WSX-D03 – Commentary on data table changes – Costs wholesale water

Response to Ofwat's PR24 draft determination

Wessex Water
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This document is part of Wessex Water's response to Ofwat's PR24 draft determination.

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1. Introduction

Our original data table commentary for the Costs Wholesale tables accompanying our business plan submission in October 2023 is available here: WSX49 - Costs wholesale water tables commentary.

Data table changes since that submission are summarised in this commentary.

2. CW1 – Totex analysis - water resources and water network+ (post frontier shift and real price effects)

Line no.	Line description	Change
CW1.1	Base operating expenditure	Updated for 23-24 actuals and 24-25 board approved budget. Increase due to amendment of local authority and cumulo rates due to updating of the associated RPE.
CW1.2	Enhancement operating expenditure	Proposed cost allowance increased. Refer to detailed breakdown and rationale in CW3.
CW1.3	Developer services operating expenditure	Updated 23-24 for actuals and 24-25 to updated board approved budget position.
CW1.4	Total operating expenditure excluding third party services	See above
CW1.5	Third party services	See CW11 details
CW1.6	Total operating expenditure	See above
CW1.7	Grants and contributions - operating expenditure	23-24 updated for actuals, see DS1e for other changes.
CW1.8	Base capital expenditure	Scope review resulted in additional efficiency challenges and deferral of some costs into AMP9.
CW1.9	Enhancement capital expenditure	Proposed cost allowance increased. Refer to detailed breakdown and rationale in CW3.
CW1.10	Developer services capital expenditure	Updated 23-24 for actuals and 24-25 to updated board approved budget position.
CW1.11	Total gross capital expenditure excluding third party services	These figures reflect the change above.
CW1.12	Third party services	No change

Line no.	Line description	Change
CW1.13	Total gross capital expenditure	These figures reflect the change above.
CW1.14	Grants and contributions - capital expenditure	No change
CW1.15	Net totex	These figures reflect the change above.
CW1.16	Pension deficit recovery payments	23-24 updated to actuals and 24-25 reduced to £nil.
CW1.17	Other cash items	No change
CW1.18	Totex including cash items	These figures reflect the change above.

3. CW1a – Totex analysis - water resources and water network+

This table is equivalent to CW1 but reflects capex and opex pre-frontier shift and real price effects. Further information of frontier shift and real price effects can be found in the commentary for SUP11 in WSX-D10, and commentary on the individual lines for this table is reflected above.

4. CW2 – Base expenditure analysis - water resources and water network+

Line no.	Line description	Change
CW2.1	Power	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW2.2	Income treated as negative expenditure	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW2.3	Bulk Supply/Bulk discharge	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW2.4	Renewals expensed in year (infrastructure)	Revised purpose split resulted in an increase to value
CW2.5	Renewals expensed in year (non-infrastructure)	No change

Line no.	Line description	Change
CW2.6	Other operating expenditure	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 decreases associated with reduced requirements for water treatment and correction of the principal usage recharge in the query process for the initial submission.
CW2.7	Local authority and Cumulo rates	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW2.8	Canal & River Trust abstraction charges/ discharge consents	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW2.9	Environment Agency / NRW abstraction charges/ discharge consents	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW2.10	Other abstraction charges/ discharge consents	No change
CW2.11	Costs associated with Traffic Management Act	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW2.12	Costs associated with lane rental schemes	No change
CW2.13	Statutory water softening	No change
CW2.14	Total base operating expenditure	See above
CW2.15	Maintaining the long term capability of the assets - infra	Revised purpose split resulted in an increase to value
CW2.16	Maintaining the long term capability of the assets - non-infra	Scope review resulted in additional efficiency challenges and deferral of some costs into AMP9
CW2.17	Total base capital expenditure	These figures reflect the changes above.
CW2.18	Projects incurring costs associated with Traffic Management Act	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change

5. CW3 – Enhancement expenditure - water resources and water network+

5.1. Lines 1-40: EA/NRW environmental programme (WINEP/NEP)

Line no.	Line description	Change
CW3.1-3	Biodiversity and conservation; (WINEP/NEP) water	No major changes. Recategorisation of capex to opex.
CW3.4-6	Eels/fish entrainment screens; (WINEP/NEP) water	Reg driver not used. No change.
CW3.7-9	Eels/fish passes; (WINEP/NEP) water	No major changes. Recategorisation of capex to opex.
CW3.10-12	Invasive Non Native Species; (WINEP/NEP) water	No major changes. Recategorisation of capex to opex.
CW3.13-15	Drinking Water Protected Areas; (WINEP/NEP) water	No changes.
CW3.16-18	Water Framework Directive; (WINEP/NEP) water	No major changes. Recategorisation of capex to opex.
CW3.19-21	Wetland creation; (WINEP/NEP) water	Reg driver not used. No change.
CW3.22-24	Trade effluent discharge flow monitoring; (WINEP/NEP) water	Reg driver not used. No change.
CW3.25-27	25 year environment plan; (WINEP/NEP) water	No major changes. Recategorisation of capex to opex.
CW3.28-30	Investigations; (WINEP/NEP) - desk based study only water	No major changes. Recategorisation of capex to opex.
CW3.31-33	Investigations; (WINEP/NEP) - survey, monitoring or simple modelling water	No major changes. Recategorisation of capex to opex.
CW3.34-36	Investigations; (WINEP/NEP) - multiple surveys, and/or monitoring locations, and/or complex modelling water	No major changes. Recategorisation of capex to opex.
CW3.37-39	Investigations total; (WINEP/NEP) water	No major changes. Recategorisation of capex to opex.
CW3.40	Total environmental programme expenditure; (WINEP/NEP) water totex	These figures reflect the changes above.

5.2. Lines 41-59: Supply-demand balance

Line no.	Line description	Change
CW3.41-43	Supply-side improvements delivering benefits in 2025-2030; SDB	Reg driver not used. No change.
CW3.44-46	Demand-side improvements delivering benefits in 2025-2030 (excl leakage and metering); SDB	Cost allowance increased to reflect Ofwat's Draft Determination, as explained in WSX-C01 (Section 5.5)
CW3.47-49	Leakage improvements delivering benefits in 2025-2030; SDB	Revised based on an updated cost profile developed to deliver additional leakage performance stretch (in-line with Ofwat QAA requirements).
CW3.50-52	Interconnectors delivering benefits in 2025-2030; SDB	Reg driver not used. No change.
CW3.53-55	Supply demand balance improvements delivering benefits starting from 2031; SDB	Reduction in proposed cost allowance due to revised costs options for some schemes and re-profiling of spend in AMP9. Refer to WSX-C08 for further details.
CW3.56-58	Strategic regional resource solutions; SDB	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 proposed funding allocation increased to account for changes in timing of gate three, carry-over from previous gates, revised scope and increased land acquisition costs. Refer to WSX-C06 for further details.
CW3.59	Total supply demand expenditure; SDB totex	These figures reflect the changes above.

5.3. Lines 60-90: Metering

Line no.	Line description	Change
CW3.60-62	New meters requested by existing customers (optants); metering	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 costs have been updated for each meter type to reflect Ofwat's DD cost allocation. See WSX-C07 for further details of our response to Ofwat's cost allocation on smart metering.
CW3.63-65	New meters introduced by companies for existing customers; metering	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 costs have been updated for each meter type to reflect Ofwat's DD cost allocation. See WSX-C07 for further details of our response to Ofwat's cost allocation on smart metering.

Line no.	Line description	Change
CW3.66-68	New meters for existing customers - business; metering	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 costs have been updated for each meter type to reflect Ofwat's DD cost allocation. See WSX-C07 for further details of our response to Ofwat's cost allocation on smart metering.
CW3.69-71	Replacement of existing basic meters with AMR meters for residential customers; metering	Reg driver not used. No change.
CW3.72-74	Replacement of existing basic meters with AMI meters for residential customers; metering	AMP8 costs have been updated for each meter type to reflect Ofwat's DD cost allocation. See WSX-C07 for further details of our response to Ofwat's cost allocation on smart metering.
CW3.75-77	Replacement of existing AMR meters with AMI meters for residential customers; metering	Reg driver not used. No change.
CW3.78-80	Replacement of existing basic meters with AMR meters for business customers; metering	Reg driver not used. No change.
CW3.81-83	Replacement of existing basic meters with AMI meters for business customers; metering	AMP8 costs have been updated for each meter type to reflect Ofwat's DD cost allocation. See WSX-C07 for further details of our response to Ofwat's cost allocation on smart metering.
CW3.84-86	Replacement of existing AMR meters with AMI meters for business customers; metering	Reg driver not used. No change.
CW3.87-89	Smart meter infrastructure; metering	23-24 updated for actuals and 24-25 updated per board approved budget resulting in a reprofiling of costs across AMP8.
CW3.90	Total metering expenditure; metering totex	These figures reflect the changes above.

5.4. Lines 91-117: Water quality improvements

Line no.	Line description	Change
CW3.91-93	Improvements to taste, odour and colour (grey solutions); enhancement	Reg driver not used. No change.
CW3.94-96	Improvements to taste, odour and colour (green solutions); enhancement	Reg driver not used. No change.

Line no.	Line description	Change
CW3.97-99	Addressing raw water quality deterioration (grey solutions); enhancement	23-24 updated for actuals and 24-25 updated per board approved budget. Increased cost allowance proposed to account for new PFAS requirements to meet DWI undertaking and reallocation of PFAS activities from base expenditure. Refer to WSX-C05 for further details.
CW3.100-102	Addressing raw water quality deterioration (green solutions); enhancement	23-24 updated for actuals and 24-25 updated per board approved budget. Change to proposed cost allowance to account for change in regulatory driver of need. Refer to WSX-C05 for further details.
CW3.103-105	Conditioning water to reduce plumbosolvency for water quality; enhancement	Reg driver not used. No change.
CW3.106-108	Lead communication pipes replaced or relined; enhancement	23-24 updated for actuals and 24-25 updated per board approved budget. Cost allowance increased to reflect Ofwat's Draft Determination, as explained in WSX-C05
CW3.109-111	External lead supply pipes replaced or relined; enhancement	23-24 updated for actuals and 24-25 updated per board approved budget. Cost allowance increased to reflect Ofwat's Draft Determination, as explained in WSX-C05.
CW3.112-114	Internal lead supply pipes replaced or relined; enhancement	Reg driver not used. No change.
CW3.115-117	Other lead reduction related activity; enhancement	Reg driver not used. No change.

5.5. Lines 118-126: Water resilience and security

Line no.	Line description	Change
CW3.118-120	Resilience; enhancement water	23-24 updated for actuals and 24-25 updated per board approved budget. Refer to WSX-C13 for further details.
CW3.121-123	Security - SEMD; enhancement water	Reg driver not used. No change.
CW3.124-126	Security - Cyber; enhancement water	✂

5.6. Lines 127-129: Net zero

Line no.	Line description	Change
CW3.127-129	Greenhouse gas reduction (net zero); enhancement water	No change. Refer to WSX-C14 for further details.

5.7. Lines 130-139: Other enhancement (Freeform lines)

Line no.	Line description	Change
CW3.130-131	AMP7 lines; enhancement water	Updated to reflect 2023/24 actuals and current estimate of 2024/25 spend. These lines comprise AMP7 expenditure for Integrated Supply Grid, Partnership Working, NEP - Local priority, Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering) and Security (non SEMD).
CW3.132-133	eCAF; enhancement water	No change. 20% challenge applied to line CW3 124-126 only. Refer to WSX-C13 for further details.
CW3.134-135	Data and AI; enhancement water	Reg driver no longer used.
CW3.136-137	Customer Access, Recreation, Education; enhancement water	Capex funding allocation removed in line with Ofwat's Draft Determination. Opex funding allocation revised to remove costs associated with Wessex Water's public interest commitment on tree planting as per Ofwat's Draft Determination. Remaining opex required to deliver the biodiversity performance commitment and related biodiversity enhancements to Wessex Water's landholding. Refer to Section 2 of WSX-C17 for further details.
CW3.138-139	New meters for new customers; enhancement water	Reg driver no longer used.

5.8. Lines 140-143: Total enhancement

Line no.	Line description	Change
CW3.140	Total other enhancement water expenditure	Refer to commentary above
CW3.141	Total enhancement expenditure; water capex	Refer to commentary above

Line no.	Line description	Change
CW3.142	Total enhancement expenditure; water opex	Refer to commentary above
CW3.143	Total enhancement expenditure; water totex	Refer to commentary above

6. CW4 – Raw water transport, raw water storage and water treatment data

Line no.	Line description	Change
CW4.14	All simple disinfection works - Water treated	Revised forecast incorporating the revised baseline and changes to the Leakage and Business Demand profiles, as outlined in WSX-O01 – Performance and outcomes.
CW4.16	W1 works - Water treated	
CW4.18	W2 works - Water treated	
CW4.22	W4 works - Water treated	
CW4.24	W5 works - Water treated	
CW4.27	WTWs in size band 1 - Number of works	Revised forecast to reflect 2023/24 outturn
CW4.28	WTWs in size band 1 - % of total DI	Revised forecast to reflect 2021/22-2023/24 3 year average outturn
CW4.29	WTWs in size band 2 - Number of works	Revised forecast to reflect 2023/24 outturn
CW4.30	WTWs in size band 2 - % of total DI	Revised forecast to reflect 2021/22-2023/24 3 year average outturn
CW4.31	WTWs in size band 3 - Number of works	Revised forecast to reflect 2023/24 outturn
CW4.32	WTWs in size band 3 - % of total DI	Revised forecast to reflect 2021/22-2023/24 3 year average outturn
CW4.33	WTWs in size band 4 - Number of works	Revised forecast to reflect 2023/24 outturn
CW4.34	WTWs in size band 4 - % of total DI	Revised forecast to reflect 2021/22-2023/24 3 year average outturn
CW4.36	WTWs in size band 5 - % of total DI	Revised forecast to reflect 2021/22-2023/24 3 year average outturn

Line no.	Line description	Change
CW4.37	WTWs in size band 6 - Number of works	Revised forecast to reflect 2023/24 outturn
CW4.40	WTWs in size band 7 - % of total DI	Revised forecast to reflect 2021/22-2023/24 3 year average outturn
CW4.49	Average pumping head – water treatment	Previously reported 2022/23 value has been re-stated due to an issue with some of the data units used in the original workings. These issues have been corrected and the correct value is 7.22. Revised forecast based on the 2022/23-2023/24 2 year average.
CW4.50	Energy consumption - water treatment (MWh)	Revised forecast to reflect 2021/22-2023/24 3 year average outturn

7. CW4a – Transition and accelerated programme - Raw water transport, raw water storage and water treatment data

Line no.	Line description	Change
All	All	No change all zero

8. CW5 – Treated water distribution - assets and operations

Line no.	Line description	Change
CW5.1	Total installed power capacity of potable water pumping stations	Updated to reflect actual outturn in 2023-24 but same forecast increase
CW5.5	Water delivered (potable)	Updated to reflect actual outturn in 2023-24 and revised forecast incorporating the revised baseline.

Line no.	Line description	Change
CW5.6	Water delivered (billed measured residential properties)	Updated to reflect actual outturn in 2023-24 and revised forecast incorporating the revised baseline.
CW5.7	Water delivered (billed measured businesses)	Updated to reflect actual outturn in 2023-24 and revised forecast incorporating the revised baseline.
CW5.8	Proportion of distribution input derived from impounding reservoirs	The previously reported 2022/23 figures have changed as our understanding of the reporting definition for pumped storage reservoirs has now changed. See APR23 Table 5A commentary. Forecast changed to use 2021/22-2023/24 3-year average.
CW5.9	Proportion of distribution input derived from pumped storage reservoirs	The previously reported 2022/23 figures have changed as our understanding of the reporting definition for pumped storage reservoirs has now changed. See APR23 Table 5A commentary. Forecast changed to use 2021/22-2023/24 3-year average.
CW5.10	Proportion of distribution input derived from river abstractions	Forecast changed to use 2021/22-2023/24 3-year average.
CW5.11	Proportion of distribution input derived from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	Forecast changed to use 2021/22-2023/24 3-year average.
CW5.23	Energy consumption – treated water distribution (MWh)	Updated to use 2023/24 outturn data and forecast changed to use 2021/22-2023/24 3-year average.
CW5.24	Average pumping head – treated water distribution	The figure reported in the 2022-23 APR has been corrected after it was identified that some of the units in the base data were incorrect. The figure reported in the 2023-24 APR has been corrected following query WSX-APR-CA-003. The value was initially mistakenly entered as the raw water transport value rather than the treated water distribution value. The 2022/23 and 2023/24 2-year average has been used for the forecasts.
CW5.25	Total number of treated water distribution imports	No change
CW5.26	Water imported from 3rd parties to treated water distribution systems	No change except 2023/24 updated to reflect actual outturn
CW5.27	Total number of treated water distribution exports	2023/24 updated to reflect actual outturn and forecast then based on this. NAVs have been included from 2023/24 onwards.
CW5.28	Water exported to 3rd parties from treated water distribution systems	No change except 2023/24 updated to reflect actual outturn

Line no.	Line description	Change
CW5.29	Peak 7 day rolling average distribution input	Updated to reflect actual outturn in 2023-24 and revised forecast incorporating the revised baseline and changes to the Leakage and Business Demand profiles, as outlined in WSX-O01 – Performance and outcomes.
CW5.30	Peak 7 day rolling average distribution input / annual average distribution input	
CW5.31	Measured household consumption (excluding supply pipe leakage)	
CW5.32	Unmeasured household consumption (excluding supply pipe leakage)	
CW5.33	Measured non-household consumption (excluding supply pipe leakage)	
CW5.34	Unmeasured non-household consumption (excluding supply pipe leakage)	
CW5.35	Total annual leakage	
CW5.36	Distribution system operational use	
CW5.37	Water taken unbilled	
CW5.38	Distribution input	
CW5.39	Distribution input (pre-MLE)	
CW5.58	Leakage upstream of DMA	For CW5.58- the 2024/25 figure uses the 2021/22-2023/24 3-year average. The previous methodology has then been applied whereby we assume a 0.1 Ml/d/yr reduction in AMP8 based on our agreed strategy. Updated to reflect actual outturn in 2023-24 and revised forecast incorporating the revised baseline and Leakage profile.
CW5.59	Distribution main losses	
CW5.60	Customer supply pipe losses – measured households excluding void properties	
CW5.61	Customer supply pipe losses – unmeasured households excluding void properties	
CW5.62	Customer supply pipe losses – measured non-households excluding void properties	
CW5.63	Customer supply pipe losses – unmeasured non-households excluding void properties	
CW5.64	Customer supply pipe losses – void measured households	
CW5.65	Customer supply pipe losses – void unmeasured households	

CW5.66	Customer supply pipe losses – void measured non-households	
CW5.67	Customer supply pipe losses – void unmeasured non-households	

9. CW6 – Water network+ - Mains, communication pipes and other data

Line no.	Line description	Change
CW6.1	Total length of potable mains as at 31 March	Updated to reflect actual outturn in 2023-24 but same forecast increase
CW6.2	Total length of potable mains relined	No change
CW6.3	Total length of potable mains renewed	No change
CW6.4	Total length of new potable mains	No change
CW6.5	Total length of potable water mains (≤320mm)	Updated to reflect actual outturn in 2023-24 but same forecast increase
CW6.6	Total length of potable water mains (>320mm and ≤ 450mm)	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.7	Total length of potable water mains (>450mm and ≤610mm)	No change
CW6.8	Total length of potable water mains (> 610mm)	No change
CW6.9	Total length of potable mains laid or structurally refurbished pre-1880	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.10	Total length of potable mains laid or structurally refurbished between 1881 and 1900	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.11	Total length of potable mains laid or structurally refurbished between 1901 and 1920	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.12	Total length of potable mains laid or structurally refurbished between 1921 and 1940	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.13	Total length of potable mains laid or structurally refurbished between 1941 and 1960	Updated to reflect actual outturn in 2023-24 but same forecast

Line no.	Line description	Change
CW6.14	Total length of potable mains laid or structurally refurbished between 1961 and 1980	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.15	Total length of potable mains laid or structurally refurbished between 1981 and 2000	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.16	Total length of potable mains laid or structurally refurbished between 2001 and 2020	No change
CW6.17	Total length of potable mains laid or structurally refurbished during and after 2021	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.18	Number of lead communication pipes	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.19	Number of galvanised iron communication pipes	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.20	Number of other communication pipes	Updated to reflect actual outturn in 2023-24 but same forecast
CW6.21	Number of lead communication pipes replaced or relined for water quality	Updated to reflect actual outturn in 2023-24 and minor adjustment to 2024-25 forecast
CW6.22	Number of lead communication pipes replaced for other reasons	Updated to reflect actual outturn in 2023-24 and minor adjustment to 2024-25 forecast
CW6.23	Total length of lead communication pipes replaced or relined	Updated to reflect actual outturn in 2023-24 and minor adjustment to 2024-25 forecast
CW6.24	Number of external lead supply pipes replaced or relined	Updated to reflect actual outturn in 2023-24 and minor adjustment to 2024-25 forecast
CW6.25	Total length of external lead supply pipes replaced or relined	Updated to reflect actual outturn in 2023-24 and minor adjustment to 2024-25 forecast
CW6.26	Number of internal lead supply pipes replaced or relined	No change
CW6.27	Total length of internal lead supply pipes replaced or relined	No change
CW6.28	Company area	No change
CW6.29	Compliance Risk Index	Updated to reflect revised OUT forecast
CW6.30	Event Risk Index	No change

10. CW6a – Transition and accelerated programme - Water network+ - Mains, communication pipes and other data

Line no.	Line description	Change
All	All	No change all zero

11. CW7 – Demand management - Metering activities

Line no.	Line description	Change
CW7.1 – CW7.5	Metering activities – Totex expenditure, all lines	2023-24 values have been updated to reflect outturn reported in Table 6D of the APR. The forecast for 2024-25 has therefore also been updated as each of these cells are calculated based on the unit cost of installs in 2023-24 and the forecasted installs in 2024-25. AMP8 costs have been updated for each meter type to reflect Ofwat's DD cost allocation, accounting for costs reallocated to base associated with like for like meter replacements. See WSX-C07 for further details of our response to Ofwat's cost allocation on smart metering. Costs are inclusive of all CAPEX and OPEX costs associated with AMI smart meter installation but exclude any apportionment of smart meter infrastructure costs.
CW7.6	New optant meters installed for existing customers	2023-24 value has been updated to reflect outturn reported in Table 6D of the APR. No change to 2024-25 forecast. The AMP8 forecast has been revised to reflect the revised optant forecast which has been re-baselined with the most recent outturn data.
CW7.7	New selective meters installed for existing customers	2023-24 value has been updated to reflect outturn reported in Table 6D of the APR. No change to 2024-25 forecast. The AMP8 forecast has been revised to include the addition of meters that have been removed from line CW7.8.

Line no.	Line description	Change
CW7.8	New business meters installed for existing customers	2023-24 value has been updated to reflect outturn reported in Table 6D of the APR. 2024-25 forecast has been updated to reflect re-baseline using most recent outturn data. The AMP8 forecast has been revised down to ensure the number of new NHH meters installs is not greater than the number of unmeasured NHH properties in our target AMP8 metering area, whilst accounting for a small percentage of NHH properties being unmeterable. The additional meters will now be installed at household properties such that the total number of new meters installed still aligns with our PCD for smart metering. Therefore, meters deducted from CW7.8 have been added on to line CW7.7.
CW7.9	Residential meters renewed	2023-24 value has been updated to reflect outturn reported in Table 6D of the APR. The 2024-25 forecast has been updated as we are no longer carrying out proactive meter replacements this year. The updated figure is the outturn figure for all non-proactive residential meter replacements in 2023-24, we forecast a similar level of replacements this year. No change to AMP8 forecasts of residential meters renewed.
CW7.10	Business meters renewed	2023-24 value has been updated to reflect outturn reported in Table 6D of the APR. The 2024-25 forecast has been updated as we are no longer carrying out proactive meter replacements this year. The updated figure is the outturn figure for all non-proactive business meter replacements in 2023-24, we forecast a similar level of replacements this year. No change to AMP8 forecasts of residential meters renewed.
CW7.15	New residential meters installed for existing customers – supply-demand balance benefit	2023-24 value has been updated to reflect outturn reported in Table 6D of the APR. 2024-25 forecast has been updated as the calculation uses values reported in 2023-24. AMP8 forecasts have been revised to reflect the revised demand forecast and updated meter install figures.
CW7.16	New business meters installed for existing customers – supply-demand balance benefit	No change to AMP7 figures. AMP8 forecast updated to reflect revised demand forecast and updated meter install numbers in line CW7.8. Figures are smaller than 0.00 to two decimal places so not visible in this table.

Line no.	Line description	Change
CW7.17	Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	No change to AMP7 figures. AMP8 forecast updated to reflect revised demand forecast using most recent outturn data.
CW7.19	Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	No change to AMP7 figures. AMP8 forecast updated to reflect revised demand forecast using most recent outturn data.
CW7.21	Residential properties - meter penetration	2023-24 value has been updated to reflect outturn reported in Table 6D of the APR. 2024-25 forecast has been updated to reflect updated made to lines CW7.8 – CW7.10. AMP8 forecast updated to reflect revised meter install forecasts in lines CW7.6 – CW7.8.
CW7.22 – CW7.23	Per capita consumption, measured and unmeasured	2023-24 values have been updated to reflect outturn reported in Table 6D of the APR. 2024-25 forecasts have been updated to reflect revised demand and population forecasts that have been rebased using most recent outturn data and improved assumptions. Please see Section 5 of WSX-O01 Performance and Outcomes for more information. AMP8 forecasts have been updated to reflect the revised and rebased demand and population forecasts.
CW7.24 – CW7.25	Average unit cost of new meter installation, residential and business	This cost has been calculated using Ofwat's DD unit cost allocation for new AMI smart meter installations, apportioned to installation opex, installation capex and smart meter infrastructure as per our internal smart metering cost model. Costs associated with smart meter infrastructure are excluded here as per table guidance, therefore the unit cost presented is less than Ofwat's allocated unit cost which is inclusive of infrastructure.
CW7.26	Average unit cost of basic meter replacement – residential property, total cost	This cost is the upgrade cost as per CW7.27 plus a per meter cost of proactive meter replacement costs in base (existing base costs plus Ofwat's reallocation of costs from enhancement to base for meter replacement).
CW7.27	Average unit cost of basic meter replacement – residential property, enhancement element of total cost	This cost has been calculated using Ofwat's DD unit cost allocation for meter upgrades, apportioned to installation opex, installation capex and smart meter infrastructure as per our internal smart metering cost model. Costs associated with smart meter infrastructure are excluded here as per table guidance, therefore the unit cost presented is less than Ofwat's allocated unit cost which is inclusive of infrastructure.
CW7.28	Average unit cost of basic meter replacement – business property, total cost	This cost is the upgrade cost as per CW7.29 plus a per meter cost of proactive meter replacement costs in base (existing base costs plus Ofwat's reallocation of costs from enhancement to base for meter replacement).

Line no.	Line description	Change
CW7.29	Average unit cost of basic meter replacement – business property, enhancement element of total cost	This cost has been calculated using Ofwat's DD unit cost allocation for meter upgrades, apportioned to installation opex, installation capex and smart meter infrastructure as per our internal smart metering cost model. Costs associated with smart meter infrastructure are excluded here as per table guidance.
CW7.42	New meter installation - residential property - benefits per meter installation	Both the leakage and wastage savings have been updated and the calculations are outlined below. It should be noted that in our original business plan submission, the total number of meters installed at new household properties was mistakenly included in the denominator of these calculations. The calculations have now been amended to include only the meter installs outlined in Lines CW7.6 and CW7.7 over AMP8. <u>Reduced Leakage</u> Savings from reduced leakage = cumulative SPL benefit for new meter residential installs (excluding new properties) over AMP8 / sum of lines CW7.6 and CW7.7 over AMP8. The cumulative SPL benefit for these meter installs is 0.44 Ml/d. This SPL benefit has increased from our original business plan submission, as the calculation for this has been revised to use best available evidence from other companies with existing smart metering programmes. <u>Reduced wastage</u> Savings from reduced wastage = cumulative wastage saving for new residential meter installs (excluding new properties) over AMP8 / sum of lines CW7.6 and CW7.7 over AMP8. The cumulative wastage saving over AMP8 for these meter installs is 1.70 Ml/d. This has decreased from our original business plan submission due to the revisions made to the baseline demand forecast, and due to revising the methodology to separate out the savings between optant and selective meter installs. For optant installs, we forecast a 7% consumption reduction from the baseline for properties with such meter installed. This consumption reduction benefit is staggered to reflect the timing of the meter installs in each reporting year. For selective installs, the savings calculated reflect our strategy of compulsory meter installs but customers not moving onto a measured charge until they opt to switch. Our consumption reduction calculation therefore reflects just the plumbing loss benefit until the assumed full consumption reduction of 15% from the baseline is realised once customers switch onto a measured charge.

Line no.	Line description	Change
CW7.43	New meter installation - business property - benefits per meter installation	Both the leakage and wastage savings have been updated and the calculations are outlined below. <u>Reduced Leakage</u> Savings from reduced leakage = cumulative SPL benefit for new business meter installs over AMP8 / sum of line CW7.8 over AMP8. The cumulative SPL benefit for these meter installs is 0.01 Ml/d. This SPL benefit has increased from our original business plan submission, as the calculation for this has been revised to use best available evidence from other companies with existing smart metering programmes. <u>Reduced Wastage</u> Savings from reduced wastage = cumulative wastage saving for new business meter installs over AMP8 / sum of line CW7.8 over AMP8. The cumulative wastage saving over AMP8 for these meter installs is 0.01 Ml/d. This has decreased from our original business plan submission due to the revision made to the baseline demand and property forecast for non-households based on most recent outturn.
CW7.44	Replacement of existing basic meter - residential property - benefits per meter installation	Both the leakage and wastage savings have been updated and the calculations are outlined below. <u>Reduced Leakage</u> Savings from reduced leakage = cumulative SPL benefit for replacements of basic meters with smart AMI meters over AMP8 / sum of line CW7.9 over AMP8. The cumulative SPL benefit for these meter installs is 1.41 Ml/d. This SPL benefit has increased from our original business plan submission, as the calculation for this has been revised to use best available evidence from other companies with existing smart metering programmes. <u>Reduced Wastage</u> Savings from reduced wastage = cumulative wastage saving for replacements of basic meters with smart AMI meters over AMP8 / sum of line CW7.9 over AMP8. The cumulative wastage saving over AMP8 for these meter installs is 1.73 Ml/d. This has decreased from our original business plan submission due to the revisions made to the baseline demand forecast.

Line no.	Line description	Change
CW7.45	Replacement of existing basic meter - business property - benefits per meter installation	Both the leakage and wastage savings have been updated and the calculations are outlined below. <u>Reduced Leakage</u> Savings from reduced leakage = cumulative SPL benefit for replacement basic business meters to smart AMI meters over AMP8 / sum of line CW7.10 over AMP8. The cumulative SPL benefit for these meter installs is 0.36 Ml/d. This SPL benefit has increased from our original business plan submission, as the calculation for this has been revised to use best available evidence from other companies with existing smart metering programmes. <u>Reduced Wastage</u> Savings from reduced wastage = cumulative wastage saving for replacements of business basic meters with smart AMI meters over AMP8 / sum of line CW7.10 over AMP8. The cumulative wastage saving over AMP8 for these meter installs is 1.33 Ml/d. This has increased from our original business plan submission due to the revision made to the baseline demand and property forecast for non-households (baseline measured NHH demand has increased).

12. CW7a – Transition and accelerated programme - Demand management - Metering activities

Line no.	Line description	Change
No change from business plan submission		

13. CW8 – WRMP schemes (excluding leakage and metering activities)

Line no.	Line description	Change
CW8.1 – CW8.3	CW8.1: Demand Strategy 7 – Government Labelling (Household) CW8.2: Demand Strategy 7 – Home Check Visits (Household) CW8.3: Demand Strategy 7 – Water Efficiency Visits (Non-Household)	As requested in the document *PR24 draft determinations: Wessex Water – Outcomes appendix*, we have updated the information associated with water efficiency activities in CW8 to clearly assign reductions between household and non-household consumption. We have additionally separated the Government Labelling benefit from the total household benefit to support Ofwat's validation of demand reduction benefits. The sum of benefits of these three lines is equal to the benefit in line CW8.1 – Demand Strategy 7 of our original business plan submission. We have also updated the opex costs associated with each of these water efficiency activities to reflect acceptance of the draft determination cost allowance. This results in an increase in total opex costs of all water efficiency activities from £9.16m to £11.87m across AMP8.
CW8.4	Weymouth Source Improvements	To be able to deliver the option by 2034-35, construction must start in year 5 of AMP8, these costs are currently allocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see representation Section – Adaptive Pathway options).
CW8.5	Yeovil Reservoir peak capacity	Option costs for year 1 of AMP8 reprofiled into year 2 & 3 of AMP8. Land costs moved into AMP9 for consistency with the rest of the supply options.
CW8.6	Amesbury boreholes	Costs originally allocated to year 4 & 5 of AMP8 have been reallocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)
CW8.7	North Grid to South Grid reinforcements – 5.5Ml/d	Option costs for year 1 of AMP8 reprofiled into year 2 & 3 of AMP8. Costs originally allocated to year 4 & 5 of AMP8 have been reallocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)
CW8.8	Mere Stream Support	Costs increased due to incorrect total capex.
CW8.9	Bristol Import and onwards transfer I	Option costs reprofiled into years 1, 2 & 3 of AMP8 to allow to deliver part of the option earlier than the lead time for the full option. Costs originally allocated to year 4 & 5 of AMP8 have been reallocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)

Line no.	Line description	Change
CW8.10	Bristol Import and onwards transfer II	Option costs reprofiled into years 1, 2 & 3 of AMP8 to allow to deliver part of the option earlier than the lead time for the full option. Costs originally allocated to year 4 & 5 of AMP8 have been reallocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)
CW8.11	Bristol Import and onwards transfer IV	Option costs for year 1 of AMP8 reprofiled into year 2 & 3 of AMP8. Costs originally allocated to year 4 & 5 of AMP8 have been reallocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)
CW8.12	Bristol Import and onwards transfer V	Option costs for year 1 of AMP8 reprofiled into year 2 & 3 of AMP8. Costs originally allocated to year 4 & 5 of AMP8 have been reallocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)
CW8.13	Increased Reservoir Capacity and East Transfer	Costs originally allocated to year 4 & 5 of AMP8 have been reallocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)
CW8.14	Bristol Import and onwards transfer III	Option costs reprofiled into years 2 & 3 of AMP8. Costs originally allocated to year 4 & 5 of AMP8 have been reallocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)
CW8.15	Hampshire Avon Boreholes and Transfer	Option costs reprofiled into years 2 & 3 of AMP8. Costs originally allocated to year 4 & 5 of AMP8 have been reallocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)
CW8.16	Underutilised licence: North Warminster	Costs originally allocated to year 4 & 5 of AMP8 have been reallocated to AMP9 and will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)
CW8.17	Underutilised licence: Bath Source	Originally there was no cost associated with this option in AMP8. Potential costs for this option needed in year 4 & 5 of AMP8 will be requested as transitional funding after 2027/28 decision point (see Enhancement Costs Supply Schemes: Section – Adaptive Pathway options)

14. CW9 – Enhancement expenditure (cumulative) - water resources and water network+

14.1. Enhancement expenditure (cumulative)

This table includes costs for AMP7 projects which will be completed in AMP8, and costs for AMP8 projects completing either within the transition period or AMP8 period**.**

AMP7

For costs reported in 2022/23 and 2023/24, we have directly taken the cumulative expenditure reported in our APR table 4L where the regulatory drivers are the same as the ones used in CW9.

AMP7 Additional line

Due to a shortage of space in the table we have bundled all the AMP7 costs assigned to AMP7 freeform lines into single capex and opex lines. Freeform lines have been used for this expenditure as there were no appropriate standard categories, and for the reporting to be consistent with APR reporting of costs against PR19 allowed expenditure.

AMP8

Our AMP8 projects totex programme is a combination of programmes of work and individual projects. Schemes are reported as completed when they come into beneficial use i.e. when benefits are fulfilled. The year the project comes into beneficial use is not always the same as the financial close of a scheme, and there may be additional costs incurred. These additional costs are reported in table CW3.

Our assumptions to determine when projects come into beneficial use are:

- For individual projects, beneficial use is in the first year of operation (when opex costs are incurred).
- For programmes of activity (capital &/or opex) beneficial use is in the first year of expenditure. For projects that have only enhancement opex or enhancement capex, they come into beneficial use on the first year of the spend.
- For metering, water efficiency and leakage activities, expenditure is reported every year as benefits are incurred continually in each year of investment.

15. CW10 – Wholesale water local authority rates

Line no.	Line description	Change
CW10.1	Rateable value	Updated rateable value reflecting revised WACC and investment plan

Line no.	Line description	Change
CW10.2	Wholesale Water business rates charge for current year before transitional relief	Impact of revised rateable value at the current UBR (which is unchanged from the original business plan)
CW10.11	Change in wholesale water business rates costs due to the impact of any revaluation	Consequential amendment of adjusted ratable values impacting the 2026 and 2029 rating lists.

16. CW11 – Third party costs by business unit for the wholesale water service

Line no.	Line description	Change
CW11.1	Non potable water (which are not bulk supplies)	No change
CW11.2	Rechargeable opex - Fluoridation	No change
CW11.3	Rechargeable opex - Fire hydrant install & repair	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW11.4	Rechargeable opex - third party damage	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW11.5	Rechargeable opex - build over	No change
CW11.6	Other rechargeable opex	Updated to £nil as costs corrected to non-price control in initial submission query process
CW11.7	Third party water price control opex excluding developer services	Note changes above
CW11.8	Diversions - s185 – opex	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW11.9	Diversions - NRSWA – opex	23-24 updated for actuals and 24-25 updated per board approved budget. AMP8 no change
CW11.10	Diversions - other non-section 185 diversions - opex	No change
CW11.11	Total third party water service costs ~ price control (operating expenditure)	Note changes above
CW11.12	Bulk supplies (water) opex	As per CW11.6, query process highlighted corrections regarding allocations. All years updated to reflect correct treatment
CW11.13	Reservoir operating agreements opex	No change

Line no.	Line description	Change
CW11.14	Other excluded charge opex	As per CW11.6, query process highlighted corrections regarding allocations. All years updated to reflect correct treatment
CW11.15	Total third party water service costs ~ non price control (operating expenditure)	Note changes above
CW11.16-30		No Change

17. CW12 – Transitional expenditure - water resources and water network+

Following external audit, minor discrepancies have been identified with the costs we are reporting in CW12 for 2023/24 compared to those reported in APR 2023/24. The below table identifies the reg drivers where the discrepancies exist (total difference = £0.027m). The costs indicated below are the correct costs that we should have been reporting in CW12 to match APR 2023/24:

Line no.	Line Description	Costs
CW12.25-27	25 year environment plan; (WINEP/NEP) water	£0.054m
CW12.37-39	Investigations total; (WINEP/NEP) water	£0.100m

The costs for 2024/25 we are submitting have increased substantially compared to our initial submission in October. This is due to advanced works in preparation for the scaling up of our AMP8 programme, particularly for investigations and smart metering.

18. CW13 & CW14 – Best value analysis (enhancement expenditure) – water resources and water network+

The data table for CW13 is identical to that of CW14. This decision reflects that our best value plan is now the same as our alternative option plan. This convergence is driven by several reasons.

Majority of our planned investments are necessitated by regulatory requirements. These obligations limit flexibility in our investment strategy, and the one plan we are submitting reflects extensive further optioneering analysis since our previous submission.

The remaining planned investments are essential to our long-term delivery plans and are critical to ensuring sustainable operations and fulfilling strategic objectives. They also include investments that we need to make as part of our commitment to wider industry goals.

The current plan represents the optimal balance between cost efficiency and value delivery, and our overarching approach to investment decision-making remains the same as when we originally submitted our plan in October.

As such, the below information provides a commentary for CW13 and CW14.

18.1. Lines 1-56: EA/NRW environmental programme (WINEP/NEP)

Line no.	Line description	Change
CW13.1-4	Biodiversity and conservation; BVA (WINEP/NEP) water	AMP8 costs as per CWW3. No ongoing costs required in AMP9.
CW13.5-8	Eels/fish entrainment screens; BVA (WINEP/NEP) water	Reg driver not used. No change.
CW13.9-12	Eels/fish passes; BVA (WINEP/NEP) water	AMP8 costs as per CWW3. AMP9 costs reflect ongoing opex of AMP8 project.
CW13.13-16	Invasive Non Native Species; BVA (WINEP/NEP) water	AMP8 costs as per CWW3. No ongoing costs required in AMP9.
CW13.17-20	Drinking Water Protected Areas; BVA (WINEP/NEP) water	AMP8 costs as per CWW3. AMP9 costs reflect ongoing opex of AMP8 project.
CW13.21-24	Water Framework Directive; BVA (WINEP/NEP) water	AMP8 costs as per CWW3. No ongoing costs required in AMP9.
CW13.25-28	Wetland creation; BVA (WINEP/NEP) water	Reg driver not used. No change.
CW13.29-32	Trade effluent discharge flow monitoring; BVA (WINEP/NEP) water	Reg driver not used. No change.
CW13.33-36	25 year environment plan; BVA (WINEP/NEP) water	AMP8 costs as per CWW3. AMP9 costs reflect ongoing opex of AMP8 project.
CW13.37-40	Investigations; BVA (WINEP/NEP) - desk based study only water	AMP8 costs as per CWW3. No ongoing costs required in AMP9.
CW13.41-44	Investigations; BVA (WINEP/NEP) - survey, monitoring or simple modelling water	Reg driver no longer used.
CW13.45-48	Investigations; BVA (WINEP/NEP) - multiple surveys, and/or monitoring locations, and/or complex modelling water	AMP8 costs as per CWW3. No ongoing costs required in AMP9.
CW13.49-52	Investigations total; BVA (WINEP/NEP) water	Sum of above rows.

Line no.	Line description	Change
CW13.53-56	Total environmental programme expenditure; BVA (WINEP/NEP) water	Sum of above rows.

18.2. Lines 57-80: Supply-demand balance

Line no.	Line description	Change
CW13.57-60	Supply-side improvements delivering benefits in 2025-2030; BVA SDB	Reg driver not used. No change.
CW13.61-64	Demand-side improvements delivering benefits in 2025-2030 (excl leakage and metering); BVA SDB	AMP8 costs as per CWW3. AMP9 capex costs reflect ongoing nature of this programme.
CW13.65-68	Leakage improvements delivering benefits in 2025-2030; BVA SDB	AMP8 costs as per CWW3. No ongoing costs in AMP9. However, it's expected that additional funding will be required to meet a lower level of leakage.
CW13.69-72	Interconnectors delivering benefits in 2025-2030; BVA SDB	Reg driver not used. No change.
CW13.73-76	Supply demand balance improvements delivering benefits starting from 2031; BVA SDB	AMP8 costs as per CWW3. AMP9 costs reflect the continuation of the schemes identified in CW8.
CW13.77-80	Total supply demand expenditure; BVA SDB	Sum of above rows.

18.3. Lines 81-124: Metering

Line no.	Line description	Change
CW13.81-84	New meters requested by existing customers (optants); BVA metering	AMP8 costs as per CWW3. AMP9 capex costs reflect ongoing nature of this programme.
CW13.85-88	New meters introduced by companies for existing customers; BVA metering	AMP8 costs as per CWW3. AMP9 capex costs reflect ongoing nature of this programme.
CW13.89-92	New meters for existing customers - business; BVA metering	AMP8 costs as per CWW3. AMP9 capex costs reflect ongoing nature of this programme.
CW13.93-96	Replacement of existing basic meters with AMR meters for residential customers; BVA metering	Reg driver not used. No change.
CW13.97-100	Replacement of existing basic meters with AMI meters for residential customers; BVA metering	AMP8 costs as per CWW3. AMP9 capex costs reflect ongoing nature of this programme.

Line no.	Line description	Change
CW13.101-104	Replacement of existing AMR meters with AMI meters for residential customers; BVA metering	Reg driver not used. No change.
CW13.105-108	Replacement of existing basic meters with AMR meters for business customers; BVA metering	Reg driver not used. No change.
CW13.109-112	Replacement of existing basic meters with AMI meters for business customers; BVA metering	AMP8 costs as per CWW3. AMP9 capex costs reflect ongoing nature of this programme.
CW13.113-116	Replacement of existing AMR meters with AMI meters for business customers; BVA metering	Reg driver not used. No change.
CW13.117-120	Smart meter infrastructure; BVA metering	AMP8 costs as per CWW3. AMP9 capex costs reflect ongoing nature of this programme.
CW13.121-124	Total metering expenditure; BVA metering	Sum of above rows.

18.4. Lines 125-164: Water quality improvements

Line no.	Line description	Change
CW13.125-128	Improvements to taste, odour and colour (grey solutions); BVA enhancement	Reg driver not used. No change.
CW13.129-132	Improvements to taste, odour and colour (green solutions); BVA enhancement	Reg driver not used. No change.
CW13.133-136	Conditioning water to reduce plumbosolvency for water quality; BVA enhancement	Reg driver not used. No change.
CW13.137-140	Lead communication pipes replaced or relined for water quality; BVA enhancement	AMP8 costs as per CWW3. No ongoing costs in AMP9. However, it's expected that additional funding will be required to continue programme of replacement or relining.
CW13.141-144	External lead supply pipes replaced or relined; BVA enhancement	AMP8 costs as per CWW3. No ongoing costs in AMP9. However, it's expected that additional funding will be required to continue programme of replacement or relining.
CW13.145-148	Internal lead supply pipes replaced or relined; BVA enhancement	Reg driver not used. No change.
CW13.149-152	Other lead reduction related activity; BVA enhancement	Reg driver not used. No change.

Line no.	Line description	Change
CW13.153-156	Addressing raw water quality deterioration (grey solutions); BVA enhancement	AMP8 costs as per CWW3. AMP9 costs reflect ongoing opex of AMP8 project.
CW13.157-160	Addressing raw water quality deterioration (green solutions); BVA enhancement	AMP8 costs as per CWW3. AMP9 costs reflect ongoing opex of AMP8 project.
CW13.161-164	Total water quality enhancement expenditure; BVA enhancement	Sum of above rows.

18.5. Lines 165-180: Water resilience and security

Line no.	Line description	Change
CW13.165-168	Resilience; BVA enhancement water	AMP8 costs as per CWW3. AMP9 capex costs reflect continuation of programme to 2033 when 2G will cease to exist.
CW13.169-172	Security - SEMD; BVA enhancement	Reg driver not used. No change.
CW13.173-176	Security - cyber; BVA enhancement water	✂
CW13.177-180	Total resilience enhancement expenditure; BVA enhancement water	Sum of above rows.

18.6. Lines 181-184: Net zero

Line no.	Line description	Change
CW13.181-184	Greenhouse gas reduction (net zero); BVA enhancement water	AMP8 costs as per CWW3. AMP9 costs reflect ongoing opex saving of implementing AMP8 projects.

18.7. Lines 185-208: Additional - freeform enhancement lines

Line no.	Line description	Change
CW13.185-188	AMP7 lines; enhancement water	Reg driver not used. No change.
CW13.189-192	eCAF; enhancement water	AMP8 costs as per CWW3. AMP9 costs reflect ongoing opex (e.g. licence costs) of AMP8 project.
CW13.193-196	Data and AI; enhancement water	Reg driver lo longer used as funding removed from plan
CW13.197-200	Customer Access, Recreation, Education; enhancement water	AMP8 costs as per CWW3. AMP9 capex costs reflect ongoing nature of this programme.

Line no.	Line description	Change
CW13.201-204	New meters for new customers; enhancement water	Reg driver no longer used as funding removed from plan
CW13.205-208	Total other enhancement expenditure; BVA enhancement water	Sum of above rows. Refer to commentary above.

18.8. Lines 209-212: Total enhancement

Line no.	Line description	Change
CW13.209	Total enhancement water expenditure; BVA capex	Refer to commentary above.
CW13.210	Total enhancement water expenditure; BVA opex	Refer to commentary above.
CW13.211	Total enhancement water expenditure; BVA totex	Refer to commentary above.
CW13.212	Total enhancement water expenditure; BVA third party contributions	We are not reporting any third party contributions for this table.

19. CW15 & CW16 – Best value analysis (benefits) – water resources and water network+

The CW15 table is identical to CW16. This decision reflects that our best value plan is now the same as our alternative option plan. This convergence is driven by several reasons.

Majority of our planned investments are necessitated by regulatory requirements. These obligations limit flexibility in our investment strategy, and the one plan we are submitting reflects extensive further optioneering analysis since our previous submission.

The remaining planned investments are essential to our long-term delivery plans and are critical to ensuring sustainable operations and fulfilling strategic objectives. They also include investments that we need to make as part of our commitment to wider industry goals.

The current plan represents the optimal balance between cost efficiency and value delivery, and our overarching approach to investment decision-making remains the same as when we originally submitted our plan in October.

With regards to the SRO improvements, the carbon use has not been captured within the benefits tables. These are following the DCP procurement route in AMP8. The elements contained within the CAP Agreement are yet to be clarified and it is likely that some elements will not fall under the DPC guidelines and will therefore need to be delivered by the 'Lead' water company. It is our intention to have a detailed proposal ready for procuring the CAPA

for both Poole / Cheddar by the end of AMP8 ready for design and construction in AMP9. For Mendip SRO the DPC procurement of the CAP will fall in AMP9. Please see WSX-C06 for further details.

Please also note that Additional Line 3 is no longer being used. In order to allow a straightforward comparison between this and the previous submission Additional Lines 1,2, 4 & 5 remain the same.

19.1. Lines 1-133: EA/NRW environmental programme (WINEP/NEP)

Line no.	Line description	Change
CW15.1-11	Biodiversity and conservation	Revised activities with updated units of benefits and updated benefit value. Present value of benefits also revised.
CW15.12-22	Eels/fish entrainment screens	Revised driver. This benefit is now captured in Eels/fish passes in CW15.23-33.
CW15.23-33	Eels/fish passes	Revised driver. Previous benefits were captured in Eels/fish entrainment screens.
CW15.34-44	Invasive Non Native Species	Reg Driver not used. No change.
CW15.45-55	Drinking Water Protected Areas	No change to previously submitted values.
CW15.56-66	Water Framework Directive	Reg Driver not used. No change.
CW15.67-77	Wetland creation	Reg Driver not used. No change.
CW15.78-88	Trade effluent discharge flow monitoring	Reg Driver not used. No change.
CW15.89-99	25 Year Environment Plan	Reg Driver not used. No change.
CW15.100-110	Investigations - desk based study only	Reg Driver not used. No change.
CW15.111-121	Investigations - survey, monitoring or simple modelling	Reg Driver not used. No change.
CW15.122-132	Investigations - multiple surveys, and/or monitoring locations, and/or complex modelling	Reg Driver not used. No change.
CW15.133	Total environmental programme benefit	Updated totals based on revised benefit values. Submitted in previous query OFW – OBQ – WSX – 200, the negative values are reflective of capturing benefit and dis-benefit values. The additional carbon captured for these schemes has an effect of making the overall position a negative value.

19.2. Lines 134-189: Supply-demand balance

Line no.	Line description	Change
CW15.134-144	Supply-side improvements delivering benefits in 2025-30	Reg driver not used. No change from previous submission.
CW15.145-155	Demand-side improvements delivering benefits in 2025-30 (excl leakage and metering)	As per CW8, the benefits profiles have been updated with clear assigned reductions between household and non-household consumption representing the contribution to performance commitments for PCC and Business Demand. Sign change for present value of benefits for PCC (15.146) is due to identification of a sign correction required. Total benefit value now provides positive figures for improved performance as expected.
CW15.156-166	Leakage improvements delivering benefits in 2025-30	As per Ofwat QAA requirements, revised figure for leakage improvements from this driver has been provided with updates to Total value of benefits and Present value. Please note that the AMP9 benefit would require additional AMP9 costs and are not carried over benefit from AMP 8 projects.
CW15.167-177	Interconnectors delivering benefits in 2025-30	Reg Driver not used. No change.
CW15.178-188	Supply demand balance improvements delivering benefits starting from 2031	Updated embodied carbon figures provided due to plan options requiring construction of assets. Please see WSX-C08 for further details.
CW15.189	Total supply demand benefit	Change in figures reflect changes as above.

19.3. Lines 190-300: Metering

Line no.	Line description	Change
CW15.190-200	New meters requested by existing customers (optants)	As per CW7.6 commentary: The AMP8 forecast has been revised to reflect the revised optant forecast which has been re-baselined with the most recent outturn data. Figures for impact on benefits have been updated. In addition, a calculation for the impact this driver has on Leakage Performance Commitment has been provided. Updated values of Total Benefit value and Present value of benefits. Please see WSX- C07 for further details.
CW15.201-211	New meters introduced by companies for existing customers	Units of benefit figures have been updated which reflect a revised AMP8 forecast. As above the impact this driver has on Leakage Performance commitment has also been provided. Updated values of Total Benefit value and Present value of benefits. Please see WSX- C07 for further details.

Line no.	Line description	Change
CW15.212-222	New meters for existing customers - business	Revised number of installs resulting in revised units of benefit. Previously Water Availability and Supply Restriction Benefit was utilised to express Business Demand benefit, this has now been replaced with the benefit to the Business Demand PC. Benefit to Leakage Performance commitment also provided. Updated values of Total Benefit value and Present value of benefits. Please see WSX- C07 for further details.
CW15.223-233	Replacement of existing basic meters with AMR meters for residential customers	Reg Driver not used. No change.
CW15.234-244	Replacement of existing basic meters with AMI meters for residential customers	Revised number of installs for this driver. Updated value of benefits and Present value. Benefit to the Leakage and PCC PC provided. Please see WSX- C07 for further details.
CW15.245-255	Replacement of existing AMR meters with AMI meters for residential customers	Reg Driver not used. No change.
CW15.256-266	Replacement of existing basic meters with AMR meters for business customers	Reg Driver not used. No change.
CW15.267-277	Replacement of existing basic meters with AMI meters for business customers	Revised number of installs resulting in revised units of benefit. As above benefit to Business Demand PC and Leakage PC has been recorded.
CW15.278-288	Replacement of existing AMR meters with AMI meters for business customers	Reg Driver not used. No change.
CW15.289-299	Smart meter infrastructure	The activities in the Smart Infrastructure have been revised and now this benefit is captured from the other Reg Drivers above. This benefit has been removed to prevent double counting. Please see WSX- C07 for further details.
CW15.300	Total metering benefit	Change in figures reflect changes as above.

19.4. Lines 301-400: Water quality improvements

Line no.	Line description	Change
CW15.301-311	Improvements to taste, odour and colour (grey solutions)	Reg Driver not used. No change.

Line no.	Line description	Change
CW15.312-322	Improvements to taste, odour and colour (green solutions)	Reg Driver not used. No change.
CW15.323-333	Conditioning water to reduce plumbosolvency for water quality	Reg Driver not used. No change.
CW15.334-344	Lead communication pipes replaced or relined	No change since previous submission.
CW15.345-355	External lead supply pipes replaced or relined	No change since previous submission.
CW15.356-366	Internal lead supply pipes replaced or relined	Reg Driver not used. No change.
CW15.367-377	Other lead reduction related activity	Reg Driver not used. No change.
CW15.378-388	Addressing raw water quality deterioration (grey solutions)	Updated proposal to account for PFAS requirements. Updated units of benefit, total benefit value and present value of benefits. Please see WSX-C05 for further details.
CW15.389-399	Addressing raw water quality deterioration (green solutions)	Updated figures account for change in regulatory driver of need. Changes to units of benefit, total benefit value and present value of benefits. Please see WSX-C05 for further details.
CW15.400	Total water quality enhancement benefit	Change in figures reflect changes as above.

19.5. Lines 401-434: Water resilience and security

Line no.	Line description	Change
CW15.401-411	Resilience	Units of benefit have been updated which reflect costs brought forward for activities in 24/25. Please see commentary - WSX – C13 for further details.
CW15.412-422	Security - SEMD	Reg Driver not used. No change.
CW15.423-433	Security Cyber	✂
CW15.434	Total water resilience and security benefit	Changes in figures reflect changes as above.

19.6. Lines 435-445: Net zero

Line no.	Line description	Change
CW15.435-445	Greenhouse gas reduction (net zero)	No change since previous submission.

19.7. Lines 446-501: Additional - freeform enhancement lines

Line no.	Line description	Change
CW15.446-456	Additional line 1 – AMP 7 lines	No change since previous submission.
CW15.457-467	Additional line 2 – eCAF enhancement water benefit	No change since previous submission.
CW15.468-478	Additional line 3 – No longer used.	No longer used.
CW15.479-489	Additional line 4 – Customer Access, Recreation, Education, enhancement water benefit.	Updated units of benefit from enhancement expenditure. The impact on the Biodiversity PC has also been provided. The total benefit value and present value is captured by other benefit drivers – e.g. land-use, as such the total benefit value and present value for the Biodiversity PC has been kept at zero to prevent double counting,
CW15.490-500	Additional line 5 – New Meters for New customers	This driver captures new meters for new customers, the costs have been moved into Developer services. In order for total benefits to PCC and Leakage PCs to be captured the benefits have been kept in Additional Line 5, as previously reported.
CW15.501	Total other enhancement benefit	Change in figures reflect changes as above.

19.8. Line 502: Total enhancement

Line no.	Line description	Change
CW15.502	Total enhancement benefit	Change in figures reflect changes as above.

20. CW17 – Accelerated programme expenditure - water resources and water network+

We do not have any approved accelerated schemes.

21. CW18 – Cost adjustment claims - base expenditure: water resources and water network+

Our representation is made up of two cost adjustment claims - we retain our catchment and nature-based solutions cost adjustment and include our new “step up in capital maintenance / base costs” cost adjustment. Our new cost adjustment claim has been introduced to reflect feedback from and engagement with Ofwat. On this basis, it has replaced, or superseded some of the claims included in our business plan (although we note, many of the considerations included in those claims continue to apply and drive the need for this new claim).

We provide further information in WSX-C20.

22. CW19 – Demand management - Leakage expenditure and activities

Line no.	Line description	Change
CW19.1	Maintain expenditure	Updated to reflect a £10.6m cut to leakage maintenance costs proposed as part of our DD response

Line no.	Line description	Change
CW19.2	Reduce expenditure	Revised based on an updated cost profile developed to deliver additional leakage performance stretch (in-line with Ofwat QAA requirements). Ofwat's draft determination sets out a new requirement for trunk main leakage reporting where the use of the 'BABE approach should be phased out by PR29' and an expectation that companies demonstrate progress towards this in their annual reporting. This is a new requirement that will involve significant investment in trunk main metering, both replacing existing meters and installing new meters. Installing meters on trunk mains is an expensive activity due to the nature of the work (large diameter mains, mitigation of supply interruptions etc.). Furthermore, the deliverability of such a large-scale metering programme alongside existing AMP8 commitments would have to be carefully considered. In the seven weeks since the publication of Ofwat's draft determination we have not had sufficient time to suitably forecast the level of expenditure required to achieve this new requirement but expect it will incur some tens of millions of pounds of targeted investment and could definitely not be funded through leakage reduction cost allocations. We would be happy to work with Ofwat over the coming months to ensure it is accurately reflected in final determinations. If that is not possible, we propose it is subject to our broader uncertainty mechanism (see WSX-M07 and WSX-C07).
CW19.13 - CW19.16	Prevent activities and attributes - company level	Values revised to reflect updated pressure management strategy for AMP8.
CW19.40 - CW19.42	Trunk main balances	Updated to reflect new requirement to bring all trunk mains within flow balances by AMP9
CW19.49	Smart networks coverage - permanent acoustic/noise loggers	Updated to reflect uplift in AMP7 activity, coverage forecast to hold over AMP8.
CW19.55 CW19.56	Number of mains repairs	Updated to reflect revised forecast for 24/25 based on outturn data for 23/24 and Ofwat's proposed AMP8 PCL profile for mains repairs.
CW19.57 CW19.58	Average run time for mains repairs	Updated to reflect reduced run times in 23/24 and a glidepath to small further reduction across AMP8 based on revised forecast
CW19.69, CW19.70, CW19.81, CW19.82, CW19.93, CW19.94	Average run time for mains fittings repairs, communication pipe repairs and supply pipe repairs.	Updated forecast for 24/25 onwards to hold at reported 23/24 number.

23. CW20 – Water mains; asset condition

Line no.	Line description	Change
No change from business plan submission		

24. CW21 – Water - net zero enhancement schemes

Line no.	Line description	Change
CW21_1	Decarbonised fleet infrastructure	The only change made to CWW22 since the original submission was the inclusion of electric vehicle charging infrastructure. **This was made in response to an Ofwat query**.