

**WATER AND
SEWERAGE
SERVICES
COST AND
PERFORMANCE
REPORT FOR
2022-2024**

**An assessment of NI Water's
costs and performance**

April 2026

About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Millennium House in the centre of Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls; Networks and Energy Futures; and Markets and Consumer Protection. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

A dark blue graphic with a green square in the top right corner. The Utility Regulator logo is in the top left. Below it are sections for 'OUR MISSION', 'OUR VISION', and 'OUR VALUES'. 'OUR VALUES' lists five principles: ACCOUNTABLE, TRANSPARENT, COLLABORATIVE, DILIGENT, and RESPECTFUL, each with a brief description.

Utility Regulator

OUR MISSION
To protect the short and long-term interests of consumers of electricity, gas and water.

OUR VISION
To ensure value and sustainability in energy and water.

OUR VALUES

ACCOUNTABLE:
We take ownership of our actions.

TRANSPARENT:
Ensuring trust through openness and honesty.

COLLABORATIVE:
Connecting and working with others for a shared purpose.

DILIGENT:
Working with care and rigour.

RESPECTFUL:
Treating everyone with dignity and fairness.

ABSTRACT

The Utility Regulator undertakes periodic price controls to regulate the revenue NI Water receives. These set an overall revenue requirement, levels of capital and operational expenditure and targets for a range of key performance indicators.

This Cost and Performance Report provides our assessment of how NI Water has performed against its financial and key performance indicator targets during the 2022-2024 financial years. This covers the second and third years of its fourth regulatory price control, PC21. It supplements our cost and performance assessment for 2021/22 (published in September 2023) and therefore summarises NI Water's performance at the end of the third year of PC21 against the original requirements published in our PC21 Final Determination.

It does not take account of the output adjustments that resulted from our PC21 Mid-Term Review, which will be used as the basis for assessing performance for the remaining years of PC21.

AUDIENCE

This report will be of interest to all electricity and gas licensees. Government departments, organisations representing consumer interests and other stakeholders will also be interested given the potential for greater transparency.

CONSUMER IMPACT

This report provides consumers with an assessment of NI Water's performance to the end of 2023/24, assessed against the requirements set out in our PC21 Final Determination which was published on 13 May 2021.

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Executive Summary

NI Water's fourth regulatory price control period, PC21, began on 1 April 2021. This was originally intended to run for six years until 31 March 2027 but has recently been extended to 31 March 2028 to accommodate the additional time required to prepare for, and deliver, our next price control, PC28. When setting price controls we are legally obliged to do so in line with our statutory duties so that NI Water will be in a position to meet its obligations. The Department for Infrastructure (DfI's) 2021-2027 Social and Environmental Guidance¹ set the policy and legislative aims for the period and our PC21 Final Determination² set the revenue and output requirements.

Our 2022-2024 Cost and Performance Report assesses how NI Water performed against the requirements set out in our final determination in the second and third years of the PC21 price control period. It builds on our cost and performance assessment for 2021/22³ and summarises NI Water's performance at the end of the third year of PC21 against the original requirements published in our PC21 Final Determination. It does not take account of the output adjustments that resulted from our PC21 Mid-Term Review⁴, which will be used as the basis for assessing performance for the remaining years of PC21.

Our 2022-2024 report shows that, up until the end of the 2023/24 report year, the company broadly delivered against its 'consumer' and 'water' services targets in overall terms.

However, reported delivery against NI Water's targets for 'wastewater' services indicates underperformance in overall terms up until the end of the 2023/24 report year. This was most significant for performance against the nominated output targets for wastewater treatment works and unsatisfactory intermittent discharges. Despite NI Water noting some issues that it considered to be extenuating circumstances for the shortfalls in delivery, notably the budgetary constraints to Capital Department Expenditure Limits (CDEL), the reported underperformance still raises concerns. As with all our licensed companies, we expect NI Water to comply with its relevant licence and legislative obligations and have put in place a robust compliance monitoring and reporting framework to help us assess whether this is the case. The extent to which NI Water's annual performance aligns with regulatory targets and NI Water's obligations is considered as part of this process and we will be prepared to take further action, including enforcement action where necessary, where it appears that there are, or likely to be, contraventions. We carry out this function in accordance with our

¹ Social and Environmental Guidance for Water and Sewerage Services (2021-2027)

² PC21 Final Determination

³ Cost and performance report 2021/22

⁴ PC21 Mid-Term Review

published procedure⁵ which also sets out our approach to the publication of information associated with this process.

The company's operational expenditure (Opex) was materially higher and the company's capital expenditure (Capex) was materially lower than the allowances set in our final determination as summarised below:

Operating expenditure

NI Water's nominal operating expenditure was £304.8m in 2022/23 and £310.3m in 2023/24. Over the two-year period the total operating expenditure of £615.1m was £48.9m higher than our regulatory allowance of £566.2m (i.e. £274.5m for 2022/23 and £291.7m for 2023/24) following re-indexation to account for actual inflation. NI Water mainly attributes the overall increase to power costs during the period.

Capital investment

The company invested £295.9m and £341.5m of capital expenditure (Capex) in nominal terms in 2022/23 and 2023/24 respectively. In overall terms this was £52.4m lower than the amount allowed for this two-year period in our final determination, when reindexed to account for actual inflation. NI Water advised that this was largely a consequence of the emergence of capital funding constraints as well as reprofiling of the capital programme to allow for completion of the detailed modelling, investigations and costings required for PC21 Mid-Term review scope certainty submission. This mid-term review resubmission was necessary because NI Water had submitted a significant number of wastewater projects in its PC21 business plan which were not well enough defined to allow us to conclude on them in our final determination. We expect NI Water to address this material shortcoming in its business plan submission for PC28 and ensure that it does not happen again.

Output delivery

Over the first three years of the PC21 period, the company met or exceeded planned delivery for 35 of the 45 key output measures set in our PC21 final determination. This includes 11 out of 13 consumer service measures and 6 out of 8 of the water and sewerage quality compliance measures. The company also achieved the necessary planned progress in 20 out of 25 Development Objectives set as part of the price control. NI Water met 4 out of 8 of its nominated output targets and maintained stable serviceability in all service areas. As part of the PC21 Mid-Term Review (MTR) 4 targets were retrospectively adjusted, this would result in NI Water meeting an additional 2 key output measures including 1 customer

service measure. However, this report deals with delivery compared to the PC21 Final Determination targets. The outcome of the MTR will be reflected in the 2024/25 cost and performance report by adjusting the necessary targets and definitions.

At the end of 2023/24 the most significant shortfalls based on the original PC21 Final Determination targets were in the delivery of unsatisfactory intermittent discharge (UID) upgrades, nominated wastewater treatment works and water mains rehabilitation. NI Water stated that this lag was mainly a result of the emerging Government funding constraints and the reprofiling of the capital programme noted above. Irrespective of this we will continue to assess whether NI Water is complying with its relevant licence and legislative obligations through our established compliance monitoring framework

1. Introduction

Price controls

- 1.1 Northern Ireland Water (NI Water) is responsible for providing water and sewerage services to consumers in Northern Ireland. Since NI Water is the sole provider of these services, the Utility Regulator (UR) regulates the amount of revenue the company receives. This ensures value for money for consumers. We therefore scrutinise the company's revenue requirements through periodic price controls and subsequently use the outcome of this process, along with other sources of information, to monitor delivery and NI Water's compliance with its obligations.
- 1.2 NI Water is a government-owned provider of water and sewerage services. Financially, it is treated as a Non-Departmental Public Body (NDPB) since the majority of its income comes from public funding. While domestic consumers do not directly pay for water charges, the cost of providing these services to commercial consumers is recovered through bills.
- 1.3 NI Water's fourth regulatory price control period, PC21, began on 1 April 2021. It was originally intended to run for six years until 31 March 2027 but has recently been extended to 31 March 2028 to provide additional time for the preparation and delivery of our next price control, PC28.
- 1.4 DfI's Social and Environmental Guidance for Water and Sewerage Services (2021-2027)⁶, published in August 2020, set the policy and legislative aims for the PC21 period. This guidance continues to reflect the themes of "Sustainable Water, A Long-Term Water Strategy for Northern Ireland 2015-2040"⁷ published in March 2016.
- 1.5 NI Water's Business Plan for PC21 set out the work the company considered necessary to meet the established need. This includes addressing the wastewater treatment and sewerage capacity issues which are acting as a constraint to current and future development. It identified that significantly more funding would be needed in PC21 and subsequent price controls to sustain existing services, meet obligations and support economic and social development. The company's proposals for PC21 were submitted on the basis of an affordable tariff.

⁶ Social and Environmental Guidance Water and Sewerage Services 2021-2027

⁷ Sustainable Water - A Long-Term Water Strategy for Northern Ireland 2015-2040

- 1.6 Our PC21 Final Determination⁸ set out the revenue and output requirements for the price control period following the completion of our assessment and challenge of NI Water's Business Plan Submission.
- 1.7 We subsequently undertook a PC21 Mid-Term Review (MTR) to fully determine costs for NI Water's wastewater investment programme after it had been fully defined. The MTR also considered some external cost pressures such as rising power costs. The outcome of this process, including any associated adjustments to outputs, has been reported on separately⁹. These adjusted outputs will be used to inform our cost and performance assessments for the remainder of PC21 and to monitor NI Water's compliance with its obligations on an ongoing basis. However they have not been incorporated into this cost and performance assessment as they apply from 2024/25 onwards.

Cost and performance reports

- 1.8 We use Annual Information Returns and Cost and Performance Reports to assess and report on actual delivery against the requirements we set for the company in our price control determinations. As a minimum, our reports cover the key areas of costs and efficiency, operating expenditure, capital investment and the delivery of key performance indicators (KPIs). However, on occasions the reports may also be used to explain material issues or developments that have occurred during the reporting period. We aim to produce and publish Cost and Performance Reports annually unless there are any extenuating circumstances.
- 1.9 This report provides an assessment of company performance covering the second and third years of the PC21 price control period (2022-2024). We took the decision to combine our 2022/23 and 2023/24 assessments into a single report to account for the significant amount of resource and time needed to complete our PC21 Mid-Term Review and commence planning for PC28.

⁸ PC21 Final determination

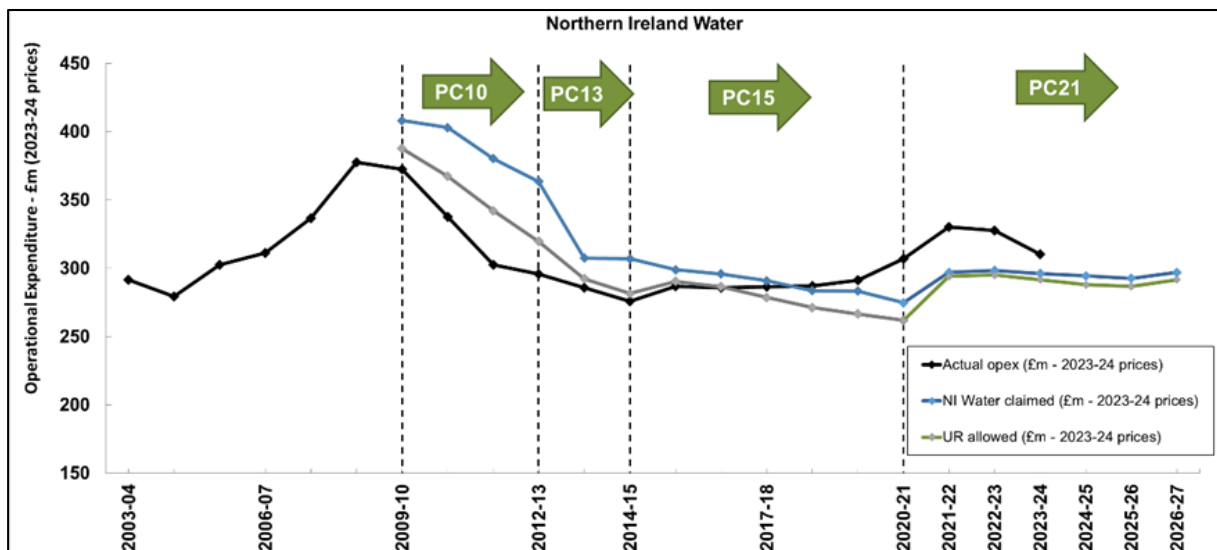
⁹ PC21 Mid-Term Review

2. Costs and Efficiency

Operational expenditure

- 2.1 NI Water’s operating costs (Opex)¹⁰ increased in nominal terms from £272.1m in 2021/22 to £304.8m in 2022/23 and £310.3m in 2023/24. The total operating expenditure over the two-year period of £615.1m was £48.9m higher than our regulatory allowance of £566.2m (i.e. £274.5m for 2022/23 and £291.7m for 2023/24) following re-indexation to account for actual inflation.
- 2.2 The respective annual rises of £32.7m and £5.5m, translate into real terms annual decreases of 0.8% and 5.5% in the day-to-day running costs of the business each year, once inflation is taken into account.
- 2.3 Figure 2.1 below¹¹ shows how NI Water’s annual Opex operating expenditure has varied in real terms year on year. It also compares this to what NI Water claimed in its business plan and our regulatory allowance.

Figure 2.1: NI Water’s Opex profile in real terms (2023/24 prices)



- 2.4 In the first three years of PC21, Opex costs have varied significantly with the volatility in power costs over the period having the largest impact by far. Power costs rose from £61.6m in 2021/22 to £82.3m in 2022/23 and then reduced again to £57.6m in 2023/24. This movement was primarily driven

¹⁰ Operating costs also include Public Private Partnership (PPP) and Private Finance Initiative (PFI) costs.

¹¹ The rise in NI Water’s Opex allowance in 2021/22 (first year of PC21) is partly due to its forecast rates bill increasing substantially over the year, driven by the LPS rating revaluation exercise.

by changes in the electricity tariff for 'large and very large' users and NI Water's inability to hedge costs.

- 2.5 This movement in power costs largely explained why NI Water's Opex costs were higher than our regulatory allowance in 2022/23.

Closing the efficiency gap

- 2.6 In some of our previous Cost and Performance Reports, we compared NI Water's Opex efficiency position with companies in England and Wales, on an annual basis. The estimates were derived using our Corrected Ordinary Least Squares (COLS) econometric and unit cost models, as employed in the determinations for previous price controls, PC10, PC13 and PC15. These models were based on an Ofwat suite of models used for their price controls, PR04 and PR09.
- 2.7 Our analysis showed a continued improvement over time, with NI Water closing the efficiency gap to the 'frontier', or best performing comparator company, from around 49% in 2007/08 to an estimated 13% in 2014/15.
- 2.8 We no longer benchmark efficiency annually and now only do this when undertaking price controls. This aligns with the approach adopted by other regulators such as Ofwat or Ofgem. For PC21 we developed a new methodology for assessing NI Water's operational efficiency gap. This utilised comparator data from Ofwat, NI Water performance data and new water and wastewater variables to inform our efficiency assessment for the price control.
- 2.9 From this analysis we concluded that NI Water had continued to close the efficiency gap to companies in England and Wales. Based on an assessment of comparative data up to 2018/19, we estimated that the gap had reduced to 5.7% compared to upper quartile performance by English and Welsh companies.
- 2.10 The historic profile of the efficiency gap determined through our assessments is shown in Table 2.1 below.

Table 2.1: Historic Opex efficiency gap analysis

Price Control Efficiency Gap Analysis	Gap
2007-08 Opex efficiency gap used @ PC10	48.7%
2010-11 Opex efficiency gap used @ PC13	38.1%
2012-13 Opex efficiency gap used @ PC15	21.6%
2018-19 Opex efficiency gap used @ PC21	5.7%

- 2.11 This shows the significant progress that NI Water has made over recent price controls.
- 2.12 Since the last comparative analysis was undertaken for PC21, NI Water's real costs have risen, as shown in Figure 2.1 above, and we will assess whether this has been replicated across other comparative water and sewerage companies (WaSCs) as part of our next price control.
- 2.13 During this report period NI Water experienced some external cost pressures such as rising power costs and we considered the impact of these in our PC21 Mid-Term Review. The outcome of this process, including any associated adjustments, has been reported on separately¹² and will be used to inform our cost and performance assessments for the remainder of PC21.

¹² PC21 Mid-Term Review

3. PC21 Performance

Performance against PC21 Final Determination targets

- 3.1 Table 3.1 and Table 3.2 present our assessment of delivery against the PC21 Final Determination targets for 2023/24. Complementary tables detailing our assessment of performance for 2022/23 can be found in Annex A.
- 3.2 To ensure comparison with delivery on a like for like basis during the price control period, the PC21 targets are adjusted to:
- Include outputs which were expected to be delivered in PC15 but carried over into PC21.
 - Exclude outputs planned for PC21 which were delivered early (i.e. in PC15 after the conclusion of the business planning and determination processes).
 - Account for movements between programmes.
- 3.3 If an adjustment is made, it will be noted against the target figure in the table.
- 3.4 In addition, when categorising underperformance, we will consider the impact of cost delays, re-profiling of delivery undertaken by the company and the potential for 'catch-up' when coming to a marginal assessment.
- 3.5 Colour coding has been used in the tables to indicate whether NI Water is on track, i.e. has met or outperformed its target (shaded green) or whether NI Water is behind target (shaded red). Where the failure is considered marginal, this is noted in the final column.
- 3.6 Targets are categorised into two types in column three. Annual, where the company was required to deliver an annual target within the year, or Cumulative, where a target was set for the PC21 period as a whole and the report target is based on the cumulative total of the indicative annual targets to that point.
- 3.7 Our conclusion is that in the first three years of PC21, NI Water broadly delivered against the original targets set out in our PC21 Final Determination for 'consumer' and 'water' services areas, where it met 23 of its 26 objectives. The outcome of the MTR will be reflected in the 2024/25 cost and performance report by adjusting the necessary targets and definitions
- 3.8 However delivery against our PC21 Final Determination targets for the 'wastewater' service area, where the company only met 12 of its 19

objectives, indicates underperformance overall. The most significant shortfalls in delivery relate to the nominated output targets for wastewater treatment works and unsatisfactory intermittent discharges. Despite NI Water referring to extenuating circumstances, notably the budgetary constraints to CDEL, this raises concerns from our perspective and this information will be reviewed as part of our monitoring and enforcement role, to determine whether further action is required.

- 3.9 The paragraphs included under Table 3.1 and Table 3.2 present our understanding of the reason for any shortfall for measures where NI Water did not meet its targets.
- 3.10 As with all our licensed companies, we expect NI Water to comply with its relevant licence and legislative obligations and have put in place a robust compliance monitoring and reporting framework to help us assess whether this is the case. The extent to which NI Water's annual performance aligns with regulatory targets and NI Water's legal obligations is considered as part of this process and we will be prepared to take further action, including enforcement action where necessary, where it appears that there are, or are likely to be, contraventions. We carry out this function in accordance with our published procedure¹³ which also sets out our approach to the publication of information associated with this process.

Table 3.1: NI Water PC21 key outputs for water services

	Line Description	Target Type ¹⁴	2023/24 Target	2023/24 Actual	Comment
A	Consumer Service Water				
1	DG2 Properties at risk of low pressure removed from the risk register by company action	C	435	538	On track
2	DG2 Properties receiving pressure below the reference level at end of year	C	365	1,617	Behind target
3	DG3 Supply interruptions > 12hrs (unplanned and unwarned)	A	0.084%	0.00%	On track
4	DG3 Supply interruptions (overall performance score)	A	0.77	0.19	On track
5	DG8 % metered customers received bill based on a meter reading	A	99.00%	99.78%	On track
6	Unwanted contacts	A	65,200	50,400	On track
7	First Point of Contact Resolved (FPOCR)	A	84%	86%	On track
8	Net Promoter Score (all contacts)	A	42	46	On track
9	Total Leakage (Ml/d)	C	154	155	Marginally behind
10	Security of supply index	A	100	100	On track
11	% NI Water's power usage derived from renewable sources	A	50.00%	57.56%	On track
B	Water Quality				
12	% overall compliance with drinking water regulations	A	99.83%	99.92%	On track
13	% compliance at consumers tap	A	99.74%	99.88%	On track
14	% iron compliance at consumers tap	A	98.62%	99.71%	On track
15	% Service Reservoirs with coliforms in >5% samples	A	0.00%	0.00%	On track
C	Water Outputs				
16	Water mains activity - Length of new, renewed or relined mains (km)	C	419	352	Behind target
17	Completion of nominated trunk main schemes	C	3	5	On track
18	Completion of nominated water treatment works schemes	C	8	7	On track
19	Completion of nominated improvements to increase the capacity of service reservoirs and clear water tanks	C	1	3	On track
D	Serviceability				
20	Water infrastructure serviceability	A	Stable	Stable	On track
21	Water non-infrastructure serviceability	A	Stable	Stable	On track
E	PC15 Additional Output Measures				
22	Number of lead communication pipes replaced	C	5,532	5,753	On track
23	Number of school visits	C	528	728	On track
24	Number of events	C	171	205	On track
F	PC21 Additional Output Measures				
25	Number of Catchment Management Plans	C	7	7	On track
26	Number of treatability studies completed	C	0	1	On track

¹⁴ C = Cumulative target, A = Annual target

Water service targets

- 3.11 NI Water met or outperformed 23 of its 26 consumer service and water output objectives for 2023/24. This represents an improvement from 2022/23, when it only met or outperformed 21 of the 26 measures, as shown in Annex A.
- 3.12 Further details are provided below on the three water service areas where performance fell below target.

- **DG2 Properties receiving pressure below the reference level at end of year.**

Although the number of properties receiving low pressure (1,617) was much higher than the target level set for the third year of PC21 (365), this was as a result of work undertaken by NI Water to 'refresh' its low-pressure register. At the time of the final determination, it had been identified that this was necessary due to concerns that the number of low-pressure properties was being significantly underrepresented. This investigative work was therefore included as a PC21 'Development Output', with the understanding that targets would need to be 'rebased' once the DG2 Register was fully refreshed and the extent of low-pressure problems was better understood. During 2022/23 the numbers of registered low-pressure properties increased significantly as a result of the modelling and investigations undertaken by NI Water and the variance between the target and the reported figure is a consequence of this. The targets will be 'rebased' for future Cost and Performance Reports using data collated during the PC21 Mid-Term Review to ensure that they are reflective of the updated property information held on the low pressure register and the annual performance assessment becomes more meaningful.

- **Total Leakage (MI/d).**

NI Water's Total Leakage figure of 155MI/d in 2023/24, was marginally higher than its target of 154MI/d. Taking account of the various assumptions and tolerances associated with the Water Balance methodology used to assess Leakage levels, this marginal exceedance does not give any major reason for concern. It is also noted that NI Water has successfully reversed the material rise to 162MI/d (against a target 156MI/d) which occurred in 2022/23.

In addition to normal leakage reduction techniques NI Water continues to work on two PC21 Leakage Development Objectives (i.e. 'Targeted Mains Renewal in High Leakage Areas' and 'Leakage Innovation') to help it lower leakage levels and achieve its Economic Level of Leakage by the end of PC21.

- **Water mains activity - Length of new, renewed or relined mains (km).**

Cumulative water mains rehabilitation activity to the end of 2023/24 was 352km which is materially behind the cumulative target of 419km, based on the indicative annual figures included in our final determination. These were based on the overall target length of 838km that we set for the price control period as a whole. NI Water previously reported that a number of factors contributed to performance falling well below target in the first year of PC21 (i.e. 101.6km against the indicative annual average target of £139.7km). These included:

- ◆ Availability of resources, due to the draw from other utilities such as gas and telecoms, and other jurisdictions such as Irish Water.
- ◆ Increases in material costs.
- ◆ The fact that more work was undertaken in urban areas which is generally slower to complete.

Whilst NI Water's performance progressively improved in years two and three (i.e. 123.3km and 127.4km respectively), it remained below the indicative target of 139.7km in both years.

Table 3.2: NI Water PC21 key outputs for sewerage services

Line Description		Target Type ¹⁵	2023/24 Target	2023/24 Actual	Comment
A	Consumer Service Sewerage				
1	DG5 Properties at risk of flooding - number removed from 2 in 10, 1 in 10 and 1 in 20 risk register by company action	C	20	22	On track
2	DG5 Properties on the 2 in 10, 1 in 10 and 1 in 20 risk register at the end of the year	C	106	80	On track
B	Quality Sewerage				
3	% of WwTWs discharges compliant with numeric consents	A	92.3%	93.7%	On track
4	% of total p.e. served by WwTWs compliant with numeric consents excluding upper tier failures	A	94.7%	99.2%	On track
5	Small WwTW compliance (works greater than or equal to 20p.e. but less than 250p.e.)	A	93.1%	92.7%	Marginally behind
6	Number of high and medium pollution incidents attributable to NI Water	A	11	10	Marginally behind
C	Sewerage Outputs				
7	Sewerage activity - Length of sewers replaced or renovated (km)	C	30	69	On track
8	Delivery of improvements to nominated UIDs as part of a defined programme of work	C	49	12	Behind target
9	Delivery of improvements to nominated WwTWs as part of a defined programme of work	C	22	10	Behind target
10	Small wastewater treatment works delivered as part of the rural waste water investment programme	C	18	16	Marginally behind
D	Serviceability				
11	Sewerage infrastructure serviceability	A	Stable	Stable	On track
12	Sewerage non-infrastructure serviceability	A	Stable	Stable	On track
E	New Output Measures				
13	CSO and EO discharges at which event and duration monitoring equipment has been installed	C	250	259	On track
14	WwTWs upgraded to comply with PPC Regulations	C	4	0	Behind target
15	Impermeable surface water collection area removed from the combined sewerage network (m2)	C	1,093,620	230,774	Behind target
16	Number of sustainable WwTW solutions delivered (p.e. ≥ 250)	C	0	0	On track
17	Number of sustainable WwTW solutions delivered (p.e. < 250)	C	0	0	On track
18	Number of Economic Constraint Areas Removed	C	0	0	On track
19	Number of Serious Development Restrictions Removed	C	4	8	On track

Sewerage service targets

3.13 NI Water met or outperformed 12 of its 19 sewerage service output objectives in 2023/24. This represents a deterioration from 2022/23, when it met or outperformed 17 of the 19 measures, as shown in Annex A.

¹⁵ C = Cumulative target, A = Annual target

3.14 Further details are provided below on the seven wastewater service areas where performance fell below target:

- **Number of high and medium pollution incidents attributable to NI Water.**

NI Water's annual performance of 10 high and medium pollution incidents is only marginally behind its target of 11, which was based on the uniform delivery profile required to achieve a target of 6 in 2026/27. It is recognised that figures in any particular year can be influenced by a wide range of factors such as weather, seasonality, customer behaviours, trade effluent discharges and rogue discharges to sewer and we note that this is the first year performance has fallen slightly behind target. We will review this information as part of our ongoing compliance monitoring regime in respect of NI Water, to determine whether further action needs to be taken in light of this.

- **Delivery of improvements to nominated Unsatisfactory Intermittent Discharges (UIDs) as part of a defined programme of work.**

At the end of 2023/24 NI Water had delivered 12 UID upgrades compared to a cumulative final determination indicative target of 49. It advised that this was largely a consequence of reprofiling required to account for the outcome of the detailed modelling, investigations and costings completed for its PC21 Mid-Term Review scope certainty submission as well as emerging capital funding constraints. The mid-term review resubmission was necessary because NI Water had submitted a significant number of wastewater projects in its PC21 business plan which were not well enough defined to allow us to conclude on them in our final determination. We expect NI Water to address this material shortcoming in its business plan submission for PC28 and ensure that it does not happen again. One unwelcome consequence of the need to retrospectively define the scope of most of the wastewater projects was a proposal to 're-base' this target and defer the delivery of some schemes to the next price control period. We assessed and concluded on NI Water's updated investment proposals as part of our PC21 MTR Final Determination and the targets for the remaining years of PC21 will be adjusted to reflect the outcome of this process.

- **Delivery of improvements to nominated Wastewater Treatment Works as part of a defined programme of work.**

At the end of 2023/24 NI Water had delivered 10 large wastewater treatment upgrades compared to a cumulative indicative target of 22. As with UIDs, NI Water advised that this was largely a consequence of the reprofiling required to account for the outcome of the detailed modelling, investigations and costings completed for NI Water's PC21 Mid-Term Review scope certainty submission as well as emerging Capex funding constraints. Targets for this measure for the remaining years of PC21 will also be adjusted to take account of the outcome of the reassessment that we undertook for our PC21 MTR Final Determination, as described in the UID section above.

- **Small wastewater treatment works delivered as part of the rural wastewater investment programme.**

NI Water's cumulative performance of 16 upgrades is marginally behind its indicative target of 18, which is based on delivery of 6 small wastewater treatment works per year on average. In its AIR24 submission NI Water advised that the cumulative shortfall was primarily due to reprofiling within the Rural Wastewater Investment Programme (RWIP) and that it still intends to deliver the overall target of 36 upgrades within the original 6-year timeline.

- **Small WwTW compliance (works greater than or equal to 20p.e. but less than 250p.e.)**

Actual performance against this measure is directly linked to the delivery of small works under the RWIP programme, as described above. The lag in compliance against target (i.e. 92.7% against a target of 93.1% for 2024) is therefore a consequence of the delivery of works upgrades being slightly behind programme. If NI Water successfully delivers 36 works upgrades within the original 6-year timeline, as indicated in its AIR24 submission, then achievement of the PC21 targets for this measure will automatically follow.

- **WwTWs upgraded to comply with PPC Regulations.**

NI Water did not report any PPC upgrades in the first three years of PC21 against a final determination target of four. We are aware that this is likely to be a combination of the time needed to programme assessments at qualifying works with NIEA as well as issues with the target description and definition. The latter results from the fact that the assessments can identify that some works do not require a permit if they don't exceed the volumetric threshold and in such cases an upgrade would not be required. To help ensure that reported performance in future years more accurately reflects the process undertaken and its potential outcomes, we plan to change the target description to "WWTWs assessed and/or upgraded if required to comply with PPC Regulations".

- **Impermeable surface water collection area removed from the combined sewerage network.**

NI Water's reported performance of 230,774m² of impermeable surface area removed was behind the original target of 1,093,620m² that we published in our PC21 final determination. However, at the time of our determination, we raised concerns about how NI Water had calculated their submitted figures and asked whether the correct conversion factor had been used. NI Water originally indicated its figures were correct but has since agreed that it applied a factor for converting from hectares and m² which was in error by a factor of 10. So, when we correct for this mistake, it shows that NI Water removed more than double the recalibrated target of c110,000m². As advised in our PC21 Mid-Term Review Final Determination, we will adjust the targets for the remaining years of PC21 to account for this error in NI Water's business plan submission and ensure they are consistent with reported performance.

Quality compliance

- 3.15 Performance against some targets can be affected by factors outside the company's control, such as the weather or the specific locations and times that samples are taken in any particular year. For PC21, we identified performance ranges for water and wastewater quality which reflected this inherent variability and the fact that this type of performance is monitored on the basis of calendar years. The specific annual targets for water and wastewater quality which were based on these ranges were all met in the first three calendar years of PC21 (2021 to 2023) as shown in Block B of Table 3.1 and Table 3.2 above.

Water Quality

- 3.16 The PC21 water quality output targets were set just below the average of the estimated performance ranges. Based on this analysis, the company might be expected to fall below these targets at certain times during the price control period. However, when we engaged with NI Water in the determination process it advised that it expected to outperform these targets throughout.
- 3.17 In the first three years of PC21, performance for all of the water quality measures (i.e. overall water quality compliance, compliance at consumers' taps and iron compliance) lay close to or above the top of the performance range, as shown in the graphs below, and therefore well above the specific output targets.

Figure 3.1: Overall water quality compliance

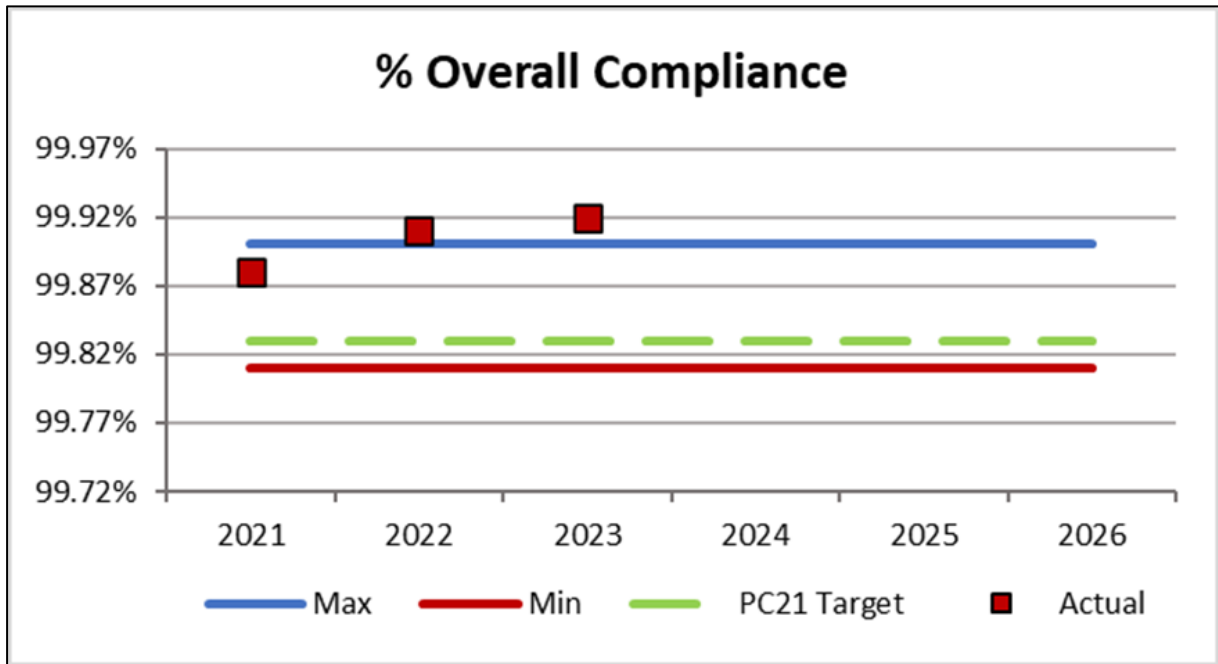


Figure 3.2: Water quality compliance at the tap

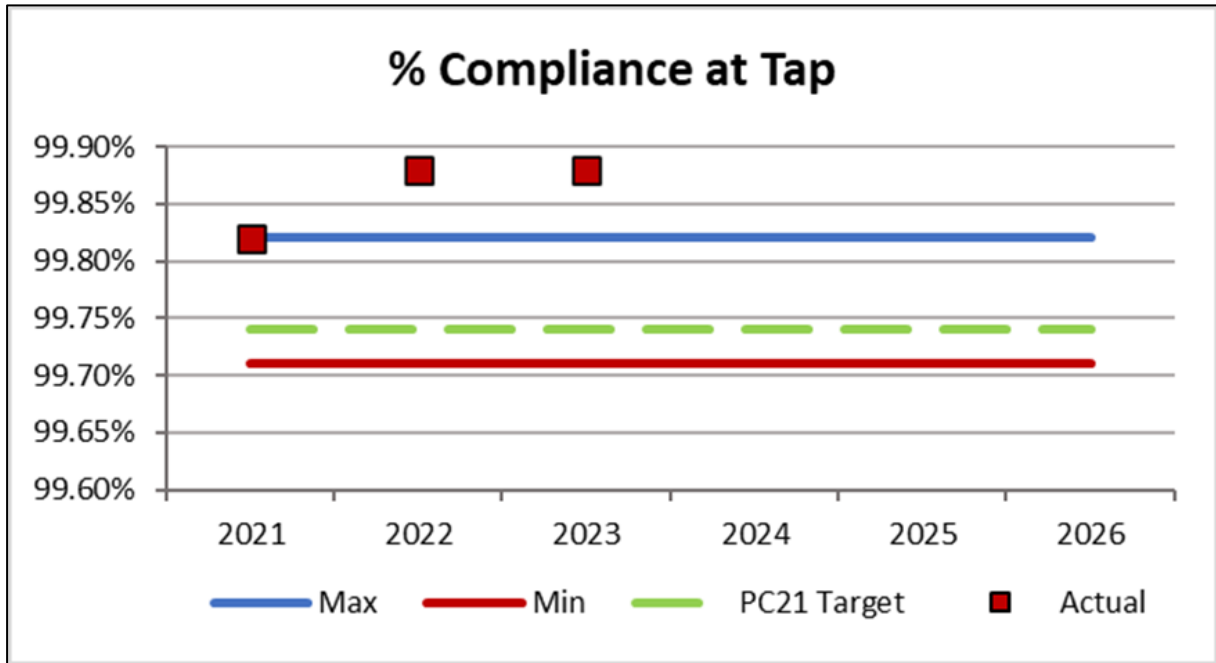
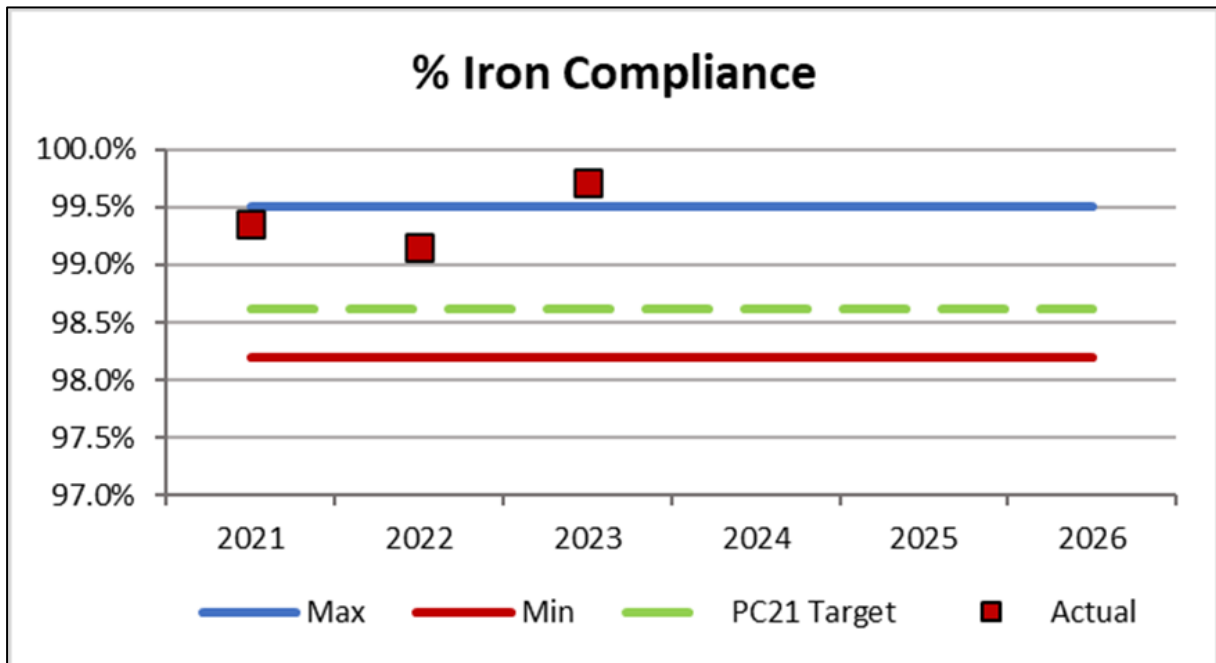


Figure 3.3: Water quality compliance at tap for iron

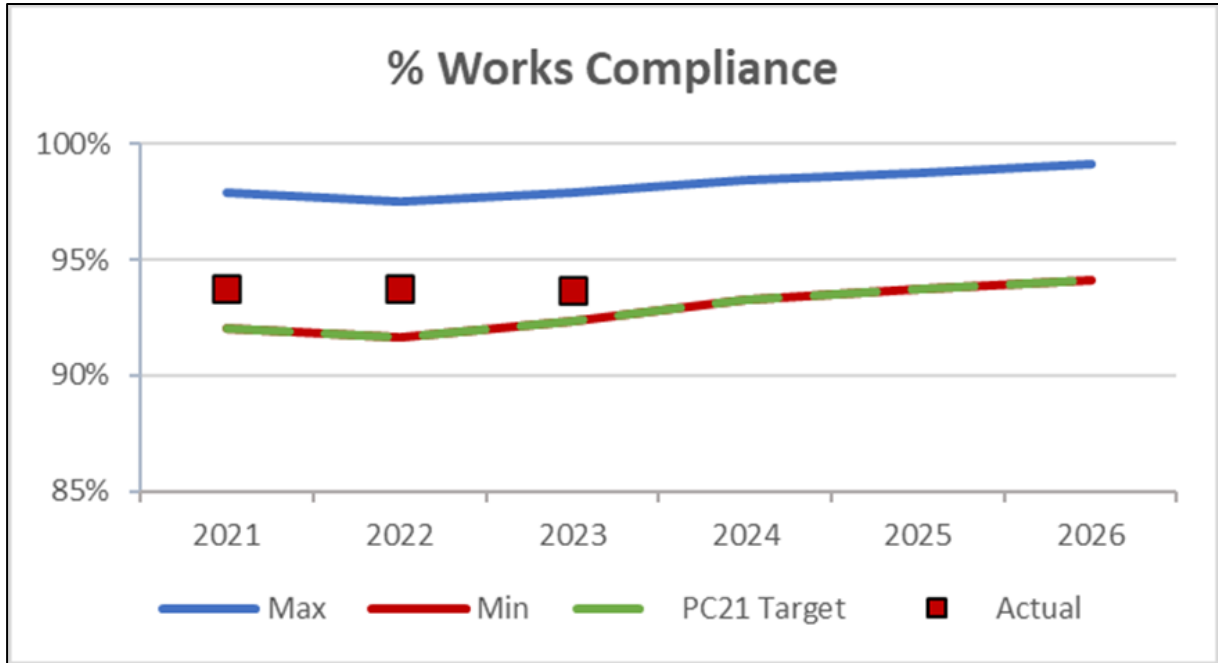


Wastewater compliance

3.18 The PC21 targets for wastewater compliance, measured on the basis of the percentage of treatment works complying, were set at the bottom of our projected operating range, as shown in Figure 3.4 below. We therefore noted in the final determination that these targets represented the minimum level of performance we expected the company to achieve and we would expect NI Water performance to consistently lie above

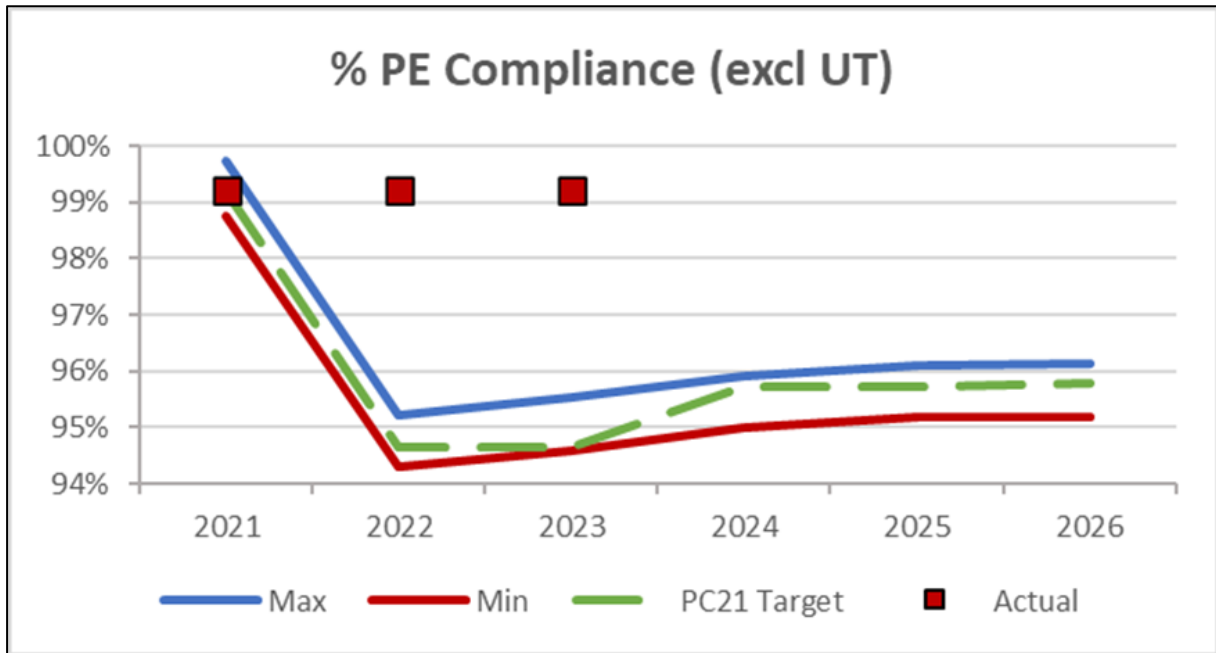
them during PC21. Figure 3.4 shows that this was the case in calendar years 2021 to 2023.

Figure 3.4: WwTW discharges compliant with numeric consents



3.19 NI Water’s proposed PC21 targets for wastewater compliance, measured on the basis of the population served, were accepted as they lay within our performance range as shown in Figure 3.5 below. In our PC21 Final Determination we indicated that we would expect NI Water performance to lie at or around this level and consistently above the minimum of our performance range during PC21. Actual performance in the first three years of PC21 has remained relatively constant and has materially exceeded the performance range in 2022 and 2023 as shown in Figure 3.5 below. This is because the anticipated non-compliance at two relatively large works due to a change in consent standards in these years has not materialised.

Figure 3.5: Population equivalent served by WwTWs compliant with numeric consents



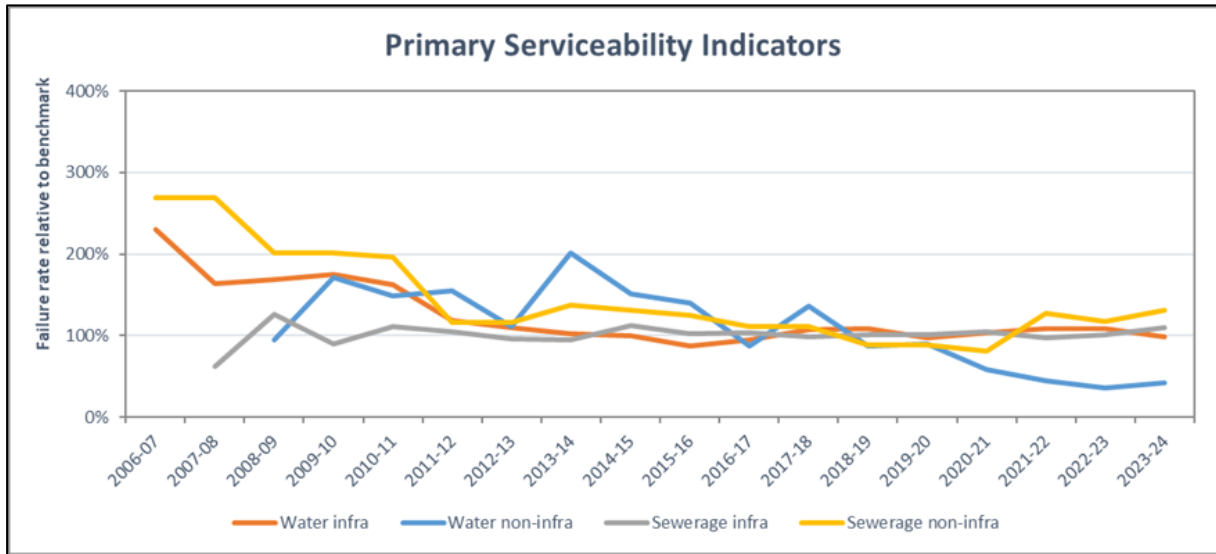
Serviceability

- 3.20 We use trends for a range of primary and secondary serviceability indicators to assess how the company is maintaining its assets and categorise performance as improving, stable or deteriorating.
- 3.21 We have updated our PC21 Final Determination serviceability assessment for each primary and secondary indicator to include outturn data for the first three years of PC21. The updated trends of the primary indicators in the four service areas, as listed in Table 3.3 below can be found in Figure 3.6 and have all been assessed as 'stable' or better. This contributes to a combined assessment that serviceability remains 'stable' overall.

Table 3.3: Primary serviceability indicators

Service	Primary Service Indicator
Water Infra	Mains bursts per 1,000km
Water Non-infra	Percentage of regulatory samples taken for Turbidity at WTWs which exceed 0.8 NTU
Sewerage Infra	Sewer collapses per 1,000km
Sewerage Non-infra	Percentage of WwTW discharges not compliant with numeric consents

Figure 3.6: Primary serviceability indicator trends¹⁶



3.22 While our current overall assessment is that serviceability remains stable, there appears to have been an improvement in some secondary indicators in addition to that seen in the water non-infra primary measure (i.e. Turbidity) in Figure 3.6 above. We will therefore continue to monitor performance to establish whether these improvements are sustained and merit any changes to our assessment moving forward.

¹⁶ A score of 100% represents operation at the reference level benchmark and a horizontal trend around this benchmark is indicative of stable serviceability. A reducing trend indicates an improvement, and an increasing trend indicates a deterioration.

4. Capital Expenditure

PC21 investment

- 4.1 Our PC21 Final Determination allowed for a significant increase in the level of capital expenditure compared to previous price controls. This included a rapid rise in the early years of PC21. The overall nominal allowance of around £2bn represented an increase of c87% in real terms compared to the previous price control, PC15. This increase was determined as being necessary to start to address the lack of capacity in sewerage networks and wastewater treatment works which is acting as a constraint on development and economic growth and limiting the company's compliance with environmental standards.
- 4.2 It is recognised that the level of investment required in PC21 and subsequent price controls will place pressure on public expenditure budgets and that higher levels of inflation and cost pressures have the potential to exacerbate this issue. However, this is reflective of the investment that we have assessed as being necessary to allow NI Water to meet its obligations.
- 4.3 We would note that NI Water's Licence also places obligations on the company in relation to its funding. In particular, NI Water is obliged by Condition F6A.1 to, at all times, act in the manner best calculated to ensure that it has adequate resources, facilities and systems in order to enable it to carry out its regulated activities, including undertaking necessary investment. This applies to NI Water irrespective of whether other relevant parties discharge their obligations or not.

Expenditure to date

- 4.4 In the period 2022-2024, NI Water invested around £637m¹⁷ (comprising of £296m in 2022/23 and £342m in 2023/24) in order to:
- Maintain its existing assets.
 - Meet more demanding quality obligations.

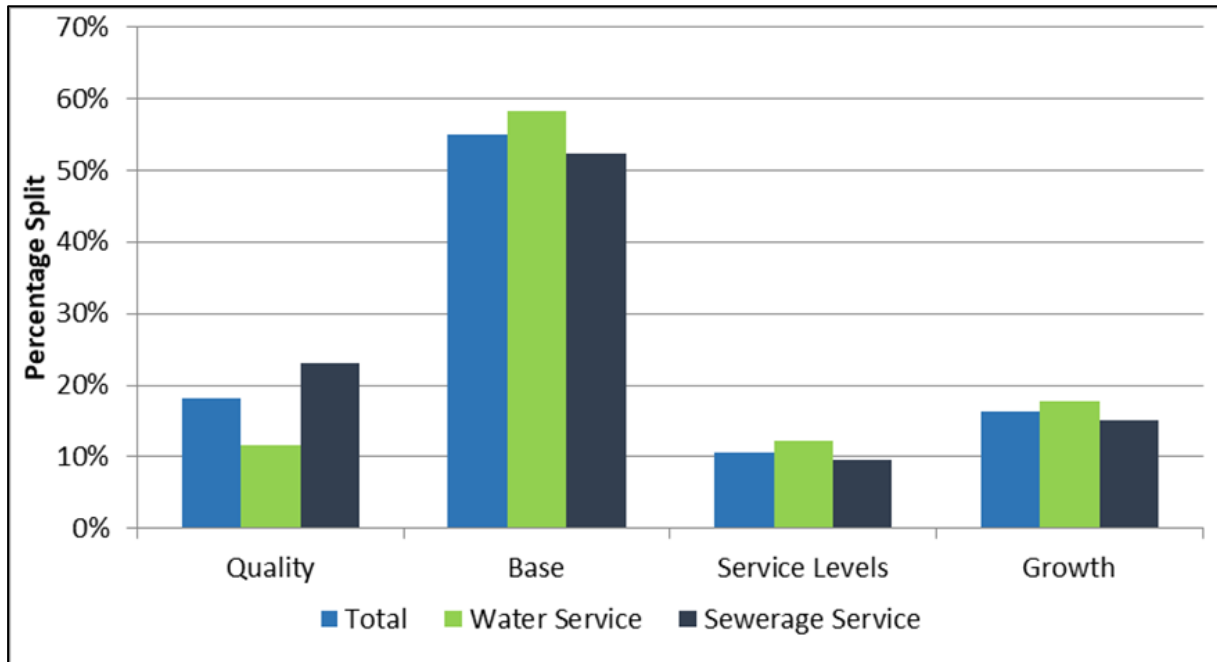
¹⁷ This figure includes both Interreg and International Financial Reporting Standards (IFRS) costs. The Interreg cost relates to projects where costs are shared with the Republic of Ireland. Interreg costs do not form part of our price control determination as they are funded separately. The Interreg cost in 2022/23 was c. £0.5m and in 2023/24 was c. £0.7m. The IFRS cost relates to the accounting methods used to complete the annual returns. NI Water added this to its capital investment monitoring table as a distinct line after the standard was introduced. The IFRS cost in 2022/23 was c. £-1.1m and in 2023/24 was c. £-1.6m. Had these costs not been included in the analysis, the annual total would have been £2m higher, at £639m.

- Provide extra capacity for growth.
 - Improve the levels of service it currently provides.
- 4.5 Inflation in 2022/23 and 2023/24 was much higher than we assumed in our final determination, which is different to what was experienced in PC15. This increase in the Retail Prices Index (RPI) was allowed for to some extent by Dfl in NI Water's public expenditure Capital Delegated Expenditure Limit (DEL) allocation, resulting in an allocation which was £49m higher over the two year period (i.e. £39m higher in 2022/23 and £10m higher in 2023/24) than we had published in our final determination based on the projected inflation rates at that time.
- 4.6 However capital investment in nominal terms in the 2022-2024 period remained £52m lower (i.e. £5m higher in 2022/23 and £57m lower in 2023/24) than the overall requirement of £690m (i.e. £291m for 2022/23 and £399m for 2023/24), which takes account of the impact of actual inflation through the re-indexation of our final determination annual allowances.
- 4.7 NI Water advised that this variance was largely a consequence of the following:
- The emergence of capital funding constraints which primarily impacts the delivery of wastewater nominated outputs.
 - Partial reprofiling of the capital programme from wastewater to 'clean water' to allow for completion of the detailed modelling, investigations and costings required for NI Water's PC21 Mid-Term Review scope certainty submission.
- 4.8 As above, we will consider this information as part of our ongoing monitoring of NI Water.

Expenditure by purpose

- 4.9 The allocation of investment by purpose in the period 2022-2024 is shown in Figure 4.1 below. Investment to maintain existing assets so that they continue to provide their current level of service to existing customers (known as base maintenance expenditure) represented 56% of the overall capital expenditure (i.e. 55% in 2022/23 and 56% in 2023/24). This was similar to the level of base maintenance in PC15 as a whole. The balance of capital expenditure in the 2022-2024 period (i.e. 44%) was spent on 'enhancement' and was used by the company to improve quality compliance, improve the services delivered to consumers and provide for growth.

Figure 4.1: Allocation of investment in 2022-2024 by service and purpose

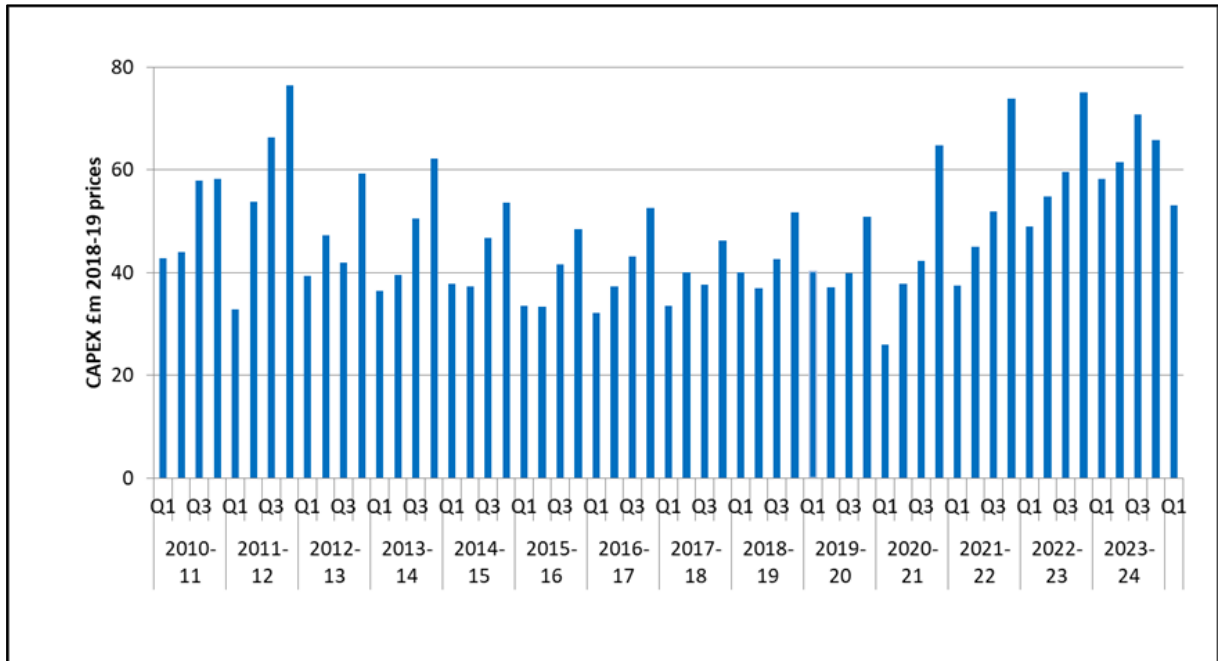


- 4.10 As can be seen in Figure 4.1 above, the investment undertaken to maintain the company's existing assets and the current service they deliver (i.e. base maintenance) is the largest element of the company's capital programme by proportion. In 2022/23 and 2023/24, NI Water invested £132m and £143m in base maintenance (both quoted in 2018/19 prices). This was on average just over £18m higher than the annual allowance of £119m provided for in our PC21 Final Determination.
- 4.11 NI Water's ability to maintain the service delivered by existing assets to existing consumers during the PC21 period, whilst also delivering planned improvements, depends on it managing the balance between 'base' and 'enhancement' expenditure effectively over the period as a whole. This needs to be informed by associated performance, including the monitoring of serviceability trends across all service areas.

Expenditure profile

- 4.12 In previous Cost and Performance Reports, we have highlighted a consistent annual cycle of expenditure. Peak levels of investment occur in the winter months, and expenditure is at its lowest level in the first half of each financial year. Figure 4.2 below shows that this trend has continued into PC21. This cycle of investment, driven by an annual Government budgeting process and associated spending constraints, remains disruptive for the supply chain and detrimental to efficient delivery. Longer term budget allocations and end of year flexibility would help mitigate against these issues if Government could provide this.

Figure 4.2: Capital investment from 2010/11Q1 to 2024/25 Q1 by quarter



5. Development Objectives

- 5.1 The promotion of long-term planning is a key component of PC21 and the 25 development outputs we included in the price control to help support this can be found in Table 3.3¹⁸ and Annex T¹⁹ of our PC21 Final Determination. These tables identify the key areas where we expected the company to provide additional information on its plans to develop its capability further.
- 5.2 This PC21 approach follows on from that adopted in PC15, where we identified the need for the company to be more specific in defining the steps it will take over the long term to improve planning and the delivery of improved service.
- 5.3 The process for monitoring delivery of each development objective has also been retained for PC21. This involves NI Water reporting delivery against the associated project milestones in its Annual Information Return. In addition, we have engaged directly with NI Water on individual objectives to better understand the progress being achieved.
- 5.4 Our interpretation of the reported status for each of these outputs in the first three years of PC21 is presented in Table 5.1 below. Within the final determination we recognised the potential for NI Water's delivery plans to change as a consequence of the time that would have passed between the company's business plan submission and any further development and planning work that would have been completed in the intervening period. We therefore asked the company to submit updated delivery plans for its development objectives in the first year of PC21. The status reported in Table 5.1 below is based on these updated plans which will be used as the basis for reporting progress throughout PC21.
- 5.5 Where an output is designated as 'On Track', there is good evidence of alignment with our monitoring expectation (as outlined in the final determination) and the individual milestones set for each output are on track or have been met. 'Complete' means that all the original requirements of the objective have been met²⁰. Outputs needing 'Further Work' require further evidence to prove alignment with the monitoring expectation set out in our final determination. 'Delayed' means that targets have not been met, which may be due to factors either within or outside the company's control. Where a project is delayed, an explanation of the reason for this has been provided in Table 5.2.

¹⁸ PC21 Final Determination Main Report

¹⁹ PC21 Final Determination Annex T

²⁰ It is recognised that additional milestones may have been identified during delivery which will be assessed on an ongoing basis as required.

Table 5.1: Progress against PC21 Development Outputs

	Development Output	Status
1*	Consumer Engagement	Complete
2*	Consumer Protection / Customer Care Register	Complete
3	NI Water Alpha Ltd - Water Treatment Works (WTWs) Treatability Improvements	Delayed
4	Drinking Water Directive (DWD) Recast & Emerging Issues Study	Delayed
5*	Refresh of DG2 (Low Pressure) Register	Complete ²¹
6	Targeted Mains Renewals in High Leakage Areas	Delayed
7	Leakage Innovation	On Track
8	Smart Networks – Interruption to Supply (ITS) Strategy	On Track
9*	Wastewater Pumping Station (WwPS) / Combined Sewer Overflow (CSO) Quality [unsatisfactory intermittent discharge] and WwPS [Capacity increase]	Complete
10	Event Duration Monitors WwPS/CSOs	On Track
11*	Cranfield Catchment, Kilkeel Storm Separation	Complete
12	Storm Water Separation	On Track ²²
13	Real Time Network Modelling	On Track
14	Urban Drainage Modelling - Live Models for Intelligent Operations Centre (IOC)	Delayed
15	Innovation Initiatives	On track
16	Urban Drainage Modelling - Studies to Inform PC27 - Top 271 Priority Drainage Areas	Delayed
17	Raw Water Trunk Main Rehabilitation	On Track
18*	Culmore DA KL554 - Skeoge Link Road	On Track
19*	Living with Water Programme (LWWP) Networks	On Track
20*	LWWP Wastewater Treatment Works	On Track
21	AD - Asset Strategy - Wastewater Asset Performance Modelling	On Track
22	AD - Asset Strategy - Water Asset Performance Modelling	On Track
23	Facilities Health and Safety (H&S) Compliance	On Track
24*	Smart metering	Complete
25*	Addressing scope uncertainty for the PC21 Mid-Term Review	Complete

* Closure of the Development Outputs marked with an asterisk was discussed with NI Water as part of our PC21 Mid-Term Review (MTR) process. Further details on the outcome of this engagement can be found in our MTR Final Determination and will be taken into account in future PC21 cost and performance reports.

²¹ Refresh figures agreed as part of PC21 Mid-Term Review and register will include a step increase in properties. Thereafter the refreshed register will be maintained as a business-as-usual exercise.

²² This development objective has been subject to a new Infiltration and Ingress (I&I) management strategy since April 2023 as the prior strategy employing ground truth and GIS techniques proved to be of limited success. This was discussed with UR as part of its PC21 Mid-Term Review exercise.

- 5.6 NI Water's annual information return commentary states that 20 of the 25 development outputs have either been completed or are on track to be delivered within the designated timeframe, which indicates that good progress has been made.
- 5.7 The reasons for delay for any of the exceptions, as reported by NI Water, are detailed in Table 5.2 below.

Table 5.2: Reasons for Delays on PC21 Development Outputs (DO)

Development Objective	Reason for Delay
3 - NI Water Alpha Ltd - WTWs Treatability Improvements	Internal factor (programming) - One of the DO milestones (Ballinrees WTW upgrade) has been completed. NI Water's intention is to now progress the pilot plants at the other three WTWs (Moyola, Dunore and Castor Bay) as part of its overall treatability pilot programme during the remainder of PC21. However, although these have started on site there have been delays. This is primarily due to longer than anticipated timescales for the mobilisation and demobilisation of pilot plants and it will be 2025/26 before all of these are completed.
4 - DWD Recast & Emerging Issues Study	External factor (legislation)- No decision has been taken on whether Northern Ireland (NI) will transpose the Drinking Water Directive Recast in whole or in part into Regulations. Uncertainty over the extent of implementation of the recast Drinking Water Directive in NI has resulted in a delay in this DO which is outside NI Water's control.
6 - Targeted Mains Renewals in High Leakage Areas	Internal factor (programming) - One of the constituent milestones of the DO has experienced delays due to construction timelines involved and the time that is needed for the DMAs to 'settle' before benefits can be assessed. Forecast completion has moved from September 2022 to October 2023. Further milestones (i.e. further packages of mains renewals and the assessment of benefits) are to be delivered during the remainder of PC21. Post construction analysis commenced in 2023/24.

Development Objective	Reason for Delay
14 - Urban Drainage Modelling - Live Models for IOC	Internal factor (programming) - A number of the deliverables/milestones in this DO are now complete/on track. However, some are dependent on trial results and certain milestones have been deferred pending further outputs from the relevant trials. Equipment failures have affected other milestones being achieved.
16 - Urban Drainage Modelling - Studies to Inform PC27 - Top 271 Priority Drainage Areas	Internal factor (programming) - Two Model builds (i.e. batch 2 & 3) ²³ were delayed. Batch 2 due to survey needs and batch 3 as result of the list of Drainage Area Plans (DAP's) being rationalised. However, NI Water has reported that this is not expected to affect delivery of the objective in PC21.

5.8 The revenue allowances agreed for the second half of the price control period for certain development objectives, were contingent on the outcomes achieved in the first half. For some this included the need to provide a positive cost/benefit appraisal to justify continued funding. These requirements were reviewed and discussed with NI Water as part of our PC21 Mid-Term Review (MTR) process and further details of the conclusions reached in relation to the provision of ongoing funded can be found in our MTR Final Determination²⁴.

²³ Batch 2 was delayed during the time period covered by the CPR, however NI Water reported it was subsequently completed later in 2024.

²⁴ PC21 Mid-Term Review

6. Other Financial Matters

Turnover

- 6.1 Our price controls determine price limits (referred to as K factors) to be applied over the price control period. The K factors are the annual percentage increase or decrease in charges above or below inflation that can be applied. An annual approval process is then undertaken each year to ensure that the company's tariffs remain in line with our determination.
- 6.2 Actual turnover will vary from determination forecasts over time as inflation, volumes and accounting adjustments impact the final reported turnover within the annual accounts. In the period 2022-2024, the actual regulated turnover of £983.8m was higher than the PC21 forecast of £872.7m. This was reflective of the individual figures for 2022/23 and 2023/24 which out turned at £457.2m and £526.6m respectively against forecasts of £428.5m and £444.2m.

Operating profit²⁵

- 6.3 The operating profit in the period 2022-2024 was £257.1m. The annual figures of £101.3m in 2022/23 and £155.8m in 2023/24 were both higher than the figure for 2021/22 (i.e. £100.2m). The reason for this change in operating costs is covered in more detail in Chapter 2 of this report.

Dividend

- 6.4 A total dividend of £35.2m was paid to the company shareholder (i.e. Dfl) in the period 2022-2024. This was in line with company proposals and comprised of individual payments of £17.1m and £18.1m in 2022/23 and 2023/24. Both represent a reduction from the dividend payment of £27.5m in 2021/22.

Loan profile

- 6.5 Dfl loans increased from £1.440 billion at the end of 2021/22 to £1.595 billion at the end of 2022/23 and £1.810 billion at the end of 2023/24.

Regulatory capital value

- 6.6 The Regulatory Capital Value (RCV) is the value of the appointed business on which NI Water earns a return at the determined weighted average

²⁵ Regulatory Accounts, Appointed Business only.

cost of capital. The RCV is increased each year by investment in new assets and reduced by the value of assets that have been depreciated or sold off in the year. NI Water's RCV has grown steadily from the start of its first price control (PC10) and stands at £3.737 billion at the end of 2023/24. The increase from £2.832 billion at the end of 2021/22 and £3.307bn at the end of 2022/23 reflects the ongoing level of infrastructure investment.

Further details

- 6.7 More detail on NI Water's financial information is set out in the company's statutory and regulatory accounts. These can be found on NI Water's website²⁶.

NI Water formal investigation

- 6.8 On 17th December 2025, UR opened a formal investigation into whether Northern Ireland Water Limited (NIW) has complied with Condition F of its Instrument of Appointment (the licence) as a water and sewerage undertaker. This condition relates to accounts and accounting information including NIW's obligations in relation to its financial resources.
- 6.9 We proceeded to a formal investigation following an Initial Enquiry Stage, which we commenced as a consequence of the Director's statements that NI Water had included in its Regulatory accounts as part of its 2023/24 annual information return submission.
- 6.10 Details of the investigation are available in a Notice that can be accessed via the following link: UR investigation initiation: Northern Ireland Water Limited.
- 6.11 This investigation is being carried out in accordance with the UR's Enforcement Policy Approach and Procedure, which includes information on when and how any associated information can be made public.
- 6.12 It should be noted that the opening of this formal investigation does not imply that any findings about non-compliance have been made.

²⁶ <https://www.niwater.com/publications/>

Annex A - Service targets 2022/23

Table A.1: NI Water PC21 key outputs for water services

Line Description		Target Type ²⁷	2022/23 Target	2022/23 Actual	Comment
A	Consumer Service Water				
1	DG2 Properties at risk of low pressure removed from the risk register by company action	C	292	319	On track
2	DG2 Properties receiving pressure below the reference level at end of year	C	427	1,780	Behind target
3	DG3 Supply interruptions > 12hrs (unplanned and unwarned)	A	0.087%	0.00%	On track
4	DG3 Supply interruptions (overall performance score)	A	0.79	0.15	On track
5	DG8 % metered customers received bill based on a meter reading	A	99.00%	99.77%	On track
6	Unwanted contacts	A	66,100	57,327	On track
7	First Point of Contact Resolved (FPOCR)	A	84%	84%	On track
8	Net Promoter Score (all contacts)	A	42	36	Behind target
9	Total Leakage (MI/d)	C	156	162	Behind target
10	Security of supply index	A	100	99	Marginally behind
11	% NI Water's power usage derived from renewable sources	A	45.0%	62.8%	On track
B	Water Quality				
12	% overall compliance with drinking water regulations	A	99.83%	99.91%	On track
13	% compliance at consumers tap	A	99.74%	99.88%	On track
14	% iron compliance at consumers tap	A	98.62%	99.15%	On track
15	% Service Reservoirs with coliforms in >5% samples	A	0.00%	0.00%	On track
C	Water Outputs				
16	Water mains activity - Length of new, renewed or relined mains (km)	C	279	225	Behind target
17	Completion of nominated trunk main schemes	C	2	2	On track
18	Completion of nominated water treatment works schemes	C	2 ²⁸	4	On track
19	Completion of nominated improvements to increase the capacity of service reservoirs and clear water tanks	C	1	1	On track
D	Serviceability				
20	Water infrastructure serviceability	A	Stable	Stable	On track
21	Water non-infrastructure serviceability	A	Stable	Stable	On track
E	PC15 Additional Output Measures				
22	Number of lead communication pipes replaced	C	3,688	3,737	On track
23	Number of school visits	C	352	509	On track
24	Number of events	C	114	127	On track
F	PC21 Additional Output Measures				
25	Number of Catchment Management Plans	C	3	3	On track
26	Number of treatability studies completed	C	0	1	On track

²⁷ C = Cumulative target, A = Annual target

²⁸ Dorisland PC15 carryover is additional to FD target of 1. Derg MCP (CCP001 as agreed at MTR) will be included in the 2025 C&PR.

Table A.2: NI Water PC21 key outputs for sewerage services

Line Description		Target Type ²⁹	2022/23 Target	2022/23 Actual	Comment
A	Consumer Service Sewerage				
1	DG5 Properties at risk of flooding - number removed from 2 in 10, 1 in 10 and 1 in 20 risk register by company action	C	0	7	On track
2	DG5 Properties on the 2 in 10, 1 in 10 and 1 in 20 risk register at the end of the year	C	123	102	On track
B	Quality Sewerage				
3	% of WwTWs discharges compliant with numeric consents	A	91.6%	93.8%	On track
4	% of total p.e. served by WwTWs compliant with numeric consents excluding upper tier failures	A	94.7%	99.2%	On track
5	Small WwTW compliance (works greater than or equal to 20p.e. but less than 250p.e.)	A	91.09%	92.65%	On track
6	Number of high and medium pollution incidents attributable to NI Water	A	11	9	On track
C	Sewerage Outputs				
7	Sewerage activity - Length of sewers replaced or renovated (km)	C	20.2	52	On track
8	Delivery of improvements to nominated UIDs as part of a defined programme of work	C	28	7	Behind target
9	Delivery of improvements to nominated WwTWs as part of a defined programme of work	C	6 ³⁰	7	On track
10	Small wastewater treatment works delivered as part of the rural waste water investment programme	C	12	12	On track
D	Serviceability				
11	Sewerage infrastructure serviceability	A	Stable	Stable	On track
12	Sewerage non-infrastructure serviceability	A	Stable	Stable	On track
E	New Output Measures				
13	CSO and EO discharges at which event and duration monitoring equipment has been installed	C	133	135	Marginally behind
14	WwTWs upgraded to comply with PPC Regulations	C	0	0	On track
15	Impermeable surface water collection area removed from the combined sewerage network (m ²)	C	729,080	93,098	Behind target
16	Number of sustainable WwTW solutions delivered (p.e. ≥ 250)	C	0	0	On track
17	Number of sustainable WwTW solutions delivered (p.e. < 250)	C	0	0	On track
18	Number of Economic Constraint Areas Removed	C	0	0	On track
19	Number of Serious Development Restrictions Removed	C	4	6	On track

²⁹ C = Cumulative target, A = Annual target

³⁰ Ballykelly PC15 carryover is additional to FD target of 5.