

Guidance for completing the  
Principal Statement  
Information Capture System  
2009-10

Also including

Guidance for completing the consistency calculations information capture system

Guidance for completing the special agreement information capture system

Guidance for completing the large user information capture system

Audit requirements

Guidance for Reporters

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## 1. Introduction

The purpose of completing the principal statement information capture system (PSICS) is to enable Ofwat to check that your proposed charges for the coming charging year comply with statutory and Ofwat requirements. All the sections of the PSICS are presented in Excel spreadsheet format.

The principal statement (PS) section of the PSICS calculates the year-on-year increase in the numeric values of each of the tariff basket charges that you are proposing for 2009-10. The increases are weighted to give a weighted average charges increase (WACI), which should not exceed your Charges Limit (RPI+K+U).

This annex contains guidance on how to complete your PS in compliance with Licence Condition B. It is organised into chapters, each dealing with a different section of the PS. It also contains guidance on how to complete the other sections of the PSICS, consistency calculations information capture system (CCICS), large user information capture system (LGUICS) and special agreement information capture system (SAICS), as well as setting out what we require from your Auditor and Reporter.

Colour coding within the PS spreadsheet:

- Generally, cells that require you to enter data are shaded blue.
- Numbers that show in red have been entered by us using information that you provided in either your 2008-09 PS or your 2008 June Return (JR). Any changes you make to these numbers will be flagged up by the system and they will change colour. **Please explain any changes in your covering letter.**
- Numbers that show in black are generally calculated cells and cannot be altered.

## 2. Front page of the principal statement

The front page of the PS is referred to as Section 0. Much of this section feeds from the sections that follow, although you will need to enter some of the details yourself. A guide to the entries in this section follows (see figure 1 below):

- A. Enter the name of your auditor, date of submission and the contacts for queries for your company.
- B. K for undertaker – Your **K** factor, as shown in your final or interim determination, will appear here to two decimal places.
- C. Carry over unused last year – Your **U** factor (the amount of unused K carried over from last year) will appear here to two decimal places. Condition B requires that you can only utilise your **U** factor if it is not attributable to any Charging Year ended three or more years previously.
- D. Change in RPI – The **Change in RPI** will appear here to 2 decimal places. This figure is calculated from cells K26 and K27 in Section 0 of your PS.

Cell K26 contains the 'All Items' RPI for November 2007 which was 209.7. You used this figure in your 2008-09 PS.

Cell K27 contains the 'All Items' RPI for November 2008. The Office of National Statistics will release this index on Tuesday 16 December at 9.30am.

However, for the purposes of your draft PS, we have used 219.3 as our forecast for this index. You must not change this figure, which produces a Change in RPI figure of 4.58%.

We will issue a further RD letter on the date of release of the 'All Items' RPI for November 2008 to confirm its value. You can verify the figure yourself on that date either by telephoning 0207 533 5866 to listen to a recorded message or by visiting [http://www.statistics.gov.uk/press\\_Release/CurrentReleases.asp](http://www.statistics.gov.uk/press_Release/CurrentReleases.asp).

When you prepare your final PS, please overwrite cell K27 with the confirmed actual figure. The spreadsheet will automatically re-calculate the **Change in RPI** figure to two decimal places.

**It is important that you carry out this procedure correctly. Any mistake could delay us in approving your charges scheme (CS) and agreeing your PS.**

- E. Charges Limit – This is the sum of the **K** factor, **U** factor and **Change in RPI** rounded to two decimal places. The **Charges Limit** is the maximum amount by which the weighted average numeric values of your charges may increase in this year.
- F. Weighted average charges increase – This is referred to as **WACI** and is the increase in your overall weighted average charge. (See I below).

- G. Carry forward – The difference between your **Charges Limit** and your **WACI** will show here. This difference is calculated to full Excel accuracy, but rounded to two decimal places. A negative number would indicate that your WACI exceeds your Charges Limit; this is not acceptable on Condition B grounds. If the difference is positive, this will become your **U** in your PS for the next charging year. However, if that charging year is the first year in a new periodic review period then the **U** will be zero.
- H. Revenue from standard charges – We have sourced these figures from your Regulatory Accounts (RA) in table 23 of your 2008 JR returns. If any relevant figure in this table has changed between now and the time you submitted your returns, then you can overtype that figure with the updated one. But you must explain any such changes to us in your covering letter.
- I. Weighted average charges increase (WACI) – This is calculated in accordance with the tariff basket formula laid out in Licence Condition B. It is calculated to full Excel accuracy and rounded to two decimal places. The WACI must not exceed your Charges Limit. (See F above)
- J. The figures shown here are the indicative WACIs for the water supply and sewerage services. These must not differ markedly from the indicative service Ks we set in your final or interim determination.

PRINCIPAL STATEMENT FOR THE CHARGING YEAR		2009-10		
Name of Undertaker	ABC Water PLC	WASC	} ← A	
Name of Auditor	BCD Auditors			
Date Completed	01/10/2007			
Comments				
Alternative contact	B Yellow	01111 111 112		
Contact for queries	A Orange	01111 111 111		
<b>Section 0: Weighted Average Charges Increase</b>				
<b>K for Undertaker</b>		<b>B</b> → 1.00%	← C	
Carry over unused last year		0.01%		
Change in RPI		<b>D</b> → 4.58%		
Charges Limit (Total RPI + K + Carry Over)		5.59%	← E (= B+C+D)	
<b>WEIGHTED AVERAGE CHARGES INCREASE</b>		<b>2.24%</b>	← F (see I below)	
Carry forward available for ABC Water PLC		2.25%	← G (= E-F)	
RPI NOVEMBER 2007		209.7		
RPI NOVEMBER 2008		219.3		
BASKET ITEMS	REVENUE FROM STANDARD CHARGES 2007-08 (I)	FRACTION OF TOTAL REVENUE r(i), r(j) (II)	RATIO OF BASKET ITEM At/At-1 Bt/Bt-1 (III)	WEIGHTED RATIO (IV)=IIxIII
1. UNMEASURED WATER	26,202	28.42%	1.03019387	0.29281488
2. UNMEASURED SEWERAGE	35,369	38.37%	1.01193441	0.38825306
3. MEASURED WATER	10,807	11.72%	1.05525602	0.12370941
4. MEASURED SEWERAGE	18,415	19.98%	1.01313653	0.20238552
5. TRADE EFFLUENT	1,392	1.51%	1.00862375	0.01523029
TOTAL	92,185	100.00%		1.02239316
<b>WEIGHTED AVERAGE CHARGES INCREASE = <math>W_t = (IV) - 1</math></b>				<b>2.24%</b>
Weighted average charges increase for Water				3.75%
Weighted average charges increase for Sewerage				1.23%

Fig 1

### 3. Unmeasured charges

This chapter is relevant for both unmeasured water and unmeasured sewerage basket items (ie Sections 1 and 2 of the PS). Fig 2 below shows the unmeasured water basket item as an example of the layout of both sections.

- A. This column contains a unique reference for each charge. The first two letters show which basket it belongs to (eg UW = unmeasured water, US = unmeasured sewerage), the next letters show the type of charge (eg SC = standing charge), the number at the end distinguishes it from other charges of that type.
- B. This column shows the description of the charges.
- C. We have pre-loaded the numeric values of your 2008-09 unmeasured water charges in this column.
- D. You need to enter the proposed numeric values for your unmeasured water charges for 2009-10 in this column. You must enter the charges in £ to two decimal places except for rateable value and volumetric charges, where you must enter to four decimal places. **Entering charges to more decimal places may mean that you have to resubmit your PS.**
- E. The spreadsheet will calculate the % increase in each numeric value and this will show in this column.
- F. We have pre-loaded charge multipliers as at 1 December 2007 in this column.
- G. You need to enter charge multipliers as at 1 December 2008 in this column. You should estimate these figures for the draft PS. The charge multipliers must be entered in whole units, not 000s. For example, you should enter 2,100, not 2.1.
- H. The figures in this column are the results of calculations. The Revenue "As if..." for the prior year is the product of the numeric value of prior year charge and the corresponding charge multiplier as at 1-12-07. (col C x col F)
- I. The figures in this column are the results of calculations. The Revenue "As if..." for the charging year is the product of the numeric value of charging year charge and the corresponding charge multiplier as at 1-12-08. (col D x col G)
- J. We have pre-loaded chargeable supplies as at 1 December 2007 in this column.
- K. You need to enter the number of chargeable supplies as at 1 December 2008 in this column. You should estimate these figures for the draft PS. The chargeable supplies must be entered in whole units, not 000s. For example, you should enter 2,100, not 2.1.
- L. This cell shows the total Revenue "As if" for the prior year.
- M. This cell shows the total Revenue "As if" for the charging year.
- N. This cell shows the total number of chargeable supplies as at 1 December 2007.
- O. This cell shows the total number of chargeable supplies as at 1 December 2008.
- P. This cell shows the average charge per chargeable supply for the prior year. (cell L ÷ cell N)

- Q. This cell shows the average charge per chargeable supply in the charging year. (cell M ÷ cell O)
- R. This is the increase in the average charge per chargeable supply.  
(Cell Q ÷ Cell P)
- S. This is referred to in this guidance as the "Main section" of the tariff basket item.
- T. This is referred to in this guidance as the "Other charges section" of the tariff basket item. You should only enter in this section either any new charges or any existing charges that have been omitted from the main section. See section 3.1 below for guidance on how to enter new unmeasured charges.

Unmeasured Water											
Standing Charges			Charges (£.p)			Charge Multiplier		Revenue "As If..."		Chargeable Supplies	
Line	Description	prior year 2008-09	charging year 2009-10	% Change	at 1-12-07	at 1-12-08	prior year 2008-09	charging year 2009-10	at 1-12-07	at 1-12-08	
A	B	C	D	E	F	G	H	I	J	K	
<b>1.001 Standing Charges</b>											
1.002	UWSC01	General	10.00	11.00	10.0%	100	100	1,000	1,100	100	100
1.003	UWSC02	Domestic	11.00	12.10	10.0%	20	20	220	242	20	20
1.004	UWSC03	Business									
<b>1.005 Rateable Value Charges</b>											
1.006	UWRV01	General	0.8000	0.8800	10.0%	20,000	20,000	16,000	17,600	0	0
1.007	UWRV02	Domestic	0.4000	0.4400		4,000	4,000	1,600	1,760	0	0
1.008	UWRV03	Business									
<b>1.009 Other Charges</b>											
								L	M	N	O
<b>TOTALS</b>			-	-	-	-	-	18,820.00	20,702.00	120.00	120.00
<b>AVERAGE CHARGE PER CHARGEABLE SUPPLY</b>								156.83	172.52		
<b>RATIO OF AVERAGE CHARGES PER CHARGEABLE SUPPLY</b>								P	Q		
<b>At(1)/At-1(1) = (VI x VII) / (VIII x V) =</b>								R	1.1000000		

Fig 2

### 3.1 Entering new unmeasured charges

The example below describes the method for entering a new unmeasured charge that becomes effective in the charging year 2009-10 (ie Year 1 in the example).

#### Year 0 (see figure 3 below)

A. The existing charges were shown in the main section in the 2008-09 PS.

Year 0 (2008-09)									
Description	Charges (£.p)			Charge Multiplier		Revenue "As if..."		Chargeable Supplies	
	prior year 2007-08	charging year 2008-09	% Change	at 1-12-06	at 1-12-07	prior year 2007-08	charging year 2008-09	at 1-12-06	at 1-12-07
<b>Standing charges</b>									
General 1	10.00	11.00	10.0%	100	100	1,000	1,100	100	100
General 2	15.00	16.50	10.0%	20	20	300	330	20	20
<b>Other charges</b>									
<b>TOTALS</b>									
	-	-	-	-	-	1,300.00	1,430.00	120.00	120.00
Average charge per chargeable supply						10.83	11.92		
Ratio of average charges per chargeable supply						1.1000000			

Fig 3

### 3.1.1 If the new charge is a refinement of an existing charge

#### Year 1 (see figure 4 below)

- B. Enter a description for each new charge on one line in the "Other charges" section.
- C. Enter zero as the numeric value of the new charge in the prior year charge column.
- D. Enter the proposed numeric value of the new charge in the charging year charge column.
- E. Enter zero in the charge multiplier 1-12-07 column.
- F. Enter the charge multiplier that would have been subject to the new charge on 1 December 2008 if the new charge had existed at that time. In this example 30 customers would have been subject to the new charge on that date.
- G. Ensure that the charge multiplier(s) for the existing charge(s) excludes those customers moving to the new charge. In this example, 20 customers will be moving from the General1 charge, and 10 customers from the General2 charge.
- H. Enter zero in the prior year chargeable supplies column.
- I. Enter the number of chargeable supplies that would have been subject to the new charge at 1 December 2008.
- J. Ensure that the number of chargeable supplies for the existing charge(s) excludes those customers moving to the new charge.

Year 1 (2009-10)									
Description	Charges(£.p)			Charge Multiplier		Revenue "As if..."		Chargeable Supplies	
	prior year 2008-09	charging year 2009-10	% Change	at 1-12-07	at 1-12-08	prior year 2008-09	charging year 2009-10	at 1-12-07	at 1-12-08
<b>Standing charges</b>									
General 1	11.00	12.10	10.0%	100	80	1,100	968	100	80
General 2	16.50	18.15	10.0%	20	10	330	182	20	10
<b>Other charges</b>									
New charge	0.00	14.00	#DIV/0!	0	30	0	420	0	30
<b>TOTALS</b>	-	-	-	-	-	1,430.00	1,569.50	120.00	120.00
Average charge per chargeable supply						11.92	13.08		
Ratio of average charges per chargeable supply						1.0975524			

Fig 4

## Year 2 (see figure 5 below)

- K. A code will be allocated to the new charge and it will be moved from the Other charges section to the Main section.
- L. The approved numeric value of the new charge in 2009-10 will show in the prior year charge column.
- M. Enter the proposed numeric value of the new charge for 2010-11 in the charging year charge column.
- N. The charge multiplier that would have been subject to the new charge at 1 December 2008 will be shown here.
- O. Enter the charge multiplier that was subject to the new charge at 1 December 2009.
- P. The number of chargeable supplies that would have been subject to the new charge at 1 December 2008 will be shown here.
- Q. Enter the number of chargeable supplies that were subject to the new charge at 1 December 2009.

Year 2 (2010-11)										
Description	Charges (£.p)			Charge Multiplier		Revenue "As If..."		Chargeable Supplies		
	prior year 2009-10	charging year 2010-11	% Change	at 1-12-08	at 1-12-09	prior year 2009-10	charging year 2010-11	at 1-12-08	at 1-12-09	
<b>Standing charges</b>										
General 1	12.10	13.31	10.0%	80	80	968	1,065	80	80	
General 2	18.15	19.97	10.0%	10	10	182	200	10	10	
New charge	14.00	15.40	10.0%	30	30	420	462	30	30	
<b>Other charges</b>										
<b>TOTALS</b>	-	-	-	-	-	1,569.50	1,726.50	120.00	120.00	
Average charge per chargeable supply						13.08	14.39			
Ratio of average charges per chargeable supply						1.1000319				

Fig 5

### 3.1.2 If the new charge is not a refinement of an existing charge

This applies to supplies that were not previously charged but which are not made to new customers.

#### Year 1 (see figure 6 below)

- B. Enter a description for each new charge on one line in the “other charges” section.
- C. Enter zero as the numeric value of the new charge in the prior year charge column.
- D. Enter the proposed numeric value for the new charge in the charging year charge column.
- E. Enter zero in the charge multiplier 1-12-07 column.
- F. Enter the charge multiplier that would have been subject to the charge on 1 December 2008 if the new charge had existed at that time. In this example 30 customers would have been subject to the new charge on that date.
- G. Ensure that the charge multiplier(s) for the existing charge(s) excludes those customers moving to the new charge. In this example, 20 customers will be moving from the General1 charge, and 10 customers from the General2 charge.
- H. Enter the number of chargeable supplies that would have been subject to the new charge at 1 December 2007.
- I. Enter the number of chargeable supplies that would have been subject to the new charge at 1 December 2008.
- J. Ensure that the number of chargeable supplies for the existing charge(s) excludes those customers moving to the new charge.

Year 1 (2009-10)										
Description	Charges(£.p)			Charge Multiplier		Revenue "As If..."		Chargeable Supplies		
	prior year 2008-09	charging year 2009-10	% Change	at 1-12-07	at 1-12-08	prior year 2008-09	charging year 2009-10	at 1-12-07	at 1-12-08	
<b>Standing charges</b>										
General 1	11.00	12.10	10.0%	100	80	1,100	968	100	80	
General 2	16.50	18.15	10.0%	20	10	330	182	20	10	
<b>Other charges</b>										
New charge	0.00	14.00	#DIV/0!	0	30	0	420	30	30	
<b>TOTALS</b>	-	-	-	-	-	1,430.00	1,569.50	150.00	120.00	
Average charge per chargeable supply						9.53	13.08			
Ratio of average charges per chargeable supply						1.3719406				

Fig 6

## Year 2 (see figure 7 below)

- K. A code will be allocated to the new charge and it will be moved from the Other charges section to the Main section.
- L. The approved numeric value of the new charge in 2009-10 will show here.
- M. Enter the proposed numeric value of the new charge for 2010-11 here.
- N. The charge multiplier that would have been subject to the new charge at 1 December 2008 will show here.
- O. Enter the charge multiplier that was subject to the new charge at 1 December 2009 here.
- P. The number of chargeable supplies that would have been subject to the new charge at 1 December 2008 will show here.
- Q. Enter the number of chargeable supplies that were subject to the new charge at 1 December 2009 here.

Year 2 (2010-11)									
Description	Charges (£.p)			Charge Multiplier		Revenue "As If..."		Chargeable Supplies	
	prior year 2009-10	charging year 2010-11	% Change	at 1-12-08	at 1-12-09	prior year 2009-10	charging year 2010-11	at 1-12-08	at 1-12-09
<b>Standing charges</b>									
General 1	12.10	13.31	10.0%	80	80	968	1,065	80	80
General 2	18.15	19.97	10.0%	10	10	182	200	10	10
New charge	14.00	15.40	10.0%	30	30	420	462	30	30
<b>Other charges</b>									
<b>TOTALS</b>	-	-	-	-	-	1,569.50	1,726.50	120.00	120.00
Average charge per chargeable supply						13.08	14.39		
Ratio of average charges per chargeable supply				1.1000319					

Fig 7

### 3.1.3 If the new charge is for new customers including Insets

This applies to new customers that are subject to new charges. Customers brought in on existing charges are incorporated by including the relevant multipliers from the new customers within the multipliers for the existing charges.

The method for new charges is described below as if the new customers were charged for the first time in the charging year 2009-10. You must enter zeros in the corresponding charge multiplier columns until actual data is available for the dates specified.

#### Year 1 (see figure 8 below)

- Enter one line for each new charge in the "Other charges" section of the relevant basket item.
- Enter zero as the numeric value of the new charge in the prior year charge column.
- Enter the proposed numeric value for the new charge in the charging year charge column.
- Enter zero in the charge multiplier 1-12-07 column.
- Enter zero in the charge multiplier 1-12-08 column.
- Enter zero in the chargeable supplies 1-12-07 column.
- Enter zero in the chargeable supplies 1-12-08 column.

Year 1 (2009-10)									
Description	Charges (£.p)			Charge Multiplier		Revenue "As If..."		Chargeable Supplies	
	prior year 2008-09	charging year 2009-10	% Change	at 1-12-07	at 1-12-08	prior year 2008-09	charging year 2009-10	at 1-12-07	at 1-12-08
<b>Standing charges</b>									
General 1	11.00	12.10	10.0%	100	80	1,100	968	100	80
General 2	16.50	18.15	10.0%	20	10	330	182	20	10
<b>Other charges</b>									
Inset	0.00	12.00	#DIV/0!	0	0	0	0	0	0
<b>TOTALS</b>									
	-	-	-	-	-	1,430.00	1,149.50	120.00	90.00
Average charge per chargeable supply						11.92	12.77		
Ratio of average charges per chargeable supply				1.0717949					

Fig 8

## Year 2 (see figure 9 below)

- H. A code will be allocated to the new charge and it will be moved from the Other charges section to the Main section.
- I. The approved numeric value of the new charge for 2009-10 will show in the prior year charge column.
- J. Enter the proposed numeric value of the new charge for 2010-11 in the charging year charge column.
- K. Enter zero in the 1-12-08 charge multiplier column.
- L. Enter the charge multiplier for 1 December 2009.
- M. Enter zero in the 1-12-08 chargeable supplies column.
- N. Enter the number of chargeable supplies that was subject to the charge at 1 December 2009.

Year 2 (2010-11)										
Description	Charges(£.p)			Charge Multiplier		Revenue "As if..."		Chargeable Supplies		
	prior year 2009-10	charging year 2010-11	% Change	at 1-12-08	at 1-12-09	prior year 2009-10	charging year 2010-11	at 1-12-08	at 1-12-09	
<b>Standing charges</b>										
General 1	12.10	13.31	10.0%	80	80	968	1,065	80	80	
General 2	18.15	19.97	10.0%	10	10	182	200	10	10	
Inset	12.00	13.20	10.0%	0	20	0	264	0	20	
<b>Other charges</b>										
<b>TOTALS</b>	-	-	-	-	-	1,149.50	1,528.50	90.00	110.00	
Average charge per chargeable supply						12.77	13.90			
Ratio of average charges per chargeable supply						1.0879434				

**Fig 9**

### Year 3 (see figure 10 below)

- O. The approved numeric value of the charge for 2010-11 will show in the prior year charge column.
- P. Enter the proposed numeric value of the new charge for 2011-12 in the charging year charge column.
- Q. The 1-12-09 charge multiplier will show in this column.
- R. Enter the charge multiplier for 1-12-10 in this cell.
- S. The 1-12-09 chargeable supplies will show in the prior year chargeable supplies column.
- T. Enter the number of chargeable supplies that were subject to the charge at 1 December 2010.

Year 3 (2011-12)									
Description	Charges (£.p)		% Change	Charge Multiplier		Revenue "As If..."		Chargeable Supplies	
	prior year 2010-11	charging year 2011-12		at 1-12-09	at 1-12-10	prior year 2010-11	charging year 2011-12	at 1-12-09	at 1-12-10
<b>Standing charges</b>									
General 1	12.10	13.31	10.0%	80	80	968	1,065	80	80
General 2	18.15	19.97	10.0%	10	10	182	200	10	10
Inset	13.20	14.52	10.0%	20	20	264	290	20	20
<b>Other charges</b>									
<b>TOTALS</b>	-	-	-	-	-	1,413.50	1,554.90	110.00	110.00
<b>Average charge per chargeable supply</b>						12.85	14.14		
<b>Ratio of average charges per chargeable supply</b>						1.1000354			

Fig 10

### 3.2 Abolishing an existing unmeasured charge

#### 3.2.1 If the supplies are to be transferred on to another tariff

Year 0 (see figure 11 below)

A. The existing charges were shown in the main section of the 2008-09 PS.

Year 0 (2008-09)									
Description	Charges (£.p)			Charge Multiplier		Revenue "As If..."		Chargeable Supplies	
	prior year 2007-08	charging year 2008-09	% Change	at 1-12-06	at 1-12-07	prior year 2007-08	charging year 2008-09	at 1-12-06	at 1-12-07
<b>Standing charges</b>									
General 1	10.00	11.00	10.0%	80	80	800	880	80	80
General 2	15.00	16.50	10.0%	10	10	150	165	10	10
General 3	13.00	14.30	10.0%	30	30	390	429	30	30
<b>Other charges</b>									
<b>TOTALS</b>									
	-	-	-	-	-	1,340.00	1,474.00	120.00	120.00
Average charge per chargeable supply						11.17	12.28		
Ratio of average charges per chargeable supply						1.100000			

Fig 11

## Year 1 (see figure 12 below)

- B. The approved numeric value of the charge in the prior year will show here.
- C. Enter zero as the numeric value of the charge in the charging year here.
- D. The 1-12-07 charge multiplier will show here.
- E. Enter zero as the 1-12-08 charge multiplier here.
- F. Ensure that the charge multiplier(s) for the existing charge(s) includes those customers moving from the abolished charge. In this example, 20 customers will be moving to the General1 charge, and 10 customers to the General2 charge.
- G. The 1-12-07 chargeable supplies will show here.
- H. Enter zero as the 1-12-08 chargeable supplies here.
- I. Ensure that the chargeable supplies for the existing charge(s) includes those customers moving from the abolished charge.

Year 1 (2009-10)									
Description	Charges (£.p)			Charge Multiplier		Revenue "As If..."		Chargeable Supplies	
	prior year 2008-09	charging year 2009-10	% Change	at 1-12-07	at 1-12-08	prior year 2008-09	charging year 2009-10	at 1-12-07	at 1-12-08
<b>Standing charges</b>									
General 1	11.00	12.10	10.0%	80	100	880	1,210	80	100
General 2	16.50	18.15	10.0%	10	20	165	363	10	20
General 3	14.30	0.00	-100.0%	30	0	429	0	30	0
<b>Other charges</b>									
<b>TOTALS</b>									
	-	-	-	-	-	1,474.00	1,573.00	120.00	120.00
Average charge per chargeable supply						12.28	13.11		
Ratio of average charges per chargeable supply						1.0671642			

Fig 12

## Year 2 and subsequent years

You should set the charge, charge multiplier and the chargeable supplies to zero.

### 3.2.2 If the supplies are not to be transferred on to another tariff

This applies to where the supplies will not be charged at all once the charge is abolished.

#### Year 0 (See figure 13 below)

A. The existing charges were shown in the main section.

Year 0 (2008-09)									
Description	Charges (£.p)			Charge Multiplier		Revenue "As If..."		Chargeable Supplies	
	prior year 2007-08	charging year 2008-09	% Change	at 1-12-06	at 1-12-07	prior year 2007-08	charging year 2008-09	at 1-12-06	at 1-12-07
Standing charges									
General 1	10.00	11.00	10.0%	100	100	1,000	1,100	100	100
General 2	12.00	13.20	10.0%	20	20	240	264	20	20
Other charges									
<hr/>									
<b>TOTALS</b>	-	-	-	-	-	<b>1,240.00</b>	<b>1,364.00</b>	<b>120.00</b>	<b>120.00</b>
Average charge per chargeable supply						<b>10.33</b>	<b>11.37</b>		
Ratio of average charges per chargeable supply				<b>1.1000000</b>					

**Fig 13**

## Year 1 (see figure 14 below)

- B. The approved numeric value of the charge in the prior year will show here.
- C. Enter zero as the numeric value of the charge in the charging year here.
- D. The 1-12-07 charge multiplier will show here.
- E. Enter zero as the 1-12-08 charge multiplier here.
- F. The 1-12-07 chargeable supplies will show here. You should overwrite this as zero.
- G. Enter zero as the 1-12-08 chargeable supplies here.

Year 1 (2009-10)										
Description	Charges (£.p)			Charge Multiplier		Revenue "As If..."		Chargeable Supplies		
	prior year 2008-09	charging year 2009-10	% Change	at 1-12-07	at 1-12-08	prior year 2008-09	charging year 2009-10	at 1-12-07	at 1-12-08	
<b>Standing charges</b>										
General 1	11.00	12.10	10.0%	100	100	1,100	1,210	100	100	
General 2	13.20	0.00	-100.0%	20	0	264	0	0	0	
<b>Other charges</b>										
<hr/>										
<b>TOTALS</b>	-	-	-	-	-	1,364.00	1,210.00	100.00	100.00	
Average charge per chargeable supply						13.64	12.10			
Ratio of average charges per chargeable supply						0.8870968				

**Fig 14**

## Year 2 and subsequent years

You should set the charge, charge multiplier and the chargeable supplies to zero.

### 3.3 Retaining an unmeasured charge that is not currently in use for future years

When you stop using the tariff, you should follow the procedure outlined in section 3.2.2 above for abolishing an unmeasured charge.

When you reintroduce the tariff, you should follow the procedure outlined in section 3.1.2 above for introducing a new unmeasured charge.

#### 4. Measured charges

This chapter is relevant for all three measured basket items: measured water, measured sewerage and trade effluent (Sections 3, 4 and 5 of the PS). Fig 15 below shows the measured water basket item as an example of the layout of the other measured basket items.

- A. This column contains a unique reference for each charge. The first two letters show which basket it belongs to (eg MW = measured water, MS = measured sewerage, TE = trade effluent), the following letters show the type of charge (eg SC = standing charge), the number at the end distinguishes it from the other charges of that type.
- B. This column shows the description of the related charge.
- C. We have pre-loaded the approved numeric values of your 2008-09 measured water charges in this column.
- D. You need to enter your proposed numeric values for your 2009-10 measured water charges in this column. You must enter these in £ to two decimal places except those for rateable value and volumetric charges, which you must enter to four decimal places. **It is important that numeric values of charges are entered correctly; entering them to more decimal places may mean that you have to resubmit your principal statement.**

Specific charge inputs to be noted:

- Measured sewerage - We require the gross volumetric charge, (ie before the return to sewer allowance is taken into account), to be entered with the relevant charge multiplier. This is to achieve a consistent presentation of sewerage volumetric charges for all companies. You should enter your return to sewer assumption in line MSRET01, MSRET2 and/or MSRET3; this entry will not affect the tariff basket ratio.
  - Trade Effluent – The numeric value for the 'B' charge in any of lines TEVOL07, TEVOL07A, TEVOL07B and TEVOL07SI , as well as those for the 'S' charge in any of lines TEVOL08, TEVOL08A, TEVOL08B and TEVOL08SI should be in £ per kg. Regional strengths for 'B' and 'S' should be entered in lines TERECTION01 and TERECTION02 respectively; these entries will not affect the basket ratio.
- E. The spreadsheet will calculate the % change in each numeric value in this column.
  - F. You need to enter the relevant charge multipliers in this column. These must be entered in whole units not 000s. For example, do not enter 2.1 for a charge multiplier of 2100.

You must enter charge multipliers that would enable your Weighting Year Revenues to be calculated in accordance with Licence Condition B. We have outlined below some guidance on how to calculate the charge multipliers. There may be a particular reason why you may be unable to follow this guidance. **If this is the case, you must include in the covering letter to your submission an explanation of why this was not possible and the method that you have used to calculate the charge multiplier. Your**

**Auditor must confirm that your chosen method of calculation is appropriate.**

Our guidance is as follows:

**(a) Charge multipliers for volumetric charges**

One difficulty in calculating this is that not all meters are read on 31 March each year. Companies have different ways of addressing this:

- Some companies estimate the amount of water used in each year for billing purposes. Those companies must use the same basis to calculate the charge multiplier.
- Other companies bill all the water for each billing period at the same rate; therefore some water delivered in a particular charging year will be billed at the prior year rate. Those companies must either:
  - calculate the charge multiplier on the amount of water billed at the weighting year charge; or
  - estimate the amount of water delivered in the weighting year.

We expect companies to be consistent and use the same method each year.

A further complication is that companies may adjust customers' bills for reasons such as leakage allowances. When companies calculate charge multipliers under such circumstances, they should use, as a guide, the same method that they used for their revenue analysis of turnover for RA purposes. If the analysis took into account adjustments that they made to customers' bills, then they must also take account of those adjustments when calculating the charge multiplier.

**(b) Charge multipliers for non-volumetric charges**

The measured customer base is increasing. New measured customers start to pay measured charges the moment they start to receive services; this may not be at the beginning of the charging year. It is unlikely that the rate of customers starting to pay measured charges will be constant throughout the year. However, for the sake of simplicity, we assume that the rate is constant.

You need to take account of the changing measured customer base when calculating the weighting year revenue for each non-volumetric charge. For each non-volumetric charge the charge multiplier must be calculated as either:

- the average of the number of units that could be billed under the charge at the start and end of the weighting year; or
- the number of units that could be billed under the charge at the midpoint of the weighting year.

These two options will give the same answer if there is a constant increase in the number of measured customers.

**(c) Charge multipliers for vulnerable group tariff**

If you did not forecast in your business plan that any additional customers would successfully apply for this tariff but wish to do so now in your PS, then the charge multiplier that you enter must relate to the Weighting Year. You may also enter a forecast of the number of customers that you expect to successfully apply for the tariff by 31 March 2009. This is explained in further detail in section 4.1 below.

If you forecast additional uptake of this tariff in your business plan, or if you did not forecast additional uptake in the business plan and do not wish to forecast additional uptake in the PS, then you must enter multipliers from the Weighting Year. The charge multiplier must be either:

- The number of customers on the tariff at 31 December in the Weighting Year; or
- The weighted average of the number of customers on the tariff at the beginning of the Weighting Year (weighted at 25%) and the number of customers on the tariff at the end of the Weighting Year (weighted at 75%).

(d) Charge multipliers for large users (excluded charges)

For PS purposes, large users are currently customers that do not use less than 50MI/year (250 MI if your company is wholly or mainly in Wales). You must not enter details, including charge multipliers, of any large users in the PS.

However, it is possible that an existing large user could have used less than 50MI in the weighting year. In this case, we would expect to see that customers details (volumes and the applicable charges) in the PS. You should have already reflected those details in the appropriate lines of the tables in the JR.

- G. The Weighting Year Revenue for the prior year will be shown here. This is the product of the numeric value of the charge for 2008-09 and the corresponding charge multiplier for 2007-08 (col C x col F).
- H. The Weighting Year Revenue for the charging year will be shown here. This is the product of the numeric value of the charge for 2009-10 and the corresponding charge multiplier for 2007-08 (col D x col F).
- I. We have pre-loaded the approved numeric values of your 2007-08 measured water charges in this column.
- J. The Weighting Year Revenue for the weighting year will be shown here. This is the product of the approved numeric value for the charge in 2007-08 and the corresponding charge multiplier in 2007-08 (col I x col F).
- K. This section is referred to in this guidance as the "Main section" of the relevant measured basket item.
- L. This is referred to in this guidance as the "Other charges section". You should enter in this section only the following:
  - (i) All new measured charges. (See section 4.2 below for details of how to enter new charges.)

- (ii) Adjustments to and further forecasts of the uptake of optional measured tariffs (See section 4.1.2 below for guidance on this).
  - (iii) Existing charges that do not appear in the Main section of the PS.
- M. This is the total Weighting Year Revenue for the prior year.
  - N. This is the total Weighting Year Revenue for the charging year.
  - O. This is the total Weighting Year Revenue for the weighting year.
  - P. This is the revenue for the measured basket item that is in section 0 of the PS.
  - Q. This the average charges increase for the measured basket item (cell N ÷ cell M).
  - R. This is the difference between the Weighting Year revenue for the weighting year for the basket item and the corresponding revenue in section 0 of the PS.

**Measured Water**

Line	Description	Charges (£.p)			Charge Multiplier	Weighting Year Revenue		2007-08			
		prior year 2008-09	charging year 2009-10	% Change		prior year 2008-09	charging year 2009-10	Charges 2007-08	Revenue 2007-08		
		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>J</b>
	<b>3.001 Standing Charges</b>										
	3.002 MWSC01 General	10.00	11.00	10.0%	100	1,000.00	1,100.00			22.80	2,280.00
	3.003 MWSC02 Domestic	11.00	12.10	10.0%	20	220.00	242.00			22.80	456.00
	<b>3.004 Volumetric Charges</b>										
	3.005 MWVOL01 General	0.8000	0.8800	10.0%	20,000	16,000.00	17,600.00			1.4170	28340.0000
	3.006 MWVOL02 Domestic	0.4000	0.4400	10.0%	4,000	1,600.00	1,760.00			1.2128	4851.2000
	<b>3.007 Vulnerable Group Tariff</b>										
	3.008 MWVGT01 General	150.00	165.00	10.0%	20	3,000.00	3,300.00			163.70	3,274.00
	<b>3.009 Other Charges</b>										
<b>TOTALS</b>		-	-	-	-	<b>21,820.00</b>	<b>24,002.00</b>				<b>39,201</b>
											<b>10,807,000</b>
<b>RATIO OF WEIGHTING YEAR REVENUES</b>						<b>1.1000000</b>					<b>-10,767,799</b>

Fig 15

#### 4.1. Entering charge multipliers for existing optional tariffs

##### 4.1.1. If you do not wish to forecast additional uptake in your PS

This section is applicable whether you forecast additional uptake of the tariff in your business plan or not.

##### Year 1 (see figure 16 below)

- A. The charge multiplier should be the actual weighting year multiplier for the tariff. See section 4.F(c) above for details of how to enter the weighting year multiplier.
- B. You must not enter adjustment lines or forecast further uptake of the tariff in your PS.


Measured Water									
Line	Description	Charges(£.p)		% Change	Charge Multiplier	Weighting Year Revenue		2007-08	
		prior year	charging year			prior year	charging year	Charges	Revenue
		2008-09	2009-10		2007-08	2008-09	2009-10	2007-08	2007-08
<b>Standing Charges</b>									
MWSC01	Existing	11.00	12.10	10.0%	975	10,725.00	11,797.50	22.80	22,230.00
MWSC02	Optional	20.00	22.00	10.0%	25	500.00	550.00	22.80	570.00
<b>Volumetric Charges</b>									
MWVOL01	Existing	0.8800	0.9680	10.0%	195,000	171,600.00	188,760.00	1.4170	276315.0000
MWVOL02	Optional	0.6000	0.6600	10.0%	5,000	3,000.00	3,300.00	1.2128	6064.0000
<b>Other Charges</b> } 									
<b>TOTALS</b>		-	-	-	-	185,825.00	204,407.50		305,179
								<b>REVENUE SECTION 0</b>	10,807,000
								<b>DIFFERENCE</b>	-10,501,821
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					1.1000000				

Fig 16

#### 4.1.2. If you wish to forecast additional uptake in your PS statement

This section is applicable whether or not you forecast additional uptake of the tariff in your business plan.

#### Year 0 (see figure 17 below)

- A. The charge multiplier is equal to the number of customers on the tariff by 31 March 2008.
- B. The entries in this part of the PS reflected your forecast of further uptake of the optional tariff in 2008-09.
- C. In this example you thought that 120 customers would opt for the optional tariff in 2008-09.

Year 0 (2008-09)									
Line	Description	Charges(E.p)		% Change	Charge Multiplier	Weighting Year prior year 2007-08	Revenue charging year 2008-09	2006-07	
		2007-08	2008-09					Charges 2006-07	Revenue 2006-07
<b>Standing Charges</b>									
MWSC01	Existing	20.00	22.00	10.0%	10,000	200,000.00	220,000.00	19.00	190,000.00
<b>Volumetric Charges</b>									
MWVOL01	Existing	0.6000	0.6600	10.0%	1,000,000	600,000.00	660,000.00	0.5500	550,000.0000
<b>Vulnerable Group Tariff</b>									
MWVGT01	General	80.00	88.00	10.0%	900	72,000.00	79,200.00	95.00	85,500.00
<b>Other Charges</b>									
VGT Forecast		0.00	88.00	#DIV/0!	120	0	10560		
VGT Forecast - standing charge		20.00	0.00	-100.0%	120	2400	0		
VGT Forecast - volumetric charge		0.6000	0.0000	-100.0%	120,000	72000	0		
		<b>TOTALS</b>		-	-	-	<b>946,400.00</b>	<b>969,760.00</b>	<b>825,500</b>
								<b>REVENUE SECTION 0</b>	<b>10,807,000</b>
								<b>DIFFERENCE</b>	<b>-9,981,500</b>
								<b>RATIO OF WEIGHTING YEAR REVENUES</b>	<b>1.0246830</b>

Fig 17

With these entries, you expected that by 31 March 2009 there would be 1,020 (A + C) customers on the optional tariff.

#### 4.1.2.1. Over-forecasting uptake of the optional tariff

If you over-forecast the 2008-09 uptake of the optional tariff (that is, if the number of customers you estimate to be on the tariff by 31 March 2009, is less than the sum of your charge multiplier and the forecast uptake in your 2008-09 PS), then:

#### Year 1 (see figure 18 below)

- D. With the information you have available you think that 940 customers would be on the tariff by 31 March 2009. Enter this number as the charge multiplier. This number is less than the number (1,020) you forecasted in your 2008-09 PS by 80.
- E. You make entries here to correct for over-forecasting the uptake of the optional tariff. Enter 80 and the amount of water supplied to these 80 customers as charge multipliers.
- F. If you think that the uptake of the optional tariff will increase further in 2009-10 you can make entries to reflect this here. In this example you think that 100 more customers will opt for the optional tariff in 2009-10. Enter this number as well as the associated quantity of water in this section. In subsequent years you will be able to enter adjustments if you consider that this forecast was too low or too high. Again in subsequent years, if you consider that uptake of the optional tariff will increase further then you will be able to enter further forecasts.

Year 1 (2009-10)									
Line	Description	Charges(£.p)			Charge Multiplier	Weighting Year Revenue		2007-08	
		prior year 2008-09	charging year 2009-10	% Change		prior year 2008-09	charging year 2009-10	Charges 2007-08	Revenue 2007-08
<b>Standing Charges</b>									
MWSC01	Existing	22.00	24.20	10.0%	9,960	219,120.00	241,032.00	20.00	199,200.00
<b>Volumetric Charges</b>									
MWVOL01	Existing	0.6600	0.7260	10.0%	996,000	657,360.00	723,096.00	0.6000	597600.0000
<b>Vulnerable Group Tariff</b>									
MWVGT01	General	88.00	96.80	10.0%	940	82,720.00	90,992.00	100.00	94,000.00
<b>Other Charges</b>									
VGT Adjustment		88.00	0.00	-100.0%	80	7,040.00	0.00		
VGT Adjustment - standing charge		0.00	24.20	#DIV/0!	80	0.00	1,936.00		
VGT Adjustment - volumetric charge		0.0000	0.7260	#DIV/0!	8,000	0.00	5,808.00		
VGT Forecast		0.00	96.80	#DIV/0!	100	0.00	9,680.00		
VGT Forecast - standing charge		22.00	0.00	-100.0%	100	2,200.00	0.00		
VGT Forecast - volumetric charge		0.6600	0.0000	-100.0%	10,000	6,600.00	0.00		
<b>TOTALS</b>		-	-	-	-	<b>975,040.00</b>	<b>1,072,544.00</b>		<b>890,800</b>
								<b>REVENUE SECTION 0</b>	<b>0</b>
								<b>DIFFERENCE</b>	<b>890,800</b>
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					<b>1.100000</b>				

Fig 18

With these entries, you expected that by March 31 2010 there would be 1,040 (940 + 100) customers on the optional tariff.

#### 4.1.2.2 Under-forecasting uptake of the optional tariff

If you under-forecast the 2008-09 uptake of the optional tariff (that is, if the number of customers you estimate to be on the tariff by 31 March 2009, is more than the sum of your charge multiplier and the forecast uptake in your 2008-09 PS), then:

#### Year 1 (see figure 19 below)

- D. With the information you have available you think that 1,120 customers would be on the tariff by 31 March 2009. This number is more than the number (1,020) you forecasted in your 2008-09 PS by 100. Enter the 2008-09 forecast number as the charge multiplier.
- E. You make entries here to correct for under-forecasting the uptake of the optional tariff. Enter 100 and the amount of water supplied to these customers as charge multipliers.
- F. If you think that the uptake of the optional tariff will increase further in 2009-10 you can make entries to reflect this here. In this example you think that 100 more customers will opt for the optional tariff in 2009-10. Enter this number as well as the associated volume of water in this section. In subsequent years you will be able to enter adjustments if you consider that this forecast was too low or too high. Again in subsequent years, if you consider that uptake of the optional tariff will increase further then you will be able to enter further forecasts.

Year 1 (2009-10)										
Line	Description	Charges (£.p)		% Change	Charge Multiplier	Weighting prior year 2008-09	Year Revenue charging year 2009-10	2007-08		
		2008-09	2009-10					Charges 2007-08	Revenue 2007-08	
<b>Standing Charges</b>										
MWSC01	Existing	22.00	24.20	10.0%	9.960	219,120.00	241,032.00	20.00	199,200.00	
<b>Volumetric Charges</b>										
MWVOL01	Existing	0.6600	0.7260	10.0%	996.000	657,360.00	723,096.00	0.6000	597600.0000	
<b>Vulnerable Group Tariff</b>										
MWVGT01	General	88.00	96.80	10.0%	1.020	89,760.00	98,736.00	100.00	102,000.00	
<b>Other Charges</b>										
	VGT Adjustment	0.00	96.80	#DIV/0!	100	0.00	9,680.00			
	VGT Adjustment - standing charge	22.00	0.00	-100.0%	100	2,200.00	0.00			
	VGT Adjustment - volumetric charge	0.6600	0.0000	-100.0%	10,000	6,600.00	0.00			
	VGT Forecast	0.00	96.80	#DIV/0!	100	0.00	9,680.00			
	VGT Forecast - standing charge	22.00	0.00	-100.0%	100	2,200.00	0.00			
	VGT Forecast - volumetric charge	0.6600	0.0000	-100.0%	10,000	6,600.00	0.00			
<b>TOTALS</b>		-	-	-	-	<b>983,840.00</b>	<b>1,082,224.00</b>		<b>898,800</b>	
								<b>REVENUE SECTION 0</b>		<b>0</b>
								<b>DIFFERENCE</b>		<b>898,800</b>
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					<b>1.1000000</b>					

Fig 19

With these entries, you expected that by March 31 2010 there would be 1,220 (1,020 + 100 + 100) customers on the optional tariff.

## 4.2. Introducing new measured charges

### 4.2.1. New customers on new tariffs

This section applies to new customers (eg insets) that are charged new charges. Customers brought in on existing charges are incorporated by including the relevant multipliers from the new customers within the multipliers for the existing charges.

The method for new customers on new tariffs is described below as if the tariffs were effective from the charging year 2009-10. You must enter zeros in the corresponding charge multiplier columns until actual data are available for the dates specified.

#### Year 1 (see figure 20 below)

- Enter one line for each new charge in the other charges section.
- Enter zero as the numeric value for each new charge in the prior year here.
- Enter the proposed numeric value for each new charge for 2009-10, the charging year, here.
- Enter zero in the multiplier column.

Year 1 (2009-10)										
Line	Description	Charges(£.p)		% Change	Charge Multiplier	Weighting Year Revenue		2007-08		
		prior year 2008-09	charging year 2009-10			prior year 2008-09	charging year 2009-10	Charges 2007-08	Revenue 2007-08	
<b>Standing Charges</b>										
MWSC01	General	11.00	12.10	10.0%	100	1,100.00	1,210.00	10.00	1,000.00	
<b>Volumetric Charges</b>										
MWVOL01	General	0.8800	0.9680	10.0%	20,000	17,600.00	19,360.00	0.8000	16000.0000	
<b>Other Charges</b>										
	New standing charge	0.00	20.00	#DIV/0!	0	0.00	0.00			
	New volumetric charge	0.0000	0.5500	#DIV/0!	0	0.00	0.00			
		<b>TOTALS</b>		-	-	-	18,700.00	20,570.00	17,000	
								<b>REVENUE SECTION 0</b>		10,807,000
								<b>DIFFERENCE</b>		-10,790,000
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					1.1000000					

Fig 20

**Year 2 (see figure 21 below)**

- E. Codes will be allocated to the new charges, and they will be moved from the other charges section to the main section of the PS7.
- F. The approved numeric values for each charge for 2009-10, the prior year, will show here.
- G. Enter the proposed numeric value for each new charge for 2010-11, the charging year, here.
- H. Enter zero in the charge multiplier column.

Year 2 (2010-11)									
Line	Description	Charges(£.p)			Charge Multiplier	Weighting Year Revenue		2008-09	
		prior year 2009-10	charging year 2010-11	% Change		prior year 2009-10	charging year 2010-11	Charges 2008-09	Revenue 2008-09
<b>Standing Charges</b>									
MWSC01	General	12.10	13.31	10.0%	100	1,210.00	1,331.00	11.00	1,100.00
MWSC02	New charge	20.00	22.00	10.0%	0	0.00	0.00	0.00	0.00
<b>Volumetric Charges</b>									
MVVOL01	General	0.9680	1.0648	10.0%	20,000	19,360.00	21,296.00	0.8800	17600.0000
MVVOL02	New charge	0.5500	0.6050	10.0%	0	0.00	0.00	0.0000	0.0000
<b>Other Charges</b>									
<b>TOTALS</b>		-	-	-	-	<b>20,570.00</b>	<b>22,627.00</b>		<b>18,700</b>
								<b>REVENUE SECTION 0</b>	<b>0</b>
								<b>DIFFERENCE</b>	<b>18,700</b>
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					<b>1.1000000</b>				

**Fig 21**

**Year 3 (see figure 22 below)**

- I. The approved numeric value for each new charge for 2010-11, the prior year, will show here.
- J. Enter the proposed numeric value for each charge for 2011-12, the charging year, here.
- K. Enter the charge multipliers in this column.

Year 3 (2011-12)									
Line	Description	Charges(£.p)		% Change	Charge Multiplier	Weighting Year Revenue		2009-10	
		prior year 2010-11	charging year 2011-12			prior year 2010-11	charging year 2011-12	Charges 2009-10	Revenue 2009-10
<b>Standing Charges</b>									
MWSC01	General	13.31	14.64	10.0%	100	1,331.00	1,464.00	12.10	1,210.00
MWSC02	New charge	22.00	24.20	10.0%	10	220.00	242.00	20.00	200.00
<b>Volumetric Charges</b>									
MVVOL01	General	1.0648	1.1713	10.0%	20,000	21,296.00	23,426.00	0.9680	19360.0000
MVVOL02	New charge	0.6050	0.6655	10.0%	4,000	2,420.00	2,662.00	0.5500	2200.0000
<b>Other Charges</b>									
<b>TOTALS</b>		-	-	-	-	25,267.00	27,794.00		22,970
								<b>REVENUE SECTION 0</b>	<b>0</b>
								<b>DIFFERENCE</b>	<b>22,970</b>
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					<b>1.1000119</b>				

**Fig 22**

## 4.2.2. Existing customers on new tariffs

This section applies to where the new tariff is a refinement or development of an existing tariff.

How you enter the new tariff depends on whether it is compulsory or optional. A tariff is compulsory if customers cannot opt out of it. Both methods are described below with an example of each.

### 4.2.2.1. Introducing new compulsory tariffs

When you introduce a new compulsory tariff you must enter charge multipliers for the tariff from the weighting year for those customers that would have been put on the tariff if it had been introduced in that year. The method is described below as if the new charge were effective from the charging year 2009-10 (ie the charge becomes effective in year 1 of the example).

#### Year 0 (see figure 23 below)

A. The existing charge was shown in the main section for 2008-09

Year 0 (2008-09)									
Line	Description	Charges(£.p)		% Change	Charge Multiplier	Weighting Year Revenue		2006-07	
		prior year 2007-08	charging year 2008-09			prior year 2007-08	charging year 2008-09	Charges 2006-07	Revenue 2006-07
<b>Standing Charges</b>									
MWSC01	General	10.00	11.00	10.0%	100	1,000.00	1,100.00	9.09	909.00
<b>Other Charges</b>									
		<b>TOTALS</b>		-	-	-	1,000.00	1,100.00	909
						<b>REVENUE SECTION 0</b>		10,807,000	
						<b>DIFFERENCE</b>		-10,806,091	
		<b>RATIO OF WEIGHTING YEAR REVENUES</b>						1.1000000	

Fig 23

**Year 1 (see figure 24 below)**

- B. Enter one line for each new charge in the other charges section. In this example the new charges will replace the existing charge for 25 customers. The remaining 75 customers will remain on the old charge.
- C. Enter the numeric value of the existing charge that these customers would have faced in the prior year. If the new charge encompasses more than one existing charge, show these on separate lines. Alternatively, you can enter an average of the numeric values of these charges on one line, as long as you **fully explain how you have calculated the average charge in the covering letter to your submission.**
- D. Enter the numeric value of the new charge for the charging year here.
- E. Enter the number of customers (or quantity of water etc) to which this charge would have applied if it had existed in the weighting year.
- F. Ensure that the charge multiplier for the existing charge excludes those customers moving to the new charge.

Year 1 (2009-10)									
Line	Description	Charges(£.p)		% Change	Charge Multiplier	Weighting Year Revenue		2007-08	
		prior year 2008-09	charging year 2009-10			prior year 2008-09	charging year 2009-10	Charges 2007-08	Revenue 2007-08
<b>Standing Charges</b>									
MWSC01	General	11.00	12.10	10.0%	75	825.00	907.50	11.00	825.00
<b>Other Charges</b>									
	New charge 1	11.00	22.00	100.0%	15	165.00	330.00		
	New charge 2	11.00	16.50	50.0%	10	110.00	165.00		
<b>TOTALS</b>		-	-	-	-	1,100.00	1,402.50		825
								<b>REVENUE SECTION 0</b>	<b>0</b>
								<b>DIFFERENCE</b>	<b>825</b>
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					<b>1.2750000</b>				

**Fig 24**

#### 4.2.2.2. Introducing seasonal tariffs

When introducing a seasonal tariff you must follow the procedure for entering new compulsory tariffs shown in section 4.2.2.1 above. You must base the charge multiplier on customers' actual consumption in the weighting year. The charge multiplier you enter for peak and off peak volumes must therefore reflect actual consumption for the relevant period of the weighting year. For example, if consumption is more heavily weighted towards the summer months (peak) you must reflect this in the charge multiplier for this charge. The sum of the charge multipliers for the peak and off peak volumes must equal the customers' actual consumption in the weighting year. The method is described below as if the new charge were effective from the charging year 2009 - 10.

#### Year 0 (see figure 25 below)

A. The existing charge was shown in the main section for 2008-09.

Year 0 (2008-09)									
Line	Description	Charges(£.p)		% Change	Charge Multiplier	Weighting Year Revenue		2006-07	
		prior year 2007-08	charging year 2008-09			prior year 2007-08	charging year 2008-09	Charges 2006-07	Revenue 2006-07
<b>Volumetric Charges</b>									
MWVOL01	Existing	0.6000	0.6600	10.0%	1.000000	600,000.00	660,000.00	0.5500	550000.0000
<b>Other Charges</b>									
		<b>TOTALS</b>		-	-	-	600,000.00	660,000.00	550,000
								<b>REVENUE SECTION 0</b>	10,807,000
								<b>DIFFERENCE</b>	-10,257,000
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					1.1000000				

Fig 25

**Year 1 (see figure 26 below)**

- B. Enter one line for each new charge in the other charges section. In this example, the new charges will replace the existing charge for all customers.
- C. Enter the numeric value of the existing charge that these customers would have faced in the prior year. If the new charge encompasses more than one existing charge, you should show these on separate lines. Alternatively, you can enter an average of the numeric values of these charges on one line, as long as you fully explain how you have calculated the average charge in the covering letter to your submission.
- D. Enter the numeric value of the new charge for the charging year here.
- E. Enter the number of customers (or quantity of water etc) to which this charge would have applied if the charge had existed in the weighting year.
- F. Ensure that the charge multiplier for the existing charge excludes those customers moving to the new charge. In this example, the charge multiplier is entered as zero since all customers will switch to the new tariff.

Year 1 (2009-10)									
Line	Description	Charges(£.p)			Charge Multiplier	Weighting Year Revenue		2007-08	
		prior year 2008-09	charging year 2009-10	% Change		prior year 2008-09	charging year 2009-10	Charges 2007-08	Revenue 2007-08
<b>Volumetric Charges</b>									
MWVOL01	Existing	0.6600	0.0000	-100.0%	0	0.00	0.00	0.6000	0.0000
<b>Other Charges</b>									
	New charge peak	0.6600	0.9900	50.0%	15,000	9,900.00	14,850.00		
	New charge off-peak	0.6600	0.4950	-25.0%	5,000	3,300.00	2,475.00		
<b>TOTALS</b>		-	-	-	-	13,200.00	17,325.00		0
								<b>REVENUE SECTION 0</b>	0
								<b>DIFFERENCE</b>	0
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					1.3125000				

**Fig 26**

### 4.2.2.3. Introducing new optional tariffs

When you introduce a new optional tariff you should forecast the number of customers that will take up the tariff in the charging year and use this as the charge multiplier. For other charging elements that these customers will pay, such as volumetric charges, you must use charge multipliers for these customers from the charging year.

The approach set out below is intended to protect companies from revenue losses as a result of introducing measured optional tariffs. The method is described below as if any new tariff was effective from the charging year 2009-10.

#### Year 0 (see figure 27 below)

A. The existing charges were shown in the main section for 2008-09

Year 0 (2008-09)									
Line	Description	Charges (£.p)			Charge Multiplier	Weighting Year Revenue		2006-07	
		prior year 2007-08	charging year 2008-09	% Change		prior year 2007-08	charging year 2008-09	Charges 2006-07	Revenue 2006-07
<b>Standing Charges</b>									
MWSC01	Existing	10.00	11.00	10.0%	1,000	10,000.00	11,000.00	9.09	9,090.00
<b>Volumetric Charges</b>									
MWVOL01	Existing	0.8000	0.8800	10.0%	200,000	160,000.00	176,000.00	0.7300	146,000.0000
<b>Other Charges</b>									
		<b>TOTALS</b>		-	-	-	170,000.00	187,000.00	155,090
						<b>REVENUE SECTION 0</b>		10,807,000	
						<b>DIFFERENCE</b>		-10,651,910	
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					1.1000000				

Fig 27

**Year 1 (see figure 28 below)**

- B. Enter one line for each new charge in the other charges section. In this example the new charges are forecast to replace the existing charge for 25 customers, with a combined consumption of 5000m<sup>3</sup>. The other 975 customers will remain on the old charge.
- C. Enter the numeric value of the existing charge that these customers would have faced in the prior year. If the new tariff encompasses more than one existing charge, show these on separate lines. Alternatively, you can enter an average of the numeric values of these charges on one line, as long as you fully explain how you have calculated the average charge in the covering letter to your submission.
- D. Enter the numeric value of the new charge in the charging year charge column.
- E. Enter the number of customers that you forecast will take up this charge in the charging year. In the case of volumetric charges, enter the quantity of water that these customers consumed in the weighting year. In this example, we assume that the average consumption of customers opting for the new tariff is 200m<sup>3</sup>/a so the multiplier is 200x25 = 5000.
- F. Ensure that the charge multipliers for the existing charge exclude those for the customers forecast to move to the new charge.

Year 1 (2009-10)									
Line	Description	Charges(£.p)		% Change	Charge Multiplier	Weighting Year Revenue		2007-08	
		prior year 2008-09	charging year 2009-10			prior year 2008-09	charging year 2009-10	Charges 2007-08	Revenue 2007-08
<b>Standing Charges</b>									
MWSC01	Existing	11.00	12.10	10.0%	975	10,725.00	11,797.50	10.00	9,750.00
<b>Volumetric Charges</b>									
MWVOL01	Existing	0.8800	0.9680	10.0%	195,000	171,600.00	188,760.00	0.8000	156000.0000
<b>Other Charges</b>									
	New standing charge	11.00	22.00	100.0%	25	275.00	550.00		
	New volumetric charge	0.8800	0.6600	-25.0%	5,000	4,400.00	3,300.00		
<b>TOTALS</b>									
		-	-	-	-	187,000.00	204,407.50		165,750
								<b>REVENUE SECTION 0</b>	<b>0</b>
								<b>DIFFERENCE</b>	<b>165,750</b>
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					<b>1.0930882</b>				

**Fig 28**

**In subsequent years you will be able to enter adjustments if you consider your original forecast of first year uptake was too low or too high. If in subsequent years you consider that uptake of the tariff will increase further then you will be able to enter further forecasts.**

### 4.3. Abolishing an existing measured charge

Year 0 (see figure 29 below)

A. The existing charges were shown in the main section for 2008-09

Year 0 (2008-09)										
Line	Description	Charges (£.p)			Charge Multiplier	Weighting Year Revenue		2006-07		
		prior year 2007-08	charging year 2008-09	% Change		prior year 2007-08	charging year 2008-09	Charges 2006-07	Revenue 2006-07	
<b>Standing Charges</b>										
MWSC01	Existing	10.00	11.00	10.0%	100	1,000.00	1,100.00	9.09	909.00	
MWSC02	Existing	20.00	22.00	10.0%	50	1,000.00	1,100.00	18.18	909.00	
MWSC03	Existing	15.00	16.50	10.0%	30	450.00	495.00	13.64	409.20	
<b>Other Charges</b>										
		<b>TOTALS</b>		-	-	-	<b>2,450.00</b>	<b>2,695.00</b>		<b>2,227</b>
								<b>REVENUE SECTION 0</b>		<b>10,807,000</b>
								<b>DIFFERENCE</b>		<b>-10,804,773</b>
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					<b>1.1000000</b>					

Fig 29

### 4.3.1. If the customers on the abolished charge are to transfer to another existing tariff

#### Year 1 (see figure 30 below)

- B. In this example we are abolishing the charge MWSC03. The numeric value of the abolished charge will show in the prior year charge column.
- C. Enter zero as the numeric value of the abolished charge for the charging year here.
- D. Enter zero in the charge multiplier column.
- E. Enter an adjustment line in the other charges section. If the customers that were previously charged the abolished charge will move to more than one charge, enter a separate adjustment line for each charge that the customers will move to. In this example 10 of the customers will move to MWSC01 and 20 will move to MWSC02.
- F. Enter the numeric value of the abolished charge for the prior year here.
- G. Enter the numeric value of the charge that these customers will now be charged in the charging year here.
- H. Enter the number of customers (or quantity of water, etc) which will transfer to each charge.

Year 1 (2009-10)									
Line	Description	Charges(£.p)			Charge Multiplier	Weighting Year Revenue		2007-08	
		prior year 2008-09	charging year 2009-10	% Change		prior year 2008-09	charging year 2009-10	Charges 2007-08	Revenue 2007-08
<b>Standing Charges</b>									
MWSC01	Existing	11.00	12.10	10.0%	100	1,100.00	1,210.00	10.00	1,000.00
MWSC02	Existing	22.00	24.20	10.0%	50	1,100.00	1,210.00	20.00	1,000.00
MWSC03	Existing	16.50	0.00	100.0%	0	0.00	0.00	15.00	0.00
<b>Other Charges</b>									
Adj to MWSC01	}	16.50	12.10	-26.7%	10	165.00	121.00		
Adj to MWSC02		16.50	24.20	46.7%	20	330.00	484.00		
<b>TOTALS</b>		-	-	-	-	<b>2,695.00</b>	<b>3,025.00</b>		<b>2,000</b>
								<b>REVENUE SECTION 0</b>	<b>0</b>
								<b>DIFFERENCE</b>	<b>2,000</b>
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					<b>1.1224490</b>				

Fig 30

**Year 2 (see figure 31 below)**

- I. Include within the charge multiplier(s) the customers that have moved from the abolished charge.
- J. For the abolished charge you should set the numeric value and charge multiplier to zero.

Year 2 (2010-11)									
Line	Description	Charges(£.p)		% Change	Charge Multiplier	Weighting Year Revenue		2008-09	
		prior year 2009-10	charging year 2010-11			prior year 2009-10	charging year 2010-11	Charges 2008-09	Revenue 2008-09
<b>Standing Charges</b>									
MWSC01	Existing	12.10	13.31	10.0%	110	1,331.00	1,464.10	11.00	1,210.00
MWSC02	Existing	24.20	26.62	10.0%	70	1,694.00	1,863.40	22.00	1,540.00
MWSC03	Existing	0.00	0.00	#DIV/0!	0	0.00	0.00	16.50	0.00
<b>Other Charges</b>									
		<b>TOTALS</b>		-	-	-	3,025.00	3,327.50	2,750
								<b>REVENUE SECTION 0</b>	0
								<b>DIFFERENCE</b>	2,750
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					1.1000000				

**Fig 31**

### 4.3.2. If the customers on the abolished charge will not be charged

An example of this is where the customers leave through an inset.

#### Year 1 (see figure 32 below)

B. Enter the prior year and charging year numeric values of the charges as normal

C. Enter zero as the charge multiplier

Year 1 (2009-10)										
Line	Description	Charges(£.p)		% Change	Charge Multiplier	Weighting Year Revenue		2007-08		
		prior year 2008-09	charging year 2009-10			prior year 2008-09	charging year 2009-10	Charges 2007-08	Revenue 2007-08	
<b>Standing Charges</b>										
MWSC01	Existing	11.00	12.10	10.0%	100	1,100.00	1,210.00	10.00	1,000.00	
MWSC02	Existing	22.00	24.20	10.0%	50	1,100.00	1,210.00	20.00	1,000.00	
MWSC03	Existing	16.50	18.15	10.0%	0	0.00	0.00	15.00	0.00	
<b>Other Charges</b>										
		<b>TOTALS</b>		-	-	-	2,200.00	2,420.00	2,000	
								<b>REVENUE SECTION 0</b>		0
								<b>DIFFERENCE</b>		2,000
<b>RATIO OF WEIGHTING YEAR REVENUES</b>					1.1000000					

Fig 32

+

### 4.4. Retaining a measured charge that is not currently in use for future years

Use the method in 4.4.2 above for the first year the charge is not in use. In subsequent years enter zero as the numeric values of the charge for the prior and charging years. Set the charge multiplier to zero. When you re-introduce the charge enter the charge as you would a new measured charge.

## **5. Checking for consistency between PS, RA and JR information**

It is important that information submitted at different times is consistent. If it is not it may lead to problems when we assess companies' performance or determine price limits. We cross-check information that companies submit to us for different purposes to help highlight and remedy errors.

Companies submit information to us in JR, RA and PS on a regular basis. We expect companies to ensure that this information is consistent across all these submissions. For example, we expect the measured revenue reported in the RA for 2007-08 to be consistent with the measured volumes and properties reported in the JR for the same year.

The PS takes information from both the RA and JR, therefore we use sections of it (ie columns Q and R of the measured basket items) to carry out some of our consistency checks. The workings underlying these are replicated in the Consistency Calculation Information Capture System (CCICS) which we require you to complete. Once you input all the required data in the CCICS, any inconsistencies in the reporting of revenue figures and charge multipliers (ie number of properties and volume of water) would be highlighted. The CCICS provides a section for companies to explain why the inconsistencies have occurred and, also, to input reconciling amounts.

Table 4 of the CCICS has the same objective as the first section of table 3 in the Additional Information (ie lines A3.01 to A3.16 of the Water Delivered table). Therefore once you complete the CCICS, you may choose not to complete that section. However, the other sections of the Water Delivered table must be completed.

In the following two sections we show how we check for consistency in the PS. We also show how companies should complete the relevant parts of CCICS.

### **5.1. Consistency checks for revenue**

#### **5.1.1. Reporting of Weighting Year Revenue**

For the purposes of the 2009-10 PS, the Weighting Year is 2007-08.

In Condition B, "Weighting Year Revenue" is defined as the revenue (exclusive of VAT) which would have accrued to the Appointee in the Weighting Year in respect of the specified Measured Basket Item, if all Standard Charges other than Excluded Charges (including any Non-volumetric Charge) made or to be made in respect of that Measured Basket Item in the Charging Year or, as the case may be, the Prior Year had applied."

In each of the measured baskets, Weighting Year Revenues for the Prior and Charging years are derived by multiplying the Weighting Year charge multipliers by the numeric values of the Prior and Charging Year charges respectively. If we extend this concept further, we can derive the

Weighting Year Revenue for the Weighting Year by calculating the sum of the products of the numeric values of the Weighting Year charges and the corresponding Weighting Year charge multipliers. We expect the result of this calculation to be equivalent to the measured revenue that companies report in the RA. If this is not the case and there is no valid explanation, then it implies that the PS has not been prepared in accordance with Condition B.

Some of the valid reasons why the two figures could differ include the following:

- inaccuracies in the accrual (covered below),
- specific errors on individual customer accounts
- back billing in the report year for years earlier than the weighting year being excluded from the PS.

Even though the accuracy to which the Weighting Year Revenue for the Weighting Year in the PS should be calculated is not clear in Condition B, we think that it is reasonable to set some level of materiality. In this regard, difference between the Weighting Year Revenue for the Weighting Year calculated in the PS and the corresponding figure reported in the RA should not exceed 0.1% of service turnover. We have chosen this level of materiality because price limits are set to this degree of accuracy. For a few smaller companies this level of accuracy may imply very small levels of revenue for which we do not expect any explanation if they were less than £20,000.

#### Inaccuracies resulting from accruals

Even if accruals are noticeably inaccurate we do not expect a company to restate its turnover in its RA, although we would expect that company to fully explain the inaccuracy to us.

Inaccuracies from accruals would lead to a valid difference between the Weighting Year Revenue for the Weighting Year calculated in the PS and the corresponding figure reported in the RA. This will be the case for two years: the year that the inaccuracy is corrected in the PS, but not the RA; and the following year in which the RA will be affected by the inaccuracy, but not the PS.

As correcting for a past inaccuracy resulting from accruals is likely to be a complicated process, we do not expect companies to correct for this if it is less than 1% of service turnover. But they must take account of an inaccuracy in the PS if the inaccuracy was either greater than 1% of service turnover or implied a volume greater than 1% of distribution input.

### 5.1.2. Checking for consistency between revenue reported in the RA and the Weighing Year Revenue for the Weighing Year in the PS

See figure 33 below which is table 1 in the CCICS

- 1a Please input the sum of the products of the numeric values of the weighting year charges and the corresponding weighting year charge multipliers for each measured basket item in this row. (Water only companies need only do this for the measured water basket item only.) These figures should be the same as the ones in the bottom of column R of each measured basket item. They are labelled as "O" in figure 16 above.
- 1b The revenue for each measured basket item reported in the Regulatory Accounts will show in this row.
- 1c Please input reconciling amounts here and provide sufficient explanation to avoid further correspondence if line 1f is greater or equal to 0.10%. As you keep on inputting reconciling amounts, lines 1d and 1f will change. You need not input further reconciling amounts if line 1f changes to an amount less than 0.10%.
- 1d The difference between lines 1a and 1b will show here. This takes into account any reconciling items entered in 1c.
- 1e The service turnover you reported in the Regulatory Accounts will show in this row.
- 1f This line will show 1d expressed as an absolute percentage of service turnover (line 1e).

Table 1 Revenue Consistency				Processing rule
	Water	Sewerage	Trade Effluent	
<b>Principal Statement</b>				
1a	225,232,232	253,598,000	7,680,000	input
<b>Regulatory Accounts</b>				
1b	225,868,000	253,899,000	7,211,000	from Table 23
<b>1c Reasons why PS is lower than Table 23 (£)</b>				
	450000			Input values so that the difference is within 0.1%. Provide a robust and sufficient explanation for each value. Please advise if further explanation is provided elsewhere. Please add further lines if necessary.
1d	-185,768	-301,000	469,000	calculated fields
1e	467,010,000	502,295,000		from Table 23
1f	0.04%	0.06%	0.09%	calculated fields - should be within 0.1%

Fig 33

## **5.2. Consistency checks for properties/volumes in the JR and charge multipliers in the PS**

Our approach has been to check that these reconcile within 1%. We believe that apart from the reasons listed below there are few reasons why the reconciliation should not be closer. We will keep this threshold under review and may reduce it if doing so would help information to be more robust.

Please note that in the PS the number of properties, the volume of water reported and other quantities to which charges can be applied are called charge multipliers.

### **5.2.1. Number of properties**

We expect that the sum of charge multipliers for measured water standing charges in the PS will correlate with the number of measured properties in table 7 (or table 13 for sewerage services) of the JR. We would not necessarily expect these figures to match precisely as:

- some properties may have more than one meter;
- some customers do not pay a standing charge (ie low user tariffs) and so the number of customers is not recorded in the PS.

With the exception of these two cases we would expect the two to reconcile. If they do not companies may need to examine their method of reporting, such as using a more accurate method of averaging for reporting properties in the June Return.

## 5.2.2. Checking for consistency between number of properties reported in the PS and corresponding data reported in table 7 (or table 13) of JR

### Water supply service

See figure 34 which corresponds to table 2 in the CCICS.

- 2a Please input the sum of all the charge multipliers for fixed charges in section 3 (Measured Basket item) of the PS here.
- 2b The figure in line 2a above will show here in ('000).
- 2c The figures that you reported in table 7 of your JR will show here.
- 
- 2e
- 2f The sum of lines 2c to 2e will show in this row.
- 2g Please input the number of large water users in each specified band.
- 
- 2i
- 2j The sum of lines 2g to 2i will show in this row.
- 2k The difference between lines 2f and 2j will show here.
- 2l Please input reconciling amounts here and provide sufficient explanation to avoid further correspondence if line 2n is greater or equal to 1%. As you keep on inputting reconciling amounts, lines 2m and 2n will change. You need not input further reconciling amounts if line 2n changes to an amount less than 1%.
- 2m The result of this operation (2k - 2b – 2l) will show here.
- 2n This line will show 2m expressed as an absolute percentage of 2k.

Table 2 Property Consistency for water supply service				Processing rule
<b>Principal Statement</b>				
2a	Sum of measured fixed charge multipliers from PS	Number	1360656	input
2b	Sum of measured fixed charge multipliers from PS	(000)	1,360.656	calculated field
<b>June Return</b>				
2c	Households billed measured water (external meter)	(000)	1,100.427	from Table 7
2d	Households billed measured water (not external meter)	(000)	84.265	from Table 7
2e	Non-households billed measured water	(000)	147.310	from Table 7
2f	Number of measured properties	(000)	1,332.002	calculated field
2g	Large User >250ML	(000)	0.010	input
2h	Large User >100ML	(000)	0.020	input
2i	Large User >50ML	(000)	0.050	input
2j	All Large users	(000)	0.080	calculated field
2k	Number of measured properties (adjusted)	(000)	1,331.922	calculated field
<b>2l Reasons why PS is lower than JR</b>				
	Number of extra meters (ie property has more than one meter)	(000)	-30.000	Input values so that the difference is within 1%. Provide a robust and sufficient explanation for each value. Please advise if further explanation is provided elsewhere. Please add further lines if necessary.
		(000)		
2m	Difference	(000)	1.266	calculated field
2n	Difference (%)	%	0.1%	calculated field - should be within 1%

Fig 34

Sewerage service

See figure 35 below which corresponds to table 3 in the CCICS.

- 3a Please input the sum of all the charge multipliers for fixed charges in section 3 (Measured Basket item) of the PS here.
- 3b The figure in line 3a above will show here in ('000).
- 3c The figures that you reported in table 13 of your JR will show here.
- 
- 3d
- 3e The sum of lines 3c to 3d will show in this row.
- 3f – Please input the number of large water users in each specified band.
- 3h
- 3i The sum of lines 3f to 3h will show in this row.
- 3j The difference between lines 3e and 3i will show here.
- 3k Please input reconciling amounts here and provide sufficient explanation to avoid further correspondence if line 3m is greater or equal to 1%. As you keep on inputting reconciling amounts, lines 3l and 3m will change. You need not input further reconciling amounts if line 3m changes to an amount less than 1%.
- 3l The result of this operation (3j - 3b - 3k) will show here.
- 3m This line will show 3l expressed as an absolute percentage of 3j.

Table 3 Property Consistency for sewerage service				Processing rule
<b>Principal Statement</b>				
3a	Sum of Charge multipliers from Principal Statement	Number	1420000	input
3b	Sum of Charge multipliers from Principal Statement	(000)	1,420.000	calculated field
<b>June Return</b>				
3c	Households billed measured sewage	(000)	1304.633	from Table 13
3d	Non-households billed measured sewage	(000)	107.007	from Table 13
3e	Number of measured properties	(000)	1,411.640	Calculated field
3f	Large User >250ML	(000)	0.010	input
3g	Large User >100ML	(000)	0.020	input
3h	Large User >50ML	(000)	0.050	input
3i	All Large users	(000)	0.080	Calculated field
3j	Number of measured properties in TB	(000)	1,411.560	Calculated field
3k	Reason why PS is lower than JR	(000)		Input values so that the difference is within 1%. Provide a robust and sufficient explanation for each value. Please advise if further explanation is provided elsewhere. Please add further lines if necessary.
		(000)		
		(000)		
		(000)		
		(000)		
		(000)		
3l	Difference	(000)	-8.440	calculated field
3m	Difference (%)	%	0.6%	calculated field - should be within 1%

Fig 35

### 5.2.3. Volume of water reported

We expect the sum of charge multipliers for measured water volumetric rates in the PS to correlate with the volume of billed water reported in table 10 of the JR, adjusted for supply pipe leakage for household properties not metered externally, meter under registration, and potable water delivered to large users/special agreement customers. We also expect the sum of charge multipliers for measured sewerage volumetric rates in the PS to correlate with table 14 in the JR.

The following are valid reasons why the two may not reconcile:

- Leakage rebates. Charges for water that leaks after registering on meters are rebated in certain circumstances. The volume of this water should be included in Table 10, as the water was delivered to the customers supply pipes. But as revenue for this volume of water did not accrue in the weighting year, it should not be recorded in the PS. We would not expect this volume to be included in table 14 of the JR, as we assume that water that leaks will not be collected in the sewerage system.
- Water delivered to customers on the vulnerable group tariff. These customers pay a fixed charge for this water, so the volume of this water is not recorded as a charge multiplier in the PS. But it will be included in table 10 and table 14 of the JR.
- MLE or other adjustment. Where there is a discrepancy of less than 5% in a company's water balance, the difference can be allocated to those components with the greatest uncertainty. We would not expect these adjustments to affect the charge multipliers recorded in the PS, but they may affect the water delivered to measured customers in table 10.

Please note that we would not expect inaccuracies in the accrual to be one of the reasons why the charge multipliers in the PS and the volume reported in table 10 (or table 14) do not reconcile as those inaccuracies should affect both, or both should be corrected.

**5.2.4. Checking for consistency between the volume of water supplied (discharged) reported in the PS and the corresponding figure reported in table 10 (or table 14) of JR**

Water supply service

See figure 36 which corresponds to table 4 in the CCICS.

- 4a Please input the sum of all the charge multipliers for volumetric charges in section 3 (Measured Basket item) of the PS here.
- 4b The figure in line 4a will show here expressed in MI/d unit.
- 4c – The figures that you reported in tables 7 and 10 of the JR  
4g will show here.
- 4h Please input any MLE adjustments that you applied to billed household measured volumes in table 10 of your JR.
- 4i Please input the corresponding volumes of water for any supply pipe leakage rebates provided to measured household customers.
- 4j This line will show the result of this operation:  $(4c-4f-4g-4h-4i)$
- 4k – The figures that you reported in table 10 of your JR will  
4l show here.
- 4m Please input any MLE adjustments that you applied to billed non-household measured volumes in table 10 of your JR.
- 4n Please input the corresponding volumes of water for any supply pipe leakage rebates provided to measured non-household customers.
- 4o The figures that you reported in table 10 of your JR will show here.
- 4p This line will show the result of this operation:  $(4k-4l-4m-4n-4o)$
- 4q – Please input the volume of water supplied to each large  
4s user in the specified format.
- 4t The sum of lines 4q to 4s will appear here expressed in MI/d.
- 4u The difference between lines 4p and 4t will show here.
- 4v This will show the sum of lines 4j and 4u.
- 4w Please input reconciling amounts here and provide sufficient explanation to avoid further correspondence if line 4y is greater or equal to 1%. As you keep on inputting reconciling amounts, lines 4x and 4y will change. You need not input further reconciling amounts if line 4y changes to an amount less than 1%.
- 4x This line will originally show the difference between lines 4v and 4b. But this number will change as you input reconciling amounts in line 4w.

4y

This line will show 4x expressed as absolute percentage of 4v.

Table 4 Volume Consistency for water supply service				Processing rule
<b>Principal Statement</b>				
4a	Sum of Charge multipliers from Principal Statement	m³	229939651	input
4b	Sum of Charge multipliers from Principal Statement	MI/d	629.972	calculated field
<b>June Return</b>				
4c	Billed measured household	(MI/d)	340.960	from Table 10
4d	Underground supply pipe leakage (other metered h'holds)	(l/prop/d)	38.515	from Table 10
4e	Households billed measured water (not external meter)	(000)	84.265	from Table 7
4f	Supply pipe leakage other (not external meter)	(MI/d)	3.245	calculated field
4g	Meter under-registration (measured households)	(MI/d)	12.740	from Table 10
4h	MLE (measured households)	(MI/d)	5.000	input
4i	Leakage rebates (measured households)	(MI/d)	15.000	input
4j	Registered Water Household tariff basket	(MI/d)	304.975	calculated field
4k	Billed measured non-household	(MI/d)	396.220	from Table 10
4l	Meter under-registration (measured non-households)	(MI/d)	14.540	from Table 10
4m	MLE (measured non-households)	(MI/d)	6.000	input
4n	Leakage rebates (measured non-households)	(MI/d)	0.000	input
4o	Water delivered (non-standard rates: potable)	(MI/d)	13.950	from Table 10
4p	Registered Water Non-household standard rates	(MI/d)	361.730	calculated field
4q	Large User >250ML	(m3/annum)	4,050,000	input
4r	Large User >100ML	(m3/annum)	3,380,000	input
4s	Large User >50ML	(m3/annum)	3,150,000	input
4t	Registered Water large user	(MI/d)	28.986	calculated field
4u	Registered Water Non-household tariff basket	(MI/d)	332.744	calculated field
4v	Registered Water tariff basket	(MI/d)	637.718	calculated field
4w	<b>Reasons why PS is lower than JR</b>			
	Vulnerable Group Tariff so no water billed	(MI/d)	1.546	Input values so that the difference is within 1%. Provide a robust and sufficient explanation for each value. Please advise if further explanation is provided elsewhere. Please add further lines if necessary.
	Minimum fixed charge so no water billed	(MI/d)	1.868	
		(MI/d)		
4x	<b>Difference</b>	(MI/d)	4.333	calculated field
4y	<b>Difference (%)</b>	%	0.7%	calculated field - should be within 1%

Fig 36

Sewerage service

See figure 37 which corresponds to table 5 in the CCICS.

- 5a Please input the sum of all the charge multipliers for volumetric charges in section 3 (Measured Basket item) of the PS here.
- 5b The figure in line 5a will show here expressed in MI/d unit.
- 5c The figures that you reported in table 14 of the JR will show here.
- 
- 5d
- 5e The sum of lines 5c to 5d will show in this row.
- 5f – Please input the volume of water supplied to each large user in the specified format.
- 5h
- 5i The sum of lines 5f to 5h will appear here expressed in MI/d.
- 5j The difference between lines 5e and 5i will show here.
- 5k Please input reconciling amounts here and provide sufficient explanation to avoid further correspondence if line 5m is greater or equal to 1%. As you keep on inputting reconciling amounts, lines 5l and 5m will change. You need not input further reconciling amounts if line 5m changes to an amount less than 1%.
- 5l This line will originally show the difference between lines 5j and 5b. But this number will change as you input reconciling amounts in line 5k.
- 5m This line will show 5l expressed as an absolute percentage of 5j.

Table 5 Volume Consistency for sewerage service				Processing rule
<b>Principal Statement</b>				
5a	Sum of charge multipliers from Principal Statement	m <sup>3</sup>	139839451	input
5b	Sum of charge multipliers from Principal Statement	MI/d	383.122	calculated field
<b>June Return</b>				
5c	Volume measured household domestic sewage collected	(MI/d)	297.660	from Table 14
5d	Volume measured non-h'hold domestic sewage collected	(MI/d)	117.140	from Table 14
5e	Total measured sewerage volume	(MI/d)	414.800	calculated field
5f	Large User >250ML	(m <sup>3</sup> /annum)	4,030,000	input
5g	Large User >100ML	(m <sup>3</sup> /annum)	3,360,000	input
5h	Large User >50ML	(m <sup>3</sup> /annum)	3,160,000	input
5i	Registered large user	(MI/d)	28.904	calculated field
5j	Sewerage tariff basket	(MI/d)	385.896	calculated field
5k	Reason why PS is lower than JR	(MI/d)		Input values so that the difference is within 1%. Provide a robust and sufficient explanation for each value. Please advise if further explanation is provided elsewhere. Please add further lines if necessary.
		(MI/d)		
		(MI/d)		
		(MI/d)		
		(MI/d)		
5l	Difference	(MI/d)	2.774	calculated field
5m	Difference (%)	%	0.7%	calculated field - should be within 1%

Fig 37

## **6. Additional Information Sheet**

This section deals with the additional information (AI) section of the PSICS. The AI provides us with details of the number of properties and revenues for the Weighting, Prior and Charging years. Some of the information provided in, or derived from, this section will be published in the Water and sewerage charges report and the Water and sewerage bills leaflet.

You need to submit your completed AI with your final submission.

We have preloaded parts of your AI with information that you have already provided to us. If you make any changes to this information, or the information that you provide differs from the corresponding data in your JR, then you must provide an explanation in your covering letter. Additionally, we require a report from your Reporter to accompany any changes made.

Where required, you should include data for each year about all tariff basket customers to whom you provide a measured or unmeasured water service. You should not include any data for void properties.

The AI consists of five tables: Water, Sewerage, Water Delivered, Total number of properties supplied and Declaration. The Water and Sewerage tables are split into three sections, one for each of the three years beginning with the Weighting Year.

A description the Weighting Year sections of tables 1 and 2 is provided below. The same description applies to the Prior and Charging Year sections. A description of the Total number of properties supplied and Declaration tables is also provided below.

## Water

(See figure 38 below, the descriptions below apply to prior and charging years sections as well)

- A. You must enter in this column the revenue accruing from providing water services to the properties in column B.
- B. We have preloaded your AI with the number of tariff basket properties that you provide with a water supply service. We took this information from table 7 of your JR. If your estimates of these figures have changed since you submitted your JR then you may overwrite these figures.
- C. The spreadsheet will calculate the average water bill,  $C = A \div B$ , in this column.
- D. We have preloaded your AI with the resident tariff basket population that you provide with a water supply service. This information is from table 7 of your JR.

<b>Table 1: Water</b>					
<b>Final 2007-08</b>		<b>Revenue £000s</b>	<b>Properties 000s</b>	<b>Average bill (£)</b>	<b>Resident Population 000s</b>
		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Unmeasured supplies:</b>					
A1.01	Household (exc hosepipes etc)	126,776.000	816.336	£155.30	2,084.940
A1.02	Household (inc hosepipes etc)	126,776.000	816.336	£155.30	2,084.940
A1.03	Non-household	1,902.000	14.529	£130.91	0.160
A1.04	<i>Unmeasured supplies Total</i>	128,678.000	830.865	£154.87	2,085.100
<b>Measured supplies:</b>					
A1.05	Household	120,887.000	1,015.106	£119.09	2,046.250
A1.06	Non-household	62,312.000	110.238	£565.25	74.518
A1.07	<i>Measured supplies Total</i>	183,199.000	1,125.344	£162.79	2,120.768
A1.08	<b>Unmeasured &amp; Measured supplies TOTAL</b>	<b>311,877.000</b>	<b>1,956.209</b>	<b>£159.43</b>	<b>4,205.868</b>

**Fig 38**

## Sewerage

(See figure 39 below, it applies to the other two sections as well)

- A. You must enter in this column the revenue accruing from providing sewerage services to properties in column B.
- B. We have preloaded your AI with the number of tariff basket properties that you provide with a sewerage service. We took this information from table 13 of your JR. If your estimates of these figures have changed since you submitted your JR then you may overwrite these figures.
- C. The spreadsheet will calculate the average sewerage bill,  $C = A \div B$ , in this column.
- D. We have preloaded your AI with the tariff basket resident population that you provide with a sewerage service. This information is from table 13 of your JR.

<b>Table 2: Sewerage</b>					
<b>Final 2007-08</b>					
		<b>Revenue £000s</b>	<b>Properties 000s</b>	<b>Average bill (£)</b>	<b>Resident Population 000s</b>
		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Unmeasured supplies:</b>					
A2.01	Household	126,776.000	816.336	£155.30	2,084.940
A2.02	Non-household	1,902.000	14.529	£130.91	0.160
A2.03	<i>Unmeasured supplies Total</i>	128,678.000	830.865	£154.87	2,085.100
<b>Measured supplies:</b>					
A2.04	Household	120,887.000	1,015.106	£119.09	2,046.250
A2.05	Non-household	62,312.000	110.238	£565.25	74.518
A2.06	<i>Measured supplies Total</i>	183,199.000	1,125.344	£162.79	2,120.768
A1.08	<b>Unmeasured &amp; Measured supplies TOTAL</b>	<b>311,877.000</b>	<b>1,956.209</b>	<b>£159.43</b>	<b>4,205.868</b>

**Fig 39**

**Total Number of Properties Supplied**  
(See figure 40 below)

- A. Enter the total number of tariffs basket properties for which you provide both a water supply and a sewerage service.
- B. Enter the total number of tariff basket properties for which you only provide a water supply service.
- C. Enter the total number of tariff basket properties for which you only provide a sewerage service.
- D. Enter the total number of tariff basket properties that you supply with services.

<b>For year 2007-08</b>		<b>000s</b>
A4.01	Water and Sewerage	<b>A</b> → 1,692.231
A4.02	Water only	<b>B</b> → 280.606
A4.03	Sewerage only	<b>C</b> → 827.433
A5.04	<b>TOTAL</b>	<b>D</b> → 2800.270

**Fig 40**

**Declaration**

(See figure 41 below)

When you submit your final PS you must provide a hard copy of your AI signed by a director of your company. If you should need to resubmit your AI as a result of errors, we will need to receive another signed copy of the AI with the errors corrected.

<b>Declaration</b>	
<hr/>	
<hr/>	
The Additional Information in Tables 1 to 4 is consistent with information provided in the Principal Statement, 2008 June Return (and related correspondence), and 2007-08 Regulatory Accounts as appropriate, except where specifically noted and explained in the supporting material.	
Signed:	<input type="text"/>
Date:	<input type="text"/>

**Fig 41**

## 7. Differential calculations sheet

The Differential calculations sheet of your PSICS calculates your differential target (Table X2) and actual differential (Table X3) for the charging year. See figure 42 and figure 43 below.

We set out in annex D of RD 02/04 the sources of the data that you need to input in table X2 and the methodology for calculating your differential target. Annex A of the same document sets out the formula for calculating your actual differential.

<b>Table X2 - Calculations</b>			
<b>Line description</b>		<b>Units</b>	<b>2009-10</b>
<b>i Information requirements set out in Annex C</b>			
<b>A</b>	Tariff basket indicative K for water (year t)	%	3.80%
<b>B</b>	Tariff basket indicative K for sewerage (year t)	%	2.30%
<b>C</b>	Tariff basket inflation (year t)	%	3.87%
<b>D</b>	Borrowing rate (year t-1)	%	6.80%
<b>E</b>	Months that a company would allow customers to defer the payment of bills	units	3
<b>F</b>	Measured household water standing charge (year t-1)	£	22.13
<b>G</b>	Measured household water volumetric rate (year t-1)	£/m3	1.0667
<b>H</b>	Measured household sewerage standing charge (year t-1)	£	55.27
<b>I</b>	Measured household sewerage volumetric rate (year t-1)	£/m3	1.2060
<b>J</b>	Number of billed internally metered household customers (year t-2)	000	82.107
<b>L</b>	Number of billed externally metered household customers (year t-2)	000	932.999
<b>M</b>	Number of households billed for unmeasured water (year t-2)	000	816.336
<b>N</b>	Volume of water delivered to all billed measured household customers (year t-2)	MI/d	275.77
<b>O</b>	Volume of water delivered to billed unmeasured household water customers (year t-2)	MI/d	362.71
<b>P</b>	Meter under-registration for measured household customers (year t-2)	MI/d	9.46
<b>Q</b>	Underground supply pipe leakage for internally metered customers (year t-2)	l/prop/d	43.70
<b>R</b>	Number of households billed for unmeasured sewerage (year t-2)	000	1070.611
<b>S</b>	Volume of water delivered to billed unmeasured household sewerage customers (year t-2)	MI/d	478.27
<b>T</b>	Non-return to sewer allowance	%	90.0%
<b>ii Methodology set out in Annex C - water differential target</b>			
<b>U</b>	Creating the meter space	£	5.236
<b>V</b>	Meter and meter installation	£	9.445
<b>W</b>	Meter reading, customer billing and account management - water	£	4.256
<b>X</b>	Cash flow benefit - water	£	3.571
<b>Y</b>	Meter under-registration - water	£	6.389
<b>Z</b>	Leakage - internally metered customers - water	£	1.482
<b>AA</b>	Leakage - externally metered customers - water	£	0.319
<b>AB</b>	Water differential target	£	<b>30.70</b>
<b>iii Methodology set out in RD Annex C - sewerage differential target</b>			
<b>AC</b>	Meter reading, customer billing and account management - sewerage	£	4.256
<b>AD</b>	Cash flow benefit - sewerage	£	4.192
<b>AE</b>	Meter under-registration - sewerage	£	6.446
<b>AF</b>	Leakage - internally metered customers - sewerage	£	1.487
<b>AG</b>	Leakage - externally metered customers - sewerage	£	0.319
<b>AH</b>	Sewerage differential target	£	<b>16.70</b>

Fig 42

**Table X3 - Measured/unmeasured tariff differential**

Line description		Units	2009-10
<b>i Water differential</b>			
A	Average unmeasured household rateable value charge - water (year t)	£/RV	0.4205
B	Total unmeasured households rateable value - water (year t-2)	£m	129.373
C	Average unmeasured household fixed charge - water (year t)	£	118.74
D	Number of unmeasured households - water (year t-2)	000	770.742
E	Water billed unmeasured households - water area (year t-2)	m3/a	132,389,150
F	Average sundry charges unmeasured households - water (year t)	£	-
G	Number of sundry charges unmeasured households - water (year t-2)	000	45.594
H	Average measured household volumetric charge - water (year t)	£/m3	1.1514
I	Average measured household standing charge - water (year t)	£	22.25
J	Unmeasured household average bill (differential calculation) - water (year t)	£	<b>189.32</b>
K	Measured bill for average unmeasured consumption	£	<b>220.02</b>
L	<b>Tariff differential - water</b>	£	<b>30.70131675</b>
<b>II Sewerage Differential</b>			
M	Average unmeasured household rateable value charge - sewerage (year t)	£/RV	0.4501
N	Total unmeasured households rateable value - sewerage (year t-2)	£m	198.042
O	Average unmeasured household fixed charge - sewerage (year t)	£	140.85
P	Number of unmeasured households - sewerage (year t-2)	000	1,016.307
Q	Volume of unmeasured household domestic sewage (year t-2)	m3/a	174,567,775
R	Average sundry charges unmeasured households - sewerage (year t)	£	-
S	Number of sundry charges unmeasured households - sewerage (year t-2)	000	54.304
T	Average measured household volumetric charge - sewerage (year t)	£/m3	1.2672
U	Average measured household standing charge - sewerage (year t)	£	59.80
V	Volume returned to sewer - measured households (year t-2)	%	90.0
W	Underground supply pipe leakage (unmeas'd households) (year t-2)	l/prop/d	43.70
X	Underground supply pipe leakage (ext. metered households) (year t-2)	l/prop/d	18.60
Y	Unmeasured household average bill (differential calculation) - sewerage (year t)	£	<b>228.56</b>
	Measured bill for average unmeasured consumption		<b>245.2480631</b>
Z	<b>Tariff differential - sewerage</b>	£	<b>16.69</b>

**Fig 43**

## **8. Large user information capture system**

Please complete the LGUICS and submit it by the date specified in RD 17/08. You must only include details of large users that are excluded from the tariff basket and are charged in accordance with a Charges Scheme. Details of any other large users not charged on a basis of a Charges Scheme must be included in the Special Agreements Information Capture System (SAICS). Details of any large user cannot be included in both the LGUICS and SAICS.

The LGUICS has been created in Excel format. It has four tables. Table 1 collects information about customers using (or discharging) between 10MI and 250MI per year. The last three collect information about customers using (or discharging) above 250 MI per year. Water only companies do not have to complete tables 3 and 4.

### **Table 1 - Summary sheet**

Table 1 (see figure 44 below) has four parts: tables 1a to 1d; each part requiring details for a specified band of customers. For each band of customers you are required to provide the following details:

- Total number of customers in the Weighting Year;
- Total volume supplied/discharged in Weighting Year;
- Total revenue for Weighting Year (final), Prior Year (estimate) and Charging Year (forecast).

Please note that estimate and forecast data is not required for tables 1c and 1d.

**Table 1a - Large User Information: Summary 100-250MI**

	Total Number of Customers 2007-08	Total Volume (m <sup>3</sup> ) 2007-08	Total Revenue Actual 2007-08	Total Revenue Estimate 2008-09	Total Revenue Forecast 2009-10
Potable Water					
Non-Potable Water					
Sewerage					
Trade Effluent					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Table 1b - Large User Information: Summary 50-100MI**

	Total Number of Customers 2007-08	Total Volume (m <sup>3</sup> ) 2007-08	Total Revenue Actual (£) 2007-08	Total Revenue Estimate (£) 2008-09	Total Revenue Forecast (£) 2009-10
Potable Water					
Non-Potable Water					
Sewerage					
Trade Effluent					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Table 1c - Tariff basket customers 20-50MI**

	Total Number of Customers 2007-08	Total Volume (m <sup>3</sup> ) 2007-08	Total Revenue Actual (£) 2007-08
Potable Water			
Non-Potable Water			
Sewerage			
Trade Effluent			
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0.00</b>

**Table 1d - Tariff basket customers 10-20MI**

	Total Number of Customers 2007-08	Total Volume (m <sup>3</sup> ) 2007-08	Total Revenue Actual (£) 2007-08
Potable Water			
Non-Potable Water			
Sewerage			
Trade Effluent			
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0.00</b>

**Fig 44**

**Table 2 - Water**

This table (see figure 45 below) requires a detailed breakdown of water delivered and must include details of each large user supplied with not less than 250MI of water per year. The table is divided into two categories: potable and non-potable supplies. For each customer we require the following:

- Name and unique customer reference number;
- Address in the detail column;
- Volume of water supplied in Weighting Year;
- Volumetric unit prices for Weighting, Prior and Charging Years;
- Fixed charges for Weighting, Prior and Charging Years;
- Total revenue for Weighting Year (final), Prior Year (estimate) and Charging Year (forecast); and

Large User Information: Water - Table 2												
Customer name	Customer reference number	Volume (m <sup>3</sup> ) 2007-08	Volumetric charge (£/m <sup>3</sup> ) 2007-08	Fixed charge (£) 2007-08	Revenue Actual (£) 2007-08	Volumetric charge (£/m <sup>3</sup> ) 2008-09	Fixed charge (£) 2008-09	Revenue Estimate (£) 2008-09	Volumetric charge (£) 2009-10	Fixed charge (£) 2009-10	Revenue Forecast (£) 2009-10	Details
<b>POTABLE WATER</b>												
Volume in excess of 250ml/year												
Total potable water												
<b>NON-POTABLE WATER</b>												
Volume in excess of 250ml/year												
Total non-potable water												

**Fig 45**

**Table 3 - Sewerage**

This table (see figure 46 below) requires a detailed breakdown of sewage collected from each large user supplied with not less than 250MI of water per year. For each sewerage customer we require the following:

- Name and unique customer reference number;
- Address in the details column;
- Volume of water discharged in Weighting Year;
- Volumetric unit prices for Weighting, Prior and Charging Years;
- Fixed charges for Weighting, Prior and Charging Years;
- Total revenue for Weighting Year (final), Prior Year (estimate) and Charging Year (forecast).

Large User Information: Sewerage - Table 3												
Customer name	Customer reference number	Volume (m <sup>3</sup> ) 2007-08	Volumetric charge (£/m <sup>3</sup> ) 2007-08	Fixed charge (£) 2007-08	Revenue Actual (£) 2007-08	Volumetric charge (£/m <sup>3</sup> ) 2008-09	Fixed charge (£) 2008-09	Revenue Estimate (£) 2008-09	Volumetric charge (£/m <sup>3</sup> ) 2009-10	Fixed charge (£) 2009-10	Revenue Forecast (£) 2009-10	Details
<b>Totals</b>												

**Fig 46**

**Trade Effluent – Table 4**

This table (see figure 47 below) requires a detailed breakdown of trade effluent collected from each trade effluent customer supplied with not less than 250MI of water per year. For each customer we require the following:

- Name and unique customer reference number;
- Address in the details column;
- Volume of trade effluent discharged in the Weighting Year;
- Numeric values of the Mogden charges for Weighting Prior and Charging years;
- Total revenue for Weighting (final), Prior (estimate) and Charging (forecast) years.

Large User Information: Trade Effluent - Table 4												
Customer name	Customer reference number	Volume (m <sup>3</sup> ) 2007-08	Charge basis								Revenue Actual (£) 2007-08	Details
			R p/m <sup>3</sup> 2007-08	V p/m <sup>3</sup> 2007-08	Bv p/m <sup>3</sup> 2007-08	M p/m <sup>3</sup> 2007-08	B p/kg 2007-08	S p/kg 2007-08	Os mg/l 2007-08	Ss mg/l 2007-08		
<b>Totals</b>												

Charge basis										Revenue Estimate (£) 2008-09
R p/m <sup>3</sup> 2008-09	V p/m <sup>3</sup> 2008-09	Bv p/m <sup>3</sup> 2008-09	M p/m <sup>3</sup> 2008-09	B p/kg 2008-09	S p/kg 2008-09	Os mg/l 2008-09	Ss mg/l 2008-09			

Charge basis										Revenue Forecast (£) 2009-10
R p/m <sup>3</sup> 2009-10	V p/m <sup>3</sup> 2009-10	Bv p/m <sup>3</sup> 2009-10	M p/m <sup>3</sup> 2009-10	B p/kg 2009-10	S p/kg 2009-10	Os mg/l 2009-10	Ss mg/l 2009-10			

**Fig 47**

## 9. Special agreement information capture system

Please complete the SAICS and submit it by the date specified in RD 17/08. Details of any customer charged on a basis other than in accordance with a charges scheme must be included in the SAICS. A customer is either classed as a standard customer (ie charged on the basis of a charges scheme) or a special agreement customer – not both.

The SAICS has been created in Excel format. It has four tables. Table 1 reconciles the volume of water that you report in the SAICS as having been delivered to special agreement customers with JR data. The remaining worksheets provide a breakdown of special agreements for water, sewerage and trade effluent. Water only companies do not have to complete the last two tables.

**We require all agreements to be available on request if further details are needed.**

### Table 1 - Water Delivered (Weighting Year)

This table (see figure 48) is a summary table of all water delivered at non-standard rates and as bulk supplies; potable and non-potable. We expect this table to reconcile with the figures submitted in Table 10 of your JR. To preserve the integrity of the calculations please do not overwrite the totals. You must carry forward volumes from the water table (Table 2) and enter them in the relevant blank cells. The spreadsheet will automatically calculate the totals. These totals should reconcile with the June Return Total line. If they do not, **please explain any difference in your covering letter. Additionally we require a report from your Reporter to accompany any changes made.**

2005-06 Volumes of water delivered	Special Agreements			Bulk Supply Imports			Bulk Supply Exports		
	Potable	Non-potable	Total	Potable	Non-potable	Total	Potable	Non-potable	Total
Volume less than 10MI/year									
Volume 10MI to <20MI/year									
Volume 20MI to 50MI/year									
Volume 50MI to 100MI/year									
Volume 100MI to 250MI/year									
Volume in excess of 250MI/year									
<b>Total (m<sup>3</sup>)</b>									
<b>June Return Total (m<sup>3</sup>)</b>									
Total figures downloaded from June Return 2007 x 1000 x 365	Table 10 line 22 col 4 x 1000 x 365	Table 10 line 23 col 4 x 1000 x 365				Table 10 line 27 col 4 x 1000 x 365			Table 10 line 28 col 4 x 1000 x 365

**Fig 48**

## **Table 2 - Water**

Please include all water special agreements and bulk supplies in this table (see figures 49 and 50 below), which is in two parts: special agreements and bulk supply.

Each of these parts are further split into two categories:

- potable and non-potable for special agreements; and
- exports and imports for bulk supply.

We require a full history of all special agreements including changes to existing terms, and new and terminated agreements for both potable and non-potable water.

### **Bulk Supplies**

All transfers of water from one company to another should be recorded within the bulk supply section of the special agreements register. The revenues associated with such transfers should not be shown on the PS.

We expect a full listing of bulk supply imports and exports so that we can check that both companies involved in each bulk supply transaction are reporting the same data.

Where companies share a water resource, neither of the companies involved should include details of those transactions in their SAICSSs.

A company will share a water resource with another company if it owns part of the assets and contributes to the operating costs of that resource both in proportion to the amount of water that it is entitled to receive from that resource. Each company should report its contribution to the operating costs of that shared resource as part of its own costs in its Regulatory Accounts and not under third party costs where bulk supply costs are recorded.

We require the following information for each agreement (including bulk supplies from the core to non-core business activities):

- unique customer name and reference number;
- volume of water supplied in the Weighting Year. If the start date is after the Weighting Year, indicate expected volume;
- volumetric unit prices for Weighting, Prior and Charging years;
- the standing charges for Weighting, Prior and Charging years (where applicable, enter the meter size under the terms);
- any discounts given or allowances made in Weighting, Prior and Charging years;
- total revenue for Weighting Year (final), Prior Year (estimate) and Charging Year (forecast);
- whether the water supply is potable or non-potable;
- date the agreement comes/came into effect;
- duration of the agreement;
- the termination/renewal date;
- reason why the customer is being charged by special agreement rather

than by standard tariffs, the terms, the value of capital contributions, location details, indication of water works where the customer's water is treated, termination provisions, provisions for revising supply and price, meters.

Special Agreement Information: Water - Table 2

Customer name	Customer reference number	Volume (m <sup>3</sup> ) 2007-08	Volumetric charge (£/m <sup>3</sup> ) 2007-08	Standing charge (£) 2007-08	Discount/allowances (£) 2007-08	Revenue Actual (£) 2007-08	Volumetric charge (£/m <sup>3</sup> ) 2008-09	Standing charge (£) 2008-09	Discount/allowances (£) 2008-09	Revenue Estimate (£) 2008-09	Volumetric charge (£/m <sup>3</sup> ) 2009-10	Standing charge (£) 2009-10	Discount/allowances (£) 2009-10	Revenue Forecast (£) 2009-10	Potable or non-potable (P or N)	Date of the agreement	Duration of agreement	Termination/renewal date	Terms and basis for Special Agreement
<b>POTABLE WATER</b>																			
Volume less than 10MI/year																			
Total																			
Volume 10MI/year to <20MI/year																			
Total																			
Volume 20MI/year to 50MI/year																			
Total																			
Volume 50MI/year to 100MI/year																			
Total																			
Volume 100MI/year to 250MI/year																			
Total																			
Volume in excess of 250MI/year																			
Total																			
Total potable water																			
<b>NON-POTABLE WATER</b>																			
Volume less than 10MI/year																			
Total																			
Volume 10MI/year to <20MI/year																			
Total																			
Volume 20MI/year to 50MI/year																			
Total																			
Volume 50MI/year to <100MI/year																			
Total																			
Volume 100MI/year to 250MI/year																			
Total																			
Volume in excess of 250MI/year																			
Total																			
Total non-potable water																			

Fig 49

Special Agreement Information: Water - Table 2

Customer name	Customer reference number	Volume (m <sup>3</sup> ) 2007-08	Volumetric charge (£/m <sup>3</sup> ) 2007-08	Standing charge (£) 2007-08	Discount/allowances (£) 2007-08	Revenue Actual (£) 2007-08	Volumetric charge (£/m <sup>3</sup> ) 2008-09	Standing charge (£) 2008-09	Discount/allowances (£) 2008-09	Revenue Estimate (£) 2008-09	Volumetric charge (£/m <sup>3</sup> ) 2009-10	Standing charge (£) 2009-10	Discount/allowances (£) 2009-10	Revenue Forecast (£) 2009-10	Potable or non-potable (P or N)	Date of the agreement	Duration of agreement	Termination/renewal date	Terms and basis for Special Agreement	
<b>BULK SUPPLY IMPORTS</b>																				
Volume less than 10MI/year																				
Total																				
Volume 10MI/year to <20MI/year																				
Total																				
Volume 20MI/year to 50MI/year																				
Total																				
Volume 50MI/year to <100MI/year																				
Total																				
Volume 100MI/year to 250MI/year																				
Total																				
Volume in excess of 250MI/year																				
Total																				
Total bulk supply imports																				
<b>BULK SUPPLY EXPORTS</b>																				
Volume less than 10MI/year																				
Total																				
Volume 10MI/year to <20MI/year																				
Total																				
Volume 20MI/year to 50MI/year																				
Total																				
Volume 50MI/year to <100MI/year																				
Total																				
Volume 100MI/year to 250MI/year																				
Total																				
Volume in excess of 250MI/year																				
Total																				
Total bulk supply exports																				

Fig 50

**Sewerage – Table 3**

Please include all sewerage special agreements in this table (see figure 51).

We require a full history of sewerage special agreements including any changes to the terms of existing agreements, new agreements and terminated agreements.

We require the following information for each agreement:

- unique customer name and reference number;
- volume of sewerage discharged in the Weighting Year. If the start date is after the Weighting Year, indicate the expected volume of sewerage to be discharged;
- volumetric unit prices for Weighting, Prior and Charging years;
- the standing charges for Weighting, Prior and Charging years (where applicable, enter the meter size under the terms);
- any discounts given or allowances made in Weighting, Prior and Charging years;
- total revenue for Weighting Year (final), Prior Year (estimate) and Charging Year (forecast);
- date the agreement comes/came into effect;
- duration of the agreement;
- the termination/renewal date;
- reason why the customer is being charged by special agreement rather than by standard tariffs, the terms, the value of capital contributions, location details, indication of sewage treatment works where the customer’s waste is treated, termination provisions, provisions for revising the service and price, meter size;

Special Agreement Information: Sewerage - Table 3										
Customer name	Customer reference number	Volume (m³) 2006-07	Volumetric charge 2006-07	Standing charge 2006-07	Discounts/allowances 2006-07	Revenue Actual 2006-07	Date of the agreement	Duration of agreement	Termination/renewal date	Terms and basis for Special
<b>Total</b>										
			<b>Volumetric charge 2007-08</b>	<b>Standing charge 2007-08</b>	<b>Discounts/allowances 2007-08</b>	<b>Revenue Estimate 2007-08</b>				
			<b>Volumetric charge 2008-09</b>	<b>Standing charge 2008-09</b>	<b>Discounts/allowances 2008-09</b>	<b>Revenue Forecast 2008-09</b>				

**Fig 51**



## 10. Audit requirements

We require the PS to be audited under the terms of Condition B, Paragraph 6.2 of the Instrument of Appointment of the Water and Sewerage Undertakers and Paragraph 5.3 of the Instrument of Appointment of the Water Undertakers.

The Auditor's report must be submitted by 12 January 2008, ie one week after the final submission deadline. But if you want early approval and as such make your final submission early, then it would help if your Auditor's report is submitted within one week of the date that you make your submission.

The auditor's report must contain:

1. Contact details of a person who can be contacted in case of questions
2. A description of the work that has been carried out. The work must include the auditor checking that figures in the PSICS, CCICS, LGUICS and SAICS are consistent with company records. In particular, the auditor must confirm that details of charge multipliers and chargeable supplies in the PS accurately reflect the customer charging base and have been taken from appropriate billing records
3. A statement of any differences between the revenues in Section 0 of the PS, table 1 of the CCICS, the LGUICS and the SAICS, and those on Table 23 of the JR. The auditor must explain why they are different and give a full breakdown of the differences.
4. Any concerns or comments the auditor has, including any charge that they have not been able to audit.
5. The following statement:

"We have examined the principal statement and supporting calculations for the Charging Year 2009-10, a copy of which is attached, in accordance with Condition B of the Instrument of Appointment by the Secretary of State for the [Environment/Wales] (the Licence) of XXX Company Ltd (the Appointee) as a Water [and Sewerage] Undertaker under the Water Industry Act 1991.

In our opinion, subject to the above exceptions, the details set out in the Principal statement plus supporting calculations are:

- (a) Consistent with information supplied in the Regulatory Accounts; and have been:
- (b) correctly extracted from the Appointee's accounting and other relevant records; and
- (c) correctly calculated in accordance with condition B of the Licence.

Those details set out in the large user information capture system and special agreement information capture system are:

- (a) consistent with information supplied in the Regulatory Accounts; and have been:
- (b) correctly extracted from the Appointee's accounting and other relevant records."

**If your auditor wishes to enter into a tripartite agreement this year, we must receive a copy of the agreement no later than the date on which we receive the auditor's report. The agreement must be signed by a Director of your company and the auditor.**

## **11. Guidance for Reporters**

Your Reporter must comment on any changes made to information taken from the 2007 JR, no matter how small.

Your reporter must comment on the accuracy and appropriateness of the tables in the CCICS.

We also require them to scrutinise the revenue details in your AI. This information is important because we use it to ensure that you are complying with condition E. We also use it to calculate average bills for the *Water and Sewerage Bills* leaflet and for the Tariffs Report.

We want your Reporter to confirm that:

- you have correctly reported revenue for the last complete charging year for households and non-households in the AI and CCICS, and that this is consistent with table 23 of the JR;
- you have estimated provisional and forecast water delivered figures on a basis consistent with your JR;
- you have estimated provisional and forecast revenues on a basis consistent with both the AI and the respective year's charges. You must make no allowance for bad debts. And you must allocate revenues between households and non-households on a basis consistent with the way in which you allocated revenue for the weighting year;
- if you have used weighted average charges to calculate the differential, your methodology for calculating these is reasonable and consistent with the way you have done this in previous years.

Your Reporter must examine your methodology, revealing any assumptions you have made, and comment on whether it is consistent with the requirements laid out in sections 5 and 6 of this annex.

Your Reporter must submit their report by 12 January 2008, ie one week after the final submission deadline. But if you want early approval and as such make your final submission early, then it would help if your Reporter's report is submitted within one week of the date that you make your submission.