

**Note to Outcomes Task Group highlighting the Company's initial reactions to the challenges arising from the 1<sup>st</sup> task group meeting held on 14 March.**

Items	Challenges Arising at Task Group on 14 March 13	Company Response
1	the statement that even though there may be joint outcomes following the merger with Cambridge would it be necessarily correct that the measures and incentives would be the same?	Agreed – this needs careful consideration and may become clearer once we map out the measures / incentives proposed. If possible we do not want different incentives for the two areas since one set of price limits will apply.
2	A suggestion was made that measures within each outcome could be weighted based on their importance	Agreed – provided the incentives don't become too complex.
3	Due to the wide interpretation of 'responsive customer service' alternatives of 'excellent customer service' or 'responsive to customer needs and service expectations' were suggested	Agreed – revised wording of this outcome will be progressed (no fundamental change, juts need to find the best set of words).
4	It was suggested that the customer bills and investor returns outcome could be split	Further review needed – both are rewarded by efficiency.
5	That "quality" should be clear that this referring to "water quality", given that general quality of service features in many of the outcomes	Agreed – outcome will be around "water quality".
6	Security of supply could be split into resilience and demand management	Unlikely to amend – many projects/inputs will be to provide "secure and reliable supplies", splitting them out is felt to be an unnecessary complication. Leakage / metering activities are under the sustainable environment outcome as we do not have a resource deficit to overcome.