

IAP Response

Ref B3.B

Data tables Changes

1 April 2019 (Revised)

The table below lists all of the changes that have been made to the PR19 Business Plan tables published on 1 April 2019. The full set of tables have been published in the excel spreadsheet “B3.PR19-Business-plan-data-tables-Jan2019 WSH.xlsb.”

Changes to our resubmitted tables April 29th have been detailed below in Red text.

Table number	Contents	Line Number	Summary of changes
App1	Performance commitments (PCs) and outcome delivery incentives (ODIs)	<p>Line 1 Line 2 Line 8 Line 9 Line 10 Line 11 Line 12 Line 18 Line 19 Line 20 Line 22 Line 23 Line 34 Line 47 Line 48 Line 49 Columns 154-162</p> <p>Line 22 Column 101 and 143</p> <p>Line 24 Column 31 (2019-20) Column 41, 46, 72, 77, 106, 132 and 138</p> <p>Lines 37 to 43 column 97, 101, 132 and 143</p>	<p>Multiple App 1 data changes highlighted in the supporting document: ‘B2.4.WSH.OC Outcome Delivery Incentives IAP response’ and ‘B2.2.WSH.OC Performance Commitment Targets and Deadbands’.</p> <p>We have made adjustments to the underperformance and outperformance rates for seven of our ODIs: Asset Resilience (Reservoirs), Asset Resilience (water network+ above ground), Asset Resilience (water network+ below ground), Asset Resilience (waste network+ above ground), Asset Resilience (waste network+ below ground), Community Education and Visitors to Recreational Facilities. The changes made are highlighted in the supporting document “Supplementary Research Results and Company Response B2.25.WSH.OC ODI”</p> <p>We have also made adjustments to the units of the performance commitments for Sewer Collapses following a query from Ofwat (WSH-DD-OC-02). It should be noted that some of the values in this submission are not the same as those in the query response.</p> <p>We have updated the outperformance incentive rate for internal sewer flooding to correct an error.</p>
App1a	Outcome delivery incentive (ODI) – additional information	<p>New table (Ofwat table update)</p> <p>Line 22 column 28</p> <p>Lines 37 to 43 columns 21 and 28</p>	<p>New table requested by Ofwat for completion.</p> <p>The updates to the Outcome Delivery Incentives have been fed through to this table</p>

Table number	Contents	Line Number	Summary of changes
App1b	Performance commitments (PCs) and outcome delivery incentives (ODIs) supplemental measurement information	<p>Columns (Ofwat request)</p> <p>Line 19 column 70</p> <p>Line 22 Column 85 and 89</p> <p>Line 24 column 126</p> <p>Line 37-43 column 60, 65 and 126</p>	<p>Ofwat Column ref 126 and 127 P10 and P90 values associated performance commitment levels for ODI's</p> <p>We spotted an error in the outperformance deadband for Business Customer Satisfaction (line 19) and the deadband now aligns with that previously stated in APP1.</p> <p>All other changes relate to our adjustments to the Outcome delivery incentives described in "Supplementary Research Results and Company Response B2.25.WSH.OC ODI"</p>
App2	Leakage additional information and old definition reporting	Lines 8 - 9 (Ofwat request)	Ofwat have requested the data to be replicated in App 2 as new lines, line 8 total connected properties at year end (also reported in Ws3 line 8), and line 9, total length of potable mains as at 31 March (also reported in Wn2 line 1) with different item references.
App4	Customer metrics	<p>Lines 1 – 2 (Ofwat table update)</p> <p>Lines 9 – 15 (Ofwat table update)</p> <p>Lines 9 – 21 Lines 22 – 29 & 31 (Ofwat table update)</p>	<p>Additional lines added by Ofwat.</p> <p>WSH-IAP-AV-005 (10 October 2018) introduced a new table for us to complete to expand on the information that had been supplied in App4.</p> <p>Ofwat amended the table requesting additional data out to 2030 and updated their definitions relating to PSR.</p>
App7	Proposed price limits and average bills	Section E	Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
App8	Appointee financing	Section A	Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.

Table number	Contents	Line Number	Summary of changes
App10	Financial ratios	Line 12	<p>The target credit rating for the notional company in App10 has changed to Baa1/BBB+/BBB+.</p> <p>Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.</p>
App11	Income statement based on the actual company structure		Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
App11a	Income statement based on the notional company structure		Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
App12	Balance sheet based on the actual company structure		Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
App12a	Balance sheet based on the notional company structure		Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
App 13	Trade receivables		Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
App 14	Trade and other payables	Line 12 (Ofwat request)	<p>New line requested by Ofwat App 14 line 12 - Retail Tax Creditor.</p> <p>Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.</p>
App15	Cashflow based on the actual company structure		Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
App15a	Cashflow based on the notional company structure		Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.

Table number	Contents	Line Number	Summary of changes
App16	Tangible fixed assets	<p>Lines 41 – 49 (Ofwat request)</p> <p>Line 10 Line 14 Line 15 Line 26 Line 30 Line 31</p> <p>Lines 10 – 11 Lines 14 – 15 Line 26 Lines 30 - 31</p>	<p>App 16 now requires the annual asset life to be provided in new lines provided by Ofwat.</p> <p>Changes to fixed assets arising from the split of grants and contributions to operating costs and the reallocation of capital expenditure from retail to wholesale water controls</p> <p>As Grants and Contributions have been split into Opex and Capex, new lines have been provided by Ofwat.</p> <p>Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.</p>
App17	Appointee revenue summary		All calculated cells.
App18	Share capital and dividends		Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
App19	Debt and interest costs	<p>Lines 23 – 26 (Ofwat amendment)</p>	<p>App 19 lines 23-26 the cells were previously set as a % unit of measure. The April Tables request the units to be in £m.</p> <p>Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.</p>
App26	RoRE Scenarios	<p>Lines 65 – 70 & 71 – 76</p> <p>Line 65-76</p>	<p>As our ODI package has changed an update of this table has been provided.</p> <p>As our ODI package has changed an update of this table has been provided.</p>
App29	Wholesale tax	<p>Lines 1 – 18 (Ofwat request)</p> <p>Lines 19 – 45 (Ofwat table update)</p>	<p>Ofwat requested a different percentage split on allowances.</p> <p>The different percentage split arising required updating actual expenditure.</p>
WS1	Wholesale water operating and capital expenditure by business unit	<p>Line 7 & 15</p> <p>Line 20 - 22 (Ofwat table update)</p>	<p>Line 7 – Reallocation of overheads from retail Line 15 – Capital expenditure reallocation from retail</p> <p>Ofwat have added lines in the tables to allow for the entry of grants and contributions to both opex and capex to follow the treatment in the APR.</p>

Table number	Contents	Line Number	Summary of changes
WS1a	Wholesale water operating and capital expenditure by business unit including operating leases reclassified under IFRS16	Line 7 & 15	Line 7 – Reallocation of overheads from retail Line 15 – Capital expenditure reallocation from retail
WS2	Wholesale water capital and operating enhancement expenditure by purpose	Lines 14, 8, 13 & 17	We have moved the investment for <ul style="list-style-type: none"> • Vowchurch from line 14: Resilience to line 8: Supply side enhancements; • Brecon Beacons mega-catchment from line 14: Resilience to line 13: Raw water deterioration; • NEP Catchments from line 14: Resilience to line 17: Drinking Water Protected Areas.
		Line 47 & 53	We have moved the investment for <ul style="list-style-type: none"> • Vowchurch Opex costs from line 53 resilience to line 47 supply side enhancements to align with the capex change • Principle use adjustment for water resources from line 14 resilience to line 17 Drinking water protected areas.
		Line 14	Addition of capital expenditure reallocation from retail
		Line 5 & 28	Separation of Zonal studies from line 5 Improving taste / odour / colour to new freeform line 28 Network quality (new legal obligation)
		Line 26 & 29	Separation of investment case for Project Cartref from the line 26 leakage to new freeform line 29 Project Cartref
WS2a	Wholesale water cumulative capital enhancement expenditure by purpose	Line 14, 8, 13, 17, 47, 53, 5, 28, 26, 29	Replication of changes to WS2
WS3	Wholesale water properties and population	Line 16	Response to query WSH-IAP-CA-003
WS4	Wholesale water other explanatory factors	Lines 2 & 3	Response to query WSH-IAP-CA-004
WS18	Explaining the 2019 Final Determination for the water service	Line 9	Change in average bill over the period.
Wr2	Wholesale water resources opex	Line 5	Line 5 – Opex reallocation from Retail

Table number	Contents	Line Number	Summary of changes
Wr3	Wholesale revenue projections for the water resources price control	Line 25 – 28 (Ofwat table update)	Ofwat have added lines in the tables to allow for the entry of grants and contributions to both opex and capex to follow the treatment in the APR. Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
Wr8	Wholesale water resources special cost factors	Line 3	Error in the previously supplied tables. There was a misalignment between WS2 and Wr8 as the third party cost adjustment (S20) had not been applied to Wr8.
Wn1	Wholesale water network plus explanatory factors	Lines 41 – 48	Response to query WSH-IAP-CA-011
Wn3	Wholesale revenue projections for the water network plus price control	Line 25 -28 (Ofwat table update)	Ofwat have added lines in the tables to allow for the entry of grants and contributions to both opex and capex to follow the treatment in the APR. Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
Wn6	Wholesale water network plus special cost factors	Line 3, Lines 7 & 8	Correction of an error in the previously supplied tables. There was a misalignment between WS2 and Wn6. Costs updated to reflect only those costs not covered by DWI notices. Correction of an error in the previously supplied tables. There was a misalignment between WS2 and Wn6.
WWS1	Wholesale wastewater operating and capital expenditure by business unit	Line 7 Line 20 – 22 (Ofwat table update) Line 23	Line 7 – Opex reallocation from Retail. Ofwat have added lines in the tables to allow for the entry of grants and contributions to both opex and capex to follow the treatment in the APR. Response to query WSH-APR-CA-005
WWS1a	Wholesale wastewater operating and capital expenditure by business unit including operating leases reclassified under IFRS16	Lines 7, 20-23	WWS1a updated to reflect a change made in WWS1
WWS2	Wholesale wastewater capital and operating expenditure by purpose	Line 31 Line 27 & 30	We have deleted the investment input to line 31 Private Sewers Restating sewer flooding investment as Resilience investment in line with the cost assessment analysis
WWS2a	Wholesale wastewater cumulative capital enhancement expenditure by purpose	Line 27, 30 & 31	WWS2a updated to reflect changes in WWS2

Table number	Contents	Line Number	Summary of changes
WWS3	Wholesale wastewater properties and population	Lines 7 & 11	Response to query WSH-APR-CA-012
WWS8	Third party costs by business unit for the wholesale wastewater service	Line 6	Response to query WSH-IAP-CE-004
WWS18	Explaining the 2019 Final Determination for the wastewater service	Line 11	Change in average bill over the period.
WWn1	Wholesale wastewater sewage treatment operating expenditure	Line 6 & 8	Line 6 – Opex reallocation from Retail Line 8 – Opex reallocation from Retail
WWn4	Sewage treatment works explanatory factors	Line 18	Response to query WSH-APR-CA-013
WWn5	Wholesale revenue projections for the water network plus price control	Line 25 – 28 (Ofwat table update)	Ofwat have added lines in the tables to allow for the entry of grants and contributions to both opex and capex to follow the treatment in the APR. Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
Bio3	Wholesale wastewater sludge opex	Line 5 & 13	Line 5 – Opex reallocation from retail Line 13 – Opex reallocation from retail
Bio4	Wholesale revenue projections for the wastewater Bioresources price control	Lines 27 – 29	The change has arisen from the adjustment of the Bioresources revenue requirement from the transfer of costs from Retail to wholesale. Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.
R1	Residential retail	All lines	Reallocation of overheads and capital expenditure to business retail and wholesale controls
R2	Residential retail special cost factors	Lines 1 – 4	We have submitted a special cost claim to reflect the additional costs of providing a bilingual language service (Welsh)
R4	Business retail ~ Welsh companies	Line 1, 4 & 7	Reallocation of overheads from residential retail
R7	Revenue and cost recovery for retail		Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.

Table number	Contents	Line Number	Summary of changes
R8	Net retail margins		Lines which are outputs from the financial model have been updated to reflect the revised financial model and changes made to tables as a result of the response to the IAP.