

July 2019

Trust in water

# PR19 draft determinations

## Yorkshire Water – Outcomes performance commitment appendix

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

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

## **1.1 Common performance commitments**

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

We have included a working draft of the proposed C-MeX and D-MeX common performance commitments for the company. As explained in our C-MeX and D-MeX policy decision documents published on 8th March, we will publish our decision on final C-MeX and D-MeX incentive design for 2020-2025 as part of the final determinations in December, at which point we will also finalise the detail of these performance commitments and outcome delivery incentives for the company in the same form as the other performance commitments.

A number of companies propose enhanced ODIs for certain common PCs. In the PR19 methodology (Appendix 2, p.85) we state: "Companies proposing enhanced

outperformance and underperformance payments should explain in their business plans how they will share the knowledge behind their success with companies across the sector by the end of the 2020-25 price review period or soon after. Receiving the enhanced outperformance payments will depend on whether the company has a credible plan for sharing its approach with the sector.” This is an important aspect of the framework for enhanced ODIs and we expect companies earning enhanced ODIs to share learning on what has worked and what has not, consistent with the knowledge-sharing plans set out in their business plan. We also expect companies to assess the success of their knowledge-sharing and be able to provide evidence of this to Ofwat, and we will take account of this when we determine ODI payments.

In relation to common performance commitments with financial ODIs, companies have put forward a variety of proposed allocations across price controls. We accept that there may be good reasons for these differences and we have accepted the company’s proposed allocations in the draft determination except where a company appears to have made an obvious error. We note that a number of the common performance commitments incorporate linked information relating to the detailed interpretation of definitions, measurement guidelines or reporting guidelines. These include links to the PR19 Outcomes definitions page on the Ofwat website (and more detailed documents embedded on that web page) and, in some cases, to documents on the Environment Agency and Drinking Water Inspectorate (DWI) websites. Some of the definitions and further guidance contained therein have been the subject of extensive collaborative working between the industry and regulators. Some are still subject to comments from stakeholders and potential improvements (for example through the lessons learned from the experience of “shadow year” reporting). Lessons may continue to be learned and further improvements made as we move from shadow to actual reporting of the performance commitments. We are minded to continue to retain links to information on the Ofwat and other external websites as our default, but we continue to be open to views from stakeholders as to whether we should provide all the detail of every aspect of the specification of the performance commitment within the templates set out here. The final form of the performance commitments for all companies will be set out in the final determinations in December.

### 1.1.1 Water quality compliance (CRI)

**Purpose:** The performance commitment incentivises the company to reduce treated water compliance failures and perform better on mitigating measures.

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

#### Performance commitment definition and parameters

<b>Unique Reference</b>	<b>PR19YKY_20</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>PR19YKY_20</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>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		2.00	2.00	1.50	1.50	1.50
<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	-1.226
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

### 1.1.2 Water supply interruptions

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

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

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_21
<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> $((\text{Properties with interrupted supply} \geq 180 \text{ mins}) \times \text{Full duration of interruption}) \div$ <p><i>Total number of properties supplied (year end) = average number of minutes lost per customer</i></p> <p>Properties supplied: properties shall include billed mains pressure fed household and non-household properties connected to the company's water supply.</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>

<b>Unique Reference</b>	<b>PR19YKY_21</b>
	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.
<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>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

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<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		00:01:00	00:01:00	00:01:00	00:01:00	00:01:00
<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)
<b>Underperformance payment - standard</b>	-1.482
<b>Underperformance payment - enhanced</b>	-3.445
<b>Outperformance payment - standard</b>	1.235
<b>Outperformance payment - enhanced</b>	3.445

### 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 18% from 2019-20 to 2024-25. This is a different figure to 20% in the table below as the performance commitment is measured on a three-year average to smooth annual variations due to weather. The company will earn outperformance payments for going beyond its performance commitments. This, alongside totex sharing of any additional expenditure, should cover any costs to reach the lower levels of leakage expected in its water resource management plan.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_22
<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> <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</p>

Unique Reference	PR19YKY_22
	<p>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 MI/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 (MI/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>Any other relevant information</b>	<p>Performance commitment levels are set as percentage reduction from 2019-20 baseline.</p> <p>Incentive payments relate to performance changes expressed in megalitres per day (MI/d).</p>
<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 – percentage reduction</b>	%	NA	3.8	8.8	12.6	16.3	20.0
<b>Enhanced underperformance collar – percentage reduction</b>	%		-12.4	-12.4	-12.4	-12.4	-12.4
<b>Standard underperformance collar – percentage reduction</b>	%		-3.6	-3.6	-3.6	-3.6	-3.6
<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>	%		46.3	47.9	49.8	51.5	55.3
<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)
Underperformance payment - standard	-0.167
Underperformance payment - enhanced	-0.715
Outperformance payment - standard	0.139
Outperformance payment - enhanced	0.715

### 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	PR19YKY_25
<b>Detailed definition of performance measure</b>	<p>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></p> <p>Three-year average values are calculated from annual average values for the reporting year and two preceding years and expressed in litres/person/day (l/p/d).</p>
<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</p>

<b>Unique Reference</b>	<b>PR19YKY_25</b>
	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.
<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>	Percentage reduction from 2019-20 baseline, reported to one decimal place. The volumetric levels resulting from the application of the percentage reduction in litres/person/day (l/p/d) reported to one decimal place.
<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>	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

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level – percentage reduction</b>	%	NA	2.4	4.9	7.4	8.3	8.9
<b>Enhanced underperformance collar – percentage reduction</b>	%		-12.8	-12.8	-12.8	-12.8	-12.8
<b>Standard underperformance collar – percentage reduction</b>	%		-9.5	-9.5	-9.5	-9.5	-9.5
<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>	%		12.9	12.9	12.9	12.9	12.9
<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/litres/person/day)
Underperformance payment - standard	-0.486
Underperformance payment - enhanced	-1.171
Outperformance payment - standard	0.405
Outperformance payment - enhanced	1.171

### 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>PR19YKY_24</b>
<b>Detailed definition of performance measure</b>	<p>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></p> <p>It is reported as the number of mains repairs per thousand kilometres of the entire water main network (excluding communication and supply pipes).</p>
<b>Additional detail on measurement units</b>	<p>Mains repairs – This includes all physical repair work to mains from which water is lost.</p> <p>Mains length – This is the length of all pipes conveying treated water around the distribution point but not including communication pipes or supply pipes.</p>
<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

<b>Unique Reference</b>	<b>PR19YKY_24</b>
	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	164.1	164.1	164.1	164.1	164.1
<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>	-0.588
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

### 1.1.6 Unplanned outage

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

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

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_23
<b>Detailed definition of performance measure</b>	<p>Unplanned outage is defined in the reporting guidance for PR19 – Unplanned Outage, published on 4th 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 should 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>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) (MI/d), the unplanned outage (MI/d) and planned outage (MI/d) in its commentary. The company should also provide a summary of data quality and compliance in accordance with the reporting requirements.
<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>Unique Reference</b>	<b>PR19YKY_23</b>
<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	5.12	4.42	3.73	3.03	2.34
<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	-1.802
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

### 1.1.7 Risk of severe restrictions in a drought

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

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

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_38
Detailed definition of performance measure	<p>The performance commitment drought risk is defined in the reporting guidance – Drought resilience metric, published on the 13th March 2018: <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>
Additional detail on measurement units	<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</p>

<b>Unique Reference</b>	<b>PR19YKY_38</b>
	a water resource zone) by the total number of customers served by the company.
<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>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**

<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

### 1.1.8 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	PR19YKY_42
<p><b>Detailed definition of performance measure</b></p>	<p>This common performance commitment is defined in the reporting guidance 'Reporting guidance – Common performance commitment for the Priority Service Register'.</p> <p>This performance commitment consists of the following criteria:</p> <ul style="list-style-type: none"> <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>
<p><b>Additional detail on measurement units</b></p>	<p>The performance commitment is calculated using the following formulas:</p> $PSR\ Reach = \left( \frac{PSR\ [households]}{Total\ households} \right) \times 100$ $Attempted\ contacts = \left( \frac{Number\ of\ attempted\ contacts}{PSR\ [households]} \right) \times 100$ $Actual\ contacts = \left( \frac{Number\ of\ actual\ contacts}{PSR\ [households]} \right) \times 100$ <p>PSR [households] – Number of households on the PSR (recorded on 31 March)</p>

<b>Unique Reference</b>	<b>PR19YKY_42</b>
	<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>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>PR19YKY_42</b>
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	See 'Reporting guidance – Common performance commitment for the Priority Service Register'

### 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: Reach</b>	%	NA	4.0	5.8	7.5	9.1	10.0
<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
<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

### 1.1.9 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	PR19YKY_31
<b>Detailed definition of performance measure</b>	<p>The internal sewer flooding measure is defined in the reporting guidance for PR19 – Sewer Flooding, published on 27 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>
<b>Additional detail on measurement units</b>	<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</p>

<b>Unique Reference</b>	<b>PR19YKY_31</b>
	<p>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 Regulations 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>
<b>Specific exclusions</b>	As defined in the reporting guidance.
<b>Reporting and assurance</b>	<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> <p>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.</p>
<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

		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	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
<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>	-8.435
<b>Underperformance payment - enhanced</b>	-21.311
<b>Outperformance payment - standard</b>	8.435
<b>Outperformance payment - enhanced</b>	14.873

### 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>PR19YKY_30</b>
<b>Detailed definition of performance measure</b>	<p>Pollution Incidents is defined in the following 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 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>	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 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>Unique Reference</b>	<b>PR19YKY_30</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>	NA
<b>Links to relevant external documents</b>	<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> Incidents and their classification: the Common Incident Classification Scheme (CICS), Ref: 04_01, Issued 23/9/2016 by the Environment Agency

### 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	24.51	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)
Underperformance payment - standard	-0.868
Underperformance payment - enhanced	-1.195
Outperformance payment - standard	0.436
Outperformance payment - enhanced	0.600

### 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>PR19YKY_34</b>
<b>Detailed definition of performance measure</b>	The performance commitment risk of sewer flooding in a storm is defined in the reporting guidance – risk of sewer flooding in a storm, published on the 4th April 2019: <a href="https://www.ofwat.gov.uk/publication/reporting-guidance-risk-of-sewer-flooding-in-a-storm/">https://www.ofwat.gov.uk/publication/reporting-guidance-risk-of-sewer-flooding-in-a-storm/</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>Unique Reference</b>	<b>PR19YKY_34</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>	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	22.20	22.20	22.20	22.20	22.20
<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

### 1.1.12 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>PR19YKY_33</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 Regulations 2011. The company should separately record the length of transferred sewers, the</p>

<b>Unique Reference</b>	<b>PR19YKY_33</b>
	calculation of this measure should be based on the latest measurements of the length.
<b>Specific exclusions</b>	As defined in the guidance.
<b>Reporting and assurance</b>	The company should 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 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% 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	17.93	16.87	15.80	14.73	13.67
<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>	-0.685
<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	PR19YKY_32
<b>Detailed definition of performance measure</b>	Treatment works compliance is defined in the reporting guidance for PR19 – Water & Sewerage Company Environmental Performance Assessment (EPA) Methodology (version 3). Published November 2017 by the Environment Agency. <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> 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.
<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 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>Unique Reference</b>	<b>PR19YKY_32</b>
<b>Price control allocation</b>	95% wastewater network plus 5% 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, 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>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 - standard	-1.186
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

### 1.1.14 C-MeX

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

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

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_19
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	<p>The company's C-MeX incentive rate (determined before the application of any higher performance payment for passing the three gates, above) depends on its C-MeX score relative to those of the other companies. Specifically, it depends on how</p>

Unique Reference	PR19YKY_19
	<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 annex of 'Delivering outcomes for customers policy appendix'

<b>Unique Reference</b>	<b>PR19YKY_19</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 'Yorkshire Water draft determination' and 'Yorkshire 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	PR19YKY_10
<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> <p>W1.1 Pre-development enquiry – reports issued  W2.1 s45 applications – written acknowledgment  W3.1 s45 quotations  W4.1 s45 service pipe connections  W5.1 Mains design – written acknowledgment  W6.1 Mains design &lt;500 plots - quotations  W7.1 Mains design &gt;500 plots - quotations  W8.1 Mains construction  W16.1 Mains diversions – written acknowledgement  W17.1 Mains diversions (without constraints) - quotations  W17.2 Mains diversions (with constraints) - quotations  W18.1 Mains diversions - construction/commissioning  W19.1 Self-lay point of connection applications – written acknowledgment  W20.1 Self-lay Point of Connection report &lt; 500 plots etc. - reports issued</p>

<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	PR19YKY_10
	<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 annex of 'Delivering outcomes for customers policy appendix'</p>

<b>Unique Reference</b>	<b>PR19YKY_10</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>	26% water network plus 74% 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>	C-MeX and D-MeX annex of '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 Working with others

**Purpose:** This performance commitment is designed to incentivise the company to work in partnership with independent agencies, organisations or individuals.

**Benefits:** Collaborative working with third parties can increase overall benefits and/or lower costs than the company working alone. Projects funded will contribute to, amongst other things, enhanced levels of flood alleviation and protection, increased levels of biodiversity and improvements in water quality through catchment management.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_1
Detailed definition of performance measure	<p>The cumulative number of partnership projects the company delivers in partnership with independent agencies, organisations or individuals in the 2020-25 period.</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 not for profit third-party organisations, agencies or individuals for the delivery of a shared objective.</p>

Unique Reference	PR19YKY_1
	<p>All partnership projects selected will go through the same business approval processes as any other projects within the company and have the same level of scrutiny and challenge. Only partnership projects with a clear cost benefit to help meet the company’s business objectives and customer outcomes will be selected.</p> <p>The company can claim individual partnership projects that are part of a broader partnership as long as they are self-contained projects with their own distinct goals and benefits.</p> <p>Once a partnership project has been identified, acceptance of the project will be determined through an appropriate internal governance process. The project scheme must meet the eligibility criteria, and include full details of:</p> <ul style="list-style-type: none"> <li>• partners involved;</li> <li>• total costs of the scheme;</li> <li>• contribution required from the company (financial or otherwise);</li> <li>• timescales for completion;</li> <li>• criteria for determining a successful outcome;</li> <li>• proposed project steering group (including third party members) including relevant skills and qualifications; and</li> <li>• project governance.</li> </ul> <p>The full list of eligibility criteria will be document and agreed in advance of the 2020-21 reporting year and will be published in the company’s Annual Performance Report (APR).</p> <p>Some partnership projects will deliver benefits upon completion. Others may take longer to achieve measurable benefits. In these cases, projects will be considered completed when the project steering group agrees that the substantive benefits of the partnership project have been delivered.</p> <p>The company will maintain documented reports that set out the benefits delivered from each partnership project and how these have been determined.</p>
<p><b>Additional detail on measurement units</b></p>	<p>For the purposes of this performance commitment ‘benefits’ are considered as partnership projects that:</p> <ul style="list-style-type: none"> <li>• enable delivery of a much larger/wider schemes than if the company acts in isolation;</li> <li>• save money, including avoided operational costs;</li> <li>• provide additional benefits such as recreational or biodiversity benefits;</li> <li>• enable access to specialist technical expertise, such as local charities /volunteers;</li> <li>• remove surface water from the company’s network; and</li> </ul>

<b>Unique Reference</b>	<b>PR19YKY_1</b>
	<ul style="list-style-type: none"> <li>with the company's involvement would leverage additional funding (for example by demonstrating match funding for bids).</li> </ul>
<b>Specific exclusions</b>	<p>The following types of project are excluded from the measurement of this performance commitment:</p> <ul style="list-style-type: none"> <li>the company's own research and development activity;</li> <li>business as usual delivery of capital projects by contractors; and</li> <li>repair and maintenance or other framework contracts.</li> <li>Projects that deliver benefits taken into account for the PR19YKY_2 Land conserved and enhanced performance commitment.</li> </ul>
<b>Reporting and assurance</b>	<p>The company will report cumulative progress on an annual basis through its Annual Performance Report setting out if it is on track to achieve the cumulative 2024-25 performance commitment level. Any outperformance payments will be calculated and applied based on the cumulative total in 2024-25.</p> <p>Partnership projects completed on or before the 31 March will be reported in that year.</p> <p>In order to guarantee the range and quality of the partnership projects delivered, each partnership project will only be considered to contribute to the performance commitment once agreed by the Yorkshire Forum for Water Customers. Performance will be measured and reported annually.</p> <p>The company will commission and publish a report at PR24 by an appropriately qualified third party that estimates the additional benefits to customers delivered from the company working with third parties as opposed to what the company would have achieved on its own. It will also set out any learning that would increase the benefits of partnerships in the future.</p>
<b>Measurement unit and decimal places</b>	Number of projects reported to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	<p>Outperformance payments</p> <p>The outperformance payment will not exceed 50% of the additional benefits delivered to customers through partnership working.</p>
<b>Timing of underperformance and outperformance payments</b>	End of period

<b>Unique Reference</b>	<b>PR19YKY_1</b>
<b>Price control allocation</b>	58% water resources 42% wastewater network plus
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	Partnerships and projects may be established to test or trial a concept or technique. If, in the event the test or trail is unsuccessful, the project can still be claimed provided the company can demonstrate that substantive benefits have been delivered.
<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	9	18	27	36	45
<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	NA
Underperformance payment - enhanced	NA
Outperformance payment - standard	5% of average totex spent on partnerships up to a maximum of 50% of the assessed benefits
Outperformance payment - enhanced	NA

### 1.2.2 Land conserved and enhanced

**Purpose:** This performance commitment is designed to incentivise the company to increase the amount of land that is enhanced by its land management and biodiversity activities.

**Benefits:** This performance commitment will increase the diversity, functionality and resilience of ecosystems in the company's region by delivering programmes of work targeted at enhancing the natural environment.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_2
Detailed definition of performance measure	<p>The cumulative area of land conserved and enhanced in the company's region through land management and biodiversity focused projects and investments on land owned, and not owned, by the company in the 2020-25 period.</p> <p>The performance commitment includes the following statutory programmes:</p> <ul style="list-style-type: none"> <li>• Site of Special Scientific Interest (SSSI) programme;</li> <li>• Local Wildlife Sites or similar, programme;</li> <li>• Other schemes benefiting biodiversity (for example, delivering best practice land management schemes); and</li> <li>• 'Beyond Nature' land management.</li> </ul> <p>The performance commitment covers the company's legal obligations and will also deliver additional environmental benefits.</p> <p>The company will define at the outset the area of land to be conserved and enhanced and the required actions.</p>

<b>Unique Reference</b>	<b>PR19YKY_2</b>
	Following delivery of the investment scheme, the company will confirm the scheme has delivered the intended output, or outcome as required. The company must also achieve relevant regulatory sign-off. If all the above criteria are met, the hectares can be claimed for the performance commitment.
<b>Additional detail on measurement units</b>	Where there is no defined hectarage for a project, the area of land claimed will be based on professional judgement of the functional ecosystems benefitting from the intervention and agreed with Natural England and/or the Environment Agency as appropriate. Natural England is the body responsible for determining the condition of the SSSIs and if it does not have resource to complete surveys, in an absence of further information, the company can assume the condition stated at the start of 2020 will be held for the remainder of the 2020-25 period. Where there are amendments to Natural England's Remedies Database, due to a change in designation, the company will assume the designation at the start of 2020 is applicable for the purposes of the performance commitment.
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	Water Industry National Environment Programme (WINEP) driven measures will be overseen by the Environment Agency and/or Natural England and the company must achieve their sign off to achieve completion. For non-WINEP schemes, evidence of delivery will be provided annually, in writing, by an appropriately qualified independent body (Natural England) or another recognised environmental non-government organisation (NGO). Progress will be reported annually through the Annual Performance report. Any outperformance or underperformance payments will be calculated and applied based on the cumulative total in 2024-25.
<b>Measurement unit and decimal places</b>	Number of hectares to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments only for 2024-25
<b>Timing of underperformance and outperformance payments</b>	End of period
<b>Price control allocation</b>	70% water resources

<b>Unique Reference</b>	<b>PR19YKY_2</b>
	30% wastewater network plus
<b>Frequency of reporting</b>	Cumulative progress will be measured annually throughout 2020-2025 on 31 March. The cumulative total on 31 March 2025 will provide the five-year total.
<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>	Hectares	NA	3,048	6,096	9,143	12,191	15,239
<b>Enhanced underperformance collar</b>	Hectares		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Hectares		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Hectares		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Hectares		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Hectares		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Hectares		NA	NA	NA	NA	NA

### Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.001132
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.001132
<b>Outperformance payment - enhanced</b>	NA

### 1.2.3 Integrated catchment management

**Purpose:** This performance commitment is designed to encourage the company to work with stakeholders to develop integrated catchment plans that deliver multiple benefits to the natural, social and human environment.

**Benefits:** Achievement of the performance commitment target will enhance environmental water quality, flood management, carbon management, biodiversity as well human aspects such as recreation, health and wellbeing.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_3
<p><b>Detailed definition of performance measure</b></p>	<p>The cumulative percentage of catchments in which Yorkshire Water operates where, working with stakeholders, the company implements the ‘Natural Capital Operator’ approach in the 2020-25 period.</p> <p>Implementation of the approach requires that a Natural Capital Operator based management plan is formally developed, agreed, and relevant actions implemented.</p> <p>The Natural Capital Operator Model is a model where a Systems Operator provides a central oversight and management function, to both ensure optimal and sustainable use and management of natural capital, and to coordinate investment and management decisions. For each catchment, an independently reviewed Natural Capital Operator management plan will be developed, consulted upon, and agreed with stakeholders including Natural England, the Environment Agency, the relevant Catchment Based Approach (CaBA) partnership, Local Nature Partnership, the Yorkshire Water Biodiversity Advisory Panel; and external regional stakeholders, such as Wildlife and Rivers Trusts.</p> <p>The company will establish a catchment specific stakeholder steering group to deliver the catchment management plan, which will demonstrate:</p> <ul style="list-style-type: none"> <li>• evidence of current, past and anticipated future performance;</li> <li>• stakeholder needs from the natural capital and the ecosystem services, with a focus on aspects most relevant to the water consumer; and</li> <li>• required actions, investments and future management plans needed to restore and protect the natural capital.</li> </ul>

Unique Reference	PR19YKY_3
	<p>The stakeholder group will work to implement the Natural Capital Operator model and agree the sustainable use and management of the natural assets in the catchment.</p> <p>Catchments will be selected based on where the company can demonstrate that:</p> <ul style="list-style-type: none"> <li>• it has an operational presence within the catchment (for example, water abstraction or wastewater processing);</li> <li>• there will be a clear benefit for customers by implementing this process; and</li> <li>• there is adequate opportunity to gather the required information to drive change.</li> </ul>
<p><b>Additional detail on measurement units</b></p>	<p>For each catchment where the company develops a Natural Capital Operator plan, it will produce the following items.</p> <ul style="list-style-type: none"> <li>• A multi-stakeholder catchment management plan to sustainably manage and grow the benefits its customers take from the Natural, Social and Human Capitals identified. This will incorporate an investment plan for the catchment, which will be used to inform the future investment proposals or justify work with other parties to deliver similar or greater outcomes at a reduced cost.</li> <li>• A list of specific actions to be implemented during the 2020-25 period and a list of remaining actions for future reporting periods.</li> <li>• An engagement strategy and communications plan.</li> <li>• An interactive, publicly accessible geographic information system (GIS) map, detailing evidence collated, relevant six capitals stocks, internal and external stakeholder pressures, and investment areas.</li> <li>• Reports on the outcomes for customers.</li> </ul> <p>The relevant Water Framework Directive operational catchment will be used as the spatial boundary for the plan. If plans are developed for adjacent operational catchments independently, they will be considered as two catchment plans. If plans for a single operational catchment include a section of an adjacent operational catchment, then it will be considered a single catchment plan. For example, if Catchment A lies upstream of Catchment B and the company has a river abstraction at the upstream end of Catchment B, it will focus on water quality improvements in Catchment A and the upper end of Catchment B under a single plan).</p>

<b>Unique Reference</b>	<b>PR19YKY_3</b>
	<p><b>Further relevant definitions</b></p> <p>‘Catchments’ are defined as The Water Framework Directive Operational Catchment as defined by the Environment Agency through the River Basin Management Plan process. For the purpose of this programme, catchments are constrained to the operational catchments in which Yorkshire Water operates and has a dominant presence. It includes the 39 operational catchments present across Yorkshire (within the Derwent Humber (4), Hull and East Riding (6), Esk and Coast (3), Swale Ure Nidd and Ouse (10), Wharfe &amp; Lower Ouse (4), Aire and Calder (7) and Don and Rother (5)).</p> <p>‘Catchment management’ is defined as the cost-effective practical delivery of on the ground interventions, resulting in multiple benefits including improvements to water quality, enhanced biodiversity, reduced flood risk, resilience to climate change and greater community engagement with their local river.</p>
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	<p>The company will agree any actions required to implement the plan with the stakeholder steering group, and implementation will only be claimed once sign off by the Yorkshire Forum for Water Customers’ Environment sub group, is received.</p> <p>The company will also share learning from the approach with stakeholders, such as the Department for Rural Affairs and the Environment (Defra), the Environment Agency and the Natural Capital Committee.</p>
<b>Measurement unit and decimal places</b>	Percentage of catchments 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>	Cumulative progress will be measured annually throughout 2020-2025 on 31 March and reported in the Annual Performance Report. The cumulative total on 31 March 2025 will provide the five-year total.

<b>Unique Reference</b>	<b>PR19YKY_3</b>
<b>Any other relevant information</b>	<p>The company will report publicly on outcomes for customers covering:</p> <ul style="list-style-type: none"> <li>• the increase in value achieved;</li> <li>• the number of stakeholder engagement interactions; and</li> <li>• the number of enhancements as a result of a program and area of land with schemes (noted in both hectares and as a percentage improvement).</li> </ul>
<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	1.5	3.1	4.6	6.2	7.7
<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

### 1.2.4 Length of river improved

**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 and 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	PR19YKY_4
Detailed definition of performance measure	<p>The cumulative length of river improved as a consequence of regulatory and legislative drivers in the 2020-25 period. Regulatory and legislative drivers in the performance commitment include:</p> <ul style="list-style-type: none"> <li>• Water Framework Directive (WFD);</li> <li>• Natural Environment and Rural Communities (NERC) Act;</li> <li>• Urban Wastewater Treatment Directive (UWWTD); and</li> <li>• Salmon Five Point Approach.</li> </ul> <p>Length of river improvements will be determined through a number of processes depending on whether the improvement is a result of clean water or wastewater obligations.</p>
Additional detail on measurement units	<p>The performance commitment level is related to the obligations contained within the WINEP and is limited to those schemes with Green status as at 1 April 2019, which designates they are confirmed.</p> <p>The company is aiming for improvements in river water quality that are measured to a minimum change (Table 1). These thresholds are selected based on the accuracy and</p>

Unique Reference	PR19YKY_4								
	<p>resolution of the models, and on the ability to detect and measure changes reliably.</p> <p><b>Table 1: Minimum change in water quality required to include the length of river as improved.</b></p> <table border="1" data-bbox="576 528 1390 768"> <thead> <tr> <th data-bbox="576 528 983 622">Determinant</th> <th data-bbox="983 528 1390 622">Minimum change required (mg/l)</th> </tr> </thead> <tbody> <tr> <td data-bbox="576 622 983 674">Phosphorous</td> <td data-bbox="983 622 1390 674">0.02</td> </tr> <tr> <td data-bbox="576 674 983 725">Ammonia</td> <td data-bbox="983 674 1390 725">0.02</td> </tr> <tr> <td data-bbox="576 725 983 768">Biochemical Oxygen Demand</td> <td data-bbox="983 725 1390 768">0.2</td> </tr> </tbody> </table> <p><b>Wastewater</b></p> <p>The process for defining the wastewater length of river improved is:</p> <ol style="list-style-type: none"> <li>1. Calculation of river length improved             <ol style="list-style-type: none"> <li>a. For wastewater the length is calculated according to the company models and based on comparison between the baseline and the run that identified the required scheme and the model needs to indicate the minimum improvement will be delivered for at least one of the determinants. The Environment Agency must agree with the improvements being delivered.</li> <li>b. If the delivery of a wastewater scheme materially changes the original assumptions (for example transfer of flows or change in discharge point) then the models will be re-run to ascertain the impact on river length. The delivery of a wastewater scheme could materially change as a result of agreement with the Environment Agency. For water the length is calculated by the Environment Agency.</li> </ol> </li> <li>2. Each length can only be counted once.</li> <li>3. The length can only be counted once the Environment Agency has agreed all schemes to achieve the improvement have been delivered and each scheme meets the requirements.</li> </ol>	Determinant	Minimum change required (mg/l)	Phosphorous	0.02	Ammonia	0.02	Biochemical Oxygen Demand	0.2
Determinant	Minimum change required (mg/l)								
Phosphorous	0.02								
Ammonia	0.02								
Biochemical Oxygen Demand	0.2								
<b>Specific exclusions</b>	The performance commitment excludes kilometres of river improved outside of the company's region.								

<b>Unique Reference</b>	<b>PR19YKY_4</b>
	<p>The performance commitment excludes schemes that were uncertain and had an amber status on 1 April 2019.</p> <p><b>Wastewater</b></p> <p>Modelled river lengths for wastewater schemes are based on the models that exist at the start of the investment. Any subsequent changes to models will not change the river length attributable to the scheme, unless delivery of a wastewater scheme materially changes the original assumptions as set out above.</p> <p><b>Clean water</b></p> <p>For the identification of clean water fish passage schemes, river tributaries too small to be displayed on a 1:50,000 map and tributaries upstream of identified natural barriers (for example waterfalls) are excluded.</p>
<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>	Kilometres of river to two decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance payment
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	4% water resources 96% 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	17.29	55.96	73.26	92.65	113.28
<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>	-0.0827
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

## 1.2.5 Biosecurity implementation

**Purpose:** This performance commitment is designed to incentivise the company to reduce the risk of spreading invasive species and pathogens.

**Benefits:** This performance commitment will help to protect and improve the natural environment by preventing the spread of Invasive Non-Native Species (INNS) and relevant pathogens.

### Performance commitment definition and parameters

Unique Reference	PR19YKY_5
<p><b>Detailed definition of performance measure</b></p>	<p>The cumulative number of pathways of invasive species spread, where company biosecurity interventions have reduced the risk of that spread in the 2020-25 period.</p> <p>Biosecurity encompasses reasonable and practicable measures to prevent the spread of harmful organisms, such as plants, animals, fungi or pathogens. The company will implement biosecurity measures through pathway management plans.</p> <p>Emphasis will be placed on species listed on the Invasive Species Regulations (EU regulation No. 1143/2014) and Schedule 9 of the Wildlife and Countryside Act 1981 (as amended).</p> <p>The Pathway Management Plan will detail the interventions required to implement an appropriate level of biosecurity across a specified pathway of spread. The plan will:</p> <ul style="list-style-type: none"> <li>• show the required interventions,</li> <li>• list sites where implementation is required, and</li> <li>• specify success criteria.</li> </ul> <p>The Pathway Management Plan can only be considered completed once all action points have been implemented.</p>
<p><b>Additional detail on measurement units</b></p>	<p>The development of the Pathway Management Plans will be based on guidance from the GB Non-Native Species Secretariat (GBNNSS) 'Zoos Pathway Action Plan'.</p> <p>To confirm that biosecurity has reduced the risk of spread of INNS via a pathway, the following process will be followed:</p> <ol style="list-style-type: none"> <li>1. Each Pathway Management Plan will have specified success measures against each action point which will be independently reviewed and agreed with the Environment Agency.</li> <li>2. The Pathway Management Plan can only be considered completed once all action points have been implemented and signed off by the relevant regulators and a competent third party assurer.</li> <li>3. In addition to the success measure, there will be an evaluation of the engagement, learning and behavioural change across the business, which can be used to</li> </ol>

<b>Unique Reference</b>	<b>PR19YKY_5</b>
	inform future policies across various sectors of the organisation.
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	Each Pathway Management Plan will have specified success measures against each action point which will be independently reviewed and agreed with the Environment Agency. Cumulative progress will be measured annually throughout 2020-2025 on 31 March and reported in the Annual Performance Report. The cumulative total on 31 March 2025 will represent the five-year total.
<b>Measurement unit and decimal places</b>	Number of pathways to zero 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>Any other relevant information</b>	None
<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>	Number	NA	2	4	7	9	12
<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>	NA
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

## 1.2.6 Operational Carbon

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

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

### Performance commitment definition and parameters

Unique Reference	PR19YKY_6a
Detailed definition of performance measure	<p>The percentage reduction in real terms of gross operational carbon equivalent emissions from a 2019-20 baseline.</p> <p>The scope of the measure includes any greenhouse gas emissions emitted due to the operational activities, such as but not limited to grid electricity consumption, fuel consumption, and process emissions from sludge, wastewater and water treatment.</p> <p>As the measure tracks reductions in gross operational emissions, renewable energy generation export offsets will not be included in the measurement.</p> <p>Operational emissions will be included for Yorkshire Water and the residential retail proportion of its customer service sister company Loop.</p>
Additional detail on measurement units	<p>Operational carbon is calculated through the UK Water Industry Research Ltd (UKWIR) Carbon Accounting Workbook and reported in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) emissions. The measure will report the percentage change in operational carbon emissions in each reporting year against the 2019-20 baseline emissions. The company will use 2019-20 baseline grid emissions factor for reporting each year in the period 2020-25 so performance reflect actions taken by the company itself.</p>
Specific exclusions	None
Reporting and assurance	<p>The company will provide external third party assurance that all data relating to operational greenhouse gas emissions is compliant with the international carbon reporting standard (ISO 14064, Part 1) and assured following an audit by the Certified Emissions Measurement and Reduction Scheme (CEMARS). This includes the 2019-20 baseline.</p>

<b>Unique Reference</b>	<b>PR19YKY_6a</b>
	The company will also report this measure in absolute terms, using both a 2019-20 baseline grid emissions factor and the actual year grid emissions factor, to provide transparency on reductions achieved through their own activities and those through national grid decarbonisation.
<b>Measurement unit and decimal places</b>	Percentage reduction to one decimal place
<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>	9% water resources 12% water network plus 24% wastewater network plus 55% bioresources
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	<a href="#">.International Carbon Reporting Standard.</a> <a href="#">.CEMARS.</a> <a href="#">.UKWIR Carbon Accounting Workbook.</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	2.4	4.8	7.2	9.6	12.0
<b>Enhanced underperformance collar</b>	%		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	%		-2.0	-2.0	-2.0	-2.0	-2.0
<b>Underperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	%		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	%		5.0	10.0	15.0	20.0	25.0
<b>Enhanced outperformance cap</b>	%		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
<b>Underperformance payment - standard</b>	-0.236
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.236
<b>Outperformance payment - enhanced</b>	NA

## 1.2.7 Capital Carbon and carbon arising from owned land

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

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

### Performance commitment definition and parameters

Unique Reference	PR19YKY_6b
<b>Detailed definition of performance measure</b>	<p>Percentage reduction in capital carbon emissions from the delivery of the company’s capital investment programme and carbon emissions arising from land the company owns. The measure will cover two areas of the company’s carbon footprint:</p> <ol style="list-style-type: none"> <li>1. 2020-25 business plan emissions – the carbon that results from the company’s investments to maintain and enhance its water and waste water assets.</li> <li>2. Land emissions – the net balance of the carbon emissions that are sequestered (meaning absorbed and locked away) in the company’s land or released from its land.</li> </ol>
<b>Additional detail on measurement units</b>	<p>The measure will calculate the % difference between the expected capital carbon and land emissions compared to a carbon baseline for these components of 947ktCO<sub>2</sub>e.</p> <p>For embedded emissions, the company will include the emissions on every 2020-25 asset management investment that has reached project completion stage in the five year period. It will also include emissions relating to schemes that continue between the 2015-20 period and the 2020-25 period (‘overhand’ schemes). The company will only include emissions reductions resulting from changes in activities and materials it drives itself and not those from changes in emissions factors databases or libraries.</p> <p>Change in the net emissions locked in (or released from) our land will be estimated through remote surveying and estimations rather than direct, on-site measurement. The process and calculations will externally audited to ensure a best practice methodology, and findings of the audit will be shared with the Yorkshire Forum for Water Customers. The measuring of carbon sequestered from the company’s land holdings we are will be focused on the carbon in the land</p>

<b>Unique Reference</b>	<b>PR19YKY_6b</b>
	and associated vegetation rather than human activities on this land.
<b>Specific exclusions</b>	The company will exclude human activities on land the company owns, such as a farmer's property and use of fuels in their vehicles and equipment.
<b>Reporting and assurance</b>	<p>The company will report at both PR24 and following 31 March 2025 reductions in emissions using both:</p> <ul style="list-style-type: none"> <li>• government forecast grid emissions factors for the 2020-25 period; and</li> <li>• a baseline grid emissions factor from 2019-20.</li> </ul> <p>The company will provide external third party assurance including that all data collection relating to greenhouse gas emissions is compliant with the international carbon reporting standard (ISO 14064, Part 1) and assured following an audit by the Certified Emissions Measurement and Reduction Scheme (CEMARS).</p>
<b>Measurement unit and decimal places</b>	Percentage reduction to one decimal place
<b>Measurement timing</b>	Five year period
<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>Links to relevant external documents</b>	<a href="#">International Carbon Reporting Standard</a> . <a href="#">CEMARS</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	NA	NA	NA	NA	23.0
<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)
<b>Underperformance payment - standard</b>	NA
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

## 1.2.8 Education

**Purpose:** This performance commitment is designed to incentivise the company to raise understanding of the value of water and proper use of the wastewater system.

**Benefits:** Increasing the understanding of its customers will ultimately encourage behaviour change and lead to a decrease in the amount of sewer misuse and an increase in the amount of potable water saved.

### Performance commitment definition and parameters

<b>Unique Reference</b>	<b>PR19YKY_7</b>
<b>Detailed definition of performance measure</b>	<p>The number of learning hours that Yorkshire Water provides to raise understanding of the value of water.</p> <p>Education activity will be delivered through a combination of lessons, workshops, talks and school assemblies. The content will focus on raising awareness of the value of water, understanding water/wastewater treatment processes, and educating about how customers can use water and sewerage systems wisely.</p> <p>The education programme will include regional and community-targeted campaigns as well as more detailed and practical education at the company's specialist centres. Customers receiving education will include children (all ages), special interest adult groups as well as the wider customer base.</p>
<b>Additional detail on measurement units</b>	<p>The company will measure the total number of hours delivered through face-to-face educational visits and programmes. The total number of hours of education will be calculated from the total number of people directly engaged with, multiplied by the hours of engagement, for each visit or programme. This will be measured to the nearest hour.</p> <p>In order to count towards learning hours achieved, each individual will provide feedback to the company where they are encouraged to provide information on how useful the session was and how likely they are to change their behaviour as a result.</p>
<b>Specific exclusions</b>	<p>Attendance numbers are achieved on the basis that all sessions are completed. In the event of short notice cancellations outside of the company's control due to bad weather incidents, OFSTED visit notifications, teacher shortages or operational incidents, the educational hours scheduled will not be counted.</p>

<b>Unique Reference</b>	<b>PR19YKY_7</b>
<b>Reporting and assurance</b>	<p>The company's learning centres will hold and retain the Learning Outside the Classroom Quality (LOtC) badge, a nationally recognised indicator of good quality education.</p> <p>The company should record the results of feedback provided from participants and consider how it can utilise any qualitative and quantitative data to establish if the programme is meeting the required objectives and if the impact of the activities can be assessed. This monitoring will help the company make informed decisions about continuous improvement.</p> <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 other ways to share learning with other companies and wider stakeholders.</p>
<b>Measurement unit and decimal places</b>	Number of hours 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>	36% water resources 26% water network plus 24% wastewater network plus 14% bioresources
<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>	Hours	NA	20,000	20,000	20,000	20,000	20,000
<b>Enhanced underperformance collar</b>	Hours		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Hours		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Hours		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Hours		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Hours		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Hours		NA	NA	NA	NA	NA

**Incentive rates**

<b>Incentive type</b>	<b>Incentive rate (£m/unit)</b>
<b>Underperformance payment - standard</b>	-0.000002
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

## 1.2.9 Creating value from waste

**Purpose:** This performance commitment incentivises the company to maximise the value from materials it currently classifies as waste.

**Benefits:** This performance commitment protects the environment through reducing unnecessary disposal of potentially valuable materials into the environment. The performance commitment also reduces the costs of waste disposal.

### Performance commitment definition and parameters

Unique Reference	PR19YKY_8
<p><b>Detailed definition of performance measure</b></p>	<p>The cumulative additional environmental, social and financial benefit, monetised (£), the company creates from resources currently under-used or classified as waste in the 2020-25 period.</p> <p>The company will increase the value realised from resource streams that currently exist in their business, the wastes included within this performance commitment are:</p> <ul style="list-style-type: none"> <li>• Grit and screenings - these enter and accumulate in the sewer network or arrive and accumulate at the wastewater treatment works (tonnes).</li> <li>• Fats, oils and greases (FOG) - these enter and accumulate in the sewer network or arrive and accumulate at the wastewater treatment works (tonnes).</li> <li>• Water and wastewater sludges (including potential calorific, mineral and nutrient value) - these are produced through the water and wastewater treatment processes. There are also sludge lagoons, a legacy of historic operational practices (tonnes).</li> <li>• Heat lost to the natural environment - from sewage and from water and wastewater treatment plants, including energy generation assets (kWh).</li> <li>• Construction, repair and maintenance waste - these activities produce a range of under-used materials including, for example, excavation materials and redundant kit from sites (tonnes).</li> <li>• Land - this includes areas of operational sites that are not currently needed, or not expected to be needed in the foreseeable future, for operational purposes (hectares). It also includes company catchment land where further value can be taken by increasing recreation and environmental improvements.</li> </ul>

<b>Unique Reference</b>	<b>PR19YKY_8</b>
	The benefits will be quantified in terms of the six capitals value created: natural, social, financial, intellectual, human and manufactured.
<b>Additional detail on measurement units</b>	<p>The net economic value created by implementing approaches that improve resource use. As each resource is measured in different units, these are translated into a monetary benefit (£), and the value is derived from:</p> <ul style="list-style-type: none"> <li>• cost savings from avoided landfill, transportation or re-processing;</li> <li>• income from sale of resources; and</li> <li>• avoided cost from resource re-use which replaces the purchase of virgin materials, including energy costs avoided from saving Kilowatt hours (kWh).</li> </ul> <p>This will be a net measure, accounting for any costs necessary in delivering the efficiency improvements. This will be measured to the nearest £ million.</p> <p>The economic monetary value may relate to financial, manufactured, natural, human, intellectual, and/or social capital (the six capitals approach) as set out by the International Integrated Reporting Council.</p> <p>The company's methodology and results are subject to external audit and agreement by the Yorkshire Forum for Water Customers.</p>
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	No further requirements.
<b>Measurement unit and decimal places</b>	Millions of pounds to zero 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>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	<a href="http://integratedreporting.org">http://integratedreporting.org</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>	£m	NA	13	26	39	52	65
<b>Enhanced underperformance collar</b>	£m		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	£m		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	£m		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	£m		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	£m		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	£m		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 recycling

**Purpose:** This performance commitment is designed to incentive the company to make more use of the resources it already has through recycling.

**Benefits:** This performance commitment will increase the volume of water recycled by the company and reduce the volume of water abstracted from the environment.

### Performance commitment definition and parameters

<b>Unique Reference</b>	PR19YKY_9
<b>Detailed definition of performance measure</b>	The volume of water recycled in the company's clean and wastewater treatment sites, reducing the volume of water abstracted from the environment.
<b>Additional detail on measurement units</b>	<p>This performance commitment covers:</p> <ul style="list-style-type: none"> <li>the re-use of process water in the company's clean and wastewater treatment sites; and</li> <li>the use of final effluent from the company's wastewater treatment sites for commercial applications.</li> </ul> <p>Each site for which a recycled water volume is claimed is to be itemised individually and the volume evidenced with measured data.</p> <p>The performance commitment will only apply to positive changes made by the company from 1 April 2020.</p>
<b>Specific exclusions</b>	NA
<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>	Megalitres per day (Ml/d) 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>	32% water network plus

<b>Unique Reference</b>	<b>PR19YKY_9</b>
	68% 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>	MI/d	NA	0.00	2.77	5.79	6.04	6.29
<b>Enhanced underperformance collar</b>	MI/d		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	MI/d		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	MI/d		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	MI/d		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	MI/d		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	MI/d		NA	NA	NA	NA	NA

### Incentive rates

<b>Incentive type</b>	<b>Incentive rate (£m/unit)</b>
<b>Underperformance payment - standard</b>	-0.0147
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.0147
<b>Outperformance payment - enhanced</b>	NA

### 1.2.11 Affordability of bills

**Purpose:** This performance commitment incentivises the company to make bills affordable to customers.

**Benefits:** This performance commitment increases the affordability of bills by incentivising the company to keep customers' bills as low as possible.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_11
Detailed definition of performance measure	<p>The percentage of customers who respond positively to the question, "How much do you agree or disagree that the water and sewerage charges that you pay for are affordable to you?"</p> <p>The possible responses will be:</p> <ul style="list-style-type: none"> <li>• strongly agree</li> <li>• tend to agree</li> <li>• neither agree nor disagree</li> <li>• tend to disagree</li> <li>• strongly disagree</li> <li>• don't know</li> </ul> <p>'Strongly agree' and 'tend to agree' will be considered positive responses.</p> <p>The number of positive responses will be expressed as a percentage of overall responses.</p> <p>The question is asked in a Consumer Council for Water (CCWater) annual survey known as Water Matters.</p> <p>The commitment will be measured annually and reported after the reporting year when results are published by CCWater. This is normally in June or July.</p>
Additional detail on measurement units	NA
Specific exclusions	None
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Percentage of customers to zero decimal places
Measurement timing	Reporting year
Incentive form	Reputational
Incentive type	NA
Timing of underperformance and	NA

<b>Unique Reference</b>	<b>PR19YKY_11</b>
<b>outperformance payments</b>	
<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>	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	81	82	83	84	85
<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

### 1.2.12 Direct support given to customers

**Purpose:** The purpose of this performance commitment is to incentivise the company to promote financial assistance to customers, who are struggling to pay their water bill, through one of the company's support tariffs.

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

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_12
Detailed definition of performance measure	<p>The number of residential customers who receive financial support through one of the company's approved schemes each year.</p> <p>Any residential customer registered for financial support for any duration will be included in the total. This includes customers who are no longer customers, for example, people who registered for the scheme during the reporting year but who have subsequently moved home outside the region during the reporting year.</p> <p>The schemes promoted by the company, or those operated and promoted via partner agencies are:</p> <ul style="list-style-type: none"> <li>• Watersure;</li> <li>• WaterSupport;</li> <li>• Temporary Help;</li> <li>• Resolve;</li> <li>• Community Trust;</li> <li>• Fresh Start; and</li> <li>• Domestic meter option for those in debt.</li> </ul>

<b>Unique Reference</b>	<b>PR19YKY_12</b>
	<p>If a customer receives financial support under more than one of the valid schemes during the reporting period, they will be counted as a single customer receiving support.</p> <p>The total number of customers will be measured annually, at the end of the reporting year, on 31 March.</p>
<b>Additional detail on measurement units</b>	NA
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	The company is required to put in place external audit by an appropriately qualified third party on an annual basis and to publish the results.
<b>Measurement unit and decimal places</b>	Number of customers to zero 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>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	58,000	69,000	75,000	79,000	83,000
<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>	NA
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

### 1.2.13 Cost of bad debt

**Purpose:** This performance commitment is designed to incentivise the company to reduce the proportion of the customer’s bill that results from bad debt within the region.

**Benefits:** This performance commitment will reduce the proportion of customer’s bill that results from bad debt, helping lower bills for all customers.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_13
<b>Detailed definition of performance measure</b>	<p>The cost of unrecovered residential customers bills ('bad debt') to all customers, expressed as a proportion of the average annual bill.</p> <p>This performance commitment relates to the percentage of residential customers' bills that results from bad debt. The commitment measures the cost of interest on revenues not collected, debt written off and debt management costs incurred, expressed as a percentage of the average annual water and sewerage bill for residential customers.</p> <p>Relevant definitions:</p> <p><b>Cost of interest</b> The monetary value derived from the interest weighted cost of capital of the residential revenue uncollected during the report year.</p> <p><b>Revenue outstanding</b> The uncollected charges billed to customers during the report year.</p> <p><b>Debt management costs</b> The operational expenditure associated with debt collection related activity.</p>
<b>Additional detail on measurement units</b>	<p>This will be calculated as <math>A + B + C = D</math>, where:</p> <p>A = annual cost of interest on residential revenue outstanding, divided by number of residential customers.</p> <p>B = annual residential revenue written off, divided by number of residential customers.</p> <p>C = annual residential debt management costs, divided by number of residential customers.</p> <p>D = annual cost of residential debt per property (expressed as a percentage of the average residential annual bill).</p> <p>Cost will be measured in pound sterling.</p>
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	No specific requirements

<b>Unique Reference</b>	<b>PR19YKY_13</b>
<b>Measurement unit and decimal places</b>	Percentage of the average annual residential bill, measured 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>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>	%	NA	2.79	2.79	2.79	2.79	2.79
<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

		Company forecast	Committed performance level				
	Unit	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<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

### 1.2.14 Priority services awareness

**Purpose:** This performance commitment incentivises the company to increase awareness of the Priority Services Register.

**Benefits:** This performance commitment increases the number of vulnerable customers who understand the benefits of the Priority Services Register.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_14
<b>Detailed definition of performance measure</b>	<p>The percentage of household customers who state, when questioned, that they are aware of the additional services offered by the Priority Services Register (PSR). The PSR is a water and energy industry term for free services provided to customers in vulnerable circumstances. The company considers that a customer is vulnerable when circumstances, temporary or permanent, impede their ability to access or benefit from its services. This is typically due to their physical or mental health, life stage, language or financial situation.</p> <p>Services within the PSR include:</p> <ul style="list-style-type: none"> <li>• braille bills;</li> <li>• braille information;</li> <li>• card warnings;</li> </ul>

Unique Reference	PR19YKY_14
	<ul style="list-style-type: none"> <li>• CD bills;</li> <li>• priority supply connection;</li> <li>• home dialysis;</li> <li>• large print bills;</li> <li>• large print information;</li> <li>• delivery of bottled water in a water supply incident;</li> <li>• nominated person to handle the customer’s account;</li> <li>• password on accounts;</li> <li>• meter readings;</li> <li>• talking bill;</li> <li>• text telephone contact; and</li> <li>• visit in person.</li> </ul> <p>Awareness will be measured through a Consumer Council for Water (CCWater) commissioned survey. The Water Matters survey covers household water bill payers in England and Wales. The respondents are responsible, either solely or jointly, for paying their household’s water bill.</p> <p>The sample is structured according to the Office of National Statistics (ONS) Census Data, 2011. Quotas are set for each water company, based on gender, age and socio economic classification within the relevant census region for each water company. The age groups used in the analysis of the survey data reflect the revised 2011 census data bandings. The age band quotas were adjusted to represent not just the area make up but the percentage responsible for paying bills.</p> <p>The survey is telephone based and is comprised of a random sample of households across England and Wales. The approach taken ensures quotas are met, particularly for harder to reach groups.</p>
<b>Additional detail on measurement units</b>	NA
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	The survey will be published annually by CCWater.
<b>Measurement unit and decimal places</b>	Percentage of customers to zero decimal places
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Reputational
<b>Incentive type</b>	NA

<b>Unique Reference</b>	<b>PR19YKY_14</b>
<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>	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	50	54	58	62	65
<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

### 1.2.15 Priority services satisfaction

**Purpose:** This performance commitment incentivises the company to improve customers' satisfaction with the Priority Services Register.

**Benefits:** This performance commitment improves the company's understanding of what vulnerable customers need by incentivising the company to increase customer satisfaction.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_15
Detailed definition of performance measure	<p>The percentage of residential customers on the Priority Services Register who are satisfied with their experience of the Priority Services Register.</p> <p>This is taken to be the percentage of residential customers on the Priority Service Register who, when questioned, agree that they are satisfied with the Priority Service Register.</p> <p>The commitment will be measured monthly through a customer survey. The monthly responses will be totalled annually on the 31 March.</p> <p>At the end of the reporting year the company will calculate the percentage of respondents who responded positively to the question, "How much do you agree with the following statement? I am satisfied with my experience of the Priority Service Register?"</p> <p>The possible responses will be:</p> <ul style="list-style-type: none"> <li>• strongly agree;</li> <li>• somewhat agree;</li> <li>• neither agree nor disagree;</li> <li>• somewhat disagree; and</li> <li>• strongly disagree.</li> </ul> <p>'Strongly agree' and 'somewhat agree' will be considered positive responses.</p>

<b>Unique Reference</b>	<b>PR19YKY_15</b>
	<p>The question will be asked to a minimum of 600 customers annually, as part of a monthly customer survey. The sample size should be selected to give a reasonable statistical significance for the purpose of the performance commitment. The survey will include a representative sample of customers who are registered for each of the services the company offers.</p> <p>Participation in the survey will be optional for selected respondents.</p> <p>The survey will be administered by telephone, unless additional accessibility options are required under the Priority Services Register requirements.</p> <p>The survey questionnaire will only include those customers who have been registered on the Priority Service Register within the reporting year.</p> <p>The survey will be performed by an external third-party research agency with a Market Research code of conduct qualification or equivalent.</p>
<b>Additional detail on measurement units</b>	NA
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Percentage of respondents giving a positive response to zero 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>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	82	84	88	92	95
<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>	NA
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

## 1.2.16 Inclusive customer service

**Purpose:** This performance commitment measures the improvement in service to vulnerable customers. This helps ensure that the company delivers a service tailored and personalised to individual customers’ needs.

**Benefits:** This performance commitment will improve the quality of service delivered specifically to vulnerable customers. The performance commitment will provide an objective and independent view of the quality of services since it is assessed by external third parties.

### Performance commitment definition and parameters

Unique Reference	PR19YKY_16
<p><b>Detailed definition of performance measure</b></p>	<p>The improvement in the services provided to customers in circumstances that make them vulnerable, specifically those on the company’s Priority Services Register (PSR).</p> <p>The performance commitment will be reviewed and assessed by an independent panel of third-party organisations and charities. There will also be in place an external assurance provider to quality assure the entire process, including all material provided to undertake the review, and will extend to providing the panel members with support with assessing, reviewing and evaluating the company’s performance. The review will cover three criteria:</p> <ul style="list-style-type: none"> <li>• the accessibility of service provision;</li> <li>• the types of services provided; and</li> <li>• the effectiveness of services provided.</li> </ul> <p>Each of the three criteria will be scored by individual organisations based on a scale of one to five (one=low competence, little evidence of performance; five=highly competent, strong evidence of performance).</p> <p>A ‘criterion average score’ (total score for each criterion divided by the number of organisations) will be obtained from the results.</p> <p>The overall score will be the average score across all criteria (i.e. the sum of all the scores divided by the number of scores).</p> <p>The panel will conduct the formal review annually, with a final review undertaken in 2025 for the purpose of measuring against the performance commitment. The charities and organisations to be chosen will be based on the following criteria:</p> <ul style="list-style-type: none"> <li>• representatives of those areas where the company has low uptake on the PSR;</li> </ul>

<b>Unique Reference</b>	<b>PR19YKY_16</b>
	<ul style="list-style-type: none"> <li>those that reflect PSR groups where the company's customer awareness and satisfaction is lowest (obtained from internal PSR awareness figures and satisfaction of the PSR data); and</li> <li>those that reflect significant sized groups in the company's area which it has had less engagement with.</li> </ul> <p>The company will not run the panel as a forum group, instead each representative organisation will be provided with evidence and material and will conduct the review independently.</p> <p>Where applicable, the panel membership will be varied each year in order to ensure any areas that may be under-represented can be addressed in following years and to explore different expert opinions.</p>
<b>Additional detail on measurement units</b>	<p>The company will shadow report until the 2020-25 period to establish the current position. The target is a 20% improvement on this baseline position. The company should inform Ofwat of the baseline position as soon as possible after 1 April 2020 and publish the baseline in its July 2020 Annual Performance Report.</p> <p>Performance will be measured as the percentage improvement. This will be calculated as the percentage change in score from the score obtained in 2019-20 to the score obtained in 2024-25. If the score were to increase by one point, this is the equivalent of a 20% improvement.</p> <p>The score is determined through the annual assessment by the panel.</p>
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	<p>The Yorkshire Forum for Water customers will be involved in the panel selection as well as having a member themselves on the panel. The Forum and the affordability and vulnerability sub-group will be consulted on the ultimate design and methodology for this performance commitment for any areas still in development.</p> <p>The company will use an external assurance provider with appropriate prior experience to quality assure the entire process, including all material provided to undertake the review. This will also include providing the panel members with support when assessing, reviewing and evaluating company performance.</p> <p>The company will publish each criterion score for transparency purposes.</p>
<b>Measurement unit and decimal places</b>	Percentage improvement to zero decimal places
<b>Measurement timing</b>	Reporting year

<b>Unique Reference</b>	<b>PR19YKY_16</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>	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	4	8	12	16	20
<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

### 1.2.17 Gap sites

**Purpose:** This performance commitment is designed to decrease the amount of time between household gap sites being identified and being billed to less than 12 months.

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

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_17
Detailed definition of performance measure	<p>The number of gap sites identified and added to the billing system within 12 months of identification as a percent of the number of gap sites identified and added to the billing system within 12 months of identification plus the number of gap sites that have been identified and have not been billed within 12 months.</p> <p>Therefore, the metric is the sum of:  <math>A \div (A + B + C)</math></p> <p>Where:  A= All gap sites brought into billing within 12 months of identification within the reporting period  B = All gap sites brought into billing more than 12 months after identification  C = All gap sites that are identified but remain unbilled after 12 months</p> <p>Gap sites identified less than 12 months before the reporting year end but not billed at the end of the reporting</p>

<b>Unique Reference</b>	<b>PR19YKY_17</b>
	<p>period are not counted in the performance data for that year.</p> <p>The number of gap sites that have been identified and remain unbilled after 12 months includes any gap sites identified in preceding years which have not yet been added to the billing system (including those identified after 31 March 2019).</p> <p>Gap sites will be identified if brought to the attention of the company through external means such as customer contacts or by identification internally by the company such as through assessment of billing data and other external data sources.</p> <p>A gap site is defined as a property connected for water services that is not known to the company and therefore not billed. The performance commitment will be expressed as the number of residential gap sites brought into charge.</p>
<b>Additional detail on measurement units</b>	None
<b>Specific exclusions</b>	<p>Excludes new or existing connections raised by developers through established new connections processes.</p> <p>Excludes non-household properties.</p> <p>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.</p>
<b>Reporting and assurance</b>	<p>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 both gap sites and newly built properties. The company must also report the number of gap sites which become voids and the number of gaps sites which are billed in order to recognise the contribution this performance commitment makes to PR19YKY_18 'managing void properties'.</p>
<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>	Underperformance only
<b>Timing of underperformance and</b>	In-period

<b>Unique Reference</b>	<b>PR19YKY_17</b>
<b>outperformance payments</b>	
<b>Price control allocation</b>	100% residential retail
<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>	%	NA	80	83	86	90	94
<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	-0.0184
Underperformance payment - enhanced	NA
Outperformance payment - standard	NA
Outperformance payment - enhanced	NA

### 1.2.18 Managing void properties

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

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

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_18
Detailed definition of performance measure	<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>
Additional detail on measurement units	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.
Specific exclusions	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

<b>Unique Reference</b>	<b>PR19YKY_18</b>
	bill is likely to be greater than the bill itself.
<b>Reporting and assurance</b>	No specific requirement
<b>Measurement unit and decimal places</b>	Percentage of household properties classed 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>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	4.50	4.33	4.15	3.98	3.80
<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>	-7.945
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	4.145
<b>Outperformance payment - enhanced</b>	NA

## 1.2.19 Drinking water 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 and taste and odour of drinking water.

### Performance commitment definition and parameters

<b>Unique Reference</b>	<b>PR19YKY_26</b>
<b>Detailed definition of performance measure</b>	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 10,000 population. The calculation is the number of contacts for appearance plus all taste/odour contacts multiplied by 10,000, divided by the resident population as reported to the Drinking Water Inspectorate (DWI).
<b>Additional detail on measurement units</b>	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 and taste and odours will be included in this measure.
<b>Specific exclusions</b>	See DWI guidance for a full list of exclusions.
<b>Reporting and assurance</b>	The company is also expected to report consumer contacts separately for appearance, taste and odour for Discover Water.
<b>Measurement unit and decimal places</b>	Number of consumer contacts per 10,000 population, reported to one decimal place
<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

<b>Unique Reference</b>	<b>PR19YKY_26</b>
	calendar year 2020 data, whereas 2024-25 assessment will be based on the calendar year 2024 data.
<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

	Unit	Company forecast	Committed performance level				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Performance commitment level</b>	Number	NA	11.4	10.6	9.7	8.9	8.1
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		22.8	22.8	22.8	22.8	22.8
<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		6.1	5.5	4.9	4.2	3.6
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-1.366
Underperformance payment - enhanced	NA
Outperformance payment - standard	1.138
Outperformance payment - enhanced	NA

### 1.2.20 Significant water supply events

**Purpose:** This performance commitment is designed to incentivise the company to reduce the number of long duration water supply interruption events.

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

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_27
Detailed definition of performance measure	<p>The number of supply interruption events lasting for a duration of 12 hours or longer, irrespective of whether it is planned, unplanned or caused by a third party.</p> <p>A water supply interruption event starts when water is no longer available at the first tap, whether a residential or business property.</p> <p>The duration of a supply interruption is determined by the time taken between the initial notification of the interruption and the time of the restoration of supply.</p> <p>One or more properties must experience a supply interruption of 12 hours or longer to count as an event for measurement in the performance commitment.</p> <p>The notification of an event is determined by the time that:</p> <ul style="list-style-type: none"> <li>logged data showing a discernible difference in pressure or flow;</li> <li>the time of the first customer call notifying the company of a supply interruption where this is a result of a failure on the company's assets; and/or</li> <li>time works starts, as recorded by the company's staff, or suppliers, undertaking planned or unplanned works.</li> </ul>

Unique Reference	PR19YKY_27
	<p>The resolution of an event is the time that supply is restored to the property. This is recorded by:</p> <ul style="list-style-type: none"> <li>• logged data;</li> <li>• the company’s staff, or suppliers, undertaking the works; and/or</li> <li>• customer call-back confirming water restored at first tap.</li> </ul> <p>An event is defined as an interruption to one or more properties. An event is both spatially and temporarily variable. As such, based on the location and time of notifications, an event will be classified by the following two conditions:</p> <ol style="list-style-type: none"> <li>1. All notifications received downstream of the point of interruption, will be considered as one event.</li> <li>2. Notifications received between the time of the first notification and the time of resolution of the interruption for that notified area, will be considered as one event, if the notifications are also within the same area of the network, as described in condition one.</li> </ol>
<b>Additional detail on measurement units</b>	Number of events where one or more properties has an interruption of 12 hours or longer.
<b>Specific exclusions</b>	<p>Water supply interruptions resulting from private issues will not be measured. Following an isolated customer contact of no water, the company will investigate if it is an issue with its assets by examining other available data such as logged pressure and flow and operational activity. The company will have a robust root cause analysis process to identify whether it is a Yorkshire Water related asset that has caused the interruption or whether it is a private issue. A private issue is where a non-Yorkshire Water asset caused the interruption, such as a pump set failure in a block of flats.</p> <p>Low pressure to a property will not be considered a supply interruption. Low pressure is defined as ten metres head of pressure, at the external stop tap, at a flow of nine litres per minute, supplying water constantly at a pressure to reach the upper floors of properties. Due to the difficulties in measuring pressure and flow at the external stop tap, the company will measure against a surrogate level of 15m head in the adjacent distribution main.</p> <p>Extreme events such as weather will be included in the performance commitment, to ensure the resilience of the company’s assets is measured.</p>

<b>Unique Reference</b>	<b>PR19YKY_27</b>
	All properties within a shut off are reported as impacted regardless of status; empty properties and voids are included.
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Number of events 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>	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	14	13	12	12	12
<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	-0.265
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.265
Outperformance payment - enhanced	NA

### 1.2.21 Low pressure

**Purpose:** This performance commitment is designed to incentivise the company to reduce the number of properties that are at risk of experiencing or experience their water supply having a low pressure.

**Benefits:** This performance commitment reduces the number of properties experiencing poor or no water supply due to low pressure.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_28
Detailed definition of performance measure	<p>The number of properties receiving or at risk of receiving pressure below the low pressure reference level. This measure is calculated as the total number of properties receiving pressure below standard, minus the number of those properties that are covered by the predetermined allowable exclusion categories as detailed in the reporting guidance.</p> <p>The low pressure reference level is defined in the reporting guidance, published on the 27th March 2018:  <a href="https://www.ofwat.gov.uk/wp-content/uploads/2017/12/Properties-at-risk-of-receiving-low-pressure.pdf">https://www.ofwat.gov.uk/wp-content/uploads/2017/12/Properties-at-risk-of-receiving-low-pressure.pdf</a></p>
Additional detail on measurement units	The low pressure reference level applies to a single property and is measured on the customer's side of any meter or company fittings.
Specific exclusions	As defined in the reporting guidance.
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Number of properties to zero decimal places
Measurement timing	Reporting year

<b>Unique Reference</b>	<b>PR19YKY_28</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>	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	14	13	12	12	12
<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		11	11	11	11	11
<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	-0.139
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.139
Outperformance payment - enhanced	NA

### 1.2.22 Repairing or replacing customer owned pipes

**Purpose:** This performance commitment is designed to reduce leakage or water quality issues arising from customer owned pipes.

**Benefits:** This performance commitment improves the water quality, pressure and flow of treated water to customers. It will reduce water consumption by limiting supply losses and it will reduce the need for customers to contact their company about leaking supply pipes and water quality issues.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_29
Detailed definition of performance measure	<p>The number of residential supply pipe repairs and renewals carried out by the company each year for no charge.</p> <p>Where a supply pipe leak on a residential property is having a detrimental impact on the company's water network, it reserves the right to intervene using its statutory powers as defined in Sections 73-75 of the Water Industry Act 1991. These powers allow the company to isolate the water supply and/or locate and repair the leak within the boundary of the residential property.</p> <p>During work, the company may find some supply pipes to be in poor condition. If the company finds that a leaking supply pipe is not suitable for repair, has had previous problematic repairs undertaken, or is not made from its preferred material (polyethylene), and:</p> <ul style="list-style-type: none"> <li>the supply pipe is 20 metres long or less, the company will replace part or all of the supply pipe, subject to access; or</li> <li>the supply pipe is longer than 20 metres, the company will provide the property owner with a quotation for a subsidised supply pipe replacement. If the property owner does not wish to accept the quotation, the company will serve a Section 75 notice. This will give</li> </ul>

<b>Unique Reference</b>	<b>PR19YKY_29</b>
	<p>the owner 14 days to resolve the leak through alternative means. If the leak is not repaired by the property owner in that timeframe, the company will resolve it and all costs incurred will be recharged to the property owner.</p> <p>The company will not count replacements for which a customer is charged.</p>
<b>Additional detail on measurement units</b>	NA
<b>Specific exclusions</b>	<p>While all repairs or replacements carried out on customer supply pipes will be measured within the performance commitment, the following exclusions will not be eligible for the supply pipe repair service and therefore not included within this performance commitment.</p> <ul style="list-style-type: none"> <li>• Business properties that receive a bill for water services from a retailer, including Yorkshire Water Business Services.</li> <li>• ‘New build’ residential properties less than two years old.</li> <li>• Residential properties with internal leaks. This is where the company identifies that a leak is inside the property, or at point of entry to the property, or within the cavity wall.</li> <li>• Supply pipes under residential properties. Where the company identifies that, the leak is under a structure, such as a kitchen extension or garage.</li> <li>• Third party damage where the company identifies that the leak has been caused by accidental, reckless or deliberate damage to the supply pipe.</li> </ul>
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Number of residential supply pipe repairs and renewals carried out by the company each 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 network plus

<b>Unique Reference</b>	<b>PR19YKY_29</b>
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	NA
<b>Links to relevant external documents</b>	Whose pipe is it? <a href="https://www.yorkshirewater.com/pipework">https://www.yorkshirewater.com/pipework</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	6,882	7,109	7,386	7687	8,013
<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>	-0.000449
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	0.000449
<b>Outperformance payment - enhanced</b>	NA

### 1.2.23 External sewer flooding

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

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

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_35
Detailed definition of performance measure	<p>The external sewer flooding measure is defined in the reporting guidance for PR19 – Sewer Flooding, published on the 27th March 2018 <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 performance commitment will be reported as the absolute number of external sewer flooding incidents per year including incidents caused by severe weather.</p>
Additional detail on measurement units	<p>External flooding: is defined as flooding within the curtilage of a building normally used for residential, public, community and business purposes.</p> <p>Flooding event: is defined as the escape of water from a sewerage system, irrespective of size as evidenced by standing water, running water or visible deposits of silt or sewage solids. It includes flooding due to overloaded sewers (hydraulic flooding) and due to other causes (FOC).</p> <p>Number of incidents: is defined as the number of curtilages flooded during each flooding event from a public sewer including incidents on sewers transferred under the Transfer of Private Sewers Regulations 2011 and pumping stations transferred in 2016.</p> <p>Severe weather: is defined as individual rainfall events with a storm return period greater than 1 in 20 years. Flooding incidents caused by severe weather should be included in this measure.</p> <p>See guidance for full definition.</p>
Specific exclusions	As defined in the reporting guidance
Reporting and assurance	No specific requirements
Measurement unit and decimal places	Number of incidents to zero decimal places
Measurement timing	Reporting year

<b>Unique Reference</b>	<b>PR19YKY_35</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% wastewater network plus
<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	7,188	6,809	6,431	6,053	5,675
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		10,782	10,782	10,782	10,782	10,782
<b>Underperformance deadband</b>	Number		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Number		4,538	4,538	4,538	4,538	4,538
<b>Standard outperformance cap</b>	Number		3,924	3,702	3,519	3,248	2,957
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.00948
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.00790
Outperformance payment - enhanced	NA

### 1.2.24 Bathing water quality

**Purpose:** The purpose of this performance commitment is to incentivise the company to improve water quality at the beaches designated for swimming within its region.

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

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_36
Detailed definition of performance measure	<p>The performance commitment is to measure the number of designated bathing waters which exceed the European Union Bathing Water Directive requirements in the 2020-25 period, as reported by Defra.</p> <p>The 19 designated bathing waters in the company's region are:</p> <ul style="list-style-type: none"> <li>• Bridlington North Beach;</li> <li>• Bridlington South Beach;</li> <li>• Cayton Bay;</li> <li>• Danes Dyke;</li> <li>• Filey;</li> <li>• Flamborough South Landing;</li> <li>• Fraisthorpe;</li> <li>• Hornsea;</li> <li>• Reighton;</li> <li>• Robin Hoods Bay;</li> <li>• Runswick Bay;</li> <li>• Sandsend;</li> <li>• Scarborough North Bay;</li> <li>• Scarborough South Bay;</li> <li>• Skipsea;</li> </ul>

<b>Unique Reference</b>	<b>PR19YKY_36</b>
	<ul style="list-style-type: none"> <li>• Tunstall;</li> <li>• Whitby;</li> <li>• Wilsthorpe; and</li> <li>• Withernsea.</li> </ul>
<b>Additional detail on measurement units</b>	<p>The bathing water quality assessment and classification is described in the UK Bathing Water Regulations SI 2008 (BWR) and is based on bathing water quality data compiled during the previous four bathing seasons. Before the bathing season begins, Defra publishes a report summarising the results of the bathing season, along with the cumulative four-year average. This confirms the bathing water quality standard for each of the company's designated bathing beaches, giving it an annual target position for this performance commitment.</p> <p>A statistical representation is determined, using a four-year rolling average, and this provides the quality rating of either Excellent, Good, Sufficient or Poor. This data is summarised in Defra's 'Annual Bathing Water Compliance Report'. Only designated bathing waters are included in the Environment Agency sampling programme.</p>
<b>Specific exclusions</b>	Bathing beaches that are improved by WINEP schemes that were uncertain on 1 April 2019 and designated amber.
<b>Reporting and assurance</b>	<p>The company assumes that all Environment Agency sample data has been quality assured and checked before release and that it complies with the standards set out by the rBWD</p> <p>The company's telemetry data must be checked to ensure that there are no telemetry issues or false information being sent.</p> <p>All ultraviolet (UV) treatment reported downtime must be checked by the company for validity and missing data found and inserted into the report.</p> <p>The performance commitment is reported by bathing season in the following year. For example, the bathing season in 2020 would be reported in the calendar year of 2021 to 2022 (1 January to 31 December).</p>
<b>Measurement unit and decimal places</b>	Number of beaches 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</b>	In-period

<b>Unique Reference</b>	<b>PR19YKY_36</b>
<b>outperformance payments</b>	
<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>	The Bathing Water Regulations 2013 <a href="https://www.legislation.gov.uk/ukxi/2013/1675/contents/made">https://www.legislation.gov.uk/ukxi/2013/1675/contents/made</a> Environment Agency Bathing Water Quality Guide <a href="https://environment.data.gov.uk/bwq/profiles/help-understanding-data.html">https://environment.data.gov.uk/bwq/profiles/help-understanding-data.html</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	18	18	18	18	18
<b>Enhanced underperformance collar</b>	Number		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Number		10	10	10	10	10
<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		26	26	26	26	26
<b>Enhanced outperformance cap</b>	Number		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-1.235
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.636
Outperformance payment - enhanced	NA

### 1.2.25 Surface water management

**Purpose:** This performance commitment is designed to incentivise the company to remove or attenuate the amount of surface water that enters the public sewer network.

**Benefits:** This performance commitment will help to reduce sewer flooding and pollution incidents and/or reduce the long term the costs of enhancing the public sewerage network which would otherwise be required to mitigate pressures from climate change and urbanisation by instead managing storm water flows entering the public sewer network.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_37
Detailed definition of performance measure	<p>The cumulative number of hectares (Ha) of surface water run-off removed or attenuated. This will be measured as the area of impermeable surface (Ha), removed or attenuated from the public sewer network, using blue-green infrastructure solutions or surface water disconnection over the 2020-25 period.</p> <p>This performance commitment has three components to its measurement:</p> <ol style="list-style-type: none"> <li>1. Surface water removed through blue-green infrastructure solutions. This approach mimics the natural water cycle.</li> <li>2. Surface water removed through disconnection. This approach uses underground pipes to take surface water straight to receiving water courses.</li> <li>3. Surface water attenuated by blue-green infrastructure. This approach slows the flow of surface water into our network, managed in a more natural way to ensure continuity of our network.</li> </ol> <p>Any surface water removed or attenuated is measured as an area where water runs off into the public sewer system.</p>

<b>Unique Reference</b>	<b>PR19YKY_37</b>
	<p>This is measured using a geographic information system (GIS). A polygon is drawn around the area that drains into the public sewer to calculate the number of Ha removed or attenuated.</p> <p>The company will measure Ha removed or attenuated once the types of scheme listed above have been delivered and reached practical completion. It will be signed off, as benefits achieved, in consultation with the company's flood partnership steering group.</p> <p>Blue-green infrastructure is a term that covers a broad range of practices and solutions, it is an approach to water management that mimics the natural water cycle. Doing this regulates flow and treats storm water run-off naturally, resulting in a reduction in peak flows and cleaner water being discharged to water courses. Blue-green infrastructure solutions include what is known as Sustainable Drainage Systems (SuDS).</p> <p>Sustainable drainage systems (SuDS) are drainage systems that are considered environmentally beneficial, causing minimal or no long-term detrimental impact (CIRIA SuDS Manual C753 definition).</p>
<b>Additional detail on measurement units</b>	None
<b>Specific exclusions</b>	<p>Any activity that contributes to surface water attenuation that is not classified as blue-green infrastructure will not be counted towards the performance commitment. These activities include grey infrastructure solutions such as storm tanks. However, the use of domestic water butts and commercial or industrial onsite storm water management can be included as part of this performance commitment.</p> <p>Any activities which contribute to surface water removed or attenuated but which occur as a result of investment outside of the wastewater network plus price control.</p>
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Number of hectares (Ha) 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>Unique Reference</b>	<b>PR19YKY_37</b>
<b>Price control allocation</b>	16% water network plus 84% wastewater network plus
<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>	Hectares	NA	1	4	5	10	20
<b>Enhanced underperformance collar</b>	Hectares		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	Hectares		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	Hectares		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	Hectares		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	Hectares		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	Hectares		NA	NA	NA	NA	NA

## Incentive rates

Incentive type	Incentive rate (£m/unit)
Underperformance payment - standard	-0.004865
Underperformance payment - enhanced	NA
Outperformance payment - standard	0.004865
Outperformance payment - enhanced	NA

### 1.2.26 Quality agricultural products

**Purpose:** This performance commitment incentivises the company to treat its sewage sludge to a high standard so it can be recycled to land as a quality agricultural product reducing the need for farmers to apply commercial fertilisers.

**Benefits:** This performance commitment reduces the public health and environmental risk posed through the unsafe disposal of sewage sludge. The performance commitment also helps ensure that customer bills are kept stable through safe-guarding the agricultural recycling route for sewage sludge, which is widely regarded as the most cost-effective management approach.

#### Performance commitment definition and parameters

Unique Reference	PR19YKY_40
<b>Detailed definition of performance measure</b>	<p>The percentage of overall biosolids sent to land that meets the Biosolids Assurance Scheme (BAS) accreditation.</p> <p>The measure includes any sludge imported from third parties. Any third-parties which the company exports sludge to will also be required to have BAS certification.</p> <p>If BAS standards change in any year throughout the 2020-2025 period, the performance commitment will uphold the new standards from the next reporting year.</p>
<b>Additional detail on measurement units</b>	<p>The percentage of biosolids recycled to agricultural land achieving BAS certification is calculated as a proportion of total Tonnes Dry Solid (TDS) post treatment, receiving BAS certification.</p> <p>The amount of biosolids recycled is measured in Tonnes Dry Solid (TDS) post treatment. BAS certification includes individual requirements for:</p> <ul style="list-style-type: none"> <li>• sludge treatment;</li> <li>• biosolids 'transport and storage'; and</li> <li>• application to agricultural land.</li> </ul>

Unique Reference	PR19YKY_40
	<p>The company's certification will be for all three aspects, and the same will apply to any third parties used for the treatment and recycling of sludge to agricultural land</p> <p>Conformance to the scheme standard must be audited by the certification body appointed by the Assured Biosolids Limited before biosolids can be considered to be conforming to the Standard and awarded 'Certified Biosolids' status.</p> <p>Measurement will be taken annually throughout the 2020-25 period at all of the company's sludge treatment centres and any third-party sludge treatment sites.</p> <p>Measurement of 'transport and storage' and application to land will also be taken annually throughout the 2020-25 period at all of the company's sludge treatment centres and any third-party sludge treatment sites.</p> <p>Any process that fails to achieve BAS certification, or deviates from the certified process, will be noted, and TDS at that site will be represented as a failure of the performance commitment only if that material was sent to agricultural land.</p>
<b>Specific exclusions</b>	This commitment covers biosolids sent to agricultural land, but not to land restoration. Sludge to land restoration is outside the scope of BAS and therefore cannot be certified.
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Percentage of biosolids sent to agricultural land that achieves Biosolids Assurance Scheme (BAS) certification 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% bioresources
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	None
<b>Links to relevant external documents</b>	<a href="#">Biosolids Assurance Scheme (BAS)</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	100	100	100	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>	-0.502
<b>Underperformance payment - enhanced</b>	NA
<b>Outperformance payment - standard</b>	NA
<b>Outperformance payment - enhanced</b>	NA

## 1.2.27 Renewable energy generation

**Purpose:** This performance commitment incentivises the company to maximise the quantity and value of renewable energy generated through the biogas it produces from the treatment of sewage sludge.

**Benefits:** This performance commitment helps mitigate against climate change through the production of more renewable energy and protects customers from price volatility by making the company more energy self-sufficient.

### Performance commitment definition and parameters

<b>Unique Reference</b>	<b>PR19YKY_41</b>
<b>Detailed definition of performance measure</b>	<p>The gigawatt-hours of energy generated from the biogas the company produces.</p> <p>This includes use of biogas in the company's boilers and combined heat and power (CHP) generators onsite. The company may also supply biogas into the grid or use as fuel for its vehicles.</p>
<b>Additional detail on measurement units</b>	<p>Energy generation of biogas is measured in gigawatt-hours (GWh) produced by assets and operations within the Bioresources price control.</p> <p>Biogas energy measurement will be achieved with two methods listed below in order of preference:</p> <ul style="list-style-type: none"> <li>• Where possible energy supply will be measured directly by metering of gas flow into assets where beneficial use is achieved. Gas quality analysers will measure the aggregated performance on the system.</li> <li>• Where gas flow measurement into an asset is not possible, derived gas usage values will be calculated using a substituted measurement (e.g. for boiler gas usage, the run hours multiplied by usage rate will be used).</li> </ul> <p>The energy content of biogas is measured by measuring the volume of gas produced (corrected to standard temperature and pressure) multiplied by the methane content of the gas produced, and the lower heating value of methane at standard temperature and pressure. The conversion calculation is outlined below</p> <p>Gas which is produced but not utilised (flared) is not included in the definition. The GWh of biogas generation will be expressed as an absolute value.</p>

<b>Unique Reference</b>	<b>PR19YKY_41</b>
	<p>The Bioresources price control is defined in line with the Regulatory Accounting Guidelines (RAGs) 4.07 as set out by Ofwat in 2017.</p> <p>Conversion of gas volume and gas quality into energy (GWh):</p> <ul style="list-style-type: none"> <li>• Biogas generation is calculated by converting the volume of methane in the biogas into energy.</li> <li>• Biogas generation (kWh) = Biogas volume (m<sup>3</sup>) x 9.994 kWh/m<sup>3</sup> x gas quality (%CH<sub>4</sub>)</li> <li>• Where 9.994 is the energy in kWh contained in 1 m<sup>3</sup> of methane (CH<sub>4</sub>) at standard temperature and pressure, and gas quality is a measurement of the proportion of methane (CH<sub>4</sub>) in the biogas.</li> <li>• Unit conversion: 9.994 kWh = 35.8 MJ, as 1 Joule = 1 Watt second. Low calorific value of methane = 35.8 MJ/m<sup>3</sup> from reference: <a href="https://www.engineeringtoolbox.com/fuels-higher-calorific-values-d_169.html">https://www.engineeringtoolbox.com/fuels-higher-calorific-values-d_169.html</a>.</li> <li>• Unit conversion 1 GWh = 1,000,000 x kWh.</li> </ul>
<b>Specific exclusions</b>	<p>Renewable energy generated from activities not included within the bioresources price control do not count towards the performance commitment.</p> <p>The following types of power generation on the company's operational sites are excluded from the performance commitment:</p> <ul style="list-style-type: none"> <li>• solar;</li> <li>• wind; and</li> <li>• hydroelectric.</li> </ul>
<b>Reporting and assurance</b>	No specific requirements
<b>Measurement unit and decimal places</b>	Gigawatt-hours (GWh) to zero 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>Unique Reference</b>	<b>PR19YKY_41</b>
<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>	GWh	NA	269	284	286	290	290
<b>Enhanced underperformance collar</b>	GWh		NA	NA	NA	NA	NA
<b>Standard underperformance collar</b>	GWh		NA	NA	NA	NA	NA
<b>Underperformance deadband</b>	GWh		NA	NA	NA	NA	NA
<b>Outperformance deadband</b>	GWh		NA	NA	NA	NA	NA
<b>Standard outperformance cap</b>	GWh		NA	NA	NA	NA	NA
<b>Enhanced outperformance cap</b>	GWh		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

## 1.2.28 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

<b>Unique Reference</b>	<b>PR19YKY_NEP01</b>
<b>Detailed definition of performance measure</b>	<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>
<b>Additional detail on measurement units</b>	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.
<b>Specific exclusions</b>	None
<b>Reporting and assurance</b>	<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>
<b>Measurement unit and decimal places</b>	Text stating either “met” or “not met”.
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Reputational
<b>Incentive type</b>	NA
<b>Timing of underperformance and</b>	NA

<b>Unique Reference</b>	<b>PR19YKY_NEP01</b>
<b>outperformance payments</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>	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 Yorkshire Water

Details of the key performance commitments that we present in Table 1.2 of 'Yorkshire 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>25% reduction in annual level of leakage by 2025 from the 2020 level.<sup>5</sup></li> </ul>	$\frac{(175.0 - 234.6) \text{ Ml/d}}{234.6 \text{ Ml/d}} \times 100 = -25\%$
<ul style="list-style-type: none"> <li>9% reduction in per capita consumption by 2024-25</li> </ul>	$\frac{(119.3 - 131.2) \text{ Ml/d}}{131.2 \text{ Ml/d}} \times 100 = -9\%$
<ul style="list-style-type: none"> <li>41% reduction in pollution incidents by 2024-25</li> </ul>	$\frac{(102.82 - 174) \text{ nr/10000km}}{174 \text{ nr/10000km}} \times 100 = -41\%$
<ul style="list-style-type: none"> <li>49% reduction in internal sewer flooding incidents by 2024-25</li> </ul>	$\frac{(294.46 - 582) \text{ nr/10000km}}{582 \text{ nr/10000km}} \times 100 = -49\%$
<ul style="list-style-type: none"> <li>25% reduction in water supply interruptions by 2024-25</li> </ul>	$\frac{(3 - 4) \text{ min}}{4 \text{ min}} \times 100 = -25\%$
Key bespoke performance commitments	
Measure	Calculations
<ul style="list-style-type: none"> <li>30% increase in the number of hectares of Land conserved and enhanced by 2024-25</li> </ul>	$\frac{(15,239 - 11,689) \text{ ha}}{11,689 \text{ ha}} \times 100 = +30\%$
<ul style="list-style-type: none"> <li>25% reduction in external sewer flooding incidents by 2024-25</li> </ul>	$\frac{(5,675 - 7,566) \text{ nr incidents}}{7,566 \text{ nr incidents}} \times 100 = -25\%$

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

<ul style="list-style-type: none"> <li>34% reduction in customer contacts about drinking water quality by 2024-25</li> </ul>	$\frac{(8.1 - 12.2)nr\ contacts}{12.2nr\ contacts} \times 100 = -34\%$
<ul style="list-style-type: none"> <li>108% increase in the number of customers receiving financial support by 2024-25</li> </ul>	$\frac{(83,000 - 40,000)customers}{40,000customers} \times 100 = +108\%$
<ul style="list-style-type: none"> <li>17% more customers aware of the Priority Services Register</li> </ul>	<p>65% – 48% = +17%</p> <p><i>The metric for this performance commitment is a percentage point</i></p>
<ul style="list-style-type: none"> <li>113 additional kilometres of rivers improved in the Yorkshire Water region by 2024-25</li> </ul>	<p><i>This figure has not been calculated. This is the total number of kilometres that constitute the green schemes' portion of the WINEP programme as specified in the relevant performance commitment.</i></p>

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

Ofwat  
Centre City Tower  
7 Hill Street  
Birmingham B5 4UA

Phone: 0121 644 7500  
Fax: 0121 644 7533  
Website: [www.ofwat.gov.uk](http://www.ofwat.gov.uk)  
Email: [mailbox@ofwat.gov.uk](mailto:mailbox@ofwat.gov.uk)

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