

Changes following March 2016 consultation

Proposed changes to text

RAG	Description	Paragraph affected
RAG1	Grants and contributions	1.8.1
RAG1	Clarification for current cost table 2G	2.1.7
RAG2	Allocation of local authority and cumulo rates	Table 2.4.1 2.10
RAG2	Tankered waste	2.8
RAG2	Borehole operating costs	2.11
RAG3	Grants and contributions	1.2.2
RAG3	Transactions with associates – Corporation tax group relief	6.2.1
RAG3	Methodology statement requirement	2.2.5 3.5.1 Appendix 3
RAG3	Long term viability statement requirement	3.1.1 3.13

RAG4	Expanded list of appointed energy generation	Appendix 1
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Proposed changes to tables (RAG3) and definitions (RAG4)

	Table changes	Line definition changes
1A		Line 5 now clarifies the treatment of grants and contributions which are recorded in the income statement in statutory accounts.
1C		<ul style="list-style-type: none"> • Line 1 renewals accounting reference deleted. • Lines 13 and 21 'accrued interest' added in.
2A	'Operating costs' now broken into 3 distinct lines; <ul style="list-style-type: none"> • Operating expenditure • Depreciation - tangible fixed assets • Depreciation - intangible fixed assets 	Line 11 clarification of surface water drainage rebates.
2B	Grants and contributions – previously this related to 'price control' grants and contributions only but has now been expanded to cover all grants and contributions.	<ul style="list-style-type: none"> • Line 1 Treatment of power cost savings clarified. • Line 2 Power sales clarified as being external to the appointed business. • Line 17 is no longer restricted to 'price control' grants and contributions.
2C	'Depreciation' now broken into 2 distinct lines; <ul style="list-style-type: none"> • Depreciation - tangible fixed assets • Depreciation - intangible fixed assets 	Line 4 Clarifies meter reading commission treatment.
2D	<ul style="list-style-type: none"> • Title change • Line 4 added for adopted assets included • Lines 12,13,14 missing columns added in 	<ul style="list-style-type: none"> • Line 4 added for adopted assets included • Lines 12,13,14 missing definitions added in
2E	<ul style="list-style-type: none"> • Title change • Prior year requirement removed • Headings changed for clarification • Lines 7 and 13 added for value of adopted assets (water and wastewater) 	New definitions added for lines 7 and 13 - value of adopted assets (water and wastewater)

2G 2H	<ul style="list-style-type: none"> • New title – distinction between customers and tariff types • New line added for customer numbers as the detailed tariff information now applies to number of <u>connections</u>. This distinction is needed since a single customer could be supplied with services under more than one tariff e.g. sewage and surface water drainage or multiple sites 	<ul style="list-style-type: none"> • ‘Connections’ has replaced ‘customers’. • Definition of customer numbers has been clarified. • Units and decimal places clarified
2I	2 lines added to allow for recognition of in-period ODI revenue adjustments	Line 14 – new line added to give a water and wastewater split.
4A	Rows 1-3 deleted as duplicated in table 2F	Row 5 definition clarified re tankered waste.
4B	Rows changed and aligned with reconciliation rule book spreadsheet format	<ul style="list-style-type: none"> • Reflects line changes • Cross refers to rule book model • Allowed totex definition corrected
4C	<ul style="list-style-type: none"> • Title changed for clarity • Column added so that water / wastewater are separate • Row titles expanded for clarity 	<ul style="list-style-type: none"> • Reflects line changes • Cross refers to rule book model • Cumulative approach made clear