

NES.OC.A57

Appendix 4.1

**PR19 Bespoke Performance
Commitment Definitions**

March 2019

PR19 bespoke performance commitment definitions

Resubmission of Early data submission from – 3 May 2018

Please find attached revised definitions in line with the feedback received through the IAP process.

General guidance on the pro forma

Please enter company contact details on the front page of the pro forma (see below). We will use these if we have any queries during our review process.

Please use the pro forma below as a basis for your submission for bespoke performance commitments only.

Please start on a new page for each bespoke performance commitment.

General guidance on the accompanying Excel spreadsheet

Companies should select their company name from the drop down list in the 'AppValidation' worksheet (cell D2).

Companies should include data in the 'App1' worksheet for both common and bespoke performance commitments, where it is available.

Queries

We will run a queries process for specific questions about the early submission of outcomes data. Companies should direct queries for clarification, corrections or further explanation to PR19@ofwat.gsi.gov.uk. If a query is raised that we think is relevant to others then we will circulate the query and our response to all companies.

Next steps

Companies should submit the completed Word pro forma and Excel spreadsheet to Water2020@ofwat.gsi.gov.uk no later than Thursday 3 May 2018.

We will provide companies with feedback about their performance commitment definitions before they submit their business plans, where it is appropriate to do so.

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Contact name(s):	Jim Strange, Ben Wisniewski, Stewart Waugh
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List of bespoke performance commitment definitions

Satisfaction of customers who receive additional non-financial support (BES01)	3
Satisfaction of customers who receive additional financial support (BES01a)	4
Awareness of additional non-financial support (BES02)	5
Awareness of additional financial support (BES02a)	6
Response time to written complaints (BES03)	7
Visible leaks (BES04).....	8
Customers' perception of trust (BES05)	10
Percentage of households in water poverty (BES06)	11
NHH gap sites (BES07)	12
Percentage of void household properties (BES08).....	14
12 hours (or more) interruption (BES09)	15
Sewer flooding risk reduction (BES10).....	16
Discoloured water contacts (BES11).....	18
Taste and smell contacts (BES12)	19
Event risk index (ERI) (BES13)	20
Interruptions to supply 1 – 3 hours (BES14).....	21
Sewer blockages (BES15)	22
External sewer flooding (BES16)	23
Repeat sewer flooding (BES17)	25
Abstraction incentive mechanism (AIM) (BES18)	27
Bathing water quality (BES19)	29
Length of water environment improved (BES20)	30
Greenhouse gas emissions (BES21)	31
Percentage of bioresources treated by AAD & beneficially recycled to land (BES22).....	32
British Standards Institution Award for Inclusive Services (BES23)	34
Service enhancement measures (BES24 to BES29).....	35
NWL independent value for money survey (BES30)	37

Outcome: Our customers say our services are good value for money and we work hard to keep water and wastewater services affordable for all

**Company performance commitment reference:
Satisfaction of customers who receive additional non-financial support
(BES01)**

Short definition

The customer satisfaction score of those customers who receive additional non-financial support.

Measurement

The measure is reported as an annual mean score out of ten. This measure will be assessed on a calendar year basis and is for households only.

Mitigation / exceptions

This measure only applies to those who are on our Priority Services Register and/or signed up to one of our Support plus tariffs or Watersure.

Any other information relating to the performance commitment

We want to provide an unrivalled experience for everyone, and it is for that reason we are focusing on providing extra support for customers who may need it. As we increase the awareness of the additional support services that NWL can offer, it will be vital that we can provide these customers with an unrivalled customer service.

This is our first bespoke measure to address vulnerability, however due to customer feedback regarding the term 'vulnerable' the title has changed from our 3 May submission from Satisfaction of customers in vulnerable circumstances to Satisfaction of customers who receive additional support.

Full definition of the performance commitment

The score will be determined from a telephone survey where customers who are on our priority services register and/or any customers receiving financial support for either water arrears or ongoing charges are asked to rate their overall satisfaction with the service we provide.

Customers score their satisfaction with our performance between one and ten, the greater the score, the greater the level of satisfaction. 1,000 customers are surveyed throughout the year to provide an annual score/result.

The research consists of 250 completed interviews carried out quarterly in line with the Market Research Society code of conduct.

This measure currently includes those who are on our Priority Services Register and/or signed up to one of our Support Plus tariffs or Watersure.

Outcome: Our customers say our services are good value for money and we work hard to keep water and wastewater services affordable for all

**Company performance commitment reference:
Satisfaction of customers who receive additional financial support
(BES01a)**

Short definition

The customer satisfaction score of those customers who receive additional financial support.

Measurement

The measure is reported as an annual mean score out of ten. This measure will be assessed on a calendar year basis and is for households only.

Mitigation / exceptions

This measure only applies to those who are on our Priority Services Register and/or signed up to one of our Support plus tariffs or Watersure.

Any other information relating to the performance commitment

We want to provide an unrivalled experience for everyone, and it is for that reason we are focusing on providing extra support for customers who may need it. As we increase the awareness of the additional support services that NWL can offer, it will be vital that we can provide these customers with an unrivalled customer service.

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Full definition of the performance commitment

The score will be determined from a telephone survey where customers who are on our priority services register and/or any customers receiving financial support for either water arrears or ongoing charges are asked to rate their overall satisfaction with the service we provide.

Customers score their satisfaction with our performance between one and ten, the greater the score, the greater the level of satisfaction. 1,000 customers are surveyed throughout the year to provide an annual score/result.

The research consists of 250 completed interviews carried out quarterly in line with the Market Research Society code of conduct.

This measure currently includes those who are on our Priority Services Register and/or signed up to one of our Support Plus tariffs or Watersure.

Outcome: Our customers say our services are good value for money and we work hard to keep water and wastewater services affordable for all

**Company performance commitment reference:
Awareness of additional non-financial support (BES02)**

Short definition

The percentage of household customers who have awareness of our additional support services.

Measurement

The annual calculation is '(total number of customers who answer yes / total number of customer's surveyed) x 100%'.

This measure is determined annually through market research used to determine if customers are aware of the additional non-financial support services NWL provide. The higher the percentage score the better the performance.

Mitigation / exceptions

This measure applies to household customers only.

Any other information relating to the performance commitment

This is our second bespoke measure to address vulnerability, however due to customer feedback regarding the term 'vulnerable' the title has changed from our 3 May submission from Awareness of support available for customers in vulnerable circumstances to Awareness of additional support.

Full definition of the performance commitment

The score is based on a telephone survey to ask customers if they are aware of the additional support services that NWL can offer to those customers who need extra help. Customers score their awareness with a yes/no answer. 2,000 customers are surveyed annually (500 quarterly) and the results presented as an annual % of awareness.

The survey will take place on a quarterly basis (500/quarter). This will be reported at year end as an annual percentage.

The research is conducted in line with the Market Research Society code of conduct.

Outcome: Our customers say our services are good value for money and we work hard to keep water and wastewater services affordable for all

**Company performance commitment reference:
Awareness of additional financial support (BES02a)**

Short definition

The percentage of household customers who have awareness of our additional support services.

Measurement

The annual calculation is '(total number of customers who answer yes / total number of customer's surveyed) x 100%'.

This measure is determined annually through market research used to determine if customers are aware of the additional financial support services NWL provide. The higher the percentage score the better the performance.

Mitigation / exceptions

This measure applies to household customers only.

Any other information relating to the performance commitment

This is our second bespoke measure to address vulnerability, however due to customer feedback regarding the term 'vulnerable' the title has changed from our 3 May submission from Awareness of support available for customers in vulnerable circumstances to Awareness of additional support.

Full definition of the performance commitment

The score is based on a telephone survey to ask customers if they are aware of the additional support services that NWL can offer to those customers who need extra help. Customers score their awareness with a yes/no answer. 2,000 customers are surveyed annually (500 quarterly) and the results presented as an annual % of awareness.

The survey will take place on a quarterly basis (500/quarter). This will be reported at year end as an annual percentage.

The research is conducted in line with the Market Research Society code of conduct.

Outcome: Our customers tell us we provide excellent customer service and resolve issues quickly

**Company performance commitment reference:
Response time to written complaints (BES03)**

Short definition

The response time to written complaints.

Measurement

The annual average time taken to respond to written complaints in working days.

Mitigation / exceptions

This measure uses the CCWater definition of a written complaint. Should this change then we will align with the new definition and refresh baseline numbers as appropriate.

Any complaints that do not meet the definition of a complaint will be excluded. For example, current exclusions include complaints relating to director or CEO salaries, anonymous complaints etc.

Any other information relating to the performance commitment

N/A.

Full definition of the performance commitment

This bespoke measure reports the time taken to respond to written complaints.

The duration to respond to each complaint, from the date of receipt into the business to the time a response is issued will be recorded.

The annual average time of all responses will be determined and reported.

Complaints responded to in the April to March reporting period are included. Complaints received in one reporting period, but responded to in the next are included in the subsequent year's figures.

The data for written complaints is recorded in and extracted from our corporate systems.

Outcome: We always provide a reliable supply of water

Company performance commitment reference: Visible leaks (BES04)

Short definition

This measure is the average number of calendar days that it takes to find and fix visible leaks reported to us by customers. This is measured over the April to March year.

Measurement

This measure is the total time taken in calendar days from the leak being reported by a customer to the leaking pipe being fixed by the company. The total time for all customer visible leak repairs divided by the number of repairs expressed in days gives the average number of calendar days.

Mitigation / exceptions

This measure includes inbound reports of leaks from all customers, domestic or business. Additionally it also includes calls from other third parties (for example, local authorities, fire service and the police). The measure does not include leak repair jobs identified through active leakage control or other company leakage activities.

The time taken to reinstate excavations is excluded from the measure.

Any other information relating to the performance commitment

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.

This bespoke measure recognises the importance customers place on us of fixing leaks reported by them. They see this as a responsibility for water conservation reasons. Customers also place behavioural conditions onto us, in that if we are not responsible with water and careful with managing leaks, then why should they be responsible with their consumption and water use behaviours.

This complements the common leakage measure and was introduced in response to challenge from our Water Forum.

Full definition of the performance commitment

A customer report of a visible leak is recorded and time-stamped in our corporate systems. Once the leak is found and then the job to fix the leaking pipe is completed, the time and date of the completion is recorded in our field work management systems. The difference between the two gives the time taken to repair the leak.

Performance is to be reported in decimalised days. For clarity a leak reported at 23:59 Monday and repaired 00:01 Wednesday, would have lasted 1.0 days. A leak reported at 23:59 Monday and repaired at 12:00 Wednesday would have lasted 1.5 days.

The average number of days is then determined from all customer reported visible leaks.

Leaks repaired in the April to March reporting period are included. Leaks reported in one reporting period, but repaired in the next (i.e. the job runs over the year end), are included in the subsequent years figures.

Outcome: Our customers say we are a company they trust

Company performance commitment reference: Customers' perception of trust (BES05)

Short definition

Customers' perception of trust.

Measurement

The measure is the mean customer satisfaction score out of ten reported annually. This measure will be assessed on a calendar year basis and is for households only.

Mitigation / exceptions

This measure applies to household customers only.

Any other information relating to the performance commitment

We have chosen to use our own independent survey rather than use the results that are published by CCWater in the Water Matters report. The independent survey will take place four times a year and is a much larger sample size, therefore we feel it will provide a more robust result. By tracking this result throughout the year this will allow us to identify and act on any issues in a more timely manner.

Full definition of the performance commitment

This score will be based on the results from our independent customer tracking survey. The research consists of 500 completed interviews carried out quarterly (2,000 annually). The score will be based on the 'company I trust' question within the survey. Customers score their satisfaction with our performance between one and ten, the greater the score, the greater the level of satisfaction.

Our survey is conducted in line with the Market Research Society code of conduct.

Outcome: Our customers say our services are good value for money and we work hard to keep water and wastewater services affordable for all

**Company performance commitment reference:
Percentage of households in water poverty (BES06)**

Short definition

Percentage of households spending more than 3% of their disposable income on their water and sewerage charges.

Measurement

The measurement is 'number of households whose bill > 3% of income / total number of households x 100%'.

The number of total households is the number of connected households held within our billing databases.

We will validate our database against income values to identify those in water poverty.

This measure will be assessed on a calendar year basis.

Mitigation / exceptions

There may be some affluent households using significant quantities of water due to their lifestyle choices i.e. home spas or swimming pools, which could result in them spending more than 3% of their disposable income on their water and sewerage charges.

It is not the intention of this measure to capture any such circumstances and affluent users with high consumption will be excluded. A detailed methodology is to be developed.

Any other information relating to the performance commitment

Our ambition is to eradicate water poverty by 2030 and make sure bills are affordable for all of our customers.

Full definition of the performance commitment

As above.

Outcome: Our customers say our services are good value for money and we work hard to keep water and wastewater affordable for all

**Company performance commitment reference:
NHH gap sites (BES07)**

Short definition

The percentage of properties on the Valuation Office Rating list which have been matched to our corporate database of connected non-household properties.

Measurement

The percentage of NHH properties matched to the Valuation Office Rating list:

(NHH connected properties within our corporate database matched / current active properties on the Valuation Office Rating list within our operational areas) x 100%.

Mitigation / exceptions

Our measure will be to match our Non Household (NHH) property database (both billable and non-billable properties) to the Valuation Office Agency's Rating List.

We envisage 2 data issues;

- 1 The match will not include "Eligible" Non-household premises that are excluded from the Business Rates List by definition as an Exempted Building* (for example Churches, Farms etc.) and any shared supply arrangements that include either a separately rated property or mixed use property that has been deemed to be non-eligible for the NHH Retail market in accordance with the relevant Ofwat eligibility guidance.
- 2 The timings of updates to the VOA data will at times misalign with information provided to ourselves directly by a Retailer (NHH customer). For example we might have updated our database but the VOA is yet to be updated. We will report these as correct pending VOA amendment.

Any other information relating to the performance commitment

Our definition of a gap site aligns with Ofwat's 'A gap site is a property where water and/or wastewater services are being consumed, but the property is not on a water company's system and is therefore not billed.'

The number of gap sites is by definition an unknown number, hence our bespoke PC is an indirect one which seeks to address the risk of gap sites existing.

The definition also aligns with those used for our Annual Performance Reports

Full definition of the performance commitment

The percentage of NHH properties matched to the Valuation Office Rating list:

(NHH connected properties within our corporate database matched / current active

properties on the Valuation Office Rating list within our operational areas) x 100%.
The metric will be evaluated annually at the year end (31 March) and reported thereafter.

Outcome: Our customers say our services are good value for money and we work hard to keep water and wastewater services affordable for all

**Company performance commitment reference:
Percentage of void household properties (BES08)**

Short definition

Percentage of void household properties i.e. those not currently billed for water and/or sewerage services.

Measurement

The number/percentage of void properties is captured on 1st of each month and then averaged across the year.

The measure is '(yearly average number of void properties / yearly average number of connected household properties) x 100%'

The total number of household properties is the total number of properties detailed within our corporate database.

Mitigation / exceptions

Demolished properties are excluded from the figures.

Any other information relating to the performance commitment

N/A.

Full definition of the performance commitment

Our definition of a void property is in alignment with Ofwat's in that:

- A void property is a property that is not currently being billed by the water company.

The definition also aligns with those used for our Annual Performance Reports.

The number/percentage of void properties is captured on the 1st of each month and then averaged across the year.

The measure is '(yearly average number of void properties / yearly average number of connected household properties) x 100%'

The total number of household properties is the total number of properties detailed within our corporate database.

For bulk domestic meters we follow Ofwat's guidance, in that if multiple properties are billed on one bill, they are classified as one property and are categorised as occupied as long as one of the properties is occupied. If each property was to get an individual bill these would be counted as multiple properties and the occupancy status maintained on an individual level.

Outcome: We are resilient and provide clean drinking water and effective sewerage services; now, and for future generations

**Company performance commitment reference:
12 hours (or more) interruption (BES09)**

Short definition

This measure is a bespoke resilience measure. It is a count of the number of properties that experience a 12 hours (or more) interruption. This is measured over the April to March year.

Measurement

The number of properties that experience an interruption of 12 hours (or more). The total of all properties experiencing a 12 hours (or more) interruption is calculated over the April to March year.

This measure is not normalised in anyway or represented as a percentage so that there is transparency over the number of properties impacted.

Mitigation / exceptions

None, all 12 hour or more interruptions are recorded irrespective of the cause of the interruption as this is a resilience measure.

Any other information relating to the performance commitment

Our customer engagement work highlighted that customers support proactive maintenance to ensure service impacts are minimised. This bespoke resilience measure complements the common water measures and reports where impacts have occurred.

Full definition of the performance commitment

All properties interrupted that are identified through the common measure (interruptions greater than three hours) that are impacted for 12 hours or more are recorded.

The total of all properties impacted in this way over the April to March year are reported through this measure.

To determine the start and stop of an interruption event, i.e. the duration, we will use the same approach as set out in the “Component Definitions” section of the definition for the common interruptions measure.

Outcome: We are resilient and provide clean drinking water and effective sewerage services; now, and for future generations

**Company performance commitment reference:
Sewer flooding risk reduction (BES10)**

Short definition

This measure counts the number of properties where we have proactively reduced the risk of internal and/or external sewer flooding.

Measurement

The measure is the annual number of properties where flood risk (internal or external) has been reduced.

Mitigation / exceptions

Only risk reductions relating to a delivered solution/investment are included.

Any risk reductions achieved solely as a result of improving our hydraulic models are excluded.

Any other information relating to the performance commitment

This measure complements the common resilience measure relating to flood risk. It enables us to incentivise the delivery of a broader range of improvements, as opposed to just those which deliver protection against a 1 in 50 year storm event as covered by the common measure.

Full definition of the performance commitment

For the purposes of this measure, a risk reduction has only been delivered if a property moves from one of the following risk bands to a lower risk band, based on modelling the impact of the identified solution:

Internal						
1 in 5	1 in 10	1 in 15	1 in 20	1 in 30	1 in 40	>1 in 40

External (Curtilage)						
1 in 5	1 in 10	1 in 15	1 in 20	1 in 30	1 in 40	>1 in 40

Only the number of properties receiving a flood risk reduction as a result of a range of solutions delivered on site will be included. These solutions will typically be changes in the sewerage system, either by providing a separation scheme or a cluster of medium to small interventions.

The resulting risk reduction will be modelled to establish the confidence in the effectiveness

of the solution implemented. The exclusion will apply to situations where a model has been updated (not through delivery of a solution) and has resulted in a decrease of number of properties at risk.

The modelling assumptions and standards used are in line with our internal modelling guidance documentation, as well as the CIWEM UDG Code of Practice. The current typical model runs are the 5y, 10y, 15y, 20y, 30y and 40y for durations of 60-1440 (minutes). They are run on both a summer and winter scenario. Our model runs also assess the impact of future growth, climate change and urban creep within catchments.

Identification of the appropriate risk band for a property is based on our hydraulic models, which are also used as the basis for reporting against the common flood risk measure, and which are consistent with the definition for this common measure.

The new proposal is to also run the 50y scenario at the 60, 240 and 480mins duration as recommended in the Atkins Resilience Metrics methodology.

The hydraulic models are currently maintained in a model library and where feasible are verified and calibrated. Through the implementation of the DWMPs, the need to further verify and validate the hydraulic models will be addressed by implementing a number of flow monitors where appropriate.

Outcome: Our drinking water is clean, clear and tastes good

Company performance commitment reference: Discoloured water contacts (BES11)

Short definition

The number of customer contacts of discoloured water – brown/orange/black recorded in a calendar year in line with DWI information letter IL01/2006.

This is a continuation of the 2015-20 measure W-B3 and is a bespoke asset health measure.

Measurement

The number of customer contacts regarding discoloured water that is coloured brown, orange or black received within a calendar year, normalised and reported as contacts per 10,000 people.

Customer contacts are recorded in line with DWI information letter 01/2006.

Performance will be expressed as contacts per 10,000 people to align with the contacts based measures reported on discoverwater.co.uk.

Mitigation / exceptions

Customer contacts of discoloured water – brown/orange/black recorded during a water quality event notified to the drinking water inspectorate are excluded. This is in line with DWI requirements regarding water quality events.

Customers contacting us more than once to report or discuss the same discolouration occurrence will be recorded as one contact.

This measure represents day to day performance.

Any other information relating to the performance commitment

The continuation of the discoloured water contacts performance commitment is also part of our long term water quality strategy.

Full definition of the performance commitment

This customer contact – water quality measure is a bespoke asset health measure and continues to monitor performance with discoloured water brown/orange/black contacts.

The measure aligns fully with our 2015-20 performance commitment W-B3 which is in line with DWI reporting guidance contained in information letter 01/2006.

Any incident or repeat contacts are excluded and the customer contacts are expressed as per 10,000 people in line with other contacts based measures already reported on discoverwater.co.uk.

Outcome: Our drinking water is clean, clear and tastes good

Company performance commitment reference: Taste and smell contacts (BES12)

Short definition

The number of customer contacts of taste and smell (odour) of drinking water recorded in a calendar year in line with DWI information letter IL01/2006. This is reported per 10,000 people.

This is a continuation of the 2015-20 performance commitment W-B1 and is a bespoke asset health measure. The definition aligns with that published on the Ofwat Outcomes definitions – PR19 website.

Measurement

The number of customer contacts regarding taste or smell of drinking water received within a calendar year, normalised and reported as contacts per 10,000 people. This is to align with the taste and smell measure reported on <https://discoverwater.co.uk/taste>

Customer contacts are recorded in line with DWI information letter 01/2006.

Mitigation / exceptions

Customer contacts of taste and smell recorded during a water quality event notified to the drinking water inspectorate are excluded. This is in line with DWI requirements regarding water quality events.

Customers contacting us more than once to report or discuss the same taste or smell occurrence will be recorded as one contact. This measure represents day to day performance.

Any other information relating to the performance commitment

The continuation of the taste and smell performance commitment is also part of our long term water quality strategy.

Full definition of the performance commitment

This customer contact – water quality measure is a bespoke asset health measure and continues to monitor performance with taste and smell (odour) contacts.

The measure aligns fully with our 2015-20 performance commitment W-B1 which is in line with DWI reporting guidance contained in information letter 01/2006.

Any incident or repeat contacts are excluded and the customer contacts are expressed as per 10,000 people in line with other contacts based measures already reported on discoverwater.co.uk.

Outcome: Our drinking water is clean, clear and tastes good

Company performance commitment reference: Event risk index (ERI) (BES13)

Short definition

The Drinking Water Inspectorate (DWI) monitor water company water quality events through the event risk index. This is a very new index based on an established principle of event seriousness classification. This measure adopts the ERI in full, ERI performance is published by DWI in their Annual Report.

The definition aligns with the ERI methodology published on the DWI website dated 28 March 2018.

Measurement

This measure aligns with the full ERI definition. It is measured over a calendar year.

To ensure consistency from water companies the notification process for water quality events is in line with DWI guidance provided by The Water Industry (Suppliers' Information) Direction 2017.

Mitigation / exceptions

N/A

Any other information relating to the performance commitment

The use of an ERI based measure is part of our long term water quality strategy. It ensures that service is measured through normal and abnormal operations.

ERI is a new measure with limited historic performance data which creates some uncertainty regarding future performance levels.

Full definition of the performance commitment

This measure aligns fully with the ERI measure as reported by DWI in their Annual Report. The final definition was published 28 March 2018 and is available on the DWI website and Ofwat measures definitions website.

Outcome: We always provide a reliable supply of water

Company performance commitment reference: Interruptions to supply 1 – 3 hours (BES14)

Short definition

This bespoke measure aligns with the common interruptions measure with the distinction that it is calculated for all interruptions above one hour and less than three hours.

Measurement

The average time the water supply is interrupted greater than one hour and less than three hours. This bespoke measure aligns with the common interruptions measure but is calculated for all interruptions above one hour and less than three hours. It is expressed as hh:mm:ss.

Mitigation / exceptions

Interruptions above three hours will be reported through the common measure. All Interruptions above one hour and less than three hours will be reported through this measure.

Any other information relating to the performance commitment

We are introducing a new bespoke measure of supply interruptions performance in the period 2020-2025. The measure is based on the existing common measure of supply interruptions, but includes all interruptions of one hour but less than three. We are doing this because we recognise that all interruptions cause inconvenience to customers and one or two hours is a long time to go without water for some. A series of repeated short interruptions can cause much greater dissatisfaction than a single long interruption but at present this would have no impact on performance on the current measure of interruptions of three or more hours. We have deliberately aligned our new measure to the existing common measure in order that it could easily be adopted across the industry in future, using a well-established methodology.

Full definition of the performance commitment

This bespoke measure aligns with the common interruptions measure with the distinction that it is calculated for all interruptions above one hour and less than three hours.

Outcome: Our sewerage service deals with sewage and heavy rainfall effectively

Company performance commitment reference: Sewer blockages (BES15)

Short definition

This measure is the annual number of sewer blockage events that require clearing, measured over the April to March year.

The definition aligns with that published on the Ofwat Outcomes definitions – PR19 website.

Measurement

The number of sewer blockage clearing jobs are recorded and retrieved from NWL corporate systems.

A blockage is an obstruction in a sewer which causes a reportable problem (not caused by hydraulic overload), such as flooding or discharge to a watercourse, unusable sanitation, surcharged sewers or odour.

Mitigation / exceptions

Blockages occurring on private sewers or highway drains are excluded.

Any other information relating to the performance commitment

Incidents caused by sewers and laterals transferred under the Transfer of Private Sewers Regulations 2011 and pumping stations transferred in 2016 are included.

Full definition of the performance commitment

The definition aligns with that published on the Ofwat Outcomes definitions – PR19 website.

Outcome: Our sewerage service deals with sewage and heavy rainfall effectively

Company performance commitment reference: External sewer flooding (BES16)

Short definition

This bespoke measure is a count of all external sewer flooding events normalised by the number of connections.

A flooding incident is defined as the number of curtilages flooded during each flooding event from a public sewer. A flooding event is the escape of water from a sewerage system, irrespective of size as evidenced by standing water, running water or visible deposits of silt or sewage solids.

The definition aligns with that published on the Ofwat Outcomes definitions – PR19 website.

Measurement

The measurement is:

The number of incidents of external flooding / (number of connections/10,000)

The number of incidents includes severe weather events and those from both the public and transferred sewer networks.

These figures are recorded in and extracted from our corporate systems.

Mitigation / exceptions

The following areas are excluded from the reported numbers:

- 'highways' – including footpaths; and
- 'public' open space; agricultural land; car parks including overflow car parks.

Flooding caused by assets which are beyond our control are excluded, for example:

Flooding due to surface water run off which has not originated from public sewers:

- Fluvial flooding
- Coastal flooding
- Ground water which has not originated from a public sewer
- Flooding from water mains etc.; or
- Incidents caused by highway drains
- Incidents caused by private assets (including drains). The Water UK "Guide to Transfer of Private Sewers Regulations 2011", published on 30th September 2011 shall be applied to assess if the flooding incident should be attributed to the undertaker or a private asset such as a drain.

Any other information relating to the performance commitment

Where a flooding incident has occurred, and flooding subsides any subsequent flooding will be counted as a separate incident. This shall be regardless of the time between events and if any investigation or follow on work has started or been completed.

Full definition of the performance commitment

The definition aligns with the external flooding incidents definition published on the Ofwat Outcomes definitions – PR19 website.

Outcome: Our sewerage service deals with sewage and heavy rainfall effectively

Company performance commitment reference: Repeat sewer flooding (BES17)

Short definition

This bespoke measure is the number of times per year (April to March) that properties have suffered from internal sewer 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.

This is an evolution of the Repeat Sewer Flooding measure S-B3 from 2015-20.

A flooding incident is the escape of water from a sewerage system, irrespective of size as evidenced by standing water, running water or visible deposits of silt or sewage solids.

Measurement

The measurement is:

The number of incidents of internal flooding where the property has previously flooded internally at least once in the last 5 years

The number of incidents includes severe weather events and those from both the public and transferred sewer networks.

These figures are recorded in and extracted from our corporate systems.

Mitigation / exceptions

Flooding caused by assets which are beyond the undertaker's control is excluded, for example:

- Flooding due to surface water run off which has not originated from public sewers:
- Fluvial flooding,
- Coastal flooding,
- Ground water which has not originated from a public sewer,
- Flooding from water mains etc.; or
- Incidents caused by highway drains
- Incidents caused by private assets (including drains). The Water UK "Guide to Transfer of Private Sewers Regulations 2011", published on 30th September 2011 shall be applied to assess if the flooding incident should be attributed to the undertaker or a private asset such as a drain.

Any flooding due to jetting is included, unless the water is fully contained within a toilet bowl. Damp patches caused by seepage through walls or floors is excluded, but any area which has visible standing or running water or which has visible deposits of silt or sewage solids is included.

Any other information relating to the performance commitment

Flooding due to third party action shall be included in all cases.

Full definition of the performance commitment

For the purposes of this measure, the definition of what constitutes an internal flooding event aligns with the Ofwat definition for the common Internal Flooding measure.

Our definition of repeats in a “five year period” is five years prior to the most recent flooding incident, i.e. if an incident occurred on 24th April 2018, we would check back to and include 25th April 2013 to determine if this classed as a repeat.

Outcome: We help to improve the quality of rivers and coastal waters for the benefit of people, the environment and wildlife

**Company performance commitment reference:
Abstraction incentive mechanism (AIM) (BES18)**

Short definition

This performance commitment has been identified and designed in line with the Guidelines on the abstraction incentive mechanism (Ofwat 2016).

For Northumbrian Water only one site meets the criteria in the guidance – Ormesby Broad.

Measurement

The water level is measured at Ormesby Broad. When this is at or below -0.19m AOD and all other water quality conditions are met the AIM will be switched on.

We will report both AIM performance and Normalised AIM performance in line with the AIM Guidelines:

AIM performance in MI = (average daily abstraction during period when flows are at or below the trigger threshold - baseline average daily abstraction during period when flows are at or below the trigger threshold) * length of period when flows are at or below the trigger threshold.

Normalised AIM performance = AIM performance / (baseline average daily abstraction * length of period when river flows are at or below the trigger threshold)

Mitigation / exceptions

The AIM scheme can only operate if there is “an existing alternative source of water or bulk supply, or other realistic means of reducing abstraction from the AIM site”. For Ormesby Broad, the alternative source is the River Bure.

The AIM can only be triggered when water quality in the River Bure is good enough so as not to compromise the treatment capability of Ormesby WTW or our ability to undertake abstraction management to achieve drinking water compliance for metaldehyde and other parameters, such as nitrates or trihalomethanes (THMs).

If water quality in the River Bure is too poor and will result in a water quality compliance failure then the AIM will not be activated.

In the case of metaldehyde, currently the concentration to trigger abstraction management is $\geq 0.08\mu\text{g/l}$, either in the Bure at the upstream monitoring point, at Belaugh or at Ormesby raw water reservoir inlet.

For the AIM to be triggered, the metaldehyde concentration in the River Bure at the upstream monitoring point, at Belaugh or at Ormesby raw water reservoir inlet must be $\leq 0.08\mu\text{g/l}$ (regulated standard $0.1\mu\text{g/l}$).

Any other information relating to the performance commitment

Water quality monitoring is undertaken to understand quality of the Ormesby Broad and River Bure to inform decision making.

Full definition of the performance commitment

The water level is measured at Ormesby Broad. When this is at or below -0.19m Above Ordnance Datum (AOD) and water quality in the River Bure is acceptable presenting no risk to compliance then the AIM will be switched on.

The agreed AIM water level trigger point of -0.19m AOD has been set based on available ecological data, at the point where a reduction in abstraction from the site would be, or is likely to be environmentally beneficial. Using Ofwat methodology (2016) this derives a baseline volume of 8.59MI/d for Ormesby Broad.

The duration of the AIM event will be estimated and the average daily volume abstracted will be managed within the defined exceptions to be below or around the baseline average of 8.59MI/d.

The flow of water abstracted from Ormesby Broad is recorded and retrieved from corporate systems.

When the AIM event closes the average daily volume abstracted from Ormesby Broad will be determined, the AIM performance and Normalised AIM performance will be reported annually in the Annual Performance Report.

Outcome: We help to improve the quality of rivers and coastal waters for the benefit of people, the environment and wildlife

**Company performance commitment reference:
Bathing water quality (BES19)**

Short definition

The percentage of designated bathing waters in our northern operating area that are classified annually as Good or Excellent.

Measurement

The percentage of designated bathing waters in our northern operating area that are classified annually as Good or Excellent.

The bathing season runs from 15th May and ends on the 30th September with samples taken by the Environment Agency (EA) at 34 designated bathing waters in our region. The classifications are based on a statistical calculation using the past four years of samples results at each beach.

Mitigation / exceptions

Evidence that changes in bathing water quality classification were clearly as a result of non-water company sources alone, as agreed and signed-off by with the EA, will remove the bathing waters affected from this measure for the annual assessment.

The classifications will be ONS published statistic which includes any discounted results accepted under the EA's Pollution Risk Forecasting system.

Any other information relating to the performance commitment

This is an evolution of our 2015-20 performance commitment S-C3 which measures number of bathing waters meeting the less stringent "Sufficient" standard.

Full definition of the performance commitment

Our performance will be based on the annual published bathing water quality classifications on the gov.uk website: <https://www.gov.uk/government/collections/bathing-waters>

These are the official national statistics of bathing water quality in England, announced in early November each year and are also used to determine WaSC annual performance and upper quartile position. In Wales, bathing water classifications are announced by the Welsh Government.

Outcome: We take care to protect and improve the environment in everything we do, leading by example

**Company performance commitment reference:
Length of water environment improved (BES20)**

Short definition

The measure is the length of publicly accessible water environment improved in partnership, over and above our statutory commitments. We will work with our partners to enhance aspects of access, facilities and recreation, water quality, and wildlife and biodiversity at targeted sites across the water environment.

Measurement

The measurement is the length of accessible water environment in kilometres which has had improvements delivered across at least two aspects of access, facilities and recreation, water quality, and wildlife and biodiversity.

Water environment includes rivers and streams, lakes and reservoirs, wetlands, beaches and coastline. Perimeters of lakes, reservoirs and wetlands and both sides of a river or stream bank can be included, if accessible. Beaches and coastline must be recorded as a single linear length.

Reported lengths improved will be recorded by the Water Environment Governance Group. This group of external stakeholders, representing different sectors including customers and with specific expertise will oversee the new Improving the Water Environment Scheme to support this partnership approach and drive on-the-ground delivery.

Mitigation / exceptions

Improvements delivered must go above and beyond our statutory environmental improvement commitments including those in the WINEP. The inclusion of a requirement to deliver improvements across at least two aspects of access, facilities and recreation, water quality, and wildlife and biodiversity will help achieve this. The Water Environment Governance Group will provide external assurance for the measure.

Any other information relating to the performance commitment

For full details, see

“NES.OC.A57 + NES.OC.A58 – additional evidence – Water Environment Improvements Bespoke Definition”

“NES.OC.A57 + NES.OC.A58 – additional evidence – Water Environment Improvements performance commitment guidance”

Outcome: We take care to protect and improve the environment in everything we do, leading by example

**Company performance commitment reference:
Greenhouse gas emissions (BES21)**

Short definition

This is a measure of the annual amount of the greenhouse gases we produce. This measure is a continuation of W-F1 from the 2015-20 period.

Measurement

The measurement is the annual operational greenhouse gases emissions based on the Carbon Accounting Workbook (currently CAW12) and is expressed in tonnes CO₂ (Carbon dioxide equivalent). The measure will be assessed on our regulatory year performance (April to March).

Mitigation / exceptions

None.

Any other information relating to the performance commitment

For the purpose of ensuring full transparency in the way that the calculation of the estimated emissions is undertaken the calculation of the estimated emissions will be subject to annual validation and verification.

Full definition of the performance commitment

The measurement is the annual operational greenhouse gases emissions based on the Carbon Accounting Workbook (currently CAW12) and is expressed in tonnes CO₂ (Carbon dioxide equivalent).

The measure will be assessed on our regulatory year performance (April to March). The limits of the organisation covered by the measure will include both Regulated company activity and any wholly owned and controlled sites within the UK.

Measurement of greenhouse gases will adopt the 'market-based' emissions factor for electricity supplied via the grid.

We will ensure independent validation and verification of the reported performance.

Outcome: We take care to protect and improve the environment in everything we do, leading by example

**Company performance commitment reference:
Percentage of bioresources treated by AAD & beneficially recycled to land (BES22)**

Short definition

The percentage of the total amount of sludge produced each year that has been effectively treated by an advanced sludge treatment process (Advanced Anaerobic Digestion) and beneficially recycled to land.

Measurement

The percentage (%) of the total amount of sludge produced in raw TDS that is treated by Advanced Anaerobic Digestion (AAD) and beneficially recycled to land in a financial year (April to March).

Calculation (1 -3):

1. % Raw TDS Treated by AAD =
$$\frac{\text{Raw TDS Treated by AAD} - \text{Raw TDS Not Treated by AAD}}{\text{Total Raw Sludge (TDS) Produced}}$$

2. % Biosolids TDS to Land =
$$\frac{\text{Biosolids TDS to Land} - \text{Biosolids TDS Not to Land}}{\text{Total Final Biosolids (TDS)}}$$

3. % Bioresources treated through AAD and recycled to land = % Raw TDS Treated by AAD x % Biosolids TDS to Land

Mitigation / exceptions

This measure excludes bioresources from other WaSCs or organic wastes from third parties that have been traded under the bioresources price control. They are treated to the same high standards as our own bioresources having been mixed and then effectively treated through AAD with our indigenous sludge.

Any other information relating to the performance commitment

Our leading bioresources strategy means that all of our sludge is treated through one of our two AAD sludge treatment centres with renewable energy generation and an enhanced product recycled to agricultural land.

This means that we are the only WaSC to currently treat 100% of its sludge through an advanced treatment process and the only company to subsequently have 100% energy generation ('Power from Poo') and 100% enhanced sludge product (biosolids) to land.

We judge 'effective treatment' through the sludge treatment element of the Biosolids Assurance Scheme (BAS) standard. Specifically this is against compliance with our Hazard Analysis Critical Control Point (HACCP) plans for each AAD that ensures the end product or biosolids is suitable for beneficial recycling to agricultural land.

Full definition of the performance commitment

Out of the total amount of sewage sludge produced annually (April to March) by our wastewater service in raw TDS, the percentage that has been treated effectively through advanced anaerobic digestion (AAD) and recycled to agricultural land as a beneficial fertiliser product (biosolids).

Outcome: Our customers say our services are good value for money and we work hard to keep water and wastewater services affordable for all

**Company performance commitment reference:
British Standards Institution Award for Inclusive Services (BES23)**

Short definition

To achieve the BSI Award for Inclusive Services.

Measurement

The company will be measured by BSI (or other accredited auditors) against the requirements of the standard. We aim to achieve compliance with the requirements no later than 2023.

Mitigation / exceptions

None.

Any other information relating to the performance commitment

We intend to achieve this award by 2023.

Full definition of the performance commitment

To achieve the BSI Award for Inclusive Services.

Outcome: Multiple outcomes

Company performance commitment references: Service enhancement measures (BES24 to BES29)

Short definition

Customers will be protected in the event of late or non-delivery of service enhancements.

Measurement

The company has committed to protect customers in the event of non-delivery or late delivery of service enhancements. The measure will be either time based or unit based depending on the nature of the enhancement.

Mitigation / exceptions

None.

Any other information relating to the performance commitment

Each enhancement business case describes the type of penalty that will apply. For the time based penalties we will confirm to Ofwat by 31 May 2019 what those penalties will be. For the unit rate penalties that are not already established we will confirm to Ofwat by 31 May 2019 what those penalties will be.

Full definition of the performance commitment

To protect customers in the event of late or non delivery penalty measures will apply to service enhancements. These will take the form of a unit rate or time rate as follows.

Unit rate:

To protect our customers we will apply a penalty rate for underperformance against this enhancement. As this enhancement targets a number of specified units as an output, we have based our penalty on a per unit basis. We will incur a penalty to the value of the number of units we achieve below our Performance Commitment (PC). For example, a PC of 10 and an actual performance of 9 would incur a penalty of 1/10th the value of customer funding received.

Any penalty will be calculated as a net present value neutral adjustment as part of the PR24 true up process of the relevant 2019 Final Determination cash flows should the outcome be delivered partially or not at all. The discount rate used will be 3.3% real, the CPIH stripped cost of capital.

Time rate:

To protect our customers we will apply a penalty rate for underperformance against this enhancement. As this enhancement targets a specific output by a date in the future, we have based our penalty on a per day late of delivery basis. This uses the same principle as our Performance Commitment for R-F1 Delivering a consolidated customer information and billing system, penalty rate 2 at PR14.

Any penalty will be calculated as a net present value neutral adjustment as part of the PR24 true up process of the relevant 2019 Final Determination cash flows should the outcome be

delivered late, partially or not at all. The discount rate used will be 3.3% real, the CPIH stripped cost of capital.

Further information is contained within business plan Appendix 3.2

Outcome: Our customers say our services are good value for money and we work hard to keep water and wastewater services affordable for all

**Company performance commitment reference:
NWL independent value for money survey (BES30)**

Short definition

This is a survey to ask customers about their overall satisfaction with the service the company provides. It is the annual score from the 'value for money' question taken from the independent domestic customer survey carried out on the company's behalf.

Measurement

The measure is reported as an annual mean score out of ten. This measure will be assessed on a calendar year basis and is for households only.

Mitigation / exceptions

None.

Any other information relating to the performance commitment

We are retaining this measure from the 2015-20 period, performance commitment reference R-C1 will continue for the 2020-25 period.

Full definition of the performance commitment

The score will be determined from a survey where customers are asked to rate their overall satisfaction with the 'value for money' of the service we provide.

Customers score their satisfaction with our performance between one and ten, the greater the score, the greater the level of satisfaction. 2,000 customers are surveyed throughout the year to provide an annual score/result.

The research consists of 500 completed interviews carried out quarterly in line with the Market Research Society code of conduct.