WSX51 - Water resources tables commentary

Wessex Water
YTL GROUP

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CONTENTS

1. RES1

Unless stated otherwise all asset information is assigned a B2 confidence grade and operational data is assigned a C3 confidence grade.

1.1. Lines 1 to 8 – Distribution Input by source type

Our forecast is based on the average of the previous three years data reported in Table 5A of the APR adjusted for the business plan version of the WRMP24 Distribution Input NYAA forecasts. From 2023-24 there is an increase in the volume of water from pumped storage reservoirs compared with volumes from 2020-2023. This is due to one of our large reservoir sites which typically uses more than 20% pumped storage, Durleigh, returning to supply mid-2022.

1.2. Lines 9 to 19 & 30 – Source and Reservoir Asset Inventory

We are not forecasting any change to our water resources asset inventory in the planning period. We have no specific plans to either retire existing sources or develop new ones during the planning period. There may be some sources (BHs specifically) which might be go out for WQ issues, or other brought back in at certain points, but given the uncertainties we concluded a constant forecast is appropriate. The environmental destination for sustainable abstraction may significantly change the number and type of sources over the longer term, but no changes are planned prior to 2029-30.

In response to a Query on Line 30 Ofwat confirmed that "There can be multiple (cascading) impounding reservoir assets (RES1.30) associated with one impounding reservoir source (RES1.9). We have reviewed our APR23 method statement and supporting data and confirmed that we have no additional structures (assets) that fall within this definition and are therefore reporting than same numbers in Line 18 and Line 30.

1.3. Lines 20 to 24 – Pumping Station & Raw Water Main Asset Inventory, Pumping Head & Energy

We are not forecasting any change from the 2022-23 reported data over the forecast period for lines 20 to 23.

In preparation for PR24 we have undertaken a major review of our APH calculation, with the data for all +400 pumping stations being validated, checking the operational status and categorisation. Where suction and delivery pressure was available on telemetry this has been used for calculating the lift, and all flow meter references have also been checked. This has resulted in a significant change from last year's reported numbers, but we are confident that this year's numbers are more accurate and best used for forecasting in the PR24 tables. This APH data review also fed into our pumping station asset inventory.

Table 1 – Average Pumping Head changes from Data Improvement Project

APR and PR24 Lines	Line Description	2022-23	2021-22
5A.23 = RES1.23	Average pumping head – raw water abstraction	30.03	35.10
6A.6 = CW4.6	Average pumping head – raw water transport	95.76	0.07

| 6A.34 = CW4.49 | Average pumping head – treatment | 17.48 | 10.36 |
| 6B.24 = CW5.24 | Average pumping head – distribution | 81.40 | 95.82 |

We have used the three year average for line 24 as there has been no change in the underlying data or methodology and therefore this is a more accurate forecast of BAU activity over the forecast planning period. The are a number of explanatory factors and exogenous variables that could impact this forecast but these are all within the C3 confidence grade attached to this data set.

1.4.   Lines 25 to 29 – Raw Water imports & exports and water resource capacity

We currently report zero for lines 25 to 28 as we don't have any raw water imports or exports; nor do we forecast any over the planning period.

For line 29 water resources capacity forecast we used the data generated for the WRMP24 data tables. There is a small step change in the data from the end of AMP7 in 2024/25 to the start of AMP8 in 2025/26 as the 2024/25 data is based on WRMP19 whereas AMP8 is based on WRMP24 deployable output.

1.5.   Lines 31 to 38 – eels/fish and wetland assets and WINEP/NEP investigations

The data in these lines is taken from our agreed programme of work from the WINEP/NEP.

Line 32 fish and eel passes include one AMP7 Year 5 fish pass (Ibsley weir) and three AMP8 Year 5 eel pass actions (Durleigh and Ashford reservoirs and Currypool Stream). There are no new eel / fish screens and passes installed outside the WINEP process.

Line 33 and 34 includes the number and area of new clean water wetlands constructed in AMP7 and AMP8. There are no clean water wetlands currently planned over this period; our wetland investment is on the wastewater side of the business.

Lines 35-37 include the number of investigations included within the AMP7 and AMP8 WINEP under the water resources Price Control. In APR23 Ofwat introduced a new Table 5A Line 30 "Total number of completed investigations (WINEP/NEP), cumulative for AMP". We reported six water resources investigation WINEP outputs delivered to date, all by March 2022: Otter, Bishops Cannings, Bourton, Chirton, Durrington and Shrewton. A seventh, Cotswold Scarp was due by March 2023 although we have just agreed an extension on this to the end of March 2025. Five further water resources investigations are due by March 2025 (Middle Bristol Avon (x4) and Pole Rue), bringing the total to 12 by the end of AMP7. These investigations all comprise 'multiple surveys, and/or monitoring locations, and/or complex modelling water' and are recorded against Line 37.

In addition to the water resources investigations, there are nine AMP7 'desk based only' investigations (Line 35, comprising eight Invasive Non-Native Species (INNS) investigations and an investigation of the Natural Capital value of Wessex Water's landholding) and seven AMP7 catchment biodiversity investigations comprising 'survey, monitoring or simple modelling' and recorded against Line 36.

In AMP8 there are 47 WINEP investigations (32 in Year 2, 14 in Year 3 and 1 in Year 5). Line 35 includes nine INNS, biodiversity and water resources investigations. Line 36 includes 13 AMP8 investigations under Environmental Destination, Water Framework Directive and fisheries, biodiversity and geomorphology drivers

requiring 'survey, monitoring or simple modelling'. Line 37 includes 25 more detailed AMP8 water resources investigations under Environmental Destination, Water Framework Directive and Habitats Directive drivers.

1.6.   Lines 39 to 41 – additional water resources cost driver lines

All the data in these lines is zero as we have no additional water resources cost drivers over the forecast period that meet the guidance definition.

1.7.   Commentary requirement cross check

We provide the following confirmation on the RES1 Commentary requirements in the guidance.

1.7.1.   An explanation for any lines that have not been completed, for example for Welsh companies where there is not an NEP-equivalent driver to the WINEP for English companies

All lines have been completed, this caveat is not applicable to Wessex Water.

1.7.2.   An explanation for using any of the additional lines (RES1.39 to 41) to provide driver data that is not covered elsewhere in the table

These lines are not used by Wessex Water.

1.7.3.   An explanation of any material year-on-year variations

See individual lines commentaries.

1.7.4.   An explanation of any changes in reporting methods / assumptions that have led to a material change in reported figures

There have not been any changes in reporting methods / assumptions that have led to a material changes to data in this table except for Average Pumping Head, see below and line commentary.

1.7.5.   An indication of the quality of data provided

All of the data in this table is reported in the APR Table 5A or reported annually to the EA and therefore we have a solid foundation of data on which to forecast forward and compare with historical trends. As noted, we have made a significant improvement in the APH data. The asset based data changes incrementally over time, and we can correlate this to historic activity and future plans and therefore can forecast forward with a high degree of confidence.

Forecast volumetric data is taken from the business plan version of our Water Resource Management Plan final planning scenario demand forecasts. The business plan forecasts differ to the submitted revised draft WRMP24 due to adjustments that have been made to our demand management strategy in response to the July 2023 EA Information Letter 12/2023 which asks to consider phasing activities from PR24 into future price review periods. Our adjusted demand management strategy includes a reduction in our AMP8 smart metering programme, reducing target smart meter penetration for HH and NHH from 75% to 40% and a reduction in our Leakage activity, reducing our target leakage reduction from 7.7Ml/d to 3.5 Ml/d. Although these elements of our demand management strategy have now been phased to deliver less in AMP8, we still remain committed to achieving the same targets as

proposed in WRMP24 by the end of AMP9. Due to this change in phasing of demand management activities, the distribution input used in table RES1 differs from that in our revised draft WRMP24.

1.7.6. Companies should also include more detailed evidence in relation to line items that are used as cost drivers in PR24 cost assessment including:

Average pumping head – raw water abstraction (RES1.23)
See individual line commentary, significant changes have occurred as a result of a major data improvement project.

1.7.7. This should include a comparison of forecasts with historical growth rates

Asset data forecasts are based on planned changes, volumetric data is from our Water Resource Management Plan final planning scenario demand forecasts, other operational data is either a three year average or the last years data forecast forward if thought more representative.