

Performance commitments and ODIs in detail

Wholesale water outcome B: Rivers, lakes and estuaries

Performance commitment B4: Compliance with abstraction licences

Detailed definition of performance measure: Percentage compliance with abstraction licences set by the Environment Agency.

Incentive type: Reputational.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	%	100.0	100.0	100.0	100.0	100.0	100.0

Additional details

Necessary detail on measurement units	<p>Abstraction licence compliance is reported as a percentage, where 100% is full compliance. The calculation used is</p> $\text{Abstraction licence compliance \%} = 100 - \frac{\text{No. of exceedances} * 100}{\text{No. of sources} * 365}$ <p>The number of exceedances for a source is the number of days on which the daily licence for that source had been exceeded or on which insufficient stream support had been provided. The total number of exceedances is the aggregate for all sources. Exceedances would include exceeding the daily licence or not providing sufficient stream support, or failing to meet another licence condition. The calculation is reported to one decimal place.</p>
Frequency of PC measurement	Annual
Any other relevant information	None

Performance commitment B5: Abstractions at Mere exported

Detailed definition of performance measure: Volume of water (MI) abstracted from the Mere source on average over the course of the year under low river flow conditions.

Incentive type: Financial – penalty only.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	MI/a	100	100	100	100	100	100
Penalty collar	MI/a		1350	1350	1350	1350	1350
Penalty deadband	MI/a		100	100	100	100	100

Incentive rates

Incentive type	Incentive rate (£/MI)
Penalty 1	£25

Additional details

Necessary detail on measurement units	To be based on the flows recorded in the meter that measures the transfer from Mere to Whitesheet (DF034). Only transfers that occur when the groundwater level at the Burton observation borehole is below 103.75m AOD will be counted in the incentive.
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Net cumulative penalty assessed at the end of AMP6.
Form of reward/penalty	Revenue adjustment
Any other information or clarifications relevant to correct application of incentive	Unlike other ODIs, the purpose of this incentive is not as such to discourage or penalise poor performance but instead, following the principles of the Abstraction Incentive Mechanism methodology, to recognise the environmental significance (externalities) of exporting water from the Mere area.

Performance commitment B6: BAP landholding assessed and managed for biodiversity

Detailed definition of performance measure: Proportion of the landholding assessed and managed for biodiversity.

Incentive type: Financial – penalty only.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	%	47	60	70	80	90	100
Penalty collar	%		50	50	50	50	50
Penalty deadband	%		60	70	80	90	100

Incentive rates

Incentive type	Incentive rate (£/%)
Penalty 1	£4,000

Additional details

Necessary detail on measurement units	The percentage of Wessex Water's landholding that has been assessed to contain species or habitats of biodiversity importance where the appropriate management actions are progressed (excluding sites of less than 0.5ha unless there is a known feature of interest)
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	RCV adjustment
Any other information or clarifications relevant to correct application of incentive	N/a

Performance commitment B7: Length of rivers with improved flows

Detailed definition of performance measure: The length of river where the flow has been improved as a result of changes to abstraction licences.

Incentive type: Financial – reward and penalty.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	Km	0	0	0	0	99	99
Penalty collar	Km		0	0	0	0	0
Penalty deadband	Km		0	0	0	99	99
Reward deadband	Km		0	0	0	99	99
Reward cap	Km		-	-	-	-	-

Incentive rates

Incentive type	Incentive rate (£/km/year)
Penalty	£19,000
Reward	£19,000

Additional details

Necessary detail on measurement units	Length of river where the flow has improved as a result of Wessex Water changing its abstraction licences as a result of an unacceptable environmental impact having been identified from detailed investigations (as opposed to an Environmental Flow Index (EFI) assessment or similar).
Frequency of PC measurement and any use of averaging	Annual on a cumulative basis
Timing and frequency of rewards/penalties	Annual

Form of reward/penalty	RCV adjustment
Any other information or clarifications relevant to correct application of incentive	The target of 99 km is made up from the following sites: Wylve / Bourne – 59km, Nadder 7 km, Malmesbury 33 km

Wholesale water outcome D: Resilient services

Performance commitment D2: Restrictions on water use (hosepipe bans)

Detailed definition of performance measure: The avoidance of imposing a temporary use ban.

Incentive type: Financial – penalty only.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	Nr	0	0	0	0	0	0
Penalty collar	Nr		1	1	1	1	1
Penalty deadband	Nr		0	0	0	0	0

Incentive rates

Incentive type	Incentive rate (£/nr)
Penalty	£10,100,000

Additional details

Necessary detail on measurement units	The number of hosepipe bans measured and verified via the published process.
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	Revenue adjustment

Any other information or clarifications relevant to correct application of incentive

Cap of 1 ban per AMP period
 Not applicable if the weather is drier than that experienced in 1975/76 as this is the design standard for the reliability of supplies (see final WRMP – June 2014).

Performance commitment D3: Water supply interruptions

Detailed definition of performance measure: Number of minutes lost per property with supply interruptions greater than three hours including planned, unplanned and third party interruptions.

Incentive type: Financial – reward and penalty.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	Min/prop	24	21.3	16	12	12	12
Penalty collar	Min/prop		44	44	32	32	32
Penalty deadband	Min/prop		24	24	12	12	12
Reward deadband	Min/prop		12	12	12	12	12
Reward cap	Min/prop		4.5	4.5	4.5	4.5	4.5

Incentive rates

Incentive type	Incentive rate (£/min/year)
Penalty	£41,900

Incentive type	Incentive rate (£/min/year)
Reward	£6,400

Additional details

Necessary detail on measurement units	Measurement of performance will follow the guidelines as defined for the Ofwat KPIs in 'Key performance indicators – guidance', IN 13/03.
Frequency of PC measurement and any use of averaging	Performance will be measured and reported annually.
Timing and frequency of rewards/penalties	The financial penalty/reward will be assessed annually and imposed as a net, single, cumulative penalty/reward as part of the next price review.
Form of reward/penalty	Revenue adjustment
Any other information or clarifications relevant to correct application of incentive	N/a

Performance commitment D4: Properties supplied by a single source

Detailed definition of performance measure: The total number of properties supplied by a single source of water.

Incentive type: Financial – penalty only.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	nr	106000	78000	78000	78000	42000	42000

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Penalty collar	nr		106000	106000	106000	106000	106000
Penalty deadband	nr		78000	78000	78000	42000	42000

Incentive rates

Incentive type	Incentive rate (£/nr/year)
Penalty 1 – timing delays	£76.60
Penalty 2 – non-delivery	£2445

Additional details

Necessary detail on measurement units	The total of the number of properties supplied by single sources or water treatment works, where catastrophic failure of the source would cause extended interruption to customers.
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	RCV adjustment
Any other information or clarifications relevant to correct application of incentive	<p>Incentives to be determined at PR19 based on the extent of completion of the integrated supply grid and, if relevant, expected date of completion. If improvements not delivered at this point timing delay penalties will apply for each year's delay until expected completion.</p> <p>If substantive progress toward delivery cannot be demonstrated with a plan to deliver the original committed performance level at this point the non-delivery penalty will apply pro-rata for the scale of non-delivery.</p>

Performance commitment D5: Water main bursts

Detailed definition of performance measure: The number of water main bursts per report year.

Incentive type: Financial – penalty only.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	Nr	<1867	<1993	<1993	<1993	<1993	<1993
Penalty collar	Nr		-	-	-	-	-
Penalty deadband	Nr		1993	1993	1993	1993	1993

Incentive rates

Incentive type	Incentive rate (£/nr)
Penalty 1	£4,900

Additional details

Necessary detail on measurement units	The number of water mains bursts per report year using the long established methodology for reporting this indicator in Table 11 of the Regulatory Report. A water mains burst is defined as any escape of water from the company's distribution mains, including detected leaks. It only covers water mains and does not include leaks on service pipes.
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	RCV adjustment
Any other information or clarifications relevant to correct application of incentive	None

Wholesale water outcome F: Leakage

Performance commitment F1: Volume of water leaked

Detailed definition of performance measure: Average volume of water leaked per day throughout the year, measure in megalitres per day

Incentive type: Financial – reward and penalty.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	MI/d	70	69.3	68.6	67.9	67.2	66.5
Penalty collar	MI/d		76.2	75.4	74.7	73.9	73.1
Penalty deadband	MI/d		69.3	68.6	67.9	67.2	66.5
Reward deadband	MI/d		68.3	67.6	66.9	66.2	65.5
Reward cap	MI/d		65.3	64.6	63.9	63.2	62.5

Incentive rates

Incentive type	Incentive rate (£/MI/day)
Penalty	£305,000
Reward	£110,000

Additional details

Necessary detail on measurement units	The volume of total leakage is reported by financial year in Table 10 of the Regulatory Report. Leakage has been reported as part of the annual review with the data independently audited each year.
Frequency of PC measurement and any use of averaging	Annual

Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	Revenue adjustment
Any other information or clarifications relevant to correct application of incentive	N/a

Performance commitment F2: Customer reported leaks fixed within a day

Detailed definition of performance measure: Customer reported leaks fixed within a day

Incentive type: Reputational.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	%	66	66	70	75	80	90

Additional details

Necessary detail on measurement units	<p>This is a new measure. Time taken to repair any leak reported by a customer:</p> <p>This is for all significant leaks reported by customers on Wessex owned pipes and fittings; the categorisation of significance will be determined through a new classification process when the leak is reported to the company. Leaks on customer owned pipework is excluded from this measure</p> <p>Allowable exclusions include where it is not possible to complete within a day due to traffic management issues, private land access, or other 3rd party constraints or health and safety issues</p>
Frequency of PC measurement and any use of averaging	Annual
Any other information or clarifications relevant to correct application of incentive	N/a

Wholesale water outcome G: Highest quality drinking water

Performance commitment G1: Customer contacts about drinking water quality

Detailed definition of performance measure: Total number of customer contacts in the year about the acceptability of water

Incentive type: Financial – reward and penalty.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	Nr	3000	2536	2072	1608	1608	1608
Penalty collar	Nr		3400	3400	2008	2008	2008
Penalty deadband	Nr		3000	2950	1608	1608	1608
Reward deadband	Nr		1608	1608	1608	1608	1608
Reward cap	Nr		1208	1208	1208	1208	1208

Incentive rates

Incentive type	Incentive rate (£/nr)
Penalty	£1,000
Reward	£175

Additional details

Necessary detail on measurement units	The number of contacts from consumers about the acceptability of their water includes contacts related to discoloured water, taste and odour and air in the water. This performance commitment is the same as the indicator reported annually by the DWI in the
--	---

	Chief Inspector's report published in July each year, reporting on the previous calendar years' performance.
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	RCV adjustment
Any other information or clarifications relevant to correct application of incentive	N/a

Performance commitment G2: Compliance with drinking water standards

Detailed definition of performance measure: Mean zonal compliance (MZC) calculated in accordance with DWI guidelines.

Incentive type: Financial – penalty only.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	%	99.98	99.98	99.98	100	100	100
Penalty collar	%		<99.95	<99.95	<99.95	<99.95	<99.95
Penalty deadband	%		99.95	99.95	99.95	99.95	99.95

Incentive rates

Incentive type	Incentive rate (£)
Penalty 1	£770,000

Additional details

Necessary detail on measurement units	Mean zonal compliance (MZC) is calculated in accordance with DWI guidelines. It applies for 39 parameters set out in the Water Supply (Water Quality) Regulations. MZC is defined as the arithmetic mean of the zonal compliance values for all the zones in a company. Zonal compliance for any parameter is the percentage of samples meeting the prescribed concentration or value (PCV). MZC is
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	RCV adjustment
Any other information or clarifications relevant to correct application of incentive	A binary annual penalty is applied if performance falls under 99.95%

Wholesale wastewater outcome A: Improved bathing waters

Performance commitment A1: Agreed schemes delivered

Detailed definition of performance measure: Delivery of the named outputs with bathing water drivers in the NEP.

Incentive type: Financial – penalty only.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	%	-	100%	100%	100%	100%	100%
Penalty collar	%		0%	0%	0%	0%	0%
Penalty deadband	%		100%	100%	100%	100%	100%

Incentive rates

Incentive type	Incentive rate (£/%/year)
Penalty	£9,000

Additional details

Necessary detail on measurement units	Cumulative target. Schemes listed in the NEP Phase 4
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	RCV adjustment
Any other information or clarifications relevant to correct application of incentive	No other information required

Performance commitment A2: Beaches passing EU standards

Detailed definition of performance measure: The percentage of bathing waters meeting the revised Bathing Water Directive standards.

Incentive type: Reputational.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	%	100%	100%	100%	100%	100%	100%

Additional details

Necessary detail on measurement units	Bathing waters status as classified by the Environment Agency.
Frequency of PC measurement and any use of averaging	Annual
Any other information or clarifications relevant to correct application of incentive	No other information required

Wholesale wastewater outcome B: Rivers, lakes and estuaries

Performance commitment B1: The Environment Agency's Environmental Performance Assessment

Detailed definition of performance measure: Rating provided by the Environment Agency's annual Environmental Performance Assessment. Reward mechanism based on total number of pollution incidents from wastewater assets.

Incentive type: Financial – reward and penalty.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	Standing	Industry leading	Industry leading	Industry leading	Industry leading	Industry leading	Industry leading
Penalty collar	Standing		Below average	Below average	Below average	Below average	Below average
Penalty deadband	Standing		Above average	Above average	Above average	Above average	Above average
Reward deadband	Nr		0/67	0/67	0/67	0/67	0/67
Reward cap	Nr		0/0	0/0	0/0	0/0	0/0

Incentive rates

Incentive type	Incentive rate
Penalty	£5,900,000
Reward	£190,000

Additional details

Necessary detail on measurement units	<p>Environment Agency's ratings are 'industry leading'; 'above average'; 'below average' and 'poor performing'.</p> <p>The assessment includes sewage treatment work compliance with discharge permits. In line with the expectations of the Environment Agency, Wessex Water must target 100% compliance with numeric discharge permits from 2015-16.</p> <p>Reward mechanism applicable if performance is 0 (zero) Category 1 and 2 pollution incidents and less than 67 Category 3 pollution incidents (0/67) from wastewater assets as measured in MD109.</p>
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	Revenue adjustment
Any other information or clarifications relevant to correct application of incentive	The penalty will be capped to a maximum of three applications during the AMP

Performance commitment B2: Monitoring CSOs

Detailed definition of performance measure: The percentage of combined sewer overflows which present a risk to the environment with event duration monitoring installed.

Incentive type: Financial – penalty only.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	%	33	40	40	43	43	100
Penalty collar	%		33	33	33	33	33
Penalty deadband	%		40	40	43	43	100

Incentive rates

Incentive type	Incentive rate (£/%/year)
Penalty	£10,000

Additional details

Necessary detail on measurement units	Measurement on a cumulative basis. List of individual CSOs will be in the NEP Phase 5 to be published in January 2016.
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	RCV adjustment
Any other information or clarifications relevant to correct application of incentive	Current number of CSOs monitored is 359 (33%). End of AMP target is to monitor 1073 (100%) CSOs which present a risk to the environment.

Performance commitment B3: River water quality improved

Detailed definition of performance measure: The number of water bodies improved through investments at sewage works.

Incentive type: Financial – reward and penalty.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	Nr	0	0	0	8	11	70
Penalty collar	Nr		-	-	-	-	0
Penalty deadband	Nr		-	-	-	-	70
Reward deadband	Nr		-	-	-	-	70
Reward cap	Nr		-	-	-	-	131

Incentive rates

Incentive type	Incentive rate (£/nr)
Penalty	£1,674,000
Reward	£1,290,000

Additional details

Necessary detail on measurement units	PC for number of water bodies improved is cumulative.
Frequency of PC measurement and any use of averaging	Customer Advisory Panel will review performance during years 3 and 4 for adjustments (penalties or rewards).
Timing and frequency of rewards/penalties	Net rewards or penalties to be applied at a subsequent price review.
Form of reward/penalty	Revenue adjustment
Any other information or clarifications relevant to correct application of incentive	No other information required

Wholesale wastewater outcome C: Sewer flooding

Performance commitment C1: Internal flooding incidents

Detailed definition of performance measure: Number of internal flooding incidents caused by blockages, collapses and equipment failures per 10,000 properties connected to the public sewer system.

Incentive type: Financial – reward and penalty.

Performance commitments

		Starting level	Committed performance levels (nr/10,000 properties connected)				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	Incidents per 10k properties connected	1.77	1.75	1.72	1.70	1.68	1.66
Penalty collar			2.07	2.04	2.02	2.00	1.98
Penalty deadband			1.95	1.92	1.90	1.88	1.86
Reward deadband			1.61	1.59	1.57	1.55	1.53
Reward cap			1.35	1.32	1.30	1.28	1.26

Incentive rates

Incentive type	Incentive rate (£/0.01nr/10,000 properties)
Penalty	£315,105
Reward	£204,000

Additional details

Necessary detail on measurement units	PC includes all incidents arising from assets transferred under S105A of the Water Industry Act.
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	Revenue adjustment
Any other information or clarifications relevant to correct application of incentive	No other information required

Performance commitment C2: Risk of flooding from public sewers due to hydraulic inadequacy

Detailed definition of performance measure: Overall risk of flooding as measured by sewer flooding risk grid.

Incentive type: Financial – reward and penalty.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	Risk	50,000	50,000	50,000	50,000	50,000	50,000
Penalty collar	Risk		>60,000	>60,000	>60,000	>60,000	>60,000
Penalty deadband	Risk		60,000	60,000	60,000	60,000	60,000
Reward deadband	Risk		40,000	40,000	40,000	40,000	40,000
Reward cap	Risk		0	0	0	0	0

Incentive rates

Incentive type	Incentive rate:
	- Penalty (£) - Reward (£/risk score)
Penalty	£10,400,000
Reward	£7,400

Additional details

Necessary detail on measurement units	This is a new measure. PC to be rebased at 14-15 actual end of year position. Deadbands set at +/- 20% of starting risk score.
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	RCV adjustment
Any other information or clarifications relevant to correct application of incentive	Binary penalty for failing to keep below +20% of starting risk score. Per point reward for each point below -20% of starting risk score.

Performance commitment C3: North Bristol Sewer Scheme

Detailed definition of performance measure: In line with the Bristol sewerage strategy, additional capacity for the Frome catchment will be delivered in 2018/19 and Trym catchment in 2022/23.

Incentive type: Financial – penalty only.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC – Frome							Frome scheme delivered
PC – Trym					Trym milest one		

Incentive rates

Incentive type	Incentive rate Penalty (£m)
Penalty for delay – Frome	£1.86m/year
Penalty for non-delivery – Frome	£24.917m
Penlaty for delay – Trym	£0.97m/year
Penalty for non-delivery – Trym	£14.083m

Additional details

Necessary detail on measurement units	In line with the Bristol sewerage strategy, additional capacity will be created in the Frome and Trym catchments. The Frome catchment scheme will be delivered within AMP6 and the Trym catchment scheme in 2022/23. A milestone for the Trym catchment has been introduced in 2017/18 which requires the company to demonstrate, in line with its delivery plan, that the design, consultation and construction of the Trym scheme has been progressed.
Frequency of PC measurement and any use of averaging	Assessment at the end of the AMP period.
Timing and frequency of rewards/penalties	Applied as part of the price review in 2019
Form of reward/penalty	RCV adjustment
Any other information or clarifications relevant to correct application of incentive	<p>In the event that the Frome scheme is not delivered within the period, the annual penalty will apply from 2019/20 and for each year until the scheme has been delivered. If substantive progress towards delivery cannot be demonstrated at this point the full non-delivery penalty will apply instead of the penalty for delay.</p> <p>If the Trym scheme is not on-track for delivery in line with the milestone, an annual penalty as outlined in the table above will be applied for each year of delay. If the milestone is not reached by the end of the AMP period then the penalty for non-delivery will be applied</p>

Wholesale wastewater outcome D: Resilient services

Performance commitment D1: Collapses and bursts on sewer network

Detailed definition of performance measure: Number of sewer collapses and rising main bursts.

Incentive type: Financial – penalty only.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	Nr	<300	<300	<300	<300	<300	<300
Penalty collar	Nr		-	-	-	-	-
Penalty deadband	Nr		<300	<300	<300	<300	<300

Incentive rates

Incentive type	Incentive rate (£/nr)
Penalty	£8,400

Additional details

Necessary detail on measurement units	Rolling 5-year average. PC excludes transferred S105A sewers and rising mains.
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	RCV adjustment
Any other information relevant	No other information required

Wholesale wastewater outcome E: Carbon footprint

Performance commitment E1: Greenhouse gas emissions

Detailed definition of performance measure: annual greenhouse gas emissions from operational services.

Incentive type: Reputational.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	ktCO ₂ e	152	133	124	122	121	119

Additional details

Necessary detail on measurement units	No other information required
Frequency of PC measurement and any use of averaging	Annual
Any other information or clarifications relevant to correct application of incentive	N/a

Performance commitment E2: Proportion of energy self-generated

Detailed definition of performance measure: The percentage of electricity and gas used each year that is accounted for by the company's own renewable energy generation.

Incentive type: Financial – penalty only.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
PC	%	20	21	22	22	21	24
Penalty collar	%		0	0	0	0	0
Penalty deadband	%		21	22	22	21	24

Incentive rates

Incentive type	Incentive rate (£/%)
Penalty	£99,000

Additional details

Necessary detail on measurement units	Includes self-supplied renewable energy generation and exported energy generation.
Frequency of PC measurement and any use of averaging	Annual
Timing and frequency of rewards/penalties	Annual
Form of reward/penalty	RV adjustment
Any other information or clarifications relevant to correct application of incentive	No other information required

Household retail outcome A: Excellent service for customers

Performance commitment A1: SIM service score

Detailed definition of performance measure: Ofwat defined

Incentive type: Financial – reward and penalty.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
SIM service score	SIM score	>86	>86	>86	>86	>86	>86

Additional details

Necessary detail on measurement units	Ofwat measure
Frequency of PC measurement and any use of averaging	Annually
Any other information or clarifications relevant to correct application of incentive	Incentive is comparative

Performance commitment A2: Percentage rating service good/very good

Detailed definition of performance measure: The percentage of customers who have contacted the company with an operational query/complaint that rate service as “very good” or “good”

Incentive type: Reputational.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
% customers rating service good/very good	%	>95%	>95%	>95%	>95%	>95%	>95%

Additional details

Necessary detail on measurement units	Percentage of surveyed customers
Frequency of PC measurement and any use of averaging	Annual
Any other information or clarifications relevant to correct application of incentive	

Performance commitment A3: Percentage rating good value for money

Detailed definition of performance measure: The percentage of customers rating overall service as good value for money when asked in an annual tracking telephone survey.

Incentive type: Reputational.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
% customers rating good value for money	%	70%	71%	72%	73%	74%	75%

Additional details

Necessary detail on measurement units	Percentage of surveyed customers
Frequency of PC measurement and any use of averaging	Annual
Any other information or clarifications relevant to correct application of incentive	

Performance commitment A4: Percentage rating ease of resolution

Detailed definition of performance measure: The percentage of customers who have said that their contact with Wessex Water was easy to resolve.

Incentive type: Reputational.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
% customers rating ease of resolution	%	New measure	Improving trend	Improving trend	Improving trend	Improving trend	Improving trend

Additional details

Necessary detail on measurement units	<p>The percentage of customers who have said that their contact with Wessex Water was easy to resolve. This is a new measure around customer effort. Customer effort is an alternative method of measuring customer satisfaction.</p> <p>The survey question was trialled in an online panel in early 2013, and was included in the ongoing 2014 annual image tracking survey. The company states the measure is immature so PC levels have not been set between 2014-15 and 2019-20</p>
Frequency of PC measurement and any use of averaging	Annual
Any other information or clarifications relevant to correct application of incentive	<p>The company will review performance in year 3 with its customer panel and will consider its approach moving forward once sufficient data points have been collected. However, for the avoidance of doubt, the company must demonstrate an improving trend across the period 2015-16 to 2019-20 in line with the committed performance level.</p>

Performance commitment A5: Accessible communications

Detailed definition of performance measure: The accessibility of the company's communications with customers

Incentive type: Reputational.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Accessible communications	N/a	New measure	N/a	N/a	N/a	N/a	Meet best practice

Additional details

Necessary detail on measurement units	The company will hold the BS18477 British Standard on inclusive services, developed in conjunction with Consumer Futures. The company will retain the Customer Service Excellence Award, which includes measures of accessibility and inclusivity of its services.
Frequency of PC measurement and any use of averaging	Annual
Any other information or clarifications relevant to correct application of incentive	No

Household retail outcome B: Affordable bills

Performance commitment B1: Volume of water used per person

Detailed definition of performance measure: The volume of water that is used per person as defined by the company water resource management plan with a supporting water efficiency performance measure to which the financial penalty is attached.

Incentive type: Financial – penalty only.

Performance commitments

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Volume of water used per person	litres/ person/ day	137	135	134	133	132	131
Reputational deadband	litres/ person/ day		142	141	140	139	138

	Unit	Starting level	Committed performance levels				
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Volume of water saved by water efficiency promotion	litres/ person/ day		0.57	1.25	1.92	2.59	3.26
Penalty collar			0	0	0	0	0
Penalty deadband			0.57	1.25	1.92	2.59	3.26

Incentive rates

Incentive type	Incentive rate (£m/l/person/day)
Penalty	1.89

Additional details

Necessary detail on measurement units	<p>The calculation is the weighted average (by population) of per capita consumption (PCC) for the company's domestic customers, both measured and unmeasured. This is calculated annually and is reputational only.</p> <p>The supporting financial (penalty-only) water efficiency performance commitment relates to helping customers reduce the amount of water used per person as a result of water efficiency promotion. The calculation is based on assumed demand reductions for various activities, in a similar style to that used during AMP5 for the water efficiency target. Wherever possible the assumed demand reductions are based on evidence. In the absence of reliable data, conservative estimates will be made.</p>
Frequency of PC measurement and any use of averaging	The water efficiency promotion target of 3.26 l/p/d is cumulative and will be measured and reported on a cumulative basis annually. The incentive is applied to two decimal places.
Timing and frequency of rewards/penalties	Performance reviewed annually, penalty assessed at end of AMP6.
Form of reward/penalty	Revenue
Any other information or clarifications relevant to correct application of incentive	<p>The company applies a deadband around the reputational overall PCC target that allows for natural variation in dry/wet years. For the supporting water efficiency target, which has a financial penalty attached, there is no deadband.</p> <p>In meeting the water efficiency savings no more than:</p> <ul style="list-style-type: none"> 40% of the target is achieved from the provision of water efficiency advice and information by the company

- 40% of the target is achieved from the provision of devices installed by the customer
- 60% of the target is achieved from these two approaches combined.

Performance commitment B2: Bill as a proportion of disposable income

Detailed definition of performance measure: The average household bill as a proportion of the UK mean household disposable income as calculated by the Office for National Statistics (ONS)

Incentive type: Reputational.

Performance commitments

		Starting level	Committed performance levels				
	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Bill as a proportion of disposable income	%	1.6%	Reducing trend	Reducing trend	Reducing trend	Reducing trend	Reducing trend

Additional details

Necessary detail on measurement units

The bill is equal to the total accounting household revenue in the year as shown in the regulatory accounts divided by average number of billed households also reported in the regulatory accounts.

Total of these values is weighted by number of properties occupied and billable for each service as at 30th September in the year and then shown as a percentage of the mean average equalised household disposable income per household in the UK as reported annually by the ONS in its annual Effects of Taxes and Benefits on Household Income

	<p>report.</p> <p>The ONS figure is published 2 years in arrears (the latest value is 2011-12) so the company will need to update the figure published by the Office for National Statistics and/or Office for Budgetary Responsibility forecast data showing any subsequent change in Household Disposable Income (ONS identifier RPHQ).</p>
<p>Frequency of PC measurement and any use of averaging</p>	<p>Annual.</p>
<p>Any other information or clarifications relevant to correct application of incentive</p>	<p>This calculation will be shared with and agreed each year by the Customer Advisory Panel alongside any revisions to previous year estimates.</p>