



Thames Water

**AMP6 Outcomes Reporting
Policy**

March 2015

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AMP6 Outcomes Reporting Policy

1 Overview

1.1 Purpose of this document

Our PR14 Final Determination¹ confirmed the outcomes we will deliver for our customers in 2015-2020 to provide services that are safe and reliable, and bills that are affordable.

This document sets out our policy for reporting performance against the delivery of our AMP6 outcomes, and the assurance we will undertake on the information we report. This document fulfils our requirement to publish our AMP6 outcomes reporting policy document by 1 April 2015, which was set out in our PR14 Final Determination.

Our policy is in line with the approach set out in our PR14 Business Plan,² which was accepted by Ofwat in our PR14 Final Determination.

1.2 AMP6 outcomes, performance commitments and outcome delivery incentives

Figure 1 sets out the process we followed to develop our outcomes, performance commitments and outcome delivery incentives (ODIs), driven by customer views and regulatory requirements. There is a clear line of sight that can be drawn from the company outcomes through to the performance commitments in our plan.

The AMP6 regulatory framework introduced at PR14 includes outcomes, performance commitments and ODIs. The framework includes rewards for outperformance and penalties for underperformance. We have worked with our customers and stakeholders to develop our outcomes, performance commitments and ODIs for AMP6, and these are set out in our PR14 Final Determination.

The effective delivery of the outcomes, performance commitments and ODIs in AMP6 is a cornerstone of our plans for 2015-20. This will require effective governance, audit and assurance, independence and reporting of our performance to ensure our plans are delivered and performance is communicated to our customers and stakeholders.

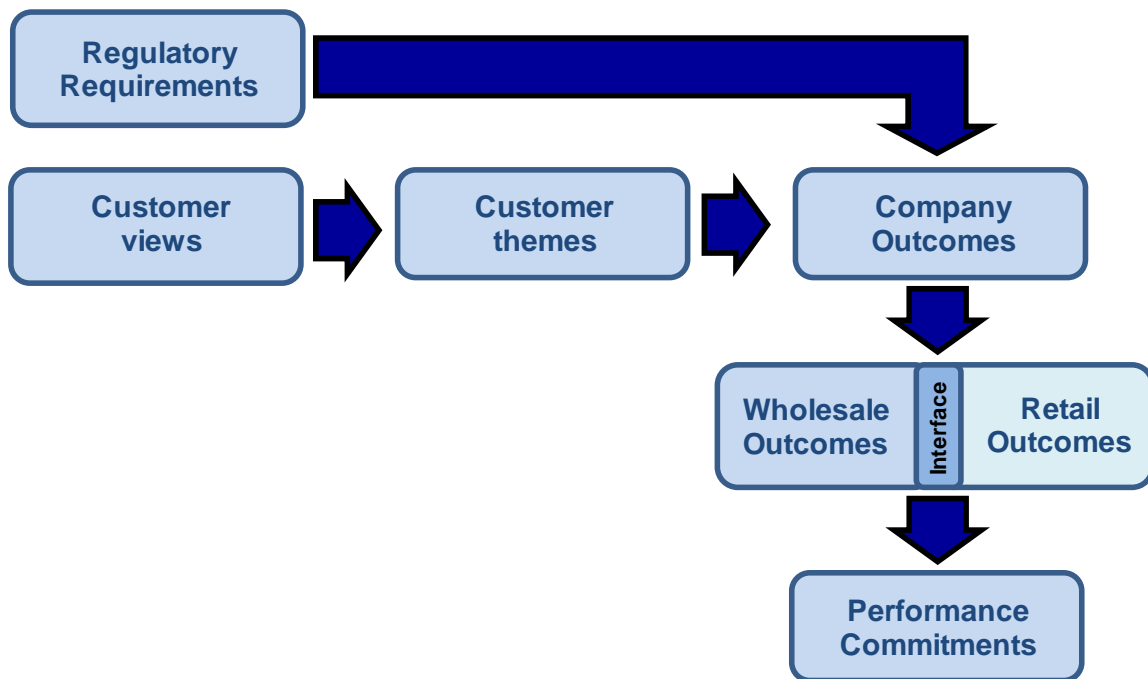
Our AMP6 outcomes reporting policy builds on our existing assurance and reporting framework in order to maintain continuity in our systematic approach to monitoring and reporting performance. This approach allows us to build on the trust and confidence our customers and stakeholders have gained from our existing annual performance reporting and our high quality

¹ PR14 Final price control determination notice: company-specific appendix – Thames Water, Ofwat, December 2014

² Thames Water Business Plan 2015-2020, June 2014

PR14 business plan. It also allows us to continue to improve this process to align to the requirements of our customers, stakeholders and regulators moving into the AMP6 period.

Figure 1 Development of outcomes and performance commitments



Source: Thames Water

1.3 AMP6 governance, audit and assurance, independence and reporting

The information we report will be used by our customers and other stakeholders to challenge our performance and hold us to account. For this to be effective, we recognise the need to report our performance in a clear and transparent way. Our overarching principles to achieve this are to provide information to customers and stakeholders that is customer-led, accessible, clear, accurate, transparent and timely.

Our governance and accountability process holds our Board accountable for reporting the delivery of our AMP6 plan. It provides a direct line of sight from the Board, through the Executive Team to the data originator.

Supporting this process is an audit and assurance framework designed to allow the systematic monitoring and evaluation of the various aspects of our performance to ensure that standards of quality are being met. This involves having appropriate governance arrangements, close



involvement by our Board in the assurance process, and the right level of independence in the process to provide third party review and challenge. This provides assurance to our Board, stakeholders and customers to give legitimacy and certainty of the level of performance and service that we are delivering.

The information that we publish on our performance will be assured to maintain and build a high level of trust and confidence from our customers and stakeholders. Our policy continues a risk based approach to assurance, using internal and external review to provide robust challenge and scrutiny of our performance.

Our risk based assurance will examine our end to end outcomes reporting process to identify the risks, strengths and weaknesses that may arise in providing the quality of information that customers and stakeholders trust. The review will examine the probability of these risks materialising, and also the potential impact that they may have. This will ensure that we focus on the areas which would have the highest impact, and allow us to take action to monitor and actively manage any risks.

Our AMP6 outcomes reporting policy is guided by a number of key principles, including:

- providing accurate, clear and transparent information to our customers and stakeholders at a frequency that is useful to them;
- independent challenge and review on our performance from our Customer Challenge Group; and
- continued development of risk-based and targeted assurance of our performance.

A summary of our approach to AMP6 outcomes reporting is contained within our PR14 Final Determination from Ofwat, Annex 4; Outcomes, performance commitments and ODIs.³ This states:

“In the June Submission, Thames Water provided information on the processes for Governance and Accountability, Audit and Assurance, and Transparency and Publication for reporting performance over the 2015-20 period.

For the Performance Commitments, the company will set out methodology statements which outline the processes and procedures for collecting data and calculating the metrics to ensure consistency in the approach to reporting performance. The data is reviewed monthly, quarterly and annually by the Board and Executive team.

For 2015-20, the company will build on the existing audit and assurance process in place for the 2010-15 period. In addition to the use of internal and external audit teams to assure the systems and processes from which performance data is collected and reported, the company will:

- *Appoint an independent assessor⁴ for the full price control period*

³ PR14 Final price control determination notice: company specific appendix – Thames Water, Table AA4.11, Thames Water’s outcome delivery and reporting, Ofwat, December 2014.

⁴ The ‘independent assessor’ is a third party assurance provider used to provide an independent audit of our performance



-
- *Set-up a customer group (following on from the CCG) to review and challenge the performance reporting and assurance process.*
 - *Obtain independent third party assurance on the methodology and technical issues, for PCs where a degree of judgement and discretion is involved in the calculation – for example through a peer review with relevant experts.*

The company will report performance through the existing regulatory publication process, comprising:

- *Annual Performance Report (incorporating the KPI dashboard)*
- *Annual Report and Financial Statements (which also includes the risk and compliance statement)*
- *Regulatory accounts*

The company proposes to commit to undertaking further customer engagement and research to understand the level of detail and frequency that customers would prefer to receive of the performance against outcomes.”

1.4 Ofwat company monitoring framework

On 12 February 2014, Ofwat published updated guidance on AMP6 performance reporting and assurance in its company monitoring framework.⁵ This contained details of the requirements for companies to publish an annual performance report, and set out the assurance framework under which companies will operate during AMP6.

Within this publication, Ofwat confirmed that our PR14 Business Plan proposals for monitoring, reporting and assurance of our outcomes to our customers are robust and in line with its requirements. Our policy is directly in line with the arrangements set out in our plan and we will continue to apply a risk based approach to ensure that our arrangements meet the expectations of our customers and stakeholders.

A key element of the company monitoring framework sets out the level of assurance Ofwat will require in addition to companies' own assurance proposals. Ofwat has carried out an assessment to place companies into three categories:

- self-assurance, where no further assurance will be prescribed by Ofwat;
- targeted assurance, where Ofwat will prescribe further assurance in addition to companies plans, in areas of perceived risk;
- prescribed assurance, where Ofwat will prescribe assurance requirements in order to ensure companies provide performance information which customers can rely on.

In line with the substantial majority of companies, Ofwat assessed Thames Water as requiring targeted assurance.

⁵ IN 15/01 Future company performance reporting and assurance, Ofwat, 12 February 2015.



The company monitoring framework contained further consultation on the final plans for AMP6 assurance and reporting, with responses due by April 2015, and findings to be published in May 2015. We will review Ofwat's final plans for implementation of the company monitoring framework to ensure that our plans for assurance meet the requirements, updating our policy if necessary.

2 Governance and accountability

2.1 Governance and accountability principles

This section sets out our policy on governance and accountability for reporting the delivery of our outcomes and performance commitments. Our policy is to adopt a best practice approach in line with the principles we set out in our PR14 Business Plan with regards to performance reporting, monitoring and assurance.

2.2 Governance and accountability structure

In our PR14 Business Plan we set out our plans to structure our business to best fit the delivery of our AMP6 plan. This will see us move towards four main business units responsible for delivering our water and wastewater services within a wholesale and retail environment, giving us clear accountability for the delivery of our plan. We will maintain a Central Services business unit responsible for shared services across the wider organisation.

Figure 2 Organisation structure

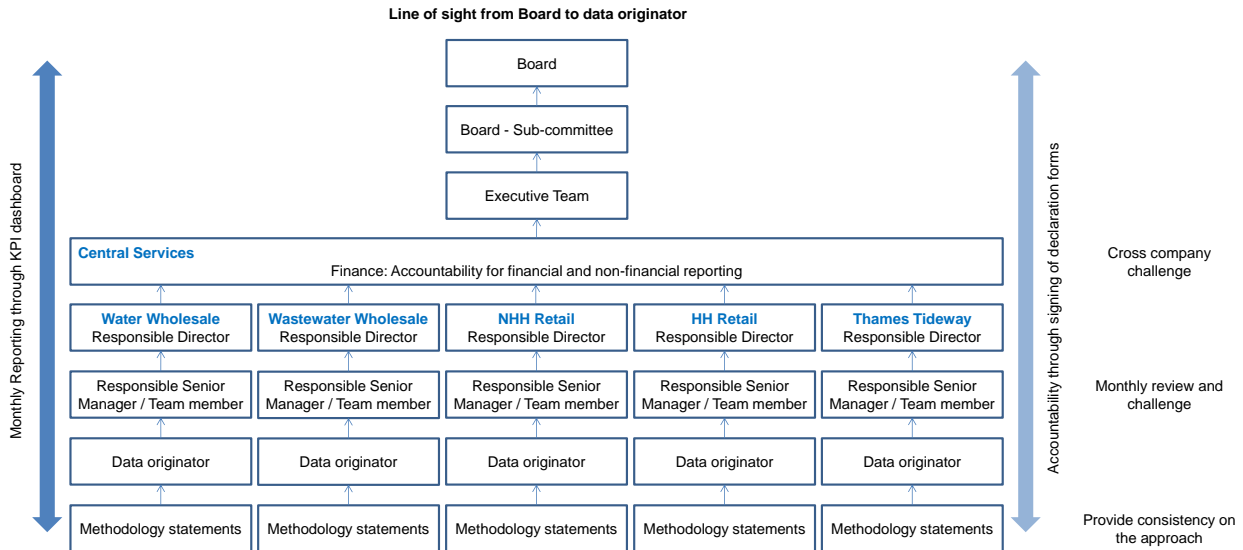


Source: Thames Water

Our Board is at the centre of the governance and accountability process that underpins our AMP6 outcomes reporting policy. The governance structure provides a direct line of sight from the Board, through the Executive Team to the data originator, as shown in Figure 3.



Figure 3 Governance structure with clear line of site from Board to data originator



Source: Thames Water

Our Board and Executive Team are provided with performance reports on a monthly basis. This information is used by the business to manage the delivery of the outcomes, performance commitments and ODIs, where necessary through management interventions.

In order to provide robust information into our monthly review, we have developed methodology statements which outline the processes and procedures for collecting data and reporting our performance commitments. These statements support the delivery of a consistent approach over time in the data used for our AMP6 outcomes reporting.

For each of our business units, there is a monthly review of performance data using standard performance dashboards. On a quarterly basis we will review current performance against previous years' performance to identify trends and outliers and to ensure accurate forecasting of performance.

The process for reporting performance against all the financial and non-financial outcomes across the business is set out by the Central Services business unit. This process, led by the central Finance team and supported by the Strategy and Regulation team, provides a cross-business challenge to our performance through monthly performance meetings, including a review of performance relative to the Final Determination.

At the end of each year, we will report on our financial and outcomes performance. The year-end process requires the performance data to be signed off by the Board. As part of our assurance process and, in line with Figure 3, formal sign-offs are documented at each level of the hierarchy.

Where new data needs to be captured to monitor our outcomes, performance commitments and ODIs in AMP6, we have developed specific methodology statements, which are covered in our PR14 Business Plan.



We will continue to review our governance and accountability arrangements to ensure that we remain compliant with future changes to the UK Corporate Governance Code. Our code has been reviewed by Ofwat to ensure it is in line with their latest guidance. In particular, our code reflects our performance reporting principles and governance arrangements to make sure that it delivers:

- transparency in our reporting so as to meet or exceed the standards set out in the Disclosure and Transparency Rules; and
- appropriate challenge by our Boards by making sure they have the appropriate balance of skills, experience, independence, and knowledge of the company.



3 Audit and assurance

3.1 Our assurance process and principles

This section sets out our policy on audit and assurance for reporting the delivery of our outcomes and performance commitments. It outlines our approach, which is based on a set of assurance principles that provide ‘three lines of defence’ (see Table 1), including the key role of independence, which together provide assurance that the performance we report is accurate, timely and clear. Our policy is in line with the principles we set out in our PR14 Business Plan.

3.2 Our AMP6 assurance approach

Our assurance process for reporting performance in AMP6 provides for systematic monitoring and evaluation of the various aspects of our performance to ensure that standards of quality are being met. Our approach to assurance consists of the following three lines of defence, which provide an effective framework to give sufficient, continuous and reliable assurance on our outcomes reporting, and enable us to effectively manage any key risks:

- Business operations-risk and control – Methodology statements for PCs and Data checks
- Oversight function – Internal audit and review
- Independent assurance – External assurance, and review and challenge by the CCG and our Board

Our assurance approach enables us to continue to build trust and confidence with our customers and stakeholders. Table 1 provides a summary of our audit and assurance arrangements for outcomes reporting.



Table 1 Summary of audit and assurance for outcomes reporting

Line of defence	Activity Type	Activities	Key parties
Business operations - risk and control	Methodology statements for PCs	Common approach to reporting PCs across the business Working with key stakeholders to develop new methods for assurance of new PCs	Responsible Business Unit and responsible Director External peer review / CCG
Business operations - risk and control	Data checks	Monthly internal review processes using standard performance dashboards and comparison with historical performance Reviewing systems and processes used to collect data for performance reporting	Responsible Business Unit and responsible Director Central Services – Finance
Oversight function	Internal audit and review	Assurance of data and continued development of risk-based and targeted assurance of our performance Review of systems and processes by internal audit team, including follow-up reviews to check implementation of recommendations	Internal audit Independent Assessor Central Services - Finance
Independent Assurance	External assurance/ Board review and challenge	External audit and assurance by independent third party covering technical and financial aspects of our outcome reporting Performance report reviewed at regular Board meetings & cross-company challenge Regular reporting and meetings with our CCG and other stakeholders	Our Board and Board sub-committees Independent Assessor Audit CCG CC Water / EA / DWI / DEFRA & other stakeholders

Source: Thames Water

The activities set out in Table 1 allow us to align to Ofwat’s company monitoring framework, where there are three levels of assurance requirements, depending on a company’s performance. In order to provide our customers and stakeholders with a high level of confidence in our approach to assurance we will publish an annual assurance plan, which will set our plans for assurance of our outcomes, performance commitments and ODIs in line with our risk based approach.

As part of this risk based approach, we will carry out an assessment of our risks, strengths and weaknesses in order to target our assurance most effectively. This approach will allow us to address any specific areas with the appropriate level of internal and external scrutiny to mitigate any risks, or highlight areas of best practice. We will engage with our key stakeholders on our plans for assurance to ensure that our view of risks, strengths and weaknesses is appropriate and that our plans for assurance are robust and meet their expectations.



3.3 Independence – principles and approach to audit and assurance

A key principle within our policy is that our reported performance will be subject to independent assurance by a suitably qualified third party in addition to our own internal audit processes. This is embedded as part of our audit and assurance process, whereby independent external auditors (both financial and technical) review our information and provide assurance reports to our Board.

Our assurance process will use third parties to ensure that our approach to risk, our assurance processes and our performance reporting is robust and that, where issues or risks have been identified, they have been adequately addressed by management action.

We will also use an independent third party (“the Independent Assessor”) to conduct an annual review programme and audit of outcomes, performance commitments and ODIs, to provide assurance that we have accurately reflected our performance within our annual reporting. The scope of work for our internal and external assurance teams covers:

- an audit of our reported performance against each of our performance commitments for the previous year;
- an audit on the quality of our underlying data used to calculate our commitments;
- an audit of our overall assessment of our performance; and
- a report to our Board on the findings of the audit.

As stated in our PR14 Business Plan, we will appoint the Independent Assessor for the full AMP6 period to provide continuity and retain knowledge about how we monitor and report our performance. In addition, we will introduce independent peer reviews, using relevant technical experts, of our approach and methodologies associated with certain technical aspects of our performance commitments in AMP6, where industry technical specialism is required or where judgement or discretion is involved.

During AMP6 an independent review of our performance will take place through the use of the Customer Challenge Group (CCG), who provide additional challenge on our performance on a quarterly basis by:



-
- providing an informed review of our performance from a customer's perspective;
 - challenging our proposed response to issues raised by the performance, and ensuring we have engaged appropriately with our customers;
 - understanding our current and future plans and the potential impact on performance targets;
 - having access to third party assurance providers; and
 - engaging with us on a periodic basis to understand how performance is developing over the course of each year of AMP6.

In addition, we will engage with other stakeholders so that they can provide their own independent view on our performance (for example, CCWater on our customer experience performance).

In line with our Corporate Governance Code, our Board composition has sufficient independent representation to meet Ofwat's principles on Board leadership, transparency and governance.



4 Reporting and transparency

4.1 Principles in AMP6

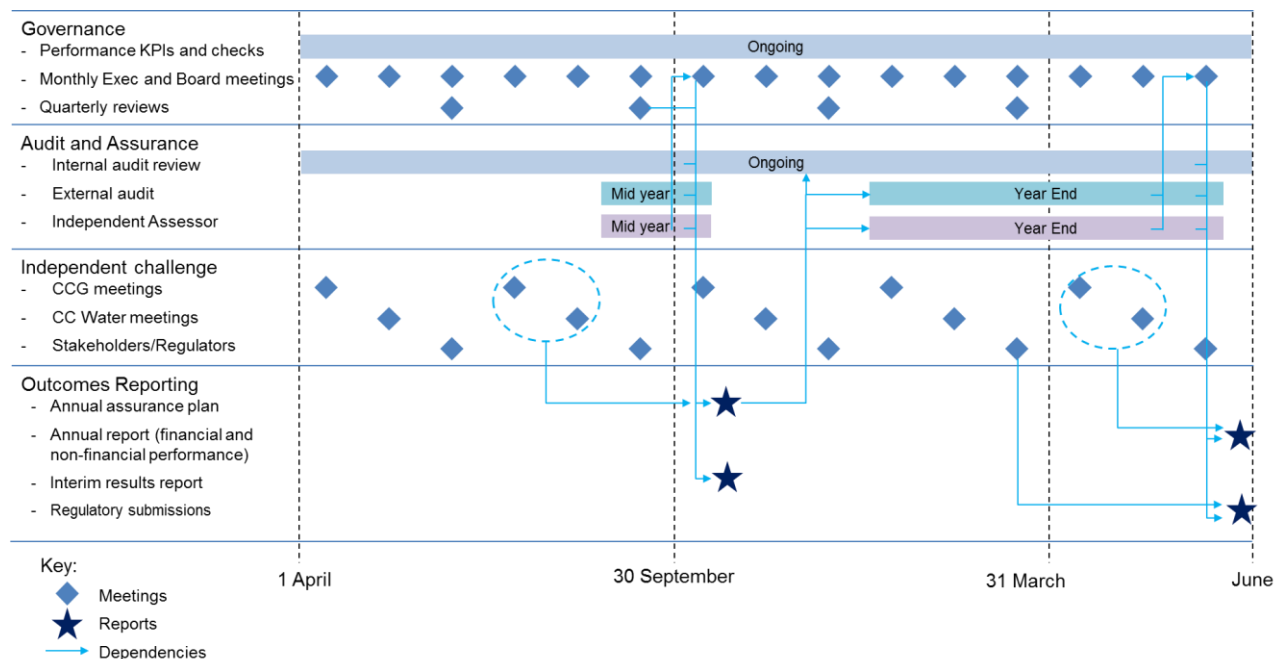
We recognise the importance of reporting our performance to our stakeholders and to our customers in a clear and transparent way. To build trust and confidence in our performance, we want to enable customers to understand how we are performing relative to the outcomes, performance commitments and ODIs that we have committed to deliver. As set out in Section 1.3, our overarching principle to achieve this is: to provide information to customer and stakeholders that is customer-led, accessible, clear, accurate, transparent and timely.

4.2 AMP6 outcomes reporting

Our policy is to publish information that allows our customers and stakeholders to understand how we are performing relative to the outcomes, performance commitments and ODIs that we have agreed to deliver.

Figure 4 shows an outline of how our governance, audit and assurance, independence and outcomes reporting framework is linked to the reporting of our outcomes, performance commitments and ODIs. It highlights the alignment of the key elements of our process to enable effective reporting of our AMP6 outcomes and performance commitments.

Figure 4 Overview of AMP6 outcomes reporting timeline and interdependencies



Source: Thames Water

In line with our customer needs and regulatory requirements, our AMP6 outcomes reporting will include:

- an Autumn Statement of Assurance (in line with the principles set out in the Ofwat company monitoring framework);
- a half-year performance report (summarising both financial and non-financial information);
- an annual customer facing report of how we are performing relative to our outcomes, performance commitments and ODIs; and
- a regulatory annual performance report submission (covering the areas set out in the Ofwat company monitoring framework).

A number of our reporting requirements outlined above are driven by our regulatory obligations and we will continue to meet these in AMP6. This includes reporting our performance in a way that allows customers, stakeholders and our regulators to compare our performance with that of other companies. We will publish an annual performance report, in line with the requirements set out by Ofwat in its company monitoring framework, which will include:



- regulatory financial reporting;
- price control and other segmental reporting;
- performance summary; and
- other regulatory information.

We recognise that moving into AMP6, our outcomes and performance commitments are specific to our customers, although some are industry-wide measures which may offer comparison of our performance within the industry. We will continue to engage with our customers to understand whether the level of detail and frequency of information provided by us meets their needs. We will engage with our Customer Challenge Group (CCG) to help shape the form of our reporting to customers to ensure transparency and timeliness of our performance reporting publication.

Table 2 contains a summary of the key principles that underpin our approach to outcomes reporting.

Table 2 Summary of the key principles of our approach to outcomes reporting

Key principle	Summary of approach
Customer led	Our outcomes and performance commitments have been developed and driven by customer views. We will continue to consult with customers and stakeholders on our approach to assurance and reporting to ensure that we build trust and confidence in our performance.
Accessible / Clear	We will publish clear performance reports in a style which meets the requirements of our customers and stakeholders. We will use our CCG to help inform and challenge our approach.
Accurate	Our 'three lines of defence' approach to assurance, set out in section 3.2, ensures that our performance information is accurate and that customers and stakeholders can rely on the information we publish.
Transparent	We will maintain transparency by publishing appropriate information on our approach to assurance and relevant information on our performance. We will use independent review, audit and challenge to ensure that our approach and performance reporting is robust. This is in line with Ofwat's company monitoring framework.
Timely	We will provide regular updates on our progress in line with the assurance and reporting programme contained in Figure 4. We will continue to engage with our customers and stakeholders to ensure that the level of detail and frequency of information provided meets their needs.

Source: Thames Water



5 Managing Change

5.1 Potential change in AMP6

The regulatory framework includes a number of mechanisms for addressing uncertainty or specific changes within a price control review period. In the PR14 Final Determination⁶ Ofwat set out funding for the company for the 2015-20 period, including the company's responsibility to manage uncertainty. Ofwat noted that there are a range of existing mechanisms available to companies to manage uncertainty, including:

- totex sharing menu;
- IDoK's substantial favourable effects; and
- substantial adverse effects clauses in condition B of the licence.

Any changes to bills and allowed revenues as a result of these mechanisms will need to be reported and explained to our customers and stakeholders.

Our outcomes, performance commitments and ODIs for AMP6 are set out in the PR14 Final Determination. We do not anticipate that our performance commitments will change over the AMP6 period. However, there are number of performance commitments that include a restatement of the target in the middle of AMP6 or have a delivery profile which is subject to change, namely:

- **Performance Commitment SC9:** Reduce the amount of phosphorus entering rivers to help improve aquatic plant and wildlife – During 2016-17, the incentive allows us to restate the committed performance level in line with the expectations of the final National Environment Programme 5 (NEP5) as confirmed by the Environment Agency.
- **Performance Commitment T1C:** Completion of category 2 and 3 construction works and timely availability of sites to the IP – When the Final Determinations were published, the delivery profile for T1C was subject to change as it undergoes a process of optimisation. This allows us to confirm the final delivery profile no later than the award of the Infrastructure Provider (IP) contract.

In such cases, we will confirm and publish our updated targets in line with the policy framework set out within this document. We will report to our customers and stakeholders on how we are doing relative to these targets as part of our performance reporting.

5.2 Future developments

Our outcomes reporting policy will continue to be reviewed over time to ensure that it meets the needs of our customers and stakeholders, aligned to the regulatory framework for AMP6. We

⁶ PR14 Final price control determination notice: policy chapter A7 – risk and reward, Ofwat, December 2014



will seek to further develop our future performance reporting and assurance processes to reflect the needs of our customers and stakeholders. This will include ongoing engagement with our stakeholders and through the CCG. In line with our risk based approach, we will review our policy on an annual basis to ensure it remains fit for purpose, and publish updates as required during AMP6.

As we set out in our PR14 Business Plan, we will look at the potential to develop additional improved KPIs in certain areas, for example asset health leading indicators. This will help shape our performance commitments and incentives for future regulatory periods moving toward Water 2020.

To support this, we will continue our engagement with customers in AMP6 through surveys and market research to understand their priorities. We will take this into account when developing our performance reporting and in the development of our future business plans.

6 Technical Appendices

Our outcomes reporting policy underpins the outcomes and performance commitments set out in our PR14 Final Determination, and reflects our plans to report, monitor and assure our performance as contained in our PR14 Business Plan.

In order to give transparency and clarity to our customers and stakeholders, we have carried out a review of our outcomes and performance commitments to ensure that our planned approach to reporting, monitoring and assurance will provide customers and stakeholders with a high level of trust and confidence. This review has identified some areas where we believe that further technical information would be beneficial to provide greater clarity to our customers and stakeholders; these relate to new performance commitments that we have developed for AMP6, and additional performance commitments that Ofwat included as part of the PR14 Final Determination.

The outcome of our review is summarised in Tables 2 – 6 below. The assessment criteria are summarised below:

- Green = sufficient clarity on measurement, reporting and/or assurance provided within PR14 Business Plan (Thames Water) and PR14 Final Determination (Ofwat).
- Amber = customers and stakeholders would benefit from further detail on the approach to measurement, reporting or assurance provided within PR14 Business Plan (Thames Water) and PR14 Final Determination (Ofwat).

Table 3 Review of AMP6 performance commitments – Wholesale Water

Ref	Performance Commitment	Assessment	Action
WA1	Improve handling of written complaints by increasing 1st time resolution	Green	Sufficient clarity provided in PR14 Plan and FD
WA2	Number of written complaints per 10,000 connected properties	Green	Sufficient clarity provided in PR14 Plan and FD
WA3	Customer satisfaction surveys (internal CSAT monitor)	Green	Sufficient clarity provided in PR14 Plan and FD
WA4	Reduced water consumption from issuing water efficiency devices to customers	Green	Sufficient clarity provided in PR14 Plan and FD
WA5	Provide a free repair service for customers with a customer side leak outside of the property	Green	Sufficient clarity provided in PR14 Plan and FD
WB1	Asset Health Water Infrastructure	Amber	Additional clarity provided in Technical Annex 1 and 2
WB2	Asset Health Water Non Infrastructure	Amber	Additional clarity provided in Technical Annex 1 and 2

WB3	Compliance with drinking water quality standards - Ofwat/DWI KPI		Sufficient clarity provided in PR14 Plan and FD
WB4	Properties experiencing chronic low pressure (DG2)		Sufficient clarity provided in PR14 Plan and FD
WB5	Average hours lost per property served due to interruptions >4hrs (Cap of 20,000 property hours per incident)		Sufficient clarity provided in PR14 Plan and FD
WB6	Security of Supply Index - Ofwat KPI		Sufficient clarity provided in PR14 Plan and FD
WB7	Compliance with SEMD advice notes (with or without derogation)		Sufficient clarity provided in PR14 Plan and FD
WB8	MI/d of sites made resilient to future extreme rainfall events		Sufficient clarity provided in PR14 Plan and FD
WC1	Greenhouse gas emissions from water operations		Sufficient clarity provided in PR14 Plan and FD
WC2	Leakage		Sufficient clarity provided in PR14 Plan and FD
WC3	Abstraction Incentive Mechanism (AIM)		Detailed definition to be formed by Ofwat
WC4	We will educate our existing and future customers		Sufficient clarity provided in PR14 Plan and FD
WC5	Deliver 100% of agreed measures to meet new environmental regulations		Sufficient clarity provided in PR14 Plan and FD
WD1	Energy imported less energy exported		Sufficient clarity provided in PR14 Plan and FD

Source: Thames Water

Table 4 Review of AMP6 performance commitments – Wholesale Wastewater

Ref	Performance Commitment	Assessment	Action
SA1	Improve handling of written complaints by increasing 1st time resolution		Sufficient clarity provided in PR14 Plan and FD
SA2	Number of written complaints per 10,000 connected properties		Sufficient clarity provided in PR14 Plan and FD
SA3	Customer satisfaction surveys (internal CSAT monitor)		Sufficient clarity provided in PR14 Plan and FD
SB1	Asset Health Wastewater Non Infrastructure		Additional clarity provided in Technical Annex 1 and 2
SB2	Asset Health Wastewater Infrastructure		Additional clarity provided in Technical Annex 1 and 2
SB3	Properties protected from flooding due to rainfall		Additional clarity provided in Technical Annex 1
SB4	Number of internal flooding incidents,		Sufficient clarity provided in

	excluding those due to overloaded sewers (SFOC)		PR14 Plan and FD
SB5	Contributing area disconnected from combined sewers by retrofitting sustainable drainage		Sufficient clarity provided in PR14 Plan and FD
SB6	Compliance with SEMD advice notes (with or without derogation)		Sufficient clarity provided in PR14 Plan and FD
SB7	Population equivalent of sites made resilient to future extreme rainfall events		Sufficient clarity provided in PR14 Plan and FD
SB8	Lee Tunnel including Shaft G		Additional clarity provided in Technical Annex 1
SB9	Deephams Wastewater Treatment Works		Additional clarity provided in Technical Annex 1
SC1	Greenhouse gas emissions from wastewater operations		Sufficient clarity provided in PR14 Plan and FD
SC2	Total category 1-3 pollution incidents from sewage related premises (inc. S105a transferred assets)		Sufficient clarity provided in PR14 Plan and FD
SC3	Sewage treatment works discharge compliance		Sufficient clarity provided in PR14 Plan and FD
SC4	Water bodies improved or protected from deterioration as a result of TW activities		Sufficient clarity provided in PR14 Plan and FD
SC5	Satisfactory sludge disposal compliance		Sufficient clarity provided in PR14 Plan and FD
SC6	We will educate our existing and future customers		Sufficient clarity provided in PR14 Plan and FD
SC7	Modelled reduction in properties affected by odour		Sufficient clarity provided in PR14 Plan and FD
SC8	Deliver 100% of agreed measures to meet new environmental regulations		Sufficient clarity provided in PR14 Plan and FD
SC9	Reduce the amount of phosphorous entering rivers to help improve aquatic plant and wildlife		Sufficient clarity provided in PR14 Plan and FD
SD1	Energy imported less energy exported		Sufficient clarity provided in PR14 Plan and FD

Source: Thames Water

Table 5 Review of AMP6 performance commitments – Household Retail

Ref	Performance Commitment	Assessment	Action
RA1	Minimise the number of written complaints received from customers		Sufficient clarity provided in PR14 Plan and FD
RA2	Improve handling of written complaints by increasing 1st time resolution		Sufficient clarity provided in PR14 Plan and FD

RA3	Improve customer satisfaction of retail customers - charging and billing service (internal CSAT monitor)		Sufficient clarity provided in PR14 Plan and FD
RA4	Improve customer satisfaction for retail customers - operations contact centre (internal CSAT monitor)		Sufficient clarity provided in PR14 Plan and FD
RA5	Increase the number of bills based on actual meter reads (in cycle)		Sufficient clarity provided in PR14 Plan and FD
RA6	Service Incentive Mechanism (SIM)		Final SIM metric in development by Ofwat
RB1	Implement new online account management for customers supported by web-chat		Sufficient clarity provided in PR14 Plan and FD
RC1	Increase the number of customers on payment plans		Sufficient clarity provided in PR14 Plan and FD
RC2	Increase cash collection rates		Sufficient clarity provided in PR14 Plan and FD

Source: Thames Water

Table 6 Review of AMP6 performance commitments – Thames Tideway Tunnel

Ref	Performance Commitment	Assessment	Action
T1A	We will limit the extent of delays on the overall programme timeline - Successful procurement of the Infrastructure Provider		Sufficient clarity provided in PR14 Plan and FD
T1B	We will limit the extent of delays on the overall programme timeline - Thames Water will fulfill its land related commitments in line with the TTT programme requirements		Additional clarity provided in Technical Annex 3
T1C	We will limit the extent of delays on the overall programme timeline - Completion of category 2 and 3 construction works and timely availability of sites to the IP		Additional clarity provided in Technical Annex 3
T2	We will engage effectively with the IP, and other stakeholders, both in terms of integration and assurance		Additional clarity provided in Technical Annex 3
T3	We will engage with our customers to build understanding of the Thames Tideway Tunnel project. We will liaise with the IP on its surveys of local communities impacted by construction		Additional clarity provided in Technical Annex 3

Source: Thames Water

Table 7 Summary of Technical Annexes

Price control area	Technical Annex
Wholesale Water	WB1 and WB2 – Methodology for our Asset Health indices and performance reporting, covering water infrastructure and water non-infrastructure.
Wholesale Wastewater	SB1 and SB2 – Methodology for our Asset Health indices and performance reporting, covering wastewater infrastructure and waste water non-infrastructure.
Wholesale Wastewater	SB3: Properties protected from flooding due to rainfall. The performance commitment includes a more explicit penalty around Counters Creek solution covering cancellation and delays for the scheme (both inside or outside our control).
Wholesale Wastewater	SB8: Lee Tunnel including Shaft G. This overlaps AMP5 and AMP6. The commitment is for timely delivery, with a penalty applied for every year of delay. The technical appendix defines what ‘completion of the scheme’ means in practice.
Wholesale Wastewater	SB9: Deephams Wastewater Water Treatment Works. In the event that the scheme does not proceed, a penalty will apply, minus any penalties already incurred directly affected by non-delivery of ODIs linked to this scheme.
Thames Tideway Tunnel	T1B: We will limit the extent of delays on the overall programme timeline - Thames Water will fulfil its land related commitments in line with the TTT programme requirements.
Thames Tideway Tunnel	T1C: We will limit the extent of delays on the overall programme timeline - Completion of category 2 and 3 construction works and timely availability of sites to the IP.
Thames Tideway Tunnel	T2: We will engage effectively with the IP, and other stakeholders, both in terms of integration and assurance.
Thames Tideway Tunnel	T3: We will engage with our customers to build understanding of the Thames Tideway Tunnel project. We will liaise with the IP on its surveys of local communities impacted by construction.

Source: Thames Water