

July 2019

Trust in water

# PR19 draft determinations

**Wessex Water – Outcomes performance  
commitment appendix**

## **PR19 draft determinations: Wessex Water – Outcomes performance commitment appendix**

This appendix sets out in detail the performance commitments and outcome delivery incentives we are putting in place for Wessex 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 Wessex 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 'Wessex 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 performance commitments. 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

<b>Unique Reference</b>	<b>PR19WSX_Q1</b>
<b>Detailed definition of performance measure:</b>	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 <a href="http://www.dwi.gov.uk/stakeholders/price-review-process/CRI_Def.pdf">http://www.dwi.gov.uk/stakeholders/price-review-process/CRI_Def.pdf</a>
<b>Additional detail on measurement units:</b>	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).
<b>Specific exclusions:</b>	There are no specific exclusions, however, for some special rules on calculation of risk score refer to the definition.
<b>Reporting and assurance:</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Numerical CRI score, reported to two decimal places
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water network plus

<b>Unique Reference</b>	<b>PR19WSX_Q1</b>
<b>Frequency of reporting</b>	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.
<b>Any other relevant information</b>	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.
<b>Links to relevant external documents</b>	<a href="http://www.dwi.gov.uk/about/annual-report/index.htm">http://www.dwi.gov.uk/about/annual-report/index.htm</a>

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Number	NA	0.00	0.00	0.00	0.00	0.00
<b>Performance threshold for tier 1 standard underperformance payment rate</b>	Number		2.00	2.00	1.50	1.50	1.50
<b>Performance threshold for tier 2 standard underperformance payment rate</b>	Number		6.26	6.26	6.26	6.26	6.26
<b>Underperformance collar</b>	Number		9.50	9.50	9.50	9.50	9.50
<b>Enhanced underperformance threshold</b>	Number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Number		2.00	2.00	1.50	1.50	1.50
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Enhanced outperformance threshold</b>	Number		NA	NA	NA	NA	NA

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Outperformance cap</b>	Number		NA	NA	NA	NA	NA

### Incentive rates

<b>Incentive type</b>	<b>Incentive rate (£m/unit)</b>
<b>Underperformance payment tier 1 - standard</b>	-0.580
<b>Underperformance payment tier 2 - standard</b>	-2.500
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	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	PR19WSX_R1
<b>Detailed definition of performance measure</b>	<p>Reducing interruptions to water supply is defined in the reporting guidance for PR19 – Supply Interruptions, published on the 27<sup>th</sup> March 2018:  <a href="https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-supply-interruptions.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-supply-interruptions.pdf</a></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>
<b>Additional detail on measurement units</b>	<p>Output should be presented as average minutes lost. Calculation of performance is carried out using the following equation:</p> $((\text{Properties with interrupted supply} \geq 180 \text{ mins}) \times \text{Full duration of interruption}) \div$ $\text{Total number of properties supplied (year end)} = \text{average number of minutes lost per customer}$ <p>Properties supplied: properties shall include billed mains pressure fed household and non-household properties connected to the company's water supply network.</p> <p>Supply interruption: is defined as when the supply of water to a property is at a pressure of three metres or less (adjusted for any difference in ground or property level).</p> <p>Duration of interruption: is defined as the length of time for which properties are without a continuous supply of water at a pressure over three metres. The duration shall only be considered in the calculation of the metric where the duration is three hours or greater.</p>
<b>Specific exclusions:</b>	None
<b>Reporting and assurance:</b>	No specific requirements.
<b>Measurement unit and decimal places</b>	Hours:minutes:seconds (HH:MM:SS) per property per year, reported to zero decimal places.
<b>Measurement timing</b>	Reporting year



<b>Unique Reference</b>	<b>PR19WSX_R1</b>
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	ODI rate applies on a per minute basis.
<b>Links to relevant external documents</b>	NA

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	HH:M M:SS	NA	00:05: 24	00:04: 48	00:04: 12	00:03: 36	00:03: 00
<b>Enhanced underperformance collar</b>	HH:M M:SS		00:43: 49	00:43: 49	00:43: 49	00:43: 49	00:43: 49
<b>Standard underperformance collar</b>	HH:M M:SS		00:32: 54	00:32: 54	00:32: 54	00:32: 54	00:32: 54
<b>Underperformance deadband</b>	HH:M M:SS		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	HH:M M:SS		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	HH:M M:SS		00:01: 18	00:01: 18	00:01: 18	00:01: 18	00:01: 18
<b>Enhanced outperformance cap</b>	HH:M M:SS		*	*	*	*	*

\* 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 - standard	-0.176
Underperformance payment - enhanced	-0.300
Outperformance payment - standard	0.147
Outperformance payment - enhanced	0.300

### 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 is consistent with the company reducing average annual leakage by 15% from 2019-20 to 2024-25. This is a different figure to 12.8% in the table below as the performance commitment is measured on a three-year average to smooth annual variations due to weather.

### Performance commitment definition and parameters

Unique Reference	PR19WSX_W1
<b>Detailed definition of performance measure</b>	<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 27<sup>th</sup> March 2018:  <a href="https://www.ofwat.gov.uk/publication/reporting-guidance-leakage/">https://www.ofwat.gov.uk/publication/reporting-guidance-leakage/</a></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>
<b>Additional detail on measurement units</b>	<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>

Unique Reference	PR19WSX_W1
	<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> <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>
<b>Specific exclusions:</b>	As defined in the reporting guidance.
<b>Reporting and assurance:</b>	The company will also report leakage as a three year average in Ml/d to one decimal place, corresponding to the percentage reduction reported.
<b>Measurement unit and decimal places</b>	<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 (Ml/d) reported to one decimal place.</p>
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period

<b>Unique Reference</b>	<b>PR19WSX_W1</b>
<b>Price control allocation</b>	100% water network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	Performance commitment levels are set as percentage reduction from 2019-20 baseline.  Incentive payments relate to performance changes expressed in megalitres per day (Ml/d).
<b>Links to relevant external documents</b>	None

### Performance commitment levels

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level – percentage reduction</b>	%	NA	1.6	3.9	6.9	9.9	12.8
<b>Enhanced underperformance collar – percentage reduction</b>	%		-32.9	-32.9	-32.9	-32.9	-32.9
<b>Standard underperformance collar – percentage reduction</b>	%		-22.4	-22.4	-22.4	-22.4	-22.4
<b>Underperformance deadband – percentage reduction</b>	%		NA	NA	NA	NA	NA
<b>Outperformance deadband – percentage reduction</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap – percentage reduction</b>	%		37.5	39.3	41.4	43.3	47.4

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Enhanced outperformance cap – percentage reduction</b>	%		*	*	*	*	*

\* 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)
<b>Underperformance payment - standard</b>	-0.330
<b>Underperformance payment - enhanced</b>	-0.465
<b>Outperformance payment - standard</b>	0.220
<b>Outperformance payment - enhanced</b>	0.465

### 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	PR19WSX_W2
<b>Detailed definition of performance measure</b>	Per capita consumption is defined in the Final reporting guidance for PR19 – Per Capita Consumption, published on the 27th March 2018: <a href="https://www.ofwat.gov.uk/publication/reporting-guidance-per-capita-consumption/">https://www.ofwat.gov.uk/publication/reporting-guidance-per-capita-consumption/</a> 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).

<b>Unique Reference</b>	<b>PR19WSX_W2</b>
<b>Additional detail on measurement units</b>	<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. 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>
<b>Specific exclusions:</b>	As defined in the reporting guidance.
<b>Reporting and assurance:</b>	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.
<b>Measurement unit and decimal places</b>	<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>
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water network plus
<b>Frequency of reporting</b>	Annual

<b>Unique Reference</b>	<b>PR19WSX_W2</b>
<b>Any other relevant information</b>	Performance commitment levels are set as percentage reduction from 2019-20 baseline. Incentive payments relate to performance changes expressed in litres/person/day (l/p/d).
<b>Links to relevant external documents</b>	None

### Performance commitment levels

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level – percentage reduction</b>	%	NA	0.1	0.2	0.3	0.4	0.9
<b>Enhanced underperformance collar – percentage reduction</b>	%		-15.4	-15.4	-15.4	-15.4	-15.4
<b>Standard underperformance collar – percentage reduction</b>	%		-12.0	-12.0	-12.0	-12.0	-12.0
<b>Underperformance deadband – percentage reduction</b>	%		NA	NA	NA	NA	NA
<b>Outperformance deadband – percentage reduction</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap – percentage reduction</b>	%		5.7	6.4	7.3	8.1	8.9
<b>Enhanced outperformance</b>	%		*	*	*	*	*

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>cap – percentage reduction</b>							

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

### Incentive rates

Incentive type	Incentive rate (£m/litres/person/day)
<b>Underperformance payment - standard</b>	-0.130
<b>Underperformance payment - enhanced</b>	-0.411
<b>Outperformance payment - standard</b>	0.091
<b>Outperformance payment - enhanced</b>	0.411

### 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**

<b>Unique Reference</b>	<b>PR19WSX_R4</b>
<b>Detailed definition of performance measure</b>	Mains repairs is defined in the reporting guidance for PR19 – Mains Repairs per 1000km, published on the 27 <sup>th</sup> March 2018. <a href="https://www.ofwat.gov.uk/publication/reporting-guidance-mains-repairs-per-1000km/">https://www.ofwat.gov.uk/publication/reporting-guidance-mains-repairs-per-1000km/</a> It is reported as the number of mains repairs per thousand kilometres of the entire water main network (excluding communication and supply pipes).
<b>Additional detail on measurement units</b>	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.
<b>Specific exclusions</b>	As defined in the reporting guidance.
<b>Reporting and assurance</b>	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 contact (made using any communication channel) informing the company of a leak.
<b>Measurement unit and decimal places</b>	Number of repairs per 1000km of mains, reported to one decimal place.
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	NA

**Performance commitment levels**

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020- 21</b>	<b>2021- 22</b>	<b>2022- 23</b>	<b>2023- 24</b>	<b>2024- 25</b>
<b>Performance commitment level</b>	number	NA	145.7	145.7	145.7	145.7	145.7
<b>Performance threshold for tier 1 standard underperformance payment rate</b>	number		145.7	145.7	145.7	145.7	145.7
<b>Performance threshold for tier 2 standard underperformance payment rate</b>	number		165.0	164.0	164.0	163.0	163.0
<b>Enhanced underperformance collar</b>	number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	number		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	number		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment tier 1 - standard	-0.089
Underperformance payment tier 2 - standard	-0.380
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

<b>Unique Reference</b>	<b>PR19WSX_R5</b>
<b>Detailed definition of performance measure</b>	<p>Unplanned outage is defined in the reporting guidance for PR19 – Unplanned Outage, published on the 4<sup>th</sup> April 2019. <a href="https://www.ofwat.gov.uk/wp-content/uploads/2018/03/20190327-6.-Unplanned-outage-final-reporting-guidance.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2018/03/20190327-6.-Unplanned-outage-final-reporting-guidance.pdf</a></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>
<b>Additional detail on measurement units</b>	See reporting guidance for additional detail.

<b>Unique Reference</b>	<b>PR19WSX_R5</b>
<b>Specific exclusions:</b>	As defined in the reporting guidance.
<b>Reporting and assurance</b>	The company should report its current company level peak week production capacity (PWPC) (Ml/d), the unplanned outage (Ml/d) and planned outage (Ml/d) in its commentary. The company should also provide a summary of data quality and compliance in accordance with the reporting requirements.
<b>Measurement unit and decimal places</b>	Percentage of peak week production capacity, reported to two decimal places.
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	NA

## Performance commitment levels

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	%	NA	2.34	2.34	2.34	2.34	2.34
<b>Enhanced underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	%		4.68	4.68	4.68	4.68	4.68
<b>Underperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	%		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	%		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.368
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	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	PR19WSX_R2
<b>Detailed definition of performance measure</b>	<p>The performance commitment drought risk is defined in the reporting guidance – Drought resilience metric, published on 13 March 2018: <a href="https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Drought-resilience-metric-March-18.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Drought-resilience-metric-March-18.pdf</a></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>
<b>Additional detail on measurement units</b>	<p>The metric will be calculated using the following formula:  <i>At risk if, <math>DO - OA &lt; DD + TH</math></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>
<b>Specific exclusions:</b>	As defined in the reporting guidance.
<b>Reporting and assurance</b>	As defined in the reporting guidance.
<b>Measurement unit and decimal places</b>	Percentage of population at risk reported to one decimal place
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Reputational
<b>Incentive type</b>	NA
<b>Timing of underperformance and outperformance payments</b>	NA
<b>Price control allocation</b>	NA

<b>Unique Reference</b>	<b>PR19WSX_R2</b>
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	NA

**Performance commitment levels**

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	%	NA	0.0	0.0	0.0	0.0	0.0
<b>Enhanced underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	%		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	%		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	PR19WSX_C1
Detailed definition of performance measure	<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"> <li>• The PSR reach: percentage of households that the company supplies with water and/or wastewater services that are registered on the company's PSR;</li> <li>• Attempted contact: percentage of distinct households on the PSR that the company has attempted to contact over a two-year period;</li> <li>• Actual contact: percentage of distinct households on the PSR that the company has actually contacted over a two-year period.</li> </ul> <p>To achieve compliance with this performance commitment the reach, attempted contact and actual contact targets should be achieved.</p>
Additional detail on measurement units	<p>The performance commitment is calculated using the following formulas:</p>



Unique Reference	PR19WSX_C1
	$PSR\ Reach = \left( \frac{PSR\ [households]}{Total\ households} \right) \times 100$ $Attempted\ contacts = \left( \frac{Number\ of\ attempted\ contacts}{PSR\ [households]} \right) \times 100$ $Actual\ contacts = \left( \frac{Number\ of\ actual\ contacts}{PSR\ [households]} \right) \times 100$ <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> <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>
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	<p>Companies should also report the following information:</p> <p><b>PSR reach:</b> 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><b>PSR data-checking:</b> 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>
<b>Measurement unit and decimal places</b>	<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>
<b>Measurement timing</b>	Reporting year

<b>Unique Reference</b>	<b>PR19WSX_C1</b>
<b>Incentive form</b>	Reputational
<b>Incentive type</b>	NA
<b>Timing of underperformance and outperformance payments</b>	NA
<b>Price control allocation</b>	NA
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	‘Reporting guidance – Common performance commitment for the Priority Services Register’

### Performance commitment levels

		<b>Initial level</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level: Reach</b>	%	NA	2.8	3.9	4.9	6.0	7.0
<b>Performance commitment level: Actual contact</b>	%		25.0	50.0	50.0	50.0	50.0
<b>Performance commitment level: Attempted contact</b>	%		45.0	90.0	90.0	90.0	90.0
<b>Enhanced underperformance collar</b>	%		NA	NA	NA	NA	NA

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

### Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	NA
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	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	PR19WSX_F1
<p><b>Detailed definition of performance measure</b></p>	<p>The internal sewer flooding measure is defined in the reporting guidance for PR19 – Sewer Flooding, published on the 27<sup>th</sup> March 2018 <a href="https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-sewer-flooding-updated-April-2018.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-sewer-flooding-updated-April-2018.pdf</a>.</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><b>Additional detail on measurement units</b></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> <p>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.</p>
<p><b>Specific exclusions</b></p>	<p>As defined in the reporting guidance.</p>
<p><b>Reporting and assurance</b></p>	<p>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.</p>

<b>Unique Reference</b>	<b>PR19WSX_F1</b>
	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.
<b>Measurement unit and decimal places</b>	Number of incidents per 10,000 sewer connections reported to two decimal places.
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	NA

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	number	NA	1.68	1.63	1.58	1.44	1.34
<b>Enhanced underperformance collar</b>	number		4.30	4.30	4.30	4.30	4.30
<b>Standard underperformance collar</b>	number		2.40	2.40	2.40	2.40	2.40
<b>Underperformance deadband</b>	number		NA	NA	NA	NA	NA

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Outperformance deadband</b>	number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	number		1.11	1.08	1.04	0.95	0.89
<b>Enhanced outperformance cap</b>	number		*	*	*	*	*

\* 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)
<b>Underperformance payment - standard</b>	-4.715
<b>Underperformance payment - enhanced</b>	-22.292
<b>Outperformance payment - standard</b>	3.296
<b>Outperformance payment - enhanced</b>	22.292

### 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

<b>Unique Reference</b>	<b>PR19WSX_E2</b>
<b>Detailed definition of performance measure</b>	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.

<b>Unique Reference</b>	<b>PR19WSX_E2</b>
	<p><a href="https://www.ofwat.gov.uk/wp-content/uploads/2017/12/WatCoPerfEPAmethodology_v3-Nov-2017-Final.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2017/12/WatCoPerfEPAmethodology_v3-Nov-2017-Final.pdf</a></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>
<b>Additional detail on measurement units</b>	As defined in the reporting guidance
<b>Specific exclusions</b>	Are as defined in the reporting guidance
<b>Reporting and assurance</b>	<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>
<b>Measurement unit and decimal places</b>	Number of pollution incidents per 10,000 km of the wastewater network reported to two decimal places.
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	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.
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	<p><a href="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">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</a></p> <p>Incidents and their classification: the Common Incident Classification Scheme (CICS), Ref: 04_01, Issued 23/9/2016 by the Environment Agency</p>

## Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	Number	NA	24.51	23.74	23.00	22.40	19.50
<b>Enhanced underperformance collar</b>	Number		85.00	85.00	85.00	85.00	85.00
<b>Standard underperformance collar</b>	Number		39.70	39.70	39.70	39.70	39.70
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		15.05	14.57	14.12	13.75	11.97
<b>Enhanced outperformance cap</b>	Number		*	*	*	*	*

\* 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)
<b>Underperformance payment - standard</b>	-0.270
<b>Underperformance payment - enhanced</b>	-1.200
<b>Outperformance payment - standard</b>	0.260
<b>Outperformance payment - enhanced</b>	1.100



### 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

<b>Unique Reference</b>	<b>PR19WSX_R3</b>
<b>Detailed definition of performance measure</b>	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: <a href="https://www.ofwat.gov.uk/wp-content/uploads/2019/04/Reporting-guidance-Risk-of-sewer-flooding-in-a-storm_final_290319.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2019/04/Reporting-guidance-Risk-of-sewer-flooding-in-a-storm_final_290319.pdf</a>  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
<b>Additional detail on measurement units</b>	See guidance document for full details of the calculation and measurements units.
<b>Specific exclusions</b>	As defined in the guidance.
<b>Reporting and assurance</b>	As defined in the guidance.
<b>Measurement unit and decimal places</b>	Percentage of population at risk, reported to two decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Reputational
<b>Incentive type</b>	NA
<b>Timing of underperformance and outperformance payments</b>	NA
<b>Price control allocation</b>	NA
<b>Frequency of reporting</b>	Annual

<b>Unique Reference</b>	<b>PR19WSX_R3</b>
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	NA

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	%	NA	8.37	8.37	8.37	8.37	8.37
<b>Enhanced underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	%		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	%		NA	NA	NA	NA	NA

### Incentive rates

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

<b>Unique Reference</b>	<b>PR19WSX_R6</b>
<b>Detailed definition of performance measure</b>	<p>Sewer collapses is defined in the reporting guidance - sewer collapses per 1000km (updated), published on the 4th April 2019: <a href="https://www.ofwat.gov.uk/publication/reporting-guidance-sewer-collapses-per-1000km/">https://www.ofwat.gov.uk/publication/reporting-guidance-sewer-collapses-per-1000km/</a></p> <p>Number of sewer collapses per 1000 kilometres of all sewers causing an impact on service to customers or the environment</p>
<b>Additional detail on measurement units</b>	<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>
<b>Specific exclusions</b>	As defined in the guidance.
<b>Reporting and assurance</b>	The company is also required to report the number of occasions where a failure has occurred to the pipe that results in either any contact with the company (i.e. an impact on service has caused someone to contact the company) or any unplanned escape of wastewater and results in spot repairs or relining.
<b>Measurement unit and decimal places</b>	Number of collapses per 1000km of sewer network, reported to two decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue

<b>Unique Reference</b>	<b>PR19WSX_R6</b>
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	NA

**Performance commitment levels**

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	number	NA	17.08	16.06	15.04	14.02	13.00
<b>Performance threshold for tier 1 standard underperformance payment rate</b>	number		17.08	16.06	15.04	14.02	13.00
<b>Performance threshold for tier 2 standard underperformance payment rate</b>	number		18.10	18.10	18.10	18.10	18.10
<b>Enhanced underperformance collar</b>	number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	number		NA	NA	NA	NA	NA

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

### Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment tier 1 - standard</b>	-0.388
<b>Underperformance payment tier 2 - standard</b>	-0.990
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	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	PR19WSX_E1
<b>Detailed definition of performance measure</b>	<p>Treatment works compliance is defined in the reporting guidance for PR19 – Water &amp; Sewerage Company Environmental Performance Assessment (EPA) Methodology (version 3). Published November 2017 by the Environment Agency.</p> <p><a href="https://www.ofwat.gov.uk/wp-content/uploads/2017/12/WatCoPerfEPAMethodology_v3-Nov-2017-Final.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2017/12/WatCoPerfEPAMethodology_v3-Nov-2017-Final.pdf</a></p> <p>The discharge permit compliance metric is reported as the number of failing sites (as a percentage of the total number of discharges) and not the number of failing discharges.</p>
<b>Additional detail on measurement units</b>	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.
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Percentage compliance, reported to two decimal places
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	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.
<b>Any other relevant information</b>	Performance against this performance commitment is also published annually in Environment Agency water and sewerage companies' annual report.
<b>Links to relevant external documents</b>	See Environment Agency website for annual reports

**Performance commitment levels**

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020- 21</b>	<b>2021- 22</b>	<b>2022- 23</b>	<b>2023- 24</b>	<b>2024- 25</b>
<b>Performance commitment level</b>	%	NA	100.00	100.00	100.00	100.00	100.00
<b>Performance threshold for tier 1 standard underperformance payment rate</b>	%		99.00	99.00	99.00	99.00	99.00
<b>Performance threshold for tier 2 standard underperformance payment rate</b>	%		97.70	97.70	97.70	97.70	97.70
<b>Enhanced underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	%		99.00	99.00	99.00	99.00	99.00
<b>Outperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	%		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	%		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment tier 1 - standard	-0.530
Underperformance payment tier 2 - enhanced	-2.300
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	PR19WSX_X1
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"> <li>1. is one of the top three performers by C-MeX score;</li> <li>2. has lower than the industry average number of complaints (per 10,000 connections); and</li> <li>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.</li> </ol>
Additional detail on measurement units	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



Unique Reference	PR19WSX_X1
	<p>many standard deviations (SD) the company's score is from the industry average C-MeX score, determined as:</p> <p><b>SD score = (company C-MeX – C-MeX mean) / C-MeX SD</b></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><b>C-MeX score = (40% CS CSAT) + (40% CE CSAT) + (20% combined CS and CE NPS)</b></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><b>C-MeX ASUQ = C-MeX Mean + (UKCSI ASUQ - UKCSI Mean) / UKCSI SD * C-MeX SD</b></p> <p>where:</p> <ul style="list-style-type: none"> <li>• 'C-MeX Mean' is the mean average of all water companies' C-MeX scores,</li> <li>• '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),</li> <li>• 'UKCSI Mean' is the mean average score of water companies in the UKCSI report relating to the relevant year,</li> <li>• 'UKCSI SD' is the standard deviation of water companies' scores in the UKCSI report relating to the relevant year, and</li> <li>• 'C-MeX SD' is the standard deviation of the C-MeX scores of all water companies.</li> </ul>
<b>Specific exclusions</b>	As set out in the PR19 DD C-MeX and D-MeX 'Delivering outcomes for customers policy appendix'

<b>Unique Reference</b>	<b>PR19WSX_X1</b>
<b>Reporting and assurance</b>	Reporting and assurance should be in the form and manner set out in the guidance. <sup>1</sup>
<b>Measurement unit and decimal places</b>	Score out of 100, to two decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Reputational and revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% residential retail
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	The company's C-MeX payments are calculated by multiplying its incentive rate by its annual allowed residential retail revenue (as described in 'Wessex Water draft determination' and 'Wessex Water – Allowed revenue appendix').
<b>Links to relevant external documents</b>	PR19 DD C-MeX and D-MeX 'Delivering outcomes for customers policy appendix'.

<sup>1</sup> 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)
<b>Underperformance payment – enhanced rate</b> (Applies if SD score below -1)	-12%
<b>Underperformance payment – standard rate</b> (Applies if SD score is between -0.25 and -1)	6% x SD score <sup>2</sup>
<b>Deadband</b> (Applies if SD score is above -0.25 and below 0.25)	0%
<b>Outperformance payment – standard rate</b> (Applies if SD score is between 0.25 and 1)	3% x SD score
<b>Outperformance payment – enhanced rate</b> (Applies if SD score is above 1)	6%
<b>Outperformance payment – higher rate</b> (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>

<sup>2</sup> 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	PR19WSX_X2
<p><b>Detailed definition of performance measure</b></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"> <li>• qualitative D-MeX score, based on scores from a customer satisfaction survey based on transactions; and</li> <li>• quantitative D-MeX score, based on the company's performance against a set of Water UK performance metrics.</li> </ul> <p>The set of Water UK performance metrics which are used to calculate the quantitative component of the company's D-MeX score are<sup>3</sup>:</p> <ul style="list-style-type: none"> <li>W1.1 Pre-development enquiry – reports issued</li> <li>W2.1 s45 applications – written acknowledgment</li> <li>W3.1 s45 quotations</li> <li>W4.1 s45 service pipe connections</li> <li>W5.1 Mains design – written acknowledgment</li> <li>W6.1 Mains design &lt;500 plots - quotations</li> <li>W7.1 Mains design &gt;500 plots - quotations</li> <li>W8.1 Mains construction</li> <li>W16.1 Mains diversions – written acknowledgement</li> <li>W17.1 Mains diversions (without constraints) - quotations</li> <li>W17.2 Mains diversions (with constraints) - quotations</li> <li>W18.1 Mains diversions - construction/commissioning</li> <li>W19.1 Self-lay point of connection applications – written acknowledgement</li> <li>W20.1 Self-lay Point of Connection report &lt; 500 plots etc. - reports issued</li> </ul>

<sup>3</sup> 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	PR19WSX_X2
	<p>W21.1 Self-lay Point of Connection reports &gt;500 plots etc. - reports issued</p> <p>W22.1 Self-lay design approval and terms request – written acknowledgement</p> <p>W23.1 Self-lay design and terms request &lt;500 plots etc. - quotations</p> <p>W24.1 Self-lay design and terms request &gt;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 &amp; diversions - acknowledgements</p> <p>S6.1 Technical vetting of adoptions &amp; 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>
<p><b>Additional detail on measurement units</b></p>	<p>The company's D-MeX score is calculated using the following formula:</p> <p><b>D-MeX score = (50% Qual) + (50% Quant)</b></p> <p>Where:</p> <ul style="list-style-type: none"> <li>• 'Qual' is a combination of the overall satisfaction score given by developer customers surveyed in the customer satisfaction survey; and</li> <li>• 'Quant' is a combination of Water UK performance metrics which have non-zero volumes.</li> </ul>
<p><b>Specific exclusions</b></p>	<p>As set out in the PR19 DD C-MeX and D-MeX 'Delivering outcomes for customers policy appendix'.</p>

<b>Unique Reference</b>	<b>PR19WSX_X2</b>
<b>Reporting and assurance</b>	Reporting and assurance should be in the form and manner set out in the guidance <sup>4</sup>
<b>Measurement unit and decimal places</b>	Score out of 100, to two decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Reputational and revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	37% water network plus 63% wastewater network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	The company's D-MeX payments are calculated by multiplying its incentive rate by its annual developer services revenue.
<b>Links to relevant external documents</b>	PR19 DD C-MeX and D-MeX 'Delivering outcomes for customers policy appendix'

<sup>4</sup> 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.

## Incentive rates

Incentive type	Incentive rate (% of annual developer services revenue)
<b>Underperformance payment – enhanced rate</b> (Applies if D-MeX score is equal/above the 3rd quartile of all D-MeX scores across all companies)	-12%
<b>Underperformance payment – standard rate</b> (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%
<b>Deadband</b> (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%
<b>Outperformance payment – standard rate</b> (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 Total bill reduction to customers on social tariffs per 10,000 households

**Purpose:** This performance commitment incentivises the company to increase the number of residential customers receiving financial support via social tariffs.

**Benefits:** This performance commitment increases the number of residential customers on social tariffs, which provide support to low income customers and makes charges more affordable to them.

#### Performance commitment definition and parameters

Unique Reference	PR19WSX_A1
Detailed definition of performance measure	<p>Average bill reduction for all customers receiving a social tariff for the year.</p> <p>This is calculated by taking the assessing the difference between the water and/or sewerage bill a customer would have paid under standard charges and the bill they actually paid under the social tariff they receive. This value is then divided by the average number of residential customers in the company's region for the year and expressed as a value per 10,000 customers.</p>
Additional detail on measurement units	NA



<b>Unique Reference</b>	<b>PR19WSX_A1</b>
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	£ per 10,000 customers to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% residential retail
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	NA

## Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	£/10,000 households	NA	61,767	68,246	74,606	80,858	87,029
<b>Enhanced underperformance collar</b>	£/10,000 households		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	£/10,000 households		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	£/10,000 households		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	£/10,000 households		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	£/10,000 households		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	£/10,000 households		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.0000130
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

### 1.2.2 Successful applications for assistance received by the independent advice sector/third parties

**Purpose:** This performance commitment incentivises the company to work in effective partnership with the advice sector to increase the number of customers who have access to the company's financial support schemes.

**Benefits:** This performance commitment improves support for low income customers and makes charges more affordable for them.

### Performance commitment definition and parameters

Unique Reference	PR19WSX_A2
<b>Detailed definition of performance measure</b>	<p>The total number of successful applications to the company's financial support schemes (e.g. social tariffs and/or restart), received from funded advice agencies measured at 31 March each year.</p> <p>A 'successful application' refers to an application that leads to the customer being accepted onto one or more of the company's affordability schemes. If a customer is accepted onto more than one scheme, they will still only be counted once for the purposes of this measure.</p> <p>All applications received from agencies will be recorded and monitored. A reconciliation will be carried out with each agency both quarterly and at year end to agree the final year end figure.</p>
<b>Additional detail on measurement units</b>	NA
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	The company will, at least once during the five year period, publish a report to assess the benefits resulting from the performance commitment, as far as possible based on primary evidence.
<b>Measurement unit and decimal places</b>	Number of successful applications to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Outperformance and underperformance payments
<b>Incentive type</b>	Revenue
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% residential retail
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA

<b>Unique Reference</b>	<b>PR19WSX_A2</b>
<b>Links to relevant external documents</b>	NA

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Number	NA	2,300	2,300	2,300	2,300	2,300
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		1,500	1,500	1,500	1,500	1,500
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		3,000	3,000	3,000	3,000	3,000
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

### Incentive rates

<b>Incentive type</b>	<b>Incentive rate (£m/unit)</b>
<b>Underperformance payment - standard</b>	-0.000130
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.000110
<b>Outperformance payment - enhanced</b>	NA

### 1.2.3 Void sites

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

**Benefits:** Reduced number of household 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	PR19WSX_A3
<b>Detailed definition of performance measure</b>	<p>The number of household and non-household properties classified as void as a percentage of the total number of household and non-household properties served by the company.</p> <p>Void properties are defined as properties, within the company's supply area, which are connected for either a water service only, a wastewater service only or both services but do not receive a charge, as there are no occupants. Additionally a property connected for both services that is not occupied, only counts as one void property.</p>
<b>Additional detail on measurement units</b>	The proportion of void properties will be measured as an average over the year. The same method to calculate the average will be used each year.
<b>Specific exclusions</b>	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.
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Percentage of household properties classified as void, reported to two decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% residential retail
<b>Frequency of reporting</b>	Annual

<b>Unique Reference</b>	<b>PR19WSX_A3</b>
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	None

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	%	NA	2.00	2.00	2.00	2.00	2.00
<b>Enhanced underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	%		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	%		NA	NA	NA	NA	NA

### Incentive rates

<b>Incentive type</b>	<b>Incentive rate (£m/unit)</b>
<b>Underperformance payment - standard</b>	-3.055
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	1.701
<b>Outperformance payment - enhanced</b>	NA

## 1.2.4 Gap sites

**Purpose:** This performance commitment is designed to incentivise the company to reduce the number of household and non-household gap sites.

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

### Performance commitment definition and parameters

Unique Reference	PR19WSX_A4
Detailed definition of performance measure	The number of household and non-household sites added to the billing system during the reporting year. A gap site is identified as a property that is not recorded on the company's billing database. To add one unit to this measure requires the company to add one property to its billing database
Additional detail on measurement units	None
Specific exclusions	Properties which have for any reason been included on the company's billing database in the past. Excludes new or existing connections raised by developers through established new connections processes.
Reporting and assurance	The company is to provide a report by an appropriately qualified external third party setting out assurance that it has rigorous processes that are correctly implemented to identify and bill newly built properties.
Measurement unit and decimal places	Number of gap sites brought into billing to zero decimal places
Measurement timing	Reporting year
Revenue	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

<b>Unique Reference</b>	<b>PR19WSX_A4</b>
<b>Links to relevant external documents</b>	None

### Performance commitment levels

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	Properties	NA	112	112	112	112	112
<b>Enhanced underperformance collar</b>	Properties		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Properties		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Properties		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Properties		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Properties		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Properties		NA	NA	NA	NA	NA

### Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.000260
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.000145
<b>Outperformance payment - enhanced</b>	NA



### 1.2.5 Value for money

**Purpose:** To incentivise the company to deliver a water 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	PR19WSX_X3
Detailed definition of performance measure	<p>Percentage of customers that state they are satisfied with the value for money of water and sewerage services in their area.</p> <p>This performance commitment will be measured through an annual survey of customers that is run by the Consumer Council for Water (Water Matters). The measure will take the results for Wessex Water’s customers only. It will measure the proportion of customers that state they are either ‘very’ or ‘fairly’ satisfied, on a five-point scale.</p> <p>It combines a mean average score of the ratings:</p> <ul style="list-style-type: none"> <li>• satisfaction with value for money for water services; and</li> <li>• satisfaction with value for money for sewerage services.</li> </ul> <p>The Consumer Council for Water currently interview 200 of the company’s customers each year in this survey.</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

<b>Unique Reference</b>	<b>PR19WSX_X3</b>
<b>Price control allocation</b>	NA
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	Consumer Council for Water 'Water Matters' report 2017-18 <a href="https://www.ccwater.org.uk/wp-content/uploads/2018/07/Water-Matters-Household-customer-views-on-their-water-and-sewerage-services-2017.pdf">https://www.ccwater.org.uk/wp-content/uploads/2018/07/Water-Matters-Household-customer-views-on-their-water-and-sewerage-services-2017.pdf</a>

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	%	NA	77	79	81	83	84
<b>Enhanced underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	%		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	%		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

### 1.2.6 Delivering for customers in vulnerable circumstances

**Purpose:** This measure commits the company to provide support for customers in vulnerable circumstances in line with the British Standards Institution (BSI) inclusive service provision: the British Standard for Inclusive Service Provision certification BS 18477. It also commits the company to provide support for customers in vulnerable circumstances via the Customer Service Excellence Award.

**Benefits:** Compliance with BS 18477 and the Customer Service Excellence Award 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	PR19WSX_C2
<b>Detailed definition of performance measure</b>	<p>The company meets this performance commitment if it has in place on the 31 March of the assessment year a BSI certification for standard BS 18477 and a certification of the Customer Service Excellence Award. If certification from BSI or Customer Service Excellence UK (CSE) 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 year, and demonstration that the certification is in place must be tested and reported each year. BS 18477 certification is awarded by BSI Group (also known as the British Standards Institution). The Customer Service Excellence Award is awarded by CSE.</p> <p>In the event that either BSI Group cease providing certification for BS 18477, or CSE cease providing certification for the Customer Service Excellence Award 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 exist other appropriate standards that can be used as an alternative independently assessed indicator of the quality of support for customers in vulnerable circumstances.</p>
<b>Additional detail on measurement units</b>	This measure is reported as maintained or not maintained.
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Text (maintained or not maintained)
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Reputational
<b>Incentive type</b>	NA
<b>Timing of underperformance and outperformance payments</b>	NA
<b>Price control allocation</b>	NA
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None

<b>Unique Reference</b>	<b>PR19WSX_C2</b>
<b>Links to relevant external documents</b>	None

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Text	NA	Maintained	Maintained	Maintained	Maintained	Maintained
<b>Enhanced underperformance collar</b>	Text		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Text		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Text		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Text		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Text		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Text		NA	NA	NA	NA	NA

### Incentive rates

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

## 1.2.7 Number of children/students engaged

**Purpose:** This performance commitment incentivises the company to increase the number of children/students engaged by its education programmes.

**Benefits:** Education programmes can help to improve demand management and reduce incidents resulting from the disposal of inappropriate waste into the sewers by customers.

### Performance commitment definition and parameters

Unique Reference	PR19WSX_C3
<b>Detailed definition of performance measure</b>	<p>The number of children/students who have engaged in person with the following:</p> <ul style="list-style-type: none"> <li>visits by children/students to the company's education centres and operational sites;</li> <li>visits by the company's education team to schools and colleges; or</li> <li>community projects organised by the company involving children/ students.</li> </ul> <p>Children/students are defined as those individuals up to and including 18 years old, who are in education.</p> <p>For a student to be considered as engaged, a minimum of 20 minutes of engagement will be undertaken. Details of each engagement will be recorded electronically and 'signed off' by a teacher from the appropriate institution.</p> <p>The maximum number of children that can be recorded in one engagement is 30.</p>
<b>Additional detail on measurement units</b>	None
<b>Specific exclusions</b>	<p>Children/students engaged for less than 20 minutes and people over the age of 18.</p> <p>Children/students who have been engaged in previous years by the company will not be counted.</p>
<b>Reporting and assurance</b>	<p>The company will, at least once during the five year period, publish a report to assess the benefits resulting from the performance commitment, as far as possible based on primary evidence. This will include the relative success of different activity types and approaches. The company should also consider ways to share learning with other companies and wider stakeholders.</p>
<b>Measurement unit and decimal places</b>	Number of children/students to zero decimal places.
<b>Measurement timing</b>	Reporting year

<b>Unique Reference</b>	<b>PR19WSX_C3</b>
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	25% water resources 25% water network plus 25% wastewater network plus 25% bioresources
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	None

#### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Number	NA	24,370	24,370	24,370	24,370	24,370
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		NA	NA	NA	NA	NA

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

### Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.000004
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.000004
<b>Outperformance payment - enhanced</b>	NA

### 1.2.8 Customer reported leaks fixed within a day

**Purpose:** This performance commitment is designed to incentivise the company to reduce leakage by acting quickly.

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

#### Performance commitment definition and parameters

<b>Unique Reference</b>	<b>PR19WSX_W3</b>
<b>Detailed definition of performance measure</b>	Percentage of customer reported leaks fixed by the end of the next working day. This is only leaks on assets owned by the company and excludes customer owned services pipes.
<b>Additional detail on measurement units</b>	<p>Following contact from customers, the start day and time is automatically recorded on company's customer relationship management software (RAPID). The start point will be the initial contact from a customer and further contacts reporting the same leak will not be counted in this measure.</p> <p>"By the end of the next working day" is defined as once a job is raised at any time within one day, the leak will be fixed by the end of the next working day.</p>



<b>Unique Reference</b>	<b>PR19WSX_W3</b>
	<p>The end time is when the repair has been completed and main/service has been re-pressurised (not when reinstatement is finished which is usually when a job is closed).</p> <p>If a customer reported visible leak has a water sample sent to confirm if it is mains water or groundwater (i.e. to determine if chlorine is present) then the clock stops ticking when the sample is requested and starts again when the results are back.</p> <p>This metric only applies to leaks on company owned pipes and fittings (including ferrules). The percentage is calculated by taking all leakage jobs across the year, applying the exclusions, and then calculating the percentage repaired by the end of next working day.</p>
<b>Specific exclusions</b>	Leaks that are not reported by a third party. Leaks found to be on customer owned pipework.
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Percentage reported to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	NA

## Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	%	NA	90	90	90	90	90
<b>Enhanced underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	%		75	75	75	75	75
<b>Underperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	%		97	97	97	97	97
<b>Enhanced outperformance cap</b>	%		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.120
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.063
<b>Outperformance payment - enhanced</b>	NA

### 1.2.9 Volume of water saved by water efficiency engagement

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

**Benefits:** The benefit of reduced consumption is to improve long term water resources supply/demand balance.

**Performance commitment definition and parameters**

<b>Unique Reference</b>	<b>PR19WSX_W4</b>
<b>Detailed definition of performance measure</b>	<p>Estimated reduction of water consumption by residential customers from water efficiency engagement. Calculated by multiplying engagement by a specific assumed value.</p> <p>Wherever possible the assumed values are based on evidence from customer/device trials and are consistent with savings documented in the UK Water Industry Research Ltd (UKWIR) report 09/WR/25/4 (Estimating the water savings for baseline water efficiency activities).</p> <p>In the absence of reported trial-based data, conservative estimates are made.</p>
<b>Additional detail on measurement units</b>	<p>The company's water efficiency participation programme can be categorised into three areas of activity:</p> <ol style="list-style-type: none"> <li>1. Advice and information, including digital engagement services</li> <li>2. Providing water saving devices to customers, including those fitted by the company during Home Check visits and those requested from the company by customers and fitted by customers themselves</li> <li>3. Helping customers to reduce water wastage by helping them identify plumbing leaks in their home.</li> </ol>
<b>Specific exclusions</b>	There are no specific exclusions identified
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Megalitres per day reported to one decimal place
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Reputational
<b>Incentive type</b>	NA
<b>Timing of underperformance and outperformance payments</b>	NA
<b>Price control allocation</b>	NA
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	The performance commitment uses the same calculation method as 2015-20 water efficiency performance commitment. However, the 60% limit for advice, information and devices fitted by the customer is not in place.

<b>Unique Reference</b>	<b>PR19WSX_W4</b>
<b>Links to relevant external documents</b>	NA

### Performance commitment levels

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	Megalitres per day	NA	1.0	2.0	3.0	4.0	5.0
<b>Enhanced underperformance collar</b>	Megalitres per day		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Megalitres per day		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Megalitres per day		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Megalitres per day		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Megalitres per day		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Megalitres per day		NA	NA	NA	NA	NA

### Incentive rates

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

## 1.2.10 Water quality customer 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	PR19WSX_Q2
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 <a href="http://dwi.defra.gov.uk/stakeholders/information-letters/2006/01_2006.pdf">http://dwi.defra.gov.uk/stakeholders/information-letters/2006/01_2006.pdf</a> Consumers contact a water company for various water quality reasons. Only consumer contacts that are about appearance, taste and odour 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, 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.

<b>Unique Reference</b>	<b>PR19WSX_Q2</b>
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	The Discover Water website link for appearance is at <a href="https://discoverwater.co.uk/colour">https://discoverwater.co.uk/colour</a> and taste and odour at <a href="https://discoverwater.co.uk/taste">https://discoverwater.co.uk/taste</a>

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Number	NA	1.31	1.22	1.12	1.03	0.93
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

### Incentive rates

<b>Incentive type</b>	<b>Incentive rate (£m/unit)</b>
<b>Underperformance payment - standard</b>	-0.990
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.825
<b>Outperformance payment - enhanced</b>	NA

### 1.2.11 Tackling water quality at home and in the work place

**Purpose:** To incentivise the company to provide inspections at point of use and provide lead pipe replacement to improve water quality.

**Benefits:** This performance commitment improves the quality of water and protects the wholesomeness of the water customers receive at point of use.

#### Performance commitment definition and parameters

Unique Reference	PR19WSX_Q3
<p><b>Detailed definition of performance measure</b></p>	<p>The annual score calculated by the sum of scores assigned to inspection and replacement activities that the company carries out.</p> <p>Water fittings inspections:</p> <ul style="list-style-type: none"> <li>• Household fluid category 3 (Scores 2)</li> <li>• Non-household fluid category 3 (Scores 3)</li> <li>• Agriculture Fluid category 5 (Scores 3)</li> <li>• Non-Household Fluid category 4 (Scores 3)</li> <li>• Educational Establishments (All fluid categories) (Scores 4)</li> <li>• Public Buildings (All fluid categories) (4 points)</li> <li>• Household Fluid category 5 (Scores 4)</li> <li>• Non-Household Fluid category 5 (Scores 5)</li> </ul> <p>Replacement activity:</p> <ul style="list-style-type: none"> <li>• Replacement of household customer lead service pipe (Scores 15)</li> <li>• Replacement of customer lead service pipe at properties that are focused on children (examples nurseries or schools) customer lead service pipe, (Scores 20)</li> </ul> <p>Fluid categories are defined in the <a href="#">Water Supply (Water Fittings) Regulations 1999</a> and as included in the Water Regulations Guide (second edition) published by the Water Regulations Advisory Scheme (WRAS).</p> <p>Replacements activity means:</p> <ul style="list-style-type: none"> <li>• a sample exceedance and investigation confirm the pipe’s material contains lead;</li> </ul>

<b>Unique Reference</b>	<b>PR19WSX_Q3</b>
	<ul style="list-style-type: none"> <li>the pipe is replaced at least up to the wall of the property or as near as reasonably practicable, with the customer's agreement;</li> <li>any company owned pipe communicating with the property that is lead is also replaced; and</li> <li>a record is kept of the sampling, replacement of the pipe, location and date and location.</li> </ul>
<b>Additional detail on measurement units</b>	None
<b>Specific exclusions</b>	Activities not listed in the definition are excluded from scoring as are sites that have already had inspection or replacement activity during the period 2020 to 2025.
<b>Reporting and assurance</b>	The company will report the number of household and nursery/school customer pipes replaced.
<b>Measurement unit and decimal places</b>	Numerical score to zero decimal places
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water network plus
<b>Frequency of reporting</b>	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on the calendar year 2020 data, whereas 2024-25 assessment will be based on the calendar year 2024 data.
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	None



## Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	Number	NA	18,297	18,297	18,297	18,297	18,297
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.000013
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.000011
<b>Outperformance payment - enhanced</b>	NA

### 1.2.12 Lead communication service pipes replaced (Wessex Water assets)

**Purpose:** This performance commitment is designed to incentivise the company to reduce the levels of lead being consumed in tap water by its customers.

**Benefits:** This performance commitment reduces the risk posed to customers from lead in drinking water and provides further incentive for the company to comply with its statutory obligations.

### Performance commitment definition and parameters

Unique Reference	PR19WSX_Q4
<b>Detailed definition of performance measure</b>	<p>Annual number of lead communication pipes replaced. Performance levels are set by the number of lead communication pipes replaced, including galvanised and other metallic pipes that include lead.</p> <p>Replacement of lead pipes covers all activities, including:</p> <ul style="list-style-type: none"> <li>• following a sample exceedance and investigation to confirm the presence of a metallic pipe, as required by the Drinking Water Inspectorate;</li> <li>• proactive pipe replacements; and</li> <li>• pipes replaced during day-to-day repair and maintenance activities, including mains replacement and relining.</li> </ul> <p>The work includes sampling, replacement of the pipe and recording of the date and location and other relevant details on the company's Geographical Information System.</p>
<b>Additional detail on measurement units</b>	NA
<b>Specific exclusions</b>	NA
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Number of lead communication pipes replaced to zero decimal places
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water network plus
<b>Frequency of reporting</b>	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on the calendar year 2020 data, whereas 2024-25 assessment will be based on the calendar year 2024 data.

<b>Unique Reference</b>	<b>PR19WSX_Q4</b>
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	World Health Organisation lead fact sheet: <a href="http://www.who.int/mediacentre/factsheets/fs379/en/">http://www.who.int/mediacentre/factsheets/fs379/en/</a> Water Supply (Water Quality) Regulations 2016 <a href="http://www.legislation.gov.uk/uksi/2016/614/regulation/30/made">http://www.legislation.gov.uk/uksi/2016/614/regulation/30/made</a>

**Performance commitment levels**

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Number	NA	1,160	1,410	2,010	2,210	2,210
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		9,900	9,900	9,900	9,900	9,900
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment – standard	-0.000628
Underperformance payment - enhanced	NA
Outperformance payment – standard	0.000628
Outperformance payment - enhanced	NA

### 1.2.13 Event risk index (Wessex Water) (ERI WW)

**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	PR19WSX_Q5
<b>Detailed definition of performance measure</b>	<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: <a href="http://www.dwi.gov.uk/stakeholders/price-review-process/ERI_def.pdf">http://www.dwi.gov.uk/stakeholders/price-review-process/ERI_def.pdf</a></p> <p>The following outlines the broad principles of the ERI measure:</p> <ul style="list-style-type: none"> <li>• the seriousness of each drinking water quality event (the Event Category or seriousness score);</li> <li>• a measure of the company performance in managing the event (the Assessment Outcome score); and</li> <li>• the impact of each event – based on a simple measure of the population affected and duration in hours.</li> </ul> <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>
<b>Additional detail on measurement units</b>	<p>The ERI score for each notified event is calculated using the following formula:</p> $\text{ERI} = \frac{(\text{Seriousness} \times \text{Assessment Outcome} \times \text{Impact})}{\text{Total population served by the company}}$

<b>Unique Reference</b>	<b>PR19WSX_Q5</b>
	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.
<b>Specific exclusions</b>	There are no specific exclusions, however, for some special rules on calculation of risk score refer to the definition.
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	ERI score reported to three decimal places
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water network plus
<b>Frequency of reporting</b>	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on data from the calendar year 2020.
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	<a href="http://www.dwi.gov.uk/stakeholders/price-review-process/ERI_def.pdf">http://www.dwi.gov.uk/stakeholders/price-review-process/ERI_def.pdf</a>

## Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	Number	NA	10.000	10.000	10.000	10.000	10.000
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		19.218	19.218	19.218	19.218	19.218
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		5.391	5.391	5.391	5.391	5.391
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.480
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.480
<b>Outperformance payment - enhanced</b>	NA

### 1.2.14 Customer property sewer flooding (external)

**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	PR19WSX_F2
<b>Detailed definition of performance measure</b>	<p>The external sewer flooding measure is defined in the reporting guidance for PR19 – Sewer Flooding, published on the Ofwat website: <a href="https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-sewer-flooding-updated-April-2018.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Reporting-guidance-sewer-flooding-updated-April-2018.pdf</a></p> <p>This 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>
<b>Additional detail on measurement units</b>	<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>
<b>Specific exclusions</b>	Are as defined in the reporting guidance.
<b>Reporting and assurance</b>	No specific requirements.
<b>Measurement unit and decimal places</b>	Number of incidents per 10,000 sewer connections to two decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus

<b>Unique Reference</b>	<b>PR19WSX_F2</b>
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	NA

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Number	NA	17.07	16.73	16.38	16.03	15.68
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

### Incentive rates

<b>Incentive type</b>	<b>Incentive rate (£m/unit)</b>
<b>Underperformance payment - standard</b>	-0.800
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.480
<b>Outperformance payment - enhanced</b>	NA



### 1.2.15 Sewer flooding risk

**Purpose:** This performance commitment incentivises the company to reduce the risk of flooding to properties.

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

#### Performance commitment definition and parameters

Unique Reference	PR19WSX_F3																						
<b>Detailed definition of performance measure</b>	<p>A total risk score calculated according to the sum of the risk scores for properties or locations that have a reportable risk score. The risk score for each property or site is the probability score multiplied by the impact score.</p> <p>This performance commitment measures properties or locations which have been internally flooded due to inadequate capacity or are considered to be at risk of flooding due to their proximity to other properties or locations that have flooded in the past.</p> <p>The probability scores are categorised as:</p> <table border="1"> <thead> <tr> <th>Probability</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>2 in 10 years</td> <td>5</td> </tr> <tr> <td>1 in 10 years</td> <td>4</td> </tr> <tr> <td>1 in 20 years</td> <td>3</td> </tr> <tr> <td>1 in 30 years</td> <td>2</td> </tr> <tr> <td>1 in 50 years</td> <td>1</td> </tr> </tbody> </table> <p>The impact scores are categorised as:</p> <table border="1"> <thead> <tr> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Fields (surface water) Minor garden (surface water) Roads (surface water)</td> <td>2</td> </tr> <tr> <td>Major garden (surface water) Fields (combined)</td> <td>3</td> </tr> <tr> <td>Road (combined) Minor garden (combined)</td> <td>5</td> </tr> <tr> <td>Major garden (combined)</td> <td>6</td> </tr> </tbody> </table>	Probability	Score	2 in 10 years	5	1 in 10 years	4	1 in 20 years	3	1 in 30 years	2	1 in 50 years	1	Impact	Score	Fields (surface water) Minor garden (surface water) Roads (surface water)	2	Major garden (surface water) Fields (combined)	3	Road (combined) Minor garden (combined)	5	Major garden (combined)	6
Probability	Score																						
2 in 10 years	5																						
1 in 10 years	4																						
1 in 20 years	3																						
1 in 30 years	2																						
1 in 50 years	1																						
Impact	Score																						
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Major garden (combined)	6																						

<b>Unique Reference</b>	<b>PR19WSX_F3</b>																																																
	Internal	10																																															
	A property can only be moved from reportable risk to non-reportable risk from a physical change relating to the property that has reduced either the probability or impact of a sewer flooding incident.																																																
<b>Additional detail on measurement units</b>	<p>The sewer flooding risk grid is based on probability scores and impact scores for each of the company’s properties or locations.</p> <table border="1" data-bbox="571 618 1388 1032"> <thead> <tr> <th colspan="2" data-bbox="571 618 810 745" rowspan="2">Number of properties or locations</th> <th colspan="5" data-bbox="810 618 1388 674">Impact</th> </tr> <tr> <th data-bbox="810 674 922 745">2</th> <th data-bbox="922 674 1034 745">3</th> <th data-bbox="1034 674 1161 745">5</th> <th data-bbox="1161 674 1273 745">6</th> <th data-bbox="1273 674 1388 745">10</th> </tr> </thead> <tbody> <tr> <td data-bbox="571 745 691 1032" rowspan="5">Probability</td> <td data-bbox="691 745 810 801">5</td> <td data-bbox="810 745 922 801"></td> <td data-bbox="922 745 1034 801"></td> <td data-bbox="1034 745 1161 801"></td> <td data-bbox="1161 745 1273 801"></td> <td data-bbox="1273 745 1388 801"></td> </tr> <tr> <td data-bbox="691 801 810 857">4</td> <td data-bbox="810 801 922 857"></td> <td data-bbox="922 801 1034 857"></td> <td data-bbox="1034 801 1161 857"></td> <td data-bbox="1161 801 1273 857"></td> <td data-bbox="1273 801 1388 857"></td> </tr> <tr> <td data-bbox="691 857 810 913">3</td> <td data-bbox="810 857 922 913"></td> <td data-bbox="922 857 1034 913"></td> <td data-bbox="1034 857 1161 913"></td> <td data-bbox="1161 857 1273 913"></td> <td data-bbox="1273 857 1388 913"></td> </tr> <tr> <td data-bbox="691 913 810 969">2</td> <td data-bbox="810 913 922 969"></td> <td data-bbox="922 913 1034 969"></td> <td data-bbox="1034 913 1161 969"></td> <td data-bbox="1161 913 1273 969"></td> <td data-bbox="1273 913 1388 969"></td> </tr> <tr> <td data-bbox="691 969 810 1032">1</td> <td data-bbox="810 969 922 1032"></td> <td data-bbox="922 969 1034 1032"></td> <td data-bbox="1034 969 1161 1032"></td> <td data-bbox="1161 969 1273 1032"></td> <td data-bbox="1273 969 1388 1032"></td> </tr> </tbody> </table> <p>Each property or location is ‘entered’ into the respective cell within the grid.</p> <p>The total risk score is the number of properties or locations in each cell above the line of reportable risk (see the shaded area) multiplied by the appropriate risk score (impact x probability) of each cell. Risk is measured by a unit-less number made up of risk scores and numbers of properties.</p> <p>Properties and areas that lie beneath the line of reportable risk are assumed to have no risk score. For simplicity, a property or area does not have a risk score until or unless it has an incident which brings it above the line.</p> <p>If a property or location moves to below the line of reportable risk (e.g. through company action) it is no longer counted towards the total risk score. Conversely, if a property or location floods for the first time and is placed above the line of reportable risk it is then counted towards the total risk score.</p>						Number of properties or locations		Impact					2	3	5	6	10	Probability	5						4						3						2						1					
Number of properties or locations		Impact																																															
		2	3	5	6	10																																											
Probability	5																																																
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	2																																																
	1																																																
<b>Specific exclusions</b>	Properties that are not associated with known flooding incidents																																																
<b>Reporting and assurance</b>	No specific requirements																																																
<b>Measurement unit and decimal places</b>	Total risk score to zero decimal places																																																

<b>Unique Reference</b>	<b>PR19WSX_F3</b>
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	The score or weighting of each square is derived from customer research into their priorities following a conjoint analysis study in 2008.
<b>Links to relevant external documents</b>	NA

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Number	NA	50,651	50,651	50,651	50,651	50,651
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Number		55,716	55,716	55,716	55,716	55,716
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.000180
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

### 1.2.16 North Bristol Sewer Scheme - Trym catchment

**Purpose:** To incentivise the delivery of additional sewer capacity for the Trym catchment by 2022-23 in line with the agreed [North Bristol Sewerage strategy](#).

**Benefits:** This performance commitment improves the performance of existing sewerage infrastructure and will reduce incidents of sewerage overflow, flooding and pollution risks whilst preparing capacity for future population growth and potential climate change.

#### Performance commitment definition and parameters

Unique Reference	PR19WSX_F4
<b>Detailed definition of performance measure</b>	<p>This performance commitment measures the months of delays after 31 March 2023 that the company has not completed the following works::</p> <ul style="list-style-type: none"> <li>• 5km of 2.5m diameter sewer or larger from the existing Frome Valley sewer at the Bristol Golf Club, Almondsbury to the Bristol trunk sewer at Saltmarsh Drive, Avonmouth. The sewer must also accept flows from the existing sewerage network via six intermediate connections at Cribbs Causeway, Filton Airfield and two areas of Henbury.</li> <li>• Four flow control penstocks, with instrumentation to enable real time control.</li> </ul>
<b>Additional detail on measurement units</b>	<p>Months of delays will be measured as calendar months starting on 1 April 2023, with the first month running until 30 April 2023 and so on for the 2020-25 period.</p> <p>For the period 2023-24 the actual delay will be entered as a positive number of months, up to a maximum of 12. At the next price review if there is still expected to be a delay the estimated number of months will be entered for 2024-25. If the scheme is abandoned and not delivered, the length of delay for the purpose of reporting the measure in 2024-25 is deemed to be 24 months.</p>

<b>Unique Reference</b>	<b>PR19WSX_F4</b>
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	When delivered the company will publish an assurance report by an appropriately qualified third party that confirms that the schemes have been delivered in line with the scope of the works set out in the company business plan. An independent technical auditor will be used to confirm the number of months of delay in 2024-25.
<b>Measurement unit and decimal places</b>	Months to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments. In addition at PR24 we will recover allowed costs of any underperformance expected in 2024-25 using a rate of £0.930m per unit.
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	None

### Performance commitment levels

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

### Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment – standard</b>	-0.142
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

### 1.2.17 Restrictions on water use (hosepipe bans)

**Purpose:** The purpose of this performance commitment is to incentivise the company to avoid drought-related restrictions on water use by customers in line with its statutory drought plan.

**Benefits:** The benefit of this performance commitment is to minimise customer restrictions on water use.

#### Performance commitment definition and parameters

Unique Reference	PR19WSX_R7
<b>Detailed definition of performance measure</b>	<p>This performance commitment measures the number of drought restrictions that the company puts in place each year.</p> <p>The definition of water restrictions include:</p> <ol style="list-style-type: none"> <li>1. Temporary bans on water use as provided for in section 76 of the Water Industry Act 1991, as amended by section 36 of the Flood and Water Management Act 2010 and detailed in The Water Use (Temporary Bans) Order 2010. The terms ‘temporary bans on water use’, and ‘temporary use ban’ replace the old reference to hosepipe bans;</li> <li>2. Ordinary drought orders, as provided for in sections 73 to 81 and Schedules 8 and 9 of the Water Resources Act 1991 and detailed in the Drought Direction 2011; and</li> <li>3. Emergency Drought Orders as defined in the Water Resources Act 1991.</li> </ol>
<b>Additional detail on measurement units</b>	<p>One restriction shall be defined as the company implementing water restrictions during a discrete drought event. Only one unit will be counted for each drought event, so if the company implements different types of restrictions at a later date during the same drought event it will still count as one unit for the whole event.</p> <p>Although unlikely it is possible for more than one unit to be accrued in any one year, for example if a drought ends as defined by the water company’s drought plan or the company declares the drought has ended and then needs to move back into drought and reapply restrictions this would count as another unit.</p>
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	No specific requirements

<b>Unique Reference</b>	<b>PR19WSX_R7</b>
<b>Measurement unit and decimal places</b>	Number of restrictions to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water resources
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	None

### Performance commitment levels

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



## Incentive rates

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

### 1.2.18 Abstraction Incentive Mechanism (Mere)

**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	PR19WSX_E3
<b>Detailed definition of performance measure</b>	<p>The abstraction incentive mechanism (AIM) reduces abstraction of water at environmentally sensitive sites when flow or levels are below an agreed point otherwise known as a trigger. The trigger point is based on a level or flow, below which the AIM is considered to be “switched on”. This trigger will usually be related to the point at which damage is caused and is intended to prevent this from happening or ameliorate the negative impacts.</p> <p>The company has included two sites for AIM for the period 2020-25 spread across two performance commitments, this performance commitment is for the abstraction site named Mere.</p> <p>The trigger threshold for this site is 2.0 megalitres per day (MI/d) and it has a baseline of 2.8 MI/day</p> <p>The abstraction incentive mechanism is defined in the reporting guidance – Guidelines on the abstraction incentive mechanism, published on the 29th February 2016: <a href="https://www.ofwat.gov.uk/wp-content/uploads/2016/02/gud_pro20160226aim.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2016/02/gud_pro20160226aim.pdf</a></p>
<b>Additional detail on measurement units</b>	<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</p>

<b>Unique Reference</b>	<b>PR19WSX_E3</b>
	<p>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>
<b>Specific exclusions</b>	As defined in the reporting guidance.
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Megalitres per year to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water resources
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	None

## Performance commitment levels

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

## Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.000027
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.000027
<b>Outperformance payment - enhanced</b>	NA

### 1.2.19 Natural capital: improve Sites of Special Scientific Interest (SSSI sites)

**Purpose:** This performance commitment incentivises the company to deliver actions agreed with Natural England for improving sites of special scientific interest (SSSIs).

**Benefits:** This performance commitment improves the condition of SSSIs which are part of the company's landholding.

### Performance commitment definition and parameters

<b>Unique Reference</b>	<b>PR19WSX_E4</b>
<b>Detailed definition of performance measure</b>	The percentage of actions which the company has delivered. These actions have been identified with Natural England and are intended to improve the current condition of SSSIs.
<b>Additional detail on measurement units</b>	The list of actions is set out in [For final determination the actions set out in Table 1 of "Appendix 3.1.A – Performance commitment detail" in the business plan will be included in a linked document]. An end of year report will be completed detailing the actions undertaken and the sites improved that year.
<b>Specific exclusions</b>	This performance commitment will be measured against an agreed list of site- based actions only and not other SSSI management tools such as the Natural England Remedies database.
<b>Reporting and assurance</b>	An appropriately qualified external third party will produce a report each year that will be published and shared with Natural England and the Wessex Water Catchment Panel at the end of March each year. It will summarise the evidence for the actions completed in that year in line with the specifications of Natural England.
<b>Measurement unit and decimal places</b>	Percentage, to zero decimal places.
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water resources
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	None

**Performance commitment levels**

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	%	NA	20	40	60	80	100
<b>Enhanced underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	%		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	%		NA	NA	NA	NA	NA

**Incentive rates**

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.000200
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.000170
<b>Outperformance payment - enhanced</b>	NA

## 1.2.20 Greenhouse gas emissions

**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

<b>Unique Reference</b>	<b>PR19WSX_E5</b>
<b>Detailed definition of performance measure</b>	Annual gross greenhouse gas emissions from operational services in kilotons of carbon equivalent (ktCO <sub>2</sub> e).
<b>Additional detail on measurement units</b>	<p>Emissions are calculated through the UK Water Industry Research Ltd (UKWIR) Carbon Accounting Workbook.</p> <p>The measure includes all scope 1, 2 and 3 emissions, these are defined as:</p> <ul style="list-style-type: none"> <li>• Scope 1 - Direct emissions from owned or controlled sources</li> <li>• Scope 2 - Indirect emissions from the generation of purchased energy</li> <li>• Scope 3 - all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.</li> </ul> <p>The company will use the Department for Business, Energy and Industrial Strategy (BEIS) 2017 forecast grid emissions factors rather than the actual year figures in each year of the 2020-25 period. This allows comparative performance between the baseline performance level and actual performance in each year.</p>
<b>Specific exclusions</b>	The performance measure will exclude all renewable energy that is exported to third parties. The measure will also exclude emissions from sludge disposal.
<b>Reporting and assurance</b>	<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</p>

<b>Unique Reference</b>	<b>PR19WSX_E5</b>
	transparency on reductions achieved through their own activities and those through national grid decarbonisation.
<b>Measurement unit and decimal places</b>	kilotonnes of carbon equivalent (ktCO <sub>2</sub> e), to zero decimal places.
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	3% water resources 25% water network plus 54% wastewater network plus 18% bioresources
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	<a href="#">UKWIR Carbon Accounting Workbook</a> <a href="#">Greenhouse Gas Protocol</a> <a href="#">International Carbon Reporting Standard</a> <a href="#">CEMARS</a> <a href="#">Discover Water</a>

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	ktCO <sub>2</sub> e	NA	111	110	107	105	101
<b>Enhanced underperformance collar</b>	ktCO <sub>2</sub> e		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	ktCO <sub>2</sub> e		NA	NA	NA	NA	NA

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Underperformance deadband</b>	ktCO <sub>2</sub> e		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	ktCO <sub>2</sub> e		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	ktCO <sub>2</sub> e		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	ktCO <sub>2</sub> e		NA	NA	NA	NA	NA

### Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.0195
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

### 1.2.21 Working with communities to improve bathing water experience

**Purpose:** To incentivise the company to work with local communities and stakeholders to make improvements to the amenity value of beaches with bathing water.

**Benefits:** This performance commitment improves the beach amenity and bathing water experience, improves public and community engagement. It leads to positive behaviour change within school, residential, visitor and business communities.

#### Performance commitment definition and parameters

<b>Unique Reference</b>	<b>PR19WSX_E6</b>
<b>Detailed definition of performance measure</b>	The number of beaches with community projects each year which are assured as improving bathing water experience. This performance commitment goes beyond the company's statutory duties under the Bathing Water Directive 2006/7/EC.



Unique Reference	PR19WSX_E6
	<p>For a beach to be counted the Catchment Panel must agree that the company has at least one project for which there is a measurable improvement in the amenity value of the beach delivered in partnership</p> <p>Projects are activities where the company contributes to direct financial or in-kind support, capital or operational programmes, investigations, and feasibility studies or investigations.</p> <p>Partnerships are defined as projects where the company engages in activity with independent third-party organisations, agencies or individuals for the delivery of a shared objective.</p> <p>The improvement of amenity value can cover any aspect of the entire beach, including beach streams and access points, and will not be limited to the designated bathing water area. Contributory projects can be upstream of the beach within local towns, villages and farmland. This performance commitment will include relevant projects working with the agricultural sector to reduce farming contributions to help improve bathing water quality.</p>
<b>Additional detail on measurement units</b>	None
<b>Specific exclusions</b>	The performance commitment excludes a private inland swimming lake (Henleaze Swimming club) and a closed bathing water (Portland Harbour Castle Cove).
<b>Reporting and assurance</b>	The company will at least once during the five year period publish a report to assess the benefits resulting from the performance commitment, as far as possible based on primary evidence.
<b>Measurement unit and decimal places</b>	Cumulative number of beaches with reported to zero decimal places.
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on data from the calendar year 2020.

<b>Unique Reference</b>	<b>PR19WSX_E6</b>
<b>Any other relevant information</b>	This performance commitment relates to the bathing waters which are classified (and accessible) within the company's region each November when published by Defra.
<b>Links to relevant external documents</b>	NA

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Number	NA	20	26	33	40	47
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

### Incentive rates

<b>Incentive type</b>	<b>Incentive rate (£m/unit)</b>
<b>Underperformance payment - standard</b>	-0.000850
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.000700
<b>Outperformance payment - enhanced</b>	NA

## 1.2.22 Working with catchment partners to improve natural capital

**Purpose:** This performance commitment incentivises the company to work with farmers and biodiversity partners to deliver improvement projects for the environment.

**Benefits:** This performance commitment helps improve the natural environment and protects water supplies from local rivers.

### Performance commitment definition and parameters

Unique Reference	PR19WSX_E7
Detailed definition of performance measure	<p>The cumulative number of catchment based, partnership projects delivered during the period 2020-25.</p> <p>The projects are only those included in the following document [for the final determination a link that will include the information set out in the tables “WINEP partnership projects” and “Non-WINEP partnership projects” of “Appendix 3.1.A – Performance commitment detail” in the business plan.]</p> <p>These include:</p> <ul style="list-style-type: none"> <li>• WINEP schemes which are delivered in partnership as detailed in WINEP3, and</li> <li>• Non-WINEP partnership schemes and projects.</li> </ul> <p>Non-WINEP projects fall into the following categories:</p> <ul style="list-style-type: none"> <li>• Operational catchment management/delivery schemes, eg catchment management schemes initiated in previous Business Plans which are now operational outputs</li> <li>• Support for Catchment Partnerships, including those hosted by Wessex Water Services Ltd</li> <li>• Co-funded partnership projects, e.g. WaterSpace Study, enhancement of Shapwick Heath NNR and Natural Flood Management projects</li> <li>• Biodiversity Action Plan projects delivered through the Partners Programme, e.g. Dorset Wild Rivers.</li> </ul>
Additional detail on measurement units	None
Specific exclusions	None
Reporting and assurance	<p>A summary of the projects delivered during the year will be prepared by an appropriately qualified third party each year published and provided to the Catchment Panel every April. This will include the following information for the non-WINEP projects:</p> <ul style="list-style-type: none"> <li>• Catchment management annual reports detailing levels of activity, engagement and pollutant trends, e.g. tonnes</li> </ul>

<b>Unique Reference</b>	<b>PR19WSX_E7</b>
	<p>of nitrogen/phosphorus reduced, area of habitat improved or created for biodiversity</p> <ul style="list-style-type: none"> <li>• Catchment Based Approach (CaBA) data returns including the projects delivered and supported, funding sources and outcomes, e.g. length of river improved</li> <li>• Co-funded project annual reports identifying activities undertaken and levels of engagement, including metrics such as length of river improved, habitat/wetlands created, volunteers engaged, children engaged etc.</li> <li>• Partners Programme annual reports identifying level of activity and engagement and outcomes, e.g. length of river improved, area of habitat improved/created, volunteer hours etc.</li> </ul> <p>The company will at least once during the five year period publish a report to assess the benefits resulting from the performance commitment, as far as possible based on primary evidence.</p>
<b>Measurement unit and decimal places</b>	Number of schemes to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	None

**Performance commitment levels**

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Number	NA	29	37	37	37	37
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

**Incentive rates**

<b>Incentive type</b>	<b>Incentive rate (£m/unit)</b>
<b>Underperformance payment - standard</b>	-0.00400
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.00330
<b>Outperformance payment - enhanced</b>	NA

### 1.2.23 Satisfactory sludge disposal

**Purpose:** To ensure that the company is in compliance with its obligations regarding sludge use and disposal.

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

#### Performance commitment definition and parameters

Unique Reference	PR19WSX_E8
<b>Detailed definition of performance measure</b>	<p>The overall percentage of company sludge satisfactorily used or disposed of in line with the Environment Agency's Environmental Performance Assessment (EPA) methodology, which includes compliance with environmental laws, including:</p> <ul style="list-style-type: none"> <li>• Sludge (Use in Agriculture) Regulations;</li> <li>• Environmental Permitting (England and Wales) Regulations 2010; and</li> <li>• Water company voluntary compliance with the Safe Sludge Matrix.</li> </ul> <p>The measure will continue to comply with any revisions to the Environment Agency EPA definition for each year, and performance will be assessed in accordance to the Environment Agency's assessment of performance.</p>
<b>Additional detail on measurement units</b>	<p>Reporting is on the basis of tonnes dry solids (tds) disposed to any outlets (for example agricultural land) in a compliant manner as a percent of total raw tds production.</p> <p><b>Calculation</b></p> <p><math>(1 - \text{unsatisfactory use or disposal tds utilised} / \text{total raw tds production}) * 100</math></p> <p>The measurement includes all sludge that the company produces in its wastewater treatment process that it treats. It also includes all sludge traded; both imports and exports.</p> <p>The company will ensure that:</p> <ul style="list-style-type: none"> <li>• sludge imported from third parties meets the same disposal standards as sludge it produces and disposes of; and</li> <li>• sludge exported to third parties will be contractually assured to meet the company's own internal standards and the Environment Agency's EPA requirements before being exported.</li> </ul>
<b>Specific exclusions</b>	<p>Exemptions are in line with the EPA definition, and will change in line with the EPA if these change in the future. In</p>

<b>Unique Reference</b>	<b>PR19WSX_E8</b>
	<p>the most recent version of the EPA (version 3) the following exemptions are included:</p> <ul style="list-style-type: none"> <li>• solids added during the sludge treatment process, e.g. lime added during the treatment process;</li> <li>• grit and screenings and water treatment sludge; and</li> <li>• treatment related breaches that do not result in non-compliant sludges or residual products going to any outlets.</li> </ul> <p>Incineration is considered an 'outlet' for these purposes rather than a treatment.</p>
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Percentage compliance reported to two decimal places
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% bioresources
<b>Frequency of reporting</b>	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on data from the calendar year 2020.
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	<a href="#">Latest EPA methodology at time of publication (v3 November 2017)</a>

**Performance commitment levels**

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

**Incentive rates**

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.098
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA



## 1.2.24 Reduce frequent spilling overflows (non-WINEP)

**Purpose:** To incentivise the company to reduce the number of combined sewer overflows (CSOs) that frequently spill sewage into rivers and the sea, beyond those it has a statutory duty to deliver that are included in the WINEP.

**Benefits:** Reducing frequently spilling overflows will improve the environment.

### Performance commitment definition and parameters

Unique Reference	PR19WSX_E9
<b>Detailed definition of performance measure</b>	<p>Annual number of combined sewer overflows (CSO) improvements achieved in addition to the WINEP legal requirement</p> <p>This performance commitment provides a mechanism for the company to improve the environment by delivering more combined sewer overflow (CSO) improvements than the thirteen schemes currently on Wessex Water's WINEP.</p> <p>This performance commitment relates to hydraulic improvements to frequent spilling overflows (FSOs) during 2022-2025.</p> <p>The company will select the most cost beneficial schemes to deliver in agreement with the Environment Agency.</p> <p>It should seek to implement alternative approaches working with a range of stakeholders in the catchment to improve surface water management where possible to remove surface water from sewers or attenuate the flow using natural systems.</p>
<b>Additional detail on measurement units</b>	<p>Wessex Water will consider whether investment outside of the WINEP obligation is required by considering the Storm Overflow Assessment Framework (SOAF) process as defined by the Environment Agency. The sign-off procedure for the most cost beneficial improvements will be the same as the WINEP frequent spilling overflow schemes.</p>
<b>Specific exclusions</b>	NA
<b>Reporting and assurance</b>	<p>The company will secure confirmation from the Environment Agency that all schemes have delivered a benefit to the environment and were the most cost beneficial schemes available. The view of the EA will be definitive.</p>
<b>Measurement unit and decimal places</b>	Number of combined sewer overflows (CSO) improvements to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance payments

<b>Unique Reference</b>	<b>PR19WSX_E9</b>
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	<a href="http://www.water.org.uk/wp-content/uploads/2018/12/SOAF.pdf">http://www.water.org.uk/wp-content/uploads/2018/12/SOAF.pdf</a>

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Number	NA	0	0	0	0	0
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Number		13	13	13	13	13
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment – standard	NA
Underperformance payment - enhanced	NA
Outperformance payment – standard	0.055
Outperformance payment - enhanced	NA

### 1.2.25 Length of river with improved water quality through WINEP delivery

**Purpose:** This performance commitment is designed to incentivise the company to deliver its agreed Water Industry National Environment Programme (WINEP) schemes in a timely manner.

**Benefits:** This performance commitment delivers benefits through improving the health and aesthetics of rivers. This will benefit the environment and river users enjoying recreational and other activities.

#### Performance commitment definition and parameters

Unique Reference	PR19WSX_E10
<b>Detailed definition of performance measure</b>	<p>The length of river improved as a consequence of regulatory and legislative drivers. This performance commitment monitors delivery of the confirmed schemes within the WINEP.</p> <p>In the WINEP spreadsheet, 'Quantitative Km River Length Improved' is stated for the following categories of scheme:</p> <ul style="list-style-type: none"> <li>• Continuous discharge (from STWs) – with the exception of four schemes;</li> <li>• Eel screens;</li> <li>• Some adaptive management schemes; and</li> <li>• Some land management/habitat restoration/physical improvement schemes.</li> </ul> <p>The performance commitment is limited to those schemes with Green status as at 1 April 2019, which designates they are confirmed.</p> <p>The full list of included schemes is provided in [link to definition document to be included in Final Determination].</p>
<b>Additional detail on measurement units</b>	<p>The lengths of river improved in the WINEP have been estimated by the Environment Agency. The performance</p>

<b>Unique Reference</b>	<b>PR19WSX_E10</b>
	commitment levels will equal the total of the lengths of river improved stated in the WINEP.
<b>Specific exclusions</b>	This performance commitment excludes schemes described in the WINEP3 as a 'catchment measure'. These catchment schemes have been included in the performance commitment 'E7 Working with catchment partners' to improve natural capital. Catchment measures are based on delivering terrestrial rather than riverine improvements and so cannot be described in kilometres of river improvements. The performance commitment excludes Amber schemes that were unconfirmed on 1 April 2019 within the company's WINEP obligations.
<b>Reporting and assurance</b>	The company will secure confirmation from the Environment Agency that performance has been correctly reported. The view of the Environment Agency will be definitive.
<b>Measurement unit and decimal places</b>	Cumulative kilometres to one decimal place
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	NA

## Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	km	NA	0.0	159.4	167.4	167.4	399.9
<b>Enhanced underperformance collar</b>	km		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	km		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	km		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	km		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	km		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	km		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.017
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

### 1.2.26 Km of river improved (non-WINEP)

**Purpose:** This performance commitment incentivises the company to find and exploit opportunities to improve river quality by further reducing the amount of unwanted nutrients beyond its statutory requirements.

**Benefits:** This performance commitment delivers benefits through improving the health and aesthetics of rivers. This will benefit the environment and river users enjoying recreational and other activities.

**Performance commitment definition and parameters**

Unique Reference	PR19WSX_E11
<p><b>Detailed definition of performance measure</b></p>	<p>The length of rivers where water quality has been improved in the year through removal of additional nutrients by the company’s actions.</p> <p>This specifically applies to rivers where stakeholders agree there is a need for further improvement, but no improvement is included in the WINEP.</p> <p>The performance commitment will have been met if the following are demonstrated:</p> <ol style="list-style-type: none"> <li>1. Identification of areas for improvement and agreed with the company’s Catchment and Futures Panel;</li> <li>2. Confirmation of average annual performance for each sewage treatment works (STW) under consideration from audit sample data by the company;</li> <li>3. Associated measured flow data for the selected STWs obtained from the company’s certified flow meters;</li> <li>4. Measures carried out on farms reported by the company’s Catchment Management team.</li> <li>5. The reduction in nutrient run-off from the measures reported in “4” above arecalculated;</li> <li>6. The outputs from “2.” and “3” and “5” above, are used to calculate the load of nutrient discharged and used as a data set to operate an “improved length of river” version of the SAGIS-Simcat model; and</li> <li>7. The results from the SAGIS model are used to calculate the length of river improved as defined above.</li> </ol>
<p><b>Additional detail on measurement units</b></p>	<p>The length of river quality improved will be assessed by using the SAGIS-Simcat river water quality modelling tool based on the actual measured outperformance of STWs in the river catchment under consideration. The SAGIS-Simcat model will be used to set a baseline of river water quality, based on permit conditions on 31 March 2020. The company shall ensure that the Environment Agency confirm that the methods remain appropriate for the specific projects identified or make any improvements the Environment Agency recommends.</p> <p>The following assumptions will be used:</p> <ul style="list-style-type: none"> <li>• the baseline against which the calculation of the length of any “improvement” will be measured will assume an</li> </ul>

<b>Unique Reference</b>	<b>PR19WSX_E11</b>
	<p>“average daily flow” of 1.25 x the permitted dry weather flow (DWF); and</p> <ul style="list-style-type: none"> <li>• The calculation will only count lengths where the modelled concentration of nutrient in the river is lower (i.e. better) by 10% or more, compared to the baseline concentration</li> </ul> <p>For any outperformance to be reported, discharge of Nitrogen from the company’s other 19 STWs in Poole Harbour catchment will not fall below the current permitted levels. The company is not proposing to carry out any Nitrogen removal work in the 2020-25 period at these STWs.</p>
<b>Specific exclusions</b>	NA
<b>Reporting and assurance</b>	<p>The company will ensure that performance is correctly reported and shall provide third party assurance of the historical performance on which the performance commitment is based.</p> <p>The company will publish an assurance report by an appropriately qualified third party that:</p> <ul style="list-style-type: none"> <li>• all information has been correctly sourced from reliable systems;</li> <li>• models have been constructed and verified in line with industry best practice;</li> <li>• no improvements will be reported that are due to changes in the underlying modelling or assumptions; and</li> <li>• any improvement indicated by modelling will be the result of company initiated improvements.</li> </ul> <p>The Wessex Water Catchment and Futures Panel will further provide assurance on the reporting of the performance commitment each year.</p>
<b>Measurement unit and decimal places</b>	Kilometres of river to one decimal place
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	Annual, on a calendar year basis. For example, performance assessment for 2020-21 will be based on the

<b>Unique Reference</b>	<b>PR19WSX_E11</b>
	calendar year 2020, whereas 2024-25 assessment will be based on the calendar year 2024.
<b>Any other relevant information</b>	The measure will mainly be achieved through outperformance of 21 of its Sewage Treatment Works (STWs) nutrient discharges against their existing discharge performance (average of previous 5 years, 2013-17)
<b>Links to relevant external documents</b>	NA

### Performance commitment levels

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



## Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.010
Outperformance payment - enhanced	NA

### 1.2.27 Abstraction Incentive Mechanism (Stubhampton)

**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	PR19WSX_E12
<b>Detailed definition of performance measure</b>	<p>The abstraction incentive mechanism (AIM) reduces abstraction of water at environmentally sensitive sites when flow or levels are below an agreed point otherwise known as a trigger. The trigger point is based on a level or flow, below which the AIM is considered to be “switched on”. This trigger will usually be related to the point at which damage is caused and is intended to prevent this from happening or ameliorate the negative impacts.</p> <p>The company has included two sites for AIM for the period 2020-25 spread across two performance commitments, this performance commitment is for the abstraction site named Stubhampton.</p> <p>The trigger threshold for this site is 78.0 meters above ordnance datum and it has a baseline of 1.8 MI/day (MI/d).</p> <p>The abstraction incentive mechanism is defined in the reporting guidance – Guidelines on the abstraction incentive mechanism, published on the 29th February 2016: <a href="https://www.ofwat.gov.uk/wp-content/uploads/2016/02/gud_pro20160226aim.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2016/02/gud_pro20160226aim.pdf</a></p>
<b>Additional detail on measurement units</b>	<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</p>

<b>Unique Reference</b>	<b>PR19WSX_E12</b>
	<p>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>
<b>Specific exclusions</b>	As defined in the reporting guidance.
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Megalitres to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% water resources
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	None

## Performance commitment levels

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	Megalitres	NA	-45	-45	-45	-45	-45
<b>Enhanced underperformance collar</b>	Megalitres		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Megalitres		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Megalitres		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Megalitres		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Megalitres		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Megalitres		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.000021
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.000021
<b>Outperformance payment - enhanced</b>	NA

### 1.2.28 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	PR19WSX_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
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

<b>Unique Reference</b>	<b>PR19WSX_NEP01</b>
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	None

### Performance commitment levels

		<b>Company forecast</b>	<b>Committed performance level</b>				
	<b>Unit</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Performance commitment level</b>	Text	NA	met	met	met	met	met
<b>Enhanced underperformance collar</b>	Text		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Text		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Text		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Text		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Text		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Text		NA	NA	NA	NA	NA

### Incentive rates

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

## Annex 1: Key performance commitments for Wessex Water

Details of the key performance commitments that we present in Table 1.2 of ‘Wessex 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"> <li>15% reduction in annual level of leakage by 2025 from the 2020 level<sup>5</sup></li> </ul>	$\frac{(66.4 - 78.2) \text{ Ml/d}}{78.2 \text{ Ml/d}} \times 100 = -15\%$
<ul style="list-style-type: none"> <li>1% reduction in per capita consumption by 2024-25</li> </ul>	$\frac{(128 - 129) \text{ Ml/d}}{129 \text{ Ml/d}} \times 100 = -1\%$
<ul style="list-style-type: none"> <li>11% reduction in pollution incidents by 2024-25</li> </ul>	$\frac{(19.5 - 22) \text{ nr/10000km}}{22 \text{ nr/10000km}} \times 100 = -11\%$
<ul style="list-style-type: none"> <li>16% reduction in internal sewer flooding incidents by 2024-25</li> </ul>	$\frac{(1.34 - 1.60) \text{ nr/10000km}}{1.60 \text{ nr/10000km}} \times 100 = -16\%$
<ul style="list-style-type: none"> <li>76% reduction in water supply interruptions by 2024-25</li> </ul>	$\frac{3 \text{ min} - 12 \text{ min} 20 \text{ sec}}{12 \text{ min} 20 \text{ sec}} \times 100 = -76\%$
Key bespoke performance commitments	
Measure	Calculations
<ul style="list-style-type: none"> <li>10% reduction in external sewer flooding incidents by 2024-2025</li> </ul>	$\frac{(15.68 - 17.42) \text{ nr/10000km}}{17.42 \text{ nr/10000km}} \times 100 = -10\%$
<ul style="list-style-type: none"> <li>14% reduction in the annual gross greenhouse gas emission from operational services by 2024-2025</li> </ul>	$\frac{(101 - 117) \text{ KtCO}_2\text{e}}{117 \text{ KtCO}_2\text{e}} \times 100 = -14\%$

<sup>5</sup> Whilst the figures in the tables of the PR19 draft determinations: Wessex 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 15% (from 2019-20 baseline) by 2024-25

<ul style="list-style-type: none"><li>• 6% increase in the number of schemes working with catchment partners to improve natural capital by 2024-25</li></ul>	$\frac{(37 - 35)nr \text{ schemes}}{35nr \text{ schemes}} \times 100 = +6\%$
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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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