

December 2022

Creating tomorrow, together:
Our final methodology for PR24

Submission table guidance

Section 1: Outcomes

About this document

Version control

Version	Date published	Description
V1	7/7/2022	Draft methodology
V2	13/12/2022	Final methodology
V3		

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1. Summary purpose of the data tables

What data are we collecting?

- 1.1 We are collecting data on the outcomes companies expect to deliver for customers and the environment from their 2024 price review (PR24) business plans. We also collect data relating to the health of companies' assets.
- 1.2 We are collecting customer service, environmental outcome and asset health data in the form of performance commitments (PCs), outcome delivery incentives (ODIs) and performance commitment levels (PCLs).
- 1.3 We are also collecting forecast performance data associated with the performance commitments included in the 2019 price review (PR19).

Why are we collecting the data?

- 1.4 We will use this data to set performance commitment levels and ODI rates. This will enable us to develop the PR24 outcomes framework that will hold water companies to account for the outcomes that customers pay for, and incentivise companies to go further where it is in the interests of customers and the environment.
- 1.5 We need the PR19 performance commitments data for populating the PR19 ODI performance reconciliation model and calculating the end of period revenue and RCV adjustments to be applied at PR24.

How is the data aligned with the annual performance report (APR)?

- 1.6 We have proposed definitions for common PR24 performance commitments in the draft methodology (see [Appendix 7](#)). Where these definitions remain unchanged from current annual performance reporting we intend to capture data in a format aligned with tables 3A to 3I of the APR. We follow a similar approach to data capture as used in the APR with table OUT1 summarising overall performance trends by PC in terms of the proposed unit of measurement. Tables OUT3 and OUT4 provide the supporting calculations for these figures, referencing data from elsewhere in the business plan tables where appropriate.

2. General guidance

- 2.1 For the draft business plan these tables are based upon the current proposed PR24 performance commitments as defined in [Appendix 7](#).
- 2.2 At this stage we have not provided all tables in their entirety. Instead, we have used examples where appropriate. This is the case for tables OUT3 and OUT4 where we have used examples from the existing APR tables to indicate how these tables can capture the supporting calculations behind the PC trends included in table OUT1.
- 2.3 The outcomes tables are related to a number of other PR24 business plan tables. We provide a summary below with further information provided under additional guidance in the section for the specific tables.
- 2.4 Tables LS1 and LS2, relating to companies' long-term delivery strategies, are also capturing data on forecast performance levels. Where appropriate, they will be populated directly by data from tables OUT1 and OUT2. The aggregated PC benefits captured from enhancement expenditure best value assessments in OUT3 is calculated from data captured in tables CW.15 and CWW.15.

Price base and indexation

Unless otherwise stated, the price base is 2022-23 base year prices indexed using the financial year average Consumer Price Index (including housing costs) ie 2022-23 prices FYA (CPIH deflated).

3. OUT1 – Overall outcome performance – performance commitments

Table OUT1 line definitions

Line	Title	Definition	RAG 4.10 line reference
OUT1.1	Water supply interruptions	Draft definitions of the common PCs are included in Appendix 7 . This table captures actual and forecast performance in each performance commitment for the 2015-30 period. The majority of the figures are calculated in tables OUT4 and OUT5.	3A.2
OUT1.2	Compliance risk index (CRI)		3A.1
OUT1.3	Customer contacts about water quality		
OUT1.4	Internal sewer flooding		3B.1
OUT1.5	External sewer flooding		
OUT1.6	Biodiversity		
OUT1.7	Operational GHG emissions (water and wastewater)		
OUT1.8	Water demand (including leakage and consumption)		
OUT1.9	Leakage		3A.3
OUT1.10	Per capita consumption		3A.4
OUT1.11	Business demand		
OUT1.12	Total pollution incidents		3B.2
OUT1.13	Serious pollution incidents		
OUT1.14	Discharge permit compliance		3B.4
OUT1.15	Bathing water quality		
OUT1.16	River water quality		
OUT1.17	Storm overflows		
OUT1.18	Mains repairs		3A.5
OUT1.19	Unplanned outage		3A.6
OUT1.20	Sewer collapses		3B.3
OUT1.21	Insert name of the bespoke PC	To be proposed by company	
OUT1.22	Insert name of the bespoke PC	To be proposed by company	
OUT1.23	Insert name of the bespoke PC	To be proposed by company	
OUT1.24	Insert name of the bespoke PC	To be proposed by company	

OUT1 Additional guidance

- 3.1 This table captures company outturn performance and performance forecasts for common and bespoke performance commitments (PCs). These forecasts are captured in terms of common definitions and units for common PCs. The majority of common PC forecasts will be based on the calculations included in tables OUT4 and OUT5. We therefore expect OUT1 to be directly populated from tables OUT4 and OUT5 in such cases.
- 3.2 The table above is based on the proposed PR24 PCs as included in the draft methodology and defined in [Appendix 7](#).
- 3.3 The next iteration of the tables will additionally include:
- the operational greenhouse gas (GHG) emissions split into water and wastewater performance commitments;
 - additional sub-lines for PCs where companies deliver specific regional levels of performance below the aggregated company level. For example, both Northumbrian Water and South Staffs Water have two regions with different leakage performance commitment levels; and
 - unique references pre-populated.
- 3.4 The performance forecasts in this table cover the 2023–2035 period. It is important that these forecasts relate to all base expenditure but only for enhancement expenditure investment that commences in, or prior to the 2025–30 period. This will enable us to calibrate expected levels of performance from base expenditure allowances at future price reviews eg PR29. We discuss this further in [Appendix 9](#) of the draft methodology. This marks the difference between this table and the long-term delivery strategy table, LS1. In LS1, the performance forecast includes the impact of all enhancement expenditure and therefore from 2030–31 onwards the forecast may differ. In LS1 the impacts of enhancement expenditure investment commencing from 2030–31 onwards is included.
- 3.5 We expect companies to have a maximum of two to three bespoke performance commitments.

OUT1 Commentary requirement

- 3.6 We expect companies to provide commentary to explain how the performance forecast for each PC has been derived. This should include how the performance level from base expenditure for each PC has been derived, include consideration of:

- performance levels that have been delivered by the company and the sector historically; and
- the impacts of investment, technology, and process improvements.

3.7 Companies should also include explanation of how the impacts of enhancement expenditure on PC forecasts have been derived across their investment programme.

3.8 Overall performance forecasts, performance forecasts from base expenditure allowances and the impact of enhancement expenditure on performance improvements are captured in tables OUT1, OUT2 and OUT3. Companies should clearly evidence how these figures have been derived. It is not necessary for companies to repeat commentary for each of the tables OUT1, OUT2 and OUT3. For example, a combined commentary for each PC, covering the figures in each of these tables, may offer a clearer approach to explaining how performance levels have been derived.

4. OUT2 – Outcome performance from base expenditure – Performance commitments

Table OUT2 line definitions

Line	Title	Definition	RAG 4.10 line reference
OUT2.1	Water supply interruptions	Draft definitions of the common PCs are included in Appendix 7 . This table captures forecast performance in each performance commitment delivered through base expenditure for the 2025-35 period.	3A.2
OUT2.2	Compliance risk index (CRI)		3A.1
OUT2.3	Customer contacts about water quality		
OUT2.4	Internal sewer flooding		3B.1
OUT2.5	External sewer flooding		
OUT2.6	Biodiversity		
OUT2.7	Operational GHG emissions (water and wastewater)		
OUT2.8	Water demand (including leakage and consumption)		
OUT2.9	Leakage		3A.3
OUT2.10	Per capita consumption		3A.4
OUT2.11	Business demand		
OUT2.12	Total pollution incidents		3B.2
OUT2.13	Serious pollution incidents		
OUT2.14	Discharge permit compliance		3B.4
OUT2.15	Bathing water quality		
OUT2.16	River water quality		
OUT2.17	Storm overflows		
OUT2.18	Mains repairs		3A.5
OUT2.19	Unplanned outage		3A.6
OUT2.20	Sewer collapses		3B.3
OUT2.21	Insert name of the bespoke PC	To be proposed by company	
OUT2.22	Insert name of the bespoke PC	To be proposed by company	
OUT2.23	Insert name of the bespoke PC	To be proposed by company	
OUT2.24	Insert name of the bespoke PC	To be proposed by company	

OUT2 Additional guidance

- 4.1 This table captures company performance forecasts for the 2025–35 period, for common and bespoke performance commitments (PCs), delivered through base expenditure.
- 4.2 Table OUT1 provides the overall company outturn performance and performance forecasts for common and bespoke performance commitments (PCs). This table, OUT2 provides detail of the component of the overall performance in OUT1 delivered through base expenditure. Table OUT3 provides detail of the impact of enhancement expenditure on company outturn performance and performance forecasts for common and bespoke performance commitments (PCs). Therefore, we expect the combined performance in OUT2 and OUT3 to be equal the overall performance in OUT1 for each common and bespoke performance commitment (PC) in the 2025–35 period.
- 4.3 The table above is based on the proposed PR24 PCs as included in the draft methodology and defined in [Appendix 7](#).
- 4.4 The next iteration of the tables will additionally include:
- the operational greenhouse gas (GHG) emissions split into water and wastewater performance commitments;
 - additional sub-lines for PCs where companies deliver specific regional levels of performance below the aggregated company level. For example, both Northumbrian Water and South Staffs Water have two regions with different leakage performance levels; and
 - unique references pre-populated.
- 4.5 The performance forecasts in this table cover the 2023–2035 period. It is important that these forecasts relate to all base expenditure in this period.
- 4.6 We expect companies to have a maximum of two to three bespoke performance commitments.

OUT2 Commentary requirement

- 4.7 We expect companies to provide commentary to explain how the performance level from base expenditure for each PC has been derived, include consideration of:
- performance levels that have been delivered by the company and the sector historically; and
 - the impacts of investment, technology, and process improvements.

- 4.8 Overall performance forecast, performance forecasts from base expenditure allowances and the impact of enhancement expenditure on performance improvements are captured in tables OUT1, OUT2 and OUT3. Companies should clearly evidence how these figures have been derived. It is not necessary for companies to repeat commentary for each of the tables OUT1, OUT2 and OUT3. For example, a combined commentary, for each PC, covering the figures in each of these tables may offer a clearer approach to explaining how performance levels have been derived.

5. OUT3 – Outcome performance from enhancement expenditure – Performance commitments

Table OUT3 line definitions

Line	Title	Definition	RAG 4.10 line reference
OUT3.1	Water supply interruptions	Draft definitions of the common PCs are included in Appendix 7 . This table captures the impact of enhancement expenditure on forecast performance in each performance commitment for the 2025-35 period.	3A.2
OUT3.2	Compliance risk index (CRI)		3A.1
OUT3.3	Customer contacts about water quality		
OUT3.4	Internal sewer flooding		3B.1
OUT3.5	External sewer flooding		
OUT3.6	Biodiversity		
OUT3.7	Operational GHG emissions (water and wastewater)		
OUT3.8	Water demand (including leakage and consumption)		
OUT3.9	Leakage		3A.3
OUT3.10	Per capita consumption		3A.4
OUT3.11	Business demand		
OUT3.12	Total pollution incidents		3B.2
OUT3.13	Serious pollution incidents		
OUT3.14	Discharge permit compliance		3B.4
OUT3.15	Bathing water quality		
OUT3.16	River water quality		
OUT3.17	Storm overflows		
OUT3.18	Mains repairs		3A.5
OUT3.19	Unplanned outage		3A.6
OUT3.20	Sewer collapses		3B.3
OUT3.21	Insert name of the bespoke PC	To be proposed by company	
OUT3.22	Insert name of the bespoke PC	To be proposed by company	
OUT3.23	Insert name of the bespoke PC	To be proposed by company	
OUT3.24	Insert name of the bespoke PC	To be proposed by company	

OUT3 Additional guidance

- 5.1 This table captures the impact of enhancement expenditure on performance forecasts for the 2025–35 period, for common and bespoke performance commitments (PCs).
- 5.2 The forecast figures in this tables are calculated from the information submitted in tables CW15 and CWW15. Therefore, they represent the impact of enhancement projects which are expected to start in the 2025–30 period.
- 5.3 Table OUT1 provides the overall company outturn performance and performance forecasts for common and bespoke performance commitments (PCs). This table, OUT2 provides detail of the component of the overall performance in OUT1 delivered through base expenditure. Table OUT3 provides detail of the impact of enhancement expenditure on company outturn performance and performance forecasts for common and bespoke performance commitments (PCs). Therefore, we expect the combined performance in OUT2 and OUT3 to be equal the overall performance in OUT1 for each common and bespoke performance commitment (PC) in the 2025–35 period.
- 5.4 The table above is based on the proposed PR24 PCs as included in the draft methodology and defined in [Appendix 7](#).
- 5.5 The next iteration of the tables will additionally include:
- the operational greenhouse gas (GHG) emissions split into water and wastewater performance commitments;
 - additional sub-lines for PCs where companies deliver specific regional levels of performance below the aggregated company level. For example, both Northumbrian Water and South Staffs Water have two regions with different leakage performance levels; and
 - unique references pre-populated.
- 5.6 We expect companies to have a maximum of two to three bespoke performance commitments.

OUT3 Commentary requirement

- 5.7 We expect companies to provide commentary to explain how the performance level from base expenditure for each PC has been derived, include consideration of:
- performance levels that have been delivered by the company and the sector historically; and
 - the impacts of investment, technology, and process improvements.

- 5.8 Overall performance forecast, performance forecasts from base expenditure allowances and the impact of enhancement expenditure on performance improvements are captured in tables OUT1, OUT2 and OUT3. Companies should clearly evidence how these figures have been derived. It is not necessary for companies to repeat commentary for each of the tables OUT1, OUT2 and OUT3. For example, a combined commentary, for each PC, covering the figures in each of these tables may offer a clearer approach to explaining how performance levels have been derived.

6. OUT4 – Underlying calculations for common performance commitments – water

OUT4

The purpose of this table is to include detail of the supporting calculations used to derive water performance commitments reported in table OUT1. This table serves the same purpose as tables 3F, 3G and 3I in the annual performance report. Where calculations utilise data from other business planning tables, eg number of properties, we propose to directly link between the two tables.

This draft version is for illustrative purposes only and shows select example performance commitment calculations.

We intend to include a full suite of calculations for all performance commitments in the next iteration of the table and these will be based upon the definitions of the common PCs as outlined in [Appendix 7](#).

We recognise that we may need to provide multiple lines for PCs where companies deliver specific regional levels of performance below the aggregated company level. For example, both Northumbrian Water and South Staffs Water have two regions with different leakage performance commitment levels.

Table OUT4 line definitions

Line	Title	Definition	RAG 4.10 line reference
OUT4.1	Water supply interruptions	Draft definitions of the common PCs are included in Appendix 7 .	3F.7
OUT4.2	Mains repairs - Reactive		3F.1
OUT4.3	Mains repairs - Proactive		3F.2
OUT4.4	Mains repairs		3F.3
OUT4.5	Total leakage		3F.5
OUT4.6	3 - year average		3F.5
OUT4.7	Reduction % from baseline		3F.5
OUT4.8	Baseline (three year average from 2017-18 to 2019-20)		3F.5

7. OUT5 – Underlying calculations for common performance commitments – wastewater

OUT5

The purpose of this table is to include detail of the supporting calculations used to derive water performance commitments reported in table OUT1. This table serves the same purpose as tables 3F, 3G and 3I in the annual performance report. Where calculations utilise data from other business planning tables, eg number of properties, we propose to directly link between the two tables.

This draft version is for illustrative purposes only and shows select example performance commitment calculations.

We intend to include a full suite of calculations for all performance commitments in the next iteration of the table and these will be based upon the definitions of the common PCs as outlined in [Appendix 7](#).

We recognise that we may need to provide multiple lines for PCs where companies deliver specific regional levels of performance below the aggregated company level. For example, both Northumbrian Water and South Staffs Water have two regions with different leakage performance commitment levels.

Table OUT5 line definitions

Line	Title	Definition	RAG 4.10 line reference
OUT4.1	Internal sewer flooding - customer proactively reported	Draft definitions of the common PCs are included in Appendix 7 .	3G.1
OUT4.2	Internal sewer flooding - company reactively identified (ie neighbouring properties)		3G.2
OUT4.3	Internal sewer flooding		3G.3
OUT4.4	Pollution incidents		3G.4
OUT4.5	Sewer collapses		3G.5

8. OUT6 – Summary information on outcome delivery incentive payments

Table OUT6 line definitions

Line	Title	Definition	RAG 4.10 line reference
OUT6.1	Water resources	Initial calculation of the in-period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.1
OUT6.2	Water network plus	Initial calculation of the in-period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.2
OUT6.3	Wastewater network plus	Initial calculation of the in-period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.3
OUT6.4	Bioresources (sludge)	Initial calculation of the in-period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.4
OUT6.5	Residential retail	Initial calculation of the in-period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.5
OUT6.6	Business retail	Initial calculation of the in-period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.6
OUT6.7	Additional control	Initial calculation of the in-period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.7
OUT6.8	Water resources	Initial calculation of the end of period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.8
OUT6.9	Water network plus	Initial calculation of the end of period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.9
OUT6.10	Wastewater network plus	Initial calculation of the end of period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.10
OUT6.11	Bioresources (sludge)	Initial calculation of the end of period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.11
OUT6.12	Residential retail	Initial calculation of the end of period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.12
OUT6.13	Business retail	Initial calculation of the end of period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.13
OUT6.14	Additional control	Initial calculation of the end of period revenue performance payments (excluding CMEX and DMEX) by price control.	3H.14
OUT6.15	Water resources	Initial calculation of the end of period RCV performance payments (excluding CMEX and DMEX) by price control.	3H.15
OUT6.16	Water network plus	Initial calculation of the end of period RCV performance payments (excluding CMEX and DMEX) by price control.	3H.16
OUT6.17	Wastewater network plus	Initial calculation of the end of period RCV performance payments (excluding CMEX and DMEX) by price control.	3H.17
OUT6.18	Bioresources (sludge)	Initial calculation of the end of period RCV performance payments (excluding CMEX and DMEX) by price control.	3H.18
OUT6.19	Residential retail	Initial calculation of the end of period RCV performance payments (excluding CMEX and DMEX) by price control.	3H.19

Line	Title	Definition	RAG 4.10 line reference
OUT6.20	Business retail	Initial calculation of the end of period RCV performance payments (excluding CMEX and DMEX) by price control.	3H.20
OUT6.21	Additional control	Initial calculation of the end of period RCV performance payments (excluding CMEX and DMEX) by price control.	3H.21

OUT6 Additional guidance

- 8.1 This table contains the outputs of the PR19 ODI performance reconciliation models based on forecast performance for 2023–24 and 2024–25 reported in table OUT8.
- 8.2 Data is in 2017–18 prices.
- 8.3 The collection of this data is subject to stakeholder responses, as explained in section 10.10.2 of [Creating tomorrow, together: consulting on our methodology for PR24](#).

OUT6 Commentary requirement

- None

9. OUT7 – Proposed parameters for financial incentives at PR24

Table OUT7 column definitions

Column	Title	Definition	RAG 4.10 line reference
1	Unique reference	Unique reference generated for the performance commitment, if required.	n/a
2-9	Price control allocation (%)	The split of the PC between different price controls (across Water resources, Water network plus, Wastewater network plus, Bioresources, Residential retail, Business retail and Thames Tideway Tunnel). Pre-populated for common PCs.	n/a
10	Marginal benefit estimate (£m)	Companies' estimates of marginal benefits for each PC (£m).	n/a
11	Benefit sharing factor (%)	Company view of the benefit sharing factor for each PC.	n/a
12	Standard outperformance rate (£m)	Calculation of column 10 multiplied by 11.	n/a
13	Standard underperformance rate (£m)	Calculation of column 10 multiplied by 11, expressed in negative terms.	n/a
14-18	Enhanced outperformance thresholds (where relevant)	Companies' forecasts for the enhanced outperformance thresholds from 2025-26 to 2029-30. Only for PCs that have enhanced ODIs.	n/a
21	ODI type	If the ODI is outperformance only, underperformance only, or outperformance and underperformance (pre-populated for common PCs).	n/a
22	ODI form	Revenue or RCV based (pre-populated for common PCs).	n/a
23	ODI timing	In-period or end of period (pre-populated for common PCs).	n/a
24	Decimal places	Companies' proposed decimal places for bespoke PCs only (pre-populated for common PCs).	n/a
26	Direction of improving performance	The direction that improving performance will go, Up or Down, for example improving leakage will require downward movement (pre-populated for common PCs).	n/a
27	Common or bespoke PC	The type of PC (pre-populated for common PCs).	n/a

OUT7 Additional guidance

- 9.1 Companies' estimates of marginal benefits (column 10) must be aligned to their PC definitions. Companies can adopt Ofwat's indicative view, or provide their own with appropriate evidence.
- 9.2 For the benefit sharing factor (column 11) companies can leave this blank, adopt Ofwat's indicative view, or provide their own view with appropriate evidence.
- 9.3 Companies should report their bespoke performance commitments in the same order as in OUT1.

OUT7 Commentary requirement

- 9.4 Companies should include the following commentary to this table:
 - an explanation of whether their marginal benefit estimate (column 10) is from the collaborative customer research or elsewhere. If it is from elsewhere, companies should provide evidence in line with the minimum expectations set out in [Appendix 12](#);
 - an explanation of whether they have adopted Ofwat's indicative view or their own for the benefit sharing factor (column 11) as well as the reasoning for their choice; and
 - an explanation for the basis of forecast enhanced thresholds.

10. OUT8 – PR19 outcome performance summary

Table OUT8 line definitions

Line	Title	Definition	RAG 4.10 line reference
OUT8.1	Water quality compliance (CRI)	Copied from OUT1.2	3A.1
OUT8.2	Water supply interruptions	Copied from OUT1.1	3A.2
OUT8.3	Leakage	Copied from OUT1.9	3A.3
OUT8.4	Per capita consumption	Copied from OUT1.10	3A.4
OUT8.5	Mains repairs	Copied from OUT1.18	3A.5
OUT8.6	Unplanned outage	Copied from OUT1.19	3A.6
OUT8.7	Internal sewer flooding	Copied from OUT1.4	3B.1
OUT8.8	Pollution incidents	Copied from OUT1.12	3B.2
OUT8.9	Sewer collapses	Copied from OUT1.20	3B.3
OUT8.10	Treatment works compliance	Copied from OUT1.14	3B.4
OUT8.11 to OUT8.30	Bespoke water PC 1 to 20		3A.7 to 3A.26
OUT8.31 to OUT8.44	Bespoke wastewater PC 1 to 14		3B.5 to 3B.18

Column	Title	Definition
1	Line description	Common and bespoke performance commitment name
2	Unique reference	Unique reference generated for the performance commitment as reported in the company's Outcome performance commitment appendix. For example: PR19AFW_W-A1
3	Unit	Unit that the performance commitment is measured in as described in its definition
4	Decimal places	Number of decimal places required
5	Performance level – actual	<p>Actual performance for the current reporting year in the units the performance commitment is measured in.</p> <p>For example, if the performance commitment is measured in MI/day and the actual performance level is 124.5 MI/day, then enter 124.5.</p> <p>This applies to all performance commitments, including those where a performance commitment level (PCL) has not been set for the current reporting year.</p>

OUT8 Additional guidance

- 10.1 The performance commitment definitions are set out in companies' [PR19 final determination outcome performance commitment appendices](#), as amended by agreed corrections or by the Competition and Market's Authority in the case of the four appellant companies (Anglian Water, Northumbrian Water, Yorkshire Water and Bristol Water).
- 10.2 It is the company's responsibility to report accurate and complete information for overall and individual performance commitments as specified in the company specific outcome performance commitment appendices.
- 10.3 Companies should report their bespoke performance commitments in the same order as the pre-populated APR tables 3A and 3B.
- 10.4 The table contains inputs needed for populating the PR19 ODI performance reconciliation model and calculating the end of period revenue and RCV adjustments to be applied at PR24.
- 10.5 In the [PR19 Reconciliation Rulebook](#) we said that, for in- period ODIs only, we would not set revenues for 2025-2030 at PR24 using forecast performance in 2024-2025. We said we would make any subsequent blind year adjustment for in-period ODIs using the in-period adjustments model to inform our in-period determination in late 2025, adjusting allowed revenues in 2026-2027. In the absence of stakeholder responses on this we have concluded that the approach set out in the PR19 Reconciliation Rulebook for in-period ODIs remains appropriate so as not to weaken incentives on companies. However we require companies to provide forecast data for 2024-2025 in-period ODIs in the business plan for our information.

OUT8 Commentary requirement

- 10.6 Companies should include the following commentary to this table;
- An explanation for the basis of forecast performance.

**Ofwat (The Water Services Regulation Authority)
is a non-ministerial government department.
We regulate the water sector in England and Wales.**

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