Portsmouth Water

DATA TABLE COMMENTARY – PRT53 OUTCOMES

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TABLE OUT1 to OUT4 - Outcome performance

This commentary should be read alongside PRT05 Delivering Outcomes for Our Customers. Together they provide commentary explaining:

- How each performance commitment has been derived.
- How performance commitments have considered both:
  - The impact of base expenditure efficiencies through technology and processes improvements; and
  - The impact of enhancement expenditure from our enhancement investment cases.

For all performance commitments, we have described the basis for historical and forecast trends, and how baselines have been identified.

For all lines of these tables, where enhancement improvements are identified, these align with CW15.

For ease of reading, for tables OUT1 to OUT4, we have structured commentary by performance commitment, rather than by table.

We have included commentary for all relevant lines. Where there is no commentary, this either because:

- The table line is calculated from other table lines.
- The table line is not relevant to Portsmouth Water, such as:
  - Wastewater performance commitments (we are a water only company).
  - Regional performance commitments (we only have the single region).
  - Bespoke performance commitments (we do not propose any bespoke performance commitments).

Water Supply Interruptions

OUT2.1 and OUT3.1 - Water supply interruptions

We do not expect any benefit to interruptions to supply from enhancement expenditure, therefore all improvements are funded through base expenditure.

OUT4.1 - Water supply interruptions - Total number of properties supplied at year end

Historic total properties at year end align with reported figures in our annual performance report. Future total properties at year end align with calculations and methodology in SUP1B.

OUT4.2 - Water supply interruptions - The total number of properties whose supply was interrupted >= 3 hours
OUT4.3 - The total minutes lost for supply interruptions of >= 3 hours

Historic total number of properties and minutes align with reported figures in our annual performance report.

Future properties and minutes consider performance improvement expected through base expenditure. We can expect performance improvements from:

- The renewal of PRVs that will reduce bursts caused by PRV failures.
- Reduced bursts resulting from improved pressure optimisation, assisted by our Digital Twin project.
- Faster repairs resulting from improved repair techniques.

It is expected that the improvements will result is less interruptions over three hours and therefore have an impact of reducing both the number of properties affected, and the total number of minutes lost, compared to previous years.

Compliance risk index (CRI)

OUT1.2 – Compliance risk index (CRI)

Over the past six years, we have achieved upper quartile performance three times, including the best industry performance in 2019-20. Our drop in performance in 2021-22 was related to excess aluminium detected in the network. We subsequently invested an additional £3.5m to deliver improvement in 2022-23.

CRI	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Performance	0.01	1.78	0.03	0.57	3.74	1.24
Industry Position	2nd	5th	1st	2nd	10th	5th

A high CRI score for 2018-19 as due to the six compliance failures outlined below. The zonal score was impacted by the fact that the failure was determined by the DWI to impact the whole zone rather than a single property for two of the failures.

Portsmouth Water	CRI Score	Details
Zonal	0.95	Northbrook Supply Zone (Odour) Portsmouth North Supply Zone (Lead) Bognor Supply Zone (Coliform)
WTW	0.53	Lovedean Treated (Coliform)
Reservoir	0.30	Whiteways Lodge Reservoir (Coliform) Whiteways Lodge Reservoir (E. coli)
Total CRI	**1.78**	

A high CRI score for 2021-22 was due to the nine compliance failures outlined below. The zonal score was impacted by the fact that failure was determined by the DWI to impact the whole zone rather than a single property for two of the failures. In addition to this we had a DWI Notice covering Aluminium in the zones served by the River Itchen Treatment Works, which also impacts the CRI score.

Portsmouth Water	CRI Score	Details
Zonal	3.74	Hoads Hill East Supply Zone (Aluminium) Nelson Supply Zone (Aluminium) Nelson Supply Zone (Nickel) Hoads Hill East Supply Zone (Odour) Farlington South Supply Zone (Nickel) Farlington South Supply Zone (Nickel) Nelson Supply Zone (Odour) Littleheath Supply Zone (Coliform) Littleheath Supply Zone (Coliform)
WTW	0.00	
Reservoir	0.00	
Total CRI	**3.74**	

A high CRI score for 2023-24 is expected due to the eight compliance failures outlined below. The WTW score has been impacted by the fact that failure was observed at our largest treatment works, Farlington WTW which has a significant impact on the CRI score. The output from Farlington is approximately 30% of the total daily volume supplied by the company.

Portsmouth Water	CRI Score	Details
Zonal	1.08	Hoads Hill North Supply Zone (Coliform) Hoads Hill North Supply Zone (E. coli) Hoads Hill North Supply Zone (Lead) Lavant South Supply Zone (Coliform) Walderton Supply Zone (Coliform) Littleheath Supply Zone (Coliform)
WTW	4.56	Farlington Treated (Turbidity) Eastergate Treated (Turbidity)
Reservoir	0.00	
Total CRI	**5.64**	

Whilst we aim for zero water quality compliance failures, we agree with Ofwat's position to introduce a deadband to mitigate against an unacceptable level of downside risk. For PR19, the deadband was set at 2.

As Drinking Water Safety Plans (DWSPs) drive continual improvements to water quality, we feel it is reasonable to expect our performance to improve. We have identified investment for the early years of AMP8 which will result in improvement to our CRI performance in 2028-29 and 2029-30. Our proposed performance commitment levels for PR24 are therefore set out below:

CRI	2025-26	2026-27	2027-28	2028-29	2029-30
Baseline	2	2	2	2	2
Reduction through Base Expenditure – DWSP Improvements	0	0	0	0.25	0.35
Reduction through Base Expenditure – Sampling Pipes	0	0	0	0	0.15
Proposed PCL Deadband	2	2	2	1.75	1.5

We then expect to see continued improvement in AMP9 and therefore forecast a further reduction in CRI to 1.0 by 2034-35.

OUT2.2 and OUT3.2 - Compliance risk index (CRI)

We do not expect any benefit to CRI from enhancement expenditure, therefore all improvements are funded through base expenditure.

Whilst we have enhancement expenditure related to raw water resilience and deterioration, this is to mitigate against a future drop in water quality, rather than to improve issues that have resulted in previous high CRI scores. Instead, improvements to reduce CRI will come through base expenditure.

Customer Contacts about water quality

OUT2.3 and OUT3.3 - Customer contacts about water quality

We do not expect any benefit to water quality contacts from enhancement expenditure, therefore all improvements are funded through base expenditure.

OUT4.7 - Resident population (water) (calendar year)

Resident population at year end is calculated as the average of resident population in the previous and future financial years, including in line SUP1A.17. This methodology is aligned to process used for annual reporting.

OUT4.8 - Number of contacts - taste and odour and OUT4.9 - Number of contacts – appearance

Historic performance has been calculated using latest PR24 guidance and therefore differs from results submitted in annual performance reports in AMP8.

A comprehensive assessment of changes from PR19 to PR24 guidance has been completed, with an estimation of a 10% increase in contacts. This is a result of reporting:

- Multiple contacts from the same customer individually (rather than as a single contact), and
- Including social media contacts.

We have assessed that most increased contacts would come through instances where a customer references multiple water quality issues within a single contact. Under the PR19 guidance this would be reported as a single contact, under the primary issue, but the PR24 guidance requires that each issue should be recorded separately.

We have assessed the impact of including social media contacts and have determined that we would expect a low increase. Where we can determine customer details, we have already been logging contacts from social media.

We have assessed the impact of including contacts where the primary reason for contacting was for a bill query and have assessed no change. We already include these contacts under current reporting.

We fully understand the importance of maintaining high-quality water and are proud of our strong previous performance in this area. We have identified further improvements we can make in this area that will mean that contacts will not increase, despite:

- Higher population.
- Additional water quality challenges expected through the installation of additional DMAs.
- Increased contacts expected because of increased communication with customers as we move to universal smart metering.

Biodiversity

OUT2.6 and OUT3.6 – Biodiversity

We do not expect any benefit to biodiversity from enhancement expenditure, therefore all improvements are funded through base expenditure.

OUT4.12 to OUT4.23 – Biodiversity (water)

Three sites have been put forward for the biodiversity performance commitment. These sites have been surveyed in 2022 and 2023, with an accurate assessment of baseline BNG and potential increase in BNG completed by a third-party botanist in line with the Biodiversity Metric 4.0. The results of each survey are set out below and form the basis of lines OUT4.12 to OUT4.21.

	Littleheath Reservoir	Soberton WTW	Walderton WTW
Year of Baseline Survey	Summer 2022	Summer 2023	Summer 2023
Area (km2)	0.027	0.019	0.012
Baseline BNG - Area	9.58	9.94	5.66
Baseline BNG - Hedgerow	0.59	0.82	0.71
Baseline BNG - River	0.00	0.00	0.00
Baseline BNG - TOTAL	**10.17**	**10.76**	**6.37**
Increase BNG - Area	2.00	0.80	2.00
Increase BNG - Hedgerow	0.36	0.00	0.00
Increase BNG - River	0.00	0.00	0.00
Increase BNG - Total	**2.36**	**0.80**	**2.00**
Final BNG	**12.53**	**11.56**	**8.53**

Increases have been determined as the increase expected in the next four years. Full BNG increases are calculated over the Biodiversity Metric 4.0 predetermined amount of time, which is significantly longer than a four-year period. Professional judgment has been used to assess what is possible within the first four years to align with the Performance Commitment requirement.

Due to extensive biodiversity improvements over previous years to maintain our habitats in good ecological status, we do not currently expect BNG improvements from other sites. However, in line with Ofwat guidance, we will continue a programme of surveying all sites using Biodiversity Metric 4.0 to monitor other sites for deterioration. Should outcomes from these assessments result in potential for increased BNG, we will look to update our target accordingly.

We will also maintain a commitment to complete all actions required to maintain our sites in good ecological status, in line with our PR19 commitment. In 2022-23 we completed 99.7% of actions against a target of 90%.

The water supply area aligns with line CW6.28 in the PR24 tables and line 6C.20 in annual performance reports. We do not expect a change to our water supply area in AMP8.

Operational Greenhouse Gas Emissions (water)

OUT2.7 and 3.7 - Operational greenhouse gas emissions (water)
OUT4.24 – Operational greenhouse gas emissions (water) – Tonnes CO2e

2017-18 to 2022-23 is based on actual data, aligned to Ofwat guidance, and using Carbon Accounting Workbook v17.

Increased Distribution Input due to changes in working patterns through Covid increased emissions in 2020-21 compared to previous years.

The increase in emissions in 2022-23, despite no further increase in Distribution Input, relates to the need to run sites less optimally due to changes in water use throughout the day and year. We have seen both higher daily demand and higher peak demand in the evenings during the hot summer period than we have seen before. Increased demand at peak periods means abstracting more from sites that are less efficient and would not normally be used as often, resulting in higher emissions per distribution input.

It is expected that continued high emissions per Ml/d of distribution will continue in AMP7, although efficiencies from this higher level are expected as we continue to learn from changing demand patterns and re-optimise operations accordingly.

From 2025-26, significant reductions in emissions are forecast, related to both enhancement and base expenditure. We are expecting a decrease in distribution input due to our Reducing Customer Side Demand enhancement

expenditure, which includes smart metering. A proportion of operational greenhouse gas emissions are from abstracting water from our aquifers and river, treating the water and then pumping around our network. A reduction in demand will result in less water being abstracted and therefore reduce operational greenhouse gas emissions.

All other reductions in operational greenhouse gas emissions are associated with base expenditure and include:

- Office energy efficiency through relocating to a new head office,
- Office energy efficiency through upgrades to our network office building,
- Vehicle fuel efficiency aligned to our fleet strategy, and
- Operational energy efficiency through assessed improvements to operational assets as they are cost-effectively replaced.

We can confirm that data used for both actuals and forecasts have been independently assessed by external energy experts. The model used to calculate emissions has been developed over several years and is continuously refined to ensure continuous improvement in data accuracy, aligned to ISO9001 quality processes.

Experts have calculated baseline emissions from 2022-23 actual activity data, modifying for known changes aligning with our business plan commitments. Data has been reviewed internally, along with cross checks, to prove results. Where anomalies were found, these have been thoroughly investigated to find a route cause and resolution implemented.

Emissions for baseline 2021-22 are split out below into Scope 1-3.

Scope	Tonnes (CO2e)
1	720
2	5028
3	2700
Exports	-9
TOTAL	8439

More information on our calculation, assumptions used, and future projections are set out in PRT04.01 Optopia Carbon Report.

OUT4.25 – Distribution input (per day)

Historic distribution input aligns with the annual performance report.

Future distribution input is underpinned by the WRMP and aligns with calculations to complete table CW5.

Data assurance
Our assurer Jacobs noted an outstanding action in relation to Greenhouse Gas Emissions / Energy / Carbon (PR24 Data Table Technical Assurance Report, pg.14).

We can confirm that the outstanding actions have now been completed but Jacobs were unable to review completion prior to submission.

Leakage

OUT 1.35 – Total annual leakage (aligned with historical reporting)

From 2020-21 onwards, Leakage has been reported using a new methodology that ensures consistency in reporting between companies based on best practice agreed by the water industry and independently assured by leakage experts and regulators.

Before 2020-21, each water company reported leakage using a bespoke methodology. This methodology was based on previous industry guidance on managing leakage but developed to consider a range of improved reporting practices.

Changes between historic and PR24 methodology include different assessments on household night use, non-household night use and night flow.

Portsmouth Water's historic reporting was developed with the assistance of independent leakage experts, and externally assured through the annual reporting process. Our reporting methodology was very close to the new agreed best practice and therefore differences between historic and PR24 reporting are marginal.

OUT2.9 and OUT3.9 – Leakage
OUT 2.33/2.34/3.33/3.34

We have not had any leakage enhancement expenditure in previous years, with reductions in AMP7 a result of improvements through base expenditure.

We are forecasting leakage reduction from 2025-26 from our smart metering programme. We expect the significant increase in meter penetration, combined with the additional leak alarms and monitoring from the smart meters, to increase leakage found on both household and non-household customer supply pipes.

We expect a total of 4.17 Ml/d of leakage reduction over the 10-year rollout of the smart metering programme.

Year	Enhancement Leakage Reduction (Ml/d) – In Year	Enhancement Leakage Reduction (Ml/d) – Cumulative
2025-26	0.04	0.04
2026-27	0.26	0.30
2027-28	0.45	0.75
2028-29	0.63	1.38
2029-30	0.75	2.12
2030-31	0.73	2.85
2031-32	0.64	3.49
2032-33	0.55	4.04
2033-34	0.10	4.14
2034-35	0.03	4.17

We also expect improvements through base expenditure through AMP7, reducing leakage 2.87 Ml/d by 2029-30. This is 0.57 Ml/d per year and equates to 21.9% leakage reduction from 2019-20 baseline through base expenditure by 2029-30. This reduction is concentrated into early years of AMP8 to meet requirements of our WRMP and to mitigate against expected harsh winters.

We also forecast that base expenditure will mitigate against increases in leakage through its natural rate of rise (NRR) and increased severe weather caused by climate change. We expect base expenditure to stop leakage increasing by an average of 8.26 Ml/d per year of AMP7.

As leakage reduces, we expect that we will maximise cost-effective leakage reduction possible through current base expenditure levels using current best practice innovative technology. At this stage, further leakage reduction requires enhancement expenditure. We are working with the water industry and research partners to develop new innovative ways to detect and reduce leakage. Should new innovative technology become more cost-effective than proposed future enhancement expenditure, our leakage strategy will be updated accordingly.

OUT4.33 – Total annual leakage

Our leakage figure is based on the latest PR24 leakage methodology. An average of leakage figures from 2017-18 to 2019-20, using this methodology, determined our 2019-20 baseline, from which leakage reduction is measured in percentage reduction.

Reasons for our past performance are outlined in PRT12 Accounting for Past Performance, and we have an ambitious leakage recovery plan to significantly reduce leakage in 2023-24 and 2024-25.

Our forecast leakage figures align with our Water Resources Management Plan (PRT17 Water Resources Management Plan) and show that we will achieve a 26.8% reduction in leakage from our 2019-20 baseline by 2029-30, and a 36% reduction by 2034-35.

Our forecast leakage position also shows significant progress of 44.7% against our vision to reduce leakage by 50% by 2040 compared to our 2017-18 annual figure of 32.4 Ml/d.

Year	Annual Leakage Figure (Ml/d)	Reduction from 2017-18 Annual Leakage Figure of 32.4 Ml/d
2025-26	22.1	31.8%
2026-27	22.4	30.9%
2027-28	22.0	32.0%
2028-29	21.0	35.2%
2029-30	20.3	37.5%
2030-31	19.4	40.0%
2031-32	18.8	41.9%
2032-33	18.3	43.6%
2033-34	18.1	44.2%
2034-35	17.9	44.7%

Per Capita Consumption

OUT 1.37 – Per capita consumption (aligned with historical reporting)

Like Leakage, PCC has been reported on a consistent basis since 2020-21.

Historically, we estimated PCC based on a sample of individual households that were metered but not charged on a metered basis. Our PCC estimation was developed with the assistance of independent industry experts, and externally assured through the annual reporting process.

Whilst this method is still accepted as a best practice option, the introduction of innovative Small Area Monitors (SAMs), which monitor flow at a cul-de-sac level, has been preferred for PR24 reporting due to reduced costs and greater data granularity. SAMs are also accepted as best practice and ensure that we use the same dataset for both leakage and PCC reporting.

The new methodology has resulted in a small reduction in our estimated PCC compared to historic reporting and this was considered when setting PR19 PCC targets.

OUT2.10 and OUT3.10 - Per capita consumption
OUT 2.35/2.36/3.35/3.36

PCC reduction has previously been achieved through both base and enhancement expenditure. Up until 2024-25, enhancement expenditure is restricted to new meters for customers opting to be billed on a metered tariff (meter optants).

Historic PCC saving from meter optants (enhancement expenditure) have been calculated as the water saved from each customer that has opted for a meter since 2011-12, assuming their usage has change from average unmeasured PCC to average measured PCC. There has been an average reduction of 2.7 litres per person per day (l/pers/d) through enhancement expenditure on 37,518 meter optants.

Year	Base Metered Properties	Meter Optants (since 2011/12)	Actual Metered Properties	Average Measured PCC (l/pers/d)	Average Unmeasured PCC (l/pers/d)	Base Average PCC (l/pers/d)	Actual Average PCC (l/pers/d)
2011-12	49,128	4,046	53,174	122.3	166.2	160.1	159.3
2012-13	51,381	8,903	60,284	124.8	153.4	149.3	148.5
2013-14	52,713	13,776	66,489	111.8	156.8	150.1	148.3
2014-15	55,038	17,320	72,358	112.2	154.2	147.7	145.5
2015-16	57,845	20,664	78,509	119.6	151.7	146.4	144.4
2016-17	60,637	23,575	84,212	128.2	150.4	146.6	145.1
2017-18	63,245	26,045	89,290	126.9	154.5	149.7	146.8
2018-19	64,320	28,625	92,945	127.7	161.3	155.3	151.2
2019-20	66,320	30,042	96,362	130.2	158.4	153.2	149.9
2020-21	65,878	33,638	99,516	149.3	179.4	173.7	170.5
2021-22	66,329	35,893	102,222	144.6	167.0	162.7	160.3
2022-23	69,180	37,518	106,698	146.9	155.0	153.4	152.5

2011-12 through to 2016-17 PCC is based on historic reporting, whilst 2017-18 onwards is aligned with PR24 reporting methodology.

The increase from 2020-21 onwards is related to step change in customer usage patterns from Covid-19 pandemic., whilst 2022-23 is impacted by drought communications and neighbouring water company temporary use bans.

It is expected that this saving will continue through AMP7, with more customer expected to switch from unmetered to metered tariffs.

From 2025-26, we can expect a significant increase in PCC reduction through our 10-year smart metering enhancement programme, with a reduction of 23.18 l/pers/d by 2034-35. This reduction will come through a wide range of enhancement activity which is outlined in our Reducing Customer Side Demand enhancement investment case. This includes not only the installation of smart meters, but also associated water efficiency awareness and communications, enhanced household audits, retrofit devices, innovative tariffs, and a support hub.

Year	Enhancement PCC Reduction (l/pers/d) – In Year	Enhancement PCC Reduction (l/pers/d) – Cumulative
2025-26	0.36	0.36
2026-27	0.46	0.82
2027-28	1.19	2.00
2028-29	1.75	3.75
2029-30	2.27	6.02
2030-31	5.12	11.14
2031-32	4.84	15.99
2032-33	4.06	20.05
2033-34	2.51	22.56
2034-35	0.62	23.18

We also expect continued reduction through base expenditure, related to government led water efficiency messaging that will reduce PCC by 6.08 l/pers/d by 2034-35.

Year	Base PCC Reduction (l/pers/d) – In Year	Base PCC Reduction (l/pers/d) – Cumulative
2025-26	0.40	0.40
2026-27	0.40	0.80
2027-28	0.40	1.20
2028-29	0.40	1.60
2029-30	0.41	2.01
2030-31	0.81	2.82
2031-32	0.81	3.63
2032-33	0.81	4.44
2033-34	0.82	5.26
2034-35	0.82	6.08

OUT4.45 – Total household consumption

Total household consumption is calculated my multiplying NYAA PCC from the WRMP by household population from SUP1A.19.

As WRMP is based on 2021-22 outturn population figures, whilst PR24 is based on 2022-23 outturn population figures, this does mean that total household consumption is different from WRMP.

OUT4.46 – Total household population

Total household population aligns with table SUP1A.19 and includes both resident and non-resident population from both measured and unmeasured households.

OUT4.50 – Total dry year household consumption

Total dry year household consumption is calculated my multiplying DYAA PCC from the WRMP by household population from SUP1A.19.

As WRMP is based on 2021-22 outturn population figures, whilst PR24 is based on 2022/23 outturn population figures, this does mean that total household consumption is different from WRMP.

Business Demand

OUT2.11 and OUT3.11 – Business Demand

Business demand has been heavily affected by the Covid-19 pandemic in recent years, and we expect to be further impacted by local, national, and international decisions. We expect to see growth in non-household activity in our region, related to the industry type of some of our highest users, such as the Ministry of Defence and large agriculture and horticulture businesses, and also an economic recovery from Covid-19. Our non-household demand forecast was developed by Artesia Consulting, which can be found in PRT17.18 rdWRMP24 Appendix 4D – Portsmouth Water Non-Household Demand Forecast Update.

Whilst we expect an increase in non-household demand through base expenditure, we are forecasting a reduction when including benefit from our smart metering programme and associated customer side leakage and non-household audit activities. We forecast a reduction of 3.70 Ml/d by 2034-35 from this enhancement expenditure, with most of this saving in AMP8.

Year	Enhancement Business Demand Reduction (Ml/d) – In Year	Enhancement Business Demand Reduction (Ml/d) – Cumulative
2025-26	0.38	0.38
2026-27	1.12	1.50
2027-28	1.02	2.52
2028-29	0.47	2.98
2029-30	0.45	3.44
2030-31	0.07	3.51
2031-32	0.07	3.58
2032-33	0.07	3.65
2033-34	0.05	3.70
2034-35	0.00	3.70

OUT4.72 – Total business consumption

Business consumption aligns with the WRMP.

Serious Pollution Incidents

OUT2.13 and OUT3.13 – Serious Pollution Incidents

We do not expect any benefit to serious pollution incidents from enhancement expenditure, therefore all improvements are funded through base expenditure.

OUT4.83 - Number of pollution incidents - Category 1 (water)

We have had no Category 1 serious pollution incidents since 2011 and do forecast any in future years.

OUT4.84 - Number of pollution incidents - Category 2 (water)

We have had no Category 2 serious pollution incidents since 2011 and do forecast any in future years.

Discharge Permit Compliance

OUT2.14 and OUT3.14 – Discharge Permit Compliance

We do not expect any benefit to discharge permit compliance from enhancement expenditure, therefore all improvements are funded through base expenditure.

OUT4.85 - Total number of failing discharges (water)

We have had a total of two failing discharges since 2011. These were both at our Soberton WTW,

The first was in October 2017 where we failed to comply with conditions of the permit. The second was in April 2023 where we failed to comply with the chlorine condition associated with the permit. The second breach was classified as a C3.

OUT4.86 - Number of numeric discharge permits (water)

Our records show that we have a total of six discharge consents. These are located at the following sites:

- River Itchen WTW into the River Itchen
- Soberton WTW into the River Meon
- Westergate WTW Raw Water run to waste into the Lidsey Rife

- Eastergate WTW Raw Water run to waste into the Lidsey Rife
- Fishbourne WTW into Chichester Harbour
- Lavant WTW into the River Lavant

We do not expect this to change in future years.

OUT4.87 - Number of sites with failed discharges (water)

Soberton WTW failed in 2017 and 2023, as outlined in OUT4.85.

Mitigation is now in place as we do not expect any failed discharges in future.

Mains Repairs

OUT2.18 and OUT3.18 – Mains Repairs

We do not expect any benefit to mains repairs from enhancement expenditure, therefore all improvements are funded through base expenditure.

OUT4.90 – Mains length

Mains length from 2011-12 to 2022-23 aligns with mains length as of 31 March in annual performance reports.

Mains length from 2023-24 to 2029-30 aligns with line CW6.1.

Mains length from 2030-31 onwards assume new mains will continue at the average of 2025-26 to 2029-30, which is 10.6km per year.

OUT4.91 – Mains repairs – reactive and OUT4.92 – Mains repairs – proactive

Reactive mains repairs from 2011-12 to 2022-23 align with annual performance reporting.

2022-23 has a high number of mains repairs due to a hot summer followed by a harsh winter that led to a significant burst and leakage breakout.

Mains repairs in 2023-24 and 2024-25 align with average bursts from 2020-21 to 2022-23. The split between reactive and proactive considers mains leaks expected to be found through active leakage control activity.

2023-24 has a higher number of proactive mains repairs as we continue to recover leakage from the previous year, with 2024-25 more aligned to normal conditions.

Performance from 2025-26 onwards includes improvements expected through base expenditure on PRV renewals and the Digital Twin. This aligns with expected savings in interruptions to supply (see OUT4.2). We expect to see a reduction of eight bursts per year once all PRVs are renewed. We expect to see a reduction of 44 bursts per year once the Digital Twin is fully implemented and the network optimised. This reduces our upper quartile bursts figures to 180 bursts per year by 2034-35.

The split between proactive and reactive in future years is related to activity leakage control activity, with an increase in the proportion of mains repairs being proactive during years with a harsh winter.

Unplanned Outage

OUT2.19 and OUT3.19 – Unplanned Outage
OUT4.98 – Unplanned Outage – Actual

The change in methodology from PR19 to PR24 has led to a significant change in our reported performance, although no change in service to customers, where we reported the lowest interruptions to supply and no restrictions on usage in any year.

As a company with almost 100% groundwater abstraction, we occur outage and partial outage issues related to water quality after periods of continuous high rainfall. Water quality issues and partial outages were excluded from the PR19 methodology but are included in PR24. These outages typically occur outside of peak demand periods as peak demand occurs in periods with no/very low rainfall and therefore they do not pose a risk to customer supply. We have put in place cost-effective mitigation to improve our PR24 reported unplanned outage in future years. However, we still expect an increase compared to the PR19 reporting methodology.

Our PR19 performance was significantly better than our performance commitment of 2.34%.
Unplanned Outage using the PR24 methodology includes calculations of outage from our outage register without exclusions applied. We have also included an estimation for partial outage that was not within the PR19 reporting methodology and has not been previously collected. The estimation is based on 2022-23 outturn.

Year	Outage without Exclusions (Ml/d)	Partial Outage (Ml/d)	Total Outage (Ml/d)	PWPC (Ml/d)	Outage %
2017-18	0.693	21.542	22.235	286.180	7.77%
2018-19	11.508	21.542	33.050	292.700	11.29%
2019-20	4.926	21.542	26.468	259.190	10.21%
2020-21	1.668	21.542	23.210	256.390	9.05%
2021-22	1.430	21.542	22.972	280.300	8.20%
2022-23	10.199	21.542	31.741	290.520	10.93%

2023-24 and 2024-25 have been estimated as an average of 2017-18 to 2022-23. We do not have full records pre-2017-18, and therefore are unable to assess outage without exclusions.

We expect to see a significant reduction from 2025-26, through both base and enhancement expenditure. A high proportion of our current unplanned outage relates to partial outage at our sites. We have plans in place to reduce partial outage from 21.54 Ml/d in 2022-23 to 1.78 Ml/d by 2024-25 through planned improvements. We do not expect to be able to reduce partial outage below 1.78 Ml/d without significant enhancement expenditure.

Unplanned outage not related to partial outage will reduce from 2025-26 onwards due to efficiency improvements related to both base and enhancement expenditure, aligned with our 25-Year Vision target for zero unplanned outage by 2050.

Most of the enhancement expenditure is to mitigate against future risk of increasing unplanned outage, which are outlined in PRT18 Long-Term Delivery Strategy 2025-2050.

We will, however, see a reduction of unplanned outage associated with turbidity issues at our Aldingbourne treatment works through enhancement expenditure on nitrate removal at Westergate. Over the past four years, we have had two unplanned outages at Aldingbourne, which contributed a total of 0.06 Ml/d of outage (0.015 Ml/d per year). We expect the enhancement expenditure to be completed by March 2029, and therefore expect a benefit of 0.015 Ml/d in 2029-30.

More information on this scheme is in the enhancement investment case PRT07.03 Raw Water Deterioration and Drought Capacity Enhancements.

We also expect to see a reduction in cryptosporidium-related unplanned outage through the installation of an Ultraviolet treatment plant at our West Street treatment works. Over the past six years, we have had two unplanned

outages at West Street, which contributed a total of 6.14 Ml/d of outage (1.023 Ml/d per year). We expect the enhancement expenditure to be completed by March 2029, and therefore expect a benefit of 1.023 Ml/d in 2029-30.

More information on this scheme is in the enhancement investment case PRT07.02 Raw Water Resilience Enhancements.

We have split further improvements in base into three sections, which are improvements to:

- Chlorine-based outages.
- System-based outages.
- Turbidity and power-based outages.

We will see improvements to asset management root-cause processes result in a reduction in chlorine-based outages. We will see a 5% reduction from our current performance per year, with no unplanned outages from March 2045 onwards.

We will also see improvements to routine maintenance of non-infrastructure assets, resulting in a reduction in system-based outages. We will see a 5% reduction from our current performance per year, with no unplanned outages from March 2045 onwards.

Whilst we do not currently expect improvements to turbidity and power-based outages without significant enhancement expenditure, we expect that through innovative technologies these improvements can be made through base expenditure from 2045 onwards and will ensure that we reach our target of no unplanned outage by 2050.

The following table sets out expected reductions in unplanned outage (Ml/d) from improvements:

Unplanned Outage	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Baseline Unplanned Outage (Ml/d)	6.855	6.855	6.855	6.855	6.855
Cumulative reduction to Aldingbourne based outages due to turbidity (Ml/d)	0.000	0.000	0.000	0.000	0.015
Cumulative reduction to West Street based outages due to cryptosporidium (Ml/d)	0.000	0.000	0.000	0.000	1.023
Cumulative reduction to Chlorine Based Outages (Ml/d)	0.130	0.260	0.390	0.520	0.649
Cumulative reduction to System Based Outages (Ml/d)	0.032	0.064	0.095	0.127	0.159
Forecast Unplanned Outage	**6.693**	**6.531**	**6.370**	**6.208**	**5.009**
Peak Week Production Capacity (Ml/d)	290.52	290.52	296.52	296.52	296.52
Unplanned Outage (Ml/d)	6.693	6.531	6.370	6.208	5.009
Proposed PCL - Unplanned Outage expressed at % of Peak Week Production Capacity	**2.30%**	**2.25%**	**2.15%**	**2.09%**	**1.69%**

OUT4.97 – Unplanned Outage - Peak week production capacity

Peak week production capacity (PWPC) aligns with CW4.43. We are not expecting any further changes to PWPC from 2030-31 onwards.

TABLE OUT6 - Summary information on outcome delivery incentive payments

Table OUT6 contains the outputs of the PR19 ODI performance reconciliation models based on forecast performance for 2023-24 and 2024-25 reported in table OUT8 (see above). It has been completed using the latest version of the PR19 ODI performance model issued to companies by Ofwat for use in their business plan submissions.

The summary is split by price control. As a water only company with no business retail, we only have three price controls – water resources, water network plus and residential retail. The table below sets out the split of Performance Commitments between these three price controls and by in-period or end of period adjustments.

Performance Commitment	Price Control	In / End Period Adjustments
Water Quality Compliance	Water Network Plus	In Period
Water Supply Interruptions	Water Network Plus	In Period
Leakage	Water Network Plus	In Period
Per Capita Consumption	Water Resources	End of Period
Mains Repairs	Water Network Plus	In Period
Unplanned Outage	Water Network Plus	In Period
Water Quality Contacts	Water Network Plus	In Period
Low Pressure	Water Network Plus	In Period
Catchment Management	Water Network Plus	In Period
Abstraction Incentive Mechanism	Water Resources	In Period
Biodiversity (reward)	Water Resources	End of Period
Biodiversity (penalty)	Water Resources	In Period
Voids	Residential Retail	In Period
Affordability	Residential Retail	In Period
Water Industry National Environment Programme	Water Resources	In Period

The breakdown of ODI penalties and rewards for each price control relevant to Portsmouth Water are set out below. These align with OUT8 above.

Line OUT 6.1 – In Period Water Resources

No rewards or penalties are expected from Abstraction Incentive Mechanism or Biodiversity.

Line OUT 6.2 – In Period Water Network Plus

A net penalty is expected in both 2023-24 and 2024-25.

	2023-24 (£m)	2024-25 (£m)
Water Quality Compliance	-0.407	0.000
Interruptions to Supply	0.143	0.190
Leakage	-0.560	-0.537
Mains Repairs	0.000	-0.005
TOTAL	**-0.828**	**-0.352**

Line OUT 6.5 – In Period Residential Retail

No rewards or penalties expected from Voids or Affordability.

Line OUT 6.8 – End Period Water Resources

A net penalty is calculated in both 2023-24 and 2024-25 in respect of PCC. Ofwat has confirmed that it will make decisions on the application of ODI penalties for PCC as part of its PR24 considerations. Further information about our PCC performance is provided in PRT12 Accounting for Past Performance.

	2023-24 (£m)	2024-25 (£m)
Per Capita Consumption	-0.430	-0.405

Other OUT 6 lines

We do not have any other price controls, nor any end of period RCV adjustments.

TABLE OUT7 - Outcome performance - ODIs (financial)

Table OUT7 relates to price control allocation, marginal benefits, benefit sharing factors, and enhanced outperformance thresholds of common performance commitments.

This table has been internally and externally assured, and we have a very high confidence in the accuracy of data included.

Price control allocation
We are required to complete price control allocations for three common performance commitments where there are differences between Water and Sewerage Companies (WaSCs) and Water only Companies (WoCs) – biodiversity, serious pollution incidents and discharge permit compliance.

As a water only company, we have aligned with Ofwat guidance for WoCs in all three instances.

Marginal benefits
We have chosen to not use the averaged marginal benefit estimates from collaborative customer research completed by Ofwat. Our proportionally low RCV means that we are disproportionately affected by the normalisation of unit rate from company to median of all water companies. We have used the company-specific ODI rates derived from the Ofwat collaborative customer research. Justification for this decision is set out in PRT05 Delivering Outcomes for Our Customers.

For biodiversity and greenhouse gas emissions (water), we support Ofwat's direction set out in Box 2.1 of the PR24 Methodology Appendix 8 – Outcome Delivery Incentives, that benefit valuations be based on external valuations. Without this information available, we have aligned our marginal benefit estimates to our methodology used for estimates of other performance commitments. (See details below.)

Marginal benefit calculations
The adjustments in marginal benefit calculations for each performance commitment compared to collaborative customer research are set out below.

Interruptions:
Marginal benefit of £0.12m per minute interruption is included in the table. To assess our interruptions to supply marginal benefit we have used the Portsmouth Water specific unit rate per minute interruption rather than the median rate of all water companies. Using the median rate of £0.00000061 would have resulted in a marginal benefit of £0.28m per minute of interruption.

Interruptions to Supply

Company	PCL 2024-25	Performance range - P10	Performance range - P10	Equity - water	Equity at risk	Equity at risk	Initial ODI rate	Total water properties connected 2021-22	Unit rate per minute interruption	Median unit rate	Indicative ODI rate	Marginal benefit
	nr	%	nr	£m	% RoRE	£m	£m	nr	£m	£m	£m	£m
PRT	5	119%	5.95	84.08	0.60	0.50	0.08	323,748	0.00000026		0.08	0.12
PRT	5	119%	5.95	0.00	0.60	0.00	0.00	323,748		0.00000061	0.20	0.28

Compliance Risk Index (CRI):
Marginal benefit of £0.11m per score of 1. To assess our CRI marginal benefit we have used the Portsmouth Water specific unit rate rather than the median rate of all water companies. Using the median rate of £0.00000026 would have resulted in a marginal benefit of £0.27m per score of 1.

Compliance Risk Index (CRI)

Company	PCL 2024-25	Performance range - P10	Performance range - P10	Equity - water	Equity at risk	Equity at risk	Initial ODI rate	Unit rate per incident	Median unit rate	Indicative ODI rate	Marginal Benefit
	nr	nr	nr	£m	% RoRE	£m	£m	£m	£m	£m	£m
PRT	0.00	6.54	6.54	84.08	0.60	0.50	0.08	0.00000010		0.08	0.11
PRT	0.00	6.54	6.54	84.08	0.60	0.50	0.08		0.00000026	0.19	0.27

Water Quality Contacts:

Marginal benefit of £1.11m per 1% of contacts. To assess our water quality contacts marginal benefit we have used the Portsmouth Water specific unit rate per 1% of contacts rather than the median rate of all water companies. Using the median rate of £0.0026006 would have resulted in a marginal benefit of £2.75m per 1% of contacts.

Water Quality Contacts

Company	Proxy PCL 2024-25	Performance range - P10	Performance range - P10	Equity - water	Equity at risk	Equity at risk	Initial ODI rate	Total population 2021-22 (DWI)	Unit rate per incident	Median unit rate	Indicative ODI rate	Marginal Benefit
	nr	%	nr	£m	% RoRE	£m	£m	nr	£m	£m	£m	£m
PRT	0.53	123%	0.65	84.08	0.60	0.50	0.78	741,297	0.0010459		0.78	1.11
PRT	0.53	123%	0.65	84.08	0.60	0.50	0.78	741,297		0.0026006	1.93	2.75

Biodiversity:

As there was no collaborative research on biodiversity, we have calculated ODI rates using the same methodology as serious pollution incidents, which is outlined below:

- P10 performance of 42.14% has been assessed using performance to date on our bespoke PR19 performance commitment.

Year	Performance
2020-21	30.0%
2021-22	90.7%
2022-23	99.7%
P10 Performance	**42.14%**

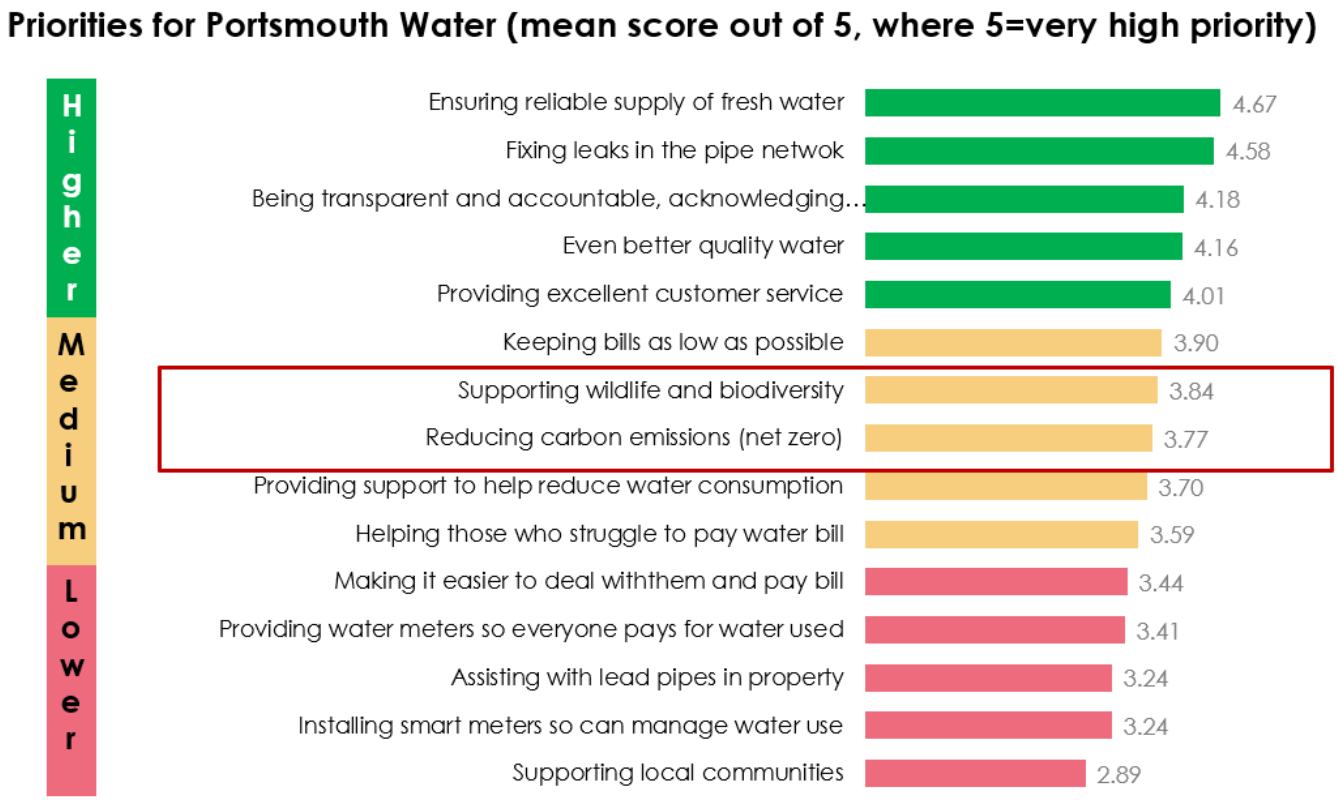
- 42.14% of 0.62 (our target biodiversity net gain units for area of land served per 100km2) is 0.26.
- Our customers ranked biodiversity as a medium priority, and there 0.5% of RoRE was used, resulting in our equity at risk of £0.42m.
- This means that our ODI rate is £1.61m per 1 biodiversity net gain unit for area of land served per 100km2.
- With a benefit sharing ratio of 70%, this equates to a marginal benefit of £2.30m per 1 biodiversity net gain unit for area of land served per 100km2.

Greenhouse Gas Emissions (Water):

As there was no collaborative research on greenhouse gas emissions (water), we have calculated using the same methodology as demand:

- A baseline of 7,750 tonnes CO2e is used, as the average of last two years before Covid-19.
- We have set our P10 at 5%, aligned to demand, which equates to 387.7 tonnes CO2e.
- Our customers ranked biodiversity as a medium priority, and there 0.5% of RoRE was used, resulting in our equity at risk of £0.42m.
- This means that our ODI rate is £0.0011m per tonne of CO2e.
- With a benefit sharing ratio of 70%, this equates to a marginal benefit of £0.0015m per tonne of CO2e.

Customer research used to determine medium priority comes from our customer barometer panel, which included 700 household panellists. More information on our customer research can be found in PRT03 Engaging and Understanding Our Customers and Communities.



Demand PCs (Leakage, PCC, and Business Demand):
Leakage and Business Demand marginal benefit of £0.21m per Ml/d. To assess our marginal benefit, we have used the Portsmouth Water specific unit rate per Ml/d rather than the median rate of all water companies. Using the median rate of £0.36m would have resulted in a marginal benefit of £0.52m per Ml/d.

PCC marginal benefit of £0.15m per litre/head/day. To assess our marginal benefit, we have used the Portsmouth Water specific unit rate per Ml/d rather than the median rate of all water companies. Using the median rate of £0.36m would have resulted in a marginal benefit of £0.38m per litres/head/day.

Demand (Leakage, PCC and Business Demand)

Company	PCL 2024-25	Performance range - P10	Performance range - P10	Equity - water	Equity at risk	Equity at risk	Initial ODI rate - Ml/d	Median unit rate - Ml/d	Indicative ODI rate -leakage	Indicative ODI rate -business demand	Total household population - 2021-22	Indicative ODI rate for PCC	Marginal Benefit (Leakage and Business Demand)	Marginal Benefit (PCC)
	Ml/d	%	nr	£m	%	£m	£m	£m	£m	£m	nr (000s)	£m	£m	£m
PRT	159.57	5%	7.44	84.08	1.30%	1.09	0.15		0.15	0.15	732.86	0.11	0.21	0.15
PRT	159.57	5%	7.44	84.08	1.30%	1.09		0.36	0.36	0.36	732.86	0.27	0.52	0.38

Serious Pollution Incidents:
Marginal benefit of £0.60m per incident. To assess our serious pollution incidents marginal benefit we have used the Portsmouth Water specific unit rate per incident rather than the median rate of all water companies. Using the median rate of £1.36m would have resulted in a marginal benefit of £1.95m per incident.

Serious Pollution Incidents

Company	Performance range - P10	Equity - water	Equity at risk	Equity at risk	Initial ODI rate	Median unit rate	Indicative ODI rate	Marginal Benefit
	nr	£m	% RoRE	£m	£m	£m	£m	£m
PRT	1	84.08	0.50	0.42	0.42		0.42	0.60
PRT	1	84.08	0.50	0.42		1.36	1.36	1.95

Discharge Permit Compliance:
Marginal benefit of £0.10m per 1% site failures. To assess our serious pollution incidents marginal benefit, we have used the Portsmouth Water specific unit rate per incident rather than the median rate of all water companies. Using the median rate of £0.73m would have resulted in a marginal benefit of £0.06m per 1% site failures.

Discharge Permit Compliance

Company	PCL 2024-25	Performance range - P10	Equity - water	Equity at risk	Equity at risk	Initial ODI rate	1% site failures (number of sites)	Unit rate (rate per site failure)	Median unit rate	Indicative ODI rate	Marginal Benefit
	nr	nr	£m	% RoRE	£m	£m	nr	£m	£m	£m	£m
PRT	100.00	6.04	84.08	0.50	0.42	0.07	0.06	1.16	0.73	0.07	0.10
PRT	100.00	6.04	84.08	0.50	0.42	0.07	0.06		0.73	0.04	0.06

Asset Health (Mains Repairs and Unplanned Outage):
Asset health has been calculated differently to other performance commitments and therefore doesn't have the same issue around normalisation. We therefore propose to use the collaborative research rates for these performance commitments.

Asset Health (Mains Repairs and Unplanned Outage)

Company	PC	Measurement unit	Price control allocation	RE uplift factor	Unadjusted indicative ODI rate	Adjusted indicative ODI rate	Marginal Benefit
				%	£m	£m	£m
PRT	Mains repairs	number per 1,000km mains network	water	9%	0.03	0.03	0.03
PRT	Unplanned outage	percentage peak week production capacity (PWPC)	water	9%	0.31	0.34	0.44

Benefit sharing factors
We have chosen to use the Ofwat suggested benefit sharing factor of 70%.

Enhanced outperformance thresholds
We have not proposed enhanced outperformance thresholds, but support enhanced outperformance targets for interruptions, leakage, and per capita consumption.

TABLE OUT8 - PR19 outcome performance summary

Table OUT8 contains inputs needed for populating the PR19 ODI performance reconciliation model and calculating the end of period revenue and RCV adjustments to be applied at PR24. We have calculated the performance payments for 2023-24 and 2024-25 using the PR19 ODI performance model. Performance payments data is in 2017-18 prices.

There are some differences to the submitted ODI models, which relate to what we believe to be errors in the ODI Models, as follows:

- Leakage – We have calculated a higher 2024-25 penalty. This is a result of the ODI model rounding to one decimal place.
- PCC – We have calculated a higher penalty. The 2024-25 model only includes penalties for 2020-21, 2021-22 and 2024-25. We have included a penalty for each year in OUT6 and OUT8. As set out in PRT05 Delivering Outcomes for Our Customers, we have evidence of a step change in PCC due to Covid-19 and would welcome further discussions at an industry level on PR19 ODI targets.

Summary of OUT8 – 2023-24

Performance Commitment	Forecast Performance	PR19 Target	Penalty / Reward ODI Rate (£m)	Forecast Penalty / Reward
Water Quality Compliance	5.6	Deadband from 0 to 2	-0.113	-0.411
Water Supply Interruptions	3 mins 19 secs	5 mins 23 secs	0.069	0.143
Leakage	28.4 Ml/d	24.9 Ml/d	-0.160	-0.560
Per Capita Consumption	154.9 l/pers/d	141.9 l/pers/d	-0.033	-0.430
Mains Repairs	68.8 repairs / 1000km of mains	70.0 repairs / 1000km of mains	-0.024	0.000
Unplanned Outage	1.00% PWPC	2.34% PWPC	-0.190	0.000
Water Quality Contacts	0.42 contacts / 1000 population	0.42 contacts / 1000 population	-0.544	0.000
Low Pressure	30 properties	30 properties	-0.00189	0.000
Catchment Management	40 farms engaged	40 farms engaged	-0.0008	0.000
Abstraction Incentive Mechanism	0 megalitres	0 megalitres	-0.019	0.000
Biodiversity (reward)	£0.200m of grants	£0.200m of grants	-0.186	0.000
Biodiversity (penalty)	100% of actions	95% of actions	-0.00094	0.000
Voids	2.00% of household properties	2.00% of household properties	-0.140	0.000
Affordability	12,258 customers on social tariff	9,500 customers on social tariff	-0.000021	0.000
Water Industry National Environment Programme	7 schemes	7 schemes	-0.0223	0.000

Summary of OUT8 – 2024-25

Performance Commitment	Forecast Performance	PR19 Target	Penalty / Reward ODI Rate (£m)	Forecast Penalty / Reward
Water Quality Compliance	2	Deadband from 0 to 2	-0.113	0.000
Water Supply Interruptions	2 mins 15 secs	5 mins 00 secs	0.069	0.190
Leakage	27.4 Ml/d	24.1 Ml/d	-0.160	-0.537
Per Capita Consumption	152.5 l/pers/d	139.9 l/pers/d	-0.033	-0.405
Mains Repairs	68.8 repairs / 1000km of mains	68.6 repairs / 1000km of mains	-0.024	-0.005
Unplanned Outage	1.00% PWPC	2.34% PWPC	-0.190	0.000
Water Quality Contacts	0.41 contacts / 1000 population	0.41 contacts / 1000 population	-0.544	0.000
Low Pressure	18 properties	18 properties	-0.00189	0.000
Catchment Management	50 farms engaged	50 farms engaged	-0.0008	0.000
Abstraction Incentive Mechanism	0 megalitres	0 megalitres	-0.019	0.000
Biodiversity (reward)	£0.250m of grants	£0.250m of grants	-0.186	0.000
Biodiversity (penalty)	100% of actions	95% of actions	-0.00094	0.000
Voids	2% of household properties	2% of household properties	-0.140	0.000
Affordability	15,000 customers on social tariff	10,000 customers on social tariff	-0.000021	0.000
Water Industry National Environment Programme	18 schemes	18 schemes	-0.0223	0.000

Line OUT 8.1 – Water Quality Compliance (CRI)

We are forecasting a CRI score of 5.6 for 2023-24, following water quality compliance failures in early 2023. We expect an ODI penalty of £0.411m based on £0.113m per score of 1 above our deadband of 2.

Mitigation has been improved and we expect improvements in 2024, with a score of below 2 and within our deadband.

Line OUT 8.2 – Water Supply interruptions

We expect to continue to outperform our interruptions target in future years.

We expect a performance of 3 mins 19 secs in 2023-24 and 2 mins 15 secs in 2024-25. This equates to a reward of £0.143m and £0.190m respectively, based on a reward of £0.069m per minute below target.

Line OUT 8.3 – Leakage

After the extreme weather conditions in 2022-23, we expect higher leakage than target in 2023-24 and 2024-25. We are forecasting for our in-year leakage figure to return below target by 2024-25, however as the PR19 target is based on a three-year average we are still forecasting to receive an ODI penalty due to high leakage in previous years.

Leakage - Ml/d	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Forecast)	2024-25 (Forecast)
Three-Year Average Target	27.5	26.6	25.8	24.9	24.1
Actual/Forecast in Year Leakage Figure	23.6	26.9	32.2	26.0	24.0
Actual/Forecast Three Year Average Leakage Figure	25.4	25.0	27.6	28.4	27.4

Our forecast performance of 28.4 Ml/d in 2023-24 and 27.4 Ml/d in 2024-25 will lead to an ODI penalty of £0.560m and £0.537m respectively based on our ODI penalty rate of £0.160m per Ml/d.

Line OUT 8.4 – Per Capita Consumption (PCC)

We have seen a step increase in PCC because of changes in working habits since the Covid-19 pandemic. Our customers are working from home far more than previously, and subsequently their water use has moved from non-household to household. We expect new working habits to continue and therefore forecast higher PCC than target in future years.

We expect our PCC performance to remain at 152.2 litres per person per day (l/pers/d) in future years of AMP7, and for this to result in an ODI penalty of £0.430m in 2023-24 and £0.405m in 2024-25 based on our ODI penalty rate of £0.033m per l/pers/d.

Per Capita Consumption – l/pers/d	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Forecast)	2024-25 (Forecast)
Three Year Average Target	147.4	145.6	143.7	141.9	139.9
Actual/Forecast in Year Leakage Figure	170.5	160.3	152.2	152.2	152.2
Actual/Forecast Three Year Average Leakage Figure	157.2	160.2	161.0	154.9	152.2

Line OUT 8.5 – Mains Repairs

We are forecasting mains repairs of 68.8 per 1,000 km of mains in both future years of AMP7. We can expect to achieve our 2023-24 target of 70, but marginally miss our 2024-25 target of 68.6. As this Performance Commitment is penalty only, we can expect a small ODI penalty of £0.005m in 2024-25 based on our ODI penalty rate of £0.024m per mains repair/1000km.

Line OUT 8.6 – Unplanned Outage

We are forecasting unplanned outage performance of 1% of peak week production capacity. This is significantly better than our target of 2.34% and therefore we can expect no ODI penalty in AMP7.

This Performance Commitment is penalty only and therefore no ODI reward can be obtained.

Lines OUT 8.7 to 8.10
As a water only water company, we do not have Performance Commitments related to wastewater.

Line OUT 8.11 – Water Quality Contacts

We are forecasting performance of 0.42 and 0.41 contacts per 1,000 population in 2023-24 and 2024-25 respectively. This performance is in line with our targets and therefore we are forecasting no ODI penalty in AMP7.

This Performance Commitment is penalty only and therefore no ODI reward can be obtained.

Line OUT 8.12 – Low Pressure

We are forecasting 30 properties experiencing low pressure in 2023-24, and 18 in 2024-25. This in in line with our target and therefore we are forecasting no ODI penalty in AMP7.

This Performance Commitment is penalty only and therefore no ODI reward can be obtained.

Line OUT 8.13 – Catchment Management

We are forecasting to have engaged with 40 farms by the end of March 2024, and 50 by end of March 2025. This is in line with our target and therefore we are forecasting no ODI penalty in AMP7.

We do not expect to go beyond our target and therefore do not forecast an ODI reward.

Line OUT 8.14 – Abstraction Incentive Mechanism

We are not expecting to over abstract from the River Hamble during drought conditions and are forecasting no ODI penalty in AMP7.

With high rainfall in summer 2023, we are not expecting drought conditions on the River Hamble for the remainder of AMP7 and therefore do not believe there would be the opportunity to obtain a ODI reward through under abstraction.

Line OUT 8.15 – Biodiversity (Reward)

We are forecasting to provide grants of £0.200m by the end of March 2024, and £0.250m by end of March 2025. This is in line with our target and therefore we are forecasting no further ODI penalty in AMP7.

We do not expect to go beyond our target and therefore do not forecast an ODI reward.

Line OUT 8.16 – Biodiversity (Penalty)

We are forecasting to complete over 90% of actions required to maintain our priority habitat in good ecological status. This is in line with our target and therefore we are forecasting no further ODI penalty in AMP7.

This Performance Commitment is penalty only and therefore no ODI reward can be obtained.

Line OUT 8.17 – Voids

We are expecting to reduce voids to 2.00% in 2023-24 and 2024-25. This is in line with our target and therefore we are forecasting no further ODI penalty in AMP7.

We do not expect to go beyond our target and therefore do not forecast an ODI reward.

Line OUT 8.18 – Affordability

We are expecting to continue to increase the number of customers on our social tariff in future years of AMP7 and beyond. We are already significantly above our PR19 targets and therefore we are forecasting no ODI penalty in AMP7.

This Performance Commitment is penalty only and therefore no ODI reward can be obtained.

Line OUT 8.19 – Water Industry National Environment Programme

We are expecting to complete all remaining WINEP schemes by their target dates and therefore we are forecasting no further ODI penalty in AMP7.

This Performance Commitment is penalty only and therefore no ODI reward can be obtained.

Line OUT 8.20 – Havant Thicket

Targets for completion of Havant Thicket are post 2025.

TABLE OUT9 - Biodiversity - Habitat information

OUT9.1 - Company owned land

We own 1.339 km2 of land, across 57 sites.

Sites include offices, service reservoirs, water treatment works, pumping and booster stations, and other assorted land.

We have included land that is either entirely owned by Portsmouth Water Ltd, or part owned alongside Brockhampton Property and Holdings.

We have not included our Havant Thicket Reservoir construction site.

All land area has been calculated using our GIS.

OUT9.2 - Company land that is a protected site

We own 0.014km2 of land that is a protected site, across two sites.

We understand that a protected site to be where we have a SSSI only.

OUT9.3 - Land considered to have 'Wildlife-rich' habitats or 'Areas of strategic significance'

We own 0.341km2 of land considered to have wildlife-rich habitats or areas of strategic significance, across 29 sites. Most of this land is open habitats but does also include water and woodland.

Land includes Section 41 habitats of principal importance to England, as designated by Defra.

We can confirm that this does not include land allocated to OUT9.2.

OUT9.4 - Company land associated or expected to be associated with obligations, including planning processes, in 2025-30

We own 0.011km2 of land associated or expected to be associated with obligations, including planning processes, in 2025-30. This is across three sites.

We can confirm that this does not include land allocated to OUT9.2 and OUT9.3.

OUT9.5 - Company land expected to be used for solar arrays in 2025-30

We own 0.078km2 of land expected to be used for solar arrays in 2025 to 2030, across 13 sites.

We can confirm that this does not include land allocated to OUT9.2 to OUT9.4.

OUT9.6 - Company land with long term tenancies (>=5 years)

We own 0.234km2 of land with long-term tenancies, across 15 sites.

We can confirm that this does not include land allocated to OUT9.2 to OUT9.5.

OUT9.7 - Company land with short term tenancies (<5 years)

We own 0.006km2 of land with short-term tenancies, on one site.

We can confirm that this does not include land allocated to OUT9.2 to OUT9.6.

OUT9.8 - Company land subject to shooting rights

We own no land subject to shooting rights.

OUT9.9 - Company land subject to other rights

We own no land subject to other rights.

OUT9.10 - Company land that is standing water

We own 0.025km2 of land that is standing water, across seven sites.

We can confirm that this does not include land allocated to OUT9.2 to OUT9.9.

OUT9.11 - Company land that is running water

We own 0.016km2 of land that is running water, across eight sites.

We can confirm that this does not include land allocated to OUT9.2 to OUT9.10.

OUT9.12 - Company land that is sealed surfaces

We own 0.085km2 of land that is sealed surfaces, across 51 sites.

We can confirm that this does not include land allocated to OUT9.2 to OUT9.11.

OUT9.13 - Company land that has tree canopy and woodland cover

We own 0.014km2 of land that has tree canopy and woodland cover, across 17 sites.

We can confirm that this does not include land allocated to OUT9.2 to OUT9.12.

OUT9.14 - Company land that has estuaries and coastal water habitats

We own no land that has estuaries and coastal water habitats.

OUT9.15 - Company land that has open habitats

We own 0.515km2 of land that that has open habitats, across 55 sites.

We can confirm that this does not include land allocated to OUT9.2 to OUT9.14.

OUT9.16 - Land being managed as part of biodiversity plans – Good status

We own 1.017km2 of land that is managed as part of biodiversity plans and is in good status, across 29 sites.

OUT9.17 - Land being managed as part of biodiversity plans – Moderate status

We own 0.191km2 of land that is managed as part of biodiversity plans and is in moderate status, across 23 sites.

OUT9.18 - Land being managed as part of biodiversity plans – Poor status

We own 0.132km2 of land that is managed as part of biodiversity plans and is in poor status, across five sites.

TABLE OUT10 - Underlying calculations for bespoke performance commitments

There are no bespoke performance commitments to report in this table.

Portsmouth Water

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