

**NOTIFIED ITEM**

For the purpose of this determination Ofwat has assumed that the cumulative increase in the numbers of measured household customers arising from the exercise of the free meter entitlement under s.144A(1) of the Water Industry Act 1991 will be as specified for each year in the following table.

<b>Numbers of Household Meter Optants between 1 October 2000 and 30 September in the Year</b>			
<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
3,333	5,833	7,333	8,333

Any difference between the assumed cumulative number and the actual, cumulative number at 30 September in the year in question is a Notified Item.

The costs attributable to the Notified Item shall be interpreted to comprise:

- (i) the difference in capital expenditure to be attributed to the provisions and installation of a different number of meters;
- (ii) the difference in annual operating expenditure to be attributed to the provision of measured charging for a different number of customers;
- (iii) the extent to which annual revenues accruing to the company from standard charges are different as a result of the cumulative number of household optants varying from the numbers specified above.

19 December 2000