

April 2019

Trust in water

**PR19 draft determinations:
United Utilities – Outcomes
performance commitment appendix**

PR19 draft documentation: United Utilities - Outcomes performance commitments appendix

This appendix sets out in detail the performance commitments and outcome delivery incentives we are putting in place for United Utilities for the period 2020-2025.

This is a technical document to clearly specify the performance commitments and outcome delivery incentives. This document is not intended to substitute for the information that United Utilities should provide customers on its outcomes and performance commitments.

The appendix sets out each of the company's performance commitments and associated outcome delivery incentives, firstly for common and then for bespoke performance commitments and their associated outcome delivery incentives.

The appendix provides the following information on each performance commitment:

- the name and unique identifier of the performance commitment;
- a summary of the purpose and benefits of the performance commitment. The definitions and other terms set out in the performance commitment should be considered to be authoritative in determining the company's commitments and incentives under the performance commitment;
- the detailed definition of the performance commitment. Where these refer to, and incorporate, linked information as part of the description of any aspect of these definitions (for example documents on the Ofwat or other website, or an attachment to the performance commitment), the linked information should be considered to be authoritative in interpreting the definitions of the performance commitment, unless otherwise stated. It is the company's responsibility to report accurate and complete information and it must have adequate processes in place to do this. Any direction on reporting and assurance is specific to the commitment and in addition to the company meeting other obligations;
- the form and type of the outcome delivery incentive;
- the performance commitment levels and targets;
- the limits on outperformance and underperformance payments (caps and collars) and neutral zones (deadbands), if applicable;
- the incentive rates, if applicable;
- the allocation of the performance commitment to the company's applicable price controls; and
- any other additional details on the measure, as required.

In the PR19 Final Methodology (p56) we state that:

- Companies should commit to keeping the definitions of their performance commitments unchanged during 2020-25 and to follow our procedures for any changes.
- Companies should commit that their ODI payments will only relate to real performance changes and not definitional, methodological or data changes in the performance commitment.

We will be mindful of these points when we are assessing companies' performance against their commitments and ODIs during the 2020-25 period.

We will be considering the procedures for making any changes during the 2020-25 period in due course, taking Information Notice IN16/07 (which explains our current policy in relation to requests for changes to outcomes, performance commitments and outcome delivery incentives) as the starting point.

An accompanying 'United Utilities - Delivering outcomes for customers actions and interventions' document sets out our response for each action that we specified for the company at the IAP that relates to performance commitments and outcome delivery incentives. This includes, a summary of the company's response to our action, our draft determination of whether a further intervention is required or not, and the rationale for and nature of our draft determination. It also states interventions, if any, that we are making in the draft determination that are not related to specific IAP actions. The detail of the performance commitments and outcome delivery incentives set out in this appendix reflect these interventions.

1.1 Common performance commitments

This section sets out the detail of each of the common performance commitments and outcome delivery incentives we are putting in place for the company for the period 2020-2025, with the exceptions of C-Mex and D-Mex.

We have not included here the detail of the proposed C-Mex and D-Mex common performance commitments for the company. As explained in our C-Mex and D-Mex policy decision documents published on 8th March, we will publish our decision on final C-Mex and D-Mex incentive design for 2020-2025 as part of the final determinations in December, at which point we will also finalise the detail of these performance commitments and outcome delivery incentives for the company in the same form as the other performance commitments.

A number of companies propose enhanced ODIs for certain common PCs, including Fast Track companies. In the PR19 methodology (Appendix 2, p.85) we state: “Companies proposing enhanced outperformance and underperformance payments should explain in their business plans how they will share the knowledge behind their success with companies across the sector by the end of the 2020-25 price review period or soon after. Receiving the enhanced outperformance payments will depend on whether the company has a credible plan for sharing its approach with the sector.” This is an important aspect of the framework for enhanced ODIs and we will set out, as part of the final determinations, how we will hold companies to account on this (including, for example, the specification of knowledge-sharing plans in the performance commitments and how implementation of these plans will be reflected in subsequent determinations of enhanced payments).

In relation to common performance commitments with financial ODIs, companies have put forward a variety of proposed allocations across price controls. We accept that there may be good reasons for these differences and at this stage we have accepted the proposed allocations. We will consider further whether this is an appropriate approach for slow track and significant scrutiny draft determinations in July and for final determinations for all companies in December.

We note that a number of the common performance commitments incorporate linked information relating to the detailed interpretation of definitions, measurement guidelines or reporting guidelines. These includes links to the PR19 Outcomes definitions page on the Ofwat website (and more detailed documents embedded on that web page) and, in some cases, to documents on the Environment Agency and Drinking Water Inspectorate (DWI) websites. Some of the definitions and further guidance contained therein have been the subject of extensive collaborative working between the industry and regulators. Some are still subject to comments from

stakeholders and potential improvements (for example through the lessons learned from the experience of “shadow year” reporting). Lessons may continue to be learned and further improvements made as we move from shadow to actual reporting of the performance commitments. We are open to views from stakeholders as to whether we should provide all the detail of every aspect of the specification of the performance commitment within the templates set out here, or continue to retain links to information on the Ofwat and other external websites. This will inform our consideration of whether there should be any changes to our approach to the specification and documentation of the common performance commitments in the slow track and significant scrutiny draft determinations in July, at which point we will invite further views if necessary. The final form of the performance commitments for all companies will be set out in the final determinations in December.

1.1.1 Water Quality Compliance (CRI)

Purpose: The Compliance Risk Index (CRI) measures the risk arising from treated water compliance failures and incentivises companies to minimise that risk.

Benefits: Performance against this PC gives customers a confidence that water is clean and safe to drink and also highlights the company's ability to conform to the statutory obligations.

Performance commitment definition and parameters

Unique Reference	PR19UU_A01-CF
Detailed definition of performance measure	The definition for this PC is set by the Drinking Water Inspectorate (DWI) in collaboration with the industry: This is published as <i>DWI Compliance Risk Index (CRI)</i> , August 2018 at http://www.dwi.gov.uk/stakeholders/price-review-process/CRI_Def.pdf
Additional detail on measurement units:	A CRI score is calculated for every individual compliance failure at water supply zones, supply points and treatment works, and service reservoirs. The annual CRI for a company, for any given calendar year, is the sum of the individual CRI scores for every compliance failure reported during the year (see the DWI Compliance Risk Index for further detail on the full calculations).
Specific exclusions:	There are no specific exclusions, however, for some special rules on calculation of risk score refer to the full definition.
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Numerical CRI score, reported to two decimal places.
Measurement timing	Calendar year
Incentive form	Revenue
Incentive type	Underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	10% water resources, 90% water network plus
Frequency of reporting	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on the calendar year 2020 data, whereas 2024-25 assessment will be based on the calendar year 2024 data.

Unique Reference	PR19UU_A01-CF
Any other relevant information	DWI publishes provisional CRI scores in April each year for the previous calendar year. Final scores are published in July of each year in their annual water quality reports.
Links to relevant external documents	http://www.dwi.gov.uk/about/annual-report/index.html

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0.00	0.00	0.00	0.00	0.00
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		9.50	9.50	9.50	9.50	9.50
Underperformance deadband	Number		1.50	1.50	1.50	1.50	1.50
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-1.125
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.1.2 Water supply interruptions

Purpose: This PC is designed to incentivise companies to minimise the number and duration of supply interruptions.

Benefits: Reducing the frequency and duration of interruption events improves the reliability of supply and reduces negative social impacts on customers.

Performance commitment definition and parameters

Unique Reference	PR19UU_ B03-WN
Detailed definition of performance measure	<p>Reducing interruptions to water supply is defined in the reporting guidance for PR19 – Supply Interruptions, published on the 27th March 2018: https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-supply-interruptions.pdf</p> <p>This measure is calculated as the average number of minutes lost per customer for the whole customer base for interruptions that last three hours or more.</p>
Additional detail on measurement units	<p>Output should be presented as average minutes lost. Calculation of performance is carried out using the following equation:</p> $\frac{((\text{Properties with interrupted supply} \geq 180 \text{ mins}) \times \text{Full duration of interruption})}{\text{Total number of properties supplied (year end)}} = \text{average number of minutes lost per customer}$ <p>Properties supplied: properties shall include billed mains pressure fed household and non-household properties connected to the company's water supply network.</p> <p>Supply interruption: is defined as when the supply of water to a property is at a pressure of three metres or less (adjusted for any difference in ground or property level).</p> <p>Duration of interruption: is defined as the length of time for which properties are without a continuous supply of water at a pressure over three metres. The duration shall only be considered in the calculation of the metric where the duration is three hours or greater.</p>
Specific exclusions:	None
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Hours:minutes:seconds (HH:MM:SS) per property per year reported to zero decimal places.

Unique Reference	PR19UU_ B03-WN
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% water network plus
Frequency of reporting	Annually
Any other relevant information	ODI applies on a per minute basis.
Links to relevant external documents	NA

Performance commitments

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	HH:MM:SS	NA	00:04:17	00:03:58	00:03:40	00:03:22	00:03:00
Enhanced underperformance collar	HH:MM:SS		NA	NA	NA	NA	NA
Standard underperformance collar	HH:MM:SS		00:14:40	00:14:40	00:14:40	00:14:40	00:14:40
Underperformance deadband	HH:MM:SS		NA	NA	NA	NA	NA
Outperformance deadband	HH:MM:SS		NA	NA	NA	NA	NA

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Standard outperformance cap	HH:MM:SS		NA	NA	NA	NA	NA
Enhanced outperformance cap	HH:MM:SS		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.710
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.215
Outperformance payment - enhanced	NA

Calculation example:

Out and underperformance payments are calculated by multiplying the incentive rate by decimal minutes, so for example 1 minute 30 seconds becomes 1.5 times the incentive rate or 1 hour 1 minute 15 seconds becomes 61.25 times the incentive rate.

1.1.3 Leakage

Purpose: This PC is designed to incentivise companies to reduce leakage.

Benefits: The benefits of reduced leakage are improved water resources supply/demand balance and increased water supply network resilience.

The company has committed to reduce average annual leakage by 20.3% from 2019-20 to 2024-25. This is a different figure in the table below as the performance commitment is measured on a three-year average to smooth annual variations due to weather.

Performance commitment definition and parameters

Unique Reference	PR19UU_ B01-WN
Detailed definition of performance measure	<p>The total level of leakage is defined in the Final reporting guidance for PR19 – Leakage, published on the 27th March 2018: https://www.ofwat.gov.uk/publication/reporting-guidance-leakage/.</p> <p>It is calculated as a three-year average and reported in absolute values expressed in megalitres per day (MI/d) and as percentage reduction from baseline. The definitive service levels are those expressed in the percentage reduction from baseline.</p>
Additional detail on measurement units	<p>Total leakage is defined as the sum of distribution system leakage, including service reservoir losses and trunk main leakage plus customer supply pipe leakage.</p> <p>Baseline total leakage is calculated as a three-year average of annual values for 2017-18, 2018-19 and 2019-20 and expressed in megalitres per day (MI/d).</p> <p>Three-year average values are calculated from annual average values for the reporting year and two preceding years and expressed in megalitres per day (MI/d).</p>
Specific exclusions:	As defined in the reporting guidance.
Reporting and assurance:	This measure is reported in absolute terms and also the percentage reduction from 2019-20 baseline.
Measurement unit and decimal places	<p>Percentage reduction from 2019-20 baseline, reported to one decimal place.</p> <p>The volumetric levels resulting from the application of the percentage reduction in megalitres per day (MI/d) reported to one decimal place.</p>
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments

Unique Reference	PR19UU_ B01-WN
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% water network plus
Frequency of reporting	Annually
Any other relevant information	<p>Performance commitment levels are set as both percentage reduction from 2019-20 forecast baseline and absolute values expressed in megalitres per day (MI/d).</p> <p>Performance commitment levels expressed as percentage reduction are to be re-applied to 2019-20 actual baseline following the APR20 and performance commitment levels re-presented in megalitres per day (MI/d).</p> <p>Incentive payments relate to performance changes expressed in megalitres per day (MI/d).</p>
Links to relevant external documents	None

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level – percentage reduction	%	0.0	1.1	2.4	4.7	8.6	14.0
Performance commitment level – absolute value	MI/d	450.0	445.2	439.3	428.8	411.4	386.9
Enhanced underperformance collar – percentage reduction	%		NA	NA	NA	NA	NA
Standard underperformance collar –	%		NA	NA	NA	NA	NA

percentage reduction							
Underperformance deadband – percentage reduction	%		NA	NA	NA	NA	NA
Outperformance deadband – percentage reduction	%		NA	NA	NA	NA	NA
Standard outperformance cap – percentage reduction	%		NA	NA	NA	NA	NA
Enhanced outperformance cap – percentage reduction	%		NA	NA	NA	NA	NA
Enhanced underperformance collar – absolute value	MI/d		NA	NA	NA	NA	NA
Standard underperformance collar – absolute value	MI/d		NA	NA	NA	NA	NA
Underperformance deadband – absolute value	MI/d		NA	NA	NA	NA	NA
Outperformance deadband – absolute value	MI/d		NA	NA	NA	NA	NA
Standard outperformance cap – absolute value	MI/d		NA	NA	NA	NA	NA
Enhanced outperformance cap – absolute value	MI/d		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.175
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.129
Outperformance payment - enhanced	NA

1.1.4 Per capita consumption

Purpose: This PC is designed to incentivise companies to reduce household their consumption.

Benefits: The benefits of reduced per capita consumption (PCC) is to improve long term water resources supply/demand balance.

Performance commitment definition and parameters

Unique Reference	PR19UU_ B05-WN
Detailed definition of performance measure	<p>Per capita consumption is defined in the final reporting guidance for PR19 – Per Capita Consumption, published on the 27th March 2018: https://www.ofwat.gov.uk/publication/reporting-guidance-per-capita-consumption/.</p> <p>It is reported as a three-year average and reported in absolute values expressed in litres/person/day (l/p/d) and as percentage reduction from baseline. The definitive service levels are those expressed in the percentage reduction from baseline.</p>
Additional detail on measurement units	<p>Per capita consumption is defined as the sum of measured household consumption and unmeasured household consumption divided by the total household population.</p> <p>Three-year average values are calculated from annual average values for the reporting year and two preceding years and expressed in litres/person/day (l/p/d).</p>
Specific exclusions	As defined in the reporting guidance.
Reporting and assurance	This measure is reported in absolute terms and percentage reduction from 2019-20 baseline.
Measurement unit and decimal places	<p>Percentage reduction from 2019-20 baseline, reported to one decimal place.</p> <p>The volumetric levels resulting from the application of the percentage reduction in litres/person/day (l/p/d) reported to one decimal place.</p>
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period

Unique Reference	PR19UU_ B05-WN
Price control allocation	100% water network plus
Frequency of reporting	Annually
Any other relevant information	<p>Performance commitment levels are set as both percentage reduction from 2019-20 forecast baseline and absolute values expressed in litres/person/day (l/p/d).</p> <p>Performance commitment levels expressed as percentage reduction are to be re-applied to 2019-20 actual baseline following final data being available and performance commitment levels re-presented in litres/person/day (l/p/d).</p> <p>Incentive payments relate to performance changes expressed in litres/person/day (l/p/d).</p>
Links to relevant external documents	None

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level – percentage reduction	%	0.0	-0.7	-1.6	-2.8	-4.0	-5.2
Performance commitment level – absolute value	Litres/person/day	141.3	140.3	139.0	137.3	135.6	133.9
Enhanced underperformance collar – percentage reduction	%		NA	NA	NA	NA	NA
Standard underperformance collar – percentage reduction	%		NA	NA	NA	NA	NA

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Underperformance deadband – percentage reduction	%		NA	NA	NA	NA	NA
Outperformance deadband – percentage reduction	%		NA	NA	NA	NA	NA
Standard outperformance cap – percentage reduction	%		NA	NA	NA	NA	NA
Enhanced outperformance cap – percentage reduction	%		NA	NA	NA	NA	NA
Enhanced underperformance collar – absolute value	Litres/person/day		NA	NA	NA	NA	NA
Standard underperformance collar – absolute value	Litres/person/day		NA	NA	NA	NA	NA
Underperformance deadband – absolute value	Litres/person/day		NA	NA	NA	NA	NA
Outperformance deadband – absolute value	Litres/person/day		NA	NA	NA	NA	NA
Standard outperformance cap – absolute value	Litres/person/day		NA	NA	NA	NA	NA
Enhanced outperformance cap – absolute value	Litres/person/day		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/litres/person/day)
Underperformance payment - standard	-0.310
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.193
Outperformance payment - enhanced	NA

1.1.5 Mains repairs

Purpose: This PC is designed to incentivise that the asset health of the infrastructure and below-ground water mains network is being appropriately maintained and improved and that the company is committed to its asset stewardship responsibility.

Benefits: This PC helps to ensure that the overall asset health of the water mains network is maintained and improved for the benefit of current and future generations.

Performance commitment definition and parameters

Unique Reference	PR19UU_ B02-WN
Detailed definition of performance measure	Mains repairs is defined in the reporting guidance for PR19 – Mains Repairs per 1000km, published on the 27 th March 2018. https://www.ofwat.gov.uk/publication/reporting-guidance-mains-repairs-per-1000km/ It is reported as the number of mains repairs per thousand kilometres of the entire water main network (excluding communication and supply pipes).
Additional detail on measurement units	Mains repairs – This includes all physical repair work to mains from which water is lost. Mains length – This is the length of all pipes conveying treated water around the distribution point but not including communication pipes or supply pipes.
Specific exclusions:	As defined in the reporting guidance
Reporting and assurance:	The company is also required to report mains repaired pro-actively and reactively separately.
Measurement unit and decimal places	Number of repairs per 1000km of mains, reported to one decimal place.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% water network plus
Frequency of reporting	Annually
Any other relevant information	NA

Unique Reference	PR19UU_ B02-WN
Links to relevant external documents	NA

Performance commitment levels

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	number	NA	110.0	110.0	110.0	110.0	110.0
Enhanced underperformance collar	number		NA	NA	NA	NA	NA
Standard underperformance collar	number		153.0	153.0	153.0	153.0	153.0
Underperformance deadband	number		NA	NA	NA	NA	NA
Outperformance deadband	number		NA	NA	NA	NA	NA
Standard outperformance cap	number		107.0	107.0	107.0	107.0	107.0
Enhanced outperformance cap	number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.285
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.008
Outperformance payment - enhanced	NA

1.1.6 Unplanned outage

Purpose: This PC is designed to incentivise that the asset health of the non-infrastructure or above-ground water assets is being appropriately maintained and improved and that the company is committed to its asset stewardship responsibility.

Benefits: This PC helps to ensure that the overall asset health of the above-ground water assets is maintained and improved for the benefit of current and future generations.

Performance commitment definition and parameters

Unique Reference	PR19UU_ B04-CF
Detailed definition of performance measure	<p>Unplanned outage is defined in the reporting guidance for PR19 – Unplanned Outage, published on the 27th March 2018. https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-unplanned-outage.pdf</p> <p>This measure is reported as the temporary loss of peak week production capacity (PWPC) in the reporting year weighted by the duration of the loss (in days). Unplanned outage for each water production site is calculated separately and then summed over the reporting year to give a total actual unplanned outage for the water resource zone.</p> <p>The company water resource zone weighted outage can then be summed (Ml/d) and normalised based on overall company peak week production capacity to be reported as a percentage.</p>
Additional detail on measurement units	<p>Above-ground assets include: source abstraction assets, raw water transport assets, raw water storage assets, water treatment assets, treated water storage assets, treated water distribution assets before distribution input meters.</p> <p>PWPC: This is equivalent to the maximum volume of water which can be put into supply and sustained over a period of one week measured in Ml/d.</p> <p>Unplanned outage or asset failure: - The failure or deterioration of any asset which impacts on the ability to produce the peak week production capacity should be recorded as an unplanned outage. Planned outages: Where assets are taken out of supply or made unavailable for supply to enable planned maintenance or capital works to be completed then these should be recorded as planned outages. Where planned work results from an asset failure any resulting outage should also be recorded as unplanned.</p> <p>Duration: Only outage events which exceed 24 hours in duration should be included in this measure.</p>
Specific exclusions	As defined in the reporting guidance

Unique Reference	PR19UU_ B04-CF
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Percentage of peak week production capacity reported to two decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Underperformance payment
Timing of underperformance and outperformance payments	In-period
Price control allocation	95% water network plus, 5% water resources
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	NA	11.02	10.91	10.80	10.69	10.58
Enhanced underperformance collar	%		NA	NA	NA	NA	NA
Standard underperformance collar	%		NA	NA	NA	NA	NA
Underperformance deadband	%		NA	NA	NA	NA	NA
Outperformance deadband	%		NA	NA	NA	NA	NA

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Standard outperformance cap	%		NA	NA	NA	NA	NA
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-2.703
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.1.7 Risk of severe restrictions in a drought

Purpose: To measure the resilience of each company to severe restrictions in a 1 in 200 drought and incentivise the improvement of this level of resilience in the short and longer term.

Benefits: A reduction in the risk of severe drought restrictions will reduce the associated risk of substantial costs and detrimental effects on customers' wellbeing.

Performance commitment definition and parameters

Unique Reference	PR19UU_ B06-CF
Detailed definition of performance measure	<p>The drought resilience metric is defined in the reporting guidance – Drought resilience metric, published on the 13th March 2018: https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Drought-resilience-metric-March-18.pdf</p> <p>The overall metric will be, on a company basis, the percentage of the customer population at risk of experiencing severe restrictions in a 1-in-200 year drought, on average, over 25 years.</p>
Additional detail on measurement units	<p>The metric will be calculated using the following formula:</p> $\textit{At risk if, } DO - OA < DD + TH$ <p>Where:</p> <p>Deployable output (supply) = DO Outage allowance (unavailable supply) = OA Dry year demand = DD Target headroom (uncertainty) = TH</p> <p>The annual percentage of customers at risk is then calculated by dividing total numbers of customers at risk (ie population of a water resource zone) by the total number of customers served by the company.</p>
Specific exclusions	As defined in the reporting guidance
Reporting and assurance	As defined in the reporting guidance
Measurement unit and decimal places	Percentage of population at risk reported to one decimal place.
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA

Unique Reference	PR19UU_ B06-CF
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	NA	0.0	0.0	0.0	0.0	0.0
Enhanced underperformance collar	%		NA	NA	NA	NA	NA
Standard underperformance collar	%		NA	NA	NA	NA	NA
Underperformance deadband	%		NA	NA	NA	NA	NA
Outperformance deadband	%		NA	NA	NA	NA	NA
Standard outperformance cap	%		NA	NA	NA	NA	NA
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.1.8 Priority services for customers in vulnerable circumstances

Purpose: To ensure a minimum standard across all companies for the number of households registered on the Priority Services Register (PSR) and for PSR data checking.

Benefits: This PC will help to increase the number of customers in vulnerable circumstances that receive the most appropriate service to their needs. It will also ensure the register is kept up to date.

Performance commitment definition and parameters

Unique Reference	PR19UU_ D03-HH
<p>Detailed definition of performance measure</p>	<p>PSR 'reach' is defined as the percentage of households that the company supplies with water and/or wastewater services which have at least one individual registered on the company's PSR.</p> <p>PSR 'data checking' is measured by the percentage of distinct households with at least one individual on the company's PSR that have been contacted at least once over the previous two years to ensure that they are receiving the right support.</p> <p>A contact is defined as a proactive interaction in which contact was made with the customer and their personal information updated as a result (including confirmation of whether or not the customer needs to remain on the company's PSR).</p> <p>The term 'distinct households' ensures that a household with at least one individual registered on the PSR that is contacted more than once in the two preceding years shall count only once towards this measure.</p> <p>To achieve compliance with this performance commitment both the PSR reach and PSR data checking targets should be achieved.</p>
<p>Additional detail on measurement units</p>	<p>PSR reach: the percentage of households with at least one individual registered on the PSR, reported annually. This is calculated as follows:</p> $\frac{\text{Number of households with at least one individual on the PSR (measured 31st March)}}{\text{Total number of households served (measured 31st March)}}$ <p>PSR data checking: the percentage of distinct households with individuals registered on the PSR that have been contacted over the previous two reporting years (at the point of reporting) to ensure that the customer is receiving the right support. This is calculated as follows:</p>

Unique Reference	PR19UU_ D03-HH
	$\frac{\text{Distinct households with at least one individual on PSR contacted in last two years (measured 31st March)}}{\text{Total number of households with individuals on PSR (measured 31st March)}}$
Specific exclusions	None
Reporting and assurance	<p>Companies should also report the following information:</p> <p>PSR reach: companies should present PSR membership by separately reporting forecast annual figures for individuals registered receiving support through PSR services for a) communication, b) support with mobility and access restrictions c) support with supply interruption, d) support with security and e) support with other needs.</p> <p>PSR data-checking: Companies should report the number of households added and removed from the PSR if the data is not available to report numbers of individuals. Where possible, the company should report the corresponding figure for individuals alongside this.</p>
Measurement unit and decimal places	<p>PSR reach: percentage of applicable households, reported to one decimal place.</p> <p>PSR data checking: percentage of applicable households, reported to one decimal place.</p>
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level (reach / data checking)	%	NA	4.0% 90.0%	4.8% 90.0%	5.5% 90.0%	6.3% 90.0%	7.0% 90.0%
Enhanced underperformance collar	%		NA	NA	NA	NA	NA
Standard underperformance collar	%		NA	NA	NA	NA	NA
Underperformance deadband	%		NA	NA	NA	NA	NA
Outperformance deadband	%		NA	NA	NA	NA	NA
Standard outperformance cap	%		NA	NA	NA	NA	NA
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.1.9 Internal sewer flooding

Purpose: This PC is designed to incentivise companies to reduce the number of internal sewer flooding incidents.

Benefits: A reduction in internal sewer flooding reduces disruption and other negative social impacts for customers.

Performance commitment definition and parameters

Unique Reference	PR19UU_ G02-WWN
Detailed definition of performance measure	<p>The internal sewer flooding measure is defined in the reporting guidance for PR19 – Sewer Flooding, published on the 27th March 2018 https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-sewer-flooding-updated-April-2018.pdf</p> <p>The measure is calculated as the number of internal sewer flooding incidents normalised per 10,000 sewer connections including sewer flooding due to severe weather events.</p> <p>Companies might also want to present their performance commitments in absolute numbers to make it easier for customers and stakeholders to understand.</p> <p>The definitive service levels are those expressed as the values normalised per 10,000 sewer connections.</p>
Additional detail on measurement units	<p>Internal flooding: is defined as flooding which enters a building or passes below a suspended floor.</p> <p>Flooding event: is defined as the escape of water from a sewerage system, irrespective of size as evidenced by standing water, running water or visible deposits of silt or sewage solids. It includes flooding due to overloaded sewers (hydraulic flooding) and due to other causes (FOC).</p> <p>Number of incidents: is defined as the number of properties (or curtilages) flooded during each flooding event from a public sewer including incidents on sewers transferred under the Transfer of Private Sewers Regulations 2011 and pumping stations transferred in 2016.</p> <p>Severe weather: is defined as individual rainfall events with a storm return period greater than 1 in 20 years. Flooding incidents caused by severe weather should be included in this measure.</p> <p>Sewer length: Include the length of the entire network, including sewers that transferred to their responsibility under the Transfer of Public Sewers Regs 2011. The company should separately record the length of transferred sewers, the calculation of this measure should be based on the latest measurements of the length.</p>

Unique Reference	PR19UU_ G02-WWN
	The absolute number of incidents is divided by the total number of the company's sewer connections and multiplied by 10,000 to derive the normalised value.(See guidance document for full definitions)
Specific exclusions:	As defined in the reporting guidance.
Reporting and assurance:	This measure will be reported as both the absolute number of internal sewer flooding incidents and a normalised value of internal flooding incidents per 10,000 sewer connections. Any changes to the number of sewer connections that will have a material impact on the performance of this measure should be highlighted in the report commentary.
Measurement unit and decimal places	Number of incidents per 10,000 sewer connections reported to two decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% wastewater network plus
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitments

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	1.68	1.63	1.58	1.44	1.34
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		3.00	3.50	4.00	4.50	5.00
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-8.275
Underperformance payment - enhanced	NA
Outperformance payment - standard	2.200
Outperformance payment - enhanced	NA

1.1.10 Pollution incidents

Purpose: This PC is designed to incentivise companies to reduce the number of pollution incidents that impact the environment.

Benefits: Delivery of this PC will improve the quality of the environment by reducing the number of pollution incidents that occur.

Performance commitment definition and parameters

Unique Reference	PR19UU_ C01-WWN
Detailed definition of performance measure	<p>Pollution Incidents is defined in the following guidance for PR19 – Water & Sewerage Company Environmental Performance Assessment (EPA) Methodology (version 3). Published November 2017 by the Environment Agency.</p> <p>https://www.ofwat.gov.uk/wp-content/uploads/2017/12/WatCoPerfEPAmethodology_v3-Nov-2017-Final.pdf</p> <p>The total number of pollution incidents (categories 1 to 3) per 10,000km of sewer length for which the company is responsible in a calendar</p>
Additional detail on measurement units	As defined in the reporting guidance
Specific exclusions	Are as defined in full in the reporting guidance
Reporting and assurance	<p>This measure will be reported as both the absolute number of pollution incidents and a normalised value of pollution incidents per 10,000km of sewer.</p> <p>Any changes to the length of the wastewater network that will have a material impact on the performance of this measure should be highlighted in the report commentary.</p>
Measurement unit and decimal places	Number of pollution incidents per 10,000 km wastewater network reported to two decimal places.
Measurement timing	Calendar year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% wastewater network plus
Frequency of reporting	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on the calendar year 2020 data,

Unique Reference	PR19UU_ C01-WWN
	whereas 2024-25 assessment will be based on the calendar year 2024 data.
Any other relevant information	NA
Links to relevant external documents	<p>https://www.ofwat.gov.uk/wp-content/uploads/2017/12/20171129-Incidents-and-their-classification-the-Common-Incident-Classification-Scheme-CICS-23.09.16.pdf</p> <p>Incidents and their classification: the Common Incident Classification Scheme (CICS), Ref: 04_01, Issued 23/9/2016 by the Environment Agency</p>

Performance commitments

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	number	NA	24.50	23.70	23.00	22.40	19.50
Enhanced underperformance collar	number		NA	NA	NA	NA	NA
Standard underperformance collar	number		30.80	30.80	30.80	30.80	30.80
Underperformance deadband	number		NA	NA	NA	NA	NA
Outperformance deadband	number		NA	NA	NA	NA	NA
Standard outperformance cap	number		17.00	16.50	16.00	15.50	15.00
Enhanced outperformance cap	number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-1.353
Underperformance payment - enhanced	-2.707
Outperformance payment - standard	0.760
Outperformance payment - enhanced	1.520

1.1.11 Risk of sewer flooding in a storm

Purpose: This PC is designed to incentivise companies to reduce the number of properties at risk of flooding in a storm. The PC is also designed to encourage companies to develop a better understanding of flood risks within their regions through improved quality and coverage of models.

Benefits: Reduction of flood risk during storm events protects customers and the environment from the disruption and costs associated with flood events. Reduced cost of flood resilience for customers through a better understanding of flood risks and appropriate interventions.

Performance commitment definition and parameters

Unique Reference	PR19UU_ G01-WWN
Detailed definition of performance measure	Risk of sewer flooding in a storm is defined within the guidance titled Developing and Trialling Wastewater Resilience Metrics, published on the 7th November 2017: https://www.ofwat.gov.uk/wp-content/uploads/2017/12/Developing-and-Trialling-Wastewater-Resilience-Metrics-Atkins.pdf This measure will record the percentage of the region's population at risk from internal hydraulic flooding from a 1-in-50 year storm, based on modelled predictions.
Additional detail on measurement units	See guidance document for full details of the calculation and measurements units.
Specific exclusions	As defined in the guidance.
Reporting and assurance	As defined in the guidance.
Measurement unit and decimal places	Percentage of population at risk, reported to two decimal places.
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annually

Unique Reference	PR19UU_ G01-WWN
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitments

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	NA	15.44	15.33	15.22	15.12	15.02
Enhanced underperformance collar	%		NA	NA	NA	NA	NA
Standard underperformance collar	%		NA	NA	NA	NA	NA
Underperformance deadband	%		NA	NA	NA	NA	NA
Outperformance deadband	%		NA	NA	NA	NA	NA
Standard outperformance cap	%		NA	NA	NA	NA	NA
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.1.12 Sewer collapses

Purpose: This PC is designed to incentivise that the asset health of the infrastructure or below-ground wastewater assets is being appropriately maintained and improved and that the company is committed to its asset stewardship responsibility.

Benefits: This PC helps to ensure that the overall asset health of the below-ground wastewater assets is maintained and improved for the benefit of current and future generations.

Performance commitment definition and parameters

Unique Reference	PR19UU_ F01-WWN
Detailed definition of performance measure	<p>Sewer collapses is defined in the reporting guidance for PR19 – Sewer Collapses per 1000km, published on the 27th March 2018. https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-sewer-collapses-per-1000km.pdf</p> <p>Number of sewer collapses per 1000 kilometres of all sewers causing an impact on service to customers or the environment.</p>
Additional detail on measurement units	<p>Sewer collapse: A sewer collapse is considered to be where a structural failure has occurred to the pipe and that results in a service impact to a customer or the environment and where action is taken to replace or repair the pipe to reinstate normal service. The measure intentionally does not refer to the magnitude of the collapse. The measure includes rising mains. Collapses on the entire network are to be reported.</p> <p>Sewer length: Include the length of the entire network, including sewers that transferred to their responsibility under the Transfer of Public Sewers Regs 2011. The company should separately record the length of transferred sewers, the calculation of this measure should be based on the latest measurements of the length.</p>
Specific exclusions:	As defined in the guidance
Reporting and assurance:	The company is also required to report the number of occasions where a failure has occurred to the pipe that results in either any contact with the company (i.e. an impact on service has caused someone to contact the company) or any unplanned escape of wastewater and results in spot repairs or relining.
Measurement unit and decimal places	Number of collapses per 1000km of sewer network, reported to two decimal places
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Underperformance payments

Unique Reference	PR19UU_ F01-WWN
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% wastewater network plus
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	number	NA	4.14	4.06	3.98	3.89	3.81
Enhanced underperformance collar	number		NA	NA	NA	NA	NA
Standard underperformance collar	number		NA	NA	NA	NA	NA
Underperformance deadband	number		NA	NA	NA	NA	NA
Outperformance deadband	number		NA	NA	NA	NA	NA
Standard outperformance cap	number		NA	NA	NA	NA	NA
Enhanced outperformance cap	number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.820
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.1.13 Treatment works compliance

Purpose: This PC is designed to incentivise that the asset health of the non-infrastructure or above-ground wastewater assets is being appropriately maintained and improved and that the company is committed to its asset stewardship responsibility.

Benefits: This PC helps to ensure that the overall asset health of the above-ground wastewater assets is maintained and improved for the benefit of current and future generations.

Performance commitment definition and parameters

Unique Reference	PR19UU_C02-CF
Detailed definition of performance measure	<p>Treatment works compliance is defined in the reporting guidance for PR19 – Water & Sewerage Company Environmental Performance Assessment (EPA) Methodology (version 3). Published November 2017 by the Environment Agency.</p> <p>https://www.ofwat.gov.uk/wp-content/uploads/2017/12/WatCoPerfEPAMethodology_v3-Nov-2017-Final.pdf</p> <p>The discharge permit compliance metric is reported as the number of failing sites (as a percentage of the total number of discharges) and not the number of failing discharges.</p>
Additional detail on measurement units	A discharge can be confirmed as failing for a number of breaches of a numeric permit at wastewater treatment works and water treatment works, these are set out in the Environment Agency guidance.
Specific exclusions:	None.
Reporting and assurance:	No specific requirements
Measurement unit and decimal places	Percentage compliance, reported to two decimal places.
Measurement timing	Calendar year
Incentive form	Revenue
Incentive type	Underperformance payments
Timing of underperformance and outperformance payments	In-period

Unique Reference	PR19UU_ C02-CF
Price control allocation	100% wastewater network plus
Frequency of reporting	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on the calendar year 2020 data, whereas 2024-25 assessment will be based on the calendar year 2024 data.
Any other relevant information	Performance against this PC is also published annually in EA water and sewerage companies' annual report.
Links to relevant external documents	See Environment Agency website for annual reports

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	NA	100.00	100.00	100.00	100.00	100.00
Enhanced underperformance collar	%		NA	NA	NA	NA	NA
Standard underperformance collar	%		NA	NA	NA	NA	NA
Underperformance deadband	%		99.00	99.00	99.00	99.00	99.00
Outperformance deadband	%		NA	NA	NA	NA	NA
Standard outperformance cap	%		NA	NA	NA	NA	NA
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-1.525
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.2 Bespoke performance commitments

This section sets out the detail for each of the bespoke performance commitments and outcome delivery incentives we are putting in place for the company for the period 2020-2025.

Companies have developed bespoke performance commitments that reflect customers' preferences. Allowing companies to propose their own performance commitments allows for innovation that can target their customers' values and concerns in the context of their specific circumstances.

1.2.1 Reducing water quality contacts due to taste, smell and appearance.

Purpose: This PC incentivises the company to reduce water quality contacts relating to appearance, taste and odour.

Benefits: This PC improves the appearance, taste and odour of drinking water by incentivising the company to reduce the number of customer contacts it receives in relation to the appearance of drinking water.

Performance commitment definition and parameters

Unique Reference	PR19UU_ A02-WN
Detailed definition of performance measure:	The customer contact classification guidance is published by the Drinking Water Inspectorate (DWI) as <i>Information Letter 1/2006</i> , 6 January 2006, at – http://dwi.defra.gov.uk/stakeholders/information-letters/2006/01_2006.pdf Consumers contact a water company for various water quality reasons. Only consumer contacts that are about appearance and taste and odours will be included in this measure
Additional detail on measurement units	The number of times the company is contacted due to the taste and odour of drinking water, or due to drinking water not being clear, reported per 10,000 population. Calculation is the number of contacts for appearance of water plus all taste/odour contacts multiplied by 10,000 divided by the resident population.
Specific exclusions:	See DWI guidance for a full list of exclusions.
Reporting and assurance:	The company is also required to report consumer contacts separately for appearance, taste and odour for DiscoverWater.
Measurement unit and decimal places	Number of customer contacts per 10,000 population, reported to one decimal place.
Measurement timing	Calendar year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% Water network plus

Unique Reference	PR19UU_ A02-WN
Frequency of reporting	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on the calendar year 2020 data, whereas 2024-25 assessment will be based on the calendar year 2024 data.
Any other relevant information	NA
Links to relevant external documents	The DiscoverWater website link for this measure is https://discoverwater.co.uk/colour and taste and odour at https://discoverwater.co.uk/taste

Performance commitment levels

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	17.6	16.7	15.9	15.1	14.3
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		18.4	17.5	16.7	15.9	15.1
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		15.8	15.0	14.3	13.6	12.9
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-7.165
Underperformance payment - enhanced	NA
Outperformance payment - standard	7.165
Outperformance payment - enhanced	NA

1.2.2 Number of properties with lead risk reduced

Purpose: This PC incentivises the company to reduce the amount of lead in drinking water.

Benefits: This PC protects public health by encouraging the company to reduce the number of lead service pipes, reducing the amount of lead in drinking water.

Performance commitment definition and parameters

Unique Reference	PR19UU_ A03-WN
Detailed definition of performance measure	Number of properties with lead risk reduced is defined as: Number of qualifying complete lead service pipe replacements completed per year.
Additional detail on measurement units	This measure seeks to reduce the number of lead service pipes across the company's region and these replacements will include: <ul style="list-style-type: none"> • Any property that has a full service pipe replacement from the water main to the first incoming tap (the first tap inside a property that is supplied with water carried from the company's network via a supply pipe); • Any property that has either its communication pipe or supply pipe replaced where the remainder of the service pipe is confirmed to already not be lead. The company will not include any replacements where the work is funded through the lead and/or common supply pipe replacement scheme (LCSP) as in these instances customers have paid for the work on the pipework that is within their ownership. The number of replacements will be the total number of lead pipe replacements that meet the above criteria.
Specific exclusions	There are no specific exclusions.
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Number of lead service pipe replacements reported to zero decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period

Unique Reference	PR19UU_ A03-WN
Price control allocation	100% water network plus
Frequency of reporting	Annual
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0	500	800	750	750
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		0	0	0	0	0
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		0	3000	3600	3500	3500
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.00112
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.00112
Outperformance payment - enhanced	NA

1.2.3 Helping customers look after water in their home

Purpose: This PC incentivise the company to deliver an education and support programme, to its customers focused on the use of water in the home.

Benefits: This PC will increase customer awareness of the factors that can affect water quality and water efficiency in their home. This should lead to improved public health and reduced water demand.

Performance commitment definition and parameters

Unique Reference	PR19UU_ A04-WN
Detailed definition of performance measure	This measure monitors the increased awareness of customers to their impact on both water quality and water efficiency within their home, in terms of the % increase from the 2018 baseline.
Additional detail on measurement units	The baseline is based on a survey carried out in 2018. This will be repeated annually, using the same set of questions and drawing from a statistically representative sample of domestic customers (in terms of age, gender, region, metered/unmetered and urban/suburban) with a minimum sample of 1,000 customers. Performance in each year will be calculated as the percentage awareness from the annual survey less the percentage awareness from the 2018 baseline survey.
Specific exclusions	None
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	% increase to one decimal place
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% water network plus
Frequency of reporting	Annually

Unique Reference	PR19UU_ A04-WN
Any other relevant information	None
Links to relevant external documents	None

Performance commitment levels

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	NA	2.0	4.0	6.0	8.0	10.0
Enhanced underperformance collar	%		NA	NA	NA	NA	NA
Standard underperformance collar	%		NA	NA	NA	NA	NA
Underperformance deadband	%		NA	NA	NA	NA	NA
Outperformance deadband	%		NA	NA	NA	NA	NA
Standard outperformance cap	%		NA	NA	NA	NA	NA
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.073
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.073
Outperformance payment - enhanced	NA

1.2.4 Reducing discolouration from the Vyrnwy treated water aqueduct

Purpose: This PC is designed to reduce discolouration events in drinking water supplies by measuring the length of the Vyrnwy treated water aqueduct that has been cleaned or relined.

Benefits: This PC will reduce the number of discolouration events experienced by customers and improve the quality and appearance of drinking water.

Performance commitment definition and parameters

Unique Reference	PR19UU_ A05-WN
Detailed definition of performance measure	This measure records the length of the Vyrnwy aqueduct cleaned / relined, if required by the Drinking Water Inspectorate (DWI) to meet the target for reduction in water discolouration. Measured as the number of kilometres of the Vyrnwy treated water aqueduct cleaned / relined annually
Additional detail on measurement units	The company has not included any provision in its business plan for the potential scheme to clean/reline the Vyrnwy treated water aqueduct. Costs will be recovered, if the scheme is required, through an outcome delivery incentive linked to this performance commitment, based on a unit rate per kilometre.
Specific exclusion	There are no specific exclusions.
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Number of kilometres of the Vyrnwy water aqueduct cleaned/relined and reported to two decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% water network plus
Frequency of reporting	Annual

Unique Reference	PR19UU_ A05-WN
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Km	NA	0.00	0.00	0.00	0.00	0.00
Enhanced underperformance collar	Km		NA	NA	NA	NA	NA
Standard underperformance collar	Km		NA	NA	NA	NA	NA
Underperformance deadband	Km		NA	NA	NA	NA	NA
Outperformance deadband	Km		NA	NA	NA	NA	NA
Standard outperformance cap	Km		0.00	0.00	0.00	35.25	23.74
Enhanced outperformance cap	Km		NA	NA	NA	NA	NA

This assumes there is no requirement to undertake any cleaning/relining, so the commitment level is set at zero.

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.548
Outperformance payment - enhanced	NA

1.2.5 Reducing areas of low water pressure

Purpose: This PC is designed to incentivise the company to reduce the number of customers that experience their water supply having a low pressure.

Benefits: This PC reduces the number of customers suffering from poor or no water supply due to low pressure.

Performance commitment definition and parameters

Unique Reference	PR19UU_ B07-WN
Detailed definition of performance measure	<p>The number of properties receiving pressure below the guaranteed standard calculated. This measure is calculated as the total number of properties receiving pressure below standard, minus the number of those properties that are covered by the predetermined allowable exclusion categories as detailed in the reporting guidance, divided by the number of connected properties in 10,000's.</p> $\text{Properties receiving low pressure} = \frac{(p1 - p2)}{\left(\frac{n}{10,000}\right)}$ <p>Where: <i>p1</i> = total properties receiving water below standard <i>p2</i> = total properties receiving low water pressure that are covered by allowable exclusions <i>n</i> = number of connected properties for water supply</p> <p>Low pressure reference level is defined in the reporting guidance, published on the 27th March 2018: https://www.ofwat.gov.uk/wp-content/uploads/2017/12/Properties-at-risk-of-receiving-low-pressure.pdf.</p>
Additional detail on measurement units	The reference level applies to a single property and is measured on the customer's side of any meter or company fittings.
Specific exclusions	As defined in the reporting guidance.
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Number of customers receiving low pressure/poor supply per 10,000 connected properties to three decimal places
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments

Unique Reference	PR19UU_ B07-WN
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% water network plus
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0.666	0.662	0.657	0.652	0.647
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.342
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.342
Outperformance payment - enhanced	NA

1.2.6 Water service resilience

Purpose: This PC is designed to measure the company's ability to maintain a reliable supply now and in the future by reducing the potential risks of longer period supply interruptions.

Benefits: This PC reduces the risk of longer-term water supply interruptions or of water quality issues, due to water main or water treatment works supply failures.

Performance commitment definition and parameters

Unique Reference	PR19UU_ B08-WN
<p>Detailed definition of performance measure</p>	<p>The reduction in the number of customer water supply service days at risk of being lost as a result of long-term interruptions to water supply, or of water quality issues, due to water main or water treatment works supply failures.</p> <p>Performance is measured as a reduction against a baseline risk assessment for 31 March 2020, expressed in terms of an annual risk of customer water supply service days lost (customer service days lost or csd/yr) and it will monitor improvements that affect this risk against the baseline risk assessment for 2020. 'Water supply service day' is defined as the risk of a property losing a wholesome supply of water, due to a failure associated with either a trunk main or water treatment works failure.</p>
<p>Additional detail on measurement units</p>	<p>Risk of customer water supply service days lost is estimated using the company's risk model.</p> <p>The baseline risk assessment for 2020 includes those water treatment works that cannot be switched off for longer than five days and water mains where more than 4,000 customer properties could lose supply during a burst repair.</p> <p>The assessment of change in risk (csd/yr) is carried out annually and depends on the completed delivery of water service improvements that reduce the risk of long-term interruptions to water supply or of water quality issues. Any completed change that could affect the resulting risk is to be evidenced when reporting the performance against this measure.</p> <p>For water treatment works, company assesses the risk based on:</p> <ul style="list-style-type: none"> • The probability of an incident (such as flooding or loss of power supply) occurring and its potential duration • The probability of a service impact, if an incident occurs, taking into account our ability to mitigate the impact using supply from other works and water storage • The number of customers potentially affected <p>For water mains, company assesses risk based on:</p> <ul style="list-style-type: none"> • The number of customers who could not be supplied by alternative routes if a trunk main fails • The likely duration of repair

Unique Reference	PR19UU_ B08-WN
	<ul style="list-style-type: none"> • The probability of the trunk main failing <p>Details of risk assessment methodology and calculation of the baseline risk position for water treatment works and water mains are provided in [link to company definition document to be included in Final Determination]. The company will aim to use the same methodology and data each year and the resulting improvements will result from the company delivered water service improvements.</p>
Specific exclusions	There are no specific exclusions.
Reporting and assurance	The company must publish independent reports of the assessment audit of the baseline position and then further audits of assessment of any changes in the risk position claimed within the year for each year between 2020 and 2025. If changes are necessary to the methodology or underlying data, the reports will make an assessment of any potential impact on reported performance and state the impact on the baseline position and any earlier reported years.
Measurement unit and decimal places	Reduction in number of customer water supply service days at risk per year reported to zero decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% water network plus
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0	382	764	1,145	1,526
Enhanced underperformance collar	Number	NA	NA	NA	NA	NA	NA
Standard underperformance collar	Number		0	0	0	0	0
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		0	1,023	2,046	3,068	4,089
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.003617
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.003617
Outperformance payment - enhanced	NA

1.2.7 Manchester and Pennine resilience

This PC is connected with the Direct Procurement for Customers (DPC) of the Manchester and Pennines resilience scheme. The company submitted a revised plan for this scheme on 1 April. We will include this PC in our final determinations following our assessment.

1.2.8 Keeping reservoirs resilient

Purpose: This PC measures the number of people that the company provides additional protection to minimise the risk of any potential loss of life.

Benefits: Achievement of this PC will further reduce the risk from dam failure through delivery of the company's reservoir resilience programme.

Performance commitment definition and parameters

Unique Reference	PR19UU_ B10-WR
Detailed definition of performance measure	<p>The number of people at an unacceptable risk of loss of life who benefit from improvements at dams that reduce the risk of individual dam failure to at least a tolerable level of risk as a result of the company's risk reduction activities.</p> <p>What is unacceptable risk or what is a tolerable risk is as defined by the Health and Safety Executive, but a tolerable risk will be lower than 1 in 10,000 annual probability of occurring. The company will proactively reduce risk through its Portfolio Risk Assessment methodology, which continually assesses the probability of failure at dams.</p>
Additional detail on measurement units	<p>The company will continue its multi-period programme of risk management agreed with the Health and Safety Executive. In particular, it will prioritise and deliver work to lower the risk of failure at dams, lowering the probability of their failure until the risk is no longer in either the Health and Safety Executive's 'unacceptable individual risk' or 'unacceptable societal risk' category.</p>
Specific exclusions	None
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Number of people that were at an unacceptable risk of loss of life, that are moved to at least a tolerable risk reported to zero decimal places.
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance	NA

Unique Reference	PR19UU_ B10-WR
and outperformance payments	
Price control allocation	NA
Frequency of reporting	Annually
Any other relevant information	In the 2015-20 period the company measured its reservoir resilience performance as a 'risk reduction'; this was assessed as the difference between the probabilities of failure at a dam before and after a risk reduction project. In the 2020-25 period the company has adjusted its measurement to be an assessment of the number of people benefitting from improvements which reduce the risk of dam failure to tolerable levels, in order to make the measure more transparent.
Links to relevant external documents	The Health and Safety Executive guidance is contained in the document. Reducing risks: Protecting people , 2002, ISBN 0-7176-2151-0

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0	0	1,000	2,000	4,000
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.2.9 Thirlmere transfer into West Cumbria (2020-25)

Purpose: This PC monitors and incentivises the delivery of the Thirlmere transfer project which will allow water to be supplied from Thirlmere reservoir to customers in West Cumbria.

Benefits: This PC protects customers from late delivery of the Thirlmere transfer scheme. This project will allow abstraction from Ennerdale Water to cease as soon as possible, thereby maintaining security of supply while meeting statutory environmental obligations.

Performance commitment definition and parameters

Unique Reference	PR19UU_ B11-WN
Detailed definition of performance measure	The percentage progress which is similar to “earned value” in project management, where completion of milestones is recognised as completing a proportion of the baseline project value. The measure tracks progress of the project through completion of project milestones as an indicator of earned value. The measure will monitor the delivery of the remaining milestones through the period 2020-25 and incentivise the company to deliver the benefits of the scheme as early as possible.
Additional detail on measurement units	<p>The performance is based on assumed end of 2015-20 progress but will be revised if progress is ahead or behind the forecast performance for 2019-20.</p> <p>The expected remaining milestones in 2020-2022 are: Service reservoirs complete 0.65% Water treatment works complete 0.65%</p> <p>If these milestones are delivered in 2019-20 they will be removed from this PC. If other milestones set out in the 2015-20 performance commitment are not delivered by 2019-20 these will be added. The underperformance cap will be set equal to the 2019-20 performance and the performance level in 2020-21 adjusted.</p> <p>The 2021-22 performance commitment level (100% complete) will remain unchanged.</p>
Specific exclusions	None
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	As a percentage of project completion milestones based on earned value to zero decimal places.
Measurement timing	Reporting year

Unique Reference	PR19UU_ B11-WN
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% water network plus
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	99	99	100	100	100	100
Enhanced underperformance collar	%		NA	NA	NA	NA	NA
Standard underperformance collar	%		99	99	99	99	99
Underperformance deadband	%		NA	NA	NA	NA	NA
Outperformance deadband	%		NA	NA	NA	NA	NA
Standard outperformance cap	%		100	100	100	100	100
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-2.34
Underperformance payment - enhanced	NA
Outperformance payment - standard	1.17
Outperformance payment - enhanced	NA

1.2.10 Abstraction incentive mechanism

Purpose: The purpose of this PC is to incentivise the company to reduce abstraction from environmentally sensitive sites when flows or levels are low.

Benefits: The benefit of this PC is that environmentally sensitive sites are preserved by avoiding abstracting water from them during lower levels or flows.

Performance commitment definition and parameters

Unique Reference	PR19UU_ C03-WR
<p>Detailed definition of performance measure</p>	<p>The abstraction incentive mechanism (AIM) reduces abstraction of water at environmentally sensitive sites when flow or levels are below an agreed point otherwise known as a trigger. The trigger point is based on a level or flow, below which the AIM is considered to be “switched on”. This trigger will usually be related to the point at which damage is caused and is intended to prevent this from happening or ameliorate the negative impacts.</p> <p>The company has included two sites for AIM for the period 2020-25:</p> <p>Old Water: This site has a baseline of 9.1 MI/day and the trigger is set at Q95 (the flow which is exceeded 95% of the time) of the Environment Agency’s Hynam Bridge gauging station daily average flow data set for 28 July 1995 to 31 March 2017</p> <p>Ennerdale: This site has a baseline of 80.0 MI/day and the trigger is based on the upper band compensation release required in the impoundment licence, abstraction from this site will cease in 2022</p> <p>The abstraction incentive mechanism is defined in the reporting guidance – Guidelines on the abstraction incentive mechanism, published on the 29th April 2016: https://www.ofwat.gov.uk/wp-content/uploads/2016/02/gud_pro20160226aim.pdf</p>
<p>Additional detail on measurement units</p>	<p>AIM performance is measured in megalitres (MI) and is equal to – the average daily abstraction during the period when flows are at or below the trigger threshold minus the baseline average daily abstraction during the period when flows are at or below the trigger threshold this is then multiplied by the length of the period when flows are at or below the trigger threshold.</p> <p>AIM performance in MI = (average daily abstraction during period when flows are at or below the trigger threshold - baseline average daily abstraction during period when flows are at or below the trigger threshold) * length of period when flows are at or below the trigger threshold.</p>

Unique Reference	PR19UU_ C03-WR
	For example, if the AIM baseline was 5 MI/day and if the company abstracts an average of 4 MI/day from the abstraction site when river flows are below the trigger threshold. If flows were below the threshold for 100 days then the company has improved its performance relative to the baseline by (4 MI/day minus 5 MI/day)*100 days = -100 MI. A negative number signifies an improved performance as average abstraction is less than the baseline.
Specific exclusions	As defined in the reporting guidance
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Megalitres to one decimal place
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In period
Price control allocation	100% Water Resources
Frequency of reporting	Annually
Any other relevant information	None
Links to relevant external documents	None

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level Old Water	Megalitre	NA	0.0	0.0	0.0	0.0	0.0

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level Ennerdale	Megalitre	NA	0.0	0.0	NA	NA	NA
Enhanced underperformance collar	Megalitre		NA	NA	NA	NA	NA
Standard underperformance collar	Megalitre		NA	NA	NA	NA	NA
Underperformance deadband	Megalitre		NA	NA	NA	NA	NA
Outperformance deadband	Megalitre		NA	NA	NA	NA	NA
Standard outperformance cap	Megalitre		NA	NA	NA	NA	NA
Enhanced outperformance cap	Megalitre		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment – standard (Old Water)	-0.00080
Underperformance payment – standard (Ennerdale)	-0.00036
Underperformance payment - enhanced	NA
Outperformance payment – standard (Old Water)	0.00078
Outperformance payment – standard (Ennerdale)	0.00036
Outperformance payment - enhanced	NA

1.2.11 Improving the water environment

Purpose: This PC measures the progress of the company in delivering its agreed Water Industry National Environment Programme (WINEP) water resources schemes in a timely manner.

Benefits: This PC improves the natural environment by encouraging the timely delivery of water resources environmental improvement schemes. It will help ensure that water can be abstracted from rivers and lakes without any negative impacts on the environment.

Performance commitment definition and parameters

Unique Reference	PR19UU_ C04-WR
<p>Detailed definition of performance measure</p>	<p>This PC measures the net number of days early that the company’s WINEP water resources schemes are delivered. Prior to the start of the 2020-25 period, the company will agree its programme of environmental improvement schemes with the Environment Agency, and these schemes will be published in the Environment Agency’s Water Industry National Environment Programme (WINEP), along with a planned schedule. The scope of this PC will be limited to schemes under the FBG (fisheries, biodiversity and groundwater) and WR (water resources) functions on the WINEP with the below drivers:</p> <ul style="list-style-type: none"> DrWPA_INV (drinking water protected area investigations) DrWPA_ND (drinking water protected area no deterioration) EE_IMP (Eels schemes) HD_IMP (Habitats Directive schemes) HD_INV (Habitats Directive schemes) INNS_INV (investigation invasive non native species) INNS_ND (investigation invasive non native species) NERC_INV1 (investigations related to NERC Act) SSSI_IMP (land improvement schemes) WFD_IMP_WRHMWBWFD_INV_FISH WFD_INV_WRFlow WFD_INV_WRHMWB WFD_ND_WRHMWB WFD_NDINV_WRFlow WFDGW_NDINV_GWR <p>There are a number of schemes which fall into the above categories but are not included within this performance commitment. The Specific exclusions section below provides details of these schemes.</p>

Unique Reference	PR19UU_ C04-WR
	<p>During each year of the 2020-25 period, the company will record the realised delivery date of each included scheme, and it will compare this against the scheduled delivery date set out in the WINEP to calculate the net number of days early or late for each scheme. The company will then aggregate these scheme-specific estimates into a single company-wide estimate which records the net number of days early or late across all schemes combined.</p> <p>There are 14 catchment schemes included within this PC, and it will be possible for these schemes to be partly delivered, with certain elements being complete and other elements incomplete. In these cases, the company will calculate the number of days late by multiplying the number of days that the incomplete elements are late by the proportion of overall scheme benefits represented by the incomplete elements. This calculated figure will then feed into the company-level aggregation of net days early or late, along with all other aggregation inputs.</p>
<p>Additional detail on measurement units</p>	<p>This PC measures the net number of days early that the company's WINEP water resources schemes are delivered. Consequently, a positive result will imply that the company has delivered its schemes early on average, whilst a negative result will imply that the company has delivered its schemes late on average.</p> <p>If changes to the programme of water resources schemes are required during the 2020-25 period, then the company will work with the Environment Agency to agree changes to its WINEP programme through a change control process. Where such changes are formally agreed with the Environment Agency, as defined by the sign-off of an amendment form, the company's performance against this commitment will subsequently be measured against the delivery dates agreed for the revised programme. This change control will be recorded in a separate audited document.</p> <p>On completion of each scheme the company will ensure that detailed output in use packs are available for sharing with the Environment Agency to demonstrate completion of the work.</p> <p>For a scheme to be considered complete, the company will complete an 'output in use' certificate. If the scheme results in a licence change, the company will reference the licence change and include this on the Environment Agency tracker.</p>
<p>Specific exclusions</p>	<p>The following wastewater schemes fit within the aforementioned criteria for this PC but are excluded from it:</p> <ul style="list-style-type: none"> Rochdale WWTW Weir scheme Stockport WWTW Weir scheme Ringley Weir scheme

Unique Reference	PR19UU_ C04-WR
Reporting and assurance	The company will ask the Environment Agency to confirm that performance has been correctly reported. The view of the Environment Agency will be definitive.
Measurement unit and decimal places	The extent to which the company's WINEP water resources schemes have been delivered early, expressed as net aggregate number of days early or late, to zero decimal places
Measurement timing	Reporting year (1 st April – 31 st March)
Incentive form	NA
Incentive type	Reputational
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annually
Any other relevant information	There will be a separate cost adjustment mechanism related to this programme of river water quality enhancement schemes, which will be used to manage the costs borne by customers if there are any future changes to the scope of the programme.
Links to relevant external documents	NA

Performance commitment levels

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0	0	0	0	0
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.2.12 Improving river water quality

Purpose: This PC measures the progress of the company in delivering its agreed Water Industry National Environment Programme (WINEP) river water quality enhancement schemes in a timely manner.

Benefits: This PC improves the natural environment by encouraging the timely delivery of river water quality enhancement schemes. It will help to improve the cleanliness of local rivers and thereby support the preservation of river ecosystems including river-based wildlife.

Performance commitment definition and parameters

Unique Reference	PR19UU_ C05-WWN																				
<p>Detailed definition of performance measure</p>	<p>This PC measures the net number of days early or late that the company's Water Framework Directive river water quality enhancement schemes within the Water Industry National Environment Programme (WINEP) are delivered. The Water Framework Directive schemes covered by this measure will be those that have an Environment Agency primary or secondary water quality improvement driver, as denoted by codes WFD_IMPg, WFD_IMPm and NERC_IMP1. The company has identified 96 schemes that will be included within this PC, and these 96 schemes will be grouped into 16 catchments across the North West. The company will follow a multi-step process to calculate a company-level estimate for project delivery timeliness, which will be measured in aggregate number of days early or late across all of the included schemes. This multi-step process is set out below. The company will record the number of days early or late that each individual scheme within a catchment has been delivered. This will be done by comparing the scheduled delivery date for each scheme (as set out in the WINEP) to the realised delivery date for that scheme. Once all schemes within a catchment have been delivered, the company will then calculate aggregate delivery timeliness at the catchment level.</p> <p>The company will weight scheme-specific delivery timeliness estimates according to a set of banding criteria. Each scheme will be allocated to one of four bands based on its totex cost, as set out in the table below:</p> <table border="1" data-bbox="624 1742 1289 2033"> <thead> <tr> <th>Band</th> <th>Number</th> <th>Cost of schemes</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1-59</td> <td>Below £6m</td> <td>1</td> </tr> <tr> <td>2</td> <td>60-81</td> <td>£6m-£10m</td> <td>3</td> </tr> <tr> <td>3</td> <td>82-91</td> <td>£10m-£17m</td> <td>4</td> </tr> <tr> <td>4</td> <td>92-96</td> <td>Greater than £17m</td> <td>11</td> </tr> </tbody> </table>	Band	Number	Cost of schemes	Ratio	1	1-59	Below £6m	1	2	60-81	£6m-£10m	3	3	82-91	£10m-£17m	4	4	92-96	Greater than £17m	11
Band	Number	Cost of schemes	Ratio																		
1	1-59	Below £6m	1																		
2	60-81	£6m-£10m	3																		
3	82-91	£10m-£17m	4																		
4	92-96	Greater than £17m	11																		

Unique Reference	PR19UU_ C05-WWN
	<p>Each banding is associated with a ratio. These ratios serve as relative weightings which are then applied to the scheme-specific delivery timeliness recordings in order to calculate a cost-weighted net delivery timeliness position for the catchment.</p> <p>Once all aggregated catchment level delivery timeliness positions have been calculated within a given year, these positions are added together to determine a company-level delivery timeliness figure for that year.</p>
Additional detail on measurement units	<p>A positive value for this PC indicates that the company has delivered its schemes early on average, whilst a negative result indicates that the company has delivered its schemes late on average.</p> <p>If changes to the programme of river water quality enhancement schemes are required during the 2020-25 period, then the company will work with the Environment Agency to agree changes to its WINEP programme through a change control process. Where such changes are formally agreed with the Environment Agency, as defined by the sign-off of an amendment form, the company's performance against this commitment will subsequently be measured against the delivery dates agreed for the revised programme.</p> <p>On completion of each scheme the company will ensure that detailed 'output in use' packs are available for sharing with the Environment Agency to demonstrate completion of the work.</p> <p>The company will only be able to claim completion of a scheme once its internal governance procedure for claiming outputs has been completed, as demonstrated through the completion of an 'output in use' certificate, and the new environmental permit for that site has been issued by the Environment Agency and is in force. Where alternative permit approaches are used, such as catchment permits or stretch targets, an individual scheme will be considered complete if enhancement requirements to achieve these alternative permits are met and an 'output in use' certificate has been completed.</p>
Specific exclusions	None
Reporting and assurance	The company will ask the Environment Agency to confirm that performance has been correctly reported. The view of the Environment Agency will be definitive.
Measurement unit and decimal places	The extent to which the company's WINEP river water quality enhancement schemes have been delivered early, expressed as cumulative net aggregate number of days early or late, to zero decimal places.
Measurement timing	Reporting year.
Incentive form	NA
Incentive type	Reputational

Unique Reference	PR19UU_ C05-WWN
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annually
Any other relevant information	There will be a separate cost adjustment mechanism related to this programme of river water quality enhancement schemes, which will be used to manage the costs borne by customers if there are any future changes to the scope of the programme.
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0	0	0	0	0
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.2.13 Protecting the environment from the impact of growth and new development

Purpose: This PC measures the additional wastewater treatment capacity provided by the company in order to ensure that any increase in demand caused by population and economic growth can be met.

Benefits: This PC reduces the risk of flooding and protects the environment from any increased wastewater flows and loads that may be caused by population and economic growth.

Performance commitment definition and parameters

Unique Reference	PR19UU_ C06-WWN
Detailed definition of performance measure	<p>The additional population equivalent as a result of investment to increase wastewater treatment works capacity required from expected new development.</p> <p>The baseline population equivalent is that from which the design is developed for each works.</p> <p>The growth risk at an individual wastewater treatment works is identified through planned new development locations and standard occupancy rates. Current performance levels are used as a baseline to establish the extent of the impact on treatment processes.</p> <p>Urban creep, climate change and consumption rates influence growth. These elements do not drive investment at any location but will be included in project design horizon calculations.</p> <p>Risk from trade effluent is reviewed at individual wastewater treatment works using trader correspondence and planning information and any significant changes or additions in trader discharges are included in the assessment of additional population equivalent to be accommodated.</p> <p>The population equivalent forecast may change over the course of the programme if the size of the predicted development increases or reduces. Growth from housing developments may also accelerate or slow down over the business plan period. These potential changes lead to the requirement for a flexible programme to enable reprioritisation of projects.</p> <p>Investment to increase wastewater treatment works capacity is only included if an increase in capacity is required by 31 March 2025. However, the solution design will incorporate all growth where there is certainty in the planning data available and includes growth within the project design horizon calculations. If investment is required for other reasons, for example maintenance, any additional population equivalent treatment capacity will be reported against this measure where</p>

Unique Reference	PR19UU_ C06-WWN
	there is certainty in the planning data available and includes growth within the project design horizon calculations.
Additional detail on measurement units	Performance will be measured as a cumulative total of additional population equivalent for each year, starting at 2021.
Specific exclusions:	The measure does not include interventions required on the wastewater network to facilitate new connections as these are funded through the developer charging system, unless a network solution is developed to provide additional capacity for the downstream works.
Reporting and assurance	The company will submit an independent assurance report that summarises the evidence that additional treatment capacity was required by 31 March 2025 when on site investment began. It will also set out the additional capacity that is delivered and summarise the evidence that the capacity was required within the project design horizon and set out the rationale for the project design horizon.
Measurement unit and decimal places	Measured as the additional population equivalent capacity at the wastewater treatment works reported annually to zero decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	End of period
Price control allocation	100% Wastewater network plus
Frequency of reporting	Annually
Any other relevant information	None.
Links to relevant external documents	None

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0	8,848	8,848	8,848	75,113
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.000017
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.000017
Outperformance payment - enhanced	NA

1.2.14 Enhancing natural capital value for customers

Purpose: This PC incentivises the company to use catchment approaches to deliver water quality improvements through natural capital approaches and assets.

Benefits: This PC will enhance the region’s natural capital value by promoting solutions that have the capacity to generate ecosystem goods and services.

Performance commitment definition and parameters

Unique Reference	PR19UU_ C08-CF
<p>Detailed definition of performance measure</p>	<p>The estimated added natural capital value, in millions of pounds, created by delivering investment outcomes through non-conventional approaches, as compared to delivering outcomes through conventional approaches.</p> <p>For the purposes of this performance commitment:</p> <ul style="list-style-type: none"> • a non-conventional approach is defined as a solution that is not conventional but incorporates green solutions and/or catchment solutions to deliver on regulatory requirements and deliver added value; • a conventional solution is defined as an intervention principally consisting of the construction of new hard engineered assets, the enhancement of existing hard engineered assets or the augmentation of the operation of an existing hard engineered asset. <p>A conventional solution also includes any existing operational activity undertaken outside of a capital scheme which has the potential to be improved to deliver added natural capital value. Prior to the start of the 2020-25 period, the company will set a baseline level of performance which will be based on the assumed delivery of statutory requirements for improvements to water quality, as set out in the Environment Agency’s Water Industry National Environment Programme (WINEP) and other performance commitments. This baseline level of performance will be subject to an independent audit to determine its reliability.</p> <p>The company will measure added natural capital value by identifying the ecosystem services that are delivered using a non-conventional approach. The company will restrict its measurement of ecosystem services to six defined services which its customers consider to be important, as set out below.</p> <p>An independent third-party organisation will then attribute monetary values to these ecosystem services using an assured Natural Capital Accounting methodology, which will be based on unit values taken from national guidance, policy and peer reviewed research. HM Treasury Green Book guidance on discounting future cashflows will be used to derive a net present value for these ecosystem service benefits, based on an</p>

Unique Reference	PR19UU_ C08-CF
	<p>assumed time horizon of 30 years. It will be assumed that all solutions achieve their respective natural capital benefits for the entirety of this 30 year timespan. To calculate the added value created by non-conventional solutions, the calculated ecosystem service benefits accrued from the non-conventional approach will then be compared to those accrued under a conventional approach, as defined within the company's baseline level of performance.</p>
Additional detail on measurement units	<p>The company will only be able to claim ecosystem service benefits which demonstrably relate to one of the following six categories:</p> <ul style="list-style-type: none"> Water quality Flooding Climate change Biodiversity Recreation and amenity Health and wellbeing <p>The baseline level of performance will be based on the natural capital value generated by the company delivering an agreed programme of WINEP3 schemes. The full list of included schemes is provided in [link to definition document to be included in Final Determination].</p> <p>In order to protect customers in the event of outperformance, the possible outperformance payments that can be accrued from each scheme will be capped at 10% of the totex cost of the scheme.</p> <p>The glossary of definitions set out in [link to definition document to be included in Final Determination] will apply for the purposes of measuring performance.</p>
Specific exclusions	None
Reporting and assurance	<p>The company will ensure that its baseline level of performance is subject to an independent audit, and the company will appoint an appropriately qualified third-party organisation to perform the measurement of added natural capital value.</p> <p>When deciding whether to apply a conventional or non-conventional approach to deliver a particular scheme, the company will apply a standard methodology that is aligned with price review guidance and best practice to select the solution which is the best value and manages the risk to the environment. This methodology will include an assessment of the wholelife costs required to deliver each type of solution. The conventionality of the solution, assessment of best value option selected and claimed added value contributing to this performance commitment. This will also be assessed and independently assured annually.</p>

Unique Reference	PR19UU_ C08-CF
Measurement unit and decimal places	Total added natural capital value generated through the use of non-conventional solutions to deliver water quality improvement schemes (£m), three decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	10% water resources 5% water network plus 80% wastewater network plus 5% bioresources (sludge)
Frequency of reporting	Annual
Any other relevant information	None
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	£m	NA	0.000	1.750	0.000	0.000	2.250
Enhanced underperformance collar	£m		NA	NA	NA	NA	NA
Standard underperformance collar	£m		NA	NA	NA	NA	NA
Underperformance deadband	£m		NA	NA	NA	NA	NA

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Outperformance deadband	£m		NA	NA	NA	NA	NA
Standard outperformance cap	£m		4.500	2.000	2.000	2.000	4.500
Enhanced outperformance cap	£m		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-£0.50 per unit of added value
Underperformance payment - enhanced	NA
Outperformance payment - standard	£0.50 per unit of added value
Outperformance payment - enhanced	NA

1.2.15 Recycling biosolids

Purpose: This PC measures the compliance of the company with the ‘Sludge (Use in Agriculture) Regulations’ as defined by the Environment Agency and the voluntary ‘Biosolids Assurance Scheme’ (BAS).

Benefits: This PC protects the environment by ensuring that biosolids recycled to agricultural land are compliant with guidelines. Biosolids applied to agricultural land provide nutrient and soil structure benefits.

Performance commitment definition and parameters

Unique Reference	PR19UU_ C09-BR
Detailed definition of performance measure	<p>The overall percentage of company sludge satisfactorily used or disposed of in line with the Environment Agency’s Environmental Performance Assessment (EPA) definition</p> <p>As a further requirement, biosolids that are recycled to agriculture will conform to the BAS (a voluntary scheme under the governance of WaterUK). The scheme incorporates best practice guidance and is independently audited.</p> <p>The measure will continue to comply with any revisions to the Environment Agency EPA definition for each year, and performance will be assessed in accordance to the Environment Agency’s assessment of performance.</p>
Additional detail on measurement units	<p>The formula used for assessing successful biosolids use is: $\% \text{ Biosolids compliance} = (1 - ((A+B)/C)) * 100$ Where: A is the quantity of biosolids for all non-agricultural use or disposal, confirmed as not being compliant with satisfactory sludge disposal requirements, reported in thousand tonnes of dry solids (tTDS). B is the quantity of biosolids used in agriculture, confirmed as not being compliant with the Biosolids Assurance Scheme or satisfactory sludge disposal requirements, reported in thousand tonnes of dry solids (tTDS). For biosolids used in agriculture the worst performance against either Biosolids Assurance Scheme or satisfactory sludge disposal requirements to agriculture is reported to avoid double counting. C is the total sewage sludge produced by United Utilities Water, reported in thousand tonnes of dry solids (tTDS). It also includes all sludge traded; both imports and exports.</p>

Unique Reference	PR19UU_ C09-BR
	The company must be able to present evidence of assurance against the BAS and any relevant certification.
Specific exclusions	Exemptions are in line with the EPA and BAS definitions and will change in line with future revisions of the EPA and/or the BAS.
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Percentage compliance reported to two decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period. Outperformance payment earned as a lump sum for three consecutive years of 100% performance.
Price control allocation	100% Bioresources
Frequency of reporting	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on the calendar year 2020 data, whereas 2024-25 assessment will be based on the calendar year 2024 data.
Any other relevant information	None
Links to relevant external documents	https://www.ofwat.gov.uk/wp-content/uploads/2017/12/WatCoPerfEPAMethodology_v3-Nov-2017-Final.pdf

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	NA	100.00	100.00	100.00	100.00	100.00

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Enhanced underperformance collar	%		NA	NA	NA	NA	NA
Standard underperformance collar	%		NA	NA	NA	NA	NA
Underperformance deadband	%		NA	NA	NA	NA	NA
Outperformance deadband	%		NA	NA	NA	NA	NA
Standard outperformance cap	%		NA	NA	NA	NA	NA
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.160
Underperformance payment - enhanced	NA
Outperformance payment - standard	1.500
Outperformance payment - enhanced	NA

1.2.16 Better air quality

Purpose: This PC incentivises the company to meet and maintain Medium Combustion Plant Directive nitrous oxide limits by 2020 and across 2020-25.

Benefits: This PC improves air quality by reducing the nitrous oxide (NOx) emissions per unit of renewable electricity generated from bioresources activities.

Performance commitment definition and parameters

Unique Reference	PR19UU_ C10-BR
<p>Detailed definition of performance measure</p>	<p>Tonnes of NOx emitted per Gigawatt Hour (GWh) electricity generated from Bioresources. It is measured annually as a ratio based on the quantity of NOx emitted (tonnes) per unit of renewable electricity generation (GWh).</p> <p>The scope of the measure includes:</p> <p>Electricity generation and NOx emissions from the treatment of sewage sludge and the co-treatment of other organic wastes with sewage sludge from Bioresources combined heat and power engines and incineration</p> <p>Calculated electricity generated values for biogas used in gas to grid schemes that could otherwise have been used in combined heat and power engines.</p>
<p>Additional detail on measurement units</p>	<p>The concentration of NOx emissions are measured from the gases emitted to atmosphere by a qualified external contractor annually (at a minimum). The concentration values are used to calculate the quantity of NOx that would be emitted under reference conditions for temperature and pressure. Each combined heat and power engine is to be measured and where there is more than one engine on site, the average NOx value is determined. The averages of each site are totalled to give a regional total NOx emission for the year in tonnes. The same approach is used for incineration gases. The standard used for testing the engines to quantify and report the concentration of NOx emissions is <i>BS EN 14792 Stationary source emissions. Determination of mass concentration of nitrogen oxides (NOx)</i>.</p> <p>Electricity generated from each site is measured. The biogas to grid is measured at the point of injection into the grid and a calculation is used to convert the biogas into electrical energy as though it had been used in the site CHP engines and this is added to the site total. All sites are added together to give the regional total electricity generated for the year in GWh. All operational data relating to energy, electricity generation and biomethane production will comply with the international carbon reporting standard (ISO 14064, Part 1) and assured following an audit by the Certified Emissions Measurement and Reduction Scheme (CEMARS).</p>

Unique Reference	PR19UU_ C10-BR			
	Source	Fuel	NOx	Electricity Generation
	Combined heat and power engines	Biogas	Measure concentration and convert to tonnes per year.	Total electricity generated from combined heat and power engines per year.
	Biomethane production	Biogas	Considered as zero emissions as fuel is used away from the sludge treatment centre.	Biogas quantity and quality is converted to amount of electricity as though it had been used on site in a combined heat and power engine.
	Incineration	Sludge	Measure concentration and convert to tonnes per year.	Total electricity generated from incineration per year.
	NOx emissions in tonnes per year is divided by the electricity generation in GWh per year to give a value in tonnes per GWh. A three year rolling average is used to measure performance due to the relatively small number of measurements taken.			
Specific exclusions	None			
Reporting and assurance	<p>The company will provide independent assurance including that:</p> <ul style="list-style-type: none"> The concentration of NOx emissions are measured by independent qualified third party according to <i>BS EN 14792 Stationary source emissions. Determination of mass concentration of nitrogen oxides (NOx)</i>. All operational data relating to energy, electricity generation and biomethane production is compliant with the international carbon reporting standard (ISO 14064, Part 1) and assured following an audit by the Certified Emissions Measurement and Reduction Scheme (CEMARS). 			
Measurement unit and decimal places	Tonnes of NOx emissions per GWh electricity generation, reported to two decimal places.			
Measurement timing	Reporting year			
Incentive form	Revenue			
Incentive type	Outperformance and underperformance payments			
Timing of underperformance	In-period			

Unique Reference	PR19UU_ C10-BR
and outperformance payments	
Price control allocation	100% Bioresources
Frequency of reporting	Annually
Any other relevant information	None
Links to relevant external documents	<p>Medium Combustion Plant Directive</p> <p>CEMARS</p> <p>BS EN 14792 Stationary source emissions. Determination of mass concentration of nitrogen oxides (NOx).</p> <p>International carbon reporting standard</p>

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	number	NA	1.42	1.42	1.42	1.42	1.42
Enhanced underperformance collar	number		NA	NA	NA	NA	NA
Standard underperformance collar	number		NA	NA	NA	NA	NA
Underperformance deadband	number		NA	NA	NA	NA	NA
Outperformance deadband	number		NA	NA	NA	NA	NA
Standard outperformance cap	number		NA	NA	NA	NA	NA
Enhanced outperformance cap	number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.0269
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.0269
Outperformance payment - enhanced	NA

1.2.17 Street works performance

Purpose: This PC measures the safety, quality and compliance of the company's street works activities in the public highway against the New Roads and Street Works Act (NRSWA) 1991.

Benefits: This PC will improve the quality of the company's activities in the public highway through compliance with the New Roads and Street Works Act (NRSWA) 1991.

Performance commitment definition and parameters

Unique Reference	PR19UU_ D04-CF
Detailed definition of performance measure	<p>This PC assesses the quality of delivery of the company's street works activities. It measures the safety, quality and compliance against the codes of practice currently in place (as at 2018) under the New Roads and Street Works act (NRSWA) 1991. The activities that comprise street works are defined within this legislation.</p> <p>This measure reports the percentage of non-compliance of street works activities undertaken in the public highway as assessed by the company's street works audit compliance team.</p> <p>The company is to audit in-progress excavation work and permanent standard reinstatements to determine the level of non-compliance against current legislation.</p>
Additional detail on measurement units	Measured as the percentage non-compliance against the Safety at Street works and Roads Works Code of Practice and the Specification for the Reinstatement of Openings in Highways (3rd Edition), reported annually to two decimal places.
Specific exclusions	None
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Percentage of non-compliance, reported to two decimal places.
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA

Unique Reference	PR19UU_ D04-CF
Price control allocation	NA
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	http://www.legislation.gov.uk/ukpga/1991/22/section/48

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	11.00	10.50	10.00	9.50	9.00
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.2.18 Priority Services - BSI accreditation

Purpose: This measure commits United Utilities to provide assurance that the quality of support for customers in vulnerable circumstances is of a standard in line with the British Standards Institution (BSI) inclusive service provision.

Benefits: This PC will help ensure that the company provides a fair, flexible service that can be used by all customers equally, regardless of their health, age or personal circumstances.

Performance commitment definition and parameters

Unique Reference	PR19UU_ D05-HH
Detailed definition of performance measure	<p>This measure assesses the quality of the Priority Services scheme via the British Standard for Inclusive Service Provision certification BS 18477.</p> <p>To meet its targets for this performance commitment the company must achieve the BS 18477 standard in 2020-21 and maintain the standard thereafter. United Utilities meets this performance commitment if it has in place on the 31 March of the reporting year a BSI certification for standard BS 18477. If this certification from BSI is not in place on 31 March of the reporting year, the performance commitment is reported as not achieved or not maintained (depending on prior reporting year performance).</p> <p>The performance commitment applies each reporting year, and demonstration that the certification is in place must be tested and reported each reporting year. The BS 18477 certification is awarded by BSI Group (also known as the British Standards Institution).</p> <p>In the event that BSI Group cease providing certification for BS 18477 during the period 2020-25, the company should adopt any standard designed to directly succeed the existing standard. If one is not available, it will assess whether there exists other appropriate standards that can be used as an alternative independently assessed indicator of the quality of support for customers in vulnerable circumstances.</p>
Additional detail on measurement units	This measure is reported as Achieved/Maintain or Not achieved / Not maintained.
Specific exclusions	None

Unique Reference	PR19UU_ D05-HH
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Text (achieve/maintain or not achieved/not maintained).
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	https://www.bsigroup.com/en-GB/our-services/Inclusive-Service/ https://www.bsigroup.com/LocalFiles/en-GB/consumer-guides/resources/BSI-Consumer-Brochure-Inclusive-Services-UK-EN.pdf

Performance commitments

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Text	NA	Achieve	Maintain	Maintain	Maintain	Maintain
Enhanced underperformance collar	Text		NA	NA	NA	NA	NA
Standard underperformance collar	Text		NA	NA	NA	NA	NA

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Underperformance deadband	Text		NA	NA	NA	NA	NA
Outperformance deadband	Text		NA	NA	NA	NA	NA
Standard outperformance cap	Text		NA	NA	NA	NA	NA
Enhanced outperformance cap	Text		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.2.19 Number of customers lifted out of water poverty

Purpose: This PC measures the number of customers lifted out of water poverty following the implementation of support measures by the company.

Benefits: This PC will improve the levels of affordability support available to customers over the 2020-25 period, particularly for those customers that are most in need.

Performance commitment definition and parameters

Unique Reference	PR19UU_ E01-HH
<p>Detailed definition of performance measure</p>	<p>The number of unique residential customers lifted out of water poverty each reporting year as a result of a number of defined policies and support measures implemented by the company.</p> <p>The definition of water poverty used for this measure is residential customers spending more than 3% of their annual household income, after housing costs, on water and wastewater services.</p> <p>A 'unique customer' is defined as: "a single billed household, as identified by address record and customer account number. Each residential customer can only be judged to have been lifted out of water poverty once in any given reporting year".</p> <p>Where a residential customer is in receipt of multiple financial assistance schemes in a reporting year, they can only be counted a maximum of once towards the numbers of customers lifted out of water poverty in that reporting year. Where a customer moves home, but retains their customer account number they can only be counted as a unique customer once. Where a customer changes account number, but retains the same address and name they can only be counted as a unique customer once.</p>
<p>Additional detail on measurement units</p>	<p>A customer lifted out of water poverty as a result of measures implemented by the company is to be identified based upon the following evidence:</p> <p>The number of unique customers on a qualifying discounted tariff, for example "Help to Pay" or "Back on Track", where charges are reduced to a sufficient level to ensure annual charges are less than 3% of annual income;</p> <p>The number of unique customers on the Payment Matching Plus scheme where outstanding customer payments are reduced sufficiently to lift customers out of water poverty;</p> <p>The number of unique customers where a trust fund grant has alleviated their indebtedness to a sufficient level that outstanding customer payments for the current reporting year are reduced to less than 3% of annual income; and</p>

Unique Reference	PR19UU_ E01-HH
	<p>The number of unique customers where other forms of United Utilities' action has enabled them to reduce current reporting year charges and/or increase income (e.g. via a Town Action Plan visit or a successful benefit maximisation referral) that results in the customer being lifted out of water poverty.</p> <p>The terminology "unique customers" is used to ensure that a household subject to more than one support scheme is only counted once within the performance commitment level observed.</p> <p>The company uses information from the following sources, in order of preference, to assess household income:</p> <ul style="list-style-type: none"> An income assessment provided directly by the customer An income assessment provided on behalf of a customer by a recognised debt advice partner (including organisations such as Citizens Advice, StepChange and similar) An individualised indication of income using a range of third party financial data, for example Credit Reference Agency insight data, Department for Work and Pensions information on customer qualification for various forms of state benefits, other third party data provided through recognised data share and/or customer history. <p>The company is to carry out a validation process at least every three years after household income estimates have been obtained to check if this income level has changed.</p>
Specific exclusions	Indications of income that are not specific to an individual, such as street or postcode level customer segmentation data do not qualify as an income assessment for the purposes of this performance commitment.
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Number of customers, reported to zero decimal places.
Measurement timing	Reporting year
Incentive form	Financial
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% residential retail

Unique Reference	PR19UU_ E01-HH
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitments

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	number	NA	57,600	59,800	62,100	64,300	66,500
Enhanced underperformance collar	number		NA	NA	NA	NA	NA
Standard underperformance collar	number		46,080	47,840	49,680	51,440	53,200
Underperformance deadband	number		NA	NA	NA	NA	NA
Outperformance deadband	number		NA	NA	NA	NA	NA
Standard outperformance cap	number		69,120	71,760	74,520	77,160	79,800
Enhanced outperformance cap	number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment – standard	-0.00022
Underperformance payment – enhanced	NA
Outperformance payment – standard	0.00022
Outperformance payment - enhanced	NA

1.2.20 Household occupancy verification

Purpose: This PC is designed to incentivise the company to reduce the number of residential void properties.

Benefits: Reducing the number of void properties, which are occupied but not billed, will result in fairer charges between customers and lower bills for customers already paying.

Performance commitment definition and parameters

Unique Reference	PR19UU_ E02-HH
Detailed definition of performance measure	This PC measures the percentage of the connected household properties supplied by United Utilities that has either been verified as occupied or verified as unoccupied/void at year end.
Additional detail on measurement units confirm unoccupied status.	<p>In order to be billed, and therefore verified, customer records must satisfy at least one of the following criteria:</p> <ul style="list-style-type: none"> • a customer has made direct contact with the company within the last two years, and either explicitly or implicitly confirmed they are resident at the billing address; and/or • a payment has been made on the account in the last two years; and/or • the customer has an active payment arrangement in place; and/or • within the last two years the customer has been verified as occupying the property by a property visit carried out either by the company or by a trusted third party; and/or • within the last two years the customer has been verified as occupying the property by use of credit and other data checks either by the company or by a trusted third party (such as Credit Reference Agency checks). <p>Void properties are any properties that do not meet the above criteria, or where a customer informs the company that they have left the property, and so are not billed. In order to be verified as void a property record must satisfy at least one of the following criteria:</p> <ul style="list-style-type: none"> • a landlord has made direct contact with the company confirming the property is unoccupied within the last two years; and/or • a customer has informed the company they are unable to occupy their home due to a previous flooding event within the last two years; and/or • a customer has informed the company that although they are the owner of the property they are not currently receiving beneficial use as defined under the company's

Unique Reference	PR19UU_ E02-HH								
	<p>beneficial use policy, for example because they are resident in a care facility within the last two years; and/or</p> <ul style="list-style-type: none"> • within the last two years the property has been verified as unoccupied by a property visit carried out either by the company or by a trusted third party; and/or • within the last two years the property has been verified as unoccupied by credit checks and/or other data checks either by the company or by a trusted third party (such as Credit Reference Agency checks). <p>Any properties that are flagged as void for billing purposes, but have not been verified as unoccupied as defined by the above criteria will carry an unverified void status.</p> <p>When the company carries out credit checks to investigate whether properties are occupied, it will receive information about the amount and type of credit and other activity at each address. Based on this information and the level of confidence it gives the company about the occupation status of each property, properties will be assigned an appropriate verification status as described in the table below. The level of confidence is assessed as high, medium, low or 'no trace of an occupier'.</p> <table border="1" data-bbox="531 1086 1385 1458"> <thead> <tr> <th data-bbox="531 1086 1018 1171">Credit check/property visit outcome</th> <th data-bbox="1018 1086 1385 1171">Property status</th> </tr> </thead> <tbody> <tr> <td data-bbox="531 1171 1018 1256">Occupier name found with high or medium confidence</td> <td data-bbox="1018 1171 1385 1256">Verified and billed</td> </tr> <tr> <td data-bbox="531 1256 1018 1373">Void visit suggest property occupied but no occupier name, or low confidence credit check result</td> <td data-bbox="1018 1256 1385 1373">Unverified (continue void management process)</td> </tr> <tr> <td data-bbox="531 1373 1018 1458">Confirmed empty and/or 'no trace' credit checks</td> <td data-bbox="1018 1373 1385 1458">Verified as empty (repeat checks within 2 years)</td> </tr> </tbody> </table> <p>A 'no trace' result will occur where a credit reference agency states that there is no credit activity at the address.</p> <p>Unverified unoccupied properties will include:</p> <p>Properties where there have not been any checks to confirm the status within the last two years.</p> <p>Properties where checks have been made but they have not had a sufficiently conclusive result which provides the confidence to either bill a customer or fully confirm unoccupied status. This can include where there is a small amount of credit activity at the property and the occupier has not responded to the company's communication or where visits have confirmed that there is some evidence of someone living at a property but where the company cannot obtain sufficient personal information, such as a name, with which to raise a bill.</p>	Credit check/property visit outcome	Property status	Occupier name found with high or medium confidence	Verified and billed	Void visit suggest property occupied but no occupier name, or low confidence credit check result	Unverified (continue void management process)	Confirmed empty and/or 'no trace' credit checks	Verified as empty (repeat checks within 2 years)
Credit check/property visit outcome	Property status								
Occupier name found with high or medium confidence	Verified and billed								
Void visit suggest property occupied but no occupier name, or low confidence credit check result	Unverified (continue void management process)								
Confirmed empty and/or 'no trace' credit checks	Verified as empty (repeat checks within 2 years)								
Specific exclusions	Non-household properties are excluded from this PC.								

Unique Reference	PR19UU_ E02-HH
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Percentage of the connected household property base that has either been verified as occupied or verified as unoccupied/void at year end, reported to one decimal place.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% residential retail
Frequency of reporting	Annually
Any other relevant information	None
Links to relevant external documents	None

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	NA	95.3	95.5	95.7	95.9	96.1
Enhanced underperformance collar	%		NA	NA	NA	NA	NA
Standard underperformance collar	%		NA	NA	NA	NA	NA
Underperformance deadband	%		NA	NA	NA	NA	NA

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Outperformance deadband	%		NA	NA	NA	NA	NA
Standard outperformance cap	%		NA	NA	NA	NA	NA
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.237
Underperformance payment - enhanced	NA
Outperformance payment – standard	0.237
Outperformance payment - enhanced	NA

1.2.21 Non-household vacancy incentive scheme

Purpose: This PC is designed to identify occupied non-household premises that are showing as vacant and should therefore be billed.

Benefits: Reducing the number of void properties, which are occupied but not billed, will result in fairer charges between customers and lower bills for customers already paying.

Performance commitment definition and parameters

Unique Reference	PR19UU_ E03-CF
Detailed definition of performance measure	The measure records the number of vacancy incentive payments made to retailers following a successful application. The occupancy status being corrected from 'vacant' to 'occupied' within the Central Market Operator System (CMOS).
Additional detail on measurement units	Non-household property status (Occupied/Vacant) is a retail owned data item and any changes of the occupancy status are the appropriate retailer's responsibility. The incentive scheme is only available to business retailers.
Specific exclusions	None
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Number of vacancy incentive payments made to licenced retailers annually and reported to zero decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	50% water network plus and 50% wastewater network plus
Frequency of reporting	Annually
Any other relevant information	Vacant premises are shown in the Central Market Operator System by the presence of a 'Vacancy Flag' against the relevant non-household premises. The Market Codes state that the retailer is responsible for maintaining the correct occupancy status with the Central Market Operator System.

Unique Reference	PR19UU_ E03-CF
Links to relevant external documents	The wholesale retail code is available from the Market Operator website: https://www.mosl.co.uk/market-codes/codes

Performance commitments

		Initial level	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0	0	0	0	0
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment – standard	0.000136
Outperformance payment - enhanced	NA

1.2.22 Gap sites (Wholesale)

Purpose: This PC measures the number of non-household properties identified by retailers where water and/or wastewater services are being used, but the property is not being billed ('gap sites').

Benefits: Reducing the number of gap sites, which are occupied but not billed, will result in fairer charges between customers and lower bills for customers already paying.

Performance commitment definition and parameters

Unique Reference	PR19UU_ E04-CF
Detailed definition of performance measure	<p>The number of incentive payments made by the company to business retailers who identify non-household premises using water or wastewater services which are not registered within the CMOS.</p> <p>A gap site is any premise which is in receipt of water services and/or sewerage services where no supply points or insufficient supply points are registered within the Central Market Operator System (CMOS). The CMOS system records all business customers and connects wholesalers and retailers in the market. A supply point is the point at which water services or sewerage services are provided.</p> <p>It is measured as the number of new supply points registered by the wholesaler through the retailer-identified gap site process. If a premise identified by the retailer is a valid gap site, the company will register the supply point into the CMOS and at this point the retailer is eligible for the incentive payment.</p> <p>The incentive scheme is only available to business retailers. If the company is already aware of the premises, the company will not pay the incentive to a retailer and the site cannot be included in the measure. Supply points being processed through new connections or being processed through the wholesaler identified gap sites process will not be eligible for an incentive payment.</p>
Additional detail on measurement units	Retailer-identified gap sites are added to the market via an established market process set out in the Wholesale-Retail Code.
Specific exclusions	None.
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Number of gap site incentive payments, reported to zero decimal places.
Measurement timing	Reporting year

Unique Reference	PR19UU_ E04-CF
Incentive form	Revenue
Incentive type	Outperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	50% water network plus, 50% wastewater network plus
Frequency of reporting	Annually
Any other relevant information	None
Links to relevant external documents	The wholesale retail code is available from the Market Operator website: https://www.mosl.co.uk/market-codes/codes

Performance commitment levels

		Initial level	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0	0	0	0	0
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA

		Initial level	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment – standard	0.000306
Outperformance payment - enhanced	NA

1.2.23 Gap sites (Retail)

Purpose: This PC measures the number of household properties that are identified where water and/or wastewater services are being used, but the property is not known to the company ('gap sites').

Benefits: Reducing the number of gap sites, which are occupied but not billed, will result in fairer charges between customers and lower bills for customers already paying.

Performance commitment definition and parameters

Unique Reference	PR19UU_ E05-HH
Detailed definition of performance measure	The number of connected properties in the company's supply area which the company identifies as not being billed for water and/or wastewater services each year and are added to the company's billing system as residential customers.
Additional detail on measurement units	<p>The company will use external and internal data sources to verify if it has properties in its region which it has not captured onto its billing system. Properties which are listed on 'AddressBase' Premium or other third party data sets but not already registered on internal billing or geographic information systems will be put forward for verification.</p> <p>As part of verification the company will conduct and provide evidence of manual checks on the properties believed to be missing from its billing system to ensure that it is correct in identifying these as gap sites. This includes checking if the property is connected for services on the billing system already, potentially with a slightly different address, or if the property is listed on Council Tax registers or Land Registry.</p>
Specific exclusions	<p>Excludes new or existing connections raised by developers through established new connections processes.</p> <p>Excludes non-household properties.</p> <p>Excludes any household properties identified before the 1st April 2020.</p>
Reporting and assurance	The company is to provide an independent report setting out assurance that it has rigorous processes that are correctly implemented to identify and bill newly built properties.
Measurement unit and decimal places	Number of gap site properties identified and verified to zero decimal places
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance payments
Timing of underperformance	In-period

Unique Reference	PR19UU_ E05-HH
and outperformance payments	
Price control allocation	100% residential retail
Frequency of reporting	Annually
Any other relevant information	None
Links to relevant external documents	None

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	0	0	0	0	0
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment – standard	0.000013
Outperformance payment - enhanced	NA

1.2.24 Systems thinking capability

Purpose: This PC measures the improvement in the company's capability at 'Systems Thinking'. Systems Thinking is an approach for day to day business management that attempts to optimise business processes.

Benefits: Improvements in Systems Thinking enable the company to deliver service levels in other key areas, for example reducing leakage or reducing pollution incidents.

Performance commitment definition and parameters

Unique Reference	PR19UU_ E06-CF
<p>Detailed definition of performance measure</p>	<p>Systems Thinking capability is assessed at a business level against benchmarked 'maturity levels' which range from one (the lowest level and therefore least mature) to five (the highest attainable level and therefore the most mature). The level of maturity refers to U UW's progress in delivering its Systems Thinking capability model, which aims to increase the levels of automation and connectedness across the business.</p> <p>The measure tracks the annual year on year movement in maturity levels. The measure is incremental, not cumulative, in order to ensure that the company is not rewarded twice for the same improvement.</p>
<p>Additional detail on measurement units</p>	<p>A third party will provide an assured maturity assessment methodology, which includes externally benchmarked and fully assured capability maturity level definitions which align with external models for businesses operating in similar asset intensive industries.</p> <p>The assessment methodology measures the end to end systems capability with a pass or fail assessment against a 220 point assessment across 44 questions, grouped into eight areas, each with a five point maturity scale of assessment.</p> <p>A third party will make an assessment to ascertain the maturity level on an annual basis.</p> <p>In order to achieve an improvement in one level of organisational-level capability maturity, the company must achieve the improvement in capability in all eight capability areas and against the requirements of all 44 questions (defined in [link to definition document to be included in Final Determination] at the appropriate maturity level.</p> <ul style="list-style-type: none"> • Customer Experience • Work Scheduling • Operational Monitoring • Data and Information Management

Unique Reference	PR19UU_ E06-CF
	<ul style="list-style-type: none"> • Operational Control • Process Excellence • Product Planning & Optimisation • Asset Lifecycle Management <p>There is no aggregation, offsetting or averaging of different capability attributes in assigning an overall level of systems thinking maturity; all 44 questions must reach the target maturity level for the performance commitment, at a company level, to be met.</p>
Specific exclusions:	None
Reporting and assurance:	No specific requirements.
Measurement unit and decimal places	Maturity level, reported as a number to zero decimal places.
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitments

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	1	2	2	2	2
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment – standard	NA
Outperformance payment - enhanced	NA

1.2.25 Successful delivery of direct procurement of Manchester and Pennine resilience

This PC is connected with the Direct Procurement for Customers (DPC) of the Manchester and Pennines resilience scheme. The company submitted a revised plan for this scheme on 1 April. We will include this PC in our final determinations following our assessment.

1.2.26 Strategic regional solution development (Severn Thames transfer)

This PC is connected with the strategic regional solution development. The company submitted a plan on 1 April. We will include this PC in our final determinations following our assessment.

1.2.27 Customers say that we offer value for money

Purpose: To incentivise the company to deliver a water and wastewater service that represents value for money for customers.

Benefits: Assessing customer views on value for money is an important factor in understanding drivers of legitimacy with customers and in ensuring that the quality of service provided to customers continues to improve.

Performance commitment definition and parameters

Unique Reference	PR19UU_ E09-HH
<p>Detailed definition of performance measure</p>	<p>Percentage of household customers that provide a positive response that United Utilities provides value for money.</p> <p>Value for money performance is assessed from the results of customer surveys that ask United Utilities residential customers “How satisfied are you with value for money of water and sewerage services in your area?”</p> <p>Positive responses occur if the customer states that United Utilities provides value for money. Neutral or negative responses will be judged as United Utilities does not provide value for money.</p>
<p>Additional detail on measurement units</p>	<p>The customer value for money survey aligns the questions and methodology with the approach adopted in CCWater’s “Water Matters” survey. The sample size used to measure this performance commitment is to be at least equivalent to that used in the PR14 measure of the same name (1,100 customers).</p> <p>In implementing the survey, the company is to:</p> <ul style="list-style-type: none"> Align survey methodology to existing cross sector research conducted by CCWater; Receive external assurance that the survey methodology is conducted in line with social research best practice; Conduct the survey least annually and report results; Ensure the survey sample size is sufficiently large to ensure a statistically robust result; and Consult with the United Utilities Customer Challenge Group (CCG), YourVoice, on the methodology and survey questions used. <p>The methodology is likely to remain unchanged for the duration of the PC, however if changes in question structure or</p>

Unique Reference	PR19UU_ E09-HH
	<p>methodology are required in period, the company will consult with its independent CCG, YourVoice and Ofwat before implementing changes.</p> <p>The PC figure captures the average of all responses throughout the reporting year.</p>
Specific exclusions	None
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Percentage of household customers, reported to zero decimal places.
Measurement timing	Reporting year
Incentive form	Non-financial
Incentive type	NA
Timing of underperformance and outperformance payments	NA
Price control allocation	100% residential retail
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitments

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	NA	71	72	73	74	75
Enhanced underperformance collar	%		NA	NA	NA	NA	NA

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Standard underperformance collar	%		NA	NA	NA	NA	NA
Underperformance deadband	%		NA	NA	NA	NA	NA
Outperformance deadband	%		NA	NA	NA	NA	NA
Standard outperformance cap	%		NA	NA	NA	NA	NA
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment – standard	NA
Outperformance payment - enhanced	NA

1.2.28 Sewer blockages

Purpose: The purpose of this PC is to incentivise the company to reduce the number of sewer blockages, which is a significant contributing factor to sewer flooding.

Benefits: This PC will help reduce of the number of sewer flooding incidents and improve customer service.

Performance commitment definition and parameters

Unique Reference	PR19UU_ F02-WWN
Detailed definition of performance measure	<p>The total number of sewer blockages on the company's sewer network (including sewers transferred in 2011) reported on a reporting year basis.</p> <p>A blockage is an obstruction in a sewer which causes a reportable problem (not caused by hydraulic overload), such as flooding or discharge to a watercourse, unusable sanitation, surcharged sewers or odour.</p> <p>The full definition can be found here: https://www.ofwat.gov.uk/wp-content/uploads/2017/12/Sewer-blockages.pdf</p> <p>The company will not include proactively cleaned silt or other blockages that are removed which are not reported to it by customers or stakeholders and have no customer impact.</p> <p>The company will include blockages that are as a result of third party interference.</p>
Additional detail on measurement units	None
Specific exclusions:	None
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Number of sewer blockages to zero decimal places
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% wastewater network plus

Unique Reference	PR19UU_ F02-WWN
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	20,664	20,328	19,992	19,656	19,320
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		17,505	17,220	16,935	16,651	16,366
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/blockage)
Underperformance payment - standard	-0.0014
Underperformance payment - enhanced	NA
Outperformance payment – standard	0.0014
Outperformance payment - enhanced	NA

1.2.29 External flooding incidents

Purpose: This PC is designed to incentivise companies to reduce the number of external sewer flooding events.

Benefits: A reduction in the number of external sewer flooding incidents reduces disruption and other negative social impacts for customers.

Performance commitment definition and parameters

Unique Reference	PR19UU_ G03-WWN
Detailed definition of performance measure	<p>The external sewer flooding measure is defined in the reporting guidance for PR19 – Sewer Flooding, published on the 27th March 2018</p> <p>https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-sewer-flooding-updated-April-2018.pdf</p> <p>The PC will be reported as the absolute number of external sewer flooding incidents per year including incidents caused by severe weather.</p>
Additional detail on measurement units	<p>External flooding: is defined as flooding within the curtilage of a building normally used for residential, public, community and business purposes.</p> <p>Flooding event: is defined as the escape of water from a sewerage system, irrespective of size as evidenced by standing water, running water or visible deposits of silt or sewage solids. It includes flooding due to overloaded sewers (hydraulic flooding) and due to other causes (FOC).</p> <p>Number of incidents: is defined as the number of curtilages flooded during each flooding event from a public sewer including incidents on sewers transferred under the Transfer of Private Sewers Regulations 2011 and pumping stations transferred in 2016.</p> <p>Severe weather: is defined as individual rainfall events with a storm return period greater than 1 in 20 years. Flooding incidents caused by severe weather should be included in this measure. See guidance for full definition</p>
Specific exclusions	Are as defined in the reporting guidance.
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Number of incidents to zero decimal places.
Measurement timing	Reporting year

Unique Reference	PR19UU_ G03-WWN
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% wastewater network plus
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitments

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	6845	6599	6352	6106	5859
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		NA	NA	NA	NA	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		NA	NA	NA	NA	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.0057
Underperformance payment - enhanced	NA
Outperformance payment – standard	0.0007
Outperformance payment - enhanced	NA

1.2.30 Raising customer awareness to reduce the risk of flooding

Purpose: This PC measures the percentage improvement in customer awareness of what not to flush down the toilet and what should not be poured down the drain in order to improve sewer performance and customer experience.

Benefits: Increasing customer understanding of what should and shouldn't be disposed of down drains and toilets will lead to improved customer experience and performance of the wastewater network.

Performance commitment definition and parameters

Unique Reference	PR19UU_ G04-WWN
Detailed definition of performance measure	This measure assesses delivery of an increase in customer awareness aimed at changing behaviour on items that should not be flushed down the toilet and not poured down the drain. The baseline awareness will be set using the Brand Tracker online survey. Performance through the period 2020 to 2025 will be tracked by engaging with an independent customer research organisation to repeat the survey annually to track changes in awareness.
Additional detail on measurement units	The Brand Tracker is a quantitative online survey that is conducted three times a year with 1,000 (or more) residential customers. It measures its activities over the previous three to four months. Customers should be a representative mix of age, gender, region, metered / unmetered customers and urban / suburban customers. The results for this measure will be based on an even average across two questions, one question will refer to general customer awareness of what not to flush or pour, and the second shall refer to specific customer awareness of United Utilities messaging around this topic. The annual total will be a simple average of the result of the three surveys. The baseline will be set in 2019-20.
Specific exclusions:	None
Reporting and assurance	The measure will be tracked by and independent customer research organisation annually.
Measurement unit and decimal places	The percentage change from the baseline, reported to one decimal place.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance	In-period

Unique Reference	PR19UU_ G04-WWN
and outperformance payments	
Price control allocation	100% wastewater network plus
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	NA

Performance commitment levels

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	NA	2.0	4.0	6.0	8.0	10.0
Enhanced underperformance collar	%		NA	NA	NA	NA	NA
Standard underperformance collar	%		NA	NA	NA	NA	NA
Underperformance deadband	%		NA	NA	NA	NA	NA
Outperformance deadband	%		NA	NA	NA	NA	NA
Standard outperformance cap	%		NA	NA	NA	NA	NA
Enhanced outperformance cap	%		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.086
Underperformance payment - enhanced	NA
Outperformance payment – standard	0.086
Outperformance payment - enhanced	NA

1.2.31 Hydraulic internal flood risk resilience

Purpose: This PC is designed to incentivise companies to provide permanent solutions to reduce the risk of internal flooding at properties that have experienced flooding more than once.

Benefits: This PC will reduce the risk of customers that have repeated experience of internal flooding being flooded again.

Performance commitment definition and parameters

Unique Reference	PR19UU_ G05-WWN
<p>Detailed definition of performance measure</p>	<p>The number of predicted flooding incidents each year at properties that had repeat flooding between 2012-13 and 2017-18.</p> <p>It is measured and reported as the number of modelled internal flooding incidents as predicted by the hydraulic model. For instance in terms of annualised risk, flooding on a 1-in-1 event would equal 1 annualised incident while flooding on a 1-in-10 event would be equivalent to 0.1 annualised incidents.</p> <p>Where the modelled frequency is greater than the reported frequency, the reported frequency for the six year period 2012-13 to 2017-18 will be used instead of modelled risk.</p> <p>The modelled risk will be as calculated in 2018-19. Throughout the period 2020-2025, risk values will be updated for each listed property where a permanent intervention is carried out.</p> <p>Risk levels will only be updated where the modelled risk changes solely due to a permanent intervention being carried out in the period with the intention of providing or freeing up additional hydraulic capacity And include: -</p> <ul style="list-style-type: none"> • sewer upsizing; • online or offline storage; • flow transfer; • surface water removal including green infrastructure solutions; and • physical disconnection from a surcharging sewer. <p>Solutions will be designed for a 2040 design horizon, including climate change, proposed development and creep. The reduction will be the difference between the remaining 2040 risk following an intervention, and the baseline risk level. The reduction must be a minimum of a 50% reduction in modelled flood risk frequency.</p> <p>Where properties are not already on the list and are impacted by a repeat flood after 1 April 2018, they will be added to the</p>

Unique Reference	PR19UU_ G05-WWN
	measure using a consistent method with those currently included.
Additional detail on measurement units	<p>The measure is based on modelled risk. Design rainfall is simulated across the region for rainfall events from 1-in-1, up to 1-in-50 and across the full range of durations. The lowest return period to show a flood risk is used to understand the flooding frequency. For example, if a property is shown as flooding in a 1-in-10 event but not in a 1-in-5, 1-in-10 is taken as the flood frequency.</p> <p>For properties with the greatest predicted volumes in the 1-in-1 year design event, historic rainfall series is used (reflecting actual rainfall to have been recorded in each area) to simulate flooding over that period, resulting in a corresponding modelled prediction of flooding.</p> <p>Depending on the level of modelled detail in the vicinity of each property, thresholds in terms of flooding volume (e.g. for overland flooding mechanisms) and top water levels (e.g. for cellar flooding) are set and adopted consistently to assign modelled risk across the full list of properties.</p> <p>Modelled representation of the sewerage system and associated verification of models are carried out in line with the CIWEM UDG (2017) Code of Practice for the Hydraulic Modelling of Urban Drainage Systems and, for the representation of antecedent conditions, the CIWEM UDG (2016) Rainfall Guide. The methods detailed in sections 3.3 and 3.4 (antecedent conditions for design rainfall) and 4.3.5 (antecedent conditions for time series rainfall) have been applied in all cases. Future maintenance of models will also be updated, run and managed using this guidance until it is superseded.</p> <p>The model risk will be determined based on 1D modelling (for example, a manhole flooding with 10m³ if it is in the highway would be considered enough to enter the property boundary). As this would not have the detail required to differentiate between internal and external flooding, the recorded historic flooding is used to allocate the model risk to either this measure or the equivalent external measure.</p> <p>Where there is only recorded historic internal flooding, the property is allocated to this measure. Where there is recorded historic external flooding, the property is allocated to the external measure. Where there are separate recorded instances of historic internal and external flooding, the property will be included in this measure and the external measure. Should a solution be developed for one of the properties included in both measures, 2D modelling will be run where appropriate to determine that both the internal and external flooding had been</p>

Unique Reference	PR19UU_ G05-WWN
	resolved, unless the solution would clearly resolve only one consequence of the flooding.
Specific exclusions	The measure does not include flooding due to other causes such as blockages and collapses. Properties that have had previously completed schemes unless an intervention is deployed that creates additional sewer capacity beyond that provided by the original project therefore providing an additional modelled flood risk benefit Properties where work is underway at 31 March 2020.
Reporting and assurance	The company must publish independent reports of the assessment audit of the baseline position and then further audits of assessment of any changes in the risk position claimed within the year for each year between 2020 and 2025. If changes are necessary to the methodology or underlying data, the reports will make an assessment of any potential impact on reported performance and state the impact on the baseline position and any earlier reported years.
Measurement unit and decimal places	The number of modelled internal flooding incidents to two decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% wastewater network plus
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	https://www.ciwem.org/groups/udg/

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	58.65	57.65	56.65	55.65	54.65
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		76.65	77.15	77.65	78.15	78.65
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		36.51	35.51	34.51	33.51	32.51
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.415
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.415
Outperformance payment - enhanced	NA

1.2.32 Hydraulic external flood risk resilience

Purpose: This PC is designed to incentivise companies to provide permanent solutions to reduce the risk of external flooding at properties that have experienced flooding more than once.

Benefits: This PC will reduce the risk of customers that have repeated experience of external flooding being flooded again.

Performance commitment definition and parameters

Unique Reference	PR19UU_ G06-WWN
<p>Detailed definition of performance measure</p>	<p>The number of predicted flooding incidents each year at properties that had repeat flooding between 2012-13 and 2017-18.</p> <p>It is measured and reported as the number of modelled external flooding incidents as predicted by the hydraulic model. For instance in terms of annualised risk, flooding on a 1-in-1 event would equal 1 annualised incident while flooding on a 1-in-10 event would be equivalent to 0.1 annualised incidents.</p> <p>Where the modelled frequency is greater than the reported frequency, the reported frequency for the six year period 2012-13 to 2017-18 will be used instead of modelled risk.</p> <p>The modelled risk will be as calculated in 2018-19. Throughout the period 2020-2025, risk values will be updated for each listed property where a permanent intervention is carried out.</p> <p>Risk levels will only be updated where the modelled risk changes solely due to a permanent intervention being carried out in the period with the intention of providing or freeing up additional hydraulic capacity and include: -</p> <ul style="list-style-type: none"> • sewer upsizing; • online or offline storage; • flow transfer; and • surface water removal including green infrastructure solutions. <p>Solutions will be designed for a 2040 design horizon, including climate change, proposed development and creep. The reduction will be the difference between the remaining 2040 risk following an intervention, and the baseline risk level. The reduction must be a minimum of a 50% reduction in modelled flood risk frequency.</p>

Unique Reference	PR19UU_ G06-WWN
	<p>Where properties are not already on the list and are impacted by a repeat flood after 1 April 2018, they will be added to the measure using a consistent method with those currently included.</p>
<p>Additional detail on measurement units</p>	<p>The measure is based on modelled risk. Design rainfall is simulated across the region for rainfall events from 1-in-1, up to 1-in-50 and across the full range of durations. The lowest return period to show a flood risk is used to understand the flooding frequency. For example, if a property is shown as flooding in a 1-in-10 event but not in a 1-in-5, 1-in-10 is taken as the flood frequency.</p> <p>For properties with the greatest predicted volumes in the 1-in-1 year design event, historic rainfall series is used (reflecting actual rainfall to have been recorded in each area) to simulate flooding over that period, resulting in a corresponding modelled prediction of flooding.</p> <p>Depending on the level of modelled detail in the vicinity of each property, thresholds in terms of flooding volume (e.g. for overland flooding mechanisms) and top water levels (e.g. for cellar flooding) are set and adopted consistently to assign modelled risk across the full list of properties.</p> <p>Modelled representation of the sewerage system and associated verification of models are carried out in line with the CIWEM UDG (2017) Code of Practice for the Hydraulic Modelling of Urban Drainage Systems and, for the representation of antecedent conditions, the CIWEM UDG (2016) Rainfall Guide. The methods detailed in sections 3.3 and 3.4 (antecedent conditions for design rainfall) and 4.3.5 (antecedent conditions for time series rainfall) have been applied in all cases. Future maintenance of models will also be updated, run and managed using this guidance until it is superseded.</p> <p>The model risk will be determined based on 1D modelling (for example, a manhole flooding with 10m³ if it is in the highway would be considered enough to enter the property boundary). As this would not have the detail required to differentiate between internal and external flooding, the recorded historic flooding is used to allocate the model risk to either this measure or the equivalent internal measure.</p> <p>Where there is only recorded historic internal flooding, the property is allocated to the internal measure. Where there is recorded historic external flooding, the property is allocated to this measure. Where there are separate recorded instances of historic internal and external flooding, the property will be included in this measure and the internal measure. Should a solution be developed for one of the properties included in both measures, 2D modelling will be run where appropriate to determine that both the internal and external flooding have been</p>

Unique Reference	PR19UU_ G06-WWN
	resolved, unless the solution would clearly resolve only one consequence of the flooding.
Specific exclusions	<p>The measure does not include flooding due to other causes such as blockages and collapses.</p> <p>Properties that have had previously completed schemes unless an intervention is deployed that creates additional sewer capacity beyond that provided by the original project therefore providing an additional modelled flood risk benefit.</p> <p>Properties where work is underway at 31 March 2020.</p>
Reporting and assurance	The company must publish independent reports of the assessment audit of the baseline position and then further audits of assessment of any changes in the risk position claimed within the year for each year between 2020 and 2025. If changes are necessary to the methodology or underlying data, the reports will make an assessment of any potential impact on reported performance and state the impact on the baseline position and any earlier reported years.
Measurement unit and decimal places	The number of modelled external flooding incidents to two decimal places.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% wastewater network plus
Frequency of reporting	Annually
Any other relevant information	NA
Links to relevant external documents	https://www.ciwem.org/groups/udg/

Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	250.38	228.18	205.98	183.78	161.58
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		285.78	296.88	307.98	319.08	330.18
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		149.28	127.08	104.88	82.68	60.48
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.042
Underperformance payment - enhanced	NA
Outperformance payment – standard	0.042
Outperformance payment - enhanced	NA

Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We regulate the water sector in England and Wales. Our vision is to be a trusted and respected regulator, working at the leading edge, challenging ourselves and others to build trust and confidence in water.

Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA

Phone: 0121 644 7500
Fax: 0121 644 7533
Website: www.ofwat.gov.uk
Email: mailbox@ofwat.gsi.gov.uk

April 2019

© Crown copyright 2019

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information, you will need to obtain permission from the copyright holders concerned.

This document is also available from our website at www.ofwat.gov.uk.

Any enquiries regarding this publication should be sent to us at mailbox@ofwat.gsi.gov.uk.

