



Corrigenda to the company specific appendix that accompanied the Notification by the Water Services Regulation Authority of its determination of Price Controls for Retail Activities and for Wholesale Activities for Sembcorp Bournemouth Water Limited

13 February 2015

This notice contains minor corrections to the [company-specific appendix](#) to the 2014 price determination of Sembcorp Bournemouth Water’s price controls that was published on 12 December 2014.

On [page 81](#), in the following row in Table AA4.2 Representations specific to the company-specific assessments on wholesale water, for:

<p>B6: Water use – reduce average consumption</p>	<p>No intervention.</p>	<p>The company wanted to revise our CPL to 136l/person/day to reflect the decision that our change of occupier metering will not be funded.</p>	<p>We increased the company’s CPL to 136l/person/day so the PC will now be to reduce average consumption from 142 to 136 rather than 142 to 130, that is, 50% of its original proposed reduction.</p>	<p>The company’s original metering PC was to increase the number of meters by around 17,950 by 2020. We have not allowed its proposed funding for change of occupier metering which would have accounted for around 50% of its total metering CPL. This means it is also appropriate for us to intervene to change the company’s average consumption PC level by 50%.</p>
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Read:

B6: Water use – reduce average consumption	No intervention.	The company wanted to revise our CPL to 140l/person/day to reflect the decision that our change of occupier metering will not be funded.	We increased the company's CPL to 140l/person/day so the PC will now be to reduce average consumption from 142 to 140 rather than 142 to 138, that is, 50% of its original proposed reduction.	The company's original metering PC was to increase the number of meters by around 17,950 by 2020. We have not allowed its proposed funding for change of occupier metering which would have accounted for around 50% of its total metering CPL. This means it is also appropriate for us to intervene to change the company's average consumption PC level by 50%
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On [page 100](#), for:

PC B6: Reducing per capita consumption

Detailed definition of performance measure: Reduce the per capita consumption (PCC) to 136 litres/head/day by March 2020

Incentive type: Reputational

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	l/h/d	142	142				136

Additional details

Necessary detail on measurement units	Target is to reduce the per capita consumption (PCC) to 136 litres/head/day by March 2020. 2014-15 performance is 142 litres/head/day.
Frequency of PC measurement and any use of averaging	Annual review of performance against target.
Any other information or clarifications relevant to correct application of incentive	<p>The company will evaluate its performance based on a five-year rolling average downward trend to counteract weather volatility. It will report this for independent scrutiny. By 2020 it will target the absolute number of 136 litres/head/day.</p> <p>The company will not return funds to the customers if it fails to meet the company's target as it consider that this will incentivise them to be less efficient regarding consumption. However, it will engage the Customer View group to decide on the activity required to get back on track.</p> <p>The weighted average per capita consumption will be calculated in line with Ofwat's June Return calculation which is the measure of average water use per person in an appointed water company's area.</p>

Read:

PC B6: Reducing per capita consumption

Detailed definition of performance measure: Reduce the per capita consumption (PCC) to 140 litres/head/day by March 2020

Incentive type: Reputational

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	l/h/d	142	142				140

Additional details

<p>Necessary detail on measurement units</p>	<p>Reduce the per capita consumption (PCC), to achieve a PCC of 136 litres/head/day by March 2030. 2014 -15 performance is 142 litres/head/day</p>
<p>Frequency of PC measurement and any use of averaging</p>	<p>Annual review of performance against target</p>
<p>Any other information or clarifications relevant to correct application of incentive</p>	<p>To be at the target for PCC of 136 litres/head/day by 2030.</p> <p>The company will evaluate its performance based on a five-year rolling average downward trend to counteract weather volatility. It will report this for independent scrutiny. By 2030 it will target the absolute number of 136 litres/head/day.</p> <p>The company will not return funds to the customers as this will incentivise them to be less efficient regarding consumption. However, it will engage the Customer View group to decide on the activity required to get back on track.</p> <p>The weighted average per capita consumption will be calculated in line with Ofwat's June Return calculation which is the measure of average water use per person in an appointed water company's area. Increased activity required to reach target is to be decided by independent Customer View group.</p>



Corrigendum to the company specific-appendix that accompanied the Notification by the Water Services Regulation Authority of its determination of Price Controls for Retail Activities and for Wholesale Activities for Bournemouth Water Limited

9 July 2015

This notice contains a minor correction to the [company-specific appendix](#) to the 2014 price determination of Bournemouth Water's price controls that was published on 12 December 2014.

On [page 108](#), in the following row in table, for:

Necessary detail on measurement units

Under the ACTS methodology the company will recover the forecast depreciation on its new Customer Relationship Management (CRM) system based on the projected spend in our business plan. This ODI protects customers by returning half of any funding for this scheme (via payments for depreciation) back to customers if the out-turn costs of the programme are lower than assumed in our business plan. It allows the company to retain half of any excess funding so that there is an incentive for it to make cost savings on the CRM system and to share them with customers.

This ODI also penalises the company for not delivering the CRM system on time by 31 January 2015.

The calculation of the performance measure is the cumulative depreciation charge allowed for in price limits for the delivery of the company's new CRM system.

"Delivery" is defined as 75% or more of Sembcorp Bournemouth Water's customers being handled through the new CRM system.

The company will include this specific ODI to be reported in line with its other ODIs to our Customer View Group for challenge at least on an annual basis.

Read:

Necessary detail on measurement units

Under the ACTS methodology the company will recover the forecast depreciation on its new Customer Relationship Management (CRM) system based on the projected spend in our business plan. This ODI protects customers by returning half of any funding for this scheme (via payments for depreciation) back to customers if the out-turn costs of the programme are lower than assumed in our business plan. It allows the company to retain half of any excess funding so that there is an incentive for it to make cost savings on the CRM system and to share them with customers.

This ODI also penalises the company for not delivering the CRM system on time by 1 April 2015.

The calculation of the performance measure is the cumulative depreciation charge allowed for in price limits for the delivery of the company's new CRM system.

"Delivery" is defined as 75% or more of Sembcorp Bournemouth Water's customers being handled through the new CRM system.

The company will include this specific ODI to be reported in line with its other ODIs to our Customer View Group for challenge at least on an annual basis.