

This document sets out our response to the recently published draft determination of United Utilities' in-period outcome delivery incentives for 2020-21. As requested by Ofwat in the draft determination we have provided additional information for the Mains repairs performance commitment and for the Blockage performance commitment.

Mains repairs

In its draft determination Ofwat stated "We expect United Utilities to confirm the number and corresponding value of repairs on repairs to the main, excluded from its reported mains repairs performance so that we are able to make the appropriate intervention in our final determination. We expect to need to intervene at final determination to reduce the company's outperformance on its mains repairs performance commitment".

Our reported performance for 2020/21 mains repairs includes some repairs on existing repairs.

If the original repair had been reinstated and a repeat excavation was required to replace a collar or length of main it has already been included as an additional repair in reported performance for 2020/21.

We initially identified 279 'repair on repairs' and since submitting the query response on 28 September we have continued to analyse and review the detailed job packs and photographs (where available) and are now able to provide further details about the nature of these activities. Having performed this detailed review we do not consider that all 279 repairs should be counted as mains repairs under the ODI definition. Table 1 below sets out further details. Much of this activity relates to the tightening or replacement of bolts, which is a proactive intervention we carry out to maintain our water pipes and associated fitting to mitigate the effect of natural expansion and contraction of materials over time thus reducing the risk of the main requiring future physical repair.

Table 1 *Categorisation of activity*

Activity type	Number of activities	Comments
Repairs prior to full reinstatement	35 of the 279	The 35 repairs where full reinstatement following the original repair had not been completed should be excluded. This aligns with the clarification given in the Ofwat query (UUW-APR-IP-011) with regards to repairs "after the original repair has been reinstated". These 35 incidents therefore do not meet the definition of mains repairs and should correctly be excluded from the reported performance against the PC.
Repairs which were not on mains	9 of the 279	Following additional review of work associated with a previous repair, we can confirm that these 9 repairs were on fittings (not including clamp/collar) and were not repairs on mains. These repairs are therefore not mains repairs as defined in the commitment and should correctly be excluded from the reported performance against the PC.

Activity type	Number of activities	Comments
Bolt tightening and replacement – live repairs	179 of the 279	The Mains Repair measure was put in place to monitor the asset health of distribution mains. Tightening and replacement of bolts on a clamp/collar is not an indication of deterioration of the distribution main asset health but simply ensures that the original repair is achieving the desired outcome in resolving the burst on the main. This activity is not deemed to extend the asset life beyond that intended by the original repair and nor can it be considered to represent a deficiency in the original execution of the mains repair. 179 of these activities related to bolt tightening or replacement were completed on live mains (with no shut off or recharge of the main required) and therefore had no supply impact. We consider that that these activities could not reasonably be caught by the mains repair definition and should correctly be excluded from the reported performance against the PC.
Bolt tightening and replacement – water turned off	28 of the 279	28 bolt tightening or replacement activities required the main to be shut off and subsequently recharged. Therefore, following our review we believe that this does meet the measure definition and therefore should be included in the reported performance of this commitment.
Replace / reset collar or VJs	28 of the 279	Replacing or resetting a collar or VJ may be an indication that asset health has deteriorated. Therefore, following our review we believe that this does meet the measure definition and therefore should be included in the reported performance of this commitment.

Repairs on ferrules on ferrous distribution mains

As part of our review of repairs on repairs we have identified a number of repairs which should not be included. We included repairs on ferrules on ferrous distribution mains where the ferrule (a connection fitting to the water main) was replaced. Having reflected on the guidance 281 activities should be removed for our reported performance for this commitment.

Conclusion

We believe that the further analysis that we have undertaken on our original 279 ‘repair on repairs’ suggests that 223 of these repairs would not fall under the definition for a mains repair and there should not be included and 56 would fall within the definition and so should be reported as part of the performance of this commitment. When the impact of removing the repairs on ferrule distribution mains is included this would give a net reduction of 225 mains repairs. Table two below sets out a summary of this these changes.

Table 2 Summary of revised mains repairs performance

Activity	Number
Number of mains repairs (table 3F line 4)	4,582
Number of additional repairs confirmed following review of data	56
Number of ferrule repairs on ferrous distribution mains wrongly included in APR (table 3F line 4)	(281)
Revised number of mains repairs reported against Performance commitment	4,357
Or repairs per 1,000km main	102.4

Sewer blockages

In its draft determination Ofwat stated "United Utilities' sewer blockages performance commitment appears not to include third party incidents. The PR19 definition for this performance commitment says "the company will include blockages that are as a result of third party interference". We require United Utilities to provide reported 2020-21 performance for this performance commitment including those blockages relating to third party interference as part of their response to this consultation (or earlier if possible). This will allow us to intervene in our final determinations if this is required".

Page 80 of our 2020/21 annual performance report contained an unintentional wording error. The amended text should read:

'A blockage is defined as an obstruction in the sewer that has been reported and cleared. Blockages resulting from third party interference are included. This measure does not include proactively cleaned silt or other blockages that are removed which are not reported to us by customers or stakeholders and have no customer impact. We also do not include recorded incidents conforming to section 111 of the Water Industry Act 1991 related to repeated and deliberate abuse of the sewer which causes restrictions on its use.'

For clarity, we consider that the reported number of blockages incidents in year one is correct and does contain third party incidents. For example:

- The introduction of material into the sewer that we are not bound to receive (e.g. bricks, balls, toys, rubble, refuse etc.). We recorded 876 incidents of this type, which is circa 4% of the 22,352 total blockages reported.
- Direct interference (e.g. vandalism). We recorded 289 incidents of this type, which is circa 1% of the total blockages reported.

We have also included blockages that can be attributed to customer discharge behaviours, such as:

- Fats, oils and greases (FOG). We recorded 1,916 incidents of this type, which is circa 9% of the total blockages reported.
- Rags, wipes and period products. We recorded 5,512 incidents of this type, which is circa 25% of the total blockages reported.
- Soft blockages. We recorded 7,598 incidents of this type, which is circa 34% of the blockages reported.