

Action Tracker
Company: Southern Water

Test area		Actions details			Business plan adjustment		Additional evidence (please elaborate/reference)		Assurance (please elaborate/reference)	
Action reference	Action type	Action	Date required	Nature of adjustment	Revised business plan reference	Data table reference	Additional evidence (please elaborate/reference)	Assurance (please elaborate/reference)		
Companies to copy from their actions summary table and detailed actions documents				Summarise how you have responded to this action	Document name(s), page number(s), paragraph number(s)	App number(s), the description(s), cell reference(s)	Please include where appropriate	Please include where required (see cover) or if it is deemed appropriate		
Addressing affordability and vulnerability	SRN.AV.A1	Required	01-Apr-19	We have provided further information about our customer support metrics for acceptability and affordability. We agree with Owat that our scores appear lower however, there is significant ambiguity with the different ways 'affordability' is measured and tested. By triangulating all the evidence we have, and looking at 'neutral' responses - on balance we believe our plan is affordable. We have taken the CCG through all the data available and agreed at this position.	IAP_TA 2. Addressing affordability and vulnerability_pg 2-3 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 104 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 105 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 108	n/a	n/a	CCG, PWC		
Addressing affordability and vulnera	SRN.AV.A2	Required	01-Apr-19	We have fully accepted Owat's comments and the new PSR measure which has been profiled in App4.	IAP_TA 2. Addressing affordability and vulnerability_pg 4 BP_CH8. Helping customers who need our support	<p>APP4_#RSE DR PRFMS TESTED WITH CUSTOMERS FROM 2024/25 TO 2024/25 _A11_New Line_</p> <p>APP4_Cost of social tariff cross-subsidy (per customer) _A10_New Line_</p> <p>APP4_Cost of company contribution to social tariff (per customer) _A11_New Line_</p> <p>APP4_Number of customers receiving social tariffs (excluding WaterSure) _A12_New Line_</p> <p>APP4_Total value of WaterSure and WaterSure Plus discounts _A13_New Line_</p> <p>APP4_Cost of WaterSure and WaterSure Plus cross-subsidy (per customer) _A14_New Line_</p> <p>APP4_Number of customers receiving WaterSure and WaterSure Plus _A15_New Line_</p> <p>APP4_Total value of hardship funds _A16_New Line_</p> <p>APP4_Number of customers receiving hardship funds _A17_New Line_</p> <p>APP4_Total value of payment matching support _A18_New Line_</p> <p>APP4_Cost of payment matching cross-subsidy _A19_New Line_</p> <p>APP4_Real bill profile tested with customers beyond 2025 _A20_New Line_</p> <p>APP4_Cost of company contribution to payment matching support (per customer) _A21_New Line_</p> <p>APP4_Customers finding their combined bills affordable: (b) for companies who charge for both water and wastewater (WaSCs) _A4_Existing line_</p> <p>APP4_Customers finding their combined bills acceptable: (b) for companies who charge for both water and wastewater (WaSCs) _A7_Existing line_</p> <p>APP4_Total value of social tariff discounts (excluding WaterSure) _A9_New Line_</p> <p>APP4_Customers aware of the non-financial vulnerability measures offered _B22_2020-30</p> <p>APP4_Customers on Priority Services Register _B23_2019-30</p> <p>APP4_Customers on Priority Services Register (%) _B24_2019-30</p> <p>APP4_Customers receiving services through the SAR/PSR: (a) support with communication _B25_2018-30</p> <p>APP4_Customers receiving services through the SAR/PSR: (b) support with mobility and access restrictions _B26_2018-30</p> <p>APP4_Customers receive services through the SAR/PSR: (c) support with mobility</p>	BP_CH8. Helping customers who need our support	PWC		
Definition	SRN.OC.A1	Required	01-Apr-19	We have decided to reinstate the Value for Money PC (7: Value-for-money). If sufficient justification for dropping the PC cannot be provided, the company should continue its PR14 Value for Money PC. Individual PC actions are set out in table 2.	IAP_TA 3. Delivering Outcomes for Customers Page 2-3	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 43	n/a	PWC		
Asset health ODI package	SRN.OC.A2	Required	01-Apr-19	To enhance our performance reporting we will create an interactive summary which makes information more accessible to our customers and stakeholders - showing simplified performance data that allows you to dive into further detail. For AMP7 we are working with customers to co-create an online dashboard which provides key information in a clear, timely and transparent way - putting the customer first in allowing them to drive the direction.	IAP_TA 3. Delivering Outcomes for Customers Page 4-5	n/a	n/a	PWC		
ODI rate	SRN.OC.A3	Required	01-Apr-19	We have revisited our triangulation approach for determining ODI incentive rates. We have provided the further information requested by Owat in this action.	IAP_TA 3. Delivering Outcomes for Customers Page 6-18 BP_TA6.1. Our Approach to PCs and ODIs_pg 22 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 3, 11 BP_TA4.3. Triangulation of customer priorities	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs) App1a - Outcome delivery incentives (ODIs)	n/a	PWC		
Caps, collars & deadbands	SRN.OC.A4	Required	01-Apr-19	Our use of caps and collars was more widespread than other companies. We have undertaken further work on caps and collars, resulting in a set of caps and collars which incentivise us to improve performance, whilst also protecting our customers.	IAP_TA 3. Delivering Outcomes for Customers Page 19-28 BP_TA6.2. Our Package of PCs and ODIs_pg 79 BP_TA6.1. Our approach to PCs and ODIs BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 3	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_column 72 and 87	n/a	PWC		
Overall ODI package	SRN.OC.A5	Required	01-Apr-19	We have provided further evidence per Owat's requests and have outlined how our asset health ODIs have been developed to avoid a double count.	IAP_TA 3. Delivering Outcomes for Customers Page 29-35 BP_TA6.2. Our Package of PCs and ODIs Pg 8-11 BP_TA4.3. Triangulation of customer priorities IAP_TA11_OC_ODI Research 2019	n/a	n/a	PWC		
Asset health ODI package	SRN.OC.A6	Required	01-Apr-19	We have provided further evidence per Owat's request relating to our Asset Health PCs. We have also listed the payment levels considered to be its asset health PCs, and state its P10 underperformance payments and P90 underperformance payments for each of its asset health ODIs in £m and as a percentage of RoCE.	IAP_TA 3. Delivering Outcomes for Customers Page 36-37 BP_TA4.3. Triangulation of customer priorities BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 2.3,5,7,9,11,13 BP_TA6.2. Our Package of PCs and ODIs Pg 8-11	n/a	n/a	PWC		
Customer protection	SRN.OC.A7	Required	01-Apr-19	We have provided further evidence per Owat's requests and have analysed other companies' App1 submissions to understand the uniqueness of our ODIs.	IAP_TA 3. Delivering Outcomes for Customers Page 38-42	n/a	n/a	PWC		
ODI rate	SRN.OC.A8	Required	01-Apr-19	We have provided further evidence on coherence and short/long term incentivisation per Owat's request.	IAP_TA 3. Delivering Outcomes for Customers Page 43-46 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 3, 11 BP_TA6.1 - Our approach to PCs and ODIs	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 1	n/a	PWC		
ODI rate	SRN.OC.A9	Required	01-Apr-19	Due to ongoing works at Testwood the proposed deadbands represent a de facto financial penalty, rather than an incentive to deliver for customers. We have proposed a set of deadbands that would require us to deliver at the upper quartile performance for all works except Testwood.	IAP_TA 3. Delivering Outcomes for Customers Page 47-48	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 1	DWI Notice SRN 3911 (http://www.dwi.gov.uk/stakeholders/improvement-programmes/tern/SRN3911.pdf)	PWC		
ODI type	SRN.OC.A10	Required	01-Apr-19	We have provided further evidence from our customer research and outlined our customers' willingness to pay for reductions in leakage.	IAP_TA 3. Delivering Outcomes for Customers Page 49 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 1.2,3,6, 11, 96	n/a	IAP_TA11_OC_ODI research 2019	PWC		
ODI rate	SRN.OC.A11	Required	01-Apr-19	We have removed the manual adjustments, and revisited our triangulation as per action SRN.OC.A3. This led to a change in incentive rates. Our underperformance and overperformance incentive rates now fall within the normalised ranges provided by Owat in Technical Appendix 1.	IAP_TA 3. Delivering Outcomes for Customers Page 50-51 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 3, 11 BP_TA6.1 - Our approach to PCs and ODIs	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 2	n/a	PWC		
ODI type	SRN.OC.A12	Required	01-Apr-19	In our ODI customer valuation exercise our customers were willing to pay £358 for each litre reduction in per capita consumption over and above our target. Customers are supportive of rewards to encourage behavioural change and feel using technology better will play a role here.	IAP_TA 3. Delivering Outcomes for Customers Page 52 BP_CH4. Customer and Stakeholder Engagement Pg55 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 8, 9, 11	n/a	n/a	PWC		
ODI rate	SRN.OC.A13	Required	01-Apr-19	We have removed the adjustments and revisited our triangulation as per action SRN.OC.A3. This has led to a change in the incentive rates. We have adjusted our enhanced incentive rates to reflect this change. Our incentive rates now fall within the normalised ranges provided by Owat in Technical Appendix 1.	IAP_TA 3. Delivering Outcomes for Customers Page 53-54 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 3, 11 BP_TA6.1 - Our approach to PCs and ODIs	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 3	n/a	PWC		
Stretch	SRN.OC.A14	Required	01-Apr-19	We have proposed an alternative target, ensuring we meet the expected 03:00 minutes by 2024/25. Although the glidepath is less steep to ensure the projects we are completing in AMP7 have time to make an impact on performance.	IAP_TA 3. Delivering Outcomes for Customers Page 55	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 26	n/a	PWC		
ODI rate	SRN.OC.A15	Required	01-Apr-19	We have removed the manual adjustments, and revisited our triangulation as per action SRN.OC.A3. This led to a change in incentive rates. Our underperformance and overperformance incentive rates now fall within the normalised ranges provided by Owat in Technical Appendix 1.	IAP_TA 3. Delivering Outcomes for Customers Page 56-57 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 3, 11 BP_TA6.1 - Our approach to PCs and ODIs	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 26	n/a	PWC		
Caps, collars & deadbands	SRN.OC.A16	Required	01-Apr-19	We have revised our approach to caps and collars per SRN.OC.A4 but have maintained a cap and collar on this PC due to significant risk of extreme weather disruptions. We have provided further information to outline why the approach and levels set support customer interests and protections.	IAP_TA 3. Delivering Outcomes for Customers Page 58-60 Appendix P 1	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 26	IAP_TA 6. Accounting for past delivery_PD A8	PWC		
Stretch	SRN.OC.A17	Required	01-Apr-19	We have updated data table APP1 - line 27 to reflect the values calculated by Owat. This changes our performance measure from absolute to normalised values. We have amended our cap and collar to keep the difference consistent with our original service levels. We have updated our long term forecast performance.	IAP_TA 3. Delivering Outcomes for Customers Page 61	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 27	n/a	PWC		
ODI type	SRN.OC.A18	Required	01-Apr-19	We have removed the manual adjustments, and revisited our triangulation as per action SRN.OC.A3. This led to a change in incentive rates. Our underperformance and overperformance incentive rates now fall within the normalised ranges provided by Owat in Technical Appendix 1. We have provided responses to coherence and long/short term challenges.	IAP_TA 3. Delivering Outcomes for Customers Page 62-65 BP_TA4.4. Customer and Stakeholder Engagement Deliverables_Document 3, 11 BP_TA 6.1 - Our approach to PCs and ODIs	App1 - Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 27	n/a	PWC		

Caps, collars & deadbands	SRN.OC.A19	Required	Internal sewer flooding PC: The company should provide further ODI-specific evidence to support its use of a cap and a collar, whilst also considering how its use of these features aligns with its broader approach to customer protection. The company's evidence should include justification for the levels at which the cap and collar are set, and the company should explain why these levels are appropriate and in customers' interests.	01-Apr-19	We have revised our approach to caps and collars per SRN.OC.A4 but have maintained a cap and collar on this PC due to significant risk of extreme weather disruptions. We have provided further information to outline why the approach and levels set support customer interests and protections.	IAP_TA_3_Delivering Outcomes for Customers_Page 66-67	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 27	n/a	PWC
Stretch	SRN.OC.A20	Required	Pollution incidents PC: For this common PC we expect all companies' service levels to reflect the values we have calculated for each year of the 2020 to 2025 period.	01-Apr-19	We have updated data tables APP1 – line 28 and WWS18 – line 3 in line with Oweat's challenge. This changes our performance measure from absolute to normalised values. We have amended our cap and collar to keep the difference consistent with our original service levels. We have updated our long term forecast performance.	IAP_TA_3_Delivering Outcomes for Customers_Page 68	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 28 WWS18 – Explaining the 2019 Final Determination for the Wastewater Service_Line 3	n/a	PWC
ODI type	SRN.OC.A21	Required	Pollution incidents PC: The company should provide a rationale that sufficiently justifies the inclusion of an outperformance payment for this PC and provide evidence of customer support.	01-Apr-19	An outperformance payment will support us in delivering improvements against this metric, rather than just maintaining performance. We have provided further customer evidence to support this ODI.	IAP_TA_3_Delivering Outcomes for Customers_Page 69 BP_TA4_4_Customer and Stakeholder Engagement Deliverables_Document 2_3, 5, 11, 13, 21, 23	n/a	IAP_TA11_OC_ODI research 2019	PWC
ODI rate	SRN.OC.A22	Required	Pollution incidents PC: The company should provide the additional information set out in Technical Appendix 1: Delivering outcomes for customers to allow us to better understand the causes of variation in ODI rates for pollution incidents and assess the appropriateness of the company's customer valuation evidence supporting its ODI. The company should explain and evidence how its proposed ODI rate for this PC is coherent with the rates proposed for all other sewerage PCs (including internal sewer flooding, Sewer collapses, External sewer flooding) and demonstrate how the package of ODIs across the relevant group of PCs appropriately incentivises performance in the long and short-term.	01-Apr-19	We have removed the manual adjustments, and revisited our triangulation as per action SRN.OC.A3. This led to a change in incentive rates. Our underperformance and outperformance incentive rates now fall within the normalised ranges provided by Oweat in Technical Appendix 1. We have provided responses to coherence and long/short term challenges.	IAP_TA_3_Delivering Outcomes for Customers_Page 70-73 BP_TA4_4_Customer and Stakeholder Engagement Deliverables_Document 3_11 TA.6.1 – Our approach to PCs and ODIs IAP_TA11_OC_ODI Research 2019	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 28	IAP_TA11_OC_ODI research 2019	PWC
Caps, collars & deadbands	SRN.OC.A23	Required	Pollution incidents PC: The company should provide further ODI-specific evidence to support its use of a cap and a collar, whilst also considering how its use of these features aligns with its broader approach to customer protection. The company's evidence should include justification for the levels at which the cap and collar are set, and the company should explain why these levels are appropriate and in customers' interests. The company should consider extending the performance range over which incentive payments apply, by reducing the level of the cap and increasing the level of the collar.	01-Apr-19	We have revised our approach to caps and collars per SRN.OC.A4 but have maintained a cap and collar on this PC due to significant risk of extreme weather disruptions. We have provided further information to outline why the approach and levels set support customer interests and protections.	IAP_TA_3_Delivering Outcomes for Customers_Page 74-76 BP_TA6_2_Our package of PCs and ODIs	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 28	n/a	PWC
Definition	SRN.OC.A24	Required	Risk of severe restrictions in a drought PC: The company should explain its level of stretch and submit the intermediate calculation outputs as shown in the common definition guidance published on our website for the drought resilience metric.	01-Apr-19	We have provided further information to explain how we have applied the guidance correctly and provided our intermediate calculations	IAP_TA_3_Delivering Outcomes for Customers_Page 77-78	n/a	IAP_TA11_OC_Intermediate Calculations	PWC
Definition	SRN.OC.A25	Required	Risk of sewer flooding in a storm PC: The company should adopt the standard definition in full, providing full details of any assumptions in its measurement and reporting methodology, including all the information set out in section 3.6 of Developing and Trialling Wastewater Resilience Metrics, Atkins.	01-Apr-19	Southern Water would like to re-affirm that it has and will continue to fully adopt the standard definition in the Developing and Trialling Wastewater Resilience Metrics, Atkins. We have provided further supporting evidence.	IAP_TA_3_Delivering Outcomes for Customers_Page 79-82	n/a	IAP_TA11_OC_Table 9 Outputs IAP_TA11_OC_Flooding Resilience Guidance Note IAP_TA11_OC_Developing and Trialling Wastewater Resilience Metrics IAP_TA11_OC_Model Confidence Assessment IAP_TA11_OC_Option 1a Summary and Results	PWC
Stretch	SRN.OC.A26	Required	Risk of sewer flooding in a storm PC: The company should provide more evidence that it has followed the guidance and calculated the risk accurately.	01-Apr-19	We have provided further information to explain our calculations	IAP_TA_3_Delivering Outcomes for Customers_Page 83	n/a	n/a	PWC
ODI type	SRN.OC.A27	Required	Asset health: mains bursts PC: The company should provide a rationale that sufficiently justifies the inclusion of an outperformance payment for this ODI and evidence of customer support. The company should demonstrate how this ODI will benefit its customers. If the company cannot do this, it should remove the outperformance payment.	01-Apr-19	We have set a stretching target to reduce the level of mains bursts. If we do not deliver these improvements we will incur significant penalties. Outperformance payments will only be available if we deliver performance which is amongst the best in the sector. Our customers expressed a willingness to pay for reductions in mains bursts beyond the level included in our business plan in our ODI research.	IAP_TA_3_Delivering Outcomes for Customers_Page 84 BP_TA4_4_Customer and Stakeholder Engagement Deliverables_Document 2_3, 11	n/a	IAP_TA11_OC_ODI research 2019	PWC
ODI rate	SRN.OC.A28	Required	Asset health: mains bursts PC: The company should explain and evidence how its proposed ODI rates for mains bursts are coherent with the rates proposed for PCs relating to the associated customer facing impacts of the asset failure (including leakage, supply interruptions and low pressure) and demonstrate how the package of ODIs across the relevant group of PCs appropriately incentivises performance in the long and short-term. The company should also provide the additional information set out in Technical Appendix 1: Delivering outcomes for customers to allow us to better understand the causes of variation in ODI rates for mains bursts and assess the appropriateness of the company's customer valuation evidence supporting its ODI.	01-Apr-19	We have removed the manual adjustments, and revisited our triangulation as per action SRN.OC.A3. This led to a change in incentive rates. Our underperformance rates are in line with the median published in Technical Appendix 1: Delivering outcomes for customers. The underperformance rates are above the median value, but are below the upper quartile level which Oweat has said it expects companies' underperformance rates to be compared with. We have provided responses to coherence and long/short term challenges.	IAP_TA_3_Delivering Outcomes for Customers_Page 85-87 BP_TA6_2_Our package of PCs and ODIs BP_TA4_4_Customer and Stakeholder Engagement Deliverables_Document 3_11 BP_TA6_1 – Our approach to PCs and ODIs	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 31	n/a	PWC
Caps, collars & deadbands	SRN.OC.A29	Required	Asset health: mains bursts PC: The company should either remove the proposed underperformance deadband from this PC or provide convincing evidence to explain why this deadband is appropriate and in customers' interests. The company should reconsider whether to apply an underperformance collar to this PC, taking account of its broader approach to customer protection. If the company decides to retain the collar, it should provide a convincing, ODI-specific justification for this decision. This should include justification for the level at which the collar is set, with an explanation of how this compensates customers adequately for poor service performance. The company should also report its increasing performance, thereby extending the performance range over which underperformance payments apply. As part of this process, the company should reconsider the level of its P10 performance estimate. Regardless of the decisions taken with regards to the underperformance collar, we expect the company to either revise its P10 estimate upwards or otherwise provide compelling evidence for the level at which they are currently set. The level of its collar to be level more consistent with recent history.	01-Apr-19	We have undertaken further work on our approach to caps and collars, and have reconsidered our position on the widespread use of caps and collars. We believe it is appropriate to set a collar at the P10 performance level due to the impact of extreme weather on performance in this area. We have increased out P10 to P90 range in line with industry performance.	IAP_TA_3_Delivering Outcomes for Customers_Page 88-91	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 31	n/a	PWC
Definition	SRN.OC.A30	Required	Asset health: unplanned outage PC: The company should provide details on the actions needed to comply with the standard definition of this common performance metric and its timetable for completing them (where there is a sub-component rated Amber or Red in table 3.5 of the 2018 APR submission). Asset health: unplanned outage PC: The company is required to provide fully audited 2018-19 performance data by 15 May 2019. This should take the form of an early APR submission, but only for unplanned outage. Board assured data can be provided with the main APR in July 2019, and any changes will be taken into account for the final determination.	01-Apr-19	We have provided further information per Oweat's request. We have provided details of the changes that have been made to our internal process to ensure compliance.	IAP_TA_3_SRN OC A30_Page 92-93	n/a	n/a	PWC
Stretch	SRN.OC.A31	Required	Based on the latest performance and updated methodologies, the company should resubmit its 2019-20 to 2024-25 forecast data in the May submission. The company should also report its current and forecast company level peak week production capacity (PWPC), unplanned outage (MIU) and planned outage (MIU) in its commentary for the May 2019 submission.	15-May-19	We confirm that the 2019/19 APR process for Unplanned Outage and the associated audit will be accelerated to enable submission by the 15th May 2019.	IAP_TA_3_Delivering Outcomes for Customers_Page 94	n/a	n/a	PWC
ODI rate	SRN.OC.A32	Required	Asset health: unplanned outage: The company should explain and evidence how its proposed ODI rate for unplanned outages is coherent with the rates proposed for PCs relating to the associated customer facing impacts of the asset failure and demonstrate how the package of ODIs across the relevant group of PCs appropriately incentivises performance in the long and short-term. The company should also provide the additional information set out in Technical Appendix 1: Delivering outcomes for customers to allow us to better understand the causes of variation in ODI rates for unplanned outages and assess the appropriateness of the company's customer valuation evidence supporting its ODI.	01-Apr-19	We have revisited our approach to ODI. We have provided the max out and under-performance payments for the PCs related to the customer facing impacts of water supply asset failure. We have detailed the long and short term incentivisation as requested.	IAP_TA_3_Delivering Outcomes for Customers_Page 95-97 BP_TA6_2_Our package of PCs and ODIs	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 32	n/a	PWC
ODI rate	SRN.OC.A33	Required	Asset health: sewer collapses per 1,000km sewer: The company should explain and evidence how its proposed ODI rate for this PC is coherent with the rates proposed for all other sewerage PCs (including internal sewer flooding, Pollution incidents, External sewer flooding) and demonstrate how the package of ODIs across the relevant group of PCs appropriately incentivises performance in the long and short-term. The company should also provide the additional information set out in Technical Appendix 1: Delivering outcomes for customers to allow us to better understand the causes of variation in ODI rates for sewer collapses and assess the appropriateness of the company's customer valuation evidence supporting its ODI.	01-Apr-19	We have provided further evidence to outline the coherence across our sewerage ODIs. We have also provided further evidence on long/short term incentivisation and questions in Technical Appendix 1.	IAP_TA_3_Delivering Outcomes for Customers_Page 98-100	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 33	n/a	PWC
Caps, collars & deadbands	SRN.OC.A34	Required	Asset health: sewer collapses per 1,000km sewer: The company should either remove the proposed underperformance deadband from this PC or provide convincing evidence to explain why this deadband is appropriate and in customers' interests. The company should reconsider whether to apply an underperformance collar to this PC, taking account of its broader approach to customer protection. If the company decides to retain the collar, it should provide a convincing, ODI-specific justification for this decision. This should include justification for the level at which the collar is set, and an explanation of how this sufficiently protects customers from poor service performance.	01-Apr-19	We have reviewed our approach to caps and collars in light of Oweat's feedback on our business plan (see action SRN.OC.A4 for details). As a result we have removed the underperformance collar that was attached to this PC in its initial submission. We have also decided to remove the underperformance deadband from this ODI. We have updated APP1 to reflect these changes.	IAP_TA_3_Delivering Outcomes for Customers_Page 101	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 33	n/a	PWC
Caps, collars & deadbands	SRN.OC.A35	Required	Asset health: treatment works compliance PC: The company should consider changing its underperformance collar to 97% in each year which is roughly in line with its worst recent performance. It should also change its deadband to 99%, consistent with other companies.	01-Apr-19	We have changed our underperformance collar to 97% in each year and our deadband to 99% in each year. We have updated APP1 to reflect this change. Based on this change, we have also updated our incentive rate to keep the maximum underperformance payment at £10m in line with the evidence set out in TA.6.2 of our September business plan.	IAP_TA_3_Delivering Outcomes for Customers_Page 102 BP_TA6_2_Our package of PCs and ODIs	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 34	n/a	PWC
Stretch	SRN.OC.A36	Required	The company should provide sufficient evidence that its proposed targets are stretching. The company should clearly set out the evidence and rationale for its proposed targets. If it does not do this then the company should change its targets to make them stretching.	01-Apr-19	The targets are to maintain performance at the current level. This is consistent with our PR4 PC and customer preferences. In PR9 our customer research low water pressure did not emerge as a high priority for improvement. Our plan does not include any totes to reduce low pressure problems and the purpose of the ODI is purely to protect customers from the risk of deteriorating performance.	IAP_TA_3_Delivering Outcomes for Customers_Page 103 BP_TA6_1_Our approach to PCs_pgs 8 – 11 BP_TA4_4_Customer and Stakeholder Engagement Deliverables_Document 8	n/a	n/a	PWC
Definition	SRN.OC.A37	Required	Improve the bathing waters at 'Excellent' quality (cost adjustment claim) PC: The company should revise the definition of the PC to include a commitment to the use of official samples taken by the Environment Agency. It should also revise its definition in line with our July 2018 feedback.	01-Apr-19	We confirm that our intention was to use official EA samples, but we agree that this was not clear in the definition. We have modified the definition to clarify this.	IAP_TA_3_Delivering Outcomes for Customers_Page 104-105 BP_TA6_2_Our Package of PCs and ODIs_pg 56	n/a	n/a	PWC
ODI type	SRN.OC.A38	Required	Improve the bathing waters at 'Excellent' quality (cost adjustment claim) PC: The company should provide evidence to demonstrate customer support for outperformance payments on this ODI.	01-Apr-19	We have provided evidence of customer support for us to improve bathing waters to Excellent.	IAP_TA_3_Delivering Outcomes for Customers_Page 106 BP_TA4_4_Customer and Stakeholder Engagement Deliverables_Document 3_11, 46, 58, 67	n/a	IAP_TA11_OC_ODI research 2019	PWC
ODI rate	SRN.OC.A39	Required	Improve the bathing waters at 'Excellent' quality (cost adjustment claim) PC: The company should provide further evidence to justify the higher outperformance incentive rate relative to the underperformance standard incentive rate, or revise its outperformance payment such that this is no higher than the level of underperformance standard incentive rate proposed.	01-Apr-19	We have provided updated incentive rates. Our outperformance incentive rate has reduced as a result of the re-triangulation, it remains higher than the underperformance incentive rate. This is because our underperformance rate is based on the value of our cost adjustment claim (CAC), while the outperformance rate is based on customer valuation.	IAP_TA_3_Delivering Outcomes for Customers_Page 107-108 BP_TA4_4_Customer and Stakeholder Engagement Deliverables_Document 3_11	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 31	n/a	PWC
Caps, collars & deadbands	SRN.OC.A40	Required	Improve the bathing waters at 'Excellent' quality (cost adjustment claim) PC: The company should provide further ODI-specific evidence to support its use of a cap, whilst also considering how its use of this feature aligns with its broader approach to customer protection. The company's evidence should include justification for the level at which the cap is set, and the company should explain why its level is appropriate and in customers' interests.	01-Apr-19	In reviewing the structure of this ODI in response to the IAP feedback, we have decided to remove the collar to align more closely with the definition and customer protection intent of this ODI.	IAP_TA_3_Delivering Outcomes for Customers_Page 109 BP_TA6_2_Our Package of PCs and ODIs_pg 56	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 31	n/a	PWC
ODI rate	SRN.OC.A41	Required	Drinking water taste and odour PC: The company should explain why it has set its underperformance payment symmetrically and justify why investment in this PC is in customers' interests. The company should also provide evidence to justify the magnitude of its proposed outperformance payment rates including the 10% uplift applied to generate them.	01-Apr-19	We have removed the manual adjustments, and revisited our triangulation as per action SRN.OC.A3. This has led to a change in the incentive rates. The updated proposed underperformance payment is no longer symmetrical with the outperformance payment. Customers support investment to reduce taste and odour problems and demonstrated a willingness to pay for improvements.	IAP_TA_3_Delivering Outcomes for Customers_Page 110-111 BP_TA4_4_Customer and Stakeholder Engagement Deliverables_Document 2_3, 8, 11, 96	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 5	n/a	PWC
Stretch	SRN.OC.A42	Required	Effluent re-use PC: The company should set targets for each year between 2020-21 and 2024-25 and ensure that they are stretching. The company should clearly set out the evidence and rationale for its proposed targets.	01-Apr-19	We maintain a target of zero for this measure. We have not included any associated costs in our plan and without the ODI these activities would not be undertaken. Innovative schemes such as this are uncertain and we are unable to reasonably predict demand levels. We do not believe it would be possible to commit to a given level of activity. Customers are fully protected as they will only pay for the level of activity that is undertaken.	IAP_TA_3_Delivering Outcomes for Customers_Page 112	n/a	n/a	PWC
ODI type	SRN.OC.A43	Required	Effluent re-use PC: The company should provide evidence to justify the use of an outperformance-only payment for this ODI and evidence of customer support for this approach. The company should demonstrate how this outperformance-only ODI will benefit customers.	01-Apr-19	We have set this as an outperformance-only ODI as we have not included any associated costs in our plan for these activities. Innovative schemes such as this are uncertain and we are unable to reasonably predict demand levels. Without the ODI these activities would not be able to be included in our plan.	IAP_TA_3_Delivering Outcomes for Customers_Page 113 BP_TA4_4_Customer and Stakeholder Engagement Deliverables_Document 6_30, 31, 52, 69	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 6	IAP_TA11_OC_ODI research 2019	PWC
Definition	SRN.OC.A44	Required	Satisfactory biosources recycling PC: The company should revise the PC definition. Where it has not addressed our July 2018 feedback, it should clearly set out the rationale for not doing this.	01-Apr-19	Further to the July feedback we have updated the performance commitment definition. We have also included a statement clarifying how our performance against this commitment will be measured.	IAP_TA_3_Delivering Outcomes for Customers_Page 114-115 BP_TA6_2_Our Package of PCs and ODIs_pg 30	n/a	n/a	PWC
Definition	SRN.OC.A45	Required	River water quality PC: The company should revise the PC definition. Where it has not addressed our July 2018 feedback, it should clearly set out the rationale for not doing so.	01-Apr-19	We have updated the definition to make clear which WINEP drivers are associated with the river lengths to be delivered. We have also clarified that scheme delivery will be determined and communicated via the column titled "Final Scheme Completion Date" in the NEP delivery tracker issued by the EA.	IAP_TA_3_Delivering Outcomes for Customers_Page 116-117 BP_TA6_2_Our Package of PCs and ODIs_pg 33	n/a	n/a	PWC

ODI type	SRN.OC.A46	Required	River water quality PC: The company should provide sufficient evidence that its customers support an outperformance payment. River water quality PC: Should the company propose to keep outperformance payments on this PC, the company should consider the proposed outperformance payment potential and either revise the ODI outperformance payment in line with customer evidence or provide compelling evidence why the ODI rates are considered appropriate. In either case the company should set out its evidence and rationale.	01-Apr-19	We have provided further evidence of customer support for this ODI which is designed to incentivise early delivery of our river water quality improvement programme, ahead of the regulatory dates.	IAP_TA_3_Delivering Outcomes for Customers_Page 118 BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 2, 10, 11, 21	n/a	IAP_TA11_OC_ODI research 2019	PWC	
ODI rate	SRN.OC.A47	Required	River water quality PC: Should the company propose to keep outperformance payments on this PC, the company should consider the proposed outperformance payment potential and either revise the ODI outperformance payment in line with customer evidence or provide compelling evidence why the ODI rates are considered appropriate. In either case the company should set out its evidence and rationale.	01-Apr-19	We propose to keep outperformance payments on this PC. Having reflected on the OIAP challenge, we now believe it would be appropriate for the ODI to more fully reflect the timing of delivery. We have amended the structure of the ODI to reflect this. We have also revisited our P90 and P10 levels.	IAP_TA_3_Delivering Outcomes for Customers_Page 118-120 BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 11	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 9	n/a	PWC	
Caps, collars & deadbands	SRN.OC.A48	Required	River water quality PC: The company should provide further ODI-specific evidence to support its use of a cap and collar, whilst also considering how its use of these features aligns with its broader approach to customer protection. The company's evidence should include justification for the levels at which the cap and collar are set, and the company should explain why these levels are appropriate and in customers' interests.	01-Apr-19	As outlined in SRN.OC.A4, we have undertaken further work on our approach to caps and collars, and have reconsidered our position on the widespread use of caps and collar. Based on the updated approach we have removed the underperformance collar and outperformance cap that were attached to this PC in our initial submission due to it having its own natural collar and cap based on the WINEP programme.	IAP_TA_3_Delivering Outcomes for Customers_Page 121	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 9	n/a	PWC	
Definition	SRN.OC.A49	Required	Abstraction Incentive Mechanism PC: The company should provide sufficient evidence to justify why it proposes to discontinue a site and why there are not further sites in its area that should be included in the AIM PC.	01-Apr-19	We have provided more information to justify why we proposed to discontinue a site and why there are not further sites in our AIM PC.	IAP_TA_3_Delivering Outcomes for Customers_Page 122-123 BP_TA11.WN01 Business Case - Supply Demand Balance	n/a	IAP_TA11_WINEP3_Summary	PWC	
Definition	SRN.OC.A50	Required	Maintain bathing waters at 'Excellent' PC: The company should revise the definition of the PC to include a more direct commitment to use official samples taken by the Environment Agency.	01-Apr-19	We confirm that our intention was to use official EA samples, but we agree that this was not clear in the definition. We have modified the definition to clarify this.	IAP_TA_3_Delivering Outcomes for Customers_Page 124 BP_TA6.2_Our Package of PCs and ODIs_Pg 39.	n/a	n/a	PWC	
ODI rate	SRN.OC.A51	Required	Maintain bathing waters at 'Excellent' PC: The company should either provide further evidence to justify the methodology employed and why its ODI rates are reasonable or revise ODI rates based upon robust customer valuations and forecast efficient marginal costs to provide customers with sufficient protection from under delivery against the PC target.	01-Apr-19	We have provided further information per OIAP's request. This ODI is designed to provide continued customer protection against the risk of deterioration in the water quality of our Excellent bathing waters.	IAP_TA_3_Delivering Outcomes for Customers_Page 125	n/a	n/a	PWC	
Caps, collars & deadbands	SRN.OC.A52	Required	Maintain bathing waters at 'Excellent' PC: The company should reconsider whether to apply an underperformance collar to this PC, taking account of its broader approach to customer protection. If the company decides to retain the collar, it should provide a convincing, ODI-specific justification for this decision. This should include justification for the level at which the collar is set, and an explanation of how this protects customers adequately for poor service performance.	01-Apr-19	In reviewing the structure of this ODI in response to the IAP challenge, we have decided to change the basis of our definition to align them more closely with the target of 57 and customer protection intent of this ODI. In doing so the collar is set at our p10 level.	IAP_TA_3_Delivering Outcomes for Customers_Page 126-129 BP_TA6.2_Our Package of PCs and ODIs_Pg 39.	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 11	n/a	PWC	
Definition	SRN.OC.A53	Required	Improve the number of bathing waters to at least 'Good' (Cost Adjustment Claim) PC: The company should revise the definition of the PC to include a more direct commitment to use official samples taken by the Environment Agency.	01-Apr-19	We confirm that our intention was to use official EA samples, but we agree that this was not clear in the definition. We have modified the definition to clarify this.	IAP_TA_3_Delivering Outcomes for Customers_Page 130-131 BP_TA6.2_Our Package of PCs and ODIs_Pg 42	n/a	n/a	PWC	
ODI type	SRN.OC.A54	Required	Improve the number of bathing waters to at least 'Good' (cost adjustment claim) PC: The company should provide further evidence to justify the use of an outperformance payment for this ODI, in particular evidence of customer support for this approach.	01-Apr-19	We have outlined the rationale for including an outperformance payment and have also provided further evidence to demonstrate customer support for this outperformance payment.	IAP_TA_3_Delivering Outcomes for Customers_Page 132 BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 46, 58, 67, 89	n/a	IAP_TA11_OC_ODI research 2019	PWC	
ODI rate	SRN.OC.A55	Required	Improve the number of bathing waters to at least 'Good' (cost adjustment claim) PC: Should the company propose to keep outperformance payments on this PC, the company should either provide further evidence to justify how the proposed ODI rates are reasonable both in relation to its customer valuations and the underperformance payment proposed, or revise its ODI outperformance payment such that this does not exceed the magnitude of the underperformance payment. In either case the company should set out its evidence and rationale.	01-Apr-19	We have provided our revised ODI rates per OIAP's request. While our outperformance incentive rate has reduced as a result of the re-structuring, it remains higher than the underperformance incentive rate. This is because our outperformance rate is based on the value of our cost adjustment claim (CAC), while the outperformance rate is based on customer valuation.	IAP_TA_3_Delivering Outcomes for Customers_Page 133-134 BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 3, 11	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 12	n/a	PWC	
Definition	SRN.OC.A56	Required	Target 100 PC: The company should revise the PC definition in line with our feedback from July 2018. Where it has not addressed our July 2018 feedback, it should clearly set out the rationale for this.	01-Apr-19	We have now updated the definition to make clear that voids will be excluded from the measure and that we will use billed data rather than estimates. We also explain that we will use third party occupancy data from Experian or a similar organisation and how we will manage shifts in occupancy data. We also include a note relating to possible future implications of GDPR legislation on the reporting of this PC.	IAP_TA_3_Delivering Outcomes for Customers_Page 135-136 BP_TA6.2_Our Package of PCs and ODIs_Pg 47.	n/a	n/a	PWC	
Definition	SRN.OC.A57	Required	Water saved from water efficiency visits PC: The company should revise the PC definition in line with our feedback from July 2018. Where it has not addressed our July 2018 feedback, it should clearly set out the rationale for this.	01-Apr-19	We have updated the definition in line with the July feedback, and have confirmed the level of uptake of devices is between 1-2 per visits, we have detailed our assumed savings per each device and confirmed this is not in line with the UKWR report 09/WR25/4 and how water savings are calculated.	IAP_TA_3_Delivering Outcomes for Customers_Page 137-138 BP_TA6.2_Our Package of PCs and ODIs_Pg 49.	n/a	n/a	PWC	
ODI type	SRN.OC.A58	Required	Water saved from water efficiency visits PC: The company should provide further evidence to justify the use of an outperformance payment for this ODI and evidence of customer support for this approach.	01-Apr-19	We recognise that there is an overlap between this PC and the common PC for Per Capita Consumption (PCC). We have received very positive feedback from our customers regarding our water efficiency void visits and propose to retain this PC but to change it to be reputational only, removing the risk of double-counting benefits.	IAP_TA_3_Delivering Outcomes for Customers_Page 139 BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 8	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 14	n/a	PWC	
ODI rate	SRN.OC.A59	Required	Water saved from water efficiency visits PC: The company should provide further evidence and explanations to demonstrate that there is no double-counting of ODI payments between this PC and the common PC per capita consumption.	01-Apr-19	We have chosen to remove the financial outcome delivery incentive that was associated with this PC in our initial submission (see action SRN.OC.58). This removes any risk of double-counting.	IAP_TA_3_Delivering Outcomes for Customers_Page 140	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 14	n/a	PWC	
Caps, collars & deadbands	SRN.OC.A60	Required	Water saved from water efficiency visits PC: The company should provide further ODI-specific evidence to support its use of a cap and collar, whilst also considering how its use of these features aligns with its broader approach to customer protection. The company's evidence should include justification for the levels at which the cap and collar are set, and the company should explain why these levels are appropriate and in customers' interests.	01-Apr-19	We have chosen to remove the financial outcome delivery incentive that was associated with this PC in our initial submission (see action SRN.OC.58). Therefore, caps and collars, which are only relevant to financial ODIs, are no longer relevant.	IAP_TA_3_Delivering Outcomes for Customers_Page 141	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 14	n/a	PWC	
ODI type	SRN.OC.A61	Required	Void properties PC: The company should provide evidence to demonstrate that an outperformance payment would benefit customers and that it is designed in such a way that does not create perverse incentives with respect to the timely and accurate registration of void sites.	01-Apr-19	We have provided further evidence that the ODI does not provide a perverse incentive. Identifying and billing void customers provides a significant benefit to customers (c. £332 per void) but void customers have very high debt associated with them. The ODI provides a small incentive (£14.20 per void) to identify these properties despite the high debt.	IAP_TA_3_Delivering Outcomes for Customers_Page 142 BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 3	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 19	n/a	PWC	
ODI rate	SRN.OC.A62	Required	Void properties PC: The company should outline the basis on which its ODI rates have been calculated and demonstrate that they do not exceed the reduction in bills that customers would experience from a reduction in void sites.	01-Apr-19	We have provided further evidence as requested by OIAP to demonstrate that customers will not be out of pocket from this ODI. The reduction in bills that a customer would receive through the wholesale resale cap (on water volume of £332 per void) properly identified, far outweighs the costs of the ODI outperformance payment of £14.20.	IAP_TA_3_Delivering Outcomes for Customers_Page 143 BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 3	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 19	n/a	PWC	
Definition	SRN.OC.A63	Required	Customer satisfaction with vulnerability support PC: The company should provide additional evidence on the survey sample size used to determine the target for this PC. In addition, the company should confirm that the survey will be externally assured and conducted in line with social research best practice.	01-Apr-19	The survey sample size we used to determine the target for this PC was 350 Priority Services Register customers. The research approach that will be taken to survey these customers will be developed in line with social research best practice, and we will work with our COO to ensure that the approach is robust. We will also externally assure our approach.	IAP_TA_3_Delivering Outcomes for Customers_Page 144	n/a	n/a	PWC	
Definition	SRN.OC.A64	Required	Replace lead customer pipes PC: The company should revise the PC definition in line with our feedback from July 2018. Where it has not addressed our July 2018 feedback, it should clearly set out the rationale for this.	01-Apr-19	As per the July feedback we have updated the performance commitment definition to clarify the PC does not include the replacement of the company communication pipe and only the customer supply pipe as part of this commitment.	IAP_TA_3_Delivering Outcomes for Customers_Page 145-146 BP_TA6.2_Our Package of PCs and ODIs_Pg 69.	n/a	n/a	PWC	
Stretch	SRN.OC.A65	Required	Replace lead customer pipes PC: The company should set targets for each year between 2020-21 and 2024-25 and ensure that they are stretching. The company should clearly set out the evidence and rationale for its proposed targets.	01-Apr-19	This ODI relates to subsidising customers (through a joint fund) to replace lead pipework within their home in Deal, Kent. We maintain a target of zero for this measure. We have not included any associated costs in our plan and without the ODI these activities would not be undertaken. Innovative schemes such as this are uncertain and we are unable to reasonably predict demand levels. We do not believe it would be possible to commit to a given level of activity. Customers are fully protected as they will only pay for the level of activity that is undertaken.	IAP_TA_3_Delivering Outcomes for Customers_Page 147	n/a	IAP_TA11_OC_DWI draft notice.	PWC	
ODI type	SRN.OC.A66	Required	Replace lead customer pipes PC: The company should provide a rationale that sufficiently justifies the use of an outperformance-only payment for this ODI and evidence of customer support for this approach. The company should demonstrate how this outperformance-only ODI will benefit customers.	01-Apr-19	Our customers are concerned about the impact of lead on human health, and welcome help and support the removal of harmful chemicals from pipes within their property. This is a reward only ODI as funding for subsidising customers is not included in our latest submission. Customers are fully protected by this approach as they will only pay for the level of activity that is undertaken.	IAP_TA_3_Delivering Outcomes for Customers_Page 148 BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 2, 8	n/a	IAP_TA11_OC_DWI draft notice.	PWC	
Stretch	SRN.OC.A67	Required	Surface water management PC: The company should set targets for each year between 2020-21 and 2024-25 and ensure that they are stretching. The company should clearly set out the evidence and rationale for its proposed targets.	01-Apr-19	We maintain a target of zero for this measure. We have not included any associated costs in our plan and without the ODI these activities would not be undertaken. Innovative schemes such as this are uncertain and we are unable to reasonably predict demand levels. We do not believe it would be possible to commit to a given level of activity. Customers are fully protected as they will only pay for the level of activity that is undertaken.	IAP_TA_3_Delivering Outcomes for Customers_Page 149	n/a	n/a	PWC	
ODI type	SRN.OC.A68	Required	Surface water management PC: The company should provide further evidence to justify the use of an outperformance-only payment for this ODI and evidence of customer support for this approach.	01-Apr-19	Our customers expect us to be ready for the future and are willing to invest now to ensure that there is no deterioration in services in the future. This is a reward only ODI as funding for this activity is not included in our latest submission. Customers are fully protected by this approach as they will only pay for the level of activity that is undertaken. We have provided more information to support this ODI.	IAP_TA_3_Delivering Outcomes for Customers_Page 150 BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 2, 7, 11 BP_CH4_Customer and Stakeholder Engagement Participation_pg 55, 58)	n/a	n/a	PWC	
Stretch	SRN.OC.A69	Required	Community engagement PC: The company should provide its fully assured baseline and targets with its annual performance reporting submission in 2019-20.	01-Apr-19	In line with OIAP's request, we will provide a fully assured baseline and targets with our annual performance report submission in 2019-20.	IAP_TA_3_Delivering Outcomes for Customers_Page 151	n/a	n/a	PWC	
Definition	SRN.OC.A70	Required	Schools visited and engagement with children PC: The company should revise the definition of the PC to ensure that it measures actual outcomes for customers, not outputs.	01-Apr-19	We agree that the PC should measure actual outcomes. We will now measure the effectiveness of our school visits in order to ensure that each school visit has met its aims. The revised definition is set out in the full response.	IAP_TA_3_Delivering Outcomes for Customers_Page 152-153 BP_TA6.2_Our Package of PCs and ODIs_Pg 75.	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 25	n/a	PWC	
Stretch	SRN.OC.A71	Required	Water supply resilience PC: The company should clearly set out the evidence for its proposed targets in relation to the initial position.	01-Apr-19	This PC is designed to measure the success of our Network 2030 initiative. The objective of the Network 2030 initiative is to improve the configurational resilience of our water supply system to ensure it is sufficiently robust and fit for use by future generations. We have provided further evidence to explain the targets as requested.	IAP_TA_3_Delivering Outcomes for Customers_Page 154	n/a	IAP_TA11_Outcomes_14 Network 2030 Business case	PWC	
Definition	SRN.OC.A72	Required	Access to daily water consumption data PC: The company should revise the PC definition in line with our feedback from July 2018. Where it has not addressed our July 2018 feedback, it should clearly set out the rationale for this.	01-Apr-19	We have now updated the definition to make clear that 'Residential Property' means one household, for example one flat within a block of flats. The revised definition is set out in the full response.	IAP_TA_3_Delivering Outcomes for Customers_Page 155 BP_TA6.2_Our Package of PCs and ODIs_Pg 82.	n/a	n/a	PWC	
Stretch	SRN.OC.A73	Required	Access to daily water consumption data PC: The company should set targets for each year between 2020-21 and 2024-25 and ensure that they are stretching. The company should clearly set out the evidence and rationale for its proposed targets.	01-Apr-19	We maintain a target of zero for this measure. We have not included any associated costs in our plan and without the ODI these activities would not be undertaken. Innovative schemes such as this are uncertain and we are unable to reasonably predict demand levels. We do not believe it would be possible to commit to a given level of activity. Customers are fully protected as they will only pay for the level of activity that is undertaken.	IAP_TA_3_Delivering Outcomes for Customers_Page 156	n/a	n/a	PWC	
ODI type	SRN.OC.A74	Required	Access to daily water consumption data PC: The company should provide a rationale that sufficiently justifies the use of an outperformance-only payment for this ODI and evidence of customer support for this approach. The company should demonstrate how this outperformance-only ODI will benefit customers, over and above what would be delivered without this PC.	01-Apr-19	Customers are often not very aware of the amount of water that they are using and welcome the knowledge of how much water they are using, to help them reduce their consumption. This is a reward only ODI as funding for providing this activity is not included in our latest submission. Customers are fully protected by this approach as they will only pay for the level of activity that is undertaken.	IAP_TA_3_Delivering Outcomes for Customers_Page 157 BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 2, 4, 12	n/a	n/a	PWC	
ODI rate	SRN.OC.A75	Required	External sewer flooding PC: The company should provide the additional information set out in Technical appendix 1: Delivering outcomes for customers to allow us to better understand the causes of variation in ODI rates for external sewer flooding and assess the appropriateness of the company's customer valuation evidence supporting its ODI.	01-Apr-19	We have removed the manual adjustments, and revisited our triangulation as per action SRN.OC.A3. We have also made an adjustment to our marginal costs. Due to a reallocation of costs between our flooding and sewer collapses PCs, our underperformance and outperformance incentive rates now fall within the normalised ranges provided by OIAP in Technical Appendix 1. Further evidence on coherence and long/short term incentivisation provided.	IAP_TA_3_Delivering Outcomes for Customers_Page 158-161 (BP_TA4.4_Customer and Stakeholder Engagement Deliverables_Document 3, 11 BP_TA6.1 – Our approach to PCs and ODIs	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 37	IAP_TA11_OC_ODI research 2019	PWC	
Caps, collars & deadbands	SRN.OC.A76	Required	External sewer flooding PC: The company should provide further ODI-specific evidence to support its use of a cap and collar, whilst also considering how its use of these features aligns with its broader approach to customer protection. The company's evidence should include justification for the levels at which the cap and collar are set, and the company should explain why these levels are appropriate and in customers' interests. The company should either increase the level of the collar, to bring it above recent performance, or provide further evidence to justify the existing level.	01-Apr-19	We have revised our approach to caps and collars per SRN.OC.A4 but we maintained a cap and collar on this PC due to significant risk of extreme weather disruptions. We have provided further information to outline why the approach and levels set support customer interests and protections.	IAP_TA_3_Delivering Outcomes for Customers_Page 162-164 BP_TA6.2_Our Package of PCs and ODIs_Pg 8-11 BP_TA4.3_Triangulation of customer priorities	App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)_Line 37	IAP_TA8_Accounting for past delivery_PD A6	PWC	
Stretch	SRN.OC.A77	Required	Natural capital PC: The company should provide evidence in the review of its targets in its annual performance reporting submission in 2021-22.	01-Apr-19	As outlined in our initial submission, our COO was concerned that there was insufficient information on which to set targets for the whole of AMP7 and recommended that we revisit our targets after the first two years of AMP7. In line with OIAP's request, we will provide evidence of the review of our targets within our annual performance report submission in 2021-22.	IAP_TA_3_Delivering Outcomes for Customers_Page 165 BP_TA6.2_Our Package of PCs and ODIs_pg 46	n/a	n/a	PWC	
ODI type	SRN.OC.A78	Required	Gap sites PC: The company should provide further evidence to justify the use of a non-financial incentive by demonstrating why a financial incentive would not be in the interests of customers. Alternatively, the company should formulate a financial ODI reflecting the reduction in customer bills that would result from improvements in the identification of gap sites.	01-Apr-19	We do not currently have sufficient data or information necessary to develop an appropriate measure for Gap Site reduction. We are currently working to assess our current baseline and establish how we can best measure our performance for Gap Sites. Given our current data challenges, we are not currently in a position to commit to a financial incentive relating to household Gap Sites.	IAP_TA_3_Delivering Outcomes for Customers_Page 166 BP_TA6.2_Our Package of PCs and ODIs_Pg 65-66	n/a	n/a	PWC	
Securing long-term resilience	SRN.LR.A1	Required	The company should provide a commitment that it will, by 22 August 2019, prepare and provide to us an action plan to develop and implement a systems-based approach to resilience in the round and ensure that the company can demonstrate in the future an integrated resilience framework that underpins the company's operations and future plans showing a line of sight between risks to resilience, planned mitigations, packages of outcomes and corporate governance framework. The action plan should work toward understanding the baseline resilience risk of the water and wastewater operational activities as well as steps that will improve resilience (operational, financial and corporate).	01-Apr-19	We commit to providing the action plan on resilience in the round by 22 August 2019. As a milestone in the development of the action plan we aim to share with OIAP work in progress on the framework we are developing in May.	IAP_TA_4_Securing Long-Term Resilience_Pg 2	n/a	n/a	PWC	
Securing long-term resilience	SRN.LR.A2	Required	The company's assessment of financial stress scenarios extends only to 2025. The company should commit to demonstrating that its assessment of financial resilience extends beyond 2025 in its next Long Term Viability Statement.	01-Apr-19	We confirm that the period covered by our next Long Term Viability Statement will extend beyond 2025.	IAP_TA_4_Securing Long-Term Resilience_Pg 3	n/a	n/a	KPMG	
Securing long-term resilience	SRN.LR.A3	Required	Clearly the possible outcome of all extant regulatory investigations have been taken into account in the company's assessment of financial resilience.	01-Apr-19	We clearly and confirm that the possible outcome of all extant regulatory investigations have been taken into account in making our assessment of financial resilience.	IAP_TA_4_Securing Long-Term Resilience_Pg 4	n/a	n/a	KPMG	

Securing long-term resilience	SRN.LR.A4	Required	The company has noted the possibility of additional equity investment as a financial risk mitigation measure. Please explain the steps and risk management approaches the company has taken to ensure equity will be available if such support is required.	01-Apr-19	We explain that we can increase equity through the application of a flexible dividend policy, that is solely at our discretion, and through the injection of additional equity from our shareholders.	IAP_TA 4_Securing Long-Term Resilience_Pgs 5-6	n/a	n/a	KPMG		
Securing long-term resilience	SRN.LR.A5	Required	Please explain how the company has taken account of the risks associated with its current credit ratings of Baa2 (negative) with Moody's and A- (stable) with Standard and Poor's and its plan to achieve higher ratings in the period from 2020 onwards.	01-Apr-19	We explain our scope for mitigating the need for new equity and that our ownership structure and the nature of our shareholders provides natural advantages in raising new equity. We have a long track record of raising equity when required.	IAP_TA 4_Securing Long-Term Resilience_Pgs 7-9	n/a	n/a	KPMG		
Securing long-term resilience	SRN.LR.A6	Required	The company should set out: - how the company will achieve the planned reduction of gearing to 70% or lower referred to in its plan; - the company's assessment of the impact of the gearing outperformance mechanism for PR19 on its financial metrics in case the planned gearing reduction is not achieved; and - outline associated risk management/mitigation approaches identified by the company to provide assurance on long term financial resilience.	01-Apr-19	We believe our credit ratings to be consistent with our obligations under our instrument of appointment, and that the ratings reflect an efficient balance of risk and cost, and do not attract any undue premium in relation to our debt issuance costs.	IAP_TA 4_Securing Long-Term Resilience_Pgs 10-11	n/a	n/a	KPMG		
Securing long-term resilience	SRN.LR.A7	Required	Please explain how the company has taken account of the risks associated with capital for the business raised as debt elsewhere in the corporate group.	01-Apr-19	We have completed our strategic refinancing, significantly strengthening equity to reduce both our gearing and ongoing interest costs.	IAP_TA 4_Securing Long-Term Resilience_Pg 12-13	n/a	n/a	KPMG		
Securing long-term resilience	SRN.LR.A8	Required	The company should clarify and provide board assurance that the assessment of financial resilience set out in the business plan remains current in the context that the financial restructuring was finalised after business plan submission.	01-Apr-19	We are mitigating operation risks that could impact credit ratings by continuing our transformation programmes to ensure we become brilliant at the basics.	IAP_TA 4_Securing Long-Term Resilience_Pg 14	n/a	n/a	KPMG	IAP_TA11_LR_KPMG_Financeability Report	
Securing long-term resilience	SRN.LR.A9	Required	The company should provide a commitment to work with the sector to develop robust forward looking asset health metrics and provide greater transparency of how its asset health indicators influence its operational decision making.	01-Apr-19	We do not agree with Owat's gearing outperformance mechanism on principle, but accept that if our gearing goes above 70% we may have payments to make as PR24. We explain that we will monitor and mitigate changes in gearing, and will report them via our APR.	IAP_TA 4_Securing Long-Term Resilience_Pg 15	n/a	n/a	KPMG		
Targets, controls, markets and innovation	SRN.CMI.A1	Required	The proposed split of fixed and variable revenues for the bio-resources revenue control has not been sufficiently evidenced, particularly where cost lines are partly incremental and partly fixed. We are also intervening to ensure that the bioresources revenue adjustment is set on a broadly comparable basis to avoid setting revenue controls that may distort the development of trades. We will set out our view in the draft determination based on the updated tables bio 1.B3 and Bio4. We will treat the funding of the 2020 RCV (run-off, returns and tax) as fixed for these purposes, along with revenues to recover local authority rates, some fees, and a proportion of direct and indirect costs of bioresources treatment and transport.	15-Jul-19	We confirm that both our actual and notional capital structures remain financeable with an adequate level of financial resilience.	IAP_TA 5_Targets, controls, markets and innovation_pg 2-6	Bio4_Table H - Wholesale wastewater bioresources - revenue to cover bioresources costs. Line 30-31	n/a	PWC, Deloitte		This legal structure has been further bolstered by our continually improving corporate governance. We have entirely separated our Southern Water Services and Greenlands Boards. Independent Non-Executive Directors (INEDs) make up our largest single group. We have adopted Owat's "Putting the Sector Back in Balance" principles and have ourselves committed to ensuring we embody ethical business practices.
Targets, controls, markets and innovation	SRN.CMI.A2	Required	The company should provide a commitment to provide a detailed work programme by end August 2019 to assure us that the company will deliver appropriate drainage and wastewater management plans. The programme should ensure that the company can prepare and consult on its first drainage and wastewater management plan no later than the summer of 2022 to enable revised plans to be prepared in early 2023 to inform PR24 business plans.	01-Apr-19	We explicitly confirm that we have considered all extant regulatory investigations in reaching this conclusion.	IAP_TA 5_Targets, controls, markets and innovation_pg 6-16	N/A	N/A	PWC	IAP_TA 3_Delivering Outcomes for Customers_OC A25 IAP_TA 3_Delivering Outcomes for Customers_OC A26	
Targets, controls, markets and innovation	SRN.CMI.A3	Required	The company has not provided information or provided insufficient detail of the arrangements for risk sharing with customers relating to the development of large new water resource options (Fawley desalination plant and Havant Thicket). The company should develop appropriate risk sharing arrangements or provide further detail to ensure that customers are adequately protected from large scale risks. In relation to the development of Havant Thicket reservoir to facilitate new supplies to the company, please explain how the proposed commercial arrangement would protect customers over the longer term.	01-Apr-19	We have provided the breakdown of fixed and variable costs within the bio-resources revenue control, setting out which are fixed and which are variable.	IAP_TA 5_Targets, controls, markets and innovation_Pgs 17-21	App1, Line 45. Large Water Resource Scheme WR7_Network plus water total cost_H 11 (Excel line 852), 2020-27 WR7_Capex Asset type 5_H 12 (Excel line 846), 2020-27 WR7_Capex Asset type 6_H 13 (Excel line 847), 2020-27 WR7_Option name_H 5 (Excel line 838), Common WR7_Option Reference No_H 6 (Excel line 839), Common WR7_Capex Asset type 1_H 8 (Excel line 842), 2020-27	n/a	PWC	IAP_TA11_Targets, controls, markets and innovation_Large New Water Resource Schemes Fawley IAP_TA11_Targets, controls, markets and innovation_Large New Water Resource Schemes Havant Thicket IAP_TA11_Targets, controls, markets and innovation_Havant Thicket proposed commercial agreement IAP_TA6_Securing Cost Efficiency_CE A3	
Targets, controls, markets and innovation	SRN.CMI.A4	Required	The company should update its bid assessment framework document to provide greater clarity on the process for appeals and explain how the process ensures that there is no bias in the assessment. For DPC, the company is required to provide further evidence to support the decisions that determine why some schemes were not suitable for DPC. The evidence to support the decisions is detailed in Southern Water Direct procurement for customers detailed actions.	01-Apr-19	We have updated our bid assessment framework to provide more clarity on the appeals process and demonstrate how the process maintains impartiality.	IAP_TA 5_Targets, controls, markets and innovation_Pgs 22	N/A	N/A	PWC	IAP_TA11_Targets, controls, markets and innovation_4 Water Resources Bid Assessment Framework	
Targets, controls, markets and innovation	SRN.CMI.A5-8	Required	* A summary of the key elements of the Peacehaven Indirect Potable Water Reuse scheme. This should include all of the relevant scheme information including but not limited to the key deliverables. * A summary of the projected scheme costs clearly identifying the costs for each phase of the scheme by year. These should clearly identify the incremental costs to Southern Water. * An economic analysis of the scheme including a Net Present Value analysis using the standardised assumptions provided in Table A. This analysis should clearly identify any additional benefit to customers of progressing this scheme outside of DPC.	01-Apr-19	See actions A5-8 below	See actions A5-8 below	N/A	N/A	PWC, KPMG	See actions A5-8 below	
Targets, controls, markets and innovation	SRN.CMI.A5	Required	* A summary of the key elements of the Peacehaven Indirect Potable Water Reuse scheme. This should include all of the relevant scheme information including but not limited to the key deliverables. * A summary of the projected scheme costs clearly identifying the costs for each phase of the scheme by year. These should clearly identify the incremental costs to Southern Water. * An economic analysis of the scheme including a Net Present Value analysis using the standardised assumptions provided in Table A. This analysis should clearly identify any additional benefit to customers of progressing this scheme outside of DPC.	01-Apr-19	We have supplied the requested scheme information and carried out the requested value for money assessment as requested by Owat.	IAP_TA 5_Targets, controls, markets and innovation_Pgs 23-26	N/A	N/A	PWC	IAP_TA11_Targets, controls, markets and innovation_DPC additional evidence IAP_TA11_Revised draft WRMP_Annex 9	
Targets, controls, markets and innovation	SRN.CMI.A6	Required	* A summary of the key elements of the Slowhill Copse Industrial Reuse scheme. This should include all of the relevant scheme information including but not limited to the key deliverables. * A summary of the projected scheme costs clearly identifying the costs for each phase of the scheme by year. These should clearly identify the incremental costs to Southern Water. * An economic analysis of the scheme including a Net Present Value analysis using the standardised assumptions provided in Table A. This analysis should clearly identify any additional benefit to customers of progressing this scheme outside of DPC.	01-Apr-19	We have supplied the requested scheme information and carried out the requested value for money assessment as requested by Owat.	IAP_TA 5_Targets, controls, markets and innovation_Pgs 27-29	N/A	N/A	PWC	IAP_TA11_Targets, controls, markets and innovation_DPC additional evidence IAP_TA11_Revised draft WRMP_Annex 9	
Targets, controls, markets and innovation	SRN.CMI.A7	Required	* A summary of the key elements of the Intra-zone transfers (Hampshire) scheme proposed for AMP7 and AMP8. This should include all of the relevant scheme information including but not limited to the key deliverables. * A summary of the projected scheme costs clearly identifying the costs for each phase of the scheme by year. These should clearly identify the incremental costs to Southern Water. * An economic analysis of the scheme including a Net Present Value analysis using the standardised assumptions provided in Table A. This analysis should clearly identify any additional benefit to customers of progressing this scheme outside of DPC.	01-Apr-19	Following two bilateral discussions with Owat regarding this scheme, we have agreed that we will supply the requested scheme information but that this will not be used for DPC and we will not carry out a detailed value for money assessment.	IAP_TA 5_Targets, controls, markets and innovation_Pgs 30-32	N/A	N/A	PWC	IAP_TA11_Targets, controls, markets and innovation_DPC additional evidence IAP_TA5_Targets, Controls, Markets and Innovation_CMI.A8	
Targets, controls, markets and innovation	SRN.CMI.A8	Required	* A summary of the key elements of the Fawley Desalination plant proposed for AMP7 and AMP8. This should include all of the relevant scheme information including but not limited to the key deliverables. * A summary of the projected scheme costs clearly identifying the costs for each phase of the scheme by year. These should clearly identify the incremental costs to Southern Water. * An economic analysis of the scheme including a Net Present Value analysis using the standardised assumptions provided in Table A. This analysis should clearly identify any additional benefit to customers of progressing this scheme outside of DPC.	01-Apr-19	Following our planned market engagement exercise, we have supplied additional scheme information and carried out the requested value for money assessment as requested by Owat.	IAP_TA 5_Targets, controls, markets and innovation_Pgs 33-36	N/A	N/A	PWC	IAP_TA11_Targets, controls, markets and innovation_DPC additional evidence IAP_TA5_Targets, controls, markets and innovation_CMI.A3	
Targets, controls, markets and innovation	SRN.CMI.A9	Required	The company should explain how it will work together with neighbouring companies to explore strategic water resource options and knowledge sharing on demand-side measures.	01-Apr-19	We propose a 'four-point' approach to close collaborative working with neighbouring companies and to ensure significantly improved inter-regional co-operation (through WRSE): 1. Building a framework to review strategic water resources options identified in the IAP process with Thames Water, Affinity, and Anglian Water to align with OWA's proposed gateway approach. This will also engage all of the Water Only Companies (WOCs) in our region. 2. Building a framework to share/transfer knowledge between companies with a particular emphasis on Demand Management. 3. Regional Resilience Plans. Co-ordinating the development of the south east Regional Resilience Plan and ensuring a single unified approach agreed by all companies in the south-east. 4. Developing the capability, usability and viability of the water resource market in the south-east including engaging customers, major industries and the agricultural sectors.	IAP_TA 5_Targets, controls, markets and innovation_Pgs 37-40	n/a	n/a	PWC	IAP_TA6_Securing Cost Efficiency_CE.A3	
Targets, controls, markets and innovation	SRN.CMI.B1	Advised	The company should provide further information on potential bioresources trades with other companies. The company should consider how it can collaborate with other companies to maximise the opportunities for research to address common challenges (e.g. leakage detection, water efficiency and wastewater treatment processes) rather than companies progressing research independently.	01/04/2019	In our response we have set-out a clear timetable for each of the above approaches which we are developing with our neighbouring companies and we have provided 2 separate responses to this action.	IAP_TA 5_Targets, controls, markets and innovation_Pgs 41-48 BP_TA 12.WW07_Flooding and Pollution strategies BP_TA 14.4 Bottom-up Cost Estimation BP_TA 14.5 PR19 Approach to Oplanning IAP_TA5_Targets, controls, markets and innovation_SRN.CMI.A9 IAP_TA5_Targets, controls, markets and innovation_SRN.CMI.B1a	n/a	n/a	PWC, Jacobs	IAP_TA 6_Securing Cost Efficiency	
Securing cost efficiency	SRN.CE.A1	Required	Owat challenged us to cut our wholesale costs by £768m. We have addressed Owat's actions as follows: -We have removed £266m of costs from our plan -£76m is correction of errors / clarification of guidance -The remaining £200m consists of: -£200m of identified delivery savings -£40m of scope removal (Whitefield Growth CAC (£26m); Fawley desalination (£14m)) We will provide the following: -Further evidence on disallowed opex schemes/AFCs -Identified (Owat) data errors in growth and opex models -Owera analysis of opex models -Mode-specific challenge and further information on enhancement models -Water UK-commissioned reports on frontier efficiency and leakage -Additional evidence on benchmarking of CAC costs * Fawley desalination scheme has been removed, pending the strategic regional solution development	01-Apr-19	Owat challenged us to cut our wholesale costs by £768m. We have addressed Owat's actions as follows: -We have removed £266m of costs from our plan -£76m is correction of errors / clarification of guidance -The remaining £200m consists of: -£200m of identified delivery savings -£40m of scope removal (Whitefield Growth CAC (£26m); Fawley desalination (£14m)) We will provide the following: -Further evidence on disallowed opex schemes/AFCs -Identified (Owat) data errors in growth and opex models -Owera analysis of opex models -Mode-specific challenge and further information on enhancement models -Water UK-commissioned reports on frontier efficiency and leakage -Additional evidence on benchmarking of CAC costs * Fawley desalination scheme has been removed, pending the strategic regional solution development	IAP_TA 6_Securing Cost Efficiency_pg 1 - 113 BP_TA 12.WW07_Flooding and Pollution strategies BP_TA 14.4 Bottom-up Cost Estimation BP_TA 14.5 PR19 Approach to Oplanning IAP_TA5_Targets, controls, markets and innovation_SRN.CMI.A9 IAP_TA5_Targets, controls, markets and innovation_SRN.CMI.B1a	n/a	App28_Pump and storage facilities_P21_2018-2025 App28_Pumping and storage facilities_P21_2018-2025 App28_Infrastructure charge receipts (S146)_G24_2020-2025 App28_Required sewers (S100)_G25_2018-2020 App28_Total value of income offset allowances including within a companies redefined wastewater infrastructure charge_H30_2020-2025 WR7_Annualised unit cost of post 2020 capacity_E 4 (Excel line 28), 2020-45 WR7_Capex Asset type 5_H 12 (Excel line 39), 2020-24 WR7_Network Plus Water total Cost_H 17 (Excel line 45), 2020-24 WR7_Opex_B6 15 (Excel line 127), 2020-45 WR7_Network Plus Water total Cost_H 17 (Excel line 130), 2020-45 WR7_Annualised unit cost of post 2020 capacity_E 4 (Excel line 661), 2020-45 WR7_Capex Asset type 2_E 19 (Excel line 669), 2020-45 WR7_Network plus water total cost_H 11 (Excel line 852), 2020-27 WR7_Annualised unit cost of post 2020 capacity_H 4 (Excel line 835), 2020-45 WR7_Capex Asset type 5_H 12 (Excel line 846), 2020-27 WR7_Option name_H 5 (Excel line 838), Common WR7_Option Reference No_H 6 (Excel line 839), Common WR7_Capex Asset type 2_H 11 8 (Excel line 842), 2020-45 WR7_Capex Asset type 2_H 11 9 (Excel line 843), 2020-27 Wm8_Bathing Waters - Total expenditure used for the purpose of business plan_A3_2019-25 Wm8_Thames Sewers_B7_2018-19 Wm8_Special cost claim C - Whitefield_Section C_2019-2020 WS1 - Wholesale water operating and capital expenditure by business unit WS2 - Wholesale water capital and operating enhancement expenditure by purpose WWS1 - Wholesale wastewater operating and capital expenditure by business unit WWS2 - Wholesale wastewater capital and operating enhancement expenditure by purpose	n/a	PWC, Jacobs	IAP_TA11_CE_Owera Modelling Review IAP_TA11_CE_Owera Efficiency and RPEs IAP_TA11_CE_Mott MacDonald Cost Estimating Assurance IAP_TA11_CA_Jacobs Letter of Assurance - Cost Assessment Review IAP_TA11_CE_Bentley Drawdown Rate
Securing cost efficiency	SRN.CE.A2	Required	There is significant investment proposed in the delivery of internal interconnections and long-term supply-demand benefits (benefits delivered after 2024-25) and therefore the company is required to propose an outcome delivery incentive in order to ensure customer protection for efficient delivery. The company should provide evidence to justify the level of the performance commitment and the outcome delivery incentive rates proposed, in line with our Final Methodology. We expect to receive evidence of customer support for outperformance payments, where proposed, and that the incentive rates proposed are reflective of customer valuations.	01-Apr-19	We have proposed a new Outcome Delivery Incentive (ODI) in order to ensure customer protection for efficient delivery.	IAP_TA 6_Securing Cost Efficiency_Pg 114	App1, Line 46	n/a	PWC, Jacobs	IAP_TA11_Securing Cost Efficiency_SRN.CE.A2 Long Term Supply Demand Schemes ODI IAP_TA11_Cost efficiency_WRSE_IAP_Summary_v10_Final.pdf	

Securing cost efficiency	SRN.CE.A3	Required	Strategic regional solution development - We have identified from the plans that at least one strategic supply solution is required over the next 5-15 years to secure drought resilience in the south-east. The strategic regional solution development allocation is to allow the delivery of consistent and transparent investigations, planning and development of strategic options with the overall aim of optimum solutions being constructed ready by 2025. The company's allocation is made on the basis of having clear deliverables and customer protection for the gated delivery of the development of Abington reservoir, a regional transfer from Thames Water, and Fawley desalination/local transfer schemes. The following actions are required to ensure the efficient delivery of this development programme. - In conjunction with the other companies involved, jointly propose methods for collaborative working including setting up the joint working group for individual schemes, and how consistent assumptions and decisions will be made within these groups and between them.	01-Apr-19	As per SRN.CMI.A9 "We propose a four-point approach to close collaborative working with neighbouring companies and to ensure significantly improved inter-regional co-operation (through WRSE). This will also engage all of the other Water and Sewerage Companies (WaSCs) and Water Only Companies (WOCs) in our region. Through this process, we will agree the details of the gateway process including deliverables, timings and expenditure allocations.	IAP_TA 6_Securing Cost Efficiency_Pgs 115 - 123 BP.CH11_Wholesale Water_pg 180-184 BP_TA_WW01_Supply and Demand	WR7_Network plus water total cost_H1 17 (Excel line 852)_2020-27 WR7_Capex Asset type 5_H1 12 (Excel line 848)_2020-27 WR7_Capex Asset type 6_H1 13 (Excel line 847)_2020-27 WR7_Option name_H1 5 (Excel line 838)_Common WR7_Option Reference No_H1 6 (Excel line 839)_Common WR7_Capex Asset type 1_H1 8 (Excel line 842)_2020-27	IAP_TA11_Cost efficiency_WRSE_IAP_Summary_v10_Final IAP_TA5_Targets, Controls, Markets and Innovation_SRN.CMI.A9 https://www.southernwater.co.uk/media/1317/Annex-8-strategy-for-the-western-area.pdf IAP_TA11_CE_Agreement with EA on abstraction reductions	Agreement of the joint response by six water companies. PWC review of Southern Water specific response. Jacobs assurance of cost assessment
Securing cost efficiency	SRN.CE.A4	Required	We note the company's proposal that for Bathing and Shellfish requirements any changes to the environmental requirements are treated on a bespoke basis (even though there are no company-driven Amber schemes in WINEP3). The company should confirm our assumption that this means that any changes would be dealt with in the same way as Chippingfold and Burton. The company should clarify its proposals for Amber schemes in WINEP3 with the following drivers: INNS_ND, NERC_INV1,SSSI_INV and WFD_INV-WRFlow. The company should provide the total cost included for Amber WINEP requirements in its business plan and the breakdown of this cost between the relevant lines in tables WS2 and WWS2 (capex and opex).	01-Apr-19	We have provided the required clarifications regarding the change mechanisms proposed for the environmental programme and our proposals for Amber schemes, with costs. Additionally, we have reviewed the full suite of change mechanisms following our IAP cost efficiency review.	IAP_TA 6_Securing Cost Efficiency_Pgs 124 - 128 BP.CH12_Wholesale Wastewater_pg 217-218 BP_TA_12_WW06 section 4.4 Our Approach to Unconfirmed Requirements	WWS2_WINEP / NEP categories_lines 4 to 23 and lines 51 to 70 WWS2_WINEP / NEP_Investigations_line 58	NA	PWC, Jacobs
Securing cost efficiency	SRN.CE.A5	Required	There may be significant savings in terms of investment or type of investment as a result of the metaldehyde ban. The company should investigate and agree with the DWI the scale and timing of any potential changes compared to its submitted plans. Significant changes and uncertainty may require an outcome delivery incentive to protect customers in the instance of expenditure not being required. Should the company propose a performance commitment and outcome delivery incentive, the company should provide evidence to justify the level of the performance commitment and the outcome delivery incentive rates proposed, in line with our Final Methodology. We expect to receive evidence of customer support for outperformance payments, where proposed, and that the incentive rates proposed are reflective of customer valuations.	01-Apr-19	Our current undertakings cover the following pesticides: glyphosate, MCPA, 2,4-D and metaldehyde and are not constrained to metaldehyde only. To reduce the raw water concentrations of the named pesticides we will be carrying out catchment management in 6 of our river water abstraction catchments during AMP7. We have confirmed with the DWI that following implementation of the metaldehyde ban, we will still need to carry out catchment management in these catchments, the costs within this area of our plan will therefore not change.	IAP_TA 6_Securing Cost Efficiency_Pgs 129 BP_TA 11.WR03 Catchment Management Solutions_Section 6	N/A	BP_TA 11.WR03 Catchment Management Solutions_Section 6	PWC, Jacobs
Aligning risk and return	SRN.RR.A1	Required	The company targeted a credit rating for the national company with that is one notch above a minimum investment grade and lower than the target for its actual structure. The company should provide evidence to support its view that this is reasonable for the long term financial viability of the national company or actions that could be taken to secure the long term financial viability of the national company.	01-Apr-19	We have provided information to show that our national financial structure post the IAP is financeable against a target credit rating of Baa1, one notch higher than our September submission which had a national credit rating of Baa2.	IAP_TA 7_Aligning Risk and Return_pg 2-4	n/a	IAP_TA11_LR_KPMG_Financiality Report	KPMG
Aligning risk and return	SRN.RR.A2	Required	The company should provide further evidence to support the calculation of PAYG rates and demonstrate that the rates are consistent with the approach set out in the business plan.	01-Apr-19	We have provided further information explaining why our PAYG rates are higher than operating costs.	IAP_TA 7_Aligning Risk and Return_pg 5-7	n/a	n/a	KPMG
Aligning risk and return	SRN.RR.A3	Required	The company should set out how the approach to setting RCV run-off rates reflects the underlying RCV for the company for each wholesale control and provide more evidence to demonstrate that the rates are consistent with the company's approach.	01-Apr-19	RCV run-off rates have been set with reference to the historic rate of depreciation against the underlying RCV for each control. The result has been tested against a current cost accounting depreciation charge for each price control.	IAP_TA 7_Aligning Risk and Return_pg 8-10	App17 and associated commentary	n/a	KPMG
Aligning risk and return	SRN.RR.A4	Required	The company should provide further evidence that the level of the proposed adjustments to RCV run-off rates do not result in overall revenue being transferred between price review periods and are supported by customer preferences.	01-Apr-19	We have used RCV run off to smooth bill profiles and more closely align the water and waste water bills, in line with our research into our customer preferences. We have also used the NPV-neutral repointing functionality to produce bills that are fair in real terms after the initial reduction. Again this in line with our customer preferences.	IAP_TA 7_Aligning Risk and Return_pg 11-12	App17, App26 and associated commentaries	n/a	KPMG
Aligning risk and return	SRN.RR.A5	Required	The company should check that the base RoRE value of 3.8% shown in the business plan has been calculated correctly and around the present if necessary.	01-Apr-19	We have updated the mid point of our RoRE analysis and the associated chart	IAP_TA 7_Aligning Risk and Return_pg 13 BP.Ch 16_Risk, Return, and Financiality_pg 275	n/a	IAP_TA7_Aligning Risk and Return_RR.A6	PWC
Aligning risk and return	SRN.RR.A6	Required	The company should amend its overall assessment of RoRE outcomes, or provide convincing evidence to support why it is reasonable to assume that outcomes should be asymmetrically skewed to the downside for a national company within an incentive based regime.	01-Apr-19	We have provided additional information, and have updated the analysis to show more totes upside	IAP_TA 7_Aligning Risk and Return_pg 14-17 BP.Ch 6_Outcomes, Performance Commitments and Outcome Delivery Incentives BP_TA 16.1_Risk Assessment, methodology and assumptions, Section 4.7 and Table 5.1	App26_Water network plus expenditure - High RoRE case (pre tax adjustment)_Line 23_2020-25 App26_Water network plus cost impact - High RoRE case (pre tax adjustment)_Line 26_2020-25 App26_Water resources expenditure - High RoRE case (pre tax adjustment)_Line 27_2020-25 App26_Water resources cost impact - High RoRE case (pre tax adjustment)_Line 30_2020-25 App26_Wastewater network plus expenditure - High RoRE case (pre tax adjustment)_Line 31_2020-25 App26_Wastewater network plus cost impact - High RoRE case (pre tax adjustment)_Line 33_2020-25 App26_Bioresources expenditure - High RoRE case (pre tax adjustment)_Line 34_2020-21 App26_Bioresources cost impact - High RoRE case (pre tax adjustment)_Line 36_2020-21 App26_Total water network plus outcome delivery incentives (ODI) impact - High RoRE case (pre tax adjustment)_Line 65_2020-25 App26_Total water resources outcome delivery incentives (ODI) impact - High RoRE case (pre tax adjustment)_Line 66_2020-25 App26_Total wastewater network plus outcome delivery incentives (ODI) impact - High RoRE case (pre tax adjustment)_Line 67_2020-25 App26_Total bioresources outcome delivery incentives (ODI) impact - High RoRE case (pre tax adjustment)_Line 68_2020-25 App26_Total water network plus outcome delivery incentives (ODI) impact - Low RoRE case (pre tax adjustment)_Line 71_2020-25 App26_Total water resources outcome delivery incentives (ODI) impact - Low RoRE case (pre tax adjustment)_Line 72_2020-25 App26_Total wastewater network plus outcome delivery incentives (ODI) impact - Low RoRE case (pre tax adjustment)_Line 73_2020-25 App26_Total bioresources outcome delivery incentives (ODI) impact - Low RoRE case (pre tax adjustment)_Line 74_2020-25	IAP_TA6_Securing Cost Efficiency_CE.A1 BP_TA4.4_part 3	PWC
Aligning risk and return	SRN.RR.B1	Advised	Acknowledging the explanatory material that the company has provided on its assessment of P10/P90 values for RoRE risk scenarios, and that values have been presented on a post-mitigation basis, please provide views on why Southern's risk ranges are relatively low, compared to the majority of companies.	01-Apr-19	We have supplied additional information on why we believe it is our statistical approach to RoRE analysis that has produced this effect	IAP_TA 7_Aligning Risk and Return_pg 18-20 BP_TA 16.1_Risk Assessment, methodology and assumptions	App26_Water network plus cost impact - High RoRE case (pre tax adjustment)_Line 26_2020-25	n/a	PWC
Accounting for past delivery -0	SRN.PD.A1-5	Required	The company has a number of actions in relation to the detail in some of its PR14 reconciliations. Please see Southern Water: Accounting for past delivery detailed actions.	15-Jul-19	See separate lines for each action below	n/a	App26_Water resources expenditure - High RoRE case (pre tax adjustment)_Line 27_2020-25	n/a	Various
Accounting for past delivery -0	SRN.PD.A6-9	Required	The company should develop and provide further evidence to support the continuous improvement and deliverability of outcomes and incidents. Please see Southern Water: Accounting for past delivery detailed actions.	01-Apr-19	See separate lines for each action below	n/a	App26_Water resources cost impact - High RoRE case (pre tax adjustment)_Line 30_2020-25	n/a	PWC
Accounting for past delivery	SRN.PD.A1	Required	PR14 Outcome delivery incentives: Southern Water is required to use the correct outcome delivery incentive rates for interruptions to supply and update table App27 accordingly.	01-Apr-19	We have updated the App27 table with the correct rate for interruptions to supply	IAP_TA 8_Accounting for Past Delivery_Pg 9	App27_Net Performance payment/penalty applied to revenue at end of ODI adjustment_BB_2017-18 App27_Net Performance payment/penalty applied to revenue at end of ODI adjustment - Water Networks Plus_E23_2017-18 App5_Forecast Underperformance penalty_PR14SRNWSW_3_2019-20 App5_Forecast Underperformance penalty_PR14SRNWSW_3_2019-20 App5_Performance Level Forecast_PR14SRNWSW_3_2019-19 App5_Forecast outperformance payment_PR14SRNWSW_3_2018-19 App5External FloodingPR14SRNWSW_32018-19 App5Discharges per kmPR14SRNWSW_42018-19 App5Odnour (Portsmouth & Tonbridge)PR14SRNWSW_52018-19 App5% compliance with WWTW regulationsPR14SRNWSW_62018-19 App5% energy from renewable sourcesPR14SRNWSW_72018-19 App5%no bathing waterPR14SRNWSW_82018-19 App5%no pollution Cat 1 & 2PR14SRNWSW_12018-19 App5Pollution Cat 1PR14SRNWSW_12019-20 App5% energy from renewable sourcesPR14SRNWSW_72019-20 App27_Net Performance payment/penalty applied to revenue at end of ODI - Wholesale Water_BB_2019-20 App27_Net Performance payment/penalty applied to revenue at end of ODI - Wholesale Wastewater_BT_2018-19 App27_Net Performance payment/penalty applied to revenue at end of ODI - Wholesale Wastewater_BT_2018-19 App27_Net Performance payment/penalty applied to revenue at end of ODI adjustment - Water Networks Plus_E23_2019-20 App27_Net Performance payment/penalty applied to revenue at end of ODI adjustment - Water Networks Plus_E23_Total App27_Net Performance payment/penalty applied to revenue at end of ODI adjustment - Wastewater Networks Plus_E24_2018-19 App27_Net Performance payment/penalty applied to revenue at end of ODI adjustment - Wastewater Networks Plus_E24_2019-20	n/a	PWC
Accounting for past delivery	SRN.PD.A2	Required	PR14 Residential retail: Southern Water is required to provide further evidence to explain its table R9 forecasts which depart from the trend in the first three years of the control period, and provide further clarity on the reasons for the difference between forecast customer numbers and actual customer numbers in 2018-2019.	15-Jul-19	We have updated our forecasts for 2018/19 and 2019/20 where we expect material deviations from what we set out in our initial Business Plan submission in September 2018. The detail for each PC and the updates made to the forecasts is set out in our response to action SRN.PD.A6.	IAP_TA 8_Accounting for Past Delivery_Pg 10	App27_Net Performance payment/penalty applied to revenue at end of ODI - Wholesale Water_BB_2019-20 App27_Net Performance payment/penalty applied to revenue at end of ODI - Wholesale Wastewater_BT_2018-19 App27_Net Performance payment/penalty applied to revenue at end of ODI - Wholesale Wastewater_BT_2018-19 App27_Net Performance payment/penalty applied to revenue at end of ODI adjustment - Water Networks Plus_E23_2019-20 App27_Net Performance payment/penalty applied to revenue at end of ODI adjustment - Water Networks Plus_E23_Total App27_Net Performance payment/penalty applied to revenue at end of ODI adjustment - Wastewater Networks Plus_E24_2018-19 App27_Net Performance payment/penalty applied to revenue at end of ODI adjustment - Wastewater Networks Plus_E24_2019-20	IAP_TA8_Accounting for Past Delivery_PA.6	PWC
Accounting for past delivery	SRN.PD.A3	Required	PR14 Residential retail: Southern Water is required to provide further evidence to explain its table R9 forecasts which depart from the trend in the first three years of the control period, and provide further clarity on the reasons for the difference between forecast customer numbers and actual customer numbers in 2018-2019.	01-Apr-19	We provided the rationale for difference in trend applied in forecast. We have provided the reason for difference between forecast customer numbers and actual customer numbers in 2018-2019	IAP_TA 8_Accounting for Past Delivery_Pg 11-14	R9_Metered water-only customer_B10_2019-20 R9_Metered wastewater-only customer_B11_2019-20 R9_Metered water and wastewater customer_B12_2019-20 R9_Unmetered water-only customer_B7_2019-20 R9_Unmetered wastewater-only customer_B8_2019-20 R9_Unmetered water and wastewater customer_B9_2019-20 R9_Unmetered water-only customer_C13_2018-19 R9_Unmetered water-only customer_C13_2019-20 R9_Unmetered wastewater-only customer_C14_2018-19 R9_Unmetered wastewater-only customer_C14_2019-20 R9_Unmetered water and wastewater customer_C15_2018-19 R9_Unmetered water and wastewater customer_C15_2019-20 R9_Metered water-only customer_C16_2018-19 R9_Metered wastewater-only customer_C17_2018-19 R9_Metered wastewater-only customer_C17_2019-20 R9_Metered water and wastewater customer_C18_2018-19 R9_Metered water and wastewater customer_C18_2019-20 R9_Unmetered water-only customer_D20_2019-20 R9_Unmetered water and wastewater customer_D21_2019-20 R9_Metered water-only customer_D22_2019-20 R9_Metered wastewater-only customer_D23_2019-20 R9_Metered water and wastewater customer_D24_2019-20 R9_Unmetered water-only customer_D25_2019-20 R9_Unmetered water and wastewater customer_D25_2020-20	n/a	PWC
Accounting for past delivery	SRN.PD.A4	Required	PR14 Toxex: Southern Water is required to amend the value it has reported for transitional expenditure to match actual spend in tables WS15/WS15.1 and model, ensure it has reported the correct values for third party costs in the tables and model, and provide a detailed and numerically supported explanation to accompany its forecasted performance for years 2018-19 and 2019-20.	01-Apr-19	We have updated transitional expenditure to match actual spend in the WS15/WS15.1 tables and model, and provided rationale for forecast for the forecasted performance for 2018/19 and 2019/20.	IAP_TA 8_Accounting for Past Delivery_Pg 15-19	base_G26_2019-20 WS15_Water: Revenue adjustment from toxex menu model_G24_2019-20 WS15_Water: RCV adjustment from toxex menu model_G25_2019-20 WS15_Water: Toxex menu revenue adjustment at 2017-18 FYA CPIH deflated price base_G26_2019-20 WS15_Water: Toxex menu RCV adjustment at 2017/18 FYA CPIH deflated price base_G27_2019-20 WS15_Wastewater: revenue adjustment from toxex menu model_G19_2019-20 WS15_Wastewater: RCV adjustment from toxex menu model_G20_2019-20 WS15_Wastewater: Toxex menu revenue adjustment at 2017-18 FYA CPIH deflated price base_G21_2019-20 WS15_Wastewater: Toxex menu RCV adjustment at 2017-18 FYA CPIH deflated price base_G22_2019-20	IAP_TA8_Accounting for past Delivery_PA.4	PWC
Accounting for past delivery	SRN.PD.A5	Required	PR14 reconciliations: Further to the actions we have set out to address our concerns over the evidence provided in its business plan for the individual reconciliations, we will require the company to refresh all of its PR14 reconciliations to replace its 2018-19 forecast performance with 2018-19 actual performance and update the evidence for its forecast 2019-20 performance taking into account of the actual 2018-19 performance.	15-Jul-19	As requested as part of the IAP Actions, we will refresh all PR14 reconciliations to replace 2018-19 forecasts with 2018-19 actual performance, and update the evidence for forecast 2019-20 performance as per the Otwat deadline of 15th July 2019.	IAP_TA 8_Accounting for Past Delivery_Pg 20	App26_Total water network plus outcome delivery incentives (ODI) impact - High RoRE case (pre tax adjustment)_Line 65_2020-25	n/a	PWC
Accounting for past delivery	SRN.PD.A6	Required	Southern Water should produce and provide additional evidence that it has identified: + the drivers of its past and current outcomes performance, including financial and reputational performance commitments; + lessons learnt from good and poor past and current performance; + the performance gap between current performance and proposed performance in the 2020-25 business plan; and + the measures planned or already in place to ensure deliverability of the 2020-25 business plan.	01-Apr-19	For each of the performance commitments across water, wastewater and retail, we have shown the actuals, forecast and commitments across each year for AMP6, and forecast AMP7 (where the PC remains in AMP7). BP.CH8 - Helping customers who need our support BP.CH17 - Accounting for Past Delivery_Pg24 BP.CH13_Retail Controls_Pg233-234 BP.CH4_Customer and Stakeholder Engagement and Participation_Pg54_2 BP.CH8 - Helping customers who need our support_Pg126_1	App26_Total water resources outcome delivery incentives (ODI) impact - High RoRE case (pre tax adjustment)_Line 66_2020-25	IAP_TA8_Accounting for Past Delivery_PA.7 IAP_TA8_Accounting for Past Delivery_PA.8 IAP_TA8_Accounting for Past Delivery_PA.9 IAP_TA8_Accounting for Past Delivery_Summary IAP_TA8_Accounting for Past Delivery_Appendix 1 IAP_TA8_Accounting for Past Delivery_Appendix 2 BP_TA11.1 - Water AMP7 Comparative Industry Performance Assessment BP_TA4.3 - Triangulation of customer priorities BP_TA11.WND4_Water Networks_Pg22 BP_TA11.WND4_Water Networks_Pg19 BP_TA11.1 - Performance Commitment Forecasting_Pg5 BP_TA11.WND1_Supply Demand Balance_Pg35	PWC	
Accounting for past delivery	SRN.PD.A7	Required	Southern Water should produce and provide an action plan that sets out: + how Southern Water will continuously monitor performance against PR14 and PR19 performance commitments, including how this relates to section 3 of the Annual Performance Report and what evidence it will look for beyond itself and the sector; + how Southern Water will identify drivers of performance and lessons learnt from both good and poor performance; + how Southern Water will identify measures to improve performance and integrate these into its business, and + how Southern Water will ensure that this is a continuous rather than one-off exercise.	01-Apr-19	The question has been interpreted as a request for evidence that we are committed to continuous improvement, through a process of monitoring and root cause analysis before embedding changes that directly address root causes. We have therefore set out actions that will enable us to continuously monitor performance against PCs, including how this relates to section 3 of the APR, identify drivers of performance and lessons learnt, identify measures to improve, and ensure continuous improvement.	IAP_TA 8_Accounting for Past Delivery_Pg 28 IAP_TA 8_Accounting for Past Delivery_Appendix 1 - Summary of our company wide transformation programme_Pg 121-124 IAP_TA 8_Accounting for Past Delivery_Appendix 2 - Additional update on our Water First and Environment+ programmes_Pg 125-128	App26_Total wastewater network plus outcome delivery incentives (ODI) impact - High RoRE case (pre tax adjustment)_Line 67_2020-25	IAP_TA8_Accounting for Past Delivery_PA.6 IAP_TA8_Accounting for Past Delivery_PA.7 IAP_TA8_Accounting for Past Delivery_PA.8 IAP_TA8_Accounting for Past Delivery_PA.9 IAP_TA8_Accounting for Past Delivery_Summary IAP_TA8_Accounting for Past Delivery_Appendix 1 IAP_TA8_Accounting for Past Delivery_Appendix 2 BP_TA11.1 - Water AMP7 Comparative Industry Performance Assessment BP_TA4.3 - Triangulation of customer priorities BP_TA11.WND4_Water Networks_Pg22 BP_TA11.WND4_Water Networks_Pg19 BP_TA11.1 - Performance Commitment Forecasting_Pg5 BP_TA11.WND1_Supply Demand Balance_Pg35	PWC

Accounting for past delivery	SRN.PD.A8	Required	Southern Water should produce and provide additional evidence that it has identified: <ul style="list-style-type: none"> the drivers of incidents performance and customer communication and support performance during and after major incidents, pollution incidents and where statutory and licence obligations enforced by the EANRW, DWI and Ofwat have not been met; lessons learnt from good and poor past and current performance; the performance gap between current performance and proposed performance in the 2020-25 business plan; and the measures planned or already in place to ensure Southern Water meets the 2020-25 business plan. 	01-Apr-19	We have collated a sample of incidents as case studies, including major incidents, serious pollution incidents, and incidents where regulatory obligations have not been met.	IAP_TA.8_Accounting for Past Delivery_Pg 78-92 BP_TA.11.WND4_Water Networks	App26_Total bioresources outcome delivery incentives (ODI) impact - High RoRE case (pre tax adjustment)_Line_68_2020-25	IAP_TA8_Accounting for Past Delivery_PA.A6 IAP_TA8_Accounting for Past Delivery_PA.A7 IAP_TA8_Accounting for Past Delivery_PA.A9 IAP_TA8_Accounting for Past Delivery_Summary IAP_TA8_Accounting for Past Delivery_Appendix 1	PWC		
Accounting for past delivery	SRN.PD.A9	Required	Southern Water should produce and provide an action plan that sets out: <ul style="list-style-type: none"> how Southern Water will continuously monitor incidents performance and customer communication and support during and after major incidents and deliver targets set by the EANRW in the Environmental Performance Assessment (EPA), by DWI and by Ofwat's regulations, including what evidence it will look for beyond itself and the sector; how Southern Water will identify drivers of performance and lessons learnt from both good and poor performance; how Southern Water will identify measures to improve performance and integrate these into its business; and how Southern Water will ensure that this is a continuous rather than one-off exercise. 	01-Apr-19	The question has been interpreted as a request for evidence that we are committed to continuous improvement, through a process of monitoring and root cause analysis before embedding changes that directly address root causes.	IAP_TA.8_Accounting for Past Delivery_Pg 83-120 BP_CH9 - Great Customer Service	App26_Total water network plus outcome delivery incentives (ODI) impact - Low RoRE case (pre tax adjustment)_Line_71_2020-25	IAP_TA8_Accounting for Past Delivery_PA.A6 IAP_TA8_Accounting for Past Delivery_PA.A7 IAP_TA8_Accounting for Past Delivery_PA.A8 IAP_TA8_Accounting for Past Delivery_AV.A2 IAP_TA8_Accounting for Past Delivery_Summary	PWC		
Securing confidence and assurance	SRN.CA.A1-SRN.C	Required	The company is required to restate a number of forward looking Board assurance statements. Please see: Southern Water: Securing confidence and assurance detailed actions.	01-Apr-19	See separate lines for each action below	n/a	App26_Total water resources outcome delivery incentives (ODI) impact - Low RoRE case (pre tax adjustment)_Line_72_2020-25	n/a	n/a		
Securing confidence and assurance	SRN.CA.A4	Required	On dividend policy the company is required to confirm that it is committed to adopt the expectations on dividends for 2020-25 as set out in 'Putting the sector in balance' to include: <ul style="list-style-type: none"> clear Board commitment to publish detail on dividend policies in the APR and to signal changes to stakeholders; and commitment to transparency about how the dividend policy in 2020-25 takes account of obligations and commitments to customers for the dividend policy that is applied in 2020-25 and when determining dividends. 	01-Apr-19	We confirm that the company is committed to adopting the expectations on dividends for 2020-2025 as set out in the 'Putting the sector in balance' outcomes document. We note that in your IAP assessment our dividend policy proposals as submitted reflected all the 'required elements' but we fell short in evidencing how these would be taken into account when determining dividends.	IAP_TA9_Securing Confidence and Assurance_Pg 8-9	App26_Total wastewater network plus outcome delivery incentives (ODI) impact - Low RoRE case (pre tax adjustment)_Line_73_2020-25	na	na		
Securing confidence and assurance	SRN.CA.A5	Required	Please provide an update on the steps you are taking to fully meet the expectations as set out in our putting the sector in balance position statement. <ul style="list-style-type: none"> On executive pay the company is required to confirm that it is committed to adopt the expectations on performance related pay for 2020-25 as set out in 'Putting the sector in balance' to include: visibility and evidence of substantial linkage of executive remuneration to delivery to customers clear explanation of stretching targets and how they will be applied clearer explanation of how the policy will be rigorously applied and monitored. commitment to report how changes, including the underlying reasons, are signalled to customers. commitment to publish the executive pay policy for 2020-25 once it has been finalised. 	01-Apr-19	The company has embraced the expectations set out in 'Putting the sector in balance' with regards to Executive performance related pay for 2020-2025 and is bringing forward much of this commitment into 2019. As such, we are committed to being totally transparent in respect of our Remuneration Policy and we set stretching and relevant targets, which clearly link Executive remuneration with the delivery of exceptional performance for our customers. Our Board Remuneration Committee ensures that our Remuneration Policy is rigorously applied and monitored.	IAP_TA9_Securing Confidence and Assurance_Pg 10-13	App26_Total bioresources outcome delivery incentives (ODI) impact - Low RoRE case (pre tax adjustment)_Line_74_2020-25	IAP_TA11_CA_Remuneration Committee terms of reference	PWC		
Securing confidence and assurance	SRN.CA.A6-SRN.C	Required	The company is required to provide a revised financial model and data tables on 1 April 2019 and complete actions regarding its outcomes and risk and return data. Please see: Southern Water: Securing confidence and assurance detailed actions.	01-Apr-19	See separate lines for each action below	n/a	n/a	n/a	n/a		
Securing confidence and assurance	SRN.CA.B1	Advised	The company has an advisory action regarding its financial model and associated data tables. Please see: Southern Water: Securing confidence and assurance detailed actions.	01-Apr-19	See duplicated line, below	n/a	n/a	n/a	n/a		
Securing confidence and assurance	SRN.CA.A1	Required	Provide a restated and compliant Board assurance statement. (Statement 10 - cost assessment)	01-Apr-19	The Board has carefully considered the results of the IAP and has been actively engaged in the process of responding to Ofwat's feedback. As part of this, the Board has revised its statement regarding cost assessment.	IAP_TA9_Securing Confidence and Assurance_Pg 5	n/a	IAP Board Statements - Resubmission	PWC		
Securing confidence and assurance	SRN.CA.A2	Required	Provide a restated and compliant Board assurance statement. (Statement 11 - risk and return)	01-Apr-19	The Board has carefully considered the results of the IAP and has been actively engaged in the process of responding to Ofwat's feedback. As part of this, the Board has revised its statement regarding risk and return.	IAP_TA9_Securing Confidence and Assurance_Pg 6	n/a	IAP Board Statements - Resubmission	PWC		
Securing confidence and assurance	SRN.CA.A3	Required	Provide a restated and compliant Board assurance statement. (Statement 11 - risk and return; risk management plans)	01-Apr-19	The Board has carefully considered the results of the IAP and has been actively engaged in the process of responding to Ofwat's feedback. As part of this, the Board has revised its statement regarding risk and return and risk management plans.	IAP_TA9_Securing Confidence and Assurance_Pg 7	n/a	IAP Board Statements - Resubmission	PWC		
Securing confidence and assurance	SRN.CA.A4	Required	All actions should be completed for the 1 April 2019 submission and should include appropriate assurance to ensure data is consistent and accurate.	01-Apr-19	Duplicated action, see above	n/a	n/a	n/a	n/a		
Securing confidence and assurance	SRN.CA.A6	Required	Provide a revised financial model (based on version 16z released on 31 January 2019) and data tables on 1 April 2019.	01-Apr-19	Alongside our IAP response, we have provided a revised set of data tables and a revised financial model based on version 17z, communicated to companies in letter 'Ofwat_Letter to Regulatory Directors_Financial_Model_6 March 2019'. This supersedes version 16z, released on 31 January 2019.	IAP_TA9_Securing Confidence and Assurance_Pgs 14 - 16	All	Annex 11 Supporting documents: IAP_TA11_CA_PWC letter of assurance IAP_TA11_CA_Jacobs letter of assurance - data tables IAP_TA11_CA_Deloitte letter of assurance IAP_TA11_CA_Deloitte PR19 Post IAP Final Report IAP_TA11_CA_Deloitte Release Letter	Deloitte, PWC, Jacobs		
Securing confidence and assurance	SRN.CA.B1	Advised	Provide an updated financial model that is consistent with business plan tables e.g. addresses differences in capex creditor days and uses dividend yield and growth rates as advised in the guidance.	01-Apr-19	We have provided an updated financial model and a workbook of data tables assured by Deloitte, Jacobs and PwC.	IAP_TA9_Securing Confidence and Assurance_Pg 19 - 20	All		Deloitte		
Securing confidence and assurance	SRN.CA.A7	Required	Provide an external data assurance statement for App1 and ensure consistency of unit and measure reporting for PCs.	01-Apr-19	We have appended a letter from our technical assessors (PwC) to our re-submission which includes a statement regarding the assurance of data table App1 and specifically the consistency of unit and measure reporting for PCs.	IAP_TA9_Securing Confidence and Assurance_Pg 17	App1	IAP_TA11_CA_PWC Letter of Assurance	PWC, Deloitte		
Securing confidence and assurance	SRN.CA.A8	Required	The company should explain the assurance process it has taken to develop its tax forecasts to demonstrate that amounts proposed for tax take account of customer interests, in particular to clarify the scope of the assurance work that was undertaken and the outcome of that work. Whilst the business plan included a reference that the capital expenditure allocations were externally reviewed, there was no mention of any other tax information.	01-Apr-19	Assurance of our tax forecasts was undertaken by Deloitte for the September Business Plan submission. However, the scope of this assurance was not fully articulated in our submission. As part of their review of our revised data tables, Deloitte has more clearly articulated the scope of their assurance of tax forecasts.	IAP_TA9_Securing Confidence and Assurance_Pg 18	App29	IAP_TA11_CA_Deloitte Letter of Assurance IAP_TA11_CA_Deloitte - PR19 Post IAP Final Report IAP_TA11_CA_Deloitte release letter	Deloitte		