

July 2019

Trust in water

PR19 draft determinations

**Anglian Water – Outcomes performance
commitment appendix**

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PR19 draft determinations: Anglian Water – Outcomes performance commitment appendix

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

This is a technical document to specify clearly the company's performance commitments and outcome delivery incentives. This document is not intended to substitute the information that Anglian Water should provide to its customers on its outcomes and performance commitments.

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

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, if any changes are required, to follow our procedures for 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 'Anglian Water - 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.

We have included a working draft 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. 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 expect companies earning enhanced ODIs to share learning on what has worked and what has not, consistent with the knowledge-sharing plans set out in their business plan. We also expect companies to assess the success of their knowledge-sharing and be able to provide evidence of this to Ofwat, and we will take account of this when we determine ODI 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 we have accepted the company’s proposed allocations in the draft determination except where a company appears to have made an obvious error.

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 include 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 minded to continue to retain links to information on the Ofwat and other external websites as our default, but we continue to be 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. 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 performance commitment incentivises the company to reduce treated water compliance failures and perform better on mitigating measures.

Benefits: This performance commitment reduces the number of compliance failures against statutory obligations which should give customers confidence that water is clean and safe to drink.

Performance commitment definition and parameters

Unique Reference	PR19ANH_3
Detailed definition of performance measure:	The definition for this performance commitment 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 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	100% water network plus

Unique Reference	PR19ANH_3
Frequency of reporting	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on the calendar year 2020, whereas 2024-25 assessment will be based on the calendar year 2024.
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.htm

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
Underperformance collar	number		9.50	9.50	9.50	9.50	9.50
Enhanced underperformance threshold	number		NA	NA	NA	NA	NA
Underperformance deadband	number		2.0	2.0	1.50	1.50	1.50
Outperformance deadband	number		NA	NA	NA	NA	NA
Enhanced outperformance threshold	number		NA	NA	NA	NA	NA
Outperformance cap	number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.788
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.1.2 Water supply interruptions

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

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

Performance commitment definition and parameters

Unique Reference	PR19ANH_4
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>It is calculated as the average number of minutes lost per customer for the whole customer base for interruptions that lasted 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> $((\text{Properties with interrupted supply} \geq 180 \text{ mins}) \times \text{Full duration of interruption}) \div$ <p><i>Total number of properties supplied (year end) = average number of minutes lost per customer</i></p> <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>

Unique Reference	PR19ANH_4
	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.
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.
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	Annual
Any other relevant information	ODI rate applies on a per minute basis.
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	HH:MM :SS	NA	00:05: 24	00:04: 48	00:04: 12	00:03: :36	00:03: 00
Enhanced underperformance collar	HH:MM :SS		NA	NA	NA	NA	NA
Standard underperformance collar	HH:MM :SS		00:21: 36	00:21: 36	00:21: 36	00:21: :36	00:21: 36
Underperformance deadband	HH:MM :SS		NA	NA	NA	NA	NA
Outperformance deadband	HH:MM :SS		NA	NA	NA	NA	NA
Standard outperformance cap	HH:MM :SS		00:04: 31	00:03: 33	00:02: 32	00:01: :31	00:00: 26
Enhanced outperformance cap	HH:MM :SS		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-1.884
Underperformance payment - enhanced	NA
Outperformance payment - standard	1.265
Outperformance payment - enhanced	NA

1.1.3 Leakage

Purpose: This performance commitment 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 performance commitment of 7.8% in the table below is a different figure to the annual average reduction as the performance commitment is measured on a three-year average to smooth annual variations due to weather. The company will earn outperformance payments for going beyond its performance commitments. This, alongside totex sharing of any additional expenditure, should cover any costs to reach the lower levels of leakage expected in its water resource management plan.

Performance commitment definition and parameters

Unique Reference	PR19ANH_5
Detailed definition of performance measure	<p>The percentage reduction of three year average leakage in megalitres per day (Ml/d) from the 2019-20 baseline.</p> <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>Three-year average values are calculated from annual average values for the reporting year and two preceding years and expressed in megalitres per day (Ml/d).</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 (Ml/d).</p> <p>The company should provide a commentary in its 2019-20 Annual Performance Report submission describing any differences in its baseline total leakage level expressed in megalitres per day (Ml/d) in comparison with its business plan forecast. Reasons for any differences should be clearly explained and their volumetric impacts on the baseline quantified.</p> <p>We reserve the right to intervene if the company does not clearly explain the reasons for differences or if the forecast 2019-20 service level is not met due to reasons which we consider to be within the company's control.</p>

Unique Reference	PR19ANH_5
	<p>As a minimum, if a company does not meet its 2019-20 leakage target, the company's 2019-20 baseline will be adjusted downwards by one third of the difference between the annual value derived from the 2019-20 PR14 committed annual performance level and the corresponding actual annual value using the PR14 calculation of leakage set out in the PR14 performance commitment.</p> <p>Outcome delivery incentives will be applied on a megalitres per day basis. The performance commitment levels expressed as percentage reduction will be applied to 2019-20 baseline. The difference between this value to one decimal place and actual three year average leakage will be used to calculate outcome delivery incentives.</p>
Specific exclusions:	As defined in the reporting guidance.
Reporting and assurance:	The company will also report leakage as a three year average in MI/d to one decimal place, corresponding to the percentage reduction reported.
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
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% water network plus
Frequency of reporting	Annual
Any other relevant information	<p>Performance commitment levels are set as percentage reduction from 2019-20 baseline.</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

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level – percentage reduction	%	NA	1.2	2.8	4.5	6.2	7.8
Enhanced underperformance collar – percentage reduction	%		-91.1	-91.1	-91.1	-91.1	-91.1
Standard underperformance collar – percentage reduction	%		-76.0	-76.0	-76.0	-76.0	-76.0
Standard underperformance collar for tier 1 standard underperformance rate – percentage reduction	%		-4.9	-4.9	-4.9	-4.9	-4.9
Underperformance deadband – percentage reduction	%		NA	NA	NA	NA	NA
Outperformance deadband – percentage reduction	%		NA	NA	NA	NA	NA
Standard outperformance cap – percentage reduction	%		9.2	11.5	14.3	16.8	22.3
Enhanced outperformance cap – percentage reduction	%		*	*	*	*	*

* See ‘Delivering outcomes for customers policy appendix’ for how we will apply caps for enhanced outperformance payments.

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment tier 1 – standard	-0.840
Underperformance payment tier 2 – standard	-0.365
Underperformance payment - enhanced	-0.800
Outperformance payment - standard	0.219
Outperformance payment - enhanced	0.800

1.1.4 Per capita consumption

Purpose: This performance commitment is designed to incentivise companies to help customers reduce their consumption.

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

Performance commitment definition and parameters

Unique Reference	PR19ANH_6
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>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>
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>The company should provide a commentary in its 2019-20 Annual Performance Report submission describing any differences in its baseline PCC expressed in litres per person per day (l/p/d) in comparison with its business plan forecast.</p>

Unique Reference	PR19ANH_6
	<p>Reasons for any differences should be clearly explained and their volumetric impacts on the baseline quantified.</p> <p>We reserve the right to intervene if the company does not clearly explain the reasons for differences or if the forecast 2019-20 service level is not met due to reasons which we consider to be within the company's control.</p> <p>Outcome delivery incentives will be applied on a litres per person per day basis. The performance commitment levels expressed as percentage reduction will be applied to 2019-20 baseline. The difference between this value to one decimal place and actual three year average per capita consumption will be used to calculate outcome delivery incentives.</p>
Specific exclusions:	As defined in the reporting guidance.
Reporting and assurance:	The company will also report per capita consumption as a three year average in litres per person per day to one decimal place, corresponding to the percentage reduction reported.
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
Price control allocation	100% water network plus
Frequency of reporting	Annual
Any other relevant information	<p>Performance commitment levels are set as percentage reduction from 2019-20 baseline.</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	%	NA	0.8	2.0	3.2	4.5	5.6
Enhanced underperformance collar – percentage reduction	%		NA	NA	NA	NA	NA
Standard underperformance collar – percentage reduction	%		NA	NA	NA	NA	NA
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

Incentive rates

Incentive type	Incentive rate (£m/litres/person/day)
Underperformance payment - standard	-0.365
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.304
Outperformance payment - enhanced	NA

1.1.5 Mains repairs

Purpose: This performance commitment is designed to incentivise the company to appropriately maintain and improve the asset health of the infrastructure and below-ground water mains network and demonstrate its commitment to its asset stewardship responsibility.

Benefits: This performance commitment 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	PR19ANH_11
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 should report mains repaired pro-actively and reactively separately. Pro-active repairs are those completed by the company as a result of the company’s active leakage control (ALC) or its own leak detection activity. Reactive repairs are those that are completed as a result of a customer

Unique Reference	PR19ANH_11
	contact (made using any communication channel) informing the company of a leak.
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	Underperformance payments
Timing of underperformance and outperformance payments	In-period
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	125.3	124.9	124.4	124.0	123.6
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	-0.165
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.1.6 Unplanned outage

Purpose: This performance commitment is designed to incentivise the company to appropriately maintain and improve the asset health of the non-infrastructure or above-ground water assets and demonstrate its commitment to its asset stewardship responsibility.

Benefits: This performance commitment 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	PR19ANH_12
Detailed definition of performance measure	<p>Unplanned outage is defined in the reporting guidance for PR19 – Unplanned Outage, published on 4th April 2019. https://www.ofwat.gov.uk/wp-content/uploads/2018/03/20190327-6.-Unplanned-outage-final-reporting-guidance.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 (MI/d) and normalised based on overall company peak week production capacity to be reported as a percentage.</p>
Additional detail on measurement units	See reporting guidance for additional detail.
Specific exclusions:	As defined in the reporting guidance.
Reporting and assurance	The company should report its current company level peak week production capacity (PWPC) (MI/d), the unplanned outage (MI/d) and planned outage (MI/d) in its commentary. The company should also provide a summary of data quality and compliance in accordance with the reporting requirements.
Measurement unit and decimal places	Percentage of peak week production capacity, reported to two decimal places.
Measurement timing	Reporting year
Incentive form	Revenue

Unique Reference	PR19ANH_12
Incentive type	Underperformance payment
Timing of underperformance and outperformance payments	In-period
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

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	%	NA	1.74	1.74	1.74	1.74	1.74
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	-1.328
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	PR19ANH_9
Detailed definition of performance measure	<p>The performance commitment drought risk 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: <i>At risk if, $DO - OA < DD + TH$</i></p> <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>

Unique Reference	PR19ANH_9
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
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
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	%	NA	20.5	20.5	22.0	21.8	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 performance commitment 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 PSR is kept up to date.

Performance commitment definition and parameters

Unique Reference	PR19ANH_22
<p>Detailed definition of performance measure</p>	<p>This common performance commitment is defined in the reporting guidance: ‘Reporting guidance – Common performance commitment for the Priority Service Register’.</p> <p>This performance commitment consists of the following criteria:</p> <ul style="list-style-type: none"> • The PSR reach: percentage of households that the company supplies with water and/or wastewater services that are registered on the company’s PSR; • Attempted contact: percentage of distinct households on the PSR that the company has attempted to contact over a two-year period; • Actual contact: percentage of distinct households on the PSR that the company has actually contacted over a two-year period. <p>To achieve compliance with this performance commitment the reach, attempted contact and actual contact targets should be achieved.</p>
<p>Additional detail on measurement units</p>	<p>The performance commitment is calculated using the following formulas:</p> $PSR\ Reach = \left(\frac{PSR\ [households]}{Total\ households} \right) \times 100$ $Attempted\ contacts = \left(\frac{Number\ of\ attempted\ contacts}{PSR\ [households]} \right) \times 100$ $Actual\ contacts = \left(\frac{Number\ of\ actual\ contacts}{PSR\ [households]} \right) \times 100$ <p>PSR [households] – Number of households on the PSR (recorded on 31 March)</p> <p>Total households – Total number of households served (recorded on 31 March)</p>

Unique Reference	PR19ANH_22
	<p>Attempted contact – Distinct households which the company has attempted to contact over a two-year period (recorded on 31 March)</p> <p>Actual contact – Distinct households where the company had actual contact over a two-year period (recorded on 31 March)</p>
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>Actual contacts: percentage of applicable households, reported to one decimal place.</p> <p>Attempted contacts: 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	Annual
Any other relevant information	NA
Links to relevant external documents	'Reporting guidance – Common performance commitment for the Priority Service Register'

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	%	NA	1.8	3.6	6.1	9.5	12.8
Performance commitment level: Actual contact	%		25.0	50.0	50.0	50.0	50.0
Performance commitment level: Attempted contact	%		45.0	90.0	90.0	90.0	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 performance commitment 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	PR19ANH_7
<p>Detailed definition of performance measure</p>	<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>
<p>Additional detail on measurement units</p>	<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 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	PR19ANH_7
	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.
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	Annual
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	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		3.35	3.35	3.35	3.35	3.35
Underperformance deadband	number		NA	NA	NA	NA	NA
Outperformance deadband	number		NA	NA	NA	NA	NA
Standard outperformance cap	number		1.58	1.44	1.31	1.17	1.04
Enhanced outperformance cap	number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-21.122
Underperformance payment - enhanced	NA
Outperformance payment - standard	10.994
Outperformance payment - enhanced	NA

1.1.10 Pollution incidents

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

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

Performance commitment definition and parameters

Unique Reference	PR19ANH_8
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 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 of the 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

Unique Reference	PR19ANH_8
Frequency of reporting	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on the calendar year 2020, whereas 2024-25 assessment will be based on the calendar year 2024.
Any other relevant information	NA
Links to relevant external documents	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 Incidents and their classification: the Common Incident Classification Scheme (CICS), Ref: 04_01, Issued 23/9/2016 by the Environment Agency

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	24.51	23.74	23.00	22.40	19.50
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	-0.445
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.295
Outperformance payment - enhanced	NA

1.1.11 Risk of sewer flooding in a storm

Purpose: This performance commitment is designed to incentivise companies to better understand flood risk in their region and utilise this knowledge to develop long term strategies and so over the long term reduce the risk of sewer flooding.

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	PR19ANH_10
Detailed definition of performance measure	Risk of sewer flooding in a storm is defined within the guidance titled, Reporting guidance – Risk of sewer flooding in a storm, published on 4th April 2019: https://www.ofwat.gov.uk/wp-content/uploads/2019/04/Reporting-guidance-Risk-of-sewer-flooding-in-a-storm_final_290319.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

Unique Reference	PR19ANH_10
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
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	%	NA	9.75	9.75	9.75	9.75	9.75
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 performance commitment is designed to incentivise the company to appropriately maintain and improve the asset health of the infrastructure or below-ground wastewater assets and demonstrate its commitment to its asset stewardship responsibility.

Benefits: This performance commitment 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	PR19ANH_13
Detailed definition of performance measure	<p>Sewer collapses is defined in the reporting guidance - sewer collapses per 1000km (updated), published on the 4th April 2019: https://www.ofwat.gov.uk/publication/reporting-guidance-sewer-collapses-per-1000km/</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 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.

Unique Reference	PR19ANH_13
Reporting and assurance	The company is also expected 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
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% wastewater 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	5.60	5.60	5.50	5.50	5.50
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	-2.298
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.1.13 Treatment works compliance

Purpose: This performance commitment is designed to incentivise the company to appropriately maintain and improve the asset health of the non-infrastructure or above-ground wastewater assets and demonstrate its commitment to its asset stewardship responsibility.

Benefits: This performance commitment 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	PR19ANH_14
Detailed definition of performance measure	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. https://www.ofwat.gov.uk/wp-content/uploads/2017/12/WatCoPerfEPAMethodology_v3-Nov-2017-Final.pdf 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.
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	PR19ANH_14
Price control allocation	39% water network plus 61% 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, whereas 2024-25 assessment will be based on the calendar year 2024.
Any other relevant information	Performance against this performance commitment is also published annually in Environment Agency 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	-1.348
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.1.14 C-MeX

Purpose: This performance commitment is designed to incentivise companies to improve the experience they provide to residential customers.

Benefits: This performance commitment should increase residential customer satisfaction, by improving both the overall customer experience and companies' handling of customer contacts.

Performance commitment definition and parameters

Unique Reference	PR19ANH_1
Detailed definition of performance measure	<p>C-MeX is a composite measure of customer satisfaction. A company's C-MeX score is calculated as the weighted average of customer satisfaction (CSAT) scores and net promoter scores (NPS), from customer service (CS) and customer experience (CE) surveys. Standard and enhanced payments under C-MeX depend on a company's performance relative to those of the other companies.</p> <p>Higher performance payments are available if the company passes each of the following three 'gates':</p> <ol style="list-style-type: none"> 1. is one of the top three performers by C-MeX score; 2. has lower than the industry average number of complaints (per 10,000 connections); and 3. is at or above the C-MeX all sector upper quartile (ASUQ) threshold, which is based on the UK Customer Satisfaction Index (CSI) measure of customer satisfaction in the UK, run by the Institute of Customer Services.
Additional detail on measurement units	<p>The company's C-MeX incentive rate (determined before the application of any higher performance payment for passing the three gates, above) depends on its C-MeX score relative to those of the other companies. Specifically, it depends on how many standard deviations (SD) the company's score is from the industry average C-MeX score, determined as:</p>

Unique Reference	PR19ANH_1
	<p>SD score = (company C-MeX – C-MeX mean) / C-MeX SD</p> <p>The company's C-MeX score (determined before the application of any adjustment for the number of channels offered) is calculated using the following formula:</p> <p>C-MeX score = (40% CS CSAT) + (40% CE CSAT) + (20% combined CS and CE NPS)</p> <p>CSAT and NPS scores are normalised to a scale of 0 to 100. Three points are deducted from the C-MeX score if the company fails to offer at least five channels (including at least three on-line), to receive customer contacts and complaints.</p> <p>The 'C-MeX ASUQ' threshold referred to in the three gates for higher rewards, above, is calculated using the following formula:</p> <p>C-MeX ASUQ = C-MeX Mean + (UKCSI ASUQ - UKCSI Mean) / UKCSI SD * C-MeX SD</p> <p>where:</p> <ul style="list-style-type: none"> • 'C-MeX Mean' is the mean average of all water companies' C-MeX scores, • 'UKCSI ASUQ' is the upper quartile of the CSI scores of all companies in the UKCSI report relating to the relevant year (eg for C-MeX in 2020-21, the UKCSI ASUQ would be based on data from the July 2021 UKCSI surveys), • 'UKCSI Mean' is the mean average score of water companies in the UKCSI report relating to the relevant year, • 'UKCSI SD' is the standard deviation of water companies' scores in the UKCSI report relating to the relevant year, and • 'C-MeX SD' is the standard deviation of the C-MeX scores of all water companies.
Specific exclusions	As set out in the PR19 DD C-MeX and D-MeX 'Delivering outcomes for customers policy appendix'

Unique Reference	PR19ANH_1
Reporting and assurance	Reporting and assurance should be in the form and manner set out in the guidance. ¹
Measurement unit and decimal places	Score out of 100, to two decimal places
Measurement timing	Reporting year
Incentive form	Reputational and revenue
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% residential retail
Frequency of reporting	Annual
Any other relevant information	The company's C-MeX payments are calculated by multiplying its incentive rate by its annual allowed residential retail revenue (as described in 'Anglian Water draft determination' and 'Anglian Water – Allowed revenue appendix').
Links to relevant external documents	P PR19 DD C-MeX and D-MeX 'Delivering outcomes for customers policy appendix'.

¹ This guidance will be published by March 2020 and will be informed by findings from the C-MeX shadow year. The C-MeX guidance for the shadow year is: [PR19 Customer Measure of Experience \(C-MeX\): guidance for the Shadow Year 2019-20](#), Ofwat, March 2019.

Incentive rates

Incentive type	Incentive rate (% of annual allowed residential retail revenue)
Underperformance payment – enhanced rate (Applies if SD score below -1)	-12%
Underperformance payment – standard rate (Applies if SD score is between -0.25 and -1)	6% x SD score ²
Deadband (Applies if SD score is above -0.25 and below 0.25)	0%
Outperformance payment – standard rate (Applies if SD score is between 0.25 and 1)	3% x SD score
Outperformance payment – enhanced rate (Applies if SD score is above 1)	6%
Outperformance payment – higher rate (Applies if meeting the three gates for highest payments. Overrides other incentive rates.)	<p>12% if the company has the highest C-MeX score of companies passing the three gates and SD score is above 1</p> <p>10% if the company has the second highest C-MeX score of companies passing the three gates and SD score is above 1</p> <p>8% if the company has the third highest C-MeX score of companies passing the three gates and SD score is above 1</p> <p>6% if the company's SD score is below 1 (regardless of position by C-MeX score of the companies passing the three gates)</p>

² Note: as the SD score is negative, the term 6% x SD score is negative, hence a minus sign is not applied to the 6%.

1.1.15 D-MeX

Purpose: This performance commitment is designed to incentivise companies to improve the experience they provide to developer services (new connections) customers, including property developers, self-lay providers and those with new appointments and variations (NAVs).

Benefits: This performance commitment should increase developer customer satisfaction, by improving the overall customer experience for all developer services customers.

Performance commitment definition and parameters

Unique Reference	PR19ANH_ANH2
<p>Detailed definition of performance measure</p>	<p>D-MeX is a composite measure of customer satisfaction. A company's D-MeX score is calculated from the weighted average of its:</p> <ul style="list-style-type: none"> • qualitative D-MeX score, based on scores from a customer satisfaction survey based on transactions; and • quantitative D-MeX score, based on the company's performance against a set of Water UK performance metrics. <p>The set of Water UK performance metrics which are used to calculate the quantitative component of the company's D-MeX score are³:</p> <ul style="list-style-type: none"> W1.1 Pre-development enquiry – reports issued W2.1 s45 applications – written acknowledgment W3.1 s45 quotations W4.1 s45 service pipe connections W5.1 Mains design – written acknowledgment W6.1 Mains design <500 plots - quotations W7.1 Mains design >500 plots - quotations W8.1 Mains construction W16.1 Mains diversions – written acknowledgement W17.1 Mains diversions (without constraints) - quotations W17.2 Mains diversions (with constraints) - quotations W18.1 Mains diversions - construction/commissioning W19.1 Self-lay point of connection applications – written acknowledgement W20.1 Self-lay Point of Connection report < 500 plots etc. - reports issued W21.1 Self-lay Point of Connection reports >500 plots etc. - reports issued W22.1 Self-lay design approval and terms request – written acknowledgement

³ Please note that this list may be subject to change as a result of work undertaken by Ofwat and/or Water UK prior to PR19 Final Determinations.

Unique Reference	PR19ANH_ANH2
	<p>W23.1 Self-lay design and terms request <500 plots etc. - quotations</p> <p>W24.1 Self-lay design and terms request >500 plots etc. - quotations</p> <p>W25.1 Self-lay signed agreement - acknowledgements</p> <p>W26.1 Self-lay water for pressure/bacteriological testing - provided</p> <p>W27.1 Self-lay permanent water supply - provided</p> <p>W28.1 Self-lay vesting certificates - issued</p> <p>W29.1 Self-lay Asset Payments - issued</p> <p>W30.1 Self-lay plot references and costing details - issued</p> <p>S1.1 Pre-development enquiry – reports issued</p> <p>S2.1 Sewer requisition – written acknowledgement</p> <p>S3.1 Sewer requisition design – offers issued</p> <p>S4.1 Sewer requisition – constructed and commissioned</p> <p>S5.1 Technical vetting of adoptions & diversions - acknowledgements</p> <p>S6.1 Technical vetting of adoptions & diversions – approval or rejection letters</p> <p>S7.1 Adoption legal agreement – draft agreements issued</p> <p>S8.1 s106 sewer connection - approval letters issued</p>
Additional detail on measurement units	<p>The company's D-MeX score is calculated using the following formula:</p> <p>D-MeX score = (50% Qual) + (50% Quant)</p> <p>Where:</p> <ul style="list-style-type: none"> • 'Qual' is a combination of the overall satisfaction score given by developer customers surveyed in the customer satisfaction survey; and • 'Quant' is a combination of Water UK performance metrics which have non-zero volumes.
Specific exclusions	As set out in the PR19 DD C-MeX and D-MeX 'Delivering outcomes for customers policy appendix'.
Reporting and assurance	Reporting and assurance should be in the form and manner set out in the guidance ⁴
Measurement unit and decimal places	Score out of 100, to two decimal places
Measurement timing	Reporting year
Incentive form	Reputational and revenue

⁴ This guidance will be published by March 2020 and will be informed by findings from the D-Mex shadow year. The D-MeX guidance for the shadow year is: [PR19 Developer Measure of Experience \(D-MeX\): guidance for the Shadow Year 2019-20](#), Ofwat, March 2019.

Unique Reference	PR19ANH_ANH2
Incentive type	Outperformance and underperformance payments
Timing of underperformance and outperformance payments	In-period
Price control allocation	56% water network plus 44% wastewater network plus
Frequency of reporting	Annual
Any other relevant information	The company's D-MeX payments are calculated by multiplying its incentive rate by its annual developer services revenue.
Links to relevant external documents	PR19 DD C-MeX and D-MeX 'Delivering outcomes for customers policy appendix'

Incentive rates

Incentive type	Incentive rate (% of annual developer services revenue)
Underperformance payment – enhanced rate (Applies if D-MeX score is equal/above the 3rd quartile of all D-MeX scores across all companies)	-12%
Underperformance payment – standard rate (Applies if D-MeX score is equal/above the 2nd quartile and below the 3rd quartile of all D-MeX scores across all companies)	-6%
Deadband (Applies if D-MeX score is equal/above the 1st quartile and below the 2nd quartile of all D-MeX scores across all companies)	0%
Outperformance payment – standard rate (Applies if D-MeX score is below the 1st quartile of all D-MeX scores across all companies)	6%

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 them to innovate and target their customers' values and concerns in the context of their specific circumstances.

In addition to considering the comments provided on definitions for bespoke performance commitments included at the draft determination stage, we may wish to have further correspondence with the company following draft determination in order to ensure that performance commitment definitions are as well-specified as possible for final determination, particularly those which are new and/or financially material.

1.2.1 Percentage of population supplied by a single supply system

Purpose: This performance commitment incentivises the company to implement permanent solutions to reduce the likelihood of water supply interruptions to customers due to prolonged resilience outages of its water treatment works.

Benefits: The benefit to customers will be to reduce their dependency on single treated water supply sources and the associated negative social impacts of supply interruptions.

Performance commitment definition and parameters

Unique Reference	PR19ANH_15
Detailed definition of performance measure	The proportion of all of the company's water services household customers exposed to the risk of loss of supply due to a resilience event. This includes works failures in multiple source systems which result in the loss of supply to some customers.
Additional detail on measurement units	Performance is measured based on identifying the resulting water supply deficit (which includes household and non-household customer demands) if each of the company's water treatment works were fully taken out of service for a prolonged period. The assumption for calculating this supply deficit is that the treatment works will be completely off-supply at a time of normal operating

Unique Reference	PR19ANH_15
	<p>(non-drought) conditions (the remaining system and other treatment works output capabilities will be not affected). For the purposes of this performance commitment a prolonged period is considered to be at least seven days.</p> <p>The water deficit is then converted to an equivalent number of household customers and the percentage of population at risk calculated. The number of customers affected is calculated using the companies reported per capita consumption levels for the reporting year. Although they may be contributing to the overall supply deficit in terms of demand for water, for reporting purposes, non-household customers are not included in the conversion. The volume deficit is assumed to be distributed across the household customers only. The risk to the whole region is summed to form the performance across the operational region.</p>
Specific exclusions	NA
Reporting and assurance	The company shall provide external third party assurance that the reduction to the population at risk as determined in the base year 2020 is due to company actions, as opposed to changes in the modelling methodologies or changes in input data.
Measurement unit and decimal places	Percentage to one decimal place.
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annual
Any other relevant information	This performance commitment is closely linked with the new Internal interconnections programme performance commitment but there is no overlap of incentives.
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	24.1	21.8	21.8	20.0	14.1
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

1.2.2 Properties at risk of persistent low pressure

Purpose: This measure is designed to incentivise the company to reduce the number of properties supplied by the company at risk of being affected by persistent low pressure.

Benefits: The benefit of this measure is to reduce the number of customers that are affected by persistent low pressure.

Performance commitment definition and parameters

Unique Reference	PR19ANH_16
Detailed definition of performance measure	The number of properties that have experienced more than 25 low pressure days within a five year rolling period, measured at the end of each reporting year.
Additional detail on measurement units	<p>The low pressure reference level is defined in the reporting guidance ‘Properties at risk of receiving low pressure’: https://www.ofwat.gov.uk/wp-content/uploads/2017/12/Properties-at-risk-of-receiving-low-pressure.pdf.</p> <p>Only days with low pressure events that are worse than the low pressure threshold will be counted.</p> <p>The reference level applies to a single property and is measured on the customer’s side of any meter or company fittings.</p> <p>Each low pressure event must be greater than, or equal to, one hour in the day to be included against this measure.</p> <p>Any pressure loggers that average over a time period of one hour should have two readings of a low pressure event to qualify, whereas any pressure loggers that average over a time period of greater than one hour will be expected to have one reading of a low pressure event.</p>
Specific exclusions	As defined in the reporting guidance.
Reporting and assurance	No specific requirements.
Measurement unit and decimal places	Number of properties 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

Unique Reference	PR19ANH_16
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	Number	NA	150	150	150	150	106
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	-0.012207
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.006340
Outperformance payment - enhanced	NA

1.2.3 External sewer flooding

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

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

Performance commitment definition and parameters

Unique Reference	PR19ANH_17
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: https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-sewer-flooding-updated-April-2018.pdf.</p> <p>The performance commitment will be reported as the absolute number of external sewer flooding incidents per year as defined in the reporting guidance, 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.</p> <p>Full definitions of all relevant terms are defined in the reporting guidance.</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
Incentive form	Revenue

Unique Reference	PR19ANH_17
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
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	Number	NA	4,191	4,141	4,091	4,041	3,991
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		6,287	6,287	6,287	6,287	6,287
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		2,339	2,339	2,339	2,339	2,339
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.004177
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.004177
Outperformance payment - enhanced	NA

1.2.4 Reactive mains bursts

Purpose: This performance commitment 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 performance commitment 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	PR19ANH_18
Detailed definition of performance measure	<p>The number of reactive mains bursts. Reactive bursts are defined as those that have been identified and reported by a customer or third party (using any communication channel) before they are repaired.</p> <p>A mains repair is defined in the reporting guidance for PR19 – Mains Repairs per 1000km, published on 27 March 2018. https://www.ofwat.gov.uk/publication/reporting-guidance-mains-repairs-per-1000km/</p> <p>It is reported as the number of reactive mains repairs per thousand kilometres of the entire water main network (excluding communication and supply pipes).</p>
Additional detail on measurement units	<p>Mains repairs – This includes all physical repair work to mains from which water is lost.</p> <p>Mains length – This is the length of all pipes conveying treated water around the distribution point but not including communication pipes or supply pipes.</p>
Specific exclusions	None

Unique Reference	PR19ANH_18
Reporting and assurance	No further requirements.
Measurement unit and decimal places	Number of reactive mains bursts, reported 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	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	3,063	3,063	3,063	3,063	3,063
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

1.2.5 Bathing waters attaining excellent status

Purpose: The purpose of this performance commitment is to incentivise the company to improve water quality at the beaches designated for swimming within its region, in line with its Water Industry National Environment Programme (WINEP) commitments.

Benefits: By encouraging the improvement of bathing water quality, this performance commitment will enhance coastal environments, whilst also supporting the continued development of the leisure and tourism industries in the company's region.

Performance commitment definition and parameters

Unique Reference	PR19ANH_19
Detailed definition of performance measure	The performance commitment measures the number of bathing waters in the company's region that attain 'Excellent' status, as designated by the Environment Agency, based on a four-year average. The company currently has 49 designated bathing waters and new designations will not be included in the reporting against this performance commitment.
Additional detail on measurement units	If a bathing water is closed for sampling the company will use the most recent classification as reported by the Environment Agency. If a bathing water is de-designated during the period, it will not be counted and will reduce the potential for the company to perform.
Specific exclusions	None
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Number of bathing waters classified by the Environment Agency as Excellent to zero 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, whereas 2024-25 assessment will be based on the calendar year 2024.

Unique Reference	PR19ANH_19
Any other relevant information	NA
Links to relevant external documents	The Bathing Water Regulations 2013 https://www.legislation.gov.uk/uksi/2013/1675/contents/made Environment Agency Bathing Water Quality Guide https://environment.data.gov.uk/bwq/profiles/help-understanding-data.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	33	33	34	35	36
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		25	25	26	27	28
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		38	38	39	40	41
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.2248
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.1154
Outperformance payment - enhanced	NA

1.2.6 Abstraction incentive mechanism

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

Benefits: The benefit of this performance commitment is that environmentally sensitive sites are preserved by reducing water abstracted from them during lower levels or flows.

Performance commitment definition and parameters

Unique Reference	PR19ANH_20
Detailed definition of performance measure	<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 four sites for AIM for the period 2020-25:</p> <ul style="list-style-type: none"> • Wixoe: The trigger threshold for this site is 0.004 m³/s and it has a baseline of 7.2 MI/day • Wilsthorpe: The trigger threshold for this site is 0.003 m³/s and it has a baseline of 20.0 MI/day • Marsham Surface Water (River Nar): The trigger threshold for this site is 0.440 m³/s and it has a baseline of 10.1 MI/day • Marsham Ground Water: The trigger threshold for this site is 0.320 m³/s and it has a baseline of 11.2 MI/day <p>The abstraction incentive mechanism is defined in the reporting guidance – Guidelines on the abstraction incentive mechanism, published on the 29th February 2016:</p>

Unique Reference	PR19ANH_20
	https://www.ofwat.gov.uk/wp-content/uploads/2016/02/gud_pro20160226aim.pdf
Additional detail on measurement units	<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, 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> <p>For example, in the circumstance that the AIM baseline is 5 MI/day and the company abstracts an average of 4 MI/day from the abstraction site when river flows are below the trigger threshold then, if flows are below the threshold for 100 days, the company has an improved performance relative to the baseline of (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.</p>
Specific exclusions	As defined in the reporting guidance.
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Megalitres 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 resources
Frequency of reporting	Annual
Any other relevant information	None
Links to relevant external documents	None

Performance commitment levels (Marham – River Nar)

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Megalitre	NA	-87	-87	-87	-87	-87
Enhanced underperformance collar	Megalitre		NA	NA	NA	NA	NA
Standard underperformance collar	Megalitre		648	648	648	648	648
Underperformance deadband	Megalitre		NA	NA	NA	NA	NA
Outperformance deadband	Megalitre		NA	NA	NA	NA	NA
Standard outperformance cap	Megalitre		-765	-765	-765	-765	-1,848
Enhanced outperformance cap	Megalitre		NA	NA	NA	NA	NA

Incentive rates (Marham – River Nar)

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	0.001198
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.000420
Outperformance payment - enhanced	NA

Performance commitment levels (Marham – Groundwater)

		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		955	955	955	955	955
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		-850	-850	-850	-850	-850
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates (Marham - groundwater)

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	0.000813
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.000378
Outperformance payment - enhanced	NA

Performance commitment levels (Wilsthorpe)

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Performance commitment level	Number	NA	87	87	87	87	87
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		351	351	351	351	351
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		-1,515	-1,515	-1,515	-1,515	-1,515
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates (Wilsthorpe)

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	0.000510
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.000050
Outperformance payment - enhanced	NA

Performance commitment levels (Wixoe)

		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		680	680	680.0	680	680
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		-548	-548	-548	-548	-548
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates (Wixoe)

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	0.001541
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.000791
Outperformance payment - enhanced	NA

1.2.7 Supporting customers in vulnerable circumstances (qualitative)

Purpose: This performance commitment incentivises the company to improve the support it provides to customers in vulnerable circumstances.

Benefits: This performance commitment helps ensure that customers in vulnerable circumstances receive the support that they need.

Performance commitment definition and parameters

Unique Reference	PR19ANH_21
<p>Detailed definition of performance measure</p>	<p>An external third-party and independent panel will judge the company's performance against five criteria.</p> <ul style="list-style-type: none"> • Understanding and commitment to supporting customers in vulnerable circumstances. • Quality and use of data and information. • Management and use of the priority services register. • Developing and utilising partnerships. • Embedding a strategy for addressing vulnerability in systems, processes and customer interactions. <p>An appropriately qualified external consultant will undertake the assessment and present this to an independent panel.</p> <p>The company will establish an appropriate independent panel and demonstrate that the panel is fully independent of the company. The assessment criteria above will allow the company to externally benchmark its performance with other sectors.</p> <p>The performance commitment will be a score out of 50, 10 for each of the criteria listed above.</p> <p>This panel will determine whether there are any reasonable grounds upon which to adjust the consultant's suggested score (for example, to build in evidence from customer engagement). This exercise will be conducted in line with social research best practice.</p>
<p>Additional detail on measurement units</p>	<p>NA</p>
<p>Specific exclusions</p>	<p>None</p>
<p>Reporting and assurance</p>	<p>The company will provide third-party assurance that demonstrates that the independent panel is fully independent. The consultant's report and any deliberations by the panel will be published, to ensure the process is transparent.</p>

Unique Reference	PR19ANH_21
Measurement unit and decimal places	Score out of 50, 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% Residential retail
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	38	38	40	40	40
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	-0.370
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.186
Outperformance payment - enhanced	NA

1.2.8 Managing void properties

Purpose: This performance commitment is designed to incentivise the company to reduce the number of false household void properties.

Benefits: Reduced number of void properties, which are occupied but not billed, leads to fairer charges between customers and lower bills for customers already being billed.

Performance commitment definition and parameters

Unique Reference	PR19ANH_23
<p>Detailed definition of performance measure</p>	<p>The number of household false voids as a percent of the total number of household properties within the supply area.</p> <p>A false void property is a property that has been defined as a void property for longer than six months which is found to be occupied and using water.</p> <p>Void properties are defined as chargeable premises which are recorded as vacant with no charges levied. The number of false voids is reassessed on an annual basis for each reporting year (1st April – 31st March) and the assessment incorporates both measured and unmeasured households.</p>
<p>Additional detail on measurement units</p>	<p>Assessment will be made based on the audit of a sample of 1,000 properties to identify whether there is billable consumption taking place at each property. The assessment will be made only on households which have been classified as void for longer than 6 months and will take place at both metered and unmetered properties. The households in the sample will be selected from the company records at random and reviewed in early September and again in late October. The number of properties that have a meter in the sample that have consumption greater than 1m³ will be counted. Properties that do not have a meter will be checked for obvious signs of habitation and against third party credit referencing information to determine occupation. Those with evidence of occupation will be counted.</p> <p>The calculation for this performance commitment level (PCL) will be as follows:</p> $(E/D)*C = A$ $(A/B)*100 = PCL\%$ <p>Where:</p>

Unique Reference	PR19ANH_23
	<p>A = number of properties which are void and occupied (false voids)</p> <p>B = number of billable properties</p> <p>C = number of properties classed as void</p> <p>D = Sample number (ie 1000)</p> <p>E = Number of false voids found</p>
Specific exclusions	Excludes non-household properties. Additionally properties that are not billed as it is uneconomical to do so are not counted. Uneconomical means the incremental cost of sending a bill and the normal incremental cost of processing a payment made promptly in response to the bill is likely to be greater than the bill itself.
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Percentage 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% residential retail
Frequency of reporting	Annual
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	0.25	0.25	0.25	0.25	0.25
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	-10.037
Underperformance payment - enhanced	NA
Outperformance payment - standard	5.216
Outperformance payment - enhanced	NA

1.2.9 Operational carbon

Purpose: This performance commitment incentivises the company to reduce greenhouse gas emissions arising from its operational activities.

Benefits: The performance commitment helps mitigate the impact of climate change by reducing greenhouse gas emissions related to operational activities undertaken by the company.

Performance commitment definition and parameters

Unique Reference	PR19ANH_24
Detailed definition of performance measure	<p>The % reduction in real terms of gross operational carbon equivalent emissions from a 2019-20 baseline.</p> <p>The scope of the measure includes any greenhouse gas emissions emitted due to the operational activities, such as but not limited to grid electricity consumption, fuel consumption, and process emissions from sludge, wastewater and water treatment.</p> <p>As the measure tracks reductions in gross operational emissions, renewable energy generation offsets will not be included in the measurement.</p>
Additional detail on measurement units	Operational carbon is calculated through the UK Water Industry Research Ltd (UKWIR) Carbon Accounting Workbook and reported in tonnes of carbon dioxide equivalent (tCO ₂ e) emissions. The measure will report the percentage change in operational carbon emissions in each reporting year against the 2019-20 baseline emissions.
Specific exclusions	None
Reporting and assurance	<p>The company will provide external third party assurance that all data relating to operational greenhouse gas emissions 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).</p> <p>The company will also report this measure in absolute terms, using both a 2019-20 baseline grid emissions factor and the actual year grid emissions factor, to provide transparency on reductions achieved through their own activities and those through national grid decarbonisation.</p>
Measurement unit and decimal places	Percentage reduction in gross operational emissions to one decimal place
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA

Unique Reference	PR19ANH_24
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annual
Any other relevant information	NA
Links to relevant external documents	International Carbon Reporting Standard CEMARS UKWIR Carbon Accounting Workbook

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	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	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.2.10 Capital carbon

Purpose: This performance commitment incentivises the company to reduce greenhouse gas emissions arising from construction activities related to the delivery of its capital programme.

Benefits: The performance commitment helps mitigate the impact of climate change by reducing greenhouse gas emissions during the construction, upgrading or refurbishment of assets needed to enhance or maintain service levels.

Performance commitment definition and parameters

Unique Reference	PR19ANH_25
Detailed definition of performance measure	<p>Percentage reduction in capital carbon emissions arising from construction activities during scheme delivery from a 2010 baseline.</p> <p>Capital carbon will be calculated for each scheme based on a need identified and a typical baseline solution that would have been delivered to resolve the need. The 2010 baseline for this measure has been updated to include emissions reduction activities that have been delivered over the previous two planning periods. For example, the baseline carbon for this measure has been updated to account for 80% of mains being laid through lower carbon no-dig techniques. The measure will report the programme level percentage reduction between the carbon equivalent emissions from the final scheme designs and the typical solutions identified in the baseline.</p>
Additional detail on measurement units	<p>Capital carbon will be measured in tonnes of carbon dioxide equivalent (tCO₂e), therefore including the carbon dioxide equivalent global warming potential of other greenhouse gasses, such as methane.</p> <p>GHG emissions are to be measured in line with the international standard for reporting greenhouse gas</p>

Unique Reference	PR19ANH_25
	emissions (ISO-14064). The carbon management framework implemented by the company will continue to seek compliance with the PAS2080 carbon management in infrastructure standard.
Specific exclusions	None
Reporting and assurance	The company will provide external third party assurance that: <ul style="list-style-type: none"> • The baseline solutions selected are an appropriate benchmark for the purposes of this performance commitment. • All data collection relating to greenhouse gas emissions 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). • The carbon management framework implemented by the company is compliant with PAS2080 – Carbon Management in Infrastructure.
Measurement unit and decimal places	A % reduction in capital carbon emissions to one decimal place.
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annual
Any other relevant information	NA
Links to relevant external documents	International Carbon Reporting Standard CEMARS PAS 2080:2016 Carbon management in infrastructure

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	61.0	62.0	63.0	64.0	65.0
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

1.2.11 Non-household retailer satisfaction

Purpose: The purpose of this performance commitment is to incentivise the company to work with non-household retailers so that the retail market can best serve businesses, charities and public sector organisations.

Benefits: Improving the interaction between the company as a wholesale provider of water and wastewater services and retail providers will enable the retail market to work effectively and ultimately drive the industry to provide better service at lower cost for all customers.

Performance commitment definition and parameters

Unique Reference	PR19ANH_30
<p>Detailed definition of performance measure</p>	<p>This measure is an average of three metrics:</p> <ul style="list-style-type: none"> • Net Promoter Score (NPS) Measures customers' self-assessed likelihood of recommending a company or service to others. The score can be from -100 to +100. • Market performance standards (MPS) Reported by MOSL and measures performance against standards in the market terms and code subsidiary documents. The maximum is 100. • Operational performance standards (OPS) Measuring performance against standards in operational terms. The maximum is 100. <p>The above three metrics are then combined using the following equation: <i>Net promoter score + compliance with MPS + compliance with OPS /3 = combined retailer service score.</i></p>
<p>Additional detail on measurement units</p>	<p>The NPS score is based on customers' answers as to how likely they would be to recommend a company or product to friends or colleagues, on a scale of 1 to 10.</p> <p>The score is calculated as the proportion of consumers that answer 9 or 10 (promoters) less the proportion that answers between 0 and 6 (detractors). Responses of 7 and 8 are labelled passives, and their behaviour falls between Promoters and Detractors and are not included in the calculation.</p> <p>The calculation is: (% Promoters – % Detractors) x 100 = NPS score. This gives a score within a range of -100 to +100.</p>

Unique Reference	PR19ANH_30
Specific exclusions	None
Reporting and assurance	Where the company carries out its own surveys the survey should be planned and carried out following social research best practice (e.g. any applicable sections of a relevant code such as that published by the Market Research Society). The sample size should also be selected to give a reasonable statistical significance for the purpose of the performance commitment.
Measurement unit and decimal places	Combined score to one decimal place
Measurement timing	Reporting year
Incentive form	NA
Incentive type	Reputational
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annual
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	74.6	75.7	76.9	78.0	79.1
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

1.2.12 Water Industry National Environment Programme

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

Benefits: This performance commitment improves the natural environment by encouraging the timely delivery of 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	PR19ANH_32
Detailed definition of performance measure	The cumulative number of schemes completed each year. The performance commitment is limited to schemes that were confirmed on 1 April 2019 within the Water Industry National Environment Programme (WINEP) and therefore had green status. The full list of included schemes is provided in [link to definition document to be included in Final Determination].
Additional detail on measurement units	Each scheme completed by the company must be signed off by the Environment Agency in order for it to count towards the measure.
Specific exclusions	<p>The performance commitment excludes schemes that were uncertain and had an amber status on 1 April 2019.</p> <p>74 obligations with a green status are excluded from this measure. These are 34 obligations agreed for phasing with the Environment Agency, an additional 25 water quality obligations identified by the company and 15 river restoration obligations identified by the company.</p> <p>These are obligations where there may be scope to deliver the obligations through innovative approaches that deliver a greater contribution to the natural capital of the region. This followed discussions with the company's Customer Engagement Forum (CEF), of which the Environment Agency are a member.</p>
Reporting and assurance	The company will secure confirmation from the Environment Agency that performance has been correctly reported. The view of the Environment Agency will be definitive.
Measurement unit and decimal places	The cumulative number of schemes completed each year to zero decimal places

Unique Reference	PR19ANH_32
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments for all years apart from 2024-25.
Timing of underperformance and outperformance payments	In-period
Price control allocation	15% water resources 85% wastewater network plus
Frequency of reporting	Annual
Any other relevant information	There are strong links between the WINEP and other performance commitments or aspects of the company's performance. Delivery of the obligations within the WINEP will drive significant improvements in river quality and bathing water quality in its region. There is also a clear link between the WINEP and the company's natural capital performance commitment. It will seek to deliver WINEP obligations using natural capital solutions where feasible.
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	308	1,110	1,242	1,716	1,866
Enhanced underperformance collar	Number		NA	NA	NA	NA	NA
Standard underperformance collar	Number		61	783	923	1,375	NA
Underperformance deadband	Number		NA	NA	NA	NA	NA
Outperformance deadband	Number		NA	NA	NA	NA	NA
Standard outperformance cap	Number		545	1,271	1,411	1,866	NA
Enhanced outperformance cap	Number		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.014
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.014
Outperformance payment - enhanced	NA

1.2.13 Water quality contacts

Purpose: To reduce water quality contacts relating to appearance, taste and odour.

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

Performance commitment definition and parameters

Unique Reference	PR19ANH_34
Detailed definition of performance measure	The number of times the company is contacted by consumers due to the taste and odour of drinking water, or due to drinking water not being clear, reported per 1,000 population. Calculation is the number of contacts for appearance plus all taste/odour contacts multiplied by 1,000 divided by the resident population as reported to Drinking Water Inspectorate (DWI).
Additional detail on measurement units	The consumer contact classification guidance is published by the 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.
Specific exclusions	See DWI guidance for a full list of exclusions.
Reporting and assurance	The company is also expected to report consumer contacts separately for appearance, taste and odour for the Discover Water website.
Measurement unit and decimal places	Number of consumer contacts per 1,000 population, 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% water network plus
Frequency of reporting	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on data from the calendar year 2020.

Unique Reference	PR19ANH_34
Any other relevant information	NA
Links to relevant external documents	The Discover Water website link for appearance is at 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	1.09	1.01	0.93	0.85	0.77
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	-2.676
Underperformance payment - enhanced	NA
Outperformance payment - standard	1.338
Outperformance payment - enhanced	NA

1.2.14 Event risk index

Purpose: This performance commitment incentivises the company to promote a proactive approach to risk mitigation of water quality events, including understand the impact of events on customers.

Benefits: An improvement in this performance commitment indicates that the company is reducing the occurrence and/or impact of water quality events on customers.

Performance commitment definition and parameters

Unique Reference	PR19ANH_35
<p>Detailed definition of performance measure</p>	<p>The Event Risk Index (ERI) is a measure of the risk arising from water quality events, as defined by the Drinking Water Inspectorate (DWI). This is published at the following link: http://www.dwi.gov.uk/stakeholders/price-review-process/ERI_def.pdf</p> <p>The following outlines the broad principles of the ERI measure:</p> <ul style="list-style-type: none"> • the seriousness of each drinking water quality event (the Event Category score); • a measure of the company performance in managing the event (the Assessment Outcome score); and • the impact of each event – based on a simple measure of the population affected and duration in hours. <p>The event category score and assessment outcome scores are based on the judgement of the DWI inspector using the score guidance set out in the in the detailed definition (see link above).</p>
<p>Additional detail on measurement units</p>	<p>The ERI score for each notified event is calculated using the following formula:</p> $\text{ERI} = \frac{(\text{Seriousness} \times \text{Assessment Outcome} \times \text{Impact})}{\text{Total population served by the company}}$ <p>The ERI for a company, for any given calendar year, is the sum of the individual ERI scores for every event notified to the Inspectorate during the year.</p>

Unique Reference	PR19ANH_35
Specific exclusions	There are no specific exclusions, however, for some special rules on calculation of risk score refer to the definition.
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Number reported to three decimal places
Measurement timing	Calendar year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on data from the calendar year 2020.
Any other relevant information	None.
Links to relevant external documents	http://www.dwi.gov.uk/stakeholders/price-review-process/ERI_def.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	Number	NA	15.000	15.000	15.000	15.000	15.000
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
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

1.2.15 British Standards Institution – standard for inclusive service

Purpose: This performance commitment incentivises the company 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 performance commitment 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	PR19ANH_36
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 maintain the BS 18477 standard throughout the period.</p> <p>If this certification from BSI is not in place on 31 March of the reporting year, the performance commitment is reported as not maintained.</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 'maintained' or 'not maintained'.
Specific exclusions	None
Reporting and assurance	No specific requirements

Unique Reference	PR19ANH_36
Measurement unit and decimal places	Text (maintained or 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	Annual
Any other relevant information	None
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 commitment levels

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

1.2.16 Helping those struggling to pay

Purpose: The purpose of this performance commitment is to incentivise the company to increase the number of customers, who are struggling to pay their water bill, that receive financial support through one of the company's financial support schemes.

Benefits: The benefit of this performance commitment is an increase in the number of customers receiving appropriate financial support which in turn could make these customers' bills more affordable.

Performance commitment definition and parameters

Unique Reference	PR19ANH_37
Detailed definition of performance measure	<p>The number of financial support measures provided by the company, which is calculated by combining the number of customers helped by each of the following support schemes and tariffs.</p> <ul style="list-style-type: none"> • Forgiveness scheme • Breathing space • Concessionary tariffs • Charges holiday • Temporary instalment plans <p>Where a customer receives help from more than one type of financial support scheme the customer will only be counted once towards this measure.</p>
Additional detail on measurement units	NA
Specific exclusions	None
Reporting and assurance	The company is expected to put in place external audit on an annual basis.
Measurement unit and decimal places	Number of financial support measures 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	Annual

Unique Reference	PR19ANH_37
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	388,100	388,100	388,100	388,100	388,100
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

1.2.17 Smart metering

Purpose: This performance commitment incentivises an increase in the number of smart water meters that are installed at customer properties.

Benefits: Smart meters reduce the cost of meter readings and allow for more regular readings to be taken. This improves the quality of data for the customer to better control their use, and the company to optimise its actions in response to effectively manage demand.

Performance commitment definition and parameters

Unique Reference	PR19ANH_38
Detailed definition of performance measure	<p>The cumulative number of smart meters installed in the 2020-25 period. The performance commitment relates only to the replacement of existing basic meters with smart meters and the installation of smart meters on new connections.</p> <p>For this performance commitment a smart meter is defined as a meter within that has the capacity as part of a system for metering water supplies to all the following:</p> <ul style="list-style-type: none"> • Measures consumption over representative periods to legal metrology requirements; • Store measured data for multiple time periods; • Allow ready access to this data by customers as well as by the company; and • Transfer consumption data to the company for the purposes of accurate billing without requiring access to the property.
Additional detail on measurement units	<p>The performance commitment measures the total number of smart meters installed annually for:</p> <ul style="list-style-type: none"> • Optant and selective programmes (where the company is installing new meters); and • Smart metering roll-out (where the company is replacing existing basic meters).
Specific exclusions	<p>This performance commitment only applies to residential customers' meters and excludes business customers' meters.</p> <p>A meter can only be counted once in the five year period for a property. For example, if a meter fails within the five years</p>

Unique Reference	PR19ANH_38
	and is replaced, it cannot be recounted towards this performance commitment.
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Number of smart meters to zero decimal places
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Underperformance payments
Timing of underperformance and outperformance payments	End of period
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	219,279	438,559	657,838	877,118	1,096,397
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	-0.0000124
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.2.18 Internal interconnection programme

Purpose: This performance commitment incentivises the company to ensure that customers in the region have sufficient water in the future.

Benefits: This performance commitment improves the company’s capability to protect future customers against the supply risks presented through increasing population, sustainability reductions, drought risk, and a changing climate.

Performance commitment definition and parameters

Unique Reference	PR19ANH_39																		
Detailed definition of performance measure	<p>The cumulative increase in megalitres per day (MI/d) capacity delivered through the internal interconnection programme since 1 April 2020.</p> <p>The identified schemes provide either additional treatment or transfer capacity. For intra-zonal transfer capacity this is the increased capacity to move water within a water resources zone (WRZ) to address issues for an individual planning zone (PZ). An increase will be recorded once schemes are delivered and assurance is provided that they are able to operate to the capacity benefit as defined in the table below. The capacity benefit is defined as the minimum the scheme can deliver on average over a year (note that the maximum capacity may be greater to achieve this annual average).</p> <p>Below is the list of included schemes and average transfer capacity to be delivered by each scheme:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #d9d9d9;">Scheme outcome description</th> <th style="background-color: #d9d9d9;">Capacity benefit delivered (MI/d)</th> </tr> </thead> <tbody> <tr> <td colspan="2">WRZ to WRZ transfers</td> </tr> <tr> <td>North Fenland WRZ to Ely WRZ</td> <td style="text-align: right;">20.0</td> </tr> <tr> <td>Central Lincolnshire WRZ to South Lincolnshire WRZ</td> <td style="text-align: right;">63.0</td> </tr> <tr> <td>South Lincolnshire WRZ to North Ruthamford WRZ</td> <td style="text-align: right;">67.0</td> </tr> <tr> <td>North Ruthamford WRZ to South Fenland WRZ</td> <td style="text-align: right;">40.0</td> </tr> <tr> <td>Ruthamford South WRZ to Ruthamford Central WRZ</td> <td style="text-align: right;">12.0</td> </tr> <tr> <td>Ely WRZ to Newmarket WRZ</td> <td style="text-align: right;">20.0</td> </tr> <tr> <td>Newmarket WRZ to Cheveley WRZ</td> <td style="text-align: right;">1.0</td> </tr> </tbody> </table>	Scheme outcome description	Capacity benefit delivered (MI/d)	WRZ to WRZ transfers		North Fenland WRZ to Ely WRZ	20.0	Central Lincolnshire WRZ to South Lincolnshire WRZ	63.0	South Lincolnshire WRZ to North Ruthamford WRZ	67.0	North Ruthamford WRZ to South Fenland WRZ	40.0	Ruthamford South WRZ to Ruthamford Central WRZ	12.0	Ely WRZ to Newmarket WRZ	20.0	Newmarket WRZ to Cheveley WRZ	1.0
Scheme outcome description	Capacity benefit delivered (MI/d)																		
WRZ to WRZ transfers																			
North Fenland WRZ to Ely WRZ	20.0																		
Central Lincolnshire WRZ to South Lincolnshire WRZ	63.0																		
South Lincolnshire WRZ to North Ruthamford WRZ	67.0																		
North Ruthamford WRZ to South Fenland WRZ	40.0																		
Ruthamford South WRZ to Ruthamford Central WRZ	12.0																		
Ely WRZ to Newmarket WRZ	20.0																		
Newmarket WRZ to Cheveley WRZ	1.0																		

Unique Reference	PR19ANH_39	
	Newmarket WRZ to Bury Haverhill WRZ	20.0
	Bury Haverhill WRZ to East Suffolk WRZ	20.0
	East Suffolk WRZ to South Essex WRZ	15.0
	Norwich & the Broads WRZ to Happisburgh WRZ	1.5
	Central Lincolnshire WRZ to Nottinghamshire WRZ	3.5
	South Fenland WRZ to North Fenland WRZ	20.0
	Norwich & the Boards WRZ to Norfolk Rural North WRZ	5.0
	Bury Haverhill WRZ to Ixworth WRZ	3.0
	Ixworth WRZ to Thetford WRZ	3.0
	Intrazone transfers	
	Ruthamford South WRZ – Meppershall PZ	5.0
	Ruthamford South WRZ – Woburn PZ	5.0
	Bury Haverhill – Haverhill PZ	8.0
	North Norfolk Rural WRZ – Diddlington PZ	1.5
	South Humber Bank WRZ – Transfer from Pyewipe to non-potable network	20.4
	Treatment	
	South Humber Bank WRZ – Pyewipe water reuse treatment	6.0
	North Fenland WRZ to Ely WRZ treatment	20.0
	Ruthamford South WRZ – Meppershall PZ treatment	5.0
	Total	384.9
Additional detail on measurement units	NA	
Specific exclusions	NA	
Reporting and assurance	The company will provide external assurance by a third party to confirm:	

Unique Reference	PR19ANH_39
	<ul style="list-style-type: none"> • the schemes delivered have been selected on delivering best value to customers; • the transfer meets the criteria of either linking up two water resource zones, provides additional capacity within a zone, or provides additional water treatment capacity; • the treatment or transfer scheme can provide the capacity benefit on an annual average basis; • the treatment or transfer schemes selected to be delivered or not delivered are not skewed by solution costs; and • the increases are as a result of physical enhancements to the company asset base and not the result of changes in assumptions. <p>If the company does not deliver schemes that have high average cost per MI/d, the underperformance rate may be increased as part of the reconciliation at PR24 to protect customers.</p>
Measurement unit and decimal places	Megalitres per day (MI/d) to one decimal place
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Underperformance payments based on performance in 2024-25 alone.
Timing of underperformance and outperformance payments	End of period
Price control allocation	6% water resources 94% water network plus
Frequency of reporting	Annual
Any other relevant information	This performance commitment is closely linked with the 'Percentage of population supplied by a single supply system' performance commitment but which is reputational, therefore, there is no overlap of incentives.
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	MI/d	NA	0.0	1.5	49.5	49.5	384.9
Enhanced underperformance collar	MI/d		NA	NA	NA	NA	NA
Standard underperformance collar	MI/d		NA	NA	NA	NA	NA
Underperformance deadband	MI/d		NA	NA	NA	NA	NA
Outperformance deadband	MI/d		NA	NA	NA	NA	NA
Standard outperformance cap	MI/d		NA	NA	NA	NA	NA
Enhanced outperformance cap	MI/d		NA	NA	NA	NA	NA

Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.367
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

1.2.19 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	PR19ANH_40
Detailed definition of performance measure	<p>The average percentage of customers who respond that they are “satisfied” or “very satisfied” when asked: “How satisfied are you with the value for money of sewerage services in your area? And: “How satisfied are you with the value for money of water services in your area? The survey will give two different results for the two services and to arrive at the combined score a weighted average will be taken, with a weighting of 56:44 wastewater/water. The survey is carried out by CCWater. It interviews 400 customers about Anglian Water, the research is demographically representative. If CCWater discontinues this survey during the period, the company will put in place alternative arrangements to measure the same information using appropriately qualified third party organisations.</p>
Additional detail on measurement units	None
Specific exclusions	None
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Percentage to zero decimal places
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA

Unique Reference	PR19ANH_40
Price control allocation	NA
Frequency of reporting	Annual
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	77	79	81	82	83
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

1.2.20 Delivery of water industry national environment programme requirements

Purpose: This performance commitment incentivises the company to deliver its requirements for the Water Industry National Environment Programme (WINEP).

Benefits: This performance commitment improves the natural environment by encouraging the timely delivery of 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	PR19ANH_NEP01
Detailed definition of performance measure	<p>Has the company “met” or “not met” all of its requirements for WINEP, in the reporting year.</p> <p>This measure tracks the completion of required schemes in each year, as per the latest WINEP programme published by DEFRA. If any scheme is not delivered by the time specified in the WINEP tracker titled “Completion Date (DD/MM/YY)”, the company will report “not met”.</p> <p>All WINEP schemes will be included including those reported under other performance commitments.</p>
Additional detail on measurement units	<p>The performance commitment will measure against the latest WINEP tracker in the year in which performance is being reported. Therefore, performance for 2020-21 will be reported based on the latest WINEP programme on the 31st March 2021 and the schemes which have been delivered by this date.</p>
Specific exclusions	None

Unique Reference	PR19ANH_NEP01
Reporting and assurance	<p>The company will secure confirmation from the Environment Agency that performance has been correctly reported. The view of the Environment Agency will be definitive.</p> <p>The company will report all requirements that it has not met in its Annual Performance Report (APR) and set out any interactions this performance measure has with any of its other performance commitments.</p>
Measurement unit and decimal places	Text stating either “met” or “not met”.
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and outperformance payments	NA
Price control allocation	NA
Frequency of reporting	Annual
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	Text	NA	met	met	met	met	met
Enhanced underperformance collar	Text		NA	NA	NA	NA	NA
Standard underperformance collar	Text		NA	NA	NA	NA	NA
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

Annex 1: Key performance commitments for Anglian Water

Details of the key performance commitments that we present in Table 1.2 of ‘Anglian Water draft determination’, and their corresponding calculations, are provided in the table below.

Except where otherwise stated in the table, we calculate the target improvement in the annual level of each performance commitment as the difference between the draft determination 2024-25 performance commitment level and the company’s 2019-20 forecast:

$$\frac{2024.25 \text{ PCL} - 2019.20 \text{ Forecast}}{2019.20 \text{ Forecast}} \times 100 = X\%$$

Key common performance commitments	
Measure	Calculations
<ul style="list-style-type: none"> 17% reduction in annual level of leakage by 2025 from the 2020 level⁵ 	$\frac{(142.2 - 172.0) \text{ Ml/d}}{172.0 \text{ Ml/d}} \times 100 = -17\%$
<ul style="list-style-type: none"> 5.6% reduction in per capita consumption by 2024-25 	$\frac{(133 - 152) \text{ Ml/d}}{152 \text{ Ml/d}} \times 100 = -5.6\%$
<ul style="list-style-type: none"> 33% reduction in pollution incidents by 2024-25 	$\frac{(29 - 19.5) \text{ nr/10000km}}{19.5 \text{ nr/10000km}} \times 100 = -33\%$
<ul style="list-style-type: none"> 21% reduction in internal sewer flooding incidents by 2024-25 	$\frac{(1.70 - 1.34) \text{ nr/10000km}}{1.34 \text{ nr/10000km}} \times 100 = -21\%$
<ul style="list-style-type: none"> 73% reduction in water supply interruptions by 2024-25 	$\frac{(3 - 11) \text{ min}}{11 \text{ min}} \times 100 = -73\%$
Key bespoke performance commitments	
Measure	Calculations
<ul style="list-style-type: none"> 6% reduction in external sewer flooding incidents by 2024-2525 	$\frac{(14.55 - 15.46) \text{ nr/10000km}}{15.46 \text{ nr/10000km}} \times 100 = -6\%$
<ul style="list-style-type: none"> 10% reduction in operational carbon emissions by 2024-25 	<i>This is the target as specified in the relevant performance commitment.</i>

⁵ Whilst the figures in the tables of the PR19 draft determinations: Anglian Water - Outcomes performance commitment appendix’ which relate to this performance commitment reflect that it is measured on a three-year average to smooth annual variations due to weather, the overall performance commitment target is a reduction in average annual leakage of 17% (from 2019-20 baseline) by 2024-25

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.

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