



Afonydd Cymru's response to Welsh Water's "Draft Drought Plan 2025"

We thank Welsh Water for the opportunity to comment on its Draft Drought Plan. There has been considerable work on improvement of options, in terms of minimising impact to the environment, and on hydrological analysis which underpins the drought plan. Our comments are focussed on what seems to be a disconnect between water resource planning in Welsh Water and current operational performance, and our concerns that water supply reliability is lower than that presented.

In 2022, Welsh Water reported to Ofwat a mis-calculation of its leakage, with corresponding changes to per capita consumption, and changes to supply-demand balances. Since 2022, Welsh Water's actual performance on leakage reduction has continued to decline. In the 2023-2024 Ofwat's Water Company Performance Report (WCRP), Ofwat reports that the 3-year rolling average for leakage has continuously declined from 217.1MI/d to 251.7MI/d during the period 2019-20 to date.

In 2023-24, the actual rolling leakage was 251.7MI/d compared to a target leakage of 194.7 MI/d, a substantial variation of 57MI/d. It states that the target for 2024-25 is 188.2MI/d.

Welsh Water's Final Water Resource Management Plan (WRMP) 2024 (upon which its Draft Drought plan is based) reports quite different numbers for leakage. Table 2d shows leakage (under annual average conditions) varying from 225.79MI/d in 2019/20 to 220.38MI/d in 2023/24. The planned forecast leakage within this table is presented at 191.31 MI/d. Afonydd Cymru is unable to reconcile the 3-year rolling averages to the actual in-year numbers between the Ofwat and Welsh Water reporting, although this is not material to our concerns.

The supply demand balance at Company level shows a deficit in this AMP period, with solutions to resolve this by 2024/25. This is based on a planned leakage target of 191.31MI/d. However, a difference in actual performance and planned target of circa 50-60MI/d would mean that the actual supply demand balance would not be resolved (even with the delivery of proposed water resource plan options in AMP8) until 2028-29 at the earliest. This is based upon the reported supply demand balance in Table 2e of Welsh Waters Final WRMP.

Welsh Water and Ofwat do not report leakage at zonal level for annual performance, therefore we are unable to determine in which zones current leakage performance does not meet target (we would welcome this as a future consideration). Welsh Water's WRMP identifies supply demand balance concerns in SEWCUS, Twyi, Lleyrn Harlech and Barmouth only (based on a Company leakage target which is not being met). In all cases, resolution of this deficit suggests demand management as part or all of the solution.

The draft Drought Plan has utilised the same models as the WRMP to identify Drought Vulnerable zones. Of the 11 vulnerable zones identified, five zones have a low level of service (1:20) of the first stage of drought (SEWCUS, Tywi, Mid-South Ceredigion, Pembrokeshire and Clwyd). Of these five, only two zones were identified as having supply demand concerns in the WRMP (based on Welsh Water meeting its leakage target). One of the zones, Pembrokeshire, was subject to drought restrictions in 2022. The Drought Plan required a staged approach to options, which include in the early stages enhanced leakage management.

Given the lack of zonal leakage data reported, we are unable to determine whether current performance (with leakage circa 50-60MI/d above target) causes any more zones to be in deficit than reported. However, whilst leakage remains considerably higher than target, we do not consider Welsh Water's Drought Plan recognises that the reliability of supply in those areas is much lower than planned for and therefore the potential for restrictions is much higher. This poses increased risk of needing to apply other drought options to secure supply to customers, and poses a more significant risk to the environment, as it would drive supply options earlier than reported.

Whilst Welsh Water remains above target for leakage, this presents additional pressure on the Company's ability to locate further leaks under an enhanced programme during a drought. In fact, we would suggest that Welsh Water needs to go further. To ensure Welsh Water meets the target, Welsh Water should already be delivering an enhanced programme of leakage reduction at all times, not just during a drought, and we would therefore question what other additional measures would be available?

Having looked in detail at the WRMP and Drought Plan, we now question the annual reporting metric within the NRW Environmental Performance Assessment. In the 2023-24 Environmental Performance Assessment, NRW reported that Welsh Water's Security of Supply Index (a measure of its reliability to supply its customers during a drought) has dropped from 100 to 99 (moving the Company from Green to Amber in the assessment). We are unclear, given the scale of difference between planned and actual leakage, how the index remained at 99?

Given these concerns, we will be copying our consultation response to both NRW and to Ofwat.

Afonydd Cymru, 5th March 2025.