



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.

Version control

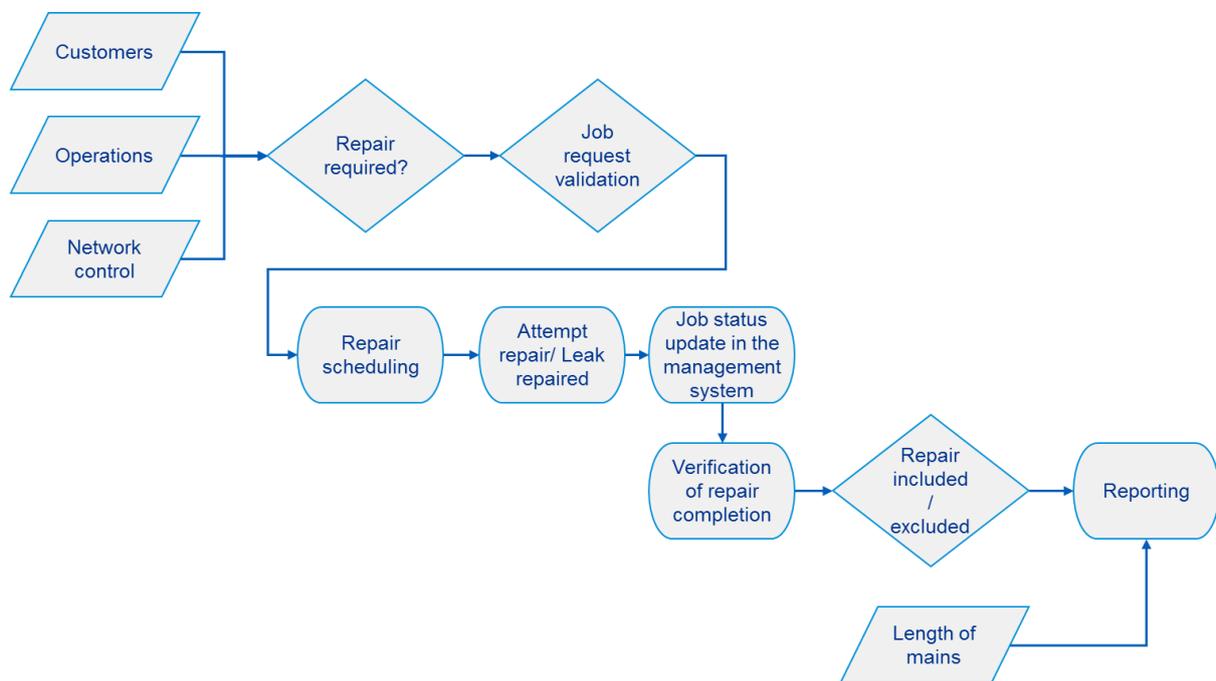
Version	Date of issue	Performance commitment changes
0.1	22 December 2022	Company required to provide evidence of adjustments in APR where mains length differs >1% from that expected in business plan. Changes to definition from draft methodology identified in red text.
0.2	09 May 2023	Removal of red text.
1.0		
2.0		

Performance commitment definition and parameters

1.1 Detailed definition of performance measure

It is reported as the number of mains repairs per thousand kilometres of the company's entire water main network (excluding communication and supply pipes). The diagram below shows a simplified version of the process.

Figure 1 Flow diagram for mains repairs



Mains bursts include all physical repair work to mains from which water is lost. This is attributable to pipes, joints or joint material failures or movement, or caused or deemed to be caused by conditions or original pipe laying or subsequent changes in ground conditions (such as changes to a road formation, loading, etc. where the costs of repair cannot be recovered from a third party).

Mains repairs include all physical repair work on the water mains from which water is lost (i.e., all pipes conveying treated water around the distribution point but excludes communication pipes or supply pipes). Clamps used to repair the main are included.

All incidents should be included which involve over-pressure or pressure cycling, and surge failures, etc., which reflect the system operating conditions, even where these failures are accidental rather than associated with weaknesses in pipe condition.

Once the main is recharged and customers are back in supply, then a new incident requiring any type of work to take place on the main to restore its full functionality is counted as a separate repair. If there is a secondary burst not at the point at where the repair took place during the recharge, then it should be captured as a separate reported burst.

Self-laid mains, or other mains adopted should be treated as part of the incumbents' network from the time of adoption. If a developer has a burst on its main prior to adoption this is not included within the metric.

1.2 Additional detail on measurement units

Mains length – This is the length of all pipes conveying treated water around the distribution network but not including communication pipes or supply pipes.

1.3 Specific exclusions

The default position is that the water company manages the risk of mains bursts and there are no exclusions.

The cause of the mains burst is not relevant to the calculation of the reported figure, with the following exceptions and points of clarification:

- any work that is not undertaken on the main e.g., solely on a ferrule, hydrant or valve and clamps associated with these ancillaries, which does not involve a repair on the main is excluded; and
- all third-party damage should be excluded where costs are potentially (rather than actually) recovered from a third party.

1.4 Reporting and assurance

The company shall maintain verifiable records for all mains bursts irrespective of whether they are included. The aim of the records is to provide an auditable method for identifying specific incidents and shall be subject to each company's assurance process which is applied to all measures reported annually.

The company shall maintain a methodology statement, which shall be used as a decision support tool for this performance commitment. It should record any changes in approach compared to previous years and will be reviewed as part of the company's assurance process.

The company shall report mains repaired pro-actively and reactively separately. Pro-active repairs are those completed by the company as a result of the company’s active leakage control (ALC) or its own leak detection activity. Reactive repairs are those that are completed as a result of a customer contact (made using any communication channel) informing the company of a leak.

Where the mains length differs by more than 1% from the mains length expected in its business plan, the company shall provide evidence of any adjustments made as part of the annual performance report (APR).

The company shall ensure that its outcome delivery incentive payments only relate to real performance changes and not definitional, methodological or data changes in performance commitments.

Compliance checklist

The company shall complete the checklist below and report to Ofwat if any element is not green. Where an element is not green, we may intervene to protect customers and ensure that the company does not benefit from insufficient data quality. See Annex 1 for assessment rules for each element.

Table 1 Compliance checklist for mains repairs

	Component	Component R/A/G	Reason for any non-compliant component	Confidence grade
1	Mains bursts repair work			
2	Mains length			
3	Records			
4	Methodology statement			

Table 2 Definition parameters

Parameters	
Measurement unit and decimal places	Number of repairs per 1000km of mains, reported to one decimal place.
Measurement timing	Reporting year
Incentive form	Revenue
Incentive type	Outperformance and underperformance payments

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Parameters	
Timing of underperformance and outperformance payments	In-period
Price control allocation	100% water network plus
Frequency of reporting	Annual
Any other relevant information	N/A
Links to relevant external documents	N/A

Annex 1 Compliance Checklist

This annex sets out the criteria on which to report checklists where specified in the performance commitment definition.

Compliance for elements is reported against:

R	Not compliant with the guidance and having a material impact on reporting
A	Not compliant with the guidance and having no material impact on reporting
G	Fully compliant with the guidance

An overall RAG to be assigned for each component based on the following rules:

Compliance for overall components is reported against:

R	There are one or more red elements in the component, or the combined effect of amber elements is considered to produce a material impact.
A	Half or more of the elements in the component are amber and the combined effect of the amber elements is considered not to produce a material impact
G	More than half of the elements in the component are green

For each component on the checklist, and for the overall performance measure, the company will report a confidence grade. Confidence grades provide a reasoned basis for the company to qualify the reliability and accuracy of the data.

The company shall employ a quality assured approach in the methodology used to assign confidence grades, particularly if sampling techniques are in place. The confidence grade combines elements of reliability and accuracy, for example:

A2 - Data based on sound records etc. (A, highly reliable) and estimated to be within +/- 5% (accuracy band 2) Reliability and accuracy bands are shown in the tables below.

Reliability Band	Description
A	Sound textual records, procedures, investigations or analysis properly documented and recognised as the best method of assessment.
B	As A, but with minor shortcomings. Examples include old assessment, some missing documentation, some reliance on unconfirmed reports, some use of extrapolation.
C	Extrapolation from limited sample for which Grade A or B data is available.

D	Unconfirmed verbal reports, cursory inspections or analysis.
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Accuracy band	Accuracy to or within +/-	But outside +/-
1	1%	-
2	5%	1%
3	10%	5%
4	25%	10%
5	50%	25%
6	100%	50%
X	Accuracy outside +/- 100 %, small numbers or otherwise incompatible (see table below)	

Certain reliability and accuracy band combinations are considered to be incompatible, and these are blocked out in the table below.

Compatible confidence grades				
Accuracy band	Reliability band			
	A	B	C	D
1	A1			
2	A2	B2	C2	
3	A3	B3	C3	D3
4	A4	B4	C4	D4
5			C5	D5
6				D6
X	AX	BX	CX	DX