

**NORTHUMBRIAN**  
**WATER** *living water*

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**APPENDIX 4.2 -  
PERFORMANCE COMMITMENTS  
EVALUATION**

**MARCH 2019**

## APPENDIX 4.2

### Performance commitments evaluation



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#### NES MARCH 2019 SUBMISSION

#### APPENDIX – ALL PERFORMANCE COMMITMENTS

This technical appendix contains the evidence for the setting of the enhanced outperformance threshold value, Upper Quartile (UQ) value, Lower Quartile (LQ) underperformance threshold value and contains the performance commitment levels (PCL) for all NWL performance commitments (PC) as at September 2018.

The appendix has been updated in line with feedback from Ofwat's Initial Assessment of Plans (IAP). Changes are documented under the Ofwat IAP subheading and in the summary tables as necessary.

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#### COMMON PERFORMANCE COMMITMENTS

This section of the document contains the evidence and approach for the assessment of UQ, LQ and enhanced performance commitment levels for each common performance commitment metric.

#### CUSTOMER MEASURE OF EXPERIENCE (C-MEX) – REF COM01

The enhanced, LQ and UQ values have not been assessed. These will be determined by Ofwat in due course as C-MeX development matures.

#### DEVELOPER SERVICES MEASURE OF EXPERIENCE (D-MEX) – REF COM02

The enhanced, LQ and UQ values have not been assessed. These will be determined by Ofwat in due course as D-MeX development matures.

#### WATER QUALITY COMPLIANCE (CRI) – REF COM03

##### Introduction (September 2018)

The CRI measure was introduced by DWI very recently. At the time of evaluating performance commitment levels only 2016 and 2017 data is available. All units are risk index units. The CRI formula is as follows:

$$\text{CRI} = \frac{\begin{array}{l} \text{For compliance failures in} \\ \text{water supply zones} \\ \hline \sum \text{SCP} \\ \hline \text{Total company population} \\ \text{served} \end{array}}{\text{Total company population served}} + \frac{\begin{array}{l} \text{For compliance failures at} \\ \text{water treatment works or} \\ \text{designated supply points} \\ \hline \sum \text{SCV} \\ \hline \text{Total volume of water} \\ \text{supplied daily by the} \\ \text{company} \\ \text{(m}^3\text{/day)} \end{array}}{\text{Total volume of water supplied daily by the company (m}^3\text{/day)}} + \frac{\begin{array}{l} \text{For compliance failures at} \\ \text{service reservoirs} \\ \hline \sum \text{SCR} \\ \hline \text{Total Service Reservoir} \\ \text{capacity of the company} \\ \text{(m}^3\text{)} \end{array}}{\text{Total Service Reservoir capacity of the company (m}^3\text{)}}$$

##### Data treatment to evaluate UQ

The 2016 and 2017 data is reproduced below. Small companies have been removed from the dataset in an approach similar to that used by Ofwat for water quality measures at PR14. Dee Valley 2016 CRI was 18.5, due to the acquisition of Dee Valley by Severn Trent DWI have not reported a 2017 value, consequently this company has also been removed from the dataset. The UQ value has been determined from the 2016 and 2017 average performance for each company.

The excel function used is “=quartile.inc(array,1)”. This approach and formula gives an UQ CRI value of 2.27.

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It has not been possible to identify a future performance trend with the data available. The 2024 UQ value has been set at the same value of 2.27 CRI. In the long term the UQ value has been tightened by 25% for 2029/30 and a further 25% for 2034/5.

**Table 1 DWI 2016 DRI data, corrected with NNE WTW component and adjusted CRI score.**

Company	Compliance Risk Index 2016	Compliance Risk Index 2017	Average
Affinity Water	2.5	6.66	4.58
Anglian Water (inc Hartlepool Water)	8.57	3.17	5.87
Bristol Water	1.6	0.03	0.82
Dwr Cymru Welsh Water	2.6	2.85	2.73
Portsmouth Water	0.9	0.01	0.46
Bournemouth Water	1.2	8.71	4.96
SES Water	0.2	0.23	0.22
South East Water	4.9	2.03	3.47
Southern Water	2.3	5.46	3.88
Severn Trent Water	7.2	9.44	8.32
South West Water	3	1.54	2.27
Thames Water	5.25	1.22	3.24
United Utilities	4.5	1.28	2.89
Wessex Water	0.8	0.52	0.66
Yorkshire Water	3.8	4.61	4.21
South Staffs & Cambridge	2.91	6.11	4.51
NES	5.84	2.04	3.94

Upper quartile	2.27
Lower quartile	4.51
Lead	0.22
Lag	8.32
Average	3.35

#### Data treatment to evaluate Enhanced PCL

A CRI score of 0 is equivalent to 100% compliance with water quality standards at each measurement point. There is no enhancement available for this measure, it is underperformance payment only.

#### Ofwat IAP (March 2019)

Ofwat require companies to set the performance deadband to 1.5.

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#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	2.27	2.27	2.27	2.27	2.27	1.70	1.28
Penalty deadband threshold	1.50	1.50	1.50	1.50	1.50	-	-
PCL	0	0	0	0	0	0	0

#### WATER SUPPLY INTERRUPTIONS: OVER 3 HOURS – REF COM04

##### Introduction (September 2018)

The interruptions measure is subject to convergence activity to ensure all companies are measuring and reporting comparable performance. 2017/18 convergence shadow data has recently become available (late July 2018) and this has been incorporated into our assessment. All units are hh:mm:ss.

##### Data treatment to evaluate UQ

By comparing 2016/17 and 2017/18 actual data with shadow data the performance change due to convergence activity has been identified. The average change due to convergence has then been applied to 2015/16 to create a three year converged data set.

The industry data set has been modified to account for the impact of South West Water's acquisition of Bournemouth Water and Severn Trent's acquisition of Dee Valley Water. We have not attempted to create revised data for the new company structures. The three year average performance for each company has been evaluated from 2015/16 to 2017/18. This has allowed a three year average converged UQ, LQ, etc to be assessed.

Company	15/16	16/17	17/18	3yr avg
Anglian - ANH	00:08:12	00:11:43	00:07:24	00:09:06
Northumbrian - NES	00:03:08	00:02:10	00:05:19	00:03:42
Severn Trent - SVT	00:12:16	00:11:32	00:36:19	00:19:12
South West - SWT	00:22:30	00:10:55	00:21:24	00:20:11
Southern - SRN	00:10:41	00:06:18	00:14:46	00:11:15
Thames - TMS	00:12:52	00:08:41	00:24:23	00:16:52
United Utilities - UU	00:17:04	00:13:57	00:13:21	00:14:32
Welsh - WSH	00:21:51	00:12:09	00:43:43	00:25:52
Yorkshire - YKY	00:11:10	00:08:14	00:06:12	00:09:37
Affinity - AFW	00:17:55	00:21:06	00:32:54	00:23:58
Bristol - BRL	00:16:06	00:12:56	01:15:59	00:34:48
Portsmouth - PRT	00:03:30	00:04:09	00:04:17	00:03:59
South East - SEW	00:32:05	00:12:55	00:44:38	00:29:52
South Staffs & Cambridge - SSC	00:04:14	00:05:11	00:08:32	00:05:59
Sutton & East Surrey - SES	00:10:42	00:09:20	00:04:06	00:04:56

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Wessex - WSX	00:14:46	00:13:19	00:12:34	00:13:13
	<b>Upper quartile</b>			00:08:25
	Lower quartile			00:21:01
	Lead			00:03:32
	Lag			00:35:00
	Average			00:15:24

The excel function for UQ is “=quartile.inc(array,1)”, and for LQ is “=quartile.inc(array,3)”.

The iterative improvement in current 2015-16 to 2017-18 UQ data has been identified and applied to forecast future UQ values, this is reproduced in the summary table below. The 2024/25 UQ value is forecast to be 00:05:25 and is less stretching than our 2019-20 PC of 00:05:00. In recognition of this and in response to forum challenge the UQ was tightened by 20% and applied from 2020/21.

#### Data treatment to evaluate Enhanced PCL

In line with the 2019 Price review final methodology the enhanced underperformance threshold level is equivalent to the three year average lower quartile value. The excel function for LQ is “=quartile.inc(array,3)”.

Applying this principle to the lead value (formula “=quartile.inc(array,0)”) would give an outperformance threshold of 00:03:32, however, given our strong historic performance in this area we would propose to deviate from the principle and utilise the NES 2016/17 performance of 00:02:10 as the outperformance threshold.

#### Ofwat IAP (March 2019)

For this common PC Ofwat expect all companies’ service levels to reflect the values Ofwat calculated for each year of the 2020 to 2025 period. Additionally caps and collars have been adopted along with setting enhanced thresholds in line with guidance contained within Ofwat IAP Technical Appendix 1.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
Underperformance collar	00:17:20	00:17:11	00:17:03	00:16:54	00:16:28	-	-
Enhanced underperformance threshold	00:14:40	00:14:40	00:14:40	00:14:40	00:14:40	-	-
UQ value	00:07:08	00:06:42	00:06:16	00:05:51	00:05:25	00:03:05	-
IAP UQ	00:04:17	00:03:58	00:03:40	00:03:22	00:03:00	-	-
PCL	00:04:17	00:03:58	00:03:40	00:03:22	00:03:00	-	-
Enhanced outperformance threshold	00:02:40	00:02:31	00:02:23	00:02:14	00:01:48	-	-
Outperformance cap	00:00:00	00:00:00	00:00:00	00:00:00	00:00:00	-	-

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#### LEAKAGE (NW) – REF COM05

##### Introduction (September 2018)

The leakage measure is subject to convergence activity to ensure all companies are measuring and reporting comparable performance. 2017/18 convergence shadow data has recently become available (late July 2018) and this has been incorporated into our assessment.

##### Data treatment to evaluate UQ

The data source is discoverwater.co.uk. By comparing 2016/17 and 2017/18 actual data with shadow data the performance change due to convergence activity has been identified. The average change due to convergence has then been applied to 2015/16 to create a three year converged data set.

The industry data set has been modified to account for the impact of South West Water's acquisition of Bournemouth Water and Severn Trent's acquisition of Dee Valley Water. We have not attempted to create revised data for the new company structures.

To recognise the performance challenge from the PR19 final methodology the three year average has been enhanced by 15%. All values below are litres/property/day (l/p/d). The iterative improvement over this 2015/16-2017/18 time series has been used in conjunction with the improved average value to forecast the UQ value for each year from 2018/19 to 2024/25. The excel function for UQ is “=quartile.inc(array,1)”, and for LQ is “=quartile.inc(array,3)”.

Company	2015-16	2016-17	2017-18	15% reduction from 3yr avg by 2024/5
Affinity	123.9	118.6	114.9	101.3
Anglian	85.3	86.5	83.2	72.2
Bristol	87.5	92.8	89.3	76.4
Dŵr Cymru Welsh Water	140.9	134.9	135.6	116.6
Essex & Suffolk	77.9	89.8	77.9	69.6
Northumbrian	114.7	114.3	114.4	97.3
Portsmouth	101.7	109.4	115.7	92.6
SES Water	85.0	88.6	80.3	71.9
Severn Trent	114.7	117.7	111.3	97.4
South East	88.8	88.2	86.6	74.7
South Staffs & Cambridge	112.4	110.1	118.9	96.7
South West	114.7	118.7	122.3	100.8
Southern	92.7	100.6	92.1	80.9
Thames	179.0	188.8	188.4	157.6
United Utilities	141.0	140.5	135.6	118.2
Wessex	130.7	127.9	129.5	110.0
Yorkshire	124.7	129.5	128.6	108.5
<b>Upper quartile</b>				<b>78.1</b>

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Lower quartile	104.9
Lead	69.6
Lag	157.6
Average	95.4

#### Data treatment to evaluate Enhanced PCL

In line with the 2019 Price review final methodology the enhanced outperformance threshold is the current frontier performance of the three year average of 2015/16-2017/18 data. The enhanced underperformance threshold is the current LQ performance of the three year average of 2015/16-2017/18 data. Both are determined from litres/property/day and converted to MI/d equivalent.

#### Ofwat IAP (March 2019)

For this common PC no concerns were expressed with the service level. However, further evidence was requested for enhancement thresholds, performance caps and collars. Adjustments have been made in line with information contained within Ofwat IAP technical appendix 1 and fast track assessments.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035	2040	2045
Underperformance collar	149.8	149.8	149.8	149.8	149.8	-	-	-	-
Forecast UQ value	98.6	97.0	95.5	94.0	92.5	-	-	-	-
PCL	134.4	130.2	126.1	121.9	117.7	106.0	95.4	85.8	77.3
PCL 3 year avg	137.1	134.4	130.2	126.1	121.9	-	-	-	-
Outperformance cap	97.5	92.7	87.8	83.0	78.1	-	-	-	-

The PCL Annual 2024/25 MI/d value of 117.7 is equivalent to a 15% improvement on the company converged leakage position as reported in our WRMP.

## LEAKAGE (ESW) – REF COM06

#### Introduction (September 2018)

The leakage measure is subject to convergence activity to ensure all companies are measuring and reporting comparable performance. 2017/18 convergence shadow data has recently become available and this has been incorporated into our assessment.

#### Data treatment to evaluate UQ

The data source is discoverwater.co.uk. By comparing 2016/17 and 2017/18 actual data with shadow data the performance change due to convergence activity has been identified. The average change due to convergence has then been applied to 2015/16 to create a three year converged data set.



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The industry data set has been modified to account for the impact of South West Water's acquisition of Bournemouth Water and Severn Trent's acquisition of Dee Valley Water. We have not attempted to create revised data for the new company structures.

To recognise the performance challenge from the PR19 final methodology the three year average has been enhanced by 15%. All values below are litres/property/day (l/p/d)

The iterative improvement over this 2015/16-2017/18 time series has been used in conjunction with the improved average value to forecast the UQ and LQ values for each year from 2018/19 to 2024/25. The excel function for UQ is "=quartile.inc(array,1)", and for LQ is "=quartile.inc(array,3)".

#### Data treatment to evaluate Enhanced PCL

In line with the 2019 Price review final methodology the enhanced out/underperformance threshold levels would be equivalent to the three year average frontier and lower quartile values. However, given our strong historic performance in this area we would propose to deviate from the principle.

The enhanced outperformance threshold is equivalent to the proposed PCL as this is leading.

The enhanced underperformance threshold level has been set at 76MI/d this is 1MI/d lower than the 2015-20 penalty collar, so preventing deterioration.

#### Ofwat IAP (March 2019)

For this common PC no concerns were expressed with the service level. However, further evidence was requested for enhancement thresholds, performance caps and collars. Adjustments have been made in line with information contained within Ofwat IAP technical appendix 1 and fast track assessments.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035	2040	2045
Underperformance collar	78.0	78.0	78.0	78.0	78.0				
Enhanced underperformance threshold	76.0	76.0	76.0	76.0	76.0	-	-	-	-
UQ value	65.7	64.7	63.7	62.7	61.7	-	-	-	-
PCL Annual	60.4	58.2	56	53.8	51.6	46.5	41.8	37.6	33.9
PCL 3 year avg	61.9	60.4	58.2	56.0	53.8	-	-	-	-
Enhanced outperformance threshold	61.9	60.4	58.2	56.0	53.8	-	-	-	-
Outperformance cap	53.8	48.7	47.0	47.0	47.0	-	-	-	-

The PCL Annual 2024/25 MI/d value of 51.6 is equivalent to a 17.5% improvement on the company converged leakage position as reported in our WRMP.

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#### PER CAPITA CONSUMPTION (PCC) – REF COM07

##### Introduction (September 2018)

There is no comparable data for the Per Capita Consumption measure. It is currently undergoing convergence activity, with the definition only being confirmed in March 2018 it has not been possible to assess UQ, LQ or enhanced threshold values.

##### Data treatment to evaluate UQ

As confirmed above due to the inherent uncertainty around forecasting UQ, the Ofwat PR19 Final methodology Appendix 2 guidance has been followed. The performance commitment is set as percentage improvement from 2019/20 as a base year. The PCL is a three year average.

##### Data treatment to evaluate Enhanced PCL

N/A

##### Ofwat IAP (March 2019)

No concern with the service level proposed. The original September submission was in % improvement terms. Through the query process after submission the PCL was updated to litres per person per day (3yr avg values).

##### Summary table

Year	2019/20	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	-	-	-	-	-	-	-	-
PCL 3yr avg	0%	0.8%	1.8%	2.9%	4.1%	5.3%	10.6%	14.9%
Updated PCL	143.6	142.5	141.0	139.4	137.7	136.0	128.4	122.2

#### INTERNAL SEWER FLOODING – REF COM08

##### Introduction (September 2018)

The internal sewer flooding measure is subject to convergence activity to ensure all companies are measuring and reporting comparable performance. 2017/18 convergence shadow data has recently become available and this has been incorporated into our assessment. The data available has limitations, in response a revised approach to determining the UQ, PCL and forecast UQ has been taken.

##### Data treatment to evaluate UQ

The data sources are estimated data for 2015/16 and shadow convergence data for 2016/17 and 2017/18. The three year average value for 2015/16, 2016/17 and 2017/18 has been established for each company. The UQ and LQ have been identified from this using the excel functions “=quartile.inc(array,1)”, and “=quartile.inc(array,3)”.

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The UQ has been applied from 2020 and an iterative improvement in performance has been identified. The data reproduced below is the normalised data per 10,000 connections.

Company	2015/16 estimate	2016/17	2017/18	3yr average
Anglian	1.52	1.52	1.52	1.52
Dŵr Cymru Welsh Water	2.09	2.09	2.09	2.09
Northumbrian	3.09	3.09	3.09	3.09
Severn Trent	1.99	1.99	1.99	1.99
South West	2.16	2.16	2.16	2.16
Southern	2.36	2.36	2.36	2.36
Thames	2.56	2.56	2.56	2.56
United Utilities	5.74	5.74	5.74	5.74
Wessex	1.35	1.35	1.35	1.35
Yorkshire	5.63	5.63	5.63	5.63
Upper quartile				2.02
Lower quartile				2.96
Lead				1.35
Lag				5.74
Average				2.85

#### Data treatment to evaluate Enhanced PCL

In line with the 2019 Price review final methodology the enhanced underperformance threshold level has been set at the current LQ value. The outperformance threshold level has been set at the current frontier, both values are presented as incidents below.

#### Ofwat IAP (March 2019)

For this common PC Ofwat expect all companies' service levels to reflect the values Ofwat calculated for each year of the 2020 to 2025 period. The performance range has been set in line with guidance contained within Ofwat IAP Technical Appendix 1 and the enhanced incentives withdrawn.

#### Summary table (per 10,000 connections)

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
Underperformance collar	2.85	2.85	2.85	2.85	2.85	-	-
PCL	1.68	1.63	1.58	1.44	1.34	UQ	UQ
Outperformance cap	1.30	1.25	1.20	1.17	1.15	-	-

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#### POLLUTION INCIDENTS – REF COM09

##### Introduction (September 2018)

This common measure is for Category 1 – 3 pollution incidents per 10,000km of sewerage network, as reported to the Environment Agency. The EA Water industry strategic environmental requirements (WISER) sets out an expectation that pollutions category 1-3 should reduce by 40% by 2025.

##### Data treatment to evaluate UQ

The 2025 UQ value has been determined by taking 40% from the 2016 reported performance UQ value. This is equivalent to 54 pollutions for NWL.

##### Data treatment to evaluate Enhanced PCL

In line with the 2019 Price review final methodology the outperformance threshold level has been set at the company equivalent of frontier performance. The underperformance threshold has been set in line with WISER requirements i.e. a 40% reduction in 2016 pollution performance.

##### Ofwat IAP (March 2019)

For this common PC Ofwat expect all companies' service levels to reflect the values Ofwat calculated for each year of the 2020 to 2025 period. Additionally caps and collars have been adopted along with setting enhanced thresholds in line with guidance contained within Ofwat IAP Technical Appendix 1.

##### Summary table (normalised)

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
Underperformance collar	34.46	34.63	34.79	35.29	36.46	-	-
Enhanced underperformance threshold	30.80	30.80	30.80	30.80	30.80	-	-
UQ value	24.51	23.74	23.00	22.40	19.50	-	-
PCL	24.51	23.74	23.00	22.40	19.50	UQ	UQ
Enhanced outperformance threshold	17.00	16.50	16.00	15.50	15.00	-	-
Outperformance cap	13.34	12.67	12.01	11.01	9.34	-	-

#### RISK OF SEVERE RESTRICTIONS IN A DROUGHT – REF COM10

##### Introduction (September 2018)

There is no comparable data for the percentage of population at risk of supply restrictions in a 1 in 200 year drought. As such it has not been possible to determine the UQ, LQ or enhanced threshold values.

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Our regions are in surplus and the drought return period is greater than that specified in this resilience measure. Given this the PCL is 0% and as customers have funded our surplus position it is appropriate that this new common performance commitment is reputational with no financial incentives.

#### Data treatment to evaluate UQ

N/A

#### Data treatment to evaluate Enhanced PCL

N/A

#### Ofwat IAP (March 2019)

Additional information was requested around the intermediate calculations to evaluate the service level. This has been provided, there is no change to the performance commitment.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	0	0	0	0	0	0	0

## RISK OF SEWER FLOODING IN A STORM – REF COM11

#### Introduction (September 2018)

Risk of sewer flooding in a storm is the new risk based resilience measure and is the percentage of population at risk of sewer flooding in a 1-in-50 year storm. As the measure is still being developed it has not been possible to evaluate UQ or LQ performance as there is no comparative data available. The percentage population at risk has been evaluated, the expenditure planned has been considered and forecasted improvement incorporated into the PCL.

#### Data treatment to evaluate UQ

N/A

#### Data treatment to evaluate Enhanced PCL

N/A

#### Ofwat IAP (March 2019)

No concern was raised with the service level. However, updated data is now available and the performance commitment has been revised accordingly.

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#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/5
UQ value	-	-	-	-	-	-	-
PCL	32.3%	29.8%	27.3%	24.8%	22.0%	-	-

#### MAINS BURSTS – REF COM12

##### Introduction (September 2018)

The number of burst mains which occur on our water network each year is measured as an indicator of asset health. The measure is subject to convergence activity to ensure all companies are measuring and reporting comparable performance. 2017/18 convergence shadow data has recently become available (late July 2018) and this has been incorporated into our assessment

Mains bursts performance is expected to rise across the country as a result of reducing leakage by 15%. An adjustment to the calculation was considered for this, however due to the deterioration in performance from 2015/16 to 2017/18 this has not been applied.

##### Data treatment to evaluate UQ

The industry data set has been modified to account for the impact of South West Water's acquisition of Bournemouth Water and Severn Trent's acquisition of Dee Valley Water. We have not attempted to create revised data for new company structures.

The data sources are published data for 2015/16 and 2016/17 and shadow convergence data for 2017/18. The change in performance from 2017/18 to shadow 2017/18 has been applied to 2015/16 and 2016/17 to create a three year converged data set. The three year average value has been established for each company. The Lead, UQ and LQ have been identified using the excel functions “=quartile.inc(array,0)”, “=quartile.inc(array,1)” and “=quartile.inc(array,3)”.

Company	15/16	16/17	17/18	3yr average
Affinity	132.5	185.0	175.2	164.2
Anglian	117.4	137.5	129.2	128.0
Bristol	122.9	152.0	178.6	151.2
Dŵr Cymru Welsh Water	110.1	133.5	151.5	131.7
Northumbrian	148.2	165.5	162.6	158.8
Portsmouth	66.1	89.6	104.0	86.6
SES Water	60.9	67.4	61.5	63.2
Severn Trent	101.9	109.9	123.5	111.8
South East	153.7	201.6	186.2	180.5
South Staffs incorporating Cambridge	106.7	120.1	153.1	126.6
Southern	95.5	143.9	132.6	124.0
South West	125.3	137.3	152.9	138.5

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Thames	221.3	265.1	271.6	252.6
United Utilities	114.5	109.5	106.7	110.2
Wessex	141.5	156.7	160.9	153.0
Yorkshire	158.0	179.5	216.0	184.5
		<b>Upper quartile</b>		120.9
		Lower quartile		160.2
		Lead		63.2
		Lag		252.6
		Average		141.6

#### Data treatment to evaluate Enhanced PCL

The LQ and UQ have been forecast utilising the most recent data from 2015-2017. An adjustment was considered due to the 15% improvement in leakage required by the Ofwat methodology. However this has not been incorporated in the calculation.

#### Ofwat IAP (March 2019)

No concerns were raised with the service level, however, additional information was requested around the incentive levels and settings for enhanced performance incentives. Following a review of the guidance contained within Ofwat IAP Technical Appendix 1 we have withdrawn the enhanced incentives.

#### Summary table

There has been a deterioration in UQ performance from 2015/16 to 2017/18. As there is no iterative improvement during this period the forecast UQ for this asset health measure has been stabilised at a constant 121 bursts per 1,000km.

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035	2040	2045
Underperformance collar	143.56	140.35	137.26	133.73	129.78	-	-	-	-
UQ value	120.95	120.95	120.95	120.95	120.95	-	-	-	-
PCL	131.37	128.77	126.14	123.54	120.95	110.72	100.48	-	-
Outperformance cap	121.00	119.4	118.08	115.18	112.35	-	-	-	-

## UNPLANNED OUTAGE – REF COM13

#### Introduction (September 2018)

Unplanned outage is a new measure and work is ongoing to evaluate levels and determine comparable performance. As such no threshold values have been identified.

#### Data treatment to evaluate UQ

N/A

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#### Data treatment to evaluate Enhanced PCL

N/A

#### Ofwat IAP (March 2019)

No concern with the service level proposed. The original September submission service level was a 10% improvement measured from 2019/20 to 2024/25. Through the query process after submission the PCL has been further defined.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	6.41	6.28	6.15	6.02	5.89	No reduction	-

## SEWER COLLAPSES – REF COM14

#### Introduction (September 2018)

The sewer collapses definition has changed and various scenarios have been analysed to understand the potential impact to NWL performance. Shadow data from 2017/18 has become available in late July 2018 confirming that the revised definition has a significant impact upon comparative performance.

#### Data treatment to evaluate UQ

The UQ value has not been evaluated for this measure. An impact assessment has been undertaken and our ambition is to improve from an adverse comparative position to better than average. This is a significant stretch.

#### Data treatment to evaluate Enhanced PCL

N/A

#### Ofwat IAP (March 2019)

As a result of further clarification on the revised sewer collapse definition the performance commitment service level has been amended accordingly.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	10.69	10.06	9.43	8.79	8.13	-	-



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#### TREATMENT WORKS COMPLIANCE – REF COM15

##### Introduction (September 2018)

This measure aligns with the EPA definition, as the measure is based around compliance with standards there is no outperformance threshold identified.

##### Data treatment to evaluate UQ

UQ has not been evaluated, the PCL has been set in line with the EA requirement to achieve 'green' status of  $\geq 99.0\%$ .

##### Data treatment to evaluate Enhanced PCL

The enhanced underperformance threshold has been set at the EA 'red'/'amber' threshold of  $\leq 97.0\%$ .

##### Ofwat IAP (March 2019)

Ofwat require all companies to set the service level at 100%. The service level and underperformance threshold have been amended in line with this requirement.

##### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035	2040	2045
Underperformance threshold	99%	99%	99%	99%	99%	-	-	-	-
UQ value						-	-	-	-
PCL	100%	100%	100%	100%	100%				

#### PRIORITY SERVICES REGISTER (PSR) REACH – REF COM16

##### Introduction (March 2019)

Through the IAP process Ofwat has identified two new common performance commitments. Priority services register reach and Priority services register review. Ofwat have provided measure definitions and set targets at 7% and 90% respectively.

##### Data treatment to evaluate UQ

N/A.

##### Data treatment to evaluate Enhanced PCL

N/A.

##### Ofwat IAP (March 2019)

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New measure introduced for all companies. The service level reflects commitments made in our September 2018 plan.

#### Summary table

Year	2019/20	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
PCL	7%	7.6%	8.2%	8.8%	9.4%	10%	-	-

### PRIORITY SERVICES REGISTER (PSR) REVIEW – REF COM17

#### Introduction (March 2019)

Through the IAP process Ofwat has identified two new common performance commitments. Priority services register reach and Priority services register review. Ofwat have provided measure definitions and set targets at 7% and 90% respectively.

#### Data treatment to evaluate UQ

N/A.

#### Data treatment to evaluate Enhanced PCL

N/A.

#### Ofwat IAP (March 2019)

New measure introduced for all companies.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
PCL	90%	90%	90%	90%	90%	-	-

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#### BESPOKE PERFORMANCE COMMITMENTS

This section of the document contains the evidence base for the positioning of the PCL for bespoke PCs. This includes assessment of upper quartile (UQ) where comparative data is available.

#### SATISFACTION OF CUSTOMERS WHO RECEIVE ADDITIONAL SUPPORT – REF BES01

##### Introduction (September 2018)

Our customers have told us that a personal approach is incredibly valued by them; this is particularly true for customers who need more help or support. This PC measures the satisfaction of customers in who receive additional support.

##### Data treatment to evaluate PCL

We only have one set of results for satisfaction of customers who receive additional support, therefore we have used the historic data for overall satisfaction of the wider customer base to set this performance commitment. Our overall aim is to match this performance as a minimum, the historic best is 8.7 / 10 in 2017/18.

##### Ofwat IAP (March 2019)

Request to split the measure into financial and non-financial support to offer greater clarity. New measure BES01a created as the financial support measure.

##### Summary table BES01 (non-financial)

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	8.7	8.7	8.7	8.8	8.8	8.8	8.8

##### Summary table BES01a (financial)

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	8.7	8.7	8.7	8.8	8.8	8.8	8.8

#### AWARENESS OF ADDITIONAL SUPPORT – REF BES02

##### Introduction (September 2018)

Research demonstrates that awareness of the additional services we offer to those who may benefit from these services are low. All our customers could potentially be vulnerable at some time, as at any one time their circumstances could change.

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This is a telephone survey to ask customers about their levels of awareness of the additional support (financial and non-financial) NWL offers with the elements of the service we provide.

#### Data treatment to evaluate PCL

This PC is to increase awareness levels of the services we have to support customers who need extra help. Using our own domestic tracking customer satisfaction survey from Jan to Mar 2018 indicates awareness is 39%. As an indirect benchmark and wider evidence, the 2016 CCWater matters report shows non-financial awareness at 44% and financial awareness (watersure) at 11.5% for NWL. This measure combines both financial and non-financial our ambition is to drive this from 39% to 65% by 2024/25.

#### Ofwat IAP (March 2019)

Request to split the measure into financial and non-financial support to offer greater clarity. New measure BES02a created as the financial support measure.

#### Summary table BES02 (non-financial)

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	39	45.5	52	58.5	65	75	85

#### Summary table BES02a (financial)

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	39	52	65	65	65	75	85

## RESPONSE TIME TO WRITTEN COMPLAINTS – REF BES03

#### Introduction (September 2018)

When things don't go well, how quickly we respond is important to customers. This measure shows the average time taken to respond to written complaints.

#### Data treatment to evaluate PCL

We have not evaluated UQ for this bespoke reputational measure. We have an ambition to respond to all written complaints within two days.

#### Ofwat IAP (March 2019)

No action required.

#### Summary table

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Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	2	2	2	2	2	1.5	1.3

#### VISIBLE LEAKS – REF BES04

##### Introduction (September 2018)

Leaks running over pavements or roads are perceived by customers to be a waste of a precious resource. They become quickly annoyed and frustrated with us for not acting more quickly to repair these and save the water. This PC measures our response time to repair visible leaks.

##### Data treatment to evaluate PCL

Our corporate leakage data has been evaluated for where a leak job may have arisen due to a customer report of visible leakage. The historic 2016/17 and 2017/18 data shows the average time taken to repair a leak following a customer report is between 8.6 and 10.0 days. The most recent data from 2018 shows the average time taken is 11.1 days. Our commitment is to improve from 10 days to 4 days over the 2020-25 period.

##### Ofwat IAP (March 2019)

No action required.

##### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	10	8	6	4	4	2	2

#### CUSTOMERS' PERCEPTION OF TRUST – REF BES05

##### Introduction (September 2018)

This is a telephone survey to ask customers about their overall satisfaction with the elements of the service we provide. It is the annual score from the 'being a company I trust' question taken from the independent domestic tracking customer survey carried out on our behalf.

##### Data treatment to evaluate PCL

Past performance since 2014 has been variable between 8.6 and 8.8 and has not stabilised or followed an upward trend, we feel it will be a stretch to maintain a result of 8.8 out of 10 in the 2020-25 period and have a long term ambition to improve this to 9.0.

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Year	NW	ESW	NWL
2014	8.7	8.7	8.7
2015	8.8	8.7	8.8
2016	8.7	8.5	8.6
2017	8.9	8.6	8.8

#### Ofwat IAP (March 2019)

No action required.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	8.8	8.8	8.8	8.8	8.8	9.0	9.0

## PERCENTAGE OF HOUSEHOLDS IN WATER POVERTY – REF BES06

#### Introduction (September 2018)

The measure measures the number of households in water poverty and reflects our ambition to eradicate water poverty by 2030.

#### Data treatment to evaluate PCL

We estimate that in our Northumbrian Water and Essex & Suffolk Water areas around 400,000 households are in water poverty, this is equivalent to 21.1% of households. This data is from analysis of Ofwat Debt and Affordability 2014-15 and CallCredit. We will improve this to 7.2% by 2024/25 and zero in 2030.

#### Ofwat IAP (March 2019)

No action required.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	12.52	10.97	9.42	7.87	6.32	0	0

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#### NON HOUSEHOLD GAP SITES – REF BES07

##### Introduction (September 2018)

This is the mandatory bespoke measure to manage non-household gap sites and ensure efficient charging.

##### Data treatment to evaluate PCL

It is important to ensure that all chargeable properties are correctly identified and under charge. There is no readily identifiable comparator data set with which to identify a missing property or GAP Site. We will seek to match our property database against the Valuation Office Database in order to significantly reduce the likelihood of GAP sites existing.

Matching to an external national database will also enable easier matching to any other external databases on a campaign basis to enable cross checking of the database to be carried out.

There will always be properties that are billable but not on the Valuation Office database (Church's, Farms, etc.) and there will be some on the database that are not chargeable (mixed use properties that are all part of one site but separately rated or holiday lets, etc.).

We have undertaken a cross reference exercise with the Valuation Office database in 2017/18 and currently estimate that 76.5% of non-household properties match. Over time we will improve and commit to matching 95% to the Valuation Office database by 2024/25.

##### Ofwat IAP (March 2019)

No action required.

##### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	84.4	87.1	89.7	92.4	95	95	95

#### PERCENTAGE OF VOID HOUSEHOLD PROPERTIES – REF BES08

##### Introduction (September 2018)

This is the mandatory bespoke measure to manage void household properties and ensure efficient charging.

##### Data treatment to evaluate PCL

Our aim is to get our void rate as close as possible to the 'true' void level and we have set our performance commitment accordingly.

Local government statistics indicate the natural void level in our regions is 2.7%. The PWC retail services efficiency report shows an average position of 3.6% and the NWL position as 4.8%. There will always be a

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natural void rate and this varies regionally. Our ambition is to reduce the number of void household properties to 4.21% of our household database by 2025 and reduce this to 4% by 2030.

#### Ofwat IAP (March 2019)

No action required.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	4.4	4.35	4.3	4.25	4.21	4.0	4.0

### 12 HOURS (OR MORE) INTERRUPTION – REF BES09

#### Introduction (September 2018)

This bespoke resilience measure is a count of properties which experience an interruption of 12 hours or more.

#### Data treatment to evaluate PCL

Interruptions of greater than 12 hours data for 2013 to 15 is available as a comparable dataset. Taking the three year average for each company and then the UQ of this average data indicates an NWL UQ value of 515 properties interrupted. The performance commitment has been set close to the NWL three year average performance of 486 (rounded to 500) and tightened by 20% over the 2020/25 period.

#### Ofwat IAP (March 2019)

No action required

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	555	N/A	N/A	N/A	N/A	N/A	N/A
PCL	500	475	450	425	400	300	200

### SEWER FLOODING RISK REDUCTION – REF BES10

#### Introduction (September 2018)

In 2016/17 there were >14,000 customer contacts regarding flooding. This measure will proactively reduce the risk of internal and external flooding at a number of properties that have been identified as at risk, and



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enable areas to develop and grow sustainably before there is an impact to our customers, or on the environment.

It is an important measure to help protect homes, businesses and communities, safeguarding against a changing environment (growth, climate change).

#### Data treatment to evaluate PCL

An assessment of the programme of proactive risk reduction has been undertaken. From this we have forecast that we will proactively reduce flood risk to 7,400 properties across the NWL region. We commit to reducing risk to 7,400 properties in the 2020-25 period.

#### Ofwat IAP (March 2019)

No action required.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL					7400 by the end of 2024/25	6,660 by the end of 2029/30	5,660 by the end of 2034/35

## DISCOLOURED WATER CONTACTS – REF BES11

#### Introduction (September 2018)

We have a 2015-20 performance commitment for discoloured water contacts. There is no published comparative dataset on discoloured water contacts, this is a sub set of appearance contacts which are reported on discoverwater.co.uk.

Appearance contacts include the category of 'Appearance – General Conditions' which are contacts about water quality issues arising in the home and are not attributable to the water supply. As such we felt it would be inappropriate to use this measure as a PC.

We are continuing to monitor and record discoloured water contacts into 2020-25. Performance will be normalised per 10,000 population.

#### Data treatment to evaluate PCL

This target represents a 20% improvement from current performance. This is additional stretch and sustains our better than average position. This is in line with customer views and relative priorities and responds to the DWI requirement of continual improvement.

#### Ofwat IAP (March 2019)

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No action required.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	5.29	5.11	4.94	4.76	4.59	3.89	3.19

### TASTE AND SMELL CONTACTS – REF BES12

#### Introduction (September 2018)

We have a 2015-20 performance commitment for taste and smell contacts. We are continuing this into 2020-25. Performance will be normalised per 10,000 population.

#### Data treatment to evaluate PCL

Comparative data is available from discoverwater.co.uk. We have forecast the improvement in taste and smell contacts and forecast future UQ performance. NWL performance is currently ahead of the assessed UQ threshold, we have applied addition stretch, equivalent to the annual incremental improvement of 2.2% to sustain this position.

#### Ofwat IAP (March 2019)

A concern was raised with the proposed stable service level. When normalised, the absolute number of contacts could rise as population increases over time. The service level has been revised to ensure the absolute number of contacts does not rise. Performance with this measure is better than the UQ threshold.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	2.57	2.51	2.46	2.40	2.35	N/A	N/A
PCL	2.08	2.07	2.05	2.04	2.02	1.88	1.63

### EVENT RISK INDEX (ERI) – REF BES13

#### Introduction (September 2018)

The DWI event risk index (ERI) is a new index and there is limited comparative data published at the time of evaluating performance commitment levels.

#### Data treatment to evaluate PCL

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The 2017 ERI data published by DWI in July 2018 indicates an UQ value of 10.8. Our PC is to improve from current performance to UQ by 2024/25.

#### Ofwat IAP (March 2019)

No action required.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	295.07	224.0	152.94	81.87	10.8	10.8	10.8

## INTERRUPTIONS TO SUPPLY 1 – 3 HOURS – REF BES14

#### Introduction (September 2018)

This new measure is to reveal the number of interruptions that are greater than one hour and less than three hours. This is to complement the common PC without overlap.

#### Data treatment to evaluate PCL

We have reviewed the interruptions data available and not all interruptions greater than one hour and less than three hours are currently consistently recorded. We will record these from 2018 to allow a PCL to be set. Our initial data assessment has allowed us to propose the following PCL.

#### Ofwat IAP (March 2019)

No action required.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL		97.5% of 2018-2021 performance	95% of 2018-2021 performance	92.5% of 2018-2021 performance	90% of 2018-2021 performance	85% of 2018-2021 performance	80% of 2018-2021 performance

## SEWER BLOCKAGES – REF BES15

#### Introduction (September 2018)

The measure is the number of Sewer blockages reported in the reporting year occurring on the public and transferred network. This is a mandatory bespoke measure.

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#### Data treatment to evaluate PCL

We have committed to improving our performance with this measure and sustain our position in front of the assessed UQ value.

#### Ofwat IAP (March 2019)

No action required

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	12,455	12,047	11,635	11,147	10,681	N/A	N/A
PCL	11,594	11,379	11,164	10,950	10,600	9,000	8,000

## EXTERNAL SEWER FLOODING – REF BES16

#### Introduction (September 2018)

This PC is the number incidents of properties suffering external flooding per 10,000 connections. This is for flooding from the public and transferred network and includes severe weather events. This is a mandatory bespoke measure

#### Data treatment to evaluate PCL

We are committing to improve our performance by 25.5% over the 2020-25 period. Whilst this is behind the assessed UQ threshold it represents a significant improvement.

#### Ofwat IAP (March 2019)

We remain committed to our original Performance Commitment (PC) levels. This includes an extremely stretching 35% reduction in external flooding incidents from current levels. This proposal formed part of our business plan acceptability research in 2018 which resulted in 91% customer acceptability.

#### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	1,329	1,155	1,004	873	759	-	-
PCL	3,372	3,191	3,009	2,828	2,647	UQ	UQ

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#### REPEAT SEWER FLOODING – REF BES17

##### Introduction (September 2018)

This bespoke PC is the number of times per regulatory year that properties have suffered from internal flooding where the property has flooded internally at least once in the last 5 years. This is for flooding from the public and transferred network and includes severe weather events.

##### Data treatment to evaluate PCL

We have delivered substantial recent improvements on repeat flooding and we are committed to delivering further improvement.

##### Ofwat IAP (March 2019)

No action required

##### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	46	44	42	39	37	30	25

#### ABSTRACTION INCENTIVE MECHANISM (AIM) – REF BES18

##### Introduction (September 2018)

This bespoke mandatory measure has been agreed with stakeholder for one site – Ormesby in our Suffolk operating area.

##### Data treatment to evaluate PCL

The AIM methodology (Ofwat, 2016), has been applied and the AIM will be 'switched on' when the water level reaches an agreed trigger level. When active the daily abstraction volume must not exceed 8.59MI on average. The performance commitment is to not abstract more than this volume therefore the PCL has been set at 0.

##### Ofwat IAP (March 2019)

No action required.

##### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	0	0	0	0	0	-	-

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#### BATHING WATER QUALITY - REF BES19

##### Introduction (September 2018)

This bespoke measure is the number of beaches that are annually categorised as good or excellent.

##### Data treatment to evaluate PCL

Bathing water data is published annually, data from 2014/15 to 2017/18 has been considered and the UQ equivalent for our 34 bathing waters has been determined. Our performance commitment is set at the equivalent UQ level.

##### Ofwat IAP (March 2019)

No action required.

##### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	95.16	95.47	95.78	96.10	96.41	96.41	96.41
PCL	97.06	97.06	97.06	97.06	97.06	97.06	97.06

#### LENGTH OF WATER ENVIRONMENT IMPROVED – REF BES20

##### Introduction (September 2018)

This bespoke PC will measure improved, enhanced accessible water environment.

##### Data treatment to evaluate PCL

We will commit to improving 10km of accessible water environment annually from 2020-25.

##### Ofwat IAP (March 2019)

Additional evidence provided regarding the stretch involved in delivering 10km of improvements each year.

##### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2029/30	2034/35
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	10	10	10	10	10	100 (over 5 year period to 2029/30)	150 (over 5 year period to 2034/35)

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#### GREENHOUSE GAS EMISSIONS – REF BES21

##### Introduction (September 2018)

GHG emissions are a concern to many customers who are aware of the risks posed by Climate Change. The Water Industry is responsible for around 1% of the total UK emissions, largely from the use of grid electricity where the industry uses around 3% of the total UK use.

Having a measure for GHG emissions makes it clear that we are concerned about the environment and signals our determination to contribute to a better future. The measure is t CO<sub>2</sub>-e

##### Data treatment to evaluate PCL

The Performance Commitment profile represents a challenging though achievable pathway towards an ambition to become carbon neutral by the end of 2027/28. This is a huge stretch for a water company using significant volumes in energy to deliver a heavy product to our customers and then dispose of what is returned on a daily basis.

##### Ofwat IAP (March 2019)

No action required.

##### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PCL	28,575	27,406	26,237	25,067	23,898	0	0

#### PERCENTAGE OF BIORESOURCES TREATED BY AAD & BENEFICIALLY RECYCLED TO LAND – REF BES22

##### Introduction (September 2018)

This bespoke PC measures the percentage of bioresources treated by AAD and beneficially recycled to land.

##### Data treatment to evaluate PCL

The performance commitment has been set at 98%, this is significantly higher than the forecast UQ threshold.

##### Ofwat IAP (March 2019)

No action required.

##### Summary table

## APPENDIX 4.2

### Performance commitments evaluation

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Year	2020/1	2021/2	2022/3	2023/4	2024/5	2030	2035
UQ value	68.0%	72.0%	76.2%	80.6%	85.3%	N/A	N/A
PCL	98	98	98	98	98	98	98

#### NWL INDEPENDENT VALUE FOR MONEY SURVEY – BES30

##### Introduction

This survey measures the value for money satisfaction our customers have with our services.

##### Data treatment to evaluate PCL

Our scores in our independent value for money survey have remained consistent over the last four years, surpassing our PC and demonstrating that we have maintained our customers' overall satisfaction with value for money since 2015. We hope this will improve further as we deliver significant bill reductions in AMP7.

Our PC for this reputational measure - independent value for money survey between 2015-20 is 7.9 out of 10. For the last four years (2015, 2016, 2017 and 2018) our performance has been 8.2 out of 10. We will, therefore, set our PC at 8.2 out of 10 for the 2020-25 period.

##### Summary table

Year	2020/1	2021/2	2022/3	2023/4	2024/5
PCL	8.2	8.2	8.2	8.2	8.2