

Yorkshire Water In-Period ODI Report 2023/2024

July 2024



YorkshireWater

Our performance commitments for 2020 to 2025 were set as part of the Periodic Review 2019 (PR19) process. In Asset Management Period 7 (AMP7), Yorkshire Water has 44 performance commitments. The majority of these performance commitments have associated outcome delivery incentives (ODIs), which attract a reward or penalty based on our performance to target.

There are 24 ODIs that are taken in-period, (annually), through adjustments to our allowed revenues for the next charging year. There are four ODIs (working with others, land conserved and enhanced, length of river improved and living with water) that are measured over the course of the whole AMP (2020 to 2025) and the net reward or penalty position is reflected at that point through the next Price Review in 2024 (PR24). There is an additional ODI, per capita consumption, which was an in-period measure but, due to the change in consumption patterns seen since the Covid-19 pandemic, the annual penalty / reward is reported but the overall adjustment is deferred until the end of the AMP.

The remaining 15 performance commitments are reputational measures and do not have a financial incentive attached to them. For more information on our performance commitments and how we performed last year, please see the Annual Performance Report (APR) for 2023/2024, which can be found at: <https://www.yorkshirewater.com/about-us/reports/>

Table 1 summarises the in-period ODIs, performance obtained in 2023/2024, the resulting penalty or reward and whether any intervention is being requested to the automatic operation of the in-period ODIs. There are no intervention requests this year. This submission report should be read alongside:

- Annual Performance Report (APR) for 2023/2024
- APR Tables for Tables 3A to 3I with the ODI performance model
- In-period adjustments model

Although no interventions have been requested for 2023/2024, a separate letter has been submitted to Ofwat with a request for changes to historic ODI payments and a request for consideration around the marginal tax application to ODIs.

This year there is not an in period determination process for ODI payments. Any adjustments to reflect ODI payments will be made in the PR24 process, and will form one element of the revenue and RCV adjustments for all the PR19 reconciliation mechanisms, with payments included in the final determination of price controls.

Table 1. Summary of in-period ODIs, 2023/2024 performance and whether intervention is requested within this report.

ODI	2023/24 Performance	Reward/ Penalty £m	Intervention requested
Common ODIs			
PR19YKY_20 Water quality compliance (CRI)	9.27	-9.526	No
PR19YKY_21 Water supply interruptions	00:10:35	-6.395	No
PR19YKY_22 Leakage	12.70%	0.431	No
PR19YKY_25 Per capita consumption ¹	-1.0%	-2.065	No
PR19YKY_24 Mains repairs	175.3	0	No
PR19YKY_23 Unplanned outage	2.95%	0	No
PR19YKY_31 Internal sewer flooding	2.78	-11.303	No
PR19YKY_30 Pollution incidents	26.21	-2.614	No
PR19YKY_33 Sewer collapses	12.37	0	No
PR19YKY_32 Treatment works compliance	99.68	0	No
Bespoke ODIs			
PR19YKY_6a Operational carbon	-177.3%	-2.738	No
PR19YKY_7 Education	29,203 hours	0	No
PR19YKY_9 Water recycling	0	-0.089	No
PR19YKY_17 Gap sites	99%	0	No
PR19YKY_18 Managing void properties	3.66%	1.157	No
PR19YKY_26 Drinking water contacts	8.9	0	No
PR19YKY_27 Significant water supply events	18	-1.590	No
PR19YKY_28 Low pressure	10	0	No
PR19YKY_28 Repairing or replacing customer owned pipes	4,576	-1.397	No
PR19YKY_35 External sewer flooding	5,873	1.422	No
PR19YKY_36 Bathing water quality	16	-2.470	No
PR19YKY_37 Surface water management	8	-0.010	No
PR19YKY_40 Quality agricultural products	100%	0	No
TOTAL ODI Payments (excluding PCC)		-35.121	
CMeX & DMex Payments			
PR19YKY_19 C-Mex ²	76.54	0	No
PR19YKY_10 D-Mex	83.60	-1.049	No
Total ODI Payments 2023/2024 (includes PCC and includes estimated CMeX and DMex)		-38.235	

¹ Per capita consumption has an annual reward / penalty rate. However, the value of the reward/ penalty obtained within the year will be carried forward to the end of AMP reconciliation in line with the latest Ofwat guidance.

² Yorkshire Water net penalty position includes, for completeness, all revenue-based incentives including a forecast of the C-Mex reward and D-Mex penalty positions, even though these are not reflected in the APR Table 1F.