

Our leakage performance overview

November 2018

Our leakage targets

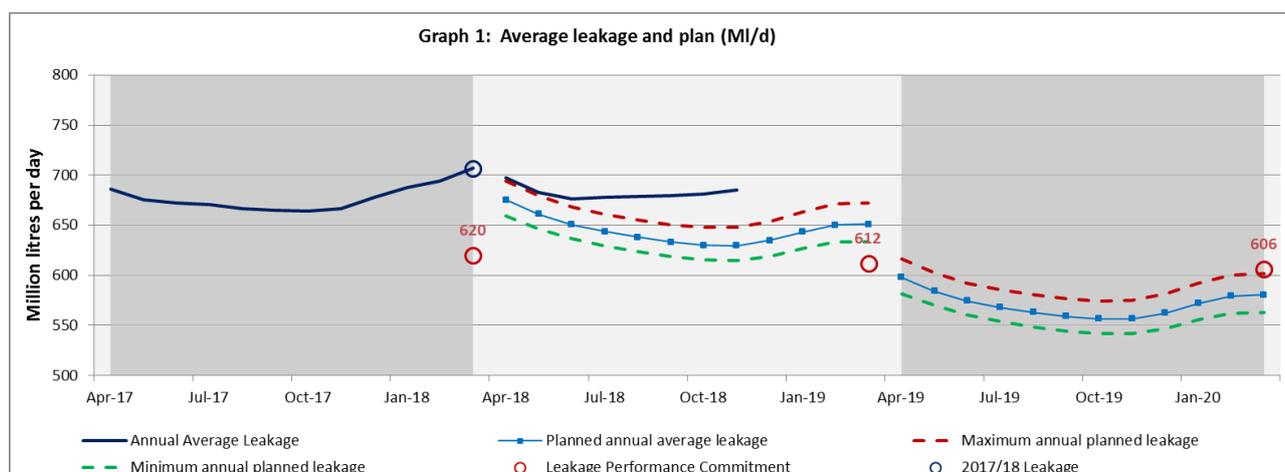
The information in Graph 1 below shows:

- Our actual leakage performance in 2017/18 (April 2017 to March 2018), which is the amount of water we calculate has been lost from the network through leakage
- Our current year-to-date leakage performance from April 2018 to November 2018
- Our planned leakage levels for 2018/19 and 2019/20, which is the amount of water we expect to lose from the network based on our Leakage Reduction Plan (the red and green lines represent our maximum and minimum planned leakage levels)
- Our overall average leakage targets for 2018/19 and 2019/20, as agreed with Ofwat, shown as red circles (each target is average leakage between April and March)

Although our current forecast is that we will not meet our leakage target for of 612 MI/d in 2018/19, we are committed to reaching our 2019/20 leakage target of 606 MI/d. This is shown by 606 MI/d being our maximum planned leakage level by March 2020.

The impact of the cold weather we experienced in March 2018 meant leakage rose, because more bursts occurred, and even though we fixed a lot of the extra leaks, it meant we started the year with more leakage than we planned, so we have to work harder to catch up. The hot and dry weather we experienced over the summer had two effects – first, higher demand for water meant we increased the amount of pumping needed to maintain storage levels in our reservoirs. This increases pressure in the pipes which in turn increases the amount of water lost from existing leaks and means new leaks happen. Second, the very dry ground shrinks around the pipes, which can cause them to move and lead to more bursts and underground leaks.

We are committed to doing all we can to address this shortfall and start 2019/20 with leakage at a level that means we can meet our 2019/20 annual leakage target.



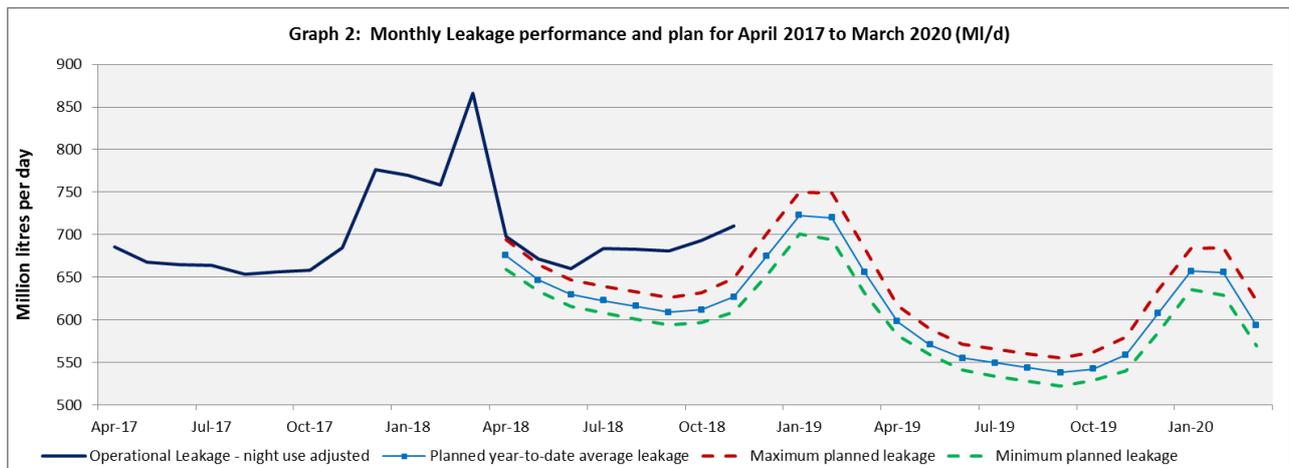
Performance to date: April 2017 – November 2018

Our actual leakage levels each month between April 2017 and November 2018 and our planned leakage levels for 2018/19 and 2019/20 are shown in Graph 2.

As you can see from this graph, the amount of water lost varies during the year. Although hot weather can also have an impact, winter is usually the worst. Watch our [short film](#) to find out why.

Planned leakage is the amount of water we expect to lose from the network based on our Leakage Reduction Activity. The red and green lines represent our maximum and minimum planned leakage levels.

The impact of the ‘Beast from the East’ cold spell can clearly be seen in the peak in March 2018. The impact of the hot weather can also be seen where our leakage reduction activities, which delivered water savings above our plan, were offset by the increase in leakage.



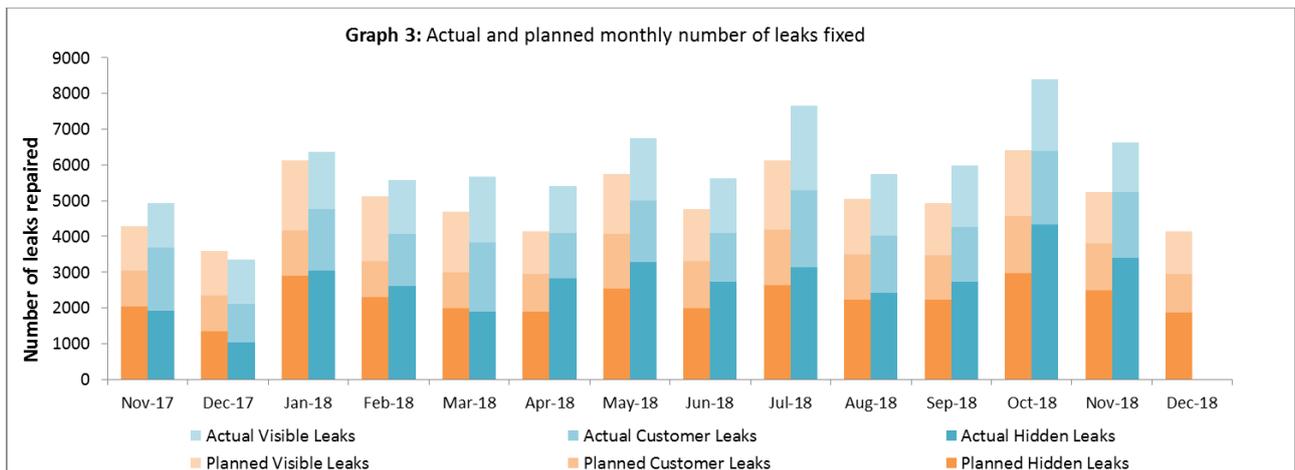
Number of leaks fixed

Our planned and actual number of leaks fixed each month from November 2017 through to our plan for December 2018, are shown in Graph 3. This includes the different types of leaks we fixed: hidden leaks, visible leaks and customer leaks.

In November 2018, we fixed a total of 6,622 leaks, averaging 1,656 each week, and this represents the eleventh month running in which we have out-performed our original plan. We have achieved this significantly higher figure by recruiting more people to fix leaks, making improvements to our planning processes and using state of the art leak detection equipment.

Some of the variations in our planned and delivered numbers each month are because we manage our work in weeks rather than months. So for example, the October column has 5 weeks' work included, and November has 4 weeks'.

We are now ahead of our plans to find and fix leaks, but this has not yet resulted in the leakage saving that we expected. Consequently, we have established a dedicated Leakage Task Force. The aim of our Task Force is to review all the information we hold on leaks and our pipes and use this to predict where leaks are occurring, gauge the effectiveness of our repairs and how customer consumption patterns affect leakage levels.



Leakage reduction activities

The estimated effect of our leakage reduction activities compared with our plan for each month from November 2017 to November 2018, and our plan for December 2018 is shown in Graph 4. These activities include finding and fixing hidden leaks and customer leaks, replacing worn out pipes and managing pressure in our pipes.

Over the last year, we have moved from not achieving the MI/d volumes we had planned for, to nearly achieving them in February 2018 and then outperforming them since March 2018. As previously explained, we achieved this by recruiting more people to fix leaks, making improvements to our planning processes and using state of the art leak detection equipment.

Through all our leakage reduction activities, we estimate we stopped leaks which are equivalent to 45 MI/d of water in November, which was 12 MI/d more than we had originally planned.

However, despite increased volumes of work, we have not yet seen leakage return to our original planned levels.

We are committed to doing all we can to address this shortfall and start 2019/20 with leakage at a level that means we can meet our 2019/20 annual leakage target.

