



Outcome delivery incentive rates for Thames Water following recalibration based on the company’s menu choice

This schedule sets out Thames Water’s recalibrated outcome delivery incentive rates following the company’s menu choice. It is these incentive rates which the company should use during the 2015-20 price control period. The other elements of the outcome delivery incentives remain the same as in the final determination company-specific appendix (e.g. the units of measurement and the rules of application).

Incentive rates in **red** are those which have changed following recalibration i.e. those which differ from the final determination company-specific appendix.

Wholesale Water

Performance Commitment	Penalty rate following recalibration	Reward rate following recalibration
WA1: Improve handling of written complaints by increasing 1st time resolution		
WA2: Number of Written complaints per 10,000 connected properties		
WA3: Customer satisfaction surveys (Internal CSAT monitor)		
WA4: Reduced water consumption from issuing water efficiency devices to customers	0.885	
WA5: Provide a free repair service for customers with a customer side leak outside of the property		
WB1: Asset Health Water Infrastructure	4.675	
WB2: Asset Health Water Non Infrastructure	4.675	
WB3: Compliance with drinking water quality standards – Ofwat/DWI KPI	3.915	
WB4: Properties experiencing chronic low pressure		

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(DG2)		
WB5: Average hours lost supply per property served, due to interruptions >4hr	5.335	3.125
WB6: Security of Supply Index – Ofwat KPI	2.265	
WB7: Compliance with SEMD advice notes (with or without derogation)	40.94% of annualised costs saved through scope reduction	
WB8: MI/d of sites made resilient to future extreme rainfall events	0.005	0.005
WC1: Greenhouse gas emissions from water operations		
WC2: Leakage	0.450	0.270
WC3: Abstraction Incentive Mechanism (AIM)		
WC4: We will educate our existing and future customers		
WC5: Deliver 100% of agreed measures to meet new environmental regulations	40.94% of 2015-20 costs reduced through scope reductions	
WD1: Energy imported less energy exported		

Wholesale Wastewater

Performance Commitment	Penalty rate following recalibration	Reward rate following recalibration
SA1: Improve handling of written complaints by increasing first time resolution		
SA2: Number of Written complaints per 10,000 connected properties		
SA3: Customer satisfaction surveys (Internal CSAT monitor)		

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Performance Commitment	Penalty rate following recalibration	Reward rate following recalibration
SB1: Asset Health Wastewater Non Infrastructure	4.535	
SB2: Asset Health Wastewater Infrastructure	4.535	
SB3: Properties protected from flooding due to rainfall	Determined by reference to actual costs and benefits matrix	Determined by reference to actual costs and benefits matrix
SB4: Number of internal flooding incidents, excluding those due to overloaded sewers (SFOC)	0.090	0.055
SB5: Contributing area disconnected from combined sewers by retrofitting sustainable drainage	0.515	0.475
SB6: Compliance with SEMD (Security and Emergency Measures Directive) advice notes, with or without derogation	40.4% of annualised costs saved through scope reduction	
SB7: Population equivalent of sites made resilient to future extreme rainfall events	0.72	
SB8: Lee Tunnel including Shaft G	£6.7m/year	
SB9: Deephams Wastewater Treatment Works	£198m	
SC1: Greenhouse gas emissions from wastewater operations		
SC2: Total category 1-3 pollution incidents from sewage related premises	0.130	0.130
SC3: Sewage treatment works discharge compliance	3.845	
SC4: Water bodies improved or protected from deterioration as a result of TW activities		
SC5: Satisfactory sludge disposal compliance		
SC6: We will educate our existing and future customers		
SC7: Modelled reduction in properties affected by odour	270	220
SC8: Deliver 100% of agreed measures to meet new environmental regulations	40.4% of cost saved through scope	

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Performance Commitment	Penalty rate following recalibration	Reward rate following recalibration
	reduction	
SC9: Reduce the amount of phosphorus entering rivers to help improve aquatic plant and wildlife	Determined by reference to actual costs and benefits using reliable projections as soon as available (and to be included in annual report on outcomes performance no later than 2016-17)	Determined by reference to actual costs and benefits using reliable projections as soon as available (and to be included in annual report on outcomes performance no later than 2016-17)
SD1: Energy imported less energy exported		

Thames Tideway Tunnel

Performance Commitment	Penalty rate following recalibration	Reward rate following recalibration
T1A – Successful procurement of the Infrastructure Provider		
T1B – Thames Water will fulfil its land related commitments in line with the TTT programme requirements		
T1C – Completion of category 2 and 3 construction works and timely availability of sites to the IP	£3.4 million per site, a year	
T2: Thames Water will engage effectively with the IP, and other stakeholders, both in terms of integration and assurance		
T3: Thames Water will engage with its customers to build understanding of the Thames Tideway Tunnel project. Thames Water will liaise with the IP on its surveys of local communities impacted by construction		

Household Retail

Performance Commitment	Penalty rate following recalibration	Reward rate following recalibration
RA1: Minimise the number of written complaints received from customers		
RA2: Improve handling of written complaints by increasing first time resolution		
RA3: Improve customer satisfaction of retail customers – charging and billing service		
RA4: Improve customer satisfaction for retail customers – operations contact centre		
RA5: Increase the number of bills based on actual meter reads (in cycle)		
RA6: Service incentive mechanism (SIM)	Ofwat determined	Ofwat determined
RB1: Implement new online account management for customers supported by web-chat	£6.5m in each of years 4 and 5	
	Additional £20.5m applicable in year 5 (total 2015-20 allowed cost in ACTS adjustment plus premium)	
RC1: Increase the number of customers on payment plans		
RC2: Increase cash collection rates		