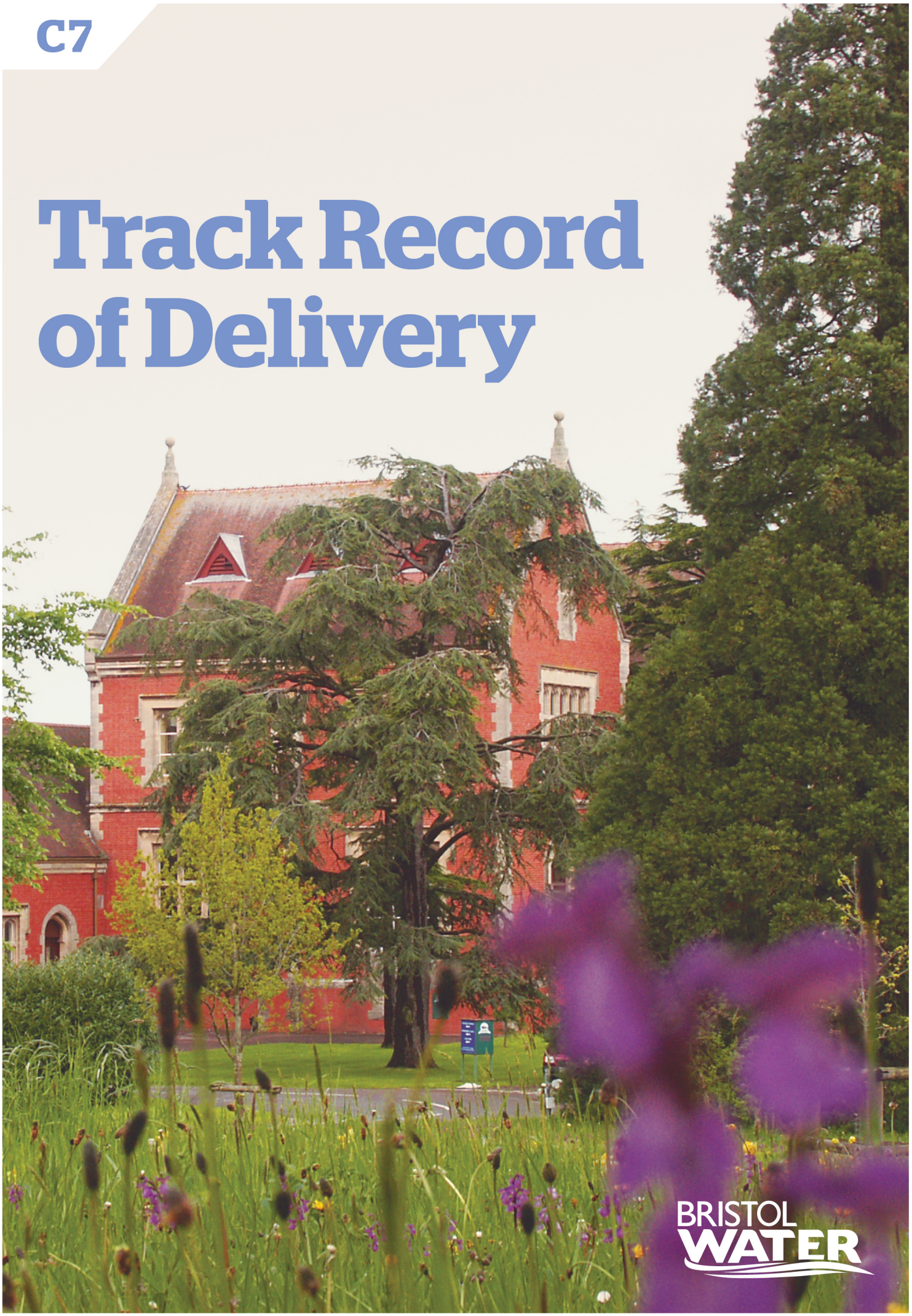
C7

Track Record of Delivery

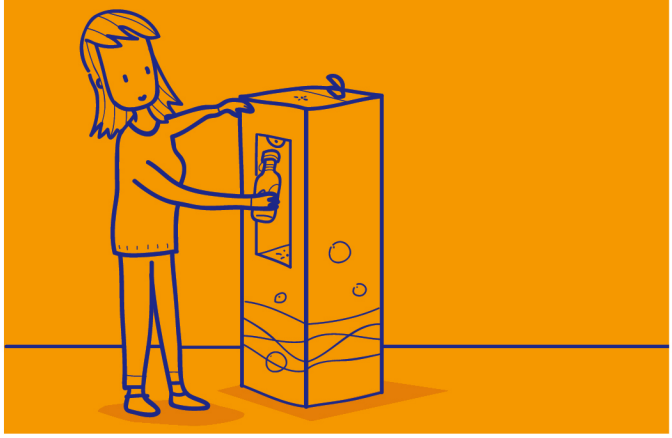


BRISTOL WATER

Structure of our Business Plan Submission

Appointee plan

A1
Bristol Water For All

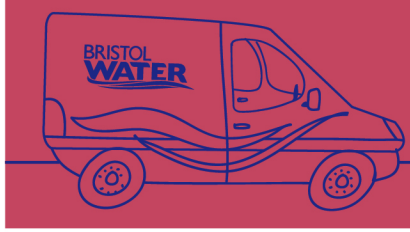


A2
Customer summary

Wholesale controls

B1
Water resources

B2
Water network plus



Retail controls

B3
Residential retail

Supporting evidence

C1
Engagement, communication and research

Engagement Summary

C2
Addressing affordability and vulnerability

C3
Delivering outcomes for customers

C4
Bristol Water... Clearly Resilient

C5
Cost and efficiency

Investment cases

C6
Financeability, risk & return, and affordability

C7
Track record of delivery

C8
Securing Trust, Confidence and Assurance

Board Assurance Statement

Contents

1. Introduction

Bristol Water is on a journey to transform itself. Building on the excellent level of trust that our local communities and customers have in us, we want to be regarded as a leading organisation known to excel at customer service and deliver experiences in an innovative and efficient way.

The past few years have been challenging for Bristol Water. Since the last Price Review, the associated CMA referral and our "prescribed" status under Ofwat's company monitoring framework, we have responded to these challenges by beginning to transform ourselves. We have re-shaped our company to reduce costs and respond to regulatory targets, reflected in the 14% reduction to our customers' bills in 2015. At the same time, we have targeted ambitious improvements to our services, such as a 12% reduction in leakage targets by 2020, delivering a large metering programme and completing one of our largest ever investments - the Southern Resilience Scheme.

Since our last business plan in 2014, we have made radical changes. We have a new management team in place. We have a new majority (80%) UK-based shareholder in iCON Infrastructure (LLP), who are well versed in owning and operating water and other regulated infrastructure companies both within the UK and globally, backed by long-term investors. Our Board has also changed and has established much stronger corporate governance and assurance of our plans. Our organisation and our operations have been overhauled and strengthened - over 25% of current employees have been carefully selected and recruited over the last 3 years. However, our transformation is by no means complete and we will continue to evolve over the coming years. We set out how this affects our business plans in Section A1.

This Section sets out Bristol Water's performance against the PR14 Final Determination.

The information in this Section is provided in order to demonstrate the following:

- Evidence for our proposed reconciliations for the 2015-20 period and our proposed adjustments by following the PR14 reconciliation rulebook methodology;
- The extent to which we were able to deliver on our performance targets set at PR14 and taking into account our overall performance, by explaining the measures we have put in place to ensure that we may maintain confidence that we can successfully deliver on our PR19 business plan; and
- The internal and external processes we have implemented to ensure high quality data in our reporting and regulatory submissions, and how this has supported our compliance with the Company Monitoring Framework. This is described further in section C8 – Securing Trust, Confidence and Assurance, of our business plan.

This section is intended to address the following tests for the Initial Assessment of Business Plans.

Ref	IAP Test	Section Addressed
PD1	How well has the company given evidence of its proposed reconciliations for the 2015-20 period, and has it proposed adjustments by following the PR14 reconciliation rulebook methodology?	This is addressed throughout this document. We set out the proposed reconciliations. This matches the early submission, and highlights the minor changes through the query process, which reflected the challenges in referencing the specific way to adjust in the data tables to the CMA FD14, so were minor and technical in nature. Of specific note is the clarity on leakage reporting that the Board commitment to not take into account in ODIs the specific technical data changes to Non-Household Night Use where it was not clear in the FD14 definition. This is fully explained in the 2017/18 Annual Performance Report and the "Trust Beyond Water" annual Board statement.
PD2	How well has the company performed, and is forecast to perform, over the 2015-20 period and, taking into account this overall performance, how well has it put measures in place to ensure that it maintains confidence that it can successfully deliver its PR19 business plan?	This document sets out our performance in this period – using the explanations that we set out in our 2017-18 Annual Performance Report. The transformation plan is set out in section A1, where we describe how the plan as a whole will be delivered, building on our business changes that reflect our recent performance

This information is intended to provide stakeholders, customers and regulators with confidence in our ability to deliver challenging, stretching targets and to make efficiency savings.

This information also allows for the calculation of the adjustments to revenue allowances and the Company's Regulatory Capital Value (RCV) as part of the PR19 price review. This sets out how the impact of performance during AMP6 will be reflected in customers' bills in AMP7. In order to calculate this we have used the PR14 reconciliation rulebook as published by Ofwat in 2016, with the accompanying models.

Our performance is compared against the Ofwat PR14 Determination (Dec 2014), the CMA redetermination (Oct 2015), the adjustments made through the 2014/15 blind year reconciliation (Oct 2016) and the published corrigenda to our PR14 determination (Apr 2018) as appropriate. We also took account of the outcome of the PR16 Retail Non-Household determination, which did not result in a change to the PR14 figures. Each of these is explained as follows:

1.1. Ofwat PR14 Determination

Ofwat's PR14 Final Determination was published on 12th December 2014. This determination set the initial Wholesale revenue allowance for 2015-20 and 'K' Factors by which it would increase each year, in addition to the impact of November RPI inflation. This revenue allowance was based on an allowance for the amount of expenditure the Company should make in the period, and the cost of capital it can earn, and Pay as You Go and RCV run-off rates. The determination also set the net margins and cost allowances that applied to retail controls for household and non-household customers. The determination also set targets for performance commitments for delivery of outcomes and the associated incentive structure.

1.2. CMA Redetermination

Bristol Water requested that Ofwat refer this determination to the Competition and Markets Authority (CMA) for redetermination. This process concluded with the publication of the CMA's Final Determination on 21st October 2015. This determination amended the 'K' Factors that applied from 2016/17 – 2019/20, the expenditure and revenue allowances, the cost of capital, and the incentive structure for two performance commitments (Unplanned Customer Minutes Lost and Negative Water Quality Contacts).

This Section therefore gives primacy to the redetermination made by the CMA where applicable. Where the CMA did not amend or comment on an aspect of Ofwat's determination, that determination is taken to apply.

1.3. 2014/15 Blind Year Reconciliation

When the PR14 determination was set by Ofwat, outturn performance in 2014/15 was not known and therefore some elements of the determination were based on forecasts. Ofwat collected information in those areas following the end of 2014/15, and published a "Blind Year reconciliation" in February 2016. This included adjustments for revenue, expenditure, and an issue with the indexation used in the calculation of the output of the Capital Incentive Scheme (CIS) that was set at PR09. The output of this reconciliation is included within the relevant PR14 reconciliation information.

The output for Bristol Water from the Blind Year Reconciliation is as follows:

	FD position £m 12/13	Blind Year Corrected position £m 12/13	Movement £m 12/13
Revenue	2.552	1.843	-0.709
Capital Incentive Scheme	-6.110	-6.297	-0.187
Total revenue adjustments	-3.558	-4.454	-0.896
CIS adjustment for actual expenditure 2010-15	6.934	£9.101m	2.168
Indexation correction	n/a	-9.342	-9.342
Total RCV adjustments	2.878	5.046	2.168

Table 1 – Blind Year Reconciliation

1.4. Corrigenda to PR14 Determination

At the beginning of March 2018 we submitted a notice to Ofwat requesting amendments to the definition of a number of our performance commitments. The submission was accompanied by a statement from our Customer Challenge Panel, who offered their support for our proposed changes, noting that these would improve transparency and accessibility for our customers. These amendments were confirmed by Ofwat in the publication of its corrigenda to our PR14 determination on 25th April 2018.[1] Where applicable, this latest version of the determination applies. The amendments made were as follows:

- Leakage – clarification of approach to reporting and calculation based on average performance, and approach to dual-reporting
- Per Capita Consumption – approach to dual reporting
- SIM – approach to reporting performance against target when industry rankings not known
- Biodiversity Index – details on calculation of measure and setting numeric target
- Raw Water Quality of Sources - details on calculation of measure and setting numeric target
- Unplanned Customer Minutes Lost – update to include incentive framework set by the CMA
- Negative Water Quality Contacts - update to include incentive framework set by the CMA

[1] https://www.ofwat.gov.uk/wp-content/uploads/2018/04/Corrigenda-Bristol-Water-Limited.pdf

Through the process we have followed for establishing the definitions of our performance commitments for PR19 we have sought to provide sufficient clarity and remove any ambiguities that may lead to a similar corrigenda being required in the next period. In particular through following the industry standard definitions for common measures, and making the changes suggested by Ofwat in its review of our submission of our performance commitment definitions, as explained in Section C3.

All twenty-six proposed PR19 performance commitments have been discussed at our CCG at numerous stages in their development. We have been open to the challenges that they have raised. Following the feedback, we have included further information on the following performance commitments:

- the value for money survey methodology
- the measurement for meter penetration and definition of household, non-household, voids and multiple properties served by a single meter
- the numeric calculation for raw water quality of sources
- the measurement of the biodiversity index score
- the delivery of investigations that will be measured and reported on for WINEP compliance

In addition, we have also amended our submitted definition on the percentage of customers in water poverty performance commitment, to ensure that it more closely aligns to the definition we have been reporting on in AMP6. Finally, two performance commitments, 'void properties' and 'local community satisfaction', were still under development at the time of the early submission. The finalised definitions for both these performance commitments are included in appendix 3 of C3. Further information on the changes made to our bespoke definitions and information on all our PR19 full performance commitment definitions can be found in Section C3.

1.5. PR16 Retail Non-Household Determination

The PR14 Retail Non-Household determination was set for an initial period of two years. This was to allow companies to revisit their proposed default tariff structures and margin allocations ahead of the opening of the retail non-household market in April 2017.

Bristol Water provided notification of our intention to exit the retail non-household market on opening during 2016. As such, we did not propose any modification to the default tariffs that were set at PR14.

2. Summary of AMP6 performance

We have not met all of our performance commitments during 2015-20, and this results in a total reduction of £10.3m (2017/18 prices) to customer bills. We will return £1.1m of this early, through 2019/20 bills, as part of our leakage commitment, reflecting performance up to 2017/18. We recognise that customers have to trust the way regulated companies report on their performance. We want to be a positive example at a time when the sector is under scrutiny. Therefore, given that leakage is one of our customers' top priorities and of increasing focus for the industry, in February 2018 we committed that our outcome incentives for 2015-20 are calculated without taking into account technical adjustments that could benefit the incentive calculation. We separately report our actual level of leakage based on up-to-date assumptions.

We increased leakage resources over 2017, but despite our efforts we did not meet our target, with the severe weather in March 2018 playing an important role. By increasing resources now, we are confident that we will meet our actual level of leakage target for 2018-2020 and reduce leakage further by 15% by 2025.

As well as returning money to customers, we demonstrate in our plan that we are taking action now so that customers are not paying for recovery of any current performance shortfalls after 2020.

The key reasons for why some of our performance commitments have not been met are set out in full, in our 2017/18 Annual Performance Report. In summary they are:

- Supply interruptions (reported as unplanned customer minutes lost) – we have had exceptional one-off incidents in 2015/16 and 2017/18. There was no underlying asset health cause of these incidents, as we show in our Willsbridge case study in our Annual Performance Report 2017/18. Our resilience investment will reduce risk to customers further over 2015-20.
- The freeze-thaw in March 2018 meant we missed our asset health infrastructure target because of mains bursts, causing an assessment of 'marginal'. This means that a marginal assessment will also apply to 2018/19, incurring an ODI penalty.
- Mean Zonal Compliance is a water quality metric and we failed this target due to nickel in customer tap fittings, which is largely out of our control. The new Compliance Risk Index target for 2017/18 was at the industry frontier at 0.032. Our underlying performance on water quality is strong.
- With meter penetration we have seen slower take up from customers. We are therefore increasing promotion of meters and have strengthened our meter-fitting team to meet our 65.9% target in 2020.
- Customer service targets have also sometimes not been met due to the operational incidents, particularly as they caused an increase in complaints.

We have also outperformed our wholesale totex allowance and sold surplus land, which both reduce bills through a 50% sharing rate between the Company and customers. The adjustments for 2015-20 performance are summarised below:

£m (17/18 CPIH prices)	Revenue	RCV
ODIs	-9.5	-0.8
Wholesale totex	-2.3	-6.1
Wholesale revenues	+2.5	
Residential retail revenues	0.3	
Land sales (50% share)		-2.0
Total	**-9.0**	**-8.9**

Table 2- Summary of 2015-20 adjustments

These adjustments are shown in business plan table App25:

App25 - PR14 reconciliation adjustments summary — **Bristol Water**

Line description		Item reference	Units	DPs	Price base	2015-16	2016-17	2017-18	2018-19	2019-20	2015-20
A	Further 2010-15 reconciliation adjustments										
1	Water ~ Total Adjustment RCV carry forward to PR19	C00572_L021	£m	3	2012-13 FYA (RPI)						2.596
2	Water ~ Total Adjustment Revenue carry forward to PR19	C00578_L021	£m	3	2012-13 FYA (RPI)						-0.223
3	Wastewater ~ Total Adjustment RCV carry forward to PR19	C00579_L021	£m	3	2012-13 FYA (RPI)						0.000
4	Wastewater ~ Total Adjustment Revenue carry forward to PR19	C00585_L021	£m	3	2012-13 FYA (RPI)						0.000
5	Water ~ CIS RCV inflation correction	APP25001	£m	3	2012-13 FYA (RPI)						-6.856
6	Wastewater ~ CIS RCV inflation correction	APP25002	£m	3	2012-13 FYA (RPI)						0.000
7	Water ~ Total Adjustment RCV carry forward to PR19 at 2017-18 FYA CPIH deflated price base	APP25003	£m	3	2017-18 FYA (CPIH deflated)						2.996
8	Water ~ Total Adjustment Revenue carry forward to PR19 at 2017-18 FYA CPIH deflated price base	APP25004	£m	3	2017-18 FYA (CPIH deflated)						-0.257
9	Wastewater ~ Total Adjustment RCV carry forward to PR19 at 2017-18 FYA CPIH deflated price base	APP25005	£m	3	2017-18 FYA (CPIH deflated)						
10	Wastewater ~ Total Adjustment Revenue carry forward to PR19 at 2017-18 FYA CPIH deflated price base	APP25006	£m	3	2017-18 FYA (CPIH deflated)						
11	Water ~ CIS RCV inflation correction at 2017-18 FYA CPIH deflated price base	APP25007	£m	3	2017-18 FYA (CPIH deflated)						-7.912
12	Wastewater ~ CIS RCV inflation correction at 2017-18 FYA CPIH deflated price base	APP25008	£m	3	2017-18 FYA (CPIH deflated)						
B	Adjustment to RCV from disposal of land										
13	Water ~ NPV effect of 50% of proceeds from disposals of interest in land at 2017-18 FYA CPIH deflated price base	A7011W_CPY	£m	3	2017-18 FYA (CPIH deflated)						-2.032
14	Wastewater ~ NPV effect of 50% of proceeds from disposals of interest in land at 2017-18 FYA CPIH deflated price base	A7011WW_CPY	£m	3	2017-18 FYA (CPIH deflated)						0.000
C	Outcome delivery incentive reconciliation adjustments to be applied at PR19										
15	ODI in-period revenue adjustment ~ Total net revenue adjustment at 2017-18 FYA CPIH deflated price base	APP27040_CPY	£m	3	2017-18 FYA (CPIH deflated)						0.000
16	ODI end of period revenue adjustment ~ Total net revenue adjustment at 2017-18 FYA CPIH deflated price base	APP27047_CPY	£m	3	2017-18 FYA (CPIH deflated)						-9.477
17	ODI end of period RCV adjustment ~ Total net adjustment at 2017-18 FYA CPIH deflated price base	APP27052_CPY	£m	3	2017-18 FYA (CPIH deflated)						-0.790
D	Wholesale total expenditure outperformance sharing										
18	Water: Totex menu revenue adjustment at 2017-18 FYA CPIH deflated price base	WS15026_CPY	£m	3	2017-18 FYA (CPIH deflated)					-2.262	
19	Water: Totex menu RCV adjustment at 2017-18 FYA CPIH deflated price base	WS15027_CPY	£m	3	2017-18 FYA (CPIH deflated)					-6.029	
20	Wastewater: Totex menu revenue adjustment at 2017-18 FYA CPIH deflated price base	WWS15021_CPY	£m	3	2017-18 FYA (CPIH deflated)					0.000	
21	Wastewater: Totex menu RCV adjustment at 2017-18 FYA CPIH deflated price base	WWS15022_CPY	£m	3	2017-18 FYA (CPIH deflated)					0.000	
E	Wholesale revenue forecasting incentive mechanism										
22	WRFIM Total reward / (penalty) at the end of AMP6 ~ water network plus	WS13027_CPY	£m	3	2017-18 FYA (CPIH deflated)					2.487	
23	WRFIM Total reward / (penalty) at the end of AMP6 ~ wastewater network plus	WWS13027_CPY	£m	3	2017-18 FYA (CPIH deflated)					0.000	
F	Reconciliation of household retail revenue										
24	Residential retail revenue adjustment at 2017-18 FYA CPIH deflated price base	R9046_CPY	£m	3	2017-18 FYA (CPIH deflated)					0.290	
G	Water trading incentive reconciliation										
25	Total value of export incentive - water resources at 2017-18 FYA CPIH deflated price base	WS17028_CPY	£m	3	2017-18 FYA (CPIH deflated)					0.000	
26	Total value of export incentive - water network plus at 2017-18 FYA CPIH deflated price base	WS17029_CPY	£m	3	2017-18 FYA (CPIH deflated)					0.000	
27	Total value of export incentive to be paid after PR19 at 2017-18 FYA CPIH deflated price base	WS17030_CPY	£m	3	2017-18 FYA (CPIH deflated)					0.000	
28	Total value of import incentive - water resources at 2017-18 FYA CPIH deflated price base	WS17031_CPY	£m	3	2017-18 FYA (CPIH deflated)					0.000	
29	Total value of import incentive - water network plus at 2017-18 FYA CPIH deflated price base	WS17032_CPY	£m	3	2017-18 FYA (CPIH deflated)					0.000	
H	Service incentive mechanism										
30	SIM forecast revenue adjustment at 2017-18 FYA CPIH deflated price base	R10009_CPY	£m	3	2017-18 FYA(CPIH deflated)						0.000

2.1. Delivery of PR14 Performance Commitments

The table below presents our actual and forecast performance for AMP6. The forecast performance information can be found in App5 and App6 in the business plan data tables and the outcome delivery incentive summaries can be found in App27 in the business plan data tables.

C7 – Track record of delivery

Performance Commitment (PC)		Historic Performance			Forecast Performance		Outcome Delivery Incentive (ODI)		
Measure	Unit	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Forecast	2019-20 Forecast	Type of Incentive	Cumulative AMP6 outperformance payment or underperformance penalty (£m, to 4 dp)*	31 March 2020 forecast - total AMP6 outperformance payment or underperformance penalty (£m, to 4 dp)*
A1: Unplanned customer minutes lost	Mins/ prop/ year	15.5	13.1	73.7	12.5	12.2	Outperformance Payment and Underperformance Penalty	-1.4778	-1.4778
A2: Asset reliability - infrastructure	Category	Stable	Stable	Marginal	Marginal	Stable	Underperformance Penalty Only	0	-0.6850
A2 sub-indicator: Bursts	Number	764	1,034	1,222	950	950	Sub-indicator to A2	N/a	N/a
A2 sub-indicator: DG2 Low Pressure	Number	71	94	65	69	69	Sub-indicator to A2	N/a	N/a
A3: Asset reliability - non-infrastructure	Category	Stable	Stable	Stable	Stable	Stable	Underperformance Penalty Only	0	0
A3 sub-indicator: Turbidity at Water Treatment Works	Number	0	0	0	0	0	Sub-indicator to A3	N/a	N/a
A3 sub-indicator: Unplanned Maintenance Events	Number	3,353	2,870	3,279	3,976	3,976	Sub-indicator to A3	N/a	N/a
B1: Population in centres >25,000 at risk from asset failure	Population	288,589	288,589	9,063	9,063	9,063	Outperformance Payment and Underperformance Penalty	0	0
C1: Security of supply index (SOSI)	Index	100	100	100	100	100	Reputational	N/a	N/a
C2: Hosepipe ban frequency	Days	1.5	3.1	3.1	4.6	4.6	Underperformance Penalty Only	0	0
D1: Mean zonal compliance (MZC)	%	99.93	99.97	99.93	99.96	99.96	Underperformance Penalty Only	-0.5680	-0.5680
E1: Negative water quality contacts	Contacts/ year	2,329	2,162	1,711	2,275	2,221	Outperformance Payment and Underperformance Penalty	0	0

C7 – Track record of delivery

Performance Commitment (PC)		Historic Performance			Forecast Performance		Outcome Delivery Incentive (ODI)		
Measure	Unit	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Forecast	2019-20 Forecast	Type of Incentive	Cumulative AMP6 outperformance payment or underperformance penalty (£m, to 4 dp)*	31 March 2020 forecast - total AMP6 outperformance payment or underperformance penalty (£m, to 4 dp)*
F1: Leakage[2]	Ml/d	44.2 (annual) 44.2 (average)	47.4 (annual) 45.8 (average)	49.6 (annual) 47.1 (average)	46.5 (annual) 46.9 (average)	45.5 (annual) 46.6 (average)	Outperformance Payment and Underperformance Penalty	-1.0824	-5.5924
G1: Meter penetration	%	47.3	49.3	52.7	58.0	65.9	Outperformance Payment and Underperformance Penalty	-0.4220	-0.5741
G2: Per Capita Consumption	Litres/ head/ day	141.1	144.1	144.5	142.8	142.0	Reputational	N/a	N/a
H1: Total carbon emissions	kgCO2e/ person	35	32	28	38	38	Reputational	N/a	N/a
H2: Raw water quality of sources	% of AMP5 baseline aggregate of algal bloom frequency	+20	+11	-1	-1	-1	Reputational	N/a	N/a
H3: Biodiversity index	Index	17,649	17,650	17,657	17,658	17,659	Reputational	N/a	N/a
H4: Waste disposal compliance	%	96.1	95.8	98.1	96.1	96.1	Reputational	N/a	N/a
I1: Percentage of customers in water poverty	%	0.4	0.9	0.0	0.0	0.0	Reputational	N/a	N/a
J1: Service incentive mechanism (SIM)	SIM Score	85.1	85.9	83.4	87.04	87.18	Outperformance Payment and Underperformance Penalty	0	0

[2] This is our 'ODI Leakage' figure, which excludes the impact of changes in technical assumptions on our reported figure

C7 – Track record of delivery

Performance Commitment (PC)		Historic Performance			Forecast Performance		Outcome Delivery Incentive (ODI)		
Measure	Unit	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Forecast	2019-20 Forecast	Type of Incentive	Cumulative AMP6 outperformance payment or underperformance penalty (£m, to 4 dp)*	31 March 2020 forecast - total AMP6 outperformance payment or underperformance penalty (£m, to 4 dp)*
J2: General satisfaction from surveys	%	83	86	87	93	93	Reputational	N/a	N/a
J3: Value for money	%	70	72	69	72	72	Reputational	N/a	N/a
K1: Ease of contact	%	94.8	94.4	93.1	96.5	96.5	Reputational	N/a	N/a
L1: Negative billing contacts	Contacts/ year	2301	3096	2300	2,240	2,170	Reputational	N/a	N/a
Total								**-3.5502**	**-8.8973**

Table 3 - ODI Performance 2015-20

* All outperformance and underperformance payment figures in this section are expressed in 2012/13 RPI prices, the price base used for the PR14 final determination. We set out later in this document how these are indexed to 2017/18 CPIH prices for application to customers' bills in 2020-25.

Performance Key	
Target met	
Target missed, penalty not applicable	
Target missed, underperformance penalty	
Target not known (requires comparative information from Ofwat)	

3. Key Achievements 2015-20

In additional to our PR14 performance commitments, there are a number of other areas where we have delivered improvements for our customers and stakeholders, as explained in this section.

3.1. Transformation

The past few years have been challenging for Bristol Water and the water sector as a whole. Since the last Price Review, the associated CMA referral and the "prescribed" status of the company under Ofwat's monitoring framework, we have responded to our challenges by beginning to transform ourselves. We have re-shaped our company to reduce costs and respond to regulatory targets, reflected in the 14% reduction to our customers' bills in 2015. At the same time, we have targeted ambitious improvements to our services, such as a 12% reduction in leakage targets by 2020, delivering a large metering programme and completing one of our largest investments - the Southern Resilience Scheme.

Since our last plan in 2014, we have made radical changes. We have a new management team in place. We have a new majority (80%) UK-based shareholder in iCON Infrastructure, who are well versed in owning and operating water and other regulated infrastructure companies both within the UK and globally, who are backed by long-term investors. Our Board has also changed and has established much stronger corporate governance and assurance of our plans. Our organisation and our operations have been overhauled and strengthened - over 25% of current employees have been carefully selected and recruited over the last 3 years. However, our transformation is by no means complete and we will continue to evolve over the coming years as we explain elsewhere within this plan.

3.2. Performance

Customer Service

We have historically performed around the upper quartile level of performance in SIM reporting. As the industry moves to the PR19 measure of customer experience (C-MeX) we have been monitoring our performance by participating in the UK Customer Services Institute annual survey of customer satisfaction. We were delighted to be recognised in 2017 and 2018 as the leading UK water company in this survey for customer service, and we were also found to be the most trusted utility.

Affordability

We want our bills to be affordable for all of our customers, both now and in the future. Our ambition is to continue to eliminate water poverty by providing new and better services, in new ways, at a lower long-term cost. We also plan to continue to provide additional support for those customers who struggle to pay their bill.

In 2017/18 we were able to report that none of our customers were assessed as being in water poverty. Although we have maintained our target for 2018/19 and 2019/20 due to the uncertainty surrounding Universal Credit, we are committed to maintaining this level of performance throughout AMP7.

3.3. Community Initiatives

In addition to our delivery of our PR14 plan, we have made some major contributions to our communities during 2015-20, and we explain some of the key projects below:

Water Fountains

The re-introduction of modern water fountains started as an idea by Ali Jennings, our former Head of Communications and a passionate environmentalist. Ali saw that the humble water fountain could be key to helping the public kick their plastic bottle buying habits.

It was developed as a Bristol 2015 European Green Capital project by the City to Sea Community Interest Company, following on from the striking Bristol Whales sculptures in Millennium Square. Sadly, Ali passed away in early 2018 following a battle with cancer, but she left behind an ambitious programme and a

passionate team dedicated to realising her dream. Our support for water fountains complements the on-going Refill campaign.

Refill Bristol

The Refill Bristol campaign, which allows residents, workers and visitors to the city to top up with tap water at participating venues. City to Sea and their partner organisations have signed up over 200 Bristol venues as Refill stations, from cafes and restaurants to opticians, dentists and doctors surgeries.

There is now an app with a map to find out where customers can Refill at www.refillbristol.org.uk.

Refill has now been adopted nationally by the industry and is promoted through Water UK.

Water Bar

In 2016, we created our pop-up Bristol Water Bar to give people free drinking water at events and festivals across our supply area.

The aim of the campaign is firstly to reduce plastic waste. If the world carries on with its current level of plastic usage, it is expected that by 2050 there will be more plastic in the sea than fish. We simply cannot let that happen. We also aim to keep the population healthy and hydrated in the most economical way possible. Plastic bottles of water cost up to 1,000 times more than tap water: still most people drink bottled water when out and about.

In its first year, we took the bar to Bristol Pride, Redfest and the International Balloon Fiesta. It proved a huge success with over 4,000 litres of good old tap water drunk at the Balloon Fiesta alone. We estimate that we saved more than 10,000 plastic bottles going to landfill, a staggering number.

In November 2016, the Water Bar won the Environmental Innovation of Year Award at the Bristol Post Environment Awards, something we are very proud of. This year, it was awarded the Community Project of the Year and Outstanding Innovation Awards at the Water Industry Achievement Awards in Birmingham.

In 2017, we were on the road again, visiting five local events: Keynsham Music Festival, Upfest, Peaceful Portway and, for the second time, Bristol Pride and the International Balloon Fiesta. In 2018, we expanded again, visiting 13 local festivals.

3.4. Innovations

To help us deliver our PR14 targets we have implemented a number of innovative schemes and changes to our ways of working. This is set out in detail in section C5 – Cost and Efficiency.

4. Regulatory Compliance

4.1. Ofwat's Company Monitoring Framework

The Company Monitoring Framework, established in June 2015, set out how Ofwat intends to oversee the information that water companies provide to customers. It states: "The company monitoring framework is a tool to challenge all companies to provide information for customers and stakeholders that is reliable, timely, appropriate to the audience, and for companies to be transparent with customers and stakeholders about the data assurance they put in place."

The Framework includes classification of companies as "self-assurance", "targeted" and "prescribed". Bristol Water was initially classified as "targeted". However, following the conclusion of the PR14 Business Plan process, Ofwat announced in December 2015 that it was placing Bristol Water in the prescribed category, due to concerns over the quality of the evidence we presented in support of our Business Plan. We have remained in the prescribed category since this time. The results of the assessments are noted in the table below, along with the improvements we have made to improved the quality and transparency of our data and information.

C7 – Track record of delivery

Area of Assessment	2016 Assessment	2017 Assessment	Improvements made for 2018 reporting and PR19
Financial Monitoring Framework	Meets expectations	Meets expectations	We reviewed the financial viability statement – to provide a transparent summary of Board governance and engagement and to provide clear wording.
Charges schemes assurance/ Charges engagement assessment	Meets expectations	Meets expectations	When we published our 2018/19 Charges Scheme we included greater detail in the supporting assurance statement on the changes in charges for each customer type, and the cost of social tariffs.
Financial information	Meets expectations	Not included	
Final 2010-15 reconciliation data submission	Meets expectations	Not included	
Outcomes	Meets expectations	Serious concerns	*Performance Reporting* Ofwat raised concerns with some inaccuracies in our outcomes reporting in our Annual Performance Report. We introduced additional assurance checks as a result of this assessment. Our external technical assurers, Atkins, now audit our ODI information as well as our performance reporting. We will continue this practise at PR19. *Wider Assurance* Ofwat suggested that as an area of improvement we should publish easily accessible stakeholder feedback, such as a statement from the CCG to provide opinion on the company's progress in delivering our performance commitments. Although our CCG did publish a separate report, which included extensive commentary on our performance commitments and our explanations for achieving or not achieving our performance commitment targets, this report was published after Ofwat's Company Monitoring Framework assessment took place. Our 2017/18 APR included an additional statement from our CCG within our Annual Performance Report and we will continue this practise in future years. *Transparent and accessible information* Although Ofwat stated that there was sufficient evidence that our reporting was transparent and accessible to our customers and stakeholders, the regulator did suggest that we should consider making the performance summary commentary within the annual performance report less regulator-focused and more accessible. We have since this assessment published our performance on our website as an interactive graphic. Again, this is a commitment that we will continue to practise at PR19.
Compliance with	Meets	Meets	Our Board published a new statement "Trust Beyond Water" alongside our 2017/18 APR,

C7 – Track record of delivery

Area of Assessment	2016 Assessment	2017 Assessment	Improvements made for 2018 reporting and PR19
principles of board leadership, transparency and governance	expectations	expectations	setting out its views on our performance, and key issues affecting the Company.
Risk and compliance statement	Meets expectations	Meets expectations	
Assurance plan	Minor concerns	Meets expectations	
Targeted reviews	Minor concerns	Not included	
Data assurance summary	Minor concerns	Minor concerns	Ofwat raised concerns that our report was written by our independent technical auditor and as a result it did not appear to be owned by the company. In 2017 some of the content that Ofwat was expecting to be included in this area of assessment was included in the Risk and compliance statement, for 2018 we produced a separate Data Assurance Summary document to set out our approach to assurance of each aspect of our APR. We also strengthened the signalling between our documents so it is clear where each piece of information and assurance is provided.
Evidence from casework activities	Minor concerns	Minor concerns	Ofwat found it difficult to rely on the information provided to progress the cases identified and said that it needed to seek additional clarification to address gaps and inconsistencies in the information provided. We will take account of this feedback in any future cases where we are required to provide evidence.
Wider assurance and information	Not included	No issues	We have provided greater transparency on our performance through publication of our mid-year performance report with comparative information, and our interactive performance page.

Table 4 – Ofwat's Company Monitoring Framework Assessments and Improvements made

Ofwat's Company Monitoring Framework assessment is a judgement in the round. Where there is a significant or series of data reporting or process errors then minor concerns in the topic area and an overall "targeted assurance" status is likely to apply. Of more significance to the overall Company Monitoring Framework assessment is public transparency – both of reporting data and information, the process for assurance and risk governance, and engagement with customers and stakeholders. This ultimately has the greatest impact on movements in Company Monitoring Framework assessment – both up and down.

For this reason, it is not generally sufficient to just meet Ofwat's past challenges or requirements. Ofwat are looking for the industry to improve public transparency and accuracy, and even if expectations are met one year, further concerns may be identified in future years unless improvements continue. It is the principle of trust and confidence, that once it is questioned by Ofwat requires exceptional effort to recover, that underpins Ofwat's approach.

There are a number of specific data and reporting actions we have already taken, and had already anticipated improvements that we would carry out anyway, in advance of Ofwat's next Company Monitoring Framework assessment. The next Company Monitoring Framework assessment will be in January 2019, alongside publication of the Initial Assessment of PR19 business plans (IAP). The quality of the business plan is likely therefore to dominate the assessment. This is important for Bristol Water in particular, given that the Company Monitoring Framework revised level of prescribed status by Ofwat was attributed to concerns regarding the quality of our evidence and assurance process that arose during the CMA referral.

For PR19 Ofwat has emphasised the importance of the track record of performance – the link between the recent history of the company to how realistic its future plans are. To date we have addressed the challenge in the following ways:

- In the publication of Bristol Water…Clearly – a narrative about a changing Bristol Water (including efficiency, approach to water resources, innovation etc), and the trust customers have in us because of enduring role at the heart of the community.
- Engagement – we have been proactive in engaging with key regulators and within the past year have hosted visits from a wide variety of regulators, UK and international utilities and suppliers, to demonstrate the key activities and challenges that we face. We gain significant benefit in both communication our plans and approaches, as well as learning from the experiences of others, both in the UK water sector and beyond.
- The 2018/19 assurance plan includes details on our PR19 governance and assurance approach, making the link to the assurance statements that Ofwat expects the board to make.

Transparent information

We have made it a priority that our customers and stakeholders have access to information on how we are performing and how it may impact them.

Our Board published a new statement "Trust Beyond Water" alongside our 2017/18 APR, setting out its views on our performance, and key issues affecting the Company.

We have provided improved transparency on our performance, including the context of our performance compared to other companies, within the new mid-year performance report we published in November 2017, which allows for comparison against annually reported data.

We published an interactive summary of our 2017/18 performance on our website alongside our Annual Performance Report as shown in Figure 1 below.

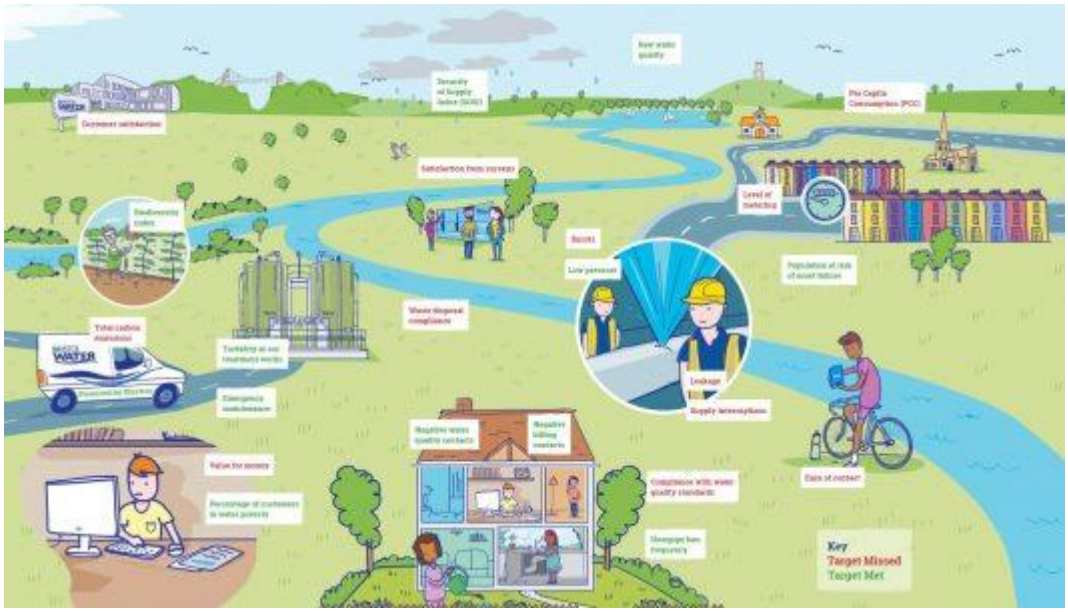


Figure 1- Interactive Performance Graphic

When we published our 2018/19 Charges Scheme we included greater detail in the supporting assurance statement on the changes in charges for each customer type, and the cost of social tariffs.

We included better signalling of information between the different year end publications and more customer-friendly graphical information in the Annual Performance Report.

We reviewed the financial viability statement – to provide a transparent summary of Board governance and engagement and to provide clear wording.

We expanded the scope of Atkins' audit to include the outcomes reporting tables in the APR, and Atkins produced an overall summary of our performance within their report, building on the statement they provided for the mid-year performance report.

We followed the Ofwat process (as set out in IN16/07) for improving outcomes reporting, setting out a corrigenda to our PR14 determination which was published in April 2018, to make measurement and reporting of our PR14 commitments more transparent.

5. How we have reported performance during AMP6

In this section we set out how we have reported and explained our performance against our PR14 performance commitments to our customers and stakeholders.

5.1. Annual Performance Report

The Annual Performance Report (APR) is designed to provide customers and other stakeholders with a detailed and transparent commentary on our performance for each reporting year of AMP6. The APR is one of a number of publications on our website that are designed to ensure that the reporting of the performance of Bristol Water is reliable, accurate and transparent.

The APR is in addition to Bristol Water's Annual Report, because Ofwat's view is that a water company's statutory accounts are not detailed enough for the regulator to assess its performance. Ofwat set out its expectations for annual performance reports in its Information Notice (IN) 17/03[3]. This specifies the common information that companies are required to publish about their performance, but allows companies freedom in the way that they choose to present this information.

Ofwat expects companies to provide information to their customers and stakeholders that enables them to understand how the company is performing and to have processes in place to ensure that this information can be trusted. Providing information that is easy to understand and navigate allows customers and other stakeholders to challenge companies' performance and encourages them to deliver better services.

For 2017/18, we included a statement from our independent technical assurance provider, Atkins, that not only was our published data correct, but that our description of our performance was fair, and the factors in their work that allowed them to make this statement.

5.2. Website

It is important that customers can find out how we are performing against our targets. We are committed to providing this information on our website and have embraced a more open and accessible approach to customer communications over the last few years. We regularly publish information on our performance to demonstrate to customers, stakeholders and our regulators that we are delivering the services expected of us.

Our performance information can be found at https://www.bristolwater.co.uk/about-us/performance/.

In July 2018 as well as the 'performance summary', we also published our "Trust beyond water" statement where our Board set out the factors that explained the performance of the company and how decisions were made, and how these decisions put current and future customers at the heart of our business.

5.3. Role of Bristol Water Challenge Panel

We provide regular performance updates to the Bristol Water Challenge Panel (BWCP), in particular to provide details of our mid-year and year-end performance. This includes explanations of how we have performed against targets, the key drivers of performance and the impact on customers through ODI payments. We provide comparative performance information from Discover Water and industry datashares where relevant.

The BWCP receives external assurance on our performance from our technical assurance provider, Atkins, who attend meetings to update the panel on the findings of their audits.

[3] IN 17/03 'Expectations for monopoly company annual performance reporting 2016-17', https://www.ofwat.gov.uk/wp-content/uploads/2017/02/Information-notice-for-2016-17-Annual-Performance-Report.pdf

The BWCP independently publish an annual report on our performance and their work, which is available on our website. Our annual performance report for 2017/18 included a summary of their views on our performance.

5.4. Mid-Year Performance Report

Our mid-year performance reports are another example of our commitment to being open and transparent with our customers and stakeholders.

In our 2014 Business Plan, we stated we would publish an update on outcome performance every six months (mid-year review) and present this to the Bristol Water Challenge Panel. This submission was volunteered by Bristol Water and we have had our performance information assured with our third party technical reporter, Atkins. Our reporting is based on year-to-date performance to the end of September of each reporting year. We also forecast our ability to meet our year-end targets for that reporting year. Where comparisons exist, we framed our performance in the context of the rest of the industry.

Our mid-year performance reports can be found on our website, here: https://www.bristolwater.co.uk/about-us/performance/.

5.5. Updates to PR14 Performance Commitment Definitions

Ofwat's outcome assessment as part of Company Monitoring Framework 2017 reflected a number of challenges. There were no data accuracy issues, indeed Ofwat praised the transparency and engagement that had taken place on improving leakage performance reporting for out-of-date technical assumptions (the Non-Household Night Use – NHHNU). However, as we have suggested technical improvements to our leakage reporting, Ofwat requires the Company to:

1. Engage with our customers and other stakeholders on why the new measure represents an improvement.
2. Capture information on the new measure in addition to the PR14 company-specific appendix measure.
3. Report both measures to our customers, the CCG and other stakeholders on an on-going basis.
4. To provide clear and compelling evidence on why the new measure represents a material improvement for customers and why it should be used for reconciliation purposes instead of the measure in the PR14 company-specific appendix.
5. To justify why the PR14 final determination definition of a PC and ODI should not remain the default position to use for reconciling 2015-20 performance at PR19.

At the beginning of March 2018 we submitted a notice to Ofwat requesting amendments to the definition of a number of our performance commitments. The submission was accompanied by a statement from our Customer Challenge Panel, who offered their support for our proposed changes, noting that these would improve transparency and accessibility for our customers. These amendments were confirmed by Ofwat in the publication of its corrigenda to our PR14 determination on 25th April 2018. Where applicable, this latest version of the determination applies. In summary the changes made are:

Performance Measure	Proposed change to PR14 outcomes reporting	Driver of change
Leakage	Dual-report with and without NHHNU technical assumptions	Clarity of leakage performance and ODI calculation. Required to meet Ofwat 2017 CMF and APR 16/17 query challenge.
Per capita consumption	Dual-report with and without NHHNU technical assumptions	To be consistent with leakage reporting. No financial consequence.

Performance Measure	Proposed change to PR14 outcomes reporting	Driver of change
Biodiversity index	Move to numeric reporting from the current text description such as "improving"	PR14 Final Determination commitment. Consistent with PR19 plan. Creates no difference in risk as biodiversity index and outcome is unchanged. No financial consequence. Description of improving retained in commentary
Raw water quality of sources	Move to numeric reporting from the current text description such as "stable"	PR14 Final Determination commitment. Consistent with PR19 plan. No financial consequence. Description of "stable" retained in commentary
Service Incentive Mechanism (SIM)	To avoid the risk of incorrectly reporting "top 5" when full data unknown – set out numeric SIM targets for our score based on the expectation of what this would mean at the time of PR14.	Reflects an approach taken by other companies. Comment on whether we were "top 5" or not would still be included in our communications and commentary. Does not have a financial consequence (as SIM rewards/penalties are calculated at PR19 by Ofwat in any case).
Unplanned customer minutes lost	Our performance target was amended by the CMA.	To reflect our CMA target in Ofwat's PR14 expectations documents.
Negative water quality contacts	Our performance target was amended by the CMA.	To reflect our CMA target in Ofwat's PR14 expectations documents.

6. PR14 Reconciliation

In order to calculate the impact of our AMP6 performance on the PR19 price control we have used the PR14 reconciliation rulebook, as published by Ofwat in 2016, and the accompanying calculation models. These models cover:

- Wholesale Revenue Forecasting Incentive Mechanism (WRFIM)
- Totex menu PR14 reconciliation spreadsheet
- Household retail PR14 reconciliation spreadsheet

These models provide the inputs to the revenue adjustment feeder model and RCV adjustment feeder model, which in turn provide inputs to the PR19 financial model.

Performance against outcome performance commitments is set out in table App25 of the business plan tables.

This information was submitted to Ofwat and published on our website on 13th July 2018, in line with the request for early submission. The information within this section repeats that publication. We made a minor update to our submission following a query from Ofwat, which related to how to make adjustments to the pre-populated tables to reflect our CMA determination. We also pro-actively identified a formatting challenge on another table that had resulted in three cells being rounded. The final submission is unchanged from the early submission, as amended for these query responses.

6.1. Summary of adjustments

In summary, the adjustments to be made to revenue at PR19 are as follows:

Reconciliation	Value (17/18 FYA CPIH)
WRFIM	+£2.487m
Totex revenue	-£2.262m
ODI performance	-£9.477m
Water Trading	Nil
2010-15 adjustments	-£0.257m
Total Wholesale Revenue	-£10.166m
Household Retail revenue	+£0.290m
Total Revenue	-£9.230m

Table 5 - Summary of PR14 Revenue adjustments

The value of adjustments to RCV at PR19 is calculated as follows:

Reconciliation	Value (17/18 FYE CPIH)
Totex RCV	-£6.080m
CIS RCV inflation correction	-£7.979m
NPV effect of land disposal	-£2.049m
ODI performance	-£0.797m
2010-15 CIS adjustment	+£3.021m
Total RCV adjustments	-£13.884m

Table 6 - Summary of PR14 RCV adjustments

7. PR14 Performance Commitments

The PR14 determination set a number of Performance Commitments, for which we face financial penalties for under-performance and have the opportunity to earn payments for out-performance. These are calculated through Outcome Delivery Incentives (ODIs).

Ofwat intends to calculate the impact of performance against these ODIs on the PR19 determination through the data provided in table 3a of Annual Performance Reports and through tables App5, App6 and App27 of the business plan. We set out our actual and forecast ODI performance in our July 2018 PR14 reconciliation submission.

Details of performance against all of our PR14 performance commitments is set out in Table 3 above. We anticipate that performance against five of these commitments will result in ODI penalties being payable.

The actual and forecast performance impact on ODIs is summarised below:

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Unplanned Customer Minutes Lost	-0.739	0	-0.739	0	0	-1.478
Mean Zonal Compliance	-0.284	0	-0.284	0	0	-0.568
Meter Penetration	-0.118	-0.152	-0.152	-0.152	0	-0.574
Leakage	0	0	-1.082	-2.255	-2.255	-5.592
Total Revenue	-1.141	-0.152	-2.257	-2.407	-2.255	-8.212
Asset Reliability (infra)	0	0	0	-0.685	0	-0.685
Total RCV	0	0	0	-0.685	0	-0.685

Table 7 - Summary of PR14 ODI Adjustments (*all figures £m 12/13 prices*)

The total impact of this performance is £8.212m on revenue in 12/13 prices as published in the PR14 determination, which is £9.477m in 17/18 prices to be used for PR19. The RCV penalty is £0.685m in 12/13 prices, or £0.790m in 17/18 prices.

Our reported performance against each measure for 2015/16 – 2017/18 is set out in our Annual Performance Report.

Our forecasts for 2018/19 and 2019/20 assume that the PR14 targets will be met for each measure, with the exception of meter penetration for 2018/19 and leakage where new internal targets have been set and approved by our Board.

Meter Penetration ODI Penalty

The household meter penetration target reflects our objective of achieving 65.9% for 2019/20 with a target of 58.0% as the milestone for 2018/19. In light of this forecast being below the penalty collar level, we forecast to incur the maximum penalty for household meter penetration for 2018/19 as set out in Table 8:

Year	2018/19	2019/20
Performance Commitment	62.5%	65.9%
Penalty Collar	58.5%	61.9%
Penalty Deadband	62.5%	65.9%
Forecast Performance	58.0%	65.9%
Incentive rate £m per %	£0.038	£0.038
Forecast Incentive payment £m	£0.152	£0.000

Table 8- calculation of Household Meter Penetration ODI penalty

Leakage ODI Penalty

Our approach to leakage reflects our decision to continue to report against the ODI leakage targets using the assumptions made at PR14, which do not take into account the improvement in underlying data. This is explained further in the corrigenda to our PR14 determination as published. We forecast that our actual performance against the ODI target will exceed the target for 2018/19 and 2019/20 and that therefore ODI penalties will accrue. Our approach to calculation of penalties is to calculate the cumulative average performance against the incentive mechanism at the end of each year, and then apply it to the number of completed years. The change in the accrued penalty is shown as the penalty accrued for that year in the table below, which sets out the calculation of leakage ODI penalties.

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment (annual)	48.0	47.0	45.0	44.0	43.0	
Performance Commitment (averaged)	48.0	47.5	46.7	46.0	45.4	
Penalty collar (averaged)	50.0	49.5	48.7	48.0	47.4	
Penalty deadband (averaged)	48.0	47.5	46.7	46.0	45.4	
Actual ODI Performance (annual)	44.2	47.4	49.6	46.5	45.5	
Actual ODI Performance (averaged)	44.2	45.8	47.1	46.9	46.6	
Average Performance liable to penalty	0	0	0.4	0.9	1.2	
Incentive Rate £ Ml/d	0.902	0.902	0.902	0.902	0.902	
Years to apply average penalty to	1	2	3	4	5	
Cumulative average penalty	0	0	-1.082	-3.337	-5.592	
Incentive Payment/Penalty accrued per year £m	0	0	-1.082	-2.255	-2.255	-5.592

Table 9 - calculation of leakage ODI penalty

Asset Reliability – Infrastructure ODI Penalty

For Asset Reliability (Infrastructure) we are forecasting to underperform against our target for 18/19 because of our performance in 17/18, which means that the maximum available assessment will incur a penalty.

In 2017/18 our performance against this measure was assessed as "marginal", due to the number of bursts being above the target upper control limit for the year. Our methodology for this ODI measure sets out that having received a "marginal" assessment, at least one year of improved performance must be shown before a "stable" assessment can be given. This means that the maximum achievable rating for 2018/19 is "marginal". We have therefore included that forecast in our calculation of expected penalties.

The methodology for calculation of this ODI states that a penalty of £0.685m should apply for a marginal assessment. A deadband of one marginal assessment applies, which means that no penalty is accrued in respect of 17/18 performance, but the £0.685m penalty will apply in respect of 2018/19. This penalty will be incurred as adjustment to closing RCV at 31st March 2020.

Forecast SIM performance

One uncertainty related to our PR14 ODI performance is the adjustment that will be made in respect of SIM performance in this period. Based on 2017/18 cumulative SIM performance, using an approach that is based on one standard deviation in the average SIM score being the +/- 6% of residential retail revenues with the additional -6% applied to beyond one standard deviation SIM score, we cautiously estimate that an outperformance payment of 2.4% (c£2.2m) would have applied, as we were above the median as well as mean score. However, being ranked 8th of 17 companies, we assume that this payment may not be applied in practice, as the average is skewed by poor performers. A number of scenarios for 2018/19 suggest that the ranking is unlikely to change. Whilst we would suggest that a payment is justified, as it balances penalties in other areas (in particular the leakage calculation where there was ambiguity at PR14 whether technical adjustments should be included), for the purposes of the reconciliation submission we have been cautious by excluding it. Based on 2018/19 forecast, we estimate the outperformance payment would reduce to 1.6% of one year retail revenues (c£1.5m), but on this basis the overall ranking of 8th would be unlikely to change, and we may be close to the median score even though likely to be above the mean. Therefore as the assessment depends on Ofwat policy at PR14, we have included a zero assumption in the PR14 reconciliation. Having considered the 2017/18 industry information since our initial submission, we see no compelling reason for arriving at a different conclusion for the purposes of our business plan. Our calculation of the SIM impact to date is set out in Table 10:

SIM	17/18	16/17	15/16	change		16/17 rank	15/16 rank	rank change		Average	rank	Potential reward penalty		18/19 forecast	Full average	rank	Potential reward penalty
WSX	86.89	88	87	1	4	1	2	1		87.30	2	6.0%		88	87.5	2	6.0%
PRT	87.847	88	90	-2	2	2	1	-1		88.52	1	6.0%		88	88.3	1	6.0%
NES	86.4	88	84	4	7	3	7	4		85.99	4	4.7%		87	86.2	4	4.7%
ANH	88.372	86	85	1	1	4	5	1		86.46	3	5.5%		88	86.8	3	5.9%
DVW	86.548	86	83	3	6	5	9	4		85.16	6	3.2%		86	85.4	6	3.1%
BRL	83.38	86	85	1	12	6	5	-1		84.76	8	2.4%		85	84.8	8	0.0%
UU	86.874	85	82	3	5	7	12	5		84.77	7	2.5%		87	85.3	7	0.0%
SEW	85.584	85	82	3	8	8	12	4		84.06	9	0.0%		86	84.5	9	0.0%
SSC	87.034	84	86	-2	3	9	4	-5		85.82	5	4.4%		87	86.1	5	4.5%
SVT	83.17	84	84	0	13	10	7	-3		83.56	10	0.0%		84	83.7	11	-0.1%
YKY	84.273	83	83	0	11	11	9	-2		83.56	11	0.0%		84	83.7	12	-0.1%
WSH	84.638	83	83	0	9	12	9	-3		83.55	12	0.0%		85	83.9	10	0.0%
SWT	84.5	82	79	3	10	13	15	2		81.70	13	-3.1%		85	82.5	13	-2.3%
SES	78.714	80	81	-1	16	14	14	0		79.77	14	-6.6%		79	79.6	15	-7.9%
AFW	80.909	79	77	2	14	15	16	1		78.80	15	-8.4%		82	79.6	14	-7.8%
SRN	79.333	78	73	5	15	16	18	2		76.78	17	-12.0%		80	77.6	17	-11.6%
TMS	78.429	77	77	0	17	17	16	-1		77.56	16	-10.6%		79	77.9	16	-11.0%
Bournemouth	87.6		86.2				3										
									Mean	83.42				Mean	83.74		
									Standard Deviation	3.305331	86.72			Standard Deviation	3.172284	86.91	

Table 10 - Industry SIM scores 15/16 - 17/18

Mean Zonal Compliance ODI Penalty

For Mean zonal compliance (MZC) we are forecasting to underperform against our targets for 2018 and 2019 but at a level of performance within the deadband where no underperformance penalty will be due.

Reputational ODIs

For Total carbon emissions and waste disposal compliance we are forecasting to underperform against our targets, but no financial ODI will be payable.

7.1. Performance Commitments

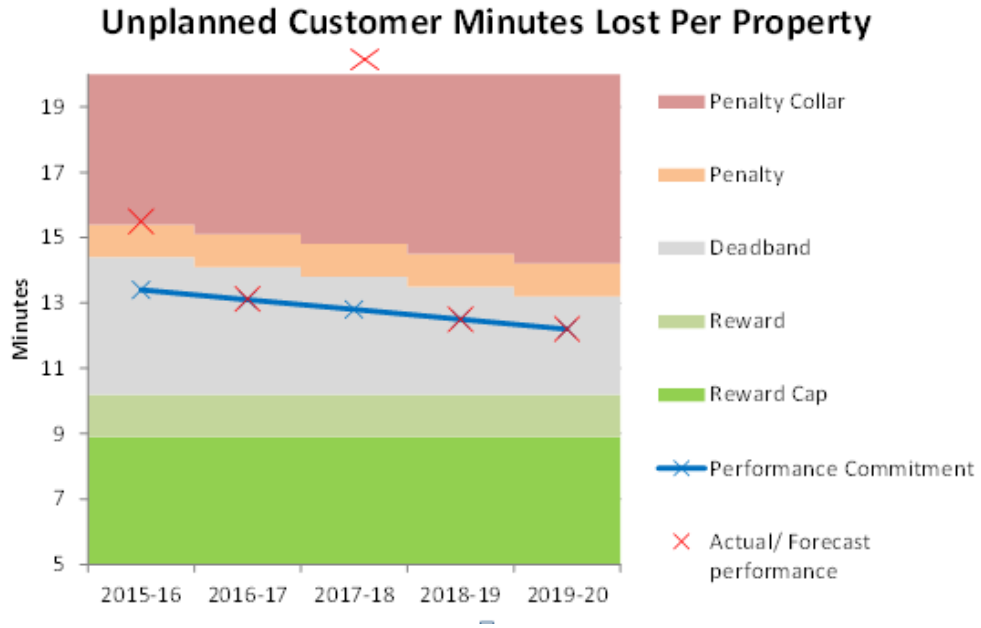
A1: Unplanned customer minutes lost

The aim of this performance commitment is to minimise supply interruptions. Keeping water flowing is an essential part of our role as a water company; we know from talking to our customers that they value avoiding interruptions, particularly when they last a long time and are unexpected. This performance commitment is measured as the total number of minutes that customers have been without a supply of water in the year, through unplanned interruptions, divided by the total number of properties served by the company in the year.

Looking ahead to 2020, we will be amending how we report on customer supply interruptions to align with the rest of the industry, so that our customers will be able to compare our performance against other companies' performance. This new standard measure will report on interruptions that last for 3 hours or more.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment (mins/customer/year)	13.4	13.1	12.8	12.5	12.2	
Actual Performance (mins/customer/year)	15.5	13.1	73.7	12.5	12.2	
PC met?	No	Yes	No	Yes	Yes	
Incentive Reward/Penalty £m	-0.7389	0	-0.7389	0	0	-1.4778



15/16, 16/17 and 17/18 Historic Performance

In 15/16 we missed our target and a maximum penalty is applicable. The reason for the performance being above the penalty threshold was primarily attributable to six significant customer interruption events during the year; 60% of the total minutes lost were attributable to these incidents.

Location	Properties affected	Duration	Minutes Lost
Bedminster Down	2,286	16hrs	3.81
Keynsham	1,789	15hrs	2.93
Eastville	624	10hrs	0.71
Evercreech - Shapway	556	14hrs	0.89
Evercreech - Leighton	868	9hrs	0.83
St. Andrews	1,741	4hrs	0.79

In 16/17 we focused on new techniques and live repairs, which resulted in meeting the target for the year and in achieving our best performance for this metric in three years.

In 17/18 our performance level was 73.7 mins. Our performance significantly exceeded our year-end target of 12.8 minutes lost per customer, which was primarily due to a number of exceptional incidents that took place over the last 12 months, in particular the Willsbridge burst in May 2017 caused an interruption to 35,000 customers and added 54.74 minutes to our performance figure. Other significant interruptions occurred at Sea Mills (4.55 mins), Withywood (1.38 mins) and Meare (0.89 mins). In addition, this year we encountered water supply issues during the freeze and thaw surrounding the 'Beast from the East' severe weather in March.[4] We have investigated the root cause of the major incidents in order to identify other locations where similar events might be likely to occur, so that we can put measures in place to try to prevent these bursts from happening, and take steps to minimise the impact on our customers if they do.

Without the impact of the these exceptional events, we calculate our annual performance would have been 12.96 minutes lost, which would have exceeded the target by 0.16 minutes. We have taken a number of operational initiatives

[4] The expansion and contraction of our pipes relating to freezing temperatures followed by rapid thawing can cause pipes to burst.

to improve our response and recovery times, including new tools and techniques to allow "live" isolations of mains following burst mains and rapid re-zoning of the network.

18/19 and 19/20 Forecast Performance

We are forecasting to meet our targets for the final two years of this AMP with no further financial incentive accrued. This is because our performance tends to only be impacted by exceptional events, which do not happen in most years. We therefore forecast a total incentive penalty of £1.4778m, based on the maximum penalties incurred in 2015/16 and 2017/18.

Impact on ODI

In order to calculate any reward or penalty the ODI performance is compared against the target performance. If the performance falls within the reward or penalty-zone then we multiply the resulting difference by the incentive rate. For average minutes lost, the incentive reward rate is £0.5097m and the penalty is £0.7389m per minute lost per property per year. There is a deadband where performance adjustments do not apply, as well as a cap on the total reward or penalty.

ODI payments for this measure will be taken as a revenue adjustment, which will have an impact on customer bills during 2020-25. As the performance commitment has not been met for 2015/16 and 2017/18, this will result in a combined penalty of £1.4778m, which will result in a reduction of customers' average bills.

Reporting in AMP7

We will be reporting on a similar measure to this performance commitment in AMP7, based on supply interruptions that are greater than three hours. We have committed ourselves to targeting the forecast upper quartile level of performance each year for AMP7.

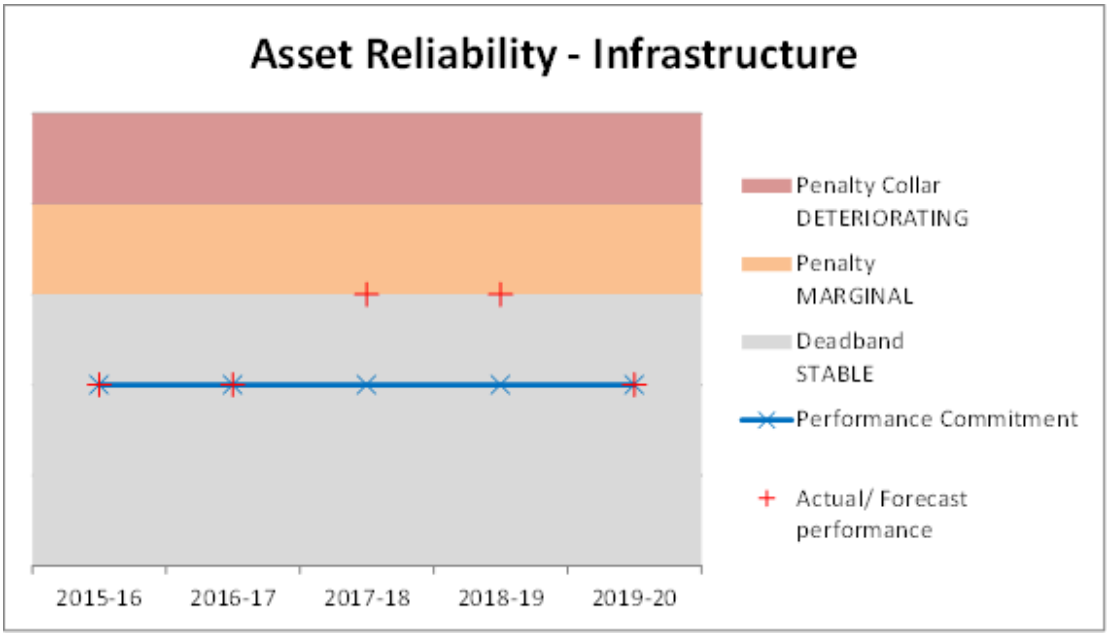
Further information on this performance commitment can be found in Section C3.

A2: Asset reliability – infrastructure

This measure is broadly based on Ofwat's historic serviceability assessment; it relates to the total number of bursts in each year and the number of properties assessed to be at risk of low pressure. Our performance against these two sub-indicators is used to assess our capability of delivering our customers' expected level of service both now and in the future.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	stable	stable	stable	stable	stable	
Actual Performance	stable	stable	marginal	marginal	stable	
PC met?	Yes	Yes	No	No	Yes	
Incentive Reward/Penalty £m	0	0	0	-0.685	0	-0.685



15/16, 16/17 and 17/18 Historic Performance

The overall metric was assessed as stable In 15/16 and in 16/17. The overall marginal assessment in 17/18 reflects the exceptional number of bursts we experienced. The marginal assessment means that the performance commitment has not been met for 2017/18; however no penalty is due for this year as the incentive framework provides a deadband of one 'marginal' assessment over the 2015-20 reporting period. This assessment results from the exceptional freeze/thaw weather experienced in March 2018. As our methodology does not exclude severe weather, we reported a marginal serviceability assessment. However we do not believe this reflects the underlying health of our assets.

18/19 and 19/20 Forecast Performance

Although we are forecasting to achieve our targets for the two sub-indicators for this performance commitment, a second marginal assessment in 2018/19 is unavoidable; our methodology for assessing asset reliability performance requires that an improvement is demonstrated over more than one year in order to revert to a stable assessment. This means that the assessment cannot be better than 'marginal' next year, and therefore this will result in a RCV penalty for 2018/19.

We are forecasting to achieve our target for the final year of AMP6. Given average weather conditions for 2018/19 it is anticipated that the burst rate should drop. The expectation is that the exceptional freeze/thaw conditions in March 2018 will have exposed the majority of weak points on the network.

Impact on ODI

There is no potential for us to earn rewards against this performance commitment as it is intended to incentivise long-term asset health of our network assets.

In order to calculate any penalty, the ODI performance is compared against the target performance.
If the performance falls within the penalty-zone (a marginal assessment) for a second year then we apply the incentive rate of £0.685m. If the performance falls within the penalty-collar-zone (a deteriorating assessment) then we apply the incentive rate of £2.1054m.

The total ODI penalty for this measure (£0.685m) will be taken as a Regulatory Capital Value (RCV) adjustment, which will have an impact on our customers' bills but over a longer period of time (compared to revenue adjustments). This is because penalty adjustments to RCV take place over a much longer time-period, typically more than 20 years to have a full financial effect on customer bills. This form of penalty is appropriate because this performance commitment relates to the long-term health of our assets, which reflects investment over a significant amount of time.

A2: Asset reliability – infrastructure sub-indicator – Bursts

This is the total number of burst pipes recorded in the year. A burst pipe is the most common cause of loss of water supply.

Looking ahead to 2020, we will be amending how we report on mains bursts, to align with the rest of the industry, so that our customers will be able to compare our performance against other companies' performance. Instead of reporting on the total number of bursts, this new standard measure will report on water mains bursts per 1,000km of pipe.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	950	950	950	950	950	
Actual Performance	764	1034	1222	950	950	
PC met?	Yes	No	No	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

We receive high levels of satisfaction and praise from customers in how we manage bursts and in 15/16 our performance was comfortably below our target threshold.

In 16/17 we recorded a 35% increase in the number of burst mains during the period, compared with 15/16. Despite this, the level of interruptions to our customers was managed through a high proportion of live repairs and rezoning.

In 17/18 our performance was primarily as a result of the adverse weather conditions during late February/early March; a significant impact on the outbreak of burst mains was seen in a relatively short period.

Burst numbers up to February 2018, remained at a similar level to those reported in 2016/17. March 2018 was an exceptional month following a rapid thaw after several days of temperatures falling to -6 degrees Celsius. Temperatures dropped below freezing on February 22nd, remained below up until and including March 3rd with 2 days below -6 degrees Celsius. On March 4^{th,} temperatures rose to +10 degrees Celsius and remained above 10 degrees Celsius until 16th March.

As a result of the adverse weather conditions during late February/early March, a significant impact on the outbreak of burst mains was seen in a relatively short period. This resulted in over 250 burst mains in March 2018, of which more than 70% occurred in the first week alone. As a comparison, the 5-year average for burst mains in the month of March is 68.

Without these additional bursts due to the severe weather, we estimate that mains bursts would have been at 1,043 (rather than the 1,222 total for 2017/18) and at a similar level to 2016/17 (1,034). This would have meant we would have been under our upper threshold limit for bursts and would have therefore met our Asset Reliability (Infrastructure) performance commitment for 2017/18.

18/19 and 19/20 Forecast Performance

We are forecasting to achieve our targets for the final two years of AMP6.

Reporting in AMP7

We will be reporting on a similar measure to this performance commitment in AMP7, based on mains bursts per 1,000km. We have taken into account the historic age of our network assets, which are the oldest on average according to European benchmarking, when setting our performance targets for AMP7. It is only our performance in 2017/18 where our performance was worse than our upper threshold limit and this was primarily due to the extreme weather occurrences in this reporting year. We do not think that performance from 2017/18 will therefore impact our ability to reduce our burst levels in line with our PR19 targets. Although serviceability in the past had severe weather exclusions for such eventualities, this is not part of our PR14 definition of PR19 approach.

Further information on this performance commitment can be found in Section C3.

A2: Asset reliability – infrastructure sub-indicator – Low Pressure

Water pressure determines the water flow from a customers' tap. This is measured as the total number of properties in our area of water supply which, at the end of the year, have received, and are likely to continue to receive, a pressure or flow below the reference level.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	69	69	69	69	69	
Actual Performance	71	94	65	69	69	
PC met?	No	No	Yes	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

Our standard of service for mains water pressure is ten metres head (or 1 bar) at the property boundary of a home or business. This normally means that in our customers' home or business, water pressure should be strong enough to fill a 4.5 litre (one gallon) container in 30 seconds from a ground floor tap. This is the minimum level of pressure we expect each house or business to receive, although pressure can be higher. It is unlikely that customers will experience water pressure below the minimum standard and we have successfully reduced the number of properties at risk, from 94 last year to 65 this year, which is below our target for the year.

Although we missed our targets in 15/16 and 16/17, as our performance was below the upper threshold limit (of 129 properties at risk of receiving low pressure), the reported performance did not have an impact on the stable assessment for the asset reliability (infrastructure) performance commitment. In 17/18 we outperformed our target.

18/19 and 19/20 Forecast Performance

We are forecasting to achieve our targets for the final two years of AMP6; the slight increase reflects the potential for more properties to be added to the low pressure register if customers contact us about their water pressure.

Reporting in AMP7

We will be reporting on the same performance commitment in AMP7, however this will be disaggregated and reported separately, in order to improve transparency. Our AMP7 targets reflect a gradual reduction as new properties with issues emerge that our intervention resolves, as is appropriate for a long-term asset health measure.

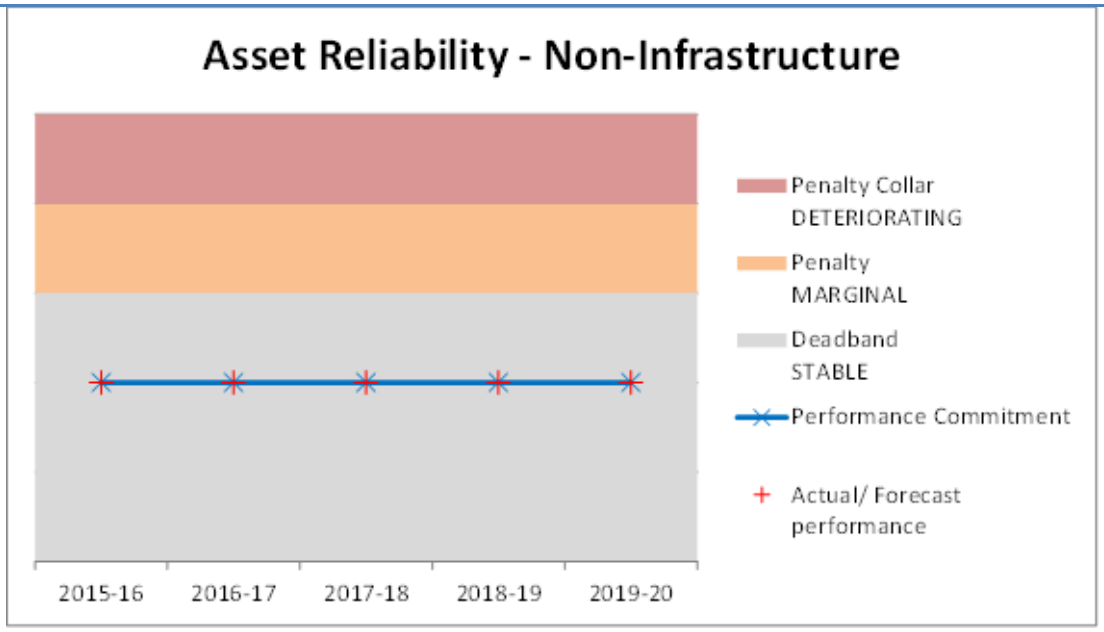
Further information on this performance commitment can be found in Section C3.

A3: Asset reliability - non-infrastructure

This measure is broadly based on Ofwat's historic serviceability assessment; it relates to unplanned maintenance events and turbidity at our water treatment works. Our performance against these two sub-indicators is used to assess our capability of delivering customers expected level of service both now and in the future.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	stable	stable	stable	stable	stable	
Actual Performance	stable	stable	stable	stable	stable	
PC met?	Yes	Yes	Yes	Yes	Yes	
Incentive Reward/Penalty £m	0	0	0	0	0	0



15/16, 16/17 and 17/18 Historic Performance

As we have met our targets for the turbidity sub-indicator and outperformed on the unplanned maintenance events sub-indicator in 15/16, 16/17 and 17/18 the asset reliability (non-infrastructure) performance commitment has been assessed as 'stable' for the third consecutive year of this AMP.

18/19 and 19/20 Forecast Performance

We are forecasting to meet our targets for the final two years of this AMP, given our track record of stable performance and continued investment in the reliability of our assets.

Impact on ODI

There is no potential for us to earn outperformance payments against this performance commitment as it is intended to incentivise the long-term asset health of our treatment works and equipment.

Although no penalties are forecast for this performance commitment, in order to calculate any penalty, the ODI performance is compared against the target performance. If the performance falls within the penalty-zone (a marginal assessment) for a second year then we apply the incentive rate of £0.706m. If the performance falls within the penalty-collar-zone (a deteriorating assessment) then we apply the incentive rate of £2.119m.

The ODI penalty would be taken as a Regulatory Capital Value (RCV) adjustment, which would have an impact on our customers' bills but over a longer period of time (compared to revenue adjustments). This is because penalty adjustments to RCV take place over a much longer time-period, typically more than 20 years to have a full financial effect on customer bills. This form of penalty is appropriate because this performance commitment relates to the long-term health of our assets, which reflects investment over a significant amount of time.

A3: Asset reliability – non-infrastructure sub-indicator – Turbidity at WTWs

Turbidity is a measure of the cloudiness of water, normally caused by suspended minerals. It is an important water quality control parameter at our water treatment works. Factors such as turbidity affect the effectiveness of disinfection. This metric enables us to consider the following:

- The use of turbidity as a measure to provide assurance of the optimal operation of filter performance, where filtration is used to address identified risks associated with chlorine resistant pathogens in the source water;
- The impact of turbidity on the efficiency of disinfection processes;
- The effect that turbidity has on the aesthetics of the treated water.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	0	0	0	0	0	
Actual Performance	0	0	0	0	0	
PC met?	Yes	Yes	Yes	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

We have a long track record of achieving zero turbidity events (and this is the case for 15/16, 16/17 and 17/18), which means we have again been successful in ensuring consistently good treated water enters our supply system.

18/19 and 19/20 Forecast Performance

We are forecasting to achieve our targets for the final two years of AMP6.

Reporting in AMP7

We will be reporting on the same performance commitment in AMP7; however this will be disaggregated and reported in its own right, in order to improve transparency. We have committed ourselves to achieving the maximum attainable level possible (0 turbidity failures) based on our historic performance, when setting our performance targets for AMP7. Further information on this performance commitment can be found in Section C3.

A3: Asset reliability – non-infrastructure sub-indicator – Unplanned Maintenance Events

This metric records the total number of unplanned maintenance events occurring throughout the year, as a result of equipment failure or reduced asset performance.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	3976	3976	3976	3976	3976	
Actual Performance	3353	2870	3279	3976	3976	
PC met?	Yes	Yes	Yes	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

For 15/16, 16/17 and 17/18 we have successfully outperformed against our targets for this sub-indicator, which is an encouraging indicator of the long-term health of our above-ground assets.

18/19 and 19/20 Forecast Performance

We are forecasting to achieve our targets for the final two years of AMP6.

Reporting in AMP7

We will be reporting on the same performance commitment in AMP7; however this will be disaggregated and reported separately, in order to improve transparency. Internal judgement was used to consider whether to maintain AMP7 targets at historic levels, but as a measure of asset health the target has been reset to reflect the best historic performance to protect customers' interests (a three-year average has been used to reflect the impact of planned maintenance interventions in individual years).

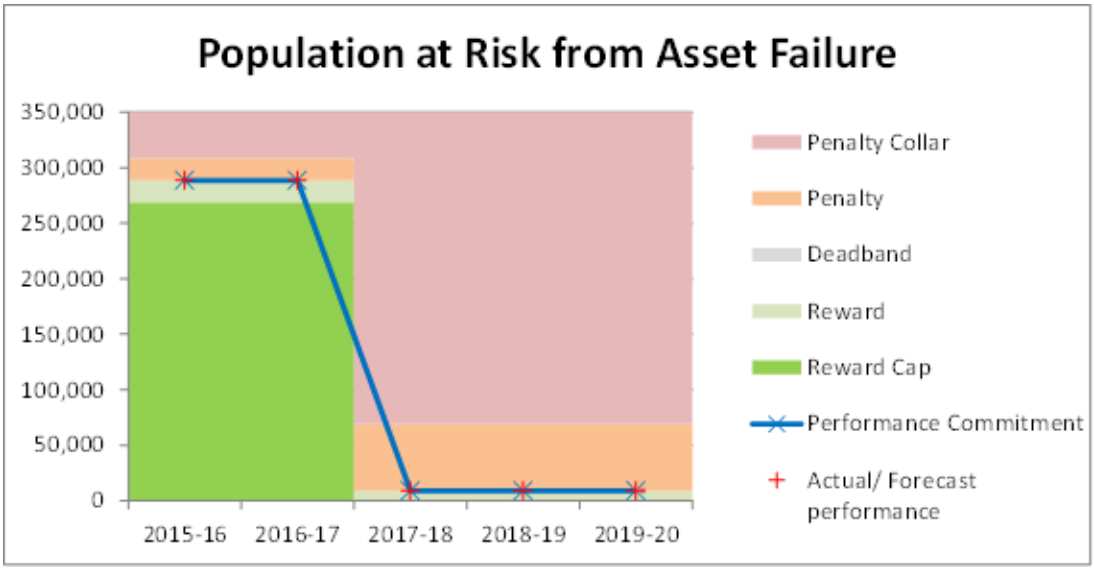
Further information on this performance commitment can be found in Section C3.

B1: Population in centres >25,000 at risk from asset failure

We aim to provide a resilient supply of water to our customers, all year round. A resilient supply means that we are able to cope with extreme or unusual events, and this is measured by the number of people at risk from the failure of a single source above ground asset, such as a treatment works is unable to operate or a source is contaminated (in supply areas of more than 25,000 consumers).

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	288,589	288,589	9,063	9,063	9,063	
Actual Performance	288,589	288,589	9,063	9,063	9,063	
PC met?	Yes	Yes	Yes	Yes	Yes	
Incentive Reward/Penalty £m	0	0	0	0	0	0



15/16, 16/17 and 17/18 Historic Performance

Improving resilience was one of the key outputs for the capital investment programme of AMP5 and continues to be a key output in AMP6. As part of our AMP6 programme, we have further reduced the number of customers at risk from 288,589 to 9,063, by undertaking a major scheme to construct 30 kilometres of mainly 700-millimetre diameter new mains to reinforce and support our southern supply area.

The successful delivery of the Southern Resilience Scheme, a new £27m water infrastructure project, in March 2018 has significantly reduced the number of consumers at risk from 288,589 to 9,063 across our supply area including Weston-Super-Mare, Cheddar, Burnham-on-Sea and Glastonbury and the northern part of Bristol. The timetable for completing the project was in line with our target for 17/18 performance.

Site works started in September 2016 and pipe-laying commenced in December 2016. After installing 7.1 km of pipe in 2016/17, the remaining 23 km of pipe was installed during 2017/18 despite some very challenging circumstances. In addition to the pipe installation, a new pumping station was constructed and commissioned at Cheddar Treatment Works.

This new network gives us increased flexibility and will allow us to move water from our northern sources into our southern region in the event of a loss of supply, or water back up to Bristol if we lose our northern supply. The scheme uses gravity, rather than pumping, to get water from Barrow Gurney to Cheddar, significantly reducing energy usage. Put simply, it means if there is an emergency we can get customers back in water much quicker.

As well as this it will help us meet the increase in demand for water over the coming years. Weston-Super-Mare is one of Europe's fastest growing towns, and we need to supply all of the new residents and businesses coming to the area.

We used our innovative, Biodiversity Index approach to ensure that the work left a positive impact on the natural environment, with no net loss in biodiversity when construction ends, and make habitat improvements to leave a positive contribution. We worked in partnership with Natural England to plan and deliver wildlife mitigation and compensation.

The full project was completed on 30 March 2018.

18/19 and 19/20 Forecast Performance

Having delivered the Southern Resilience Scheme we therefore forecast to meet our targets for the final two years of AMP6.

Impact on ODI

As this performance commitment relates to one specific scheme, the reward incentive changes before and after the delivery of the Southern Resilience Scheme (SRS), as is demonstrated in the graphic above. As the SRS has now been delivered on time, earning outperformance payments is dependent on removing the remainder of the population at risk (9,063 population in the Glastonbury and Street area). If we had not delivered the SRS by this year, we would have incurred a penalty of £2.436m.

Any ODI payment for this measure would have been taken as a revenue adjustment, which would have had an impact on our customer bills between 2020 and 2025.

Reporting in AMP7

We will be reporting on a new measure of resilience in AMP7 which considers centres of population of greater than 10,000 people. This measure will seek to reduce their reliance on single strategic water mains, as well as above-ground assets. This builds on our successful delivery of resilience planning and investment in AMP6.

C1: Security of supply index (SOSI)

One of our customers' most important requirements is an unrestricted water supply. Our performance of this is measured by our level of service on the frequency of supply restrictions during periods of water shortages, measured using the 'security of supply index' (SOSI). This takes into account the supply of water that we have available and the demand from our customers, calculated as the proportion of dry weather demand that can be met by the water available for use. If a score of less than 100% is calculated, this would indicate that there could have been a higher risk of water use restrictions for our customers that year.

The index takes into account that there may be restrictions on water use at certain points in time during dry years. As a result it is possible to have a 100% security of supply index at the same time as requiring water restrictions, such as hosepipe bans.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	100	100	100	100	100	
Actual Performance	100	100	100	100	100	
PC met?	Yes	Yes	Yes	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

We have reported a SOSI value of 100% for every year to date in AMP6, indicating a sufficient supply with no restrictions. This is due to our effective operational management in response to dry weather conditions.

18/19 and 19/20 Forecast Performance

We are forecasting a SOSI value of 100% for the final two years of AMP6. To mitigate any risk to SOSI deteriorating in future years due to population growth or increased per capita consumption, we are taking action to reduce demand for water as well making improvements to water supply assets to increase water available for use.

AMP7 Reporting

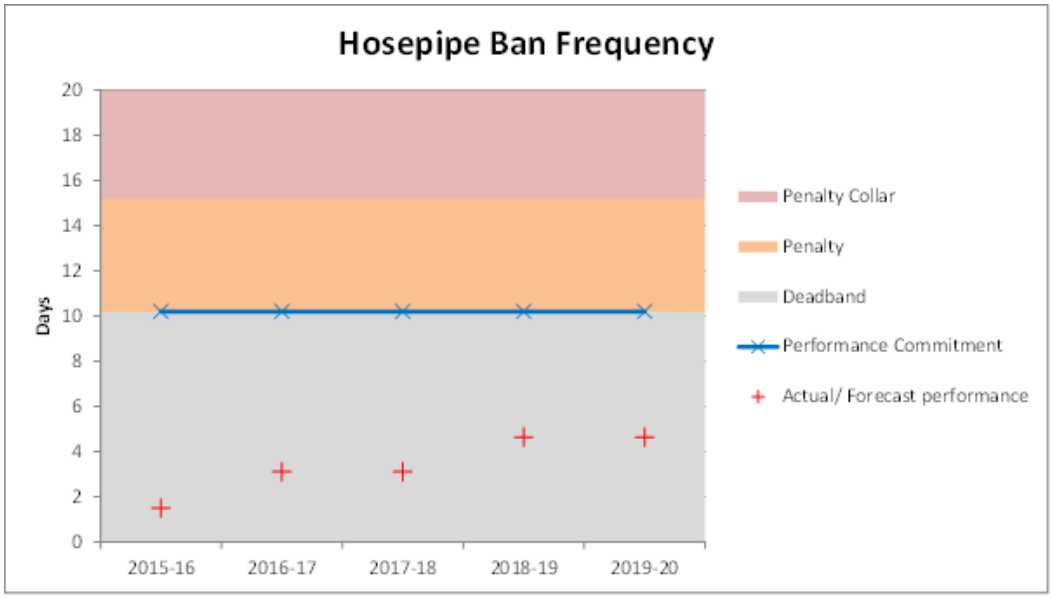
We will not be reporting on this performance commitment in AMP7 as the PR19 common metric, the risk of severe restrictions in a drought, is a more appropriate way for our customers to compare our performance on ensuring a sufficient water supply. Our performance remains robust for security of supply.

C2: Hosepipe ban frequency

This measures the likelihood in any one year that temporary usage restrictions, such as on the use of hosepipes, will be implemented. It is reported as the number of expected days of restriction in the year. The commitment is based on the assumption that a restriction would last for five months (153 days), and that we have a one-in-fifteen year probability of an interruption: 153 / 15 = 10.2 expected days.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment (days)	10.2	10.2	10.2	10.2	10.2	
Actual Performance (days)	1.5	3.1	3.1	4.6	4.6	
PC met?	Yes	Yes	Yes	Yes	Yes	
Incentive Reward/Penalty £m	0	0	0	0	0	0



15/16, 16/17 and 17/18 Historic Performance

If a Temporary Usage Ban were to be introduced, our customers would be restricted from undertaking a number of activities, such as watering their garden, cleaning their cars, or using a hosepipe. In order to prevent such events, we monitor the water resource situation throughout the year and across our operating area as part of our day to day operations. This monitoring ensures that we can identify when a drought is developing and ensures steps can be taken early to help reduce the demand for water, and secure water supplies. We use drought indicators to identify when a

drought is starting and if actions should be implemented. We monitor rainfall, reservoir storage, groundwater levels, river flow and other indicators such as demand for water to identify when we need to take action.

We have for the third consecutive year, reported a hosepipe ban risk frequency that is better than our target. It has been 28 years since we last introduced a hosepipe ban (in 1990) and we have continually outperformed our target for this measure.

18/19 and 19/20 Forecast Performance

We are forecasting to outperform our target for this performance commitment for the final two years of this AMP and therefore no penalty will be applicable. Outturn demand input into the hosepipe ban calculation is the summation of outturn distribution input (DI), raw/treatment works losses and outage plus total contracted bulk export and reductions in licence. Of these components, we are committed to reducing leakage, a component of DI, by 15% over the next AMP. We are also reviewing raw and treatment works losses over the next 12-24 months with the aim of improving its measurement and where identified carry out works to reduce losses. Through these measures we aim to mitigate any further increase in the hosepipe ban frequency.

Impact on ODI

There is no reward due to us for this performance commitment as customers expect us to manage the supply of water available to them without restrictions. A penalty of £0.043m would be due per day at risk of restriction over the 10.2 day target.

Although no penalty has accrued or has been forecast, any ODI penalty would be taken as a revenue adjustment, which would have an impact on our customers' bills in 2020-25.

AMP7 Reporting

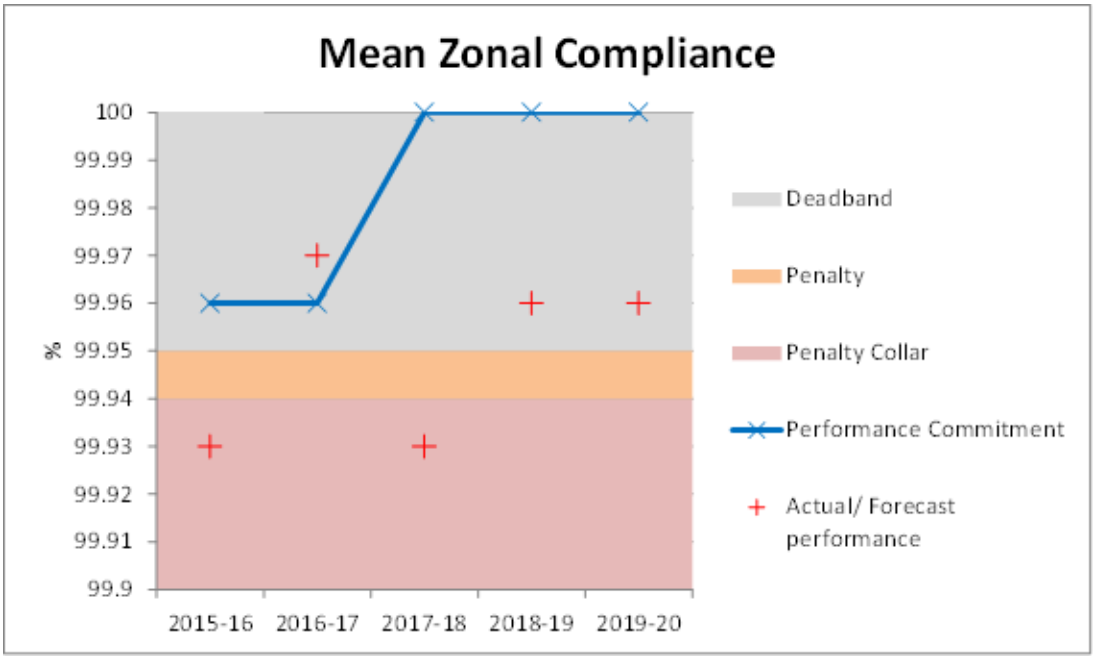
We will not be reporting on this performance commitment in AMP7 as the PR19 common metric, the risk of severe restrictions in a drought, is a more appropriate way for our customers to compare our performance on ensuring a sufficient water supply.

D1: Mean zonal compliance (MZC)

Drinking water must meet strict standards that ensure it is safe to drink and the quality is acceptable to consumers. The MZC performance commitment is a water quality compliance measure based on a series of 39 parameters determined by the DWI (e.g. levels of lead, nitrate levels etc). It is calculated based on sampling each parameter at supply points and customer taps in a number of specified zones.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment %	99.96	99.96	100	100	100	
Actual Performance %	99.93	99.97	99.93	99.96	99.96	
PC met?	No	Yes	No	No	No	
Incentive Reward/Penalty £m	-0.284	0	-0.284	0	0	-0.568



15/16, 16/17 and 17/18 Historic Performance

Our Water Quality team collects samples 365 days a year from across our 2,400 square kilometre supply area to ensure we comply with the sampling regime, with no exemptions applicable for example for weather conditions. The sampling schedule is aligned to a sophisticated computer-controlled programme so that water quality is checked right from source to customers' taps.

During 2015, our random compliance sampling at customers' properties identified two nickel failures ((nickel is used in the chromium plating process for taps and can leach into the water supply)) and three taste and odour failures associated with deficiencies in the internal plumbing systems. Although these failures were solely attributable to internal plumbing issues, they had the effect of reducing our MZC figure from 99.97% down to 99.93%.

In 2016 our random compliance sampling at customers' properties identified four taste and two odour failures associated with internal plumbing deficiencies. Although these failures were solely attributable to customers' plumbing issues, they had the effect of reducing our MZC figure from 99.99% down to 99.97%. The reported figure meant we had still outperformed against our target for 16/17.

During 2017 our random compliance sampling at customer properties identified four nickel failures associated with internal plumbing deficiencies. Although these failures were solely attributable to plumbing issues within customer properties, they had the effect of reducing our MZC figure from 99.98% down to 99.93%.

Despite the isolated plumbing issues noted above, the annual survey we carry out shows that customers think we perform well on water quality.

18/19 and 19/20 Forecast Performance

We are forecasting to underperform against our target for this performance commitment for the final two years of this AMP as the target of 100% is very difficult to achieve in practice; however as we forecast to be within the deadband range, we are not forecasting any further penalties for this performance commitment.

Impact on ODI

There is no reward available to us for this performance commitment as companies are expected to comply with their legal drinking water quality obligations at all times. In order to calculate any penalty the ODI performance is compared against the target performance. If the MZC score falls within the penalty-zone then the incentive is calculated based on a penalty rate of £0.284m for 0.01%.

The ODI penalty (totalling £0.568m) will be taken as a revenue adjustment, which will have an impact on our customers' bills from 2020-25.

Reporting in AMP7

Looking ahead to 2020, the DWI is replacing Mean Zonal Compliance as the preferred measure of water quality with the Compliance Risk Index (CRI). Unlike MZC, the CRI does not include nickel failures at customer taps, which have been the sources for both years of our underperformance penalties in AMP6. The CRI takes into account how serious the water quality failures are; it assesses each water quality failure on the population affected and the potential health impact. During 2017 we had our best ever CRI score of 0.032. This is one of the best water quality performance levels in the industry; we have a track record of achieving leading or upper quartile performance since CRI calculation commenced in 2015.

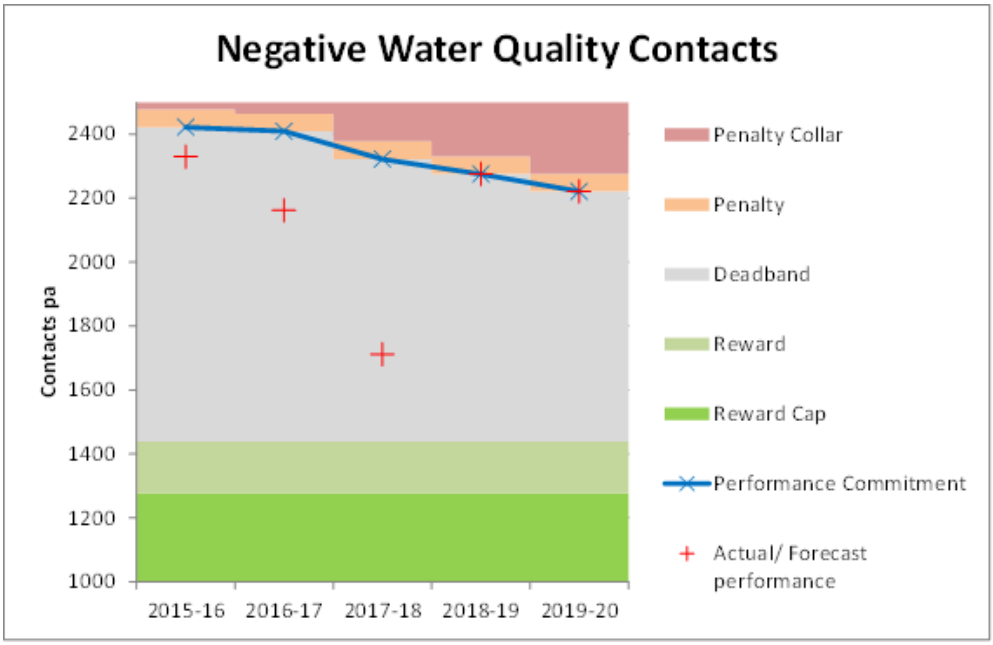
Further information on this performance commitment can be found in Section C3.

E1: Negative water quality contacts

It is important that our water not only meets stringent standards but is also good to drink. This metric measures the total number of consumer contacts (telephone, letter and email) about the appearance, taste and odour of the water for the previous calendar year.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	2422	2409	2322	2275	2221	
Actual Performance	2329	2162	1711	2275	2221	
PC met?	Yes	Yes	Yes	Yes	Yes	
Incentive Reward/Penalty £m	0	0	0	0	0	0



15/16, 16/17 and 17/18 Historic Performance

We have outperformed our committed performance level for this metric for every year to date in AMP6; there has been an improving trend every year so far.

Our performance has benefitted from our trunk mains relining/ replacement programme, which started in 2015, and the associated systematic flushing of the distribution mains supplied from these trunk mains. The renovation of the trunk mains reduced the amount of corrosion debris seeding our network and the associated systematic flushing programme has removed historic corrosion debris, both of which cause discoloured water. Consequently, we are getting a cleaner network and a much-reduced risk of discoloured water contacts when there is any disturbance to water flows caused by burst mains.

18/19 and 19/20 Forecast Performance

We are forecasting to at least meet our performance commitments for the final two years for this AMP. The forecast recognises that the weather in the last two years has been benign for water quality issues, and therefore we have been cautious in forecasting actual performance below target. Any outperformance will in any case mean that overall we would be within the outperformance deadband. Achieving an outperformance payment would be unlikely, as this has been set at around the industry upper quartile level; and the nature of our supply area means that it will take a number of years of infrastructure improvement to reach this level. However, we are making significant progress, without this requiring a significant increase in customer bills, which would result from accelerating replacement of pipes that remain in good condition.

Impact on ODI

Although no rewards or penalties are forecast for this performance commitment, in order to calculate any incentive payment, the ODI performance is compared against the target performance. If the performance falls within the reward or penalty-zone then we multiply the resulting difference by the incentive rate. For negative water quality contacts the incentive penalty rate is £0.005895m per contact and the reward is £0.00123m per contact.

Any ODI payment would be taken as a revenue adjustment, which would have an impact on customer bills over 2020-2025.

Reporting in AMP7

We will be reporting on the same performance commitment in AMP7, however this will be disaggregated into two metrics (one on appearance and one on taste/odour contacts), in order to improve transparency. We have set ourselves challenging targets for the next period and our performance to date in AMP6 (which has been steadily improving and

moving closer to the upper quartile level of performance) will help our customers trust our ability to meet the new targets.

Further information on this performance commitment can be found in Section C3.

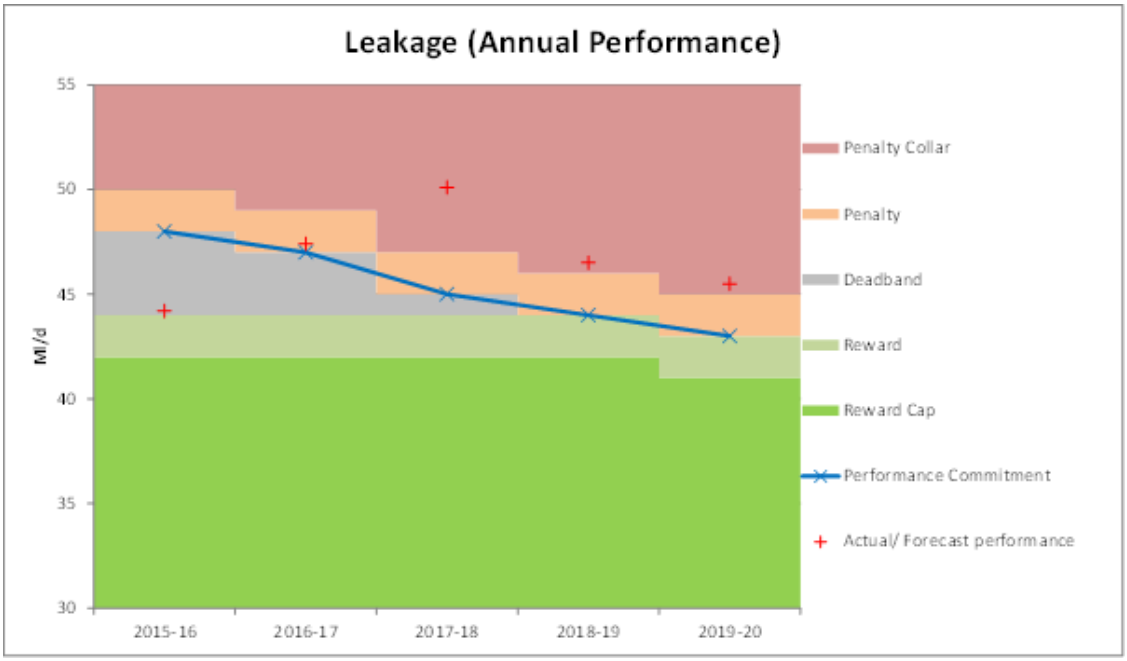
F1: Leakage

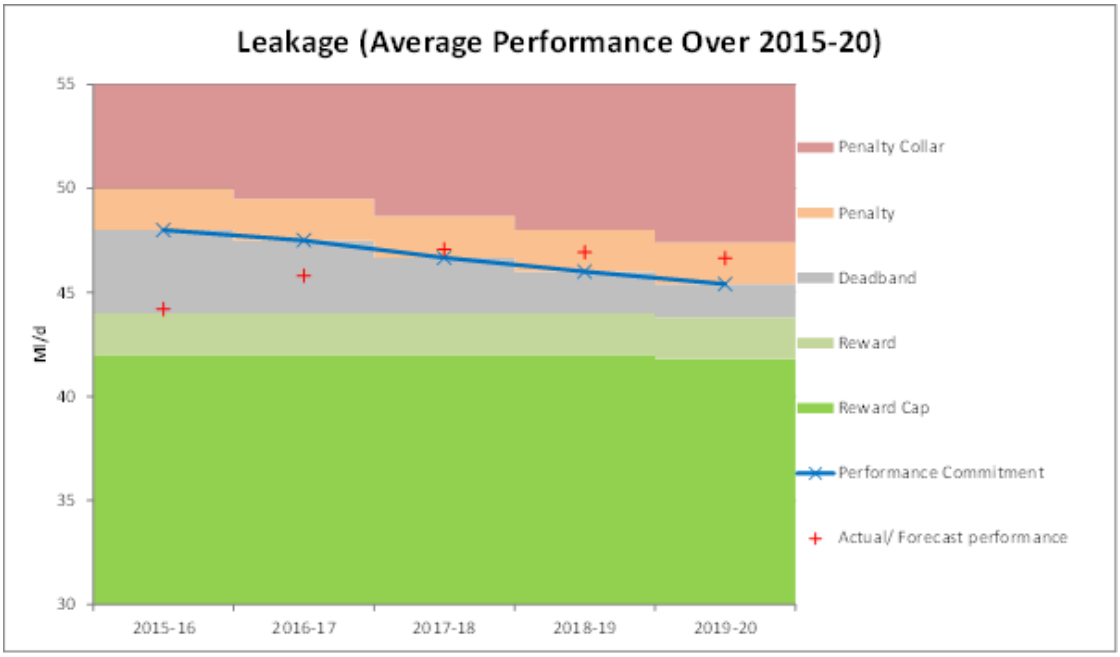
Water is supplied to customers' homes through thousands of kilometres of underground pipes. For various reasons, including ground movement and degradation of materials, pipes can leak and some water is lost between the treatment works and the home. This measure is the amount of water that enters the distribution system but is not delivered to customers because it is lost from either the company's or customers' pipes.

There are multiple benefits to managing leakage effectively including reducing the risk of having to impose water restrictions if our area experiences sustained periods of dry weather, reducing our impact on the environment by reducing the amount of water we need to abstract, and reducing disruption to customers when making repairs. For AMP6, we have set challenging leakage targets (to reduce leakage by 12%) at a level where the overall value of the water lost is balanced against the costs of increased leakage control activity. Achieving this target helps us to maintain our upper quartile position in the industry on leakage.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment (annual) Ml/d	48.0	47.0	45.0	44.0	43.0	
Actual Performance (annual) Ml/d	44.2	47.4	49.6	46.5	45.5	
Performance Commitment (averaged) Ml/d	48.0	47.5	46.7	46.0	45.4	
Actual Performance (averaged) Ml/d	44.2	45.8	47.1	46.9	46.6	
PC met?	Yes	No	No	No	No	
Incentive Reward/Penalty £m	0	0	-1.0824	-2.255	-2.255	-5.5924





15/16, 16/17 and 17/18 Historic Performance

In 15/16 the combination of targeted investment in our network, improved monitoring and control, and our proactive approach to leakage management and leakage reduction initiatives, such as pressure management, ensured that we outperformed against our target. Despite these initiatives, we underperformed against our 16/17 target.

Leakage levels for 2017/18 (based on the calculation used for calculating outcome incentives) were 49.6 Ml/day, which was above the annual end of year target of 45.0 Ml/day.

The combination of targeted investment in our network, improved monitoring and control, and our proactive approach to leakage management and leakage reduction initiatives, such as pressure management, continues to see us actively working to reduce leakage levels further.

For 2017/18, leakage levels started higher than anticipated due to additional winter leakage in January 2017. During the summer period the leakage levels remained at higher than desired levels, and throughout the year we deployed additional leakage detection and fixing resources. We saw an unusual increase in the number of small leakage events, such as at customer stop-taps, and responding to this required a change of approach. Leakage levels significantly increased in March due to initial cold and snowy weather conditions in the first couple of days of the month, which had an impact on response times and burst mains, followed by a rapid thaw period, which had a significant impact on the outbreak of burst mains in a relatively short period. A temperature swing of 16 degree Celsius in less than 48 hours was significantly greater than experienced in other cold periods.

Towards the end of 2017/18, we began to see benefits from our deployment of additional resource and the impact of improving the effectiveness of our leakage response. Excluding our estimate of a 1.7Ml/day impact of the cold weather in March 2018, our actual leakage performance after technical data adjustments improves from 46.6Ml/day to 44.9Ml/day. This would have been in line with our target of 45Ml/day.

18/19 and 19/20 Forecast Performance

Based on performance to date, we are forecasting to underperform against our leakage targets and to incur further penalties for this performance commitment for the final two years of this AMP. The total forecast penalty is £5.5924m.

Corrigenda to Final Determination

As set out above, Ofwat published a corrigenda to the PR14 Final Determination on 25th April 2018 confirming our approach to reporting leakage during AMP6.

In addition to our leakage performance used in the calculation of performance incentives, we are also reporting our leakage performance for 2017/18 and for the final two years of this AMP based on our view of the actual level of leakage, based on the latest technical assumptions. The technical improvements relate to aligning the measurement of one of the components of leakage measurement, non-household night use (NHHNU). In 2016/17 we identified that the assumptions for the NHHNU component had not been updated since 2007 i.e. the outdated assumptions for this component was providing an inaccurate view of our actual leakage data. We have carried out an updated assessment, which has brought our sampling for this component in line with best practise across the industry.

The Bristol Water Board has made a new commitment this year to ensure that customer bills reflect actual reductions in leakage, rather than the company benefitting from technical data changes. During 2017/18 we agreed with Ofwat a number of changes to how we report our performance commitments, which are reflected in this report. Given that leakage is one of our customers' top priorities and a measure which attracts significant focus from other stakeholders, we would like to make it clear that our leakage ODIs for 2015-20 will be calculated without taking into account any changes in supporting assumptions which may improve our performance.

At the same time we want to always report leakage based on the most up-to-date assumptions to provide the most accurate figure possible. As a result, the table below presents our leakage performance based on changes to underlying assumptions within our leakage calculation. To ensure consistency, as these technical changes were identified since the original leakage targets were set, we have agreed with Ofwat that our leakage ODIs (whether these are rewards or penalties) will be linked to the leakage performance reported in table 3A. There is therefore no ODI payment attached to the actual level of leakage performance shown below. The table below demonstrates how our actual and forecast leakage performance compares to the leakage targets that were set for this period.

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Performance Commitment (annual) Ml/d	48.0	47.0	45.0	44.0	43.0
Actual Performance post-technical changes (annual)	44.2	46.4	46.6	44.0	43.0

Ml/d					
Performance Commitment (averaged) Ml/d	48.0	47.5	46.7	46.0	45.4
Actual Performance post-technical changes (averaged) Ml/d	44.2	45.3	45.7	45.3	44.8
PC met?	Yes	Yes	No	Yes	Yes

Impact on ODI

The ODI is based on our average performance over 2015-2020 on leakage performance before any technical adjustments are taken into consideration. Our average leakage levels between 2015/16 – 2017/18 are 47.1 Ml/day, which is above the average end of year target of 46.7 Ml/day. Therefore we have accrued so far in 2015-20 a penalty of £1.0824m based on performance 2015/16 – 2017/18. Without any benefit of technical data changes, we forecast that we will not achieve our performance commitment targets for the final two years of the AMP, and so the total penalty is forecast to be £5.5924m. Our actual level of leakage is expected to meet the annual target of 44Ml/day for 2018/19 and 43Ml/day for 2019/20, but we will continue to calculate our leakage ODI without consideration of the technical adjustments.

Reporting in AMP7

We will be reporting on the same performance commitment in AMP7. Although our performance in AMP6 has deteriorated recently, we are committed to meeting our end of period target, which will deliver a 12% leakage reduction. This reduction is based on our actual leakage performance post-technical changes. This reflects the current level of leakage. We set out in our plan how we can deliver on our 15% leakage reduction target in AMP7, which builds on our long-term approach to reducing leakage year-on-year. The target will be re-set to be a 15% reduction on the standardised industry leakage measurement approach, which can vary from our current calculation, but it is too early to use the data series to identify a trend in the difference in technical calculation from our current approach, which is broadly aligned.

Further information on this performance commitment can be found in Section C3.

G1: Meter penetration

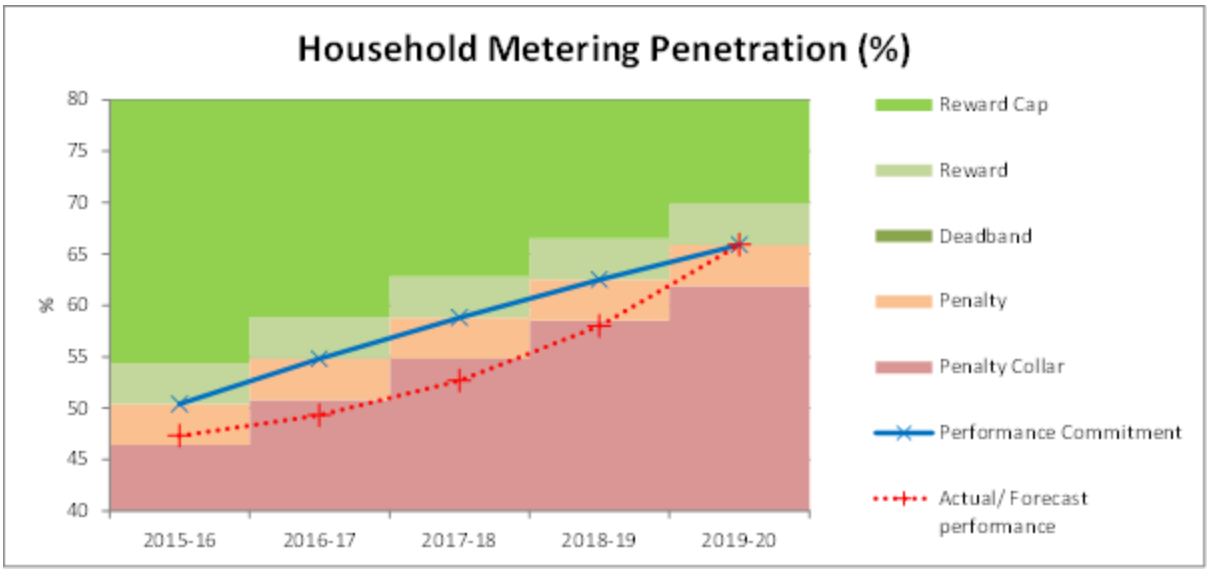
We encourage our customers to be more efficient in the way they use water by increasing the number of household customers who are billed based on their actual water consumption. We measure this by meter penetration, expressed as the percentage of household customers who have a water meter installed at their property. We also provide water-saving fittings and advice on reducing water consumption to help our customers save water.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment %	50.4	54.8	58.8	62.5	65.9	
Actual Performance %	47.3	49.3[5]	52.7	58.0	65.9	

[5] This performance was originally stated as 49.6% in our 2016/17 APR, but this was re-stated in our 2017/18 APR.

PC met?	No	No	No	No	Yes	
Incentive Reward/Penalty £m	-0.118	-0.152	-0.152	-0.152	0	-0.574



15/16, 16/17 and 17/18 Historic Performance

In 15/16 performance against this measure was been impacted by lower than expected levels of meter optant requests (when a customer requests the installation of a meter), which were around 50% of the level received in recent years. This is particularly attributable to the 16% reduction in average bills following the PR14 final determination, which reduced the number of billing contacts received from unmeasured customers which can result in meter optant requests. We also delayed the introduction of our selective change of occupier metering programme, due to expenditure constraints. This programme started in October 2016. As a result, a lower than expected number of selective meters was installed, as we continued with our programme of metering properties with larger than average gardens, delaying the implementation of metering on change of occupier.

In 2016/17 we saw a reduction of approximately 25% in the level of meter optant requests. In October 2016 we introduced an extension to the change of occupier metering programme and increased the number of surveyors. The programme extension resulted in almost 4,000 meters being installed within the 16/17 reporting year, which increased by 2,500 from 15/16.

Household meter penetration for 2017/18 was 52.7%, up from 49.3% in 2016/17, but below our target of 58.8%. During 2017/18 properties and population numbers continued to increase at a steady rate (1% p.a.). At 4,912, household new property connections were at their highest rate for the last seven years (an average annual rise of 13%). Meter optants have dropped by 14% on last year (5,263 in 2016/17 and 4,551 in 2017/18), despite targeted initiatives to promote domestic metering, such as our 'Beat the Bill' campaign. Selective metering, on change of occupier, has shown a dramatic increase on the previous year of 175% (from 3,712 to 10,202) and reflects escalation of our efforts to meet our meter penetration commitments for the period.

We have also set up a dedicated project, "Meter 66", to provide the increased focus that delivering our challenging metering target for the next two years requires. This team will continue the work we have already done to improve our metering processes, as we now work towards installing over 70,000 meters to meet our March 2020 target of 65.9%.

18/19 and 19/20 Forecast Performance

Following the Meter 66 strategy, we are forecasting to miss our meter penetration target for next year and incur an ODI penalty but to have met our end of AMP target by 2019/20. Customers opting for a meter have fallen below the expected levels and therefore we are increasing our metering on change of occupancy and promotion of meters, including providing individual customer information on the benefit to them of metered bills, in order to meet our target by 2020.

Impact on ODI

In order to calculate any incentive payment the ODI performance is compared against the target performance. If the performance falls within the reward or penalty-zone then we multiply the resulting difference by the incentive rate. For meter penetration, the incentive penalty rate is £0.038m per 1% variance and the reward is £0.036m per 1% variance.

The ODI penalty (forecast to total £0.574m) will be taken as a revenue adjustment, which will have an impact on customer bills between 2020-25.

Reporting in AMP7

We will be reporting on the same performance commitment in AMP7. Although our performance in AMP6 fell behind our planned programme of metering, our Meter 66 strategy is now in place to ensure we meet our end of AMP6 target. We have also designed our metering incentive to ensure that if we have not met our 65.9% end of AMP6 target we will immediately be incurring underperformance penalties in AMP7, to demonstrate our commitment to increasing meter penetration.

Further information on this performance commitment can be found in Section C3.

H1: Total carbon emissions

This is the total carbon emissions of the Company and contractors working on our behalf. We calculate our carbon emissions through the electrical energy we use in our operations, our consumption of gas and the fuel we use for transport, plant operation and site heating. This equals our annual operational greenhouse gas emissions, based on the Carbon Accounting Workbook and is expressed in kilograms of CO2 (carbon dioxide) equivalent divided by the population supplied.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment kgCO2e / person)	32	25	23	22	20	
Actual Performance kgCO2e / person)	35	32	28	38	38	
PC met?	No	No	No	No	No	

15/16, 16/17 and 17/18 Historic Performance

We have underperformed against our target for this performance commitment for 15/16, 16/17 and 17/18. This continues to be a challenging target for us to achieve, as the factors that influence this performance commitment are largely outside of our control.

One key measure of our environmental impact is our carbon emissions. We use almost 80 million kilowatt hours of electrical energy to treat and distribute water. This accounts for almost 90% of our total carbon footprint. We can play our part in reducing the carbon emissions associated with energy use by improved pumping efficiency; reducing leakage and helping our customers use water more efficiently. This, together with improved energy efficiency of our buildings and vehicle fleet, and development of renewable energy sources, enables us to manage those aspects of our carbon footprint that we can control.

For this performance commitment, we follow an energy management strategy, which adheres to and maintains ISO 50001 standard accreditation for continuous improvements in energy efficiency. Over the last year, we have made improvements in compressor/ blower systems operations, pump efficiency controls and have worked on the feasibility of solar PV installation, which is still under investigation. Going forward, we will continue to work on the delivery of solar PV and continue to target pump efficiency improvements, which will include the installation of pump optimisation software.

18/19 and 19/20 Forecast Performance

We are forecasting to miss our business plan targets for this performance commitment for the final two years of this AMP. The forecast has been generated using carbon emission data from 2015 to 2018. Due to the UK Emissions factor being outside of our control, other projections are unreliable. Therefore the revised forecast has been amended to reflect the aim of 38kgCOe per capita per annum by 2020. It is not possible to forecast a reduction due to the uncertainty of the UK Emissions factor impacting on the end calculation.

AMP7 Reporting

We will not be reporting on this as a performance commitment in AMP7 but we will be reporting on energy performance throughout the period.

H2: Raw water quality of sources

The quality of our water sources, particularly in the Mendip lakes, can be impacted due to nutrients and sediment that can enter the watercourses from land and activities in the catchment area of the source. This is an assessment of the quality of our raw water sources that are at risk of deterioration due to increased levels of pesticides and nutrients in their catchments. This is measured as the percentage of the AMP5 baseline aggregate of algal bloom frequency.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	>+10%	>+10%	+/-≤+10%	+/-≤+10%	+/-≤+10% for ≥2 years	
Actual Performance	+20%	+11%	-1%	-1%	-1%	
PC met?	Yes	Yes	Yes	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

We have been working with local landholders and farmers to identify where these raw water quality issues can be addressed and through our partnership programmes with key stakeholders, such as the Mendip Lakes Partnership, we are able to work together on these issues. The partners involved include Natural England, the Environment Agency, Wessex Water, Avon Wildlife Trust, Farming & Wildlife Advisory Group and Catchment Sensitive Farming. We are continuing to hold a range of successful farm engagement and training sessions with landholders in the key catchment areas. We monitor the quality of water in the Mendip reservoirs and this monitoring has indicated that our catchment management programme is having a progressive beneficial effect on water quality, with a gradual reduction in the level of algal blooms experienced in these water sources.

Although the water quality of some of our sources is at risk of deterioration due to potential ingress of nutrients and/or pesticides from its catchments, we have successfully met our targets for 15/16, 16/17 and 17/18 and we are seeing an upwards improvement, year on year, as a result of our actions.

18/19 and 19/20 Forecast Performance

Based on our performance to date, we are forecasting to meet our business plan targets for this performance commitment for the final two years of this AMP.

Corrigenda to Final Determination

As explained above, Ofwat published a corrigenda to the PR14 Final Determination on 25th April 2018, including this measure.

This allows us to improve the reporting for this performance commitment by converting the target from a categorisation (as either deteriorating, marginal, stable or improving) to reporting on the percentage of AMP5 baseline (8,059) aggregate of algal bloom frequency.

Reporting in AMP7

Although we will be reporting on a performance commitment in AMP7 of the same name, the measure will be substantially revised. Further information on this performance commitment can be found in Section C3.

H3: Biodiversity index

We monitor our protection and enhancement of the natural environment through an innovative approach that we have called the biodiversity index (this was introduced in 2014/15 as a new and innovative approach to protecting the environment). This quantifies the environmental value of our sites and creates a "direction of travel" for the way we manage our assets, helping us to protect and enhancing the natural environment by using the index to quantify the impact of our actions on the broader environment. It is measured by the cumulative hectares and meters of habitat (e.g. hedges) and the quality of this habitat. This calculation and method is a tool we will continue to develop, using it to measure our performance on habitat protection and enhancement. We report this measure as the number of Biodiversity Index (BI) points.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment (BI points)	17,649	17,650	17,651	17,652	17,653	
Actual Performance (BI points)	17,649	17,650	17,657	17,658	17,659	
PC met?	Yes	Yes	Yes	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

There has been an improving trend in our Biodiversity Index since we created this measure in 2014-15.

In 15/16 an example of the Biodiversity Index in practice was the measurable impact of our hosting of the National Hedgelaying Championships at Chew Valley Lake. The new hedgerows have created important new habitat, and increased the BI by 26.4.

In 16/17 we applied the Biodiversity Index to the Southern Resilience Scheme. The scheme was scored before work commenced, and we then worked with partners, such as Natural England, schools and land owners to create new habitat and improve biodiversity.

In 17/18 the areas of work that have improved our score by seven points were:

- Barrow reservoirs dry ditch and embankment clearance: 1km of over-grown ditch was removed, which opened up semi-improved grassland habitat on embankments and dry ditch habitats, increasing the biodiversity by four points; and
- Chew Stoke pumping station: 0.5ha of semi-improved grassland was identified for improvement in the autumn of 2017. This grassland habitat was at risk of deteriorating to poor condition due to the increase in public access to this site with dogs and dog fowling. With the help of staff volunteers, 110 mixed deciduous trees species were planted here, increasing the biodiversity score by three points.

18/19 and 19/20 Forecast Performance

We are forecasting to meet our business plan target for this performance commitment for the final two years of this AMP. Projects to continue to increase the biodiversity score for the remainder of AMP6 include further deciduous tree planting, woodland management to improve the condition of woodland and hedgerow assets and the management of lakeside and riparian habitats to improve and maintain the condition.

Corrigenda to Final Determination

As explained above, Ofwat, published a corrigenda to the PR14 Final Determination on 25th April 2018 including confirmation of the reporting basis for this measure.

This allowed us to improve the reporting for this performance commitment by converting the target from a categorisation (as either deteriorating, marginal, stable or improving) to reporting on the number of Biodiversity Index points that have increased each year (from a baseline of 17,613 in 2014/15).

Reporting in AMP7

We will continue reporting on our Biodiversity Index in AMP7. Our performance in AMP6 (of meeting our improving targets of 1 BI improvement every year) should give our customers confidence that we can meet our even more challenging targets in the next reporting period (of circa 10 BI point improvements every year).

Further information on this performance commitment can be found in Section C3.

H4: Waste disposal compliance

This measures the percentage compliance as per by the number of Bristol Water samples taken of discharged trade effluent from designated Company sample points that meet the consent requirements in the Environment Agency (EA) permits.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment %	100	100	100	100	100	
Actual Performance %	96.1	95.8	98.1	96.1	96.1	
PC met?	No	No	No	No	No	

15/16, 16/17 and 17/18 Historic Performance

In 15/16, of the failures recorded, nearly half of these were associated with natural manganese released from a reed bed at Barrow Treatment Works. We worked with the Environment Agency on how best to address the issue for future years.

In 16/17, of the failures recorded, over half of them were associated with the various discharges at Barrow Treatment Works.

Although we failed to meet our target for 17/18, over 98% of the samples we took were fully compliant with the discharge consent conditions. This shows a good level of improvement compared to the performance during 2016/17.

Our Solutions Engineering Team are looking at the reasons for the small number of failures we have had this year with a view of implementing remedial measures to drive our compliance figure higher.

18/19 and 19/20 Forecast Performance

We are forecasting to miss our business plan target for this performance commitment for the final two years of this AMP. The forecast performance for these two years is worse than our current performance because of the introduction of a new discharge consent that we now have in place for the fisheries at Blagdon. The Environment Agency are working with us to assess how to measure the environmental need at this site which previously has not had a discharge consent for historic reasons. In the short term, we anticipate that the introduction of this new consent will mean that the number of failures will increase, even though improvements at other works including Purton and Littleton will reduce the number of failures at other locations.

Reporting in AMP7

We will continue reporting on this performance commitment in AMP7. Although our targets are to achieve full compliance, this metric is being significantly impacted by the fisheries consent, as noted above.

Further information on this performance commitment can be found in Section C3.

G2: Per capita consumption (PCC)

Per Capita Consumption measures how much water we use every year. It is defined as the average amount of water used by each person each day. By knowing this information, the intention is to encourage behaviours to reduce the amount of water we use, thereby helping customers save money for the future and further adapt to the challenges of climate change. It is measured in litres per person per day.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment (l/p/d)	145.2	144.4	143.6	142.8	142.0	
Actual Performance (l/p/d)	141.1	144.1	144.5	142.8	142.0	
PC met?	Yes	Yes	No	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

Having we met our target for this performance commitment in 15/16 and 16/17, our performance in 17/18 is the first year that we have missed our target for PCC in this AMP.

We want to help customers to reduce water consumption, through supportive and voluntary measures. However, we recognise that we have to do more to help customers reduce water consumption in line with our long-term ambition to reach 110 litres per person per day by 2045.

In order to improve on our performance, our household customers receive an annual newsletter called Watertalk that offers advice to help reduce water consumption as well as money saving tips. In addition, we have water saving kits available on request. We have also installed free water fountains in the centre of Bristol and offered a 'water bar' at local festivals and events, to help promote the benefits of water.

In the longer-term we will:

- Continue the promotion of water metering with provision of targeted water efficiency advice to customers who opt for a water meter.
- Continue and increase our schools education programme on water efficiency and its links to environmental sustainability.
- Continue the provision of free water efficiency equipment to our customers including subsidised garden equipment such as water butts.
- Continue provision of bespoke water efficiency calculations (through our website) to empower customers to choose the most effective way to save water and save money.
- Develop new partnerships with stakeholders across our supply area to create new and innovative ways to help customers become more resource efficient.

18/19 and 19/20 Forecast Performance

We are forecasting to meet our business plan targets for this performance commitment for the final two years of this AMP. Although there has been an upward trend in recent years in the amount of water that customers are using each day, we are continuing to do our part to inform our customers about the importance of reducing water consumption. The dry summer weather in 2018 means that per capita consumption is likely to increase above target for 2018/19, however it is too early in the year to conclude on this.

Corrigenda to Final Determination

As explained above, Ofwat, published a corrigenda to the PR14 Final Determination on 25th April 2018, which included this measure.

As we are committed to dual-reporting leakage performance (to exclude the impact of changes in technical assumptions), this has implications for our reported PCC figure (due to the inclusion of leakage from customers' pipes). The table below presents our PCC performance based on the ODI version of leakage. There is not however any ODI attached to PCC; the information has been included for the purpose of being as open and transparent to our customers about our performance as possible.

Our long-term ambition of 110 litres per person per day will be measured using this calculation of PCC, which reflects the latest technical evidence on leakage from customers' pipes.

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment l/p/d	145.2	144.4	143.6	142.8	142.0	
Actual Performance	141.1	143.5	146.3	142.8	142.0	

l/p/d						
PC met?	Yes	Yes	No	Yes	Yes	

Reporting in AMP7

We will continue to report on Per Capita Consumption in AMP7. Although our performance in AMP6 has deteriorated recently, we have a number of on-going initiatives designed to improve our customers' understanding of the importance of water efficiency and conservation, like our Beat the Bill campaign.

Further information on this performance commitment can be found in Section C3.

I1: Percentage of customers in water poverty

This is defined as the percentage of customers within our supply area for whom their water bill represents more than 2% of their disposable income, defined as gross income less income tax. This measure allows us to understand the impact of our bills on our customers. To calculate this we use a population analytics model to estimate the gross percentage of customers in water poverty, and then deduct those customers who we support through our Assist social tariff.

Using this measure, we are able to offer advice, assistance schemes and capped tariffs, known as 'social tariffs' (including our Assist Tariff, WaterSure Plus and Pension Credit Tariff) to customers who fall within this category. This measure then also allows us to evaluate the success of our tariffs and assistance schemes for customers who are experiencing difficulty paying their bills.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment %	2.0	2.0	1.9	1.9	1.8	
Actual Performance %	0.4	0.9	0.0	0.0	0.0	
PC met?	Yes	Yes	Yes	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

In April 2016 we were amongst the first companies in the industry to introduce a Pension Credit scheme, that gives a 20 per cent discount on water bills to Bristol Water customers who live in a household where all members over the age of 18 are in receipt of Pension Credit.

We know that water debt is seldom isolated and we work to provide independent debt advice, working closely with the agencies that provide these services. In 16/17 we donated £75k to debt advice agencies across our supply area to support them in providing free advice to our customers, which increased to £100k in 2017/18. We also work closely with our partner organisations to sponsor and attend debt and affordability events in our region, including Blue Monday and the South Bristol affordability event, as well as hosting a workshop for our partners in the debt management and support sector.

In 17/18 we again successfully met our target for this performance commitment. Gross water poverty was 0.8%, which falls effectively to zero when the impact of our social tariffs are taken into account. In the last year we had 13,707 customers receiving assistance through discounted tariffs, an increase of 17% over last year. Below is a breakdown of each scheme and the number of customers currently registered:

- 6,439 households are on our 'Assist' social tariff, which offers significant bill discounts to those customers least able to afford their bill, following a means assessment.

- 2,587 households are on our WaterSure Plus metered tariff, this is for customers in receipt of certain benefits, and are defined by the government as 'vulnerable', either because they have a medical condition or a large family.
- 4,681 customers are on our Pension Credit social tariff. This scheme gives a 20% discount on water bills to customers who live in a household where all members over the age of 18 are in receipt of Pension Credit.

We also offer metering, water efficiency support and flexible payments plans to customers who may also need support paying but do not need as much assistance as a social tariff.

18/19 and 19/20 Forecast Performance

We are forecasting to maintain our performance of zero customers in water poverty for this performance commitment for the final two years of this AMP. Due to external factors outside of our control (such as living standards and the state of the economy) it is not possible to accurately predict our performance below the target level that has been set. Although we achieved zero water poverty in 2017/18, Universal Credit may increase this again in 2018/19 and 2019/20. However, we will take action through social tariffs and this impact is uncertain.

Reporting in AMP7

We will continue reporting on this performance commitment in AMP7. In 2017/18 we were able to report that 0% of our customers were within water poverty. We are committed to maintaining this level of performance throughout AMP7, as we will adjust to the current uncertainty over 2018-20 in our social tariff offering. We are committed to ensuring that those who struggle to pay will be given the assistance they need throughout the next reporting period.

Further information on this performance commitment can be found in Section C3.

J1: Service incentive mechanism (SIM)

This is Ofwat's measure for comparing the customer service performance of water companies in England and Wales. It includes quantitative measures of the numbers of complaints and unwanted contacts that companies receive and performance in handling telephone contacts. It also includes a survey of customers' views on the service provided. The score is reported as an index out of 100, in line with the methodology set out by Ofwat in 2015[6].

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	85.0	85.0	86.0	TBC	TBC	
Actual Performance	85.1	85.9	83.4	87.04	87.18	
PC met?	Yes	Yes	No	TBC	TBC	

[6] https://www.ofwat.gov.uk/wp-content/uploads/2015/11/gud_pro201503sim.pdf

R10 - PR14 Service incentive mechanism										Bristol Water
Line description		Item reference	Units	DPs	2015-16	2016-17	2017-18	2018-19	2019-20	2015-20
Price base										2017-18 FYA (CPIH deflated)
A	Qualitative performance									
1	1st survey score	SIMAMP6_QL1	nr	2	4.35	4.49	4.39	4.30	4.50	
2	2nd survey score	SIMAMP6_QL2	nr	2	4.32	4.46	4.37	4.55	4.50	
3	3rd survey score	SIMAMP6_QL3	nr	2	4.49	4.40	4.44	4.55	4.50	
4	4th survey score	SIMAMP6_QL4	nr	2	4.46	4.49	4.34	4.56	4.50	
5	Qualitative SIM score (out of 75)	SIMAMP6_QLS	nr	2	63.84	64.88	63.56	65.63	65.63	
B	Quantitative performance									
6	Quantitative composite score	SIMAMP6_CS	nr	2	74.88	79.45	103.56	71.77	68.97	
7	Quantitative SIM score (out of 25)	SIMAMP6_QNS	nr	2	21.26	21.03	19.82	21.41	21.55	
C	SIM score									
8	Total annual SIM score (out of 100)	KI001U	nr	0	85	86	83	87	87	
D	Revenue adjustment for SIM performance									
9	SIM forecast revenue adjustment at 2017-18 FYA CPIH deflated price base	R10009	£m	3						0.000

15/16, 16/17 and 17/18 Historic Performance

In 15/16 we introduced the use of sending SMS messages to customers to help inform them of unplanned bursts and details of an alternative water supply. This resulted in a reduction of unwanted calls and in particular a reduction in contacts regarding water quality discolouration.

In 16/17 we worked on a wide range of projects and implemented a number of improvements to make positive changes to our customers' overall experience. Projects which have supported this have included improvements to the customer journeys across new supplies and metering. We scrutinised all elements of the journey and in particular made a number of positive changes with our third-party contractor, Kier, to ensure a consistent service is received at all stages. We also introduced 'daily huddles' with Kier, Network Managers and Customer Service representation to discuss all complaints and any known operational issues that may impact on customers that day.

In 17/18 our performance was below the level where we would have expected to be when we started the year, primarily due to four significant incidents (Sea Mills burst, Willsbridge burst, Clevedon precautionary boil water notice and the freeze/thaw related supply interruption incidents at the end of the year) which have impacted significantly on this measure. We estimate that we received an additional 10,837 contacts as a result of these incidents alone. We have worked throughout the year on a number of projects to drive improvement for the 2017/18 results but the impact was not enough to mitigate the effects of these incidents.

If the significant incidents were excluded from our contact numbers and therefore from the quantitative component of the SIM score, we estimate that our SIM score would have been 85.2, which would mean we would have still narrowly missed our target for this year.

We undertook a range of lessons learnt research after the incidents to understand how we can improve our response to similar events in future. This research showed that customers were generally satisfied with our response. Customers who were dissatisfied with our response to the bursts at Sea Mills and Willsbridge cited the need to distribute bottled water to those in need. We took this into account when responding to the precautionary boil water notice in Clevedon and found that this improved customer satisfaction. All customers who rated us as dissatisfied in the feedback survey were contacted and the issues resolved.

In addition, we continue to invest in wider transformation and new technology as part of our drive towards our long term vision for being the number one company for customer service.

18/19 and 19/20 Forecast Performance

We are forecasting to meet our business plan target for this performance commitment for the final two years of this AMP.

Impact on ODI

Ofwat will compare SIM performance across all companies in the industry at PR19 and apply rewards or penalties based on average performance over the five year period (2015-20).

Any ODI reward or penalty will be taken as a revenue adjustment, which will have an impact on our customers' bills. Linking ODI payments to revenue (rather than the RCV), brings the payments closer in time to the performance that generated them. This strengthens the incentive for us to fulfil our service commitments to our customers.

Based on cumulative SIM performance, 2015/16 – 2017/18, using an approach that is based on one standard deviation in the average SIM score earning an outperformance payment of +/- 6% of residential retail revenues with the additional -6% applied to beyond one standard deviation SIM score, we cautiously estimate that a return of 2.4% (c£2.2m) would have applied, as we were above the median as well as mean score. However, being ranked 8th of 17 companies, we assume that this return may not be applied in practice, as the average is skewed by poor performers. A number of scenarios for 2018/19 suggest that the ranking is unlikely to change. Whilst we would suggest that a return is justified, as it balances penalties in other areas (in particular the leakage calculation where there was ambiguity at PR14 whether technical adjustments should be included as noted above), for the purposes of financial viability testing we have been cautious by excluding it. Based on our 2018/19 forecast, we estimate the return would reduce to 1.6% of one year retail revenues (c£1.5m), but on this basis the overall ranking of 8th would be unlikely to change, and we may be close to the median score even though likely to be above the mean.

SIM	17/18	16/17	15/16	change		16/17 rank	15/16 rank	rank change		Average	rank	Potential reward penalty		18/19 forecast	Full average	rank	Potential reward penalty
WSX	86.89	88	87	1	4	1	2	1		87.30	2	6.0%		88	87.5	2	6.0%
PRT	87.847	88	90	-2	2	2	1	-1		88.52	1	6.0%		88	88.3	1	6.0%
NES	86.4	88	84	4	7	3	7	4		85.99	4	4.7%		87	86.2	4	4.7%
ANH	88.372	86	85	1	1	4	5	1		86.46	3	5.5%		88	86.8	3	5.9%
DVW	86.548	86	83	3	6	5	9	4		85.16	6	3.2%		86	85.4	6	3.1%
BRL	83.38	86	85	1	12	6	5	-1		84.76	8	2.4%		85	84.8	8	0.0%
UU	86.874	85	82	3	5	7	12	5		84.77	7	2.5%		87	85.3	7	0.0%
SEW	85.584	85	82	3	8	8	12	4		84.06	9	0.0%		86	84.5	9	0.0%
SSC	87.034	84	86	-2	3	9	4	-5		85.82	5	4.4%		87	86.1	5	4.5%
SVT	83.17	84	84	0	13	10	7	-3		83.56	10	0.0%		84	83.7	11	-0.1%
YKY	84.273	83	83	0	11	11	9	-2		83.56	11	0.0%		84	83.7	12	-0.1%
WSH	84.638	83	83	0	9	12	9	-3		83.55	12	0.0%		85	83.9	10	0.0%
SWT	84.5	82	79	3	10	13	15	2		81.70	13	-3.1%		85	82.5	13	-2.3%
SES	78.714	80	81	-1	16	14	14	0		79.77	14	-6.6%		79	79.6	15	-7.9%
AFW	80.909	79	77	2	14	15	16	1		78.80	15	-8.4%		82	79.6	14	-7.8%
SRN	79.333	78	73	5	15	16	18	2		76.78	17	-12.0%		80	77.6	17	-11.6%
TMS	78.429	77	77	0	17	17	16	-1		77.56	16	-10.6%		79	77.9	16	-11.0%
Bournemouth	87.6		86.2				3										
									Mean	83.42				Mean	83.74		
									Standard Deviation	3.305331	86.72			Standard Deviation	3.172284	86.91	

Corrigenda to Final Determination

As explained above, Ofwat, published a corrigenda to the PR14 Final Determination on 25th April 2018 including confirmation of the reporting basis for this measure.

We agreed to improve the reporting for this performance commitment by converting the target from achieving a 'top 5' performance within the industry to a SIM score that our customers can compare our performance against. The target for each year is now based on the upper quartile SIM score from the previous reporting year. As such, it is not possible to state what our target is for 2018/19 until all companies have reported on their performance in their Annual Performance Reports in July 2018. This is likewise the case for our target for 2019/20.

Reporting in AMP7

From 2020, SIM will be replaced as a measure of customer satisfaction by Ofwat's new measure of customer experience, known as C-MeX.

J2: General satisfaction from surveys

This measure relates to the percentage of customers responding to our annual household customer tracking survey who rate their satisfaction in respect of our service as excellent, very good or good. This is different from our other customer

measures as most of the customers surveyed will not have had direct contact with us apart from receiving their annual bill as well as their perception of us from external sources.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment %	93	93	93	93	>93	
Actual Performance %	83	86	87	93	93	
PC met?	No	No	No	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

In 15/16 we reviewed our customer feedback channels by redesigning our feedback cards and by establishing a customer online panel called 'Let us know'.

In 16/17, 86% of respondents rated our service as excellent, very good or good, compared to 83% the year before and 69% in 2015. These increases and the high level of customer satisfaction was encouraging – however, it was still below our target of 93%. The survey showed us that we had continued to improve our customer satisfaction on a range of attributes including value for money, comparison to other utility providers and our efforts with water efficiency. We continued to supplement these surveys with additional feedback and insight including our online customer panel, 'Let us know'. By 16/17 we had over 1,000 active members on this panel. We also continued to use feedback cards; every customer receives a feedback card if we have worked near their home.

In 17/18 our performance was below the level where we would have expected to be when we started the year as four incidents (Sea Mills burst, Willsbridge burst, Clevedon boil notice and the freeze/thaw related supply interruption incidents at the end of the year) have impacted significantly on this measure. We have worked throughout the year on a number of projects to drive improvement for the 2017/18 results but the impact was not enough to mitigate the effects of incidents.

A selection of the improvements that we introduced during 2017/18 to improve customer satisfaction included a bill redesign, real time feedback, 'Live Chat' and the increased use of social media, with over 400,000 customers reached through Facebook during the Clevedon boil notice and a new customer charter across Bristol Water and our network sub-contractors.

Although not a performance commitment, we also measure our customers' general satisfaction through the UKCSI. The January 2018 UKCSI reported that Bristol Water scored 17.5 for net promotor score, compared to the average of 15.3 across all sectors and -8.0 in Utilities. The UKCSI is a way in which we can benchmark ourselves against other industries to ensure that our customers are receiving the best service both inside and outside of the sector. We are proud of our success in this report, however we recognise that more needs to be done.

18/19 and 19/20 Forecast Performance

We are forecasting to meet our business plan targets for this performance commitment for the final two years of this AMP. We believe that our performance will continue to improve over this period, based on the improving journey that we have been on to date and partly informed by our ranking in the UKCSI.

Reporting in AMP7

We will not be reporting on this metric at PR19 because Ofwat's new measure of customer experience, known as C-MeX, will supersede it, as it includes the satisfaction of all customers, not just those who contact us.

J3: Value for money

This measure is calculated as the percentage of respondents to our monthly customer survey who consider the value for money we provide to be 'very good' or 'good'.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment %	71	71	71	72	72	
Actual Performance %	70	72	69	72	72	
PC met?	No	Yes	No	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

Value for money is an important concept in measuring whether customers consider that the service that we provide is worth what they pay for. Some customers struggle to make this assessment, often citing that they cannot compare because they cannot choose water supplier, but we have found the measure to be sufficiently well understood by most respondents to our surveys.

Although we missed our target in 15/16, we outperformed our target in 16/17. However, despite having below average customer bills compared to the rest of the industry, our performance for 17/18 declined from the previous year's reported performance. We believe that this is partly as a result of the exceptional incidents that affected customer water supplies in 17/18, such as the precautionary boil water notice at Clevedon in January 2018, which may have affected customers' view of Bristol Water.

The measures we are taking to improve overall affordability across our entire customer base involve:

- Finding efficiencies by improving our digital offering and leveraging new technologies to reduce our cost to serve;
- Continuing to refine our processes for bad debt reduction; and
- Helping customers find ways to reduce their own bills through reducing their consumption.

18/19 and 19/20 Forecast Performance

We are forecasting to meet our business plan targets for this performance commitment for the final two years of this AMP. We have assumed that the major events that took place in 17/18 are an outlier and that there is an overall upwards trend of improvement.

Reporting in AMP7

Although we will be reporting on a performance commitment in AMP7 of the same name, it will be reported using a revised methodology. The revised methodology aligns with CC Water's reporting of this metric and will therefore be more transparent for our customers to help them understand our performance in the next reporting period.

Further information on this performance commitment can be found in Section C3.

K1: Ease of contact from surveys

This measure is calculated as the percentage of respondents to our monthly customer survey who consider the ease of contact to our operational contact centre to be 'very good' or 'good'. While we understand the importance of providing a range of channels through which customers can contact us, telephone is still the preferred and primary method, so it is important that we monitor the satisfaction of this service.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment %	96.3	96.4	96.5	>96.5	>96.5	
Actual Performance %	94.8	94.4	93.1	96.5	96.5	
PC met?	No	No	No	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

This performance commitment continues to be a challenging target to achieve. To score highly in this measure, customers expect us to have quick and accurate information so we are working on improvements to make information more easily available to our employees so they can answer questions consistently and correctly the first time.

In 15/16, 94.8% of consumers surveyed were satisfied with how easy it is to contact us.. Where customers are dissatisfied this is often caused by customers not being clear on the number they need to call for their enquiry. We have revised our literature and website to help make this easier for customers to understand. We also introduced more proactive communications with the use of Twitter and text messaging.

In 16/17, 94.4% of consumers surveyed considered that it was easy to contact us by phone a similar performance to the previous year. However in 17/18, our performance reduced to 93.1% of consumers surveyed considered that it was easy to contact us by phone, attributable to the supply interruption and water quality events described above. IT improvements have started to give our contact centre more visibility of where customer jobs are in the system across both Bristol Water and our subcontractors, making it easier to answer enquiries at the first point of contact.

18/19 and 19/20 Forecast Performance

We are forecasting to meet our business plan target for this performance commitment for the final two years of this AMP. We believe that the IT improvements noted above will help to ensure that our performance improves to meet this very challenging target.

Reporting in AMP7

We will not be reporting on this metric at PR19 because Ofwat's new measure of customer experience, known as C-MeX, will supersede it.

L1: Negative billing contacts

This measures the number of 'unwanted' calls received. An 'unwanted' customer contact is defined by Ofwat within the SIM in its quantitative SIM measures for calls which the customer would prefer not to make, in the sense that they are dissatisfied because they are experiencing a problem or concern, are making a repeat or chase call, or want to complain.

Performance against target

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	AMP6 Total
Performance Commitment	2,408	2,395	2,315	2,240	2,170	
Actual Performance	2,301	3,096	2,300	2,240	2,170	
PC met?	Yes	No	Yes	Yes	Yes	

15/16, 16/17 and 17/18 Historic Performance

Our customers want bills that are accurate, clearly presented and easy to understand. Our external audits that took place in 2016 have helped us to refine our methodology of how contacts are classified within this measure. Following the changes in classification we reported that we received 2,300 contacts in 17/18, which is a significant improvement on the number of complaints (3,096) we received the previous year.

18/19 and 19/20 Forecast Performance

We are forecasting to meet our business plan target for this performance commitment for the final two years of this AMP. We expect our recent improvements to continue to reduce the number of unwanted billing contacts.

Reporting in AMP7

We will not be reporting on this metric at PR19 because Ofwat's new measure of customer experience, known as C-MeX, will supersede it.

8. Cost performance

8.1. Totex

The Totex Incentive Mechanism is intended to calculate the difference between the level of total expenditure allowed to the Company through the PR14 determination and the actual amount spent. The mechanism then calculates how any difference is shared between the Company and its customers, based on the Company's menu choice at PR14 and associated cost-sharing rate. Following the CMA redetermination of Bristol Water's PR14 price determination, the menu choice was effectively set at 100 with a cost-sharing rate of 50%. This means that that the Company will retain 50% of any underspend but would incur 50% of any overspend relative to its allowed expenditure. Effectively the CMA removed the menu impact and no up-front menu incentive was included in our allowed revenues.

The cost-sharing is enacted through adjustments made to the allowed revenue in the following period and to the RCV, based on the PAYG rate as set at PR14.

The 15/16 allowance is adjusted for the 2014/15 transition expenditure value of £755k in 12/13 prices, as reported to Ofwat in the 2014/15 blind year reconciliation submission. This is set out in business plan table WS15, as shown below:

WS15 - PR14 wholesale total expenditure outperformance sharing for the water service — **Bristol Water**

	Line description	Item reference	Units	DPs	Price base	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2015-20
A	Company details											
1	Company type	BF200	Nr	0								1
2	Is company enhanced?	WS15001	text	0								No
3	Financing rate	WS15003	%	2								3.67%
B	Menu choices											
4	Water: Implied menu choice	C00729_W004	Nr	1	0							0.0
5	Water: FD pension deficit recovery costs allowance	C00558	£m	3	2012-13 FYA (RPI)		0.320	0.320	0.320	0.320	0.320	
6	Water: Final menu choice	WS15006	nr	1	-							0.0
C	TOTEX											
7	Water: Baseline Totex	C00007_W011	£m	3	2012-13 FYA (RPI)		0.000	0.000	0.000	0.000	0.000	
8	Water: FD allowed totex inclusive of menu cost exclusions, less PDRC allowance	C00772_A001	£m	3	2012-13 FYA (RPI)		87.825	87.557	87.927	87.136	87.318	
9	Water: Actual Totex	W3026MTIN	£m	3	Outturn (nominal)		69.891	82.937	104.043	112.828	104.484	
D	Adjustments to TOTEX											
10	Water: Third party services (opex)	BM323TASIN	£m	3	Outturn (nominal)		1.217	1.233	1.552	1.334	1.334	
11	Water: Third party services (capex)	BM333TASIN	£m	3	Outturn (nominal)		0.016	0.033	0.159	0.069	0.069	
12	Water: Pension deficit recovery costs	CRW003	£m	3	Outturn (nominal)		0.337	0.098	0.000	0.000	0.000	
13	Water: Other cash items	CR00561TOT	£m	3	Outturn (nominal)		0.102	0.000	0.000	0.000	0.000	
14	Water: Disallowables	WS15014	£m	3	Outturn (nominal)		0.000	0.000	0.000	0.000	0.000	
15	Water: Transition expenditure	BP767NTIN	£m	3	2012-13 FYA (RPI)	1.320						
E	PAYG											
16	Water: PAYG ratio	C00766_A001	%	2	-		59.94%	54.03%	54.05%	54.07%	54.16%	
F	Business rates IDoK											
17	Company specific water business rate sharing rate	WS15017	%	2	-							
18	Menu Cost Sharing Rate	WS15018	nr	2	-							0.50
19	Menu Choice Expenditure Factor	WS15019	%	2	-							100.00%
20	Water business rate constant 2017, 2018, 2019	WS15020	nr	3	2012-13 FYA (RPI)							
21	Water business rate constant 2017, 2018, 2019	WS15021	nr	3	Outturn				0.000	0.000	0.000	
22	Applicable Water Business Rate Costs	WS15022	nr	3	Outturn							
23	Water: IDoK Business rates adjustment	WS15023	nr	3	Outturn							
G	Totex menu adjustments											
24	Water: revenue adjustment from totex menu model	WS15024	£m	3	2012-13 FYA (RPI)						-1.960	
25	Water: RCV adjustment from totex menu model	WS15025	£m	3	2012-13 FYA (RPI)						-5.224	
26	Water: Totex menu revenue adjustment at 2017-18 FYA CPIH deflated price base	WS15026	£m	3	2017-18 FYA (CPIH deflated)						-2.262	
27	Water: Totex menu RCV adjustment at 2017-18 FYA CPIH deflated price base	WS15027	£m	3	2017-18 FYA (CPIH deflated)						-6.029	

Figure 2 - Business Plan table WS15

	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Forecast	2019/20 Forecast	Total
Actual totex	65.915	76.578	92.601	97.087	87.329	419.510
Less exclusions and transition expenditure	65.094	75.319	91.078	95.879	86.156	413.526
Allowed totex less exclusions	86.750	83.944	83.713	83.105	84.375	421.887
Variance £m	(21.656)	(8.625)	7.365	12.774	1.781	(8.361)
Variance including finance costs £m	(25.014)	(9.610)	7.915	13.243	1.781	(11.685)
Revenue Adjustment £m						(1.960)
RCV adjustment £m						(5.224)

Table 11 - Totex Incentive Mechanism calculation (all figures 12/13 prices)

The figures within the model show that we significantly underspent our Totex allowance in the first two years of the AMP, but we have reprofiled investment the final three years. The total underspend (excluding allowed exclusions and 2014/15 transition expenditure) is £8.361m in 12/13 prices. An adjustment of -£1.960m on revenue and -£5.224m on RCV is to be applied at PR19.

The cost sharing is enacted through adjustments made to the allowed revenue in the following period and to the RCV, based on the PAYG rate as set at PR14.

9. Revenue performance

9.1. Wholesale Revenue

The Wholesale Revenue Forecasting Incentive Mechanism is intended to provide protection for companies and customers against movements in revenue, to ensure that the amount recovered is in line with the allowance set in the PR14 determination. For Bristol Water, this includes the "K Factors" set by the CMA in its redetermination of our price limits for 2015-20, as applied to the opening 2015/16 revenue allowance set by Ofwat in its determination. Revenue allowances were subsequently adjusted by the "blind year reconciliation determination" published in February 2016, where the impact of 2014/15 revenue recovered against forecasts included at PR14 was set out. For Bristol Water, this reduced the level of revenue correction by £0.638m. This adjustment was applied evenly over the remaining years of the period for which tariffs had not been set – 2017/18 to 2019/20.

Where actual revenue recovered is greater or less than allowed, this mechanism acts as a corrective. The mechanism also incentivises companies to make accurate forecasts when setting annual tariffs, as any variances +/- 2% on annual revenues are liable to a penalty of 2% of the variance.

The calculated adjustment is set out in Table 12 below and reported in business plan table WS13.

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Allowed Revenue £m	102.235	101.458	106.679	110.736	114.332	
Actual Revenue £m	99.703	99.212	104.775	108.959	113.726	
Variance £m	(2.532)	(2.246)	(1.904)	(1.777)	(0.607)	
Variance	(2.48%)	(2.21%)	(1.79%)	(1.60%)	(0.53%)	
Penalty adjustment	(0.036)	(0.014)				
Main revenue adjustment as incurred			2.810	2.563	2.199	
Penalty adjustment as incurred			-0.039	-0.016	0.000	
WRFIM adjustment as incurred			2.772	2.547	2.199	
Adjustment £m						2.513

Table 12 - WRFIM calculation

All figures £m in outturn prices unless stated
Adjustment includes impact of financing and inflation

WS13 - PR14 wholesale revenue forecast incentive mechanism for the water service — **Bristol Water**

Line description		Item reference	Units	DPs	Price base	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2015-20
A	**Company details for WRFIM model**											
1	Company name		text	-								BRL
2	Company type	BF200	Nr	0								1
3	Company has accepted WRFIM licence modification	WS13003	Boolean	0								TRUE
B	**WRFIM model parameters**											
4	Penalty rate scaling minimum threshold (+/-)	WS13004	%	2	-							2.00%
5	Penalty rate scaling maximum threshold (+/-)	WS13005	%	2	-							3.00%
6	Penalty rate (+/-)	WS13006	%	2	-							3.00%
7	Specified discount rate	WS13007	%	2	-							3.67%
8	Threshold for additional variance analyses (+/-)	WS13008	%	2	-							6.00%
C	**Allowed revenue**											
9	Allowed revenue - water	WS13009	£m	3	Outturn (nominal)	100.247						
10	Actual RPI: November index year on year change	APP23001_CPY	%	2	-		1.98%	1.05%	2.19%	3.88%	3.44%	
11	K – water	WS13011	nr	2	-		0.00	-1.81	0.48	0.25	0.21	
12	Total revenue forecast – water	WS13012	£m	3	Outturn (nominal)	100.247	102.235	101.458	104.171	108.473	112.437	
D	**AMP5 RCM blind year adjustment**											
13	RCM blind year 14/15 adjustment for implementing via WRFIM – water	C00052_L021	£m	3	2012-13 FYA	-0.638						
14	Percentage of RCM adjustment by year – water	WS13014	%	2	-				33.00%	33.00%	33.00%	
E	**Revenue recovered**											
15	Water: Unmeasured – household	CR581	£m	3	Outturn (nominal)		45.209	43.510	42.431	42.312	40.369	
16	Water: Unmeasured – non-household	CR583	£m	3	Outturn (nominal)		0.517	0.235	0.364	0.352	0.367	
17	Water: Measured – household	CR582	£m	3	Outturn (nominal)		27.216	28.373	33.643	37.477	42.911	
18	Water: Measured – non-household	CR584	£m	3	Outturn (nominal)		22.477	23.203	24.025	24.823	25.913	
19	Water: Third party revenue – household	W9008HH	£m	3	Outturn (nominal)		0.000	0.000	0.000	0.000	0.000	
20	Water: Third party revenue – non-household	W9008NHH	£m	3	Outturn (nominal)		0.105	0.093	0.097	0.097	0.097	
21	Water: Revenue collected from household and non-household	BR589	£m	3	Outturn (nominal)		95.524	95.414	100.560	105.061	109.657	
22	Water: Grants and contributions	BC11274IN	£m	3	Outturn (nominal)		4.179	3.798	4.215	3.898	4.069	
23	Water: Revenue recovered	W9014	£m	3	Outturn (nominal)		99.703	99.212	104.775	108.959	113.726	
F	**Variance analysis of grants and contributions**											
24	Water: Capital contributions from connection charges and revenue from infrastructure charges (PR14 FD)	C_ES_000660_A001	£m	3	2012-13 prices		5.520	5.603	5.509	5.448	5.346	
25	Water: Grants and contributions	BC11274_CPY	£m	3	Outturn (nominal)		4.179	3.798	4.215	3.898	4.069	
26	Water: Grants and contributions variance	WS13028	£m	3	Outturn (nominal)		-1.675	-2.270	-1.975	-2.434	-2.327	
G	**Penalties**											
27	Main revenue adjustment as incurred – water	WS13023	£m	3	Outturn (nominal)				2.810	2.563	2.199	
28	Penalty adjustment as incurred – water	WS13024	£m	3	Outturn (nominal)				-0.039	-0.016	0.000	
29	WRFIM adjustment as incurred – water	WS13025	£m	3	Outturn (nominal)				2.772	2.547	2.199	
30	WRFIM Total reward / (penalty) at the end of AMP6 – water	WS13026	£m	3	Outturn (nominal)						2.513	
31	WRFIM Total reward / (penalty) at the end of AMP6 – water network plus	WS13027	£m	3	2017-18 FYA (CPIH deflated)						2.487	

Actual revenue is lower than allowed in each year of the AMP. For 15/16 and 16/17 this is principally due to non-household demand being significantly lower than assumed in our calculations. These variances were greater than 2%, and so we incurred penalty adjustments of £36k and £14k respectively (before adjustment for financing and interest).

The 17/18 variance is attributable to our decision to defer some of the impact of the 15/16 correction, to smooth the impact on customer bills. The variance also includes contributions received from developers being lower than assumed. The forecast variance in 18/19 further reflects our approach to smoothing the impact of adjustments. The 2019/20 forecast includes the anticipated effect of our decision to return the ODI impact of our 17/18 leakage performance to customers in 19/20 rather than wait until the following period. This adjustment is valued at £1.082m in 12/13 prices, inflated to £1.259m in outturn prices for application to 19/20 tariffs.

The overall forecast adjustment of £2.513m will be incorporated into our financial modelling and applied as an adjustment to revenue allowances evenly through 2020-25.

Retail Revenue

The Household Retail control is set as an allowed revenue per customer. The revenue correction mechanism adjusts for any difference between allowed and actual revenues on a per customer basis.

Bristol Water sets household tariffs so that the retail revenue allowance is taken as a fixed charge per customer, within the standing charge for measured or unmeasured water. Cross subsidy of social tariffs is included within the retail standing charges.

The Household Retail reconciliation model calculates the difference between the revenue expected at the start of each year and that reported at the end of each year through table 2F of the Annual Performance Report.

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Allowed Revenue £m	10.305	10.541	11.037	11.510	12.324	
Actual Revenue £m	10.579	10.614	10.488	11.592	12.324	
Variance	(0.274)	(0.073)	0.549	(0.082)	-	
Adjustment £m						0.304

Table 13 - Household Retail Revenue Reconciliation calculation

All figures outturn prices

We have entered within table R9 our assumed property numbers in 2018/19 tariffs and 2019/20 forecast property numbers in line with those used in our business plan.

The calculated adjustment takes into account differences between actual and forecast property numbers, and differences in revenue collected per customer from the allowance. The total net value of the adjustment is calculated at £0.304m. This will be applied as an adjustment to the residential retail control at PR19. This is below the materiality threshold of 2% and so no financing adjustment is required.

R9 - PR14 reconciliation of household retail revenue — **Bristol Water**

Line description		Item reference	Units	DPs	Price base	2015-16	2016-17	2017-18	2018-19	2019-20	2015-20
A	**Forecast customer numbers**										
1	Unmetered water-only customer	R9001	nr	0		245,697	226,342	208,302	191,497	175,847	
2	Unmetered wastewater-only customer	R9002	nr	0		0	0	0	0	0	
3	Unmetered water and wastewater customer	R9003	nr	0		0	0	0	0	0	
4	Metered water-only customer	R9004	nr	0		237,002	261,797	285,272	307,437	328,367	
5	Metered wastewater-only customer	R9005	nr	0		0	0	0	0	0	
6	Metered water and wastewater customer	R9006	nr	0		0	0	0	0	0	
B	**Reforecast customer numbers**										
7	Unmetered water-only customer	R9007	nr	0		249,833	244,054	231,471	221,334	191,956	
8	Unmetered wastewater-only customer	R9008	nr	0							
9	Unmetered water and wastewater customer	R9009	nr	0							
10	Metered water-only customer	R9010	nr	0		229,096	236,053	255,265	271,419	310,021	
11	Metered wastewater-only customer	R9011	nr	0							
12	Metered water and wastewater customer	R9012	nr	0							
C	**Actual customer numbers**										
13	Unmetered water-only customer	R9013	nr	0		256,822	249,852	239,792	221,786	191,956	
14	Unmetered wastewater-only customer	R9014	nr	0		0	0				
15	Unmetered water and wastewater customer	R9015	nr	0		0	0				
16	Metered water-only customer	R9016	nr	0		224,316	234,738	250,163	274,219	310,021	
17	Metered wastewater-only customer	R9017	nr	0		0	0				
18	Metered water and wastewater customer	R9018	nr	0		0	0				
D	**Actual revenue collected**										
19	Unmetered water-only customer	R3017RR	£m	3	Outturn (nominal)	4.765	4.641	4.590	4.416	3.972	
20	Unmetered wastewater-only customer	R3019RR	£m	3	Outturn (nominal)	0.000	0.000				
21	Unmetered water and wastewater customer	R3021RR	£m	3	Outturn (nominal)	0.000	0.000				
22	Metered water-only customer	R3018RR	£m	3	Outturn (nominal)	5.814	5.973	6	7	8	
23	Metered wastewater-only customer	R3020RR	£m	3	Outturn (nominal)	0.000	0.000				
24	Metered water and wastewater customer	R3022RR	£m	3	Outturn (nominal)	0.000	0.000				
E	**Revenue sacrifice**										
25	Unmetered water-only customer	R9025	£m	3	Outturn (nominal)	0.000	0.000	0.000	0.000	0.000	
26	Unmetered wastewater-only customer	R9026	£m	3	Outturn (nominal)						
27	Unmetered water and wastewater customer	R9027	£m	3	Outturn (nominal)						
28	Metered water-only customer	R9028	£m	3	Outturn (nominal)	0	0	0	0	0	
29	Metered wastewater-only customer	R9029	£m	3	Outturn (nominal)						
30	Metered water and wastewater customer	R9030	£m	3	Outturn (nominal)						
F	**Actual revenue collected (net)**										
31	Unmetered water-only customer	R9031	£m	3	Outturn (nominal)	4.765	4.641	4.590	4.416	3.972	
32	Unmetered wastewater-only customer	R9032	£m	3	Outturn (nominal)	0.000	0.000	0.000	0.000	0.000	
33	Unmetered water and wastewater customer	R9033	£m	3	Outturn (nominal)	0.000	0.000	0.000	0.000	0.000	
34	Metered water-only customer	R9034	£m	3	Outturn (nominal)	5.814	5.973	5.898	7.176	8.352	
35	Metered wastewater-only customer	R9035	£m	3	Outturn (nominal)	0.000	0.000	0.000	0.000	0.000	
36	Metered water and wastewater customer	R9036	£m	3	Outturn (nominal)	0.000	0.000	0.000	0.000	0.000	
G	**Modification factor**										
37	Unmetered water-only customer	C00739_A001	£	2		17.81	18.40	19.14	19.91	20.69	
38	Unmetered wastewater-only customer	C00740_A001	£	2		17.81	18.40	19.14	19.91	20.69	
39	Unmetered water and wastewater customer	C00741_A001	£	2		23.15	23.93	24.88	25.88	26.89	
40	Metered water-only customer	C00736_A001	£	2		25.56	25.63	25.88	26.17	26.94	
41	Metered wastewater-only customer	C00737_A001	£	2		17.81	18.40	19.14	19.91	20.69	
42	Metered water and wastewater customer	C00738_A001	£	2		23.15	23.93	24.88	25.88	26.89	
H	**Materiality threshold for financing adjustment**										
43	Materiality threshold	R9043	%	2							2.00%
44	Discount Rate	R9044	%	2							3.67%
I	**Total reward / (penalty) at the end of AMP6**										
45	Residential retail revenue adjustment at the end of AMP6	R9045	£m	3	Outturn (nominal)					0.304	
46	Residential retail revenue adjustment at 2017-18 FYA CPIH deflated price base	R9046	£m	3	2017-18 FYA (CPIH deflated)					0.290	

9.2. Summary of Revenue Adjustments

The outputs of the models described above have been input to the Revenue Adjustment Feeder Model. This model also takes an input from the 2014/15 blind year adjustment determination, as published by Ofwat in February 2016, to correct the equivalent adjustments applied at PR14 for the final year of known data. Each of these inputs is then indexed to 2017/18 CPIH prices for use within the PR19 financial model.

The input and output adjustments of this model are summarised as follows:

Item	Input £m	Output £m (17/18 CPIH)
Final 2010-15 reconciliation - PR09 Legacy blind year adjustments - Water network plus	(0.223)	(0.257)
ODI - Water network plus	(8.212)	(9.477)
Totex - Water network plus	(1.960)	(2.262)
Water trading - Water network plus	-	-
WRFIM - Water network plus	2.513	2.487
Total – Water network plus	**(7.882)**	**(9.510)**
Residential Retail Revenue	0.304*	0.290
Total	**(7.578)**	**(9.220)**

Table 14 - Total Revenue Adjustments

*in 19/20 prices

Each input line is described as follows:

Final 2010-15 reconciliation – PR09 legacy blind year adjustment:

The value of £0.223m is taken from Table A13 of the 2010-15 final reconciliation published by Ofwat, Bristol Water company specific appendix page 22.

Application of adjustments:

We propose that this revenue adjustment is applied evenly each year from 2020/21 – 2024/25 as set out in Table 15 below.

Adjustment	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Water network plus	(1.902)	(1.902)	(1.902)	(1.902)	(1.902)	(9.510)
Residential Retail	0.058	0.058	0.058	0.058	0.058	0.290
Total	(1.844)	(1.844)	(1.844)	(1.844)	(1.844)	(9.220)

Table 15 - profiling of revenue adjustments

9.3. Summary of RCV Adjustments

The outputs of the Totex model and the ODI calculation are inputs to the RCV adjustments feeder model. This model also takes inputs from the PR14 blind year adjustment determination, to take account of actual capital expenditure in 2014/15 and adjustment required to the indexation of the RCV. This model also includes the NPV effect of 50% of proceeds from disposals of interest in land as this is shared with customers, which is reported in the APR and as a forecast in the PR19 business plan.

This model takes into account the allocation of RCV between water resources and network plus as we proposed to Ofwat on 31st January, the subsequent feedback published by Ofwat suggests no amendment is needed to our approach to this allocation, but our calculation has been updated to include 2017/18 expenditure and net MEAV data, which reduces the allocation to Water Resources from 22.2% as proposed in January to 22.07%. In line with the methodology, the RCV allocations are applied to the RCV figure post-midnight adjustments.

Inputs are made to this model in 12/13 prices and indexed to 17/18 CPIH prices for use in the PR19 financial model.
The inputs to this model are summarised in Table 16 as follows:

Item	Input
Wholesale water closing RCV at 31 March 2020 (from PR14 FD)	468.988
Water ~ Total Adjustment RCV carry forward to PR19	2.596
Water ~ CIS RCV inflation correction as at 31 March 2015	(6.856)
Net performance payment / (penalty) applied to RCV for end of period ODI adjustments ~ Water resources	-
Net performance payment / (penalty) applied to RCV for end of period ODI adjustments ~ Water network plus	(0.685)
Water: RCV adjustment from totex menu model	(5.224)
Water ~ Other adjustment to wholesale RCV	-
Water ~ NPV effect of 50% of proceeds from disposals of interest in land	(1.978)

Table 16 - inputs to RCV adjustments feeder model

Wholesale water closing RCV at 31 March 2020 (from PR14 FD)

This is the expected value of the RCV at the end of the period, as set at the previous price determination. For Bristol Water this value is taken from the CMA Redetermination.

Water ~ Total Adjustment RCV carry forward to PR19

This is the value of the adjustment calculated from the 2014/15 blind year adjustment, taking into account the impact of updated expenditure figures on RCV. This is set out in table A13 of the 2010-15 final reconciliation Bristol Water company specific appendix.

Water ~ CIS RCV inflation correction

This is a correction to the adjustment applied to the RCV at PR14 in respect of the Capital Incentive Scheme (CIS) mechanism included within the PR09 determination. The adjustment reflects a change to the approach to indexation applied in the calculation. The value is set out in table A9 of the 2010-15 final reconciliation Bristol Water company specific appendix.

Net performance payment / (penalty) applied to RCV for end of period ODI adjustments ~ Water resources

This is the adjustment to the RCV to be applied in respect of ODI performance in 2015-20. We have two ODIs for which RCV penalties may be incurred – Asset Reliability (infrastructure) and Asset Reliability (non-infrastructure). These ODIs are allocated to the Water network plus control, and therefore the input to this line is zero.

Net performance payment / (penalty) applied to RCV for end of period ODI adjustments ~ Water network plus

This is the adjustment to the RCV to be applied in respect of ODI performance in 2015-20. We have two ODIs for which RCV penalties may be incurred – Asset Reliability (infrastructure) and Asset Reliability (non-infrastructure). Our performance for Asset Reliability (infrastructure) for 2017/18 was assessed as marginal (as explained further in our table 3a commentary of our Annual Performance Report), which under our methodology means that a second marginal assessment will be applied for 2018/19 unless performance deteriorates further, as it is not possible to improve from a "marginal" assessment on only one year's data. This therefore means that we forecast an RCV penalty of £0.685m to be incurred in respect of 2018/19 (the 2017/18 performance falls within a deadband where no penalty is payable). This penalty is allocated to the water network plus control.

Water: RCV adjustment from totex menu model

This is the value calculated from the totex reconciliation model described above, which calculates the adjustments to revenue and RCV that should be made in respect of actual expenditure against allowances.

Water ~ Other adjustment to wholesale RCV

This line allows for any other necessary adjustments to RCV to be input. We have not identified any such requirement and so this line is zero.

Water ~ NPV effect of 50% of proceeds from disposals of interest in land

This line provides for the proceeds of any sales of company land or property to be shared with customers, through a deduction to the RCV. Our inputs to this line are set out in business plan table App9. The most significant land sale is our Bedminster Depot, which is currently advertised for sale. Our forecasts assume that this transaction is completed within 2018/19. It should be noted that the sale is not yet agreed and so this forecast is subject to change.

IFRS16 adjustments

The model allows for inputs for Water Resources IFRS16 RCV adjustment and Water Network plus IFRS16 RCV adjustment, which will be aligned to the inputs to business plan table App33. IFRS 16 relates to financial leases. Our entries to these lines are currently nil, because at present we have not identified any leases which will apply in the 2020-25 period. However, our analysis of this new reporting standard is ongoing, in the event that we identify any leases which may be apply this will be updated in the submission of our final business plan tables. This is consistent with Ofwat's expectations as set out in response to query 625, published on 6th July 2018.

The key outputs from the RCV model to table App8 are set out in Table 17 as follows:

Line	Description	Price Base	Value
4	Wholesale water closing RCV at 31 March 2020 in 2012-13 prices (from PR14 FD)	2012-13 FYA (RPI)	468.989
5	Wholesale water closing RCV at 31 March 2020 in 2017-18 year end prices before midnight adjustments	2017-18 FYE (CPIH deflated)	545.803
6	Water ~ Total Adjustment RCV carry forward to PR19 at 2017-18 FYE CPIH deflated price base	2017-18 FYE (CPIH deflated)	3.021
7	Water ~ CIS RCV inflation correction at 2017-18 FYE CPIH deflated price base	2017-18 FYE (CPIH deflated)	-7.979
8	Water ~ NPV effect of 50% of proceeds from disposals of interest in land at 2017-18 FYE CPIH deflated price base	2017-18 FYE (CPIH deflated)	-2.049
9	Water ~ ODI RCV adjustment allocated to Water resources at 2017-18 FYE CPIH deflated price base	2017-18 FYE (CPIH deflated)	0.000
10	Water ~ ODI RCV adjustment allocated to Water network plus at 2017-18 FYE CPIH deflated price base	2017-18 FYE (CPIH deflated)	-0.797
11	Water ~ Totex menu RCV adjustment at 2017-18 FYE CPIH deflated price base	2017-18 FYE (CPIH deflated)	-6.080
12	Water ~ Other adjustment to wholesale RCV	2017-18 FYE (CPIH deflated)	0.000
13	Total wholesale water RCV at 31 March 2020 post midnight adjustments before allocation to price control units in 2017-18 FYE prices	2017-18 FYE (CPIH deflated)	531.919
14	Total wholesale water RCV at 31 March 2020 post midnight adjustments before allocation to price control units in 2017-18 FYA prices	2017-18 FYA (CPIH deflated)	527.448

Table 17 - Outputs of RCV adjustments feeder model to App8

The closing RCV post-midnight adjustments is then allocated between the Water Resources and Water Network Plus price controls using the allocations set out in table WS12, of 22.07% to Water Resources and 77.93% to Water Network plus is as set out in Table 18 below:

	Allocation	RCV £m (17/18 FYA)
Water Resources	22.07%	116.570
Water Network Plus	77.93%	410.878
Total	100%	527.448

Table 18 - allocation of 31 March 2020 Closing RCV to price controls

App8 - Appointee financing — **Bristol Water**

Line description	Item reference	Units	DPs	Price base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25
A Financial											
1 Net debt	A2001	£m	3	2017-18 FYE (CPIH deflated)	350.682						
2 Equity dividends paid	A2002	£m	3	2017-18 FYA (CPIH deflated)		-5.665	-5.739	-5.813	-5.889	-5.966	-29.072
3 Cash inflow from equity financing	A2003	£m	3	2017-18 FYA (CPIH deflated)		0.000	0.000	0.000	0.000	0.000	0.000
B RCV year end balances											
Water RCV closing balance at 31 March 2020											
4 Wholesale water closing RCV at 31 March 2020 in 2012-13 prices (from PR14 FD)	APP8001W	£m	3	2012-13 FYA (RPI)	468.989						
5 Wholesale water closing RCV at 31 March 2020 in 2017-18 year end prices before midnight adjustments	APP8002W	£m	3	2017-18 FYE (CPIH deflated)	545.803						
6 Water ~ Total Adjustment RCV carry forward to PR19 at 2017-18 FYE CPIH deflated price base	APP8003W	£m	3	2017-18 FYE (CPIH deflated)	3.021						
7 Water ~ CIS RCV inflation correction at 2017-18 FYE CPIH deflated price base	APP8004W	£m	3	2017-18 FYE (CPIH deflated)	-7.979						
8 Water ~ NPV effect of 50% of proceeds from disposals of interest in land at 2017-18 FYE CPIH deflated price base	APP8005W	£m	3	2017-18 FYE (CPIH deflated)	-2.049						
9 Water ~ ODI RCV adjustment allocated to Water resources at 2017-18 FYE CPIH deflated price base	APP8006W	£m	3	2017-18 FYE (CPIH deflated)	0.000						
10 Water ~ ODI RCV adjustment allocated to Water network plus at 2017-18 FYE CPIH deflated price base	APP8007W	£m	3	2017-18 FYE (CPIH deflated)	-0.797						
11 Water ~ Totex menu RCV adjustment at 2017-18 FYE CPIH deflated price base	APP8008W	£m	3	2017-18 FYE (CPIH deflated)	-6.080						
12 Water ~ Other adjustment to wholesale RCV	APP8009W	£m	3	2017-18 FYE (CPIH deflated)	0.000						
13 Total wholesale water RCV at 31 March 2020 post midnight adjustments before allocation to price control units in 2017-18 FYE prices	APP8010W	£m	3	2017-18 FYE (CPIH deflated)	531.919						
14 Total wholesale water RCV at 31 March 2020 post midnight adjustments before allocation to price control units in 2017-18 FYA prices	APP8011W	£m	3	2017-18 FYA (CPIH deflated)	527.448						
Water resources RCV balances											
15 Water resources % of total wholesale water RCV ~ 31 March 2020	WS12019WR_CPY	%	2	-	22.07%						
16 Water resources RCV ~ 1 April 2020	APP8012WR	£m	3	2017-18 FYA (CPIH deflated)	116.570						
17 Water resources IFRS16 RCV adjustment	APP8022WR	£m	3	2017-18 FYA (CPIH deflated)	0.000						
18 RPI:CPIH indexation split of opening RCV 1 April 2020	APP8013WR	%	1	-		50.0%					
19 Water resources 2020 RCV RPI inflated ~ 1 April (opening balance)	APP8014WR	£m	3	2017-18 FYA (CPIH deflated)		58.285	57.111	55.950	54.802	53.666	
20 Run off on RPI inflated 2020 RCV ~ wholesale water resources	A19011WR_RPI_CPY	£m	3	2017-18 FYA (CPIH deflated)		1.174	1.161	1.148	1.136	1.124	
21 Water resources 2020 RCV RPI inflated ~ 31 March (closing balance)	APP8015WR	£m	3	2017-18 FYA (CPIH deflated)		57.111	55.950	54.802	53.666	52.542	
22 Water resources 2020 RCV CPIH inflated ~ 1 April (opening balance)	APP8016WR	£m	3	2017-18 FYA (CPIH deflated)		58.285	57.118	55.974	54.853	53.755	
23 Run off on CPIH inflated 2020 RCV ~ wholesale water resources	A19011WR_CPIH_CPY	£m	3	2017-18 FYA (CPIH deflated)		1.167	1.144	1.121	1.098	1.076	
24 Water resources 2020 RCV CPIH inflated ~ 31 March (closing balance)	APP8017WR	£m	3	2017-18 FYA (CPIH deflated)		57.118	55.974	54.853	53.755	52.679	
25 Water resources post 2020 investment CPIH inflated ~ 1 April (opening balance)	APP8018WR	£m	3	2017-18 FYA (CPIH deflated)		0.000	3.027	5.642	11.364	13.432	
26 Water resources post 2020 totex additions CPIH inflated	APP8019WR	£m	3	2017-18 FYA (CPIH deflated)		3.121	2.886	6.251	2.840	2.824	
27 Run off on post 2020 investment ~ wholesale water resources	A19039WR_CPY	£m	3	2017-18 FYA (CPIH deflated)		0.094	0.270	0.529	0.772	0.896	
28 Water resources post 2020 investment CPIH inflated ~ 31 March (closing balance)	APP8020WR	£m	3	2017-18 FYA (CPIH deflated)		3.027	5.642	11.364	13.432	15.361	
Water network plus RCV											
29 Water network plus % of total wholesale water RCV ~ 31 March 2020	WS12019WN_CPY	%	2	-	77.93%						
30 Water network plus RCV ~ 1 April 2020	APP8012WN	£m	3	2017-18 FYA (CPIH deflated)	410.878						
31 Water network plus IFRS16 RCV adjustment	APP8022WN	£m	3	2017-18 FYA (CPIH deflated)	0.000						
32 RPI:CPIH indexation split of opening RCV 1 April 2020	APP8013WN	%	1	-		50.0%					
33 Water network plus RCV RPI inflated ~ 1 April (opening balance)	APP8014WN	£m	3	2017-18 FYA (CPIH deflated)		205.439	194.273	183.616	173.439	163.718	
34 Run off on RPI inflated 2020 RCV ~ wholesale water network plus	A19011WN_RPI_CPY	£m	3	2017-18 FYA (CPIH deflated)		11.166	10.657	10.177	9.721	9.288	
35 Water network plus RCV RPI inflated ~ 31 March (closing balance)	APP8015WN	£m	3	2017-18 FYA (CPIH deflated)		194.273	183.616	173.439	163.718	154.430	
36 Water network plus RCV CPIH inflated ~ 1 April (opening balance)	APP8016WN	£m	3	2017-18 FYA (CPIH deflated)		205.439	194.503	184.150	174.348	165.067	
37 Run off on CPIH inflated 2020 RCV ~ wholesale water network plus	A19011WN_CPIH_CPY	£m	3	2017-18 FYA (CPIH deflated)		10.936	10.353	9.802	9.281	8.787	
38 Water network plus RCV CPIH inflated ~ 31 March (closing balance)	APP8017WN	£m	3	2017-18 FYA (CPIH deflated)		194.503	184.150	174.348	165.067	156.280	
39 Water network plus post 2020 investment CPIH inflated ~ 1 April (opening balance)	APP8018WN	£m	3	2017-18 FYA (CPIH deflated)		0.000	20.393	39.411	54.871	72.777	
40 Water network plus post 2020 totex additions CPIH inflated	APP8019WN	£m	3	2017-18 FYA (CPIH deflated)		20.950	20.653	18.038	21.396	22.368	
41 Run off on post 2020 totex additions ~ wholesale water network plus	A19039WN_CPY	£m	3	2017-18 FYA (CPIH deflated)		0.557	1.635	2.578	3.490	4.469	
42 Water network plus post 2020 investment CPIH inflated ~ 31 March (closing balance)	APP8020WN	£m	3	2017-18 FYA (CPIH deflated)		20.393	39.411	54.871	72.777	90.677	

10. Return on Regulated Equity during AMP6

To be a sustainable business, it is important that returns are fair and sufficient to attract investors to fund the investment required. Ofwat measure our financial performance using a metric called return on regulated equity ("RORE"). This ratio provides a measure of the value of companies' earnings relative to the equity component of the regulatory capital base. In 2017/18, cumulative RORE over 2015-18 was 5.5% an improvement from 2016/17's comparable RORE of 4.6%, but lower than the 5.8% assumed in our Final Determination. The improvement relates to outperformance on costs and interest rates against our allowance, offset by outcome delivery incentive penalties.

Taking into account the forecast impact of further ODI penalties as explained above, and the forecast difference between actual and allowed interest on notional debt, we forecast that our RORE performance for the whole of AMP6 will be 5.47%.

The components of our RORE performance in AMP6 are:

Component	15/16	16/17	17/18	18/19	19/20	Average
Share of totex outperformance	0	0	3.583			
Share of retail out or underperformance	-0.393	0.063	0.733			
Impact on RCV run off of out or under performance on totex	0	0	0			
Impact of ODI or SIM penalties	-1.141	-0.152	-2.257	-2.407	-2.255	
Difference between actual and allowed interest on notional debt	-2.241	-1.087	1.536	1.936	1.346	
Tax impact @19%	0.755	0.235	-0.683	-0.089	-0.173	
Regulated Equity	-3.020	-0.941	2.912	-0.560	-1.082	
Total adjustments	162.338	170.80	183.12	195.36	207.28	183.78
Adjustments as % Regulated Equity	-1.86%	-0.55%	1.59%	-0.29%	-0.52%	-0.33%
RORE (PR14 assumption of 5.8% less adjustments)	**3.94%**	**5.25%**	**7.39%**	**5.51%**	**5.28%**	**5.47%**

Table 19 – RORE during AMP6

11. Other Key Performance Measures set out in our PR14 Plan

In our PR14 Business Plan we proposed performance commitments for several measures that were not directly customer facing, but remain important to our stakeholders. Following Ofwat's feedback during the PR14 process we subsequently converted these to Key Performance Indicator (KPIs). These KPIs identified targets to 2020 but did not identify targets on an annual basis. We provide commentary against each of these KPIs within our Annual Report.

11.1. Financial

Credit rating (2019/20 target to achieve Baa1)

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual
Actual Performance (Moody's rating)	Baa1	Baa1	Baa1
KPI met (compared to 2020 target)?	Yes	Yes	Yes

We use effective financial management and open communication to maintain investor confidence we can secure funds to invest in the business and deliver our long-term strategy. We have maintained better than the minimum investment grade rating required under our licence. Our rating with Moody's is Baa1.

Return on capital (reported as Return on Regulated Equity) (2019/20 target to achieve 5.8%)

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual
Cumulative 2015-20 Actual Performance	4.1%	4.59%	5.53%
KPI met (compared to 2020 target)?	No	No	No

This information is explained in the section on our 'Return on Regulated Equity during AMP6.

We forecast that our RORE performance for the whole of AMP6 will be 5.47%, as set out in Table 19 above.

Stakeholder satisfaction survey (2019/20 target to achieve 70%)

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual
Forecast Performance	55%	54%	72%
KPI met (compared to 2020 target)?	No	No	Yes

In order to obtain the views of other stakeholders we annually survey a randomly selected group of people including MPs, other utility companies, businesses and a range of partner organisations including local and regional government. We conduct this in two parts: telephone interviews with local businesses and in-depth interviews with a sample of key stakeholders, who are asked their views on how well we perform in a number of key areas. We use an external agency Future Focus Research to conduct the interviews to provide impartiality. In 2017 we conducted the business survey using an online methodology taken from our non-domestic customer base. However as we no longer have direct access to this sampling frame the methodology in 2018 was changed to be a telephone survey of a random sample of local businesses. This meant that part of the survey was more local than it might previously have been. In addition we decided not to conduct in-depth interviews with any of the Regulators as part of the survey in 2018, so again this element of the survey was more local. In 2018 we conducted 250 business interviews and 39 stakeholder interviews. When asked about the service received, 86% rated it as excellent, very good or good (86% in 2016/17). There was an increase of 6% to 60% of respondents who thought the service we provide is value for money (54% in 2016/17).

We also asked stakeholders' views on our reputation with 72% citing a positive response, up from 54% in 2016/17. 62% also rated us to be a very good or good corporate citizen an increase of 9% on 2016/17's survey. Stakeholders also expressed widespread satisfaction with the quality of the water provided, and the reliability of supply. They emphasised the importance of focusing on delivering this essential service as well as engaging with our customers through all elements of the Company. The in-depth interview respondents, selected because of their status as key stakeholders who had recent contact with us were mostly positive about their interactions with us over the last year. There was an overwhelming recognition that we deliver our core service of providing water extremely well. Our excellent communication and responsiveness was praised and we were seen as being both engaging and approachable. It was clear that they value the staff that they interact with, and have built up strong relationships.

A minority felt that we need to be more proactive in reaching out and would value more contact with us. We are seen as professional and reliable with a strong local presence. Most felt that we are proactive in looking after the environment and it was recognised that we take our corporate and social responsibilities very seriously, although some felt that we need to communicate more about the work that we are doing, and further commit to enhancing our community activities in the future. The challenges that lie ahead were noted, and even though it was recognised that the impact of some remain unknown, such as Brexit, population growth and climate change, they were still positive that we will overcome these challenges, further emphasising their confidence in us as a business.

11.2. Staff

Safe working practices – LTIFR / AFR (2019/20 target to achieve 0 accidents)

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual
Actual Performance	1	1	2
KPI met (compared to 2020 target)?	No	No	No

The health and safety of our employees, contractors and members of the public is of paramount importance. We continually invest in our people, ensuring that they have the right skills, knowledge and training to work safely ensuring their own safety and that of others around them. We work closely with our contract partners striving to ensure we all have the same aligned vision and are working to achieve the same health and safety goals. Whilst there is no way to totally eliminate hazards, Bristol Water is a safe place to work. Excellent health and safety is an integral part of Bristol Water's approach to corporate responsibility and we strive to ensure a healthy and safe working environment for our employees, those who work on our premises and those affected by our actions. Bristol Water's vision is that we are successful only when we achieve our goals without harm to people, which means applying a continuous improvement process across the whole company. Reduction in accident numbers continues to be the key area of focus to ensure that overall trends improve and best practice is implemented. In 2017/18, two accidents were reportable to the HSE; one was reportable as an over seven day injury and one as a dangerous occurrence. Overall accident numbers during 2017/18 broadly reflect the previous year's performance and with this in mind during 2017/18 we have seen the launch of a number of initiatives designed to further develop the positive safety culture already in place at Bristol Water. At the same time, we have increased our focus and internal communication in AMP6 on hazard reporting and hazard elimination to identify potential hazards before they become realised.

Training matrix compliance (2019/20 target to maximise our training compliance)

Our workforce must be skilled to deliver the outstanding customer service we expect and meet the new challenges we face as an industry. Talented people are the foundation of our success and we do all we can to care for our staff, to motivate them and develop their many and varied skills. This KPI has not historically been reported on as a percentage; the metric reflects our ambition to ensure that our staff are given the information and training they need in order to effectively perform in their respective roles.

Throughout resourcing, development and training, Bristol Water aims to have the "right people, in the right place, with the right experience, at the right time". The HR team are dedicated to developing a resource strategy that fits the needs of the business and secures our future, with a focus on time, cost and quality within the hire process. The team are also working hard to ensure that Bristol Water is seen as an 'employer of choice', continuing to develop our employer brand within the external marketplace. With a strong focus on the candidate experience, we are using new technology whilst improving working practices to ensure we deliver the needs of the business, now and in the future.

Our operating model has focused attention on multiskilling and developing our employees to take on new roles and has also provided an opportunity to attract new talent externally. We have produced a comprehensive learning and development strategy that will ensure all our people are trained to the required standards and have opportunities for personal development. Our appraisal process provides all employees with an opportunity to agree meaningful objectives for their work and review their performance and talk about development needs. We also use this process to identify and plan training and development needs that support people to competently deliver their role and develop new skills. This can include informal opportunities such as secondments, work shadowing and coaching, and also more formal activities such as further education and training.

Engagement score from the employee survey (previously known as the staff satisfaction survey in the PR14 business plan) (2019/20 target to achieve over 90%)

Year	2015/16 Actual	2016/17 Actual	2017/18 Actual
Actual Performance	Survey not completed	Survey not completed	57%
KPI met (compared to 2020 target)?	n/a	n/a	No

The Employee Engagement Survey conducted this year has given us valuable insights into how our employees are feeling and where we can make improvements. Processes have now been established to ensure it takes place between October to November every year and in 2017/18 we had a 91% participation rate.

Staff were asked five specific questions on engagement as part of the wider survey:

- I am proud to work for Bristol Water
- I would recommend Bristol Water as a great place to work
- I am motivated to do my best work
- Bristol Water inspires me to go the extra mile
- I see myself working at Bristol Water in 12 months' time, even if another job with similar pay and benefits was available

An average of 57% favourable responses were provided to these questions, which is reported as the employee engagement score for 2017/18.

The Company provides employees with information on matters of concern to them, consulting them or their union representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests.

12. How we will report on performance during AMP7

It is important that we continue to provide transparent reporting and look for new ways to engage with customers and stakeholders. We will:

- Continue to publish a mid-year performance report, which will provide an update on our performance but also include a comparison to other companies' performance.
- Receive independent challenge on our performance with the Bristol Water Challenge Panel, and publish their independent review on our website.
- Continue to participate in the Discover Water website.
- Continue to implement our community initiatives, which form a cornerstone of our approach for delivering a resource efficient water service.
- Via our reinvestment mechanism 'Bristol Water For All', make sure that there is an ongoing dialogue about how we are delivering our objectives and outcomes. This is linked to the two key areas of transparency needed about our plan – our position as top water company (and most trusted utility) in the UK Customer Service Index, and our stakeholder satisfaction with our community initiatives.
- We make a commitment where choices are faced during the period, we will engage and consult on a revised long-term ambition and updated plan. This may be important because of the cost risk where we require specific mitigation, and our proposal to cap the annual recovery of outcome incentives within customer bills. We will publish information on future bills as well as individual years, as we did this year within our Charges assurance statement.
- Periodically update the interactive customer graphic on our website to show our latest performance information. The 2017/18 reporting version, together with our "Trust Beyond Water" statement from our Board of the trade-offs faced, included a detailed description of financial funds flow as well as customer delivery, in a easy to access way. For instance, reporting on our metering performance included a link to information on how to apply for a meter. We will promote performance in this way with useful information about how we can work with customers to improve our delivery.

https://www.bristolwater.co.uk/performancefor2017-18/