

Appendix two – How our performance affects your bill (bill impact)

In-period adjustment – For most of our performance commitments, the penalties and rewards that apply as a result of our performance will be added up at the end of each financial year and reported in our Annual Performance Report.

End of period – For a small number of our performance commitments we measure and report our performance across the full five years of AMP8 and then work out whether we have met or failed our targets. Any penalties and rewards generated from these performance commitments will be added to or taken off customers' bills in AMP8.

Where there is a year-one target we have achieved or beaten 47% of our performance commitments. Our performance has generated financial penalties of £70.025 million and outperformance payments of £40.993. This means that the net underperformance payment for year one of AMP8 is expected to be £29.032 million.

Ofwat will now review our calculations and reported performance and will decide the final value of these payments for year one of AMP8. These will then be reflected in customers' bills in 2027/28.

