

Information notice

IN 03/08 August 2018



PR19 Business Plan Presentation Pro-forma - Updates

This information notice provides an update to companies on the latest version of the [PR19 business plan presentation pro-forma](#) published on 2 August 2018. This version of the pro-forma replaces the version published in June 2018. The completed pro-forma is to be submitted to Ofwat by companies along with their PR19 business plans by **Monday 3 September 2018**.

This information notice includes:

1. An overview of the updates made to the [PR19 business plan presentation pro-forma](#) following its initial publication in June 2018.
2. An overview of the updates made to the [PR19 bill movement model](#) following its initial publication in June 2018.
3. Information on the [guidance tables](#) we have released to support companies in completing the PR19 business plan presentation pro-forma.
4. Links to pro-forma documentation.

1. Pro-forma updates

The table below outlines the main updates made to the PR19 business plan presentation pro-forma since its initial publication in June 2018. We note that the updates are very limited. In addition to the updates outlined below, additional guidance has been added to the document and separate guidance tables published to provide further clarity on the information requested.

Update	Location
Updated the information requested on actual gearing, adjusted interest cover actual and FFO net debt actual from 2015-20 average to 2017-18 actual.	Page 7: Table 2.2 - Key Business Plan Metrics.
Updated the information requested on leakage and per capita consumption to include percentage change between 2019-20 and 2024-25.	Page 7: Table 2.2 – Key Business Plan Metrics Table 16: Table 5.1 – Common Performance Commitments
Additional table 4.2 added to capture information on Service Incentive Mechanism (SIM) Performance.	Page 14: Table 4.2 - Service Incentive Mechanism (SIM) Performance

Removed C-Mex and D-Mex from Common Performance Commitments table 5.1.	Page 15: Table 5.1 - Common Performance Commitments
Additional guidance text added to reference the outcomes of the benefit sharing consultation.	Page 20: Appendix 7 - Trust Confidence and Assurance

2. PR19 bill movement model updates

An updated version of the PR19 bill movement model was published on 30 July 2018, following queries from companies on this. The purpose of this model is to support companies in completing the bill movement waterfall chart (table 2.1) in the pro-forma. The updates made to this version are included in the change log on the cover page of the model, and are also outlined below for reference.

Update	Model location
Wastewater Network RCV additions: corrected the formula to sum the RCV additions plus indexation and then index to 2017/18 FYA CPIH deflated. This only picked up the RCV additions indexation, the RCV additions beginning balance was missing from the sum.	RCV, line 248
Bioresources RCV additions: corrected the formula to sum the RCV additions plus indexation and then index to 2017/18 FYA CPIH deflated. This only picked up the RCV additions indexation, the RCV additions beginning balance was missing from the sum.	RCV, line 298
The 'RCV Additions: Average Asset Life' for wastewater was incorrectly linked to the input for the average asset life for water.	RCV, line 210
The PR19 financial model has been revised since the Bill Waterfall model was published. Some lines have moved in the financial model so the InpAct sheet of the Waterfall model has been re-linked to the correct lines in the latest financial model (version 14h).	InpAct

3. Guidance tables

We previously indicated that we would publish excel tables that linked to the PR19 business plan tables in order to automatically populate the information requested in the pro-forma to support companies in completing this. Subsequently, we have adapted our approach in order to avoid the risk associated with complications with automation, and instead of publishing tables to automatically populate the pro-forma we have published guidance tables which reference where companies should

draw the information requested from. This also includes further guidance on the metrics requested and is intended to support companies in completed the pro-forma.

Links to pro-forma documents

Outlined below are the links to the PR19 business plan presentation proforma and associated documents to support completion of the proforma.

[PR19 business plan presentation pro-forma](#) – word document to be completed by companies and submitted on 3 September.

[PR19 bill movement model](#) – for preparing bill movement waterfall chart, to be submitted alongside the pro-forma.

[Guidance tables](#) – to provide guidance on where to draw the information requested in the PR19 business plan presentation pro-forma from.

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