PAF response agree on 100% target –further discussions in 2021 on reporting format.
	a) b) percentage of wastewater sludge that is disposed of in an satisfactory manner	Change in focus from <i>‘unsatisfactory’</i> to <i>‘satisfactory’</i>	100%	As per above.

Environmental Performance

Proposed Metric Name	Proposed Metric Definition	CRU proposed RC3 update to metric	CRU proposed RC3 Target	Proposed Targets 2021-2024
Incidents Relating to Wastewater	The CRU will monitor the number of incidents resulting from wastewater collection and treatment activities	No change	By end 2024 <345 one-off	Identification, categorisation and monitoring of one-off incidents during RC3 with a view to targets in RC4.
			By end 2024 <98 recurring	By end 2024 237 recurring.
			0 incidents in Categories 3-5	As per IW PAF agree on zero target.

- Difficult to forecast or apply targets, predominantly occur due to unforeseen circumstances, e.g. 20% of 2019 incidents down to weather or drought issues.
- IW reports on all incidents to EPA which may or may not have an environmental impact, importance difference to E&W.
- E&W's serious pollutions incident target of 50% reduction is over an eight-year timeframe (2012-2020), after 6 investment cycles (i.e. 30 years).

Incidents targets – key issues

One-off Incidents

- Incident reporting methodology is different to UK, difficult to compare, e.g. tanker load brought to IW WWTP is classified as 'incident'.
- We need to identify, categorise and monitor one-off incidents during RC3, with a view to targets in RC4.

Recurring Incidents

- 2020 outturn has increased to 242 (draft with EPA) from 225 in 2019.
- 2020 increase due to ELV changes in licenses (stricter limits at 100 wastewater sites), alongside national COVID-19 travel restrictions.
- Increasing loads for treatment during RC3 means increased pressure on incident numbers.
- As a result we propose a target of 237 by the end of 2024.

Environmental Performance

Proposed Metric Name	Proposed Metric Definition	CRU proposed RC3 update to metric	CRU proposed RC3 Target	Proposed Targets 2021-2024
Compliance with the treatment requirements of Urban Waste Water Treatment Directive	The CRU will monitor the total number of agglomerations meeting the treatment requirements of the UWWTD	Change name from Agglomerations Not Meeting the UWWTD Standards.	By end 2024 100%	By end 2024 96%

- Trends in compliance have fluctuated due to nature of sampling - agglomerations fall in and out of compliance from year to year.
- Unforeseen circumstances (such as shock loads) can render a normally fully compliant plant as non-compliant.
- EU average for high compliance with UWWTD is 97%, e.g. Austria, Belgium, UK, after decades of investment.
- Setting an overall target of 100% is unrealistic and overly optimistic.

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Security of Water Supply

Leakage

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Leakage	The CRU will monitor the amount of water lost on the public network and the amount of water lost on customer supply pipes, separately	Clarify previous definition	Public: 161 MI/day	Ensure alignment with CRU Incentives decision. 118 MI/day with stretch target to 130 MI/day.
			Private: 15 MI/day	13 MI/day

- IW response to CRU Incentives consultation paper on RC3 Financial Incentives for Non-Domestic billing and Leakage (CRU/20/143).
- Identified that leakage reduction target of 176 MLD needs to be revised to 118MLD as outlined in SFP submission and PAF response.

Security of Supply Index



Security of Supply Index

- ❑ **Impacts:** NWRP to be finalised in 2021 – on track.
- ❑ **Propose:** Work on a 10 year water capacity register Q2/Q3 2021.
- ❑ **Propose review:** Q1 2022 to set SOSI targets based on the IW 10 year capacity register approach for the years 2022, 2023 & 2024.

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Quality of Water Supply

Drinking Water Quality

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Drinking Water Quality	Percentage of: Microbiological E.Coli Chemical THM Lead compliance	None	99.9% 99.9% 99.9% 99.0% 99.48%	Agree with CRU targets

- IW performance has remained consistently high as a result of sustained investment, operational initiatives and implementation of national plans.
- However the expected transposition of the new DWD into Irish law over RC3 may result in increased minimum standards / targets.
- PAF targets should, at a minimum, be reviewed once transposition of DWD is complete.

BWN & DWRN

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Boil Water Notices Drinking Water Restriction Notices	The number of public supplies and the population served on BWN & DWRN for greater than 30 days	Introduce 30-day timeframe	0 for both BWN & DWRN by end 2021.	0 for both BWN & DWRN by end 2024.

- IW acknowledge the proposed target of zero BWNs and DWRNs greater than 30 days as proposed by the CRU, IW will report over RC3 and will strive to achieve target as move through RC3.
 - **Target of 0:** not used by UK utilities, reasons & patterns not taken into consideration.
 - **Unrealistic 30 day time frame:** root cause may require upgraded infrastructure, planning permission required, land purchase etc.
 - **Lifting a BWN or DWRN:** HSE consultative process may not be feasible to lift within 30 days.

Unplanned Interruptions

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Unplanned Interruptions to Supply	Monitor number of properties experiencing unplanned interruptions to their supply in excess of 12 and 24 hours.	Replace >4 hours with a 'minutes lost' metric	>12: <0.15% properties	As per IW PAF response we do not agree with replacement of 4 hour metric at this point. 2021: 16% WPRNs By end 2024: 8% WPRNs
			>24: 0.01% properties	2021: 6% WPRNs By end 2024: 3% WPRNs

Unplanned Interruptions

CRU Proposed Metrics

Duration	% of Properties	Property Count (WPRN's)	Target Properties
> 12 Hours	< 0.15%	2,372,246	< 3,558
> 24 Hours	< 0.01%	2,372,246	< 237

Actual IW Metrics 2020

IW reviewed 2020 full year data and calculated 16% and 6% for the >12 and >24 hour metrics.

Duration	Events	WRPN Count	Total WPRNs	% WPRN's
>12 Hours	562	390,674	2,372,246	16%
>24 Hours	149	137,364	2,372,246	6%

Unplanned Interruptions – current situation

- SPU needed to support standardised, nationwide outage data gathering and reporting.
- Impacted areas for water supply not always clearly defined, particularly rural.
- Hence IW take the maximum estimated affected properties to ensure no vulnerable customers could potentially be left out from IW contact.
- “Potential” outages included in Unplanned reported number – not all materialise.
- The unplanned counts include all properties, some may have private source.
- NIW measure exact numbers of premises affected by an outage using a combination of integrated telemetry systems, customer reporting and direct communication with staff on the ground.

IW proposed targets – Unplanned Interruptions

- We are proposing a 50% improvement in both metrics by end 2024:
 - >12: By end 2024 8% of WPRNs
 - >24: By end 2024 3% of WRRNs
- We believe the following should be excluded from outturn metric performance:
 - Extreme weather events, e.g. Storm Emma in March 2018; and
 - Interruptions caused by 3rd Parties, e.g. Damaged Pipes by external contractors or ESB Outages.

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Sewerage Service

Sewerage Service

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Sewer Incidents (Overload)	monitor the number of properties affected by incidents where wastewater enters a building due to the overload of a sewer.	No Change	<1 property per 10,000 connected households	As per IW PAF response wait until the metric is implemented before targets are set.
Sewer Incidents (Other Causes)	monitor the number of properties affected by an incident where wastewater enters a building caused by equipment failure in a sewer, blockage or collapse of a sewer.	No Change	<2.5 properties per 10,000 connected households	
Sewer Incidents (At Risk)	monitor the number of properties considered to be at risk of having wastewater enter their premises, caused by overload, more frequently than once in 10 years.	No Change	To be reviewed	

- Need SW & NIW inclusions or exceptions to be examined in IW incident reporting if benchmarking used.
- PA5 (2019 outturn) anticipates metric to be reported on in PA6 (2020 outturn). Now expect Post Flooding Investigation App Project will go live in Q2 2021 (COVID / IR issues continue to impact).

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Customer Service

Proposed New Targets: Customer Service

- IW has reviewed each of the 8 proposed customer service metrics.
- IW currently reports on seven customer service metrics as part of the PAF.
- Metrics remain appropriate with exceptions of two metrics as detailed in our submission to the CRU:
 - **Ease of Telephone Contact: Speed of Telephone (TSF2) metric** - IW agree on its removal.
 - **Unresolved complaints metric** - IW proposes that this metric is not introduced into the PAF, as it was not considered appropriate for GNI and IW numbers are too low to be meaningful.

Customer Service

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Ease of telephone contact: Speed of telephone response	Monitor the number of calls picked up by an agent within 20 seconds in the queue divided by the total number of calls	No change	2020:84% 2024: 90%	80% each year.

- Contact Centre Management Association: 250 Contact Centres in the UK are using 80% in 20 secs as the focus during the COVID-19 restrictions.
- NDTFR and HWC can be expected to impact Contact Centre demands during RC3.
- CRU proposed target would increase IW Opex by c.10–15%, but no evidence that customers would value increase in answering speed.

Customer Service

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Ease of telephone contact: Call abandonment rate	Monitor the percentage of calls that are abandoned while a caller is waiting in the queue to speak to an agent having been directed through the Interactive Voice Recognition system	No change	2020: 2.6% 2024: 1%	5% each year.

- Call Abandonment performance is in line with best international practice (c.5%), as per the Call Centre Association (CCA)
- CRU target is benchmarked on GNI and ESNB but not directly comparable: IW is a network operator & service supply company but GNI and ESNB are network operators only.
- GNI metric definition is also less onerous (leaves after 10 secs).
- NDTFR and HWC (EUC) may impact performance.

Customer Service

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Ease of telephone contact: First call resolution	% of calls dealt with within one call without requiring a call back to the customer from Irish Water	Change name from <i>First Contact Referral</i>	2020 to 2024 90%	1) Continue two lines: Operational & Non-Dom 2) Operational Calls 75% each year & Non-Dom Calls 70% each year.

- The accurate tracking of FCR is one of the biggest challenges e.g. complex issues queries cannot be solved through self serve.
- New NDTFR means that IW will face a greater challenge maintaining high FCR performance during RC3.
- Benchmarking CCA 2019: mean average FCR of 72%, median dropped from 78% to 75%. FCR is trending downwards.
- FCR was removed as a GNI metric due to recognition of site visit needs. Metric is in place for ESNB, but it has a different value chain to IW.

Customer Service

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Billing of metered customers	a) the number of bills based on a meter reading as a percentage of bills issued to metered accounts	No change	70%	70% each year, from 2022.
	b) metered accounts billed during the year that received at least one bill based on a meter read carried out by Irish Water	b) N/A - not included in 2016 Decision	100%	As per IW PAF response, use CRU option (a), propose not to use this target.
Response to billing contacts	number of billing contacts answered and closed out within 5 working days as a percentage of billing contacts received	No change	99.90%	2021: 90% By end 2024: 95%

Billing of metered customers:

- Covid-19 will have an impact on meter reads and SPU is required to enable IW to have full control of performance.

Response to billing contacts:

- NIW is benchmark for CRU target but uses a less onerous definition (substantive / holding response only)
- NDTFR & HWC will have an impact - increased calls/longer time lines to resolve.
- Complex queries require site visits, LA support etc.

Customer Service

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Response to complaints	number of complaints: a) responded to within 5 working days, either with a resolution or an outline plan of the proposed resolution	No change	100%	2021: 90% Dom & Non-Dom. By end 2024: 95% Dom & Non-Dom.
	b) to which a final decision is issued within 2 months	No change	100%	2021: 90% Dom & Non-Dom. By end 2024: 95% Dom & Non-Dom.

- 100% based on Customer Handbook requirement but this is limited by “under normal conditions”.
- Complex complaints often require IW or LAs to undertake field/investigation work and may involve issues relating to road opening licences, consents or waivers signatures etc.
- NDTFR & HWC may drive increased complaints and complexities (e.g. meter read requirements).

Customer Service

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Unresolved complaints submitted to the CRU	number of unresolved complaints submitted to the CRU Customer Care Team in the context of the CRU's role under Section 8 of Water Services Act 2014, including:	N/A - not included in 2016 Decision	Better than average across utilities & suppliers monitored by CRU CCT	As per IW PAF response - not appropriate to introduce this metric and place targets.
	a) Unresolved complaints upheld by the CRU Customer Care Team	N/A - not included in 2016 Decision		As per IW PAF response not appropriate to introduce this metric and place targets.
	b) Unresolved complaints awarded Charter payments by the CRU Customer Care Team or Irish Water	N/A - not included in 2016 Decision		

- CRU decision paper CER/17/096 on GNI performance and reporting removed similar target proposals on basis of principle; risk of undermining relationship between CRU, GNI and customer; and low volumes of complaints escalated.
- IW shares these principle concerns and also has far lower volumes of escalated complaints.
- IW also has a different value chain to comparators – network and supply.

Customer Service

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Customer Satisfaction Survey	monitor Irish Water's performance in a survey conducted by an independent research company engaged by Irish Water	Change name from <i>Call Handling Survey</i> , conduct survey via method contact was made (telephone, email, etc.)	2020: 76% 2024: 85%	2021: 70% By end 2024: 80%

- CRU target is benchmarked against companies with different survey methods to IW.
- IW is both network operator and supply company versus ESBN & GNI who are network only – not comparable.
- Implementation of the NDTFR and HWC may impact on customer satisfaction.
- Agree that customer satisfaction should be measured but keep current CSAT format (some social media channels will not be robustly measurable).

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Energy & Emissions

Energy and Emissions

Metric Name	Metric Definition	Proposed Metric update	Proposed RC3 Target	Proposed Targets 2021-2024
Energy Consumption	The CRU proposes to monitor Irish Water's total final consumption in GWh.	N/A - not included in 2016 Decision	>22 GWH reduction by end 2024	As per IW PAF response agree.
Green House Gas Emissions	The CRU proposes to monitor the energy-related CO2 emissions that arise from Irish Water's final energy consumption.	N/A - not included in 2016 Decision	TBD when scope of emissions target decided by SEAI	As per IW PAF response agree.

Thank You

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