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Dear Regulatory Reporting Team

Anglian Water's response to Consultation on regulatory reporting for the 2020-21 reporting year

We welcome the opportunity to respond to Ofwat's proposed changes to regulatory reporting. We have provided our answers to the specific questions raised in the consultation document in Appendix 1. In Appendix 2 we have noted our comments on the changes to the APR tables proposed in the consultation, using Ofwat's template. In Appendix 2 we have also made comments about existing lines within the RAGs.

These are our general points about the proposals in the consultation:

- We note that the effect of the proposals in this consultation is to increase quite substantially the size of the APR. We do not oppose the collection of data which are necessary to improve the quality of regulatory decisions; indeed, we suggest in this response areas where more data could be collected. However, we also recognise the costs and burden of regulatory reporting and the need for proportionality. We test all reporting lines against the criterion of whether they are necessary to deliver good regulatory outcomes and – following that - in this response both propose existing lines which might be removed and question some additions which the consultation proposes. Requirements whose value we question include tables 3E (asset health shadow reporting), 4J and 4K (atypical expenditure) and the requirement for accounting statements.

- We do not support Ofwat's proposal for advancing the deadline for submission of the APR. This is now a substantial and detailed document with understandably high expectations from stakeholders about its reliability. Our experience is that completing it to the standard expected and accommodating the necessary assurance and approval processes requires the full period of time currently allowed for it. The rationale for advancing the deadline is to more easily accommodate the in-period determinations but the timetable for these already allows four months for this process. Furthermore, the in-period determinations process will be made easier by the embedding of the ODI performance model within the APR tables, which we are willing to accommodate.

- During the PR19 and CMA processes discussions across a number of areas have revealed the shortcomings of the existing datasets. We have in mind:
  - capital maintenance (do we have the ability to track the level of companies' expenditure on the maintenance of their assets?);
  - leakage (can we distinguish between base and enhancement expenditure and be certain that companies are reporting consistently?); and
  - enhancement opex (do we understand the level and nature of this?).

  We note that in its consultation proposals Ofwat has attempted to address leakage and enhancement opex but we do not think the proposed changes are sufficient, and we suggest there is more to do on capital maintenance. Without changes now, we are likely to run into the same difficulties at PR24. We say more in our comments in Appendix 2.

- We oppose the proposal that boards should provide a statement that the data and information which the company has provided to Ofwat or published during the reporting year is accurate and complete. We think this is unnecessary and disproportionate and that the wording 'accurate and complete' is not practicable. We say more on this in our response to question 10.

- We would encourage Ofwat to strengthen the requirements for NAVs to report the number of household properties connected in order to (1) ensure that Ofwat can process the Developer Services Reconciliation Adjustment (DSRA) with ease as part of closing out AMP7 and (2) improve visibility of the small company returns, as these are not readily available online.

- We note that the past requirement to quote confidence grades against each line has not been restored. This is odd, given how Ofwat has used confidence grades from historical submissions to justify the exclusion of certain data from regulatory use during the current CMA re-determinations. We know that Ofwat has concerns that confidence grades undermine the expectation that all data should be accurate and complete but, as we point out in our response to question 10, this expectation is, in any, case unrealistic. A system for indicating the margin of error around a figure is helpful for conveying the degree to which it can be relied on and invites a decision about whether to discontinue reporting it or requiring improvement.

Given many of our observations reflect our experience of PR19 and the CMA re-determination, we recommend that the provisional findings of the CMA are considered before final decisions on the RAGs are made.

Wherever possible in this response we have proposed solutions to the issues we have identified but some of the issues require more detailed work. We suggest that the forums which Ofwat established post PR14, such as the Cost Assessment and Bioresources Working Groups, could be usefully re-convened to develop solutions to some of the more challenging problems, such as sludge liquor charging. Much more work is required on the proposed new leakage reporting lines (Table 6D) and the companies are best placed to help develop guidance here. As we were post PR14, we stand ready to be active participants in those groups.

Yours faithfully

[redacted]

Claire Russell
Company Secretary

Appendix 1 Responses to the specific consultation questions

Question 1

What are your views on the proposed changes to the APR tables in Appendix 1?

We have collated our responses to this question in the specified format in Appendix 2.

Question 2

Do you think that the tables allow a comparison of performance to the PR19 business plan tables? Are there areas where this could be improved? Are there areas where we should consider deviating from the business plan formats?

The general mirroring of APR and business plan tables is helpful, not just to enable comparison between forecasts and actuals but to achieve consistency of forecasting and reporting. It might be helpful to quote the PR19 table and line numbers or BON references in RAG 4.09 or the proforma tables to assist navigation and cross-reference. We have no suggestions on improvements or deviations.

Question 3

Do you think that the transactions between the price control units, in particular for the sludge liquors which Network+ treats on behalf of Bioresources, are sufficiently transparent? If not, please give examples as to how this could be improved.

We drew attention to the stark differences between companies' sludge liquor treatment costs in our representations to the Draft Determination. We support the new lines proposed by this consultation in Table 8C and, to increase transparency further, suggest that RAG 4.09 includes a requirement for companies to set out the basis for their recharges. Companies should also be required to set out the assumptions and methods they have used for assessing the flow, BOD loads and ammonia loads of their liquors.

We support the proposal that the industry adopts a common approach to calculating sludge liquor recharges and suggest that the Bioresources Working Group, which was a useful forum for developing aspects of the bioresources price control methodology post PR14, be reconvened for this purpose.

Question 4

Are there any practical presentational issues we should consider e.g. do any tables have too many lines to publish easily? Do you have any preference for landscape versus portrait format?

In general, tables that are smaller are easier to format for publishing. In the past we have been able to overcome the presentational issues caused by large tables by breaking them into smaller sections so we appreciate the disaggregation of some of the tables (e.g. the old 4P) into smaller units

We do not have any specific comments regarding the tables proposed. For information, tables 3A, 3B, 7B and 7D provide most challenges to format.

Question 5

We are considering moving the 15 July deadline for the APR publication earlier in July so that we can more easily accommodate the in-period determinations. Would it be practical to implement such a change?

Given the increase in reporting requirements, we do not support advancing the deadline for submission to earlier in July. The proposed additional reporting requirements place additional strain on what is already a challenging timetable and reducing the time available for completion could jeopardise the quality of our submission.

We would also envisage our auditors facing difficulties in resourcing an earlier submission given their requirement to audit our statutory financial accounts. Their usual practice is to complete the audit and assurance of our regulatory submission following the audit of statutory accounts. There is no scope within the process to bring forward this audit and assurance.

The primary reason Ofwat gives for advancing the submission deadline is to give itself more time to carry out in-period determinations. We consider that by embedding ODI models into APR tables and streamlining the process for in-period determinations should provide ample time to undertake the determinations.

Question 6

Do you agree that we should embed the ODI performance model within the annual performance reporting tables?

We strongly support any attempt to reduce the number of times companies are required to provide and verify data on Performance Commitments and ODIs, where this is currently more than once. This is in line with our overall theme of asking Ofwat to reduce the regulatory burden that it places upon companies. By embedding an ODI performance model into the APR tables, Ofwat can make this a “one-stop shop” for all PC and ODI data.

The process for dealing with the “blind year reconciliation” earlier this year was inefficient and involved two supplemental model submissions, which required companies to submit data that were also part of the APR tables. If these models are embedded in the APR tables the process would run more smoothly.

Question 7

Do you agree that companies should report performance against the PR19 asset health long list on table 3E? If so, should information be restricted to water companies and regulators or made publicly available?

While we agree that companies should shadow report against measures that Ofwat intends to introduce in AMP8, we do not agree that this should include all the measures in the asset health long list on table 3E. Ofwat took a considered view of the suitable measures for common reporting in AMP7. While the current list of proposed additions is small, it does reflect measures that were considered unsuitable as common measures for AMP7 reporting and therefore are unlikely to be considered suitable in AMP8.

It will be difficult to achieve consistency in the way in which some of these measures are defined. The AMP7 PC consistency project was not focussed on these PCs and, although definitions have been provided for a number of these measures by Ofwat, they have not had the industry scrutiny to ensure that there are no areas that are open to misinterpretation.

The metrics around unplanned maintenance need to be developed much further as they are not currently good indicators of asset health and do not drive improved maintenance behaviour.

Question 8

Developer services are open to competition. Most site-specific services are contestable and can be provided by an undertaker (incumbent company or NAV), self-lay provider (SLP) or (primarily in the case of sewers) developers. We are introducing a new table 2N for developer services to measure the level of third-party activity in areas served by incumbent companies. This should enable us to measure that activity in a way that ensures the information is insightful and consistent. It will provide an insight on how competition in developer services is evolving over time. We have also added granularity for our cost information for growth-related expenditure in tables 4L and 4M. We propose a re-definition of our cost lines to capture the main elements of growth activities, and to capture specific on-site and off-site costs separately. We welcome comments and views on our proposed approach.

We are supportive of the contestable regimes, both Self Lay and NAVs, with comparatively high levels of competition in our area. This additional data collection may aid Ofwat in developing better models to account for growth expenditure at PR24 and as such we support this in principle. As well as capturing cost information in a granular manner, we believe that Ofwat should ensure cost driver information for growth expenditure is captured – for example, the increases in capacity required from network reinforcement. Using volume of connections as the sole driver of cost is not appropriate for network reinforcement or treatment costs.

We would highlight that the DSRA reconciliation mechanism will operate on the basis of new properties connected. The Final Determination specified that this would include NAV connections. As such it is important that NAVs accurately report connections. Our preference would be for NAV companies to report connections to their networks, by regional monopoly provider, rather than placing the onus on incumbent companies to extract this data from NAVs.

Question 9

We currently calculate the reconciliation in table 2K using infrastructure charges before any efficiency discounts. We are aware of some views that this should be changed to use infrastructure charges after discounts. What are your views on this?

Changes to the charging rules mean that for many companies, infrastructure charges will be discounted by the income offset. We would suggest that table 2K continues to capture undiscounted infrastructure charges to ensure line of sight between expenditure and revenue for network reinforcement.

Question 10

Is there scope to rationalise the number of areas where we ask for specific assurance?

The consultation proposes that boards should provide a statement that the data and information which the company has provided to Ofwat or published during the reporting year is accurate and complete. Reflecting on the number and range of submissions, publications and other communications which will be encompassed by this requirement, this proposal represents an unacceptable requirement of boards and one which is incompatible with their roles as strategic leaders of their companies' direction. Indeed, Ofwat's own Board Leadership, Transparency and Governance Principles expects Boards to establish 'the company's purpose, strategy and values' and the current proposal would seem to be at odds with that requirement. One consequence of it could be the application of a bureaucratic process to all communications, which cannot be Ofwat's policy intent.

Our view is that the data which is published by companies must be sufficiently reliable to enable good quality regulatory judgments. Assurance is vital to ensure this objective and boards play a key role in the assurance process.

This is achieved under the current approach, where named individual submissions are identified as requiring board assurance. This approach is consistent with a risk-based approach to regulation and meets the better regulation principle of proportionality. Furthermore, it serves to draw to Boards' attention those submissions which are deemed to have passed qualifying criteria and therefore require their close scrutiny. Indeed, under the approach proposed by Ofwat there is a risk that those important submissions receive less attention if Boards deem them to have been acceptably covered by blanket processes.

We believe that existing rules and requirements are sufficient to reassure stakeholders about the reliability of information we provide outside these named submissions. We have in mind, for example, the requirements on companies and individual directors to apply robust corporate governance under corporate law (specifically the Companies Act 2006), the UK Corporate Governance Code and the UKLA's Listing Rules.

For the avoidance of doubt, we would expect the APR to fall within the list of submissions requiring a specific Board statement. We already comply with most of the expectations proposed by the consultation in respect of this submission.

Finally, Ofwat's use of the phrase 'accurate and complete' brings to mind debates from previous years when Ofwat asked companies to use it. Companies rightly pointed out then that very few data can be assured as being accurate in the strictest sense of the term. Indeed, Ofwat at that time had a confidence grading process to allow companies to indicate the likely margin of error around each figure. While Ofwat no longer requires companies to report confidence grades, this is certainly not because all margin of error has disappeared. Faced with the requirement to confirm 'accurate and complete', companies inevitably moderated their wording so as not to misrepresent the quality of their submissions. We would expect this to happen again if Ofwat proceeds with its proposals.

It is helpful for companies to be honest about the extent to which data can be relied on, and Ofwat has used this information about data quality during the PR19 process. Requiring companies to assert accuracy where it does not - and cannot - exist is of no value.

Question 11

We currently collect information on property and customer numbers, including voids etc, in various places in the APR. We could move all of this information into a single table – what are your views on this? Are there any other useful metrics for property and customer numbers which we should specify?

The new Table 2N presents data relating to new connections. Equally new connections data is presented in Tables 6C and 7E. Rather than consolidate all information on properties and customer numbers into a single table, it would be clearer to report all connection data in Table 2N (including total connections at year end) and restrict Tables 6C and 7E to billed properties and voids data (reported on a year average basis), together with population and meter data.

Should billing and connections data be moved into one table care needs to be taken in doing this. For example, 'total connected properties' is currently reported in Table 3C, where it is used to normalise complaints numbers. Should 'total connected properties' be moved to a new properties and customers table it should remain the normalising line for complaints. It would be wrong to normalise complaints numbers with, say, customer numbers instead.

We are not convinced that companies report the number of flats consistently. This has an important bearing on the calculation of per capita consumption. More guidance on this is required in the reporting requirements.

Question 12

Table 4U line 23: Total volume of network storage. We are aware that companies have had difficulties completing this item and are concerned that this may mean there could be inconsistencies across the industry. How might this definition be improved to avoid ambiguity and improve consistency of reporting?

We agree that the line definition provided previously has made this line difficult to complete. This is because it was ambiguous and did not include detailed guidance on completion. This was particularly required as many assumptions are required to complete it.

Furthermore, there is no apparent use for these data in cost assessment, performance analysis or any other area. The measure does not reflect how a sewer network works. Complex flow hydraulic calculations are used to give 'designed' capacity. It is difficult to envisage a scenario where the entire volume of a pipe could be fully utilised for "network storage". This measure has to date not included manhole chambers, which are included in surcharge calculations and used as "network storage" under certain flow conditions.

Our view is that this line should be removed. We note anyway that it has not been included with the rest of the lines from the 'Other' block from table 4U to new table 7E. We support this.

Question 13

Strategic water resources – we have included more granular information on bulk supplies revenues and volumes in our proposed table 4A in order to promote trading activity. Currently, for cost information, we have a single line for third party costs, of which bulk supplies is a constituent. We asked companies to forecast individual costs for new bulk supplies in their PR19 business plans. Is it practical to disclose granular cost information for bulk supplies?

We already provide the Bulk Supply Register every February. If this table is to be included in the APR we presume the February submission will cease, to avoid duplication and regulatory cost.

In comparison to what we submit in February, the proposed new table includes the requirement to report the operating costs for each supply. There is no definition of 'operating costs' in the draft RAG 4.09 and we assume that the definition required in table 4A is the same as the definition of "operating expenditure" for bulk supply imports (Line 4) and third party services (bulk supply exports) (Line 12) in table 4D. The reporting requirements for 4A should confirm this.

The reporting requirements for 4A should also confirm whether each bulk supply is to be allocated a numeric reference or populated with the name of the supply agreement.

Question 14

Social tariffs – we have proposed additional information to table 2F. Is this sufficient to provide a view of company activities in this area? What additional information should we consider adding to this table?

We note the columns added to this table.

The revised table refers to "number of customers on social tariff scheme". The reporting requirements should clarify whether this includes customers on all concessionary tariffs e.g. including Watersure, or only those customers on social tariffs introduced under the Flood and Water Management Act 2010 guidance.

Question 15

We currently have a source type for direct effluent reuse. This is where treated effluent is diverted to network plus price control activities (either via a raw water transport asset, raw water storage asset or to a water treatment works for further treatment and treated water distribution). We define direct reuse as when the effluent does not return to the environment or to the water resources price control activities (abstraction asset before entering the water treatment works). Although we consider indirect effluent reuse as being where an effluent discharge is diverted to a location (environment or water company water resource asset) purely for the purposes of abstraction for treatment and treated water distribution, we do not include this currently in the reporting of costs or sources. Where do you currently report these sources and costs? If we were to introduce an indirect reuse source category do you agree with our definition above?

We do not currently have any direct effluent reuse schemes to report sources or costs against. We are developing a direct re-use scheme at Pyewipe in Lincolnshire, albeit for non-potable water supplies. Any "indirect" re-use sources costs would depend on the definition provided. Currently we do not consider the definition to have enough detail to determine which discharges/ sources would count.

The classification of "direct" reuse is fine but the definition for "indirect" reuse currently is not well enough defined in our opinion. It is unclear if we are being required to report this only for new sources or if we will be able to report sources that have historically had effluent redistributed to allow abstraction further downstream. The current definition says that any diversion of effluent should be "purely" for abstraction for treatment. The use of the word "purely" immediately discounts any sites where any ancillary benefits can be realised even if the primary intention is to develop reuse as a resource option.

This also opens the question to effluent discharges where we need to meet flow conditions for the environment or if the effluent is upstream of an abstraction point.

In the current form we would not support including indirect reuses, because the definition is too vague and could lead to inconsistent reporting.

Question 16

In section 8 we have included new data requirements for Bioresources. Should we collect more data to support the Bioresources market?

The proposals for section 8 include new reporting lines on energy use and consumption; sludge liquor volumes, strength and charges; revenue from renewable energy subsidies; and transport.

In principle, we support the collection of proportionate levels of additional information to improve the understanding of companies' bioresources operations and the development of the bioresources market. We provide more detailed comments on the section 8 proposals in Appendix 2. We provide our thoughts on sludge liquor charging in our response to question 3.

Question 17

We are introducing a new table 9A for the reporting of issues relating to the innovation competition. This is to collect the information required for the 'PR19 Innovation funding reconciliation model' in a format that will also provide stakeholders with relevant information to monitor how the company is performing against its allocated innovation competition fund price control revenue. We propose in section 3.16 of RAG 3.12 that companies provide commentary on its innovation competition spend. Do the proposed new table, line definitions and commentary requirements capture the required information to support the reconciliation process? What additional information should we consider adding to this table?

Overall, we are comfortable that Table 9A captures the key data required for the PR19 Innovation funding reconciliation model. We have a few minor points to raise.

1. In line with our letter to Ofwat of 24 June 2020 regarding the Innovation Consultation, we have indicated that ringfencing of funding may not be possible under our Common Terms Agreement and asked that Ofwat take an outcomes-based approach rather than stipulating an approach to ring fencing using separate bank accounts.
2. We are unclear why Table 9A refers to a maximum of three projects (rows 5-7, 9-11, 13-15). We note that there does not appear to be limit on the number of projects, nor any requirement for individual project data, in the model.
3. There does not appear to be any input cells for expenditure associated with enabling activities or the Innovation in Water Challenge.
4. We note that Bids accepted and awarded funding for innovation competition (rows 5-8) is not required to populate the model.

Question 18

We propose new reporting requirements for small companies:

a. Customer-focused performance summary,
b. Per capita consumption (PCC),
c. Leakage; and,
d. Financial security. What are your views on these proposals?

We note that the DSRA will include connections on NAV sites as part of its reconciliation. In our view the best source of data for connections on NAV sites are the NAV themselves. We would encourage Ofwat to strengthen the reporting requirement for number of household properties connected in order to (1) ensure that Ofwat can process the Developer Services Reconciliation Adjustment (DSRA) with ease as part of closing out AMP7 and (2) improve visibility of the small company returns, as these are not readily available online.

We agree that NAVs should have to report leakage and PCC data. If they are expected to comply with the same reporting guidance as the established companies, some things such as night use models may be difficult and expensive for them to implement. Larger companies could provide data from the surrounding area . They could also provide information about Distribution Input and DMA net flows.

Question 19

What are your views on how we should collect the information to calculate the bilateral entry adjustment?

We note that there is some uncertainty around the introduction of the Bilateral Entry Adjustment and we have concerns around its implementation. Notwithstanding this uncertainty, we comment on the data collection proposals below.

While we do not have a strong preference as to how data might be collected to calculate the bilateral entry adjustment, we suggest that a separate table would be more suitable in order to keep the size of the tables from getting too large and in order to keep tables separated by purpose. It is worth noting that we have a large number of Water Resource Zones in comparison to others, which would increase the table size and reporting effort by more than for others.

Question 20

We highlight proposals for Greenhouse gas emission reporting in section 4 'Future developments in performance reporting'. To what extent do you agree or disagree with these proposals and why?

Could companies publish annual gross and net greenhouse gas emissions (in tCO_2e) for both water and wastewater? Could this be done for both operational and embedded emissions?

We fully support the proposals for greenhouse gas emission reporting. This aligns with our purpose to bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop. The annual reporting of emissions has allowed Anglian Water to demonstrate progress against challenging targets, understand carbon hotspots and refine strategies to continue excellent performance on behalf of our customers and the environment.

In 2020, we successfully achieved a 61% reduction in capital carbon from a 2010 baseline (verified to PAS2080) and a 34% reduction in operational carbon from a 2015 baseline (verified under Achilles CEMARS).

Greenhouse gas emissions reporting is currently shared though our annual integrated report in line with the requirements of BEIS 'Streamlined Carbon and Energy Reporting' (SCER) and via an annual 'Greenhouse Gas Report', published since 2010 and following Defra guidance.

The emissions reporting has been externally verified to ISO-14064 under the Achilles CEMARS scheme. This provides evidence of our credible reporting and emissions reduction strategy, with Anglian Water one of only 27 UK organisations which have been successfully verified under this scheme for over 10 continuous years.

Enabling consistent reporting across the sector, Anglian Water has been an active participant in the development of the UKWIR Carbon Accounting Workbook (CAW) since its inception in 2006. This is updated on an annual basis to reflect changes in measurement methodologies and to incorporate the latest data. We would recommend that any data reported within APRs is sourced directly from the CAW to maintain consistent annual reporting across the sector.

The net zero carbon routemap is due to be launched in September 2020 and the toolkit in October, in line with the sector commitments and target for the water companies of England. This will leave insufficient time to update the CAW to reflect the changes in scope and boundary and methodology associated with the routemap. For example, the CAW does not include for any reduction opportunities associated with offsets or insets around land management. We would recommend only reporting net emissions in line with the routemap when the CAW has been accurately updated. It would be beneficial if Ofwat collaborated with the sector for the next update of the CAW to ensure the needs and requirements for all stakeholders are met. This may mean that net emissions reporting aligned to the routemap will not be available until the 2021/22 reporting year at the earliest.

The net zero carbon 2030 target is for operational emissions only. Anglian Water also reports on capital (embedded) emissions. We can confirm we are able to report our capital carbon emissions in the APR from 2020/21 in line with the Ofwat proposal. This is achievable due to our commitment and leadership in measuring, managing and reducing capital carbon since 2010. This has been made possible due to the efforts in getting our data, processes and systems in place in the period 2006 to 2010 and the commitment of our aligned supply chain in supporting our capital carbon strategy.

We refer to capital carbon in line with the definitions of the HM Treasury Infrastructure Carbon Review:

'Capital carbon, or 'CapCarb', refers to emissions associated with the creation of an asset. Capital carbon is being adopted within the infrastructure sector because it accords with the concept of capital cost. (Going forward, the related term "embodied carbon" will continue to be used at a product-level, whereas capital carbon will have greater relevance at an asset-level).'

We fully agree and support proposals for reporting capital carbon and are more than happy to share our experience and lessons learnt. This would include the recommendation to update the UKWIR (2012) 'A framework for accounting for embodied carbon in water industry assets'.

We would also be more than happy to share our experience and actions required to successfully be verified to PAS2080 'Carbon Management in Infrastructure'. Integrating PAS2080 into the whole value chain will be crucial if the sector is to achieve significant capital and operational carbon reductions. The alignment and collaborative approach of this common framework from product suppliers, designers, constructors, asset owners and government unlock more opportunities and innovation for carbon reduction than individual parts of the value chain working in isolation.

In order to aid understanding and to demonstrate progress towards net zero, should there be a further breakdown of this data – for example by source (grid electricity, process emissions, etc) and by type of greenhouse gas?

In reporting annual emissions through the 'Annual Greenhouse Gas' report shared on the Anglian Water website, we provide a transparent breakdown of emissions by source and scope. This ensures our performance is visible to our customers and wider stakeholder groups.

Greenhouse gas emissions data for period 1 April 2015 to 31 March 2019

	Tonnes of CO2e	2019 Baseline
Scope 1	110,898	97,627
Scope 2	181,077	315,555
Scope 3	30,226	42,153
Total annual gross emissions	**322,201**	**455,335**
Exported renewables	8,151	8,501
Green tariff	0	0
Total annual net emissions	**314,050**	**446,834**
Kg CO2e per Ml water treated	267	422
Kg CO2e per Ml recycled water	446	694
Kg CO2e per Ml recycled water, flow to full treatment	262	372

	Tonnes of CO2e	2019 Baseline
Scope 1		
Gas/fuel oil consumption	18,554	None
Process and fugitive emissions	69,696	None
Owned transport	22,648	None
Total Scope 1	**110,898**	**None**
Scope 2		
Purchased electricity	181,077	
Total Scope 2	**181,077**	
Significant Scope 3		
Business travel	1,006	None
Outsourced transport	13,784	None
Purchased electricity (transmission and distribution)	15,436	We have not included commuting, capital carbon and emissions from use of water in customers' homes.
Total significant Scope 3	**30,226**	

322,201 tCO2e
measurement of greenhouse gas emissions in compliance with ISO 14064.

122 GWh
of renewable generation equating to a 340% increase compared to 2010.

Screenshot from the 2019 Greenhouse Gas Annual Report

In measuring and reporting in accordance with ISO-14064 as part of verification with Achilles CEMARS, values associated with carbon dioxide, nitrous oxide and methane are recorded separately. These are the greenhouse gases that are currently reported as carbon dioxide equivalent. We would recommend the approach of reporting carbon dioxide equivalent only, whilst accounting for but not individually reporting the separate greenhouse gases.

This level of data at company level is useful in understanding operational emissions 'hot spots' and where further challenge, collaboration and action is required. However, the net emissions reporting is not currently aligned to the scope and boundary of the soon-to-be-released net zero routemap.

Achieving the target of the water companies of England to be net zero carbon by 2030 will require collaboration and support from a wide range of stakeholders including customers, suppliers, regulators and government. To provide reporting data at a granular level in demonstrating progress to net zero will be a useful step in order to understand the resources, funding and support required to reach our common goal.

Ofwat's role in working with the sector to develop the carbon accounting workbook and the 2008 and 2012 frameworks for measuring carbon illustrated the positive steps water companies and the regulator can achieve when working together and responding in collaboration to address the escalating climate crisis.

Question 21

We highlight proposals for nature based solutions reporting in section 4 'Future developments in performance reporting'.

- *To what extent do you agree or disagree with these proposals and why?*
- *Which type of nature based solutions do you think should be included in any reporting, and how could they be reported against?*
- *What work do you think is required to establish relevant baselines?*

We agree with the proposals to introduce reporting on nature based solutions (NBS) as we forecast these to become more mainstream in the future due to the value they can bring. We suggest that Ofwat should not limit innovative thinking by naming only certain types of NBS that are to be reported. Solutions can be very dependent on the unique locations, communities and habitats they serve. Any metric should aim to communicate the degree to which NBS are being used.

Using several metrics would be better as one alone would not paint a complete picture of the nature and range of schemes. It would be helpful to be able to track some of the wider benefits that such investments could deliver, but this would be difficult to do in a consistent way across the industry.

Reporting on treatment wetlands could be:

- proportion of schemes delivered this way
- number of schemes
- absolute and percentage load reduction delivered this way
- length of water body improved.

Metrics for schemes like CNB or other payment-based approaches could be:

- total area covered by a scheme
- proportion of priority catchments area covered by a scheme
- load reduction
- number of farmers involved
- some breakdown of what payments are for, e.g. operational changes or capital investment
- number of schemes / catchments involved.

Question 22

We highlight proposals for household bills reporting in section 4 'Household bills'.

- *To what extent do you agree or disagree with these proposals and why?*

It is not set out in the consultation document why Ofwat would require this information other than to improve transparency and "better understand the impact" of bills on customer groups. If the analysis is aimed at understanding affordability, using arrears as a proxy, the proposed analysis is potentially misleading. This is because the arrears analysis does not distinguish between "can't pay" and "won't pay" customers. Nor does it distinguish between income groups, but simply by bill value. The principal flaw is that arrears in the charging year could be brought forward from a prior period, and therefore relate to a previous bill for a previous charging year. The analysis would link all arrears in the charging year to the charges/bill value for the current year; it would attempt to draw conclusions about the affordability of the current charging year bill values. This would be incorrect. It would also associate those arrears to simulated bill values, as set out above, which would further compound the misleading nature of the analysis.

We have the following further comments relating to each of the individual elements:

1. *The full detail of the calculation of the average household bill, setting out each of the inputs, calculation steps and outputs, presented separately for water, wastewater and combined bills*
We presume that this would relate to the average bill for the previous charging year, to differentiate it from, and avoid duplication of, the average bill analysis that we already provide in January each year.

2. The statistical deciles of the household bills, presented separately for water, wastewater and combined bills, and each of these categories also separately for measured, unmeasured and all customers

We understand this requirement to be an analysis of the range of bill values for the customer base, from highest to lowest, and the customer base then divided into deciles across that value-range; the range of value for each decile varying as the deviation from the standard (i.e. average) becomes less numerous. The majority of customers would be expected to concentrate around the average, with the range of values for the associated deciles being relatively small.

If this analysis is to relate to the financial/charging year 1 April to 31 March on which the APR reports, then the statistical analysis will, in large part, need to be based on simulated bill values, given the value of the measured income accrued at year end is in the region of 40%. Revenue as reported is an extrapolation of the average usage billed to date for the reporting year (i.e. annualised average customer numbers multiplied by average usage). This is statistically robust. However, we do not have a simulation algorithm that would allow us to undertake a calculation that extrapolated the change of usage in the reporting year across the prior period billing history for individual customers, in order to then provide the decile analysis requested.

There are further issues in creating deciles that do not appear when analysing average bills for annual equivalent customers. For example, how would we deal with tariff switchers; with customers switching from unmeasured to measured charges; for leakage and other allowances applied to a customer account in the year under review but which relate to a prior billing period; or where a customer moves out/moves in part way through the charging period?

It is also not clear whether the requirement for water, wastewater and combined bills relates to a unique calculation of customers i.e. water-only, wastewater-only and dual service billed customers, or whether the requirement is to analyse by decile all bills for the water service, separately the wastewater service, and then combined. The existence of billing agreements between companies raises the question of how we could provide a comprehensive analysis for all the customers we serve, given we do not have access to the detailed customer billing records where another company bills on our behalf. This same issue in relation to cross-border supplies relates to the arrears analysis requested.

3. The number of customers in arrears of their bill payment at any point during the year, presented for all customers and also separately for each of the categories defined in point 2 above, grouped into bands by the number of days in arrears, comprising less than 30 days, 31 to 90 days, 91 to 180 days and more than 180 days.

In responding to this proposal, there appear to be three elements to consider:

- **The purpose of gathering this information** - it is important for us to understand how this information will be used and what question it is attempting to answer. If this were more transparent, we might be able to suggest a better approach to this analysis.

- **What is being asked for** – the definition contained in the consultation is open to various forms of interpretation which makes it difficult to comment. For example:
    - what is the definition of arrears and how and when should this be calculated? For instance, should it be based on the number of days the overdue charges cover or should it be calculated from the date of the oldest overdue invoice? Also, should it be calculated up to the date of the latest invoice or up to year end?
    - would this include customers in arrears at the start of the year, only those going into arrears during the year and/or those still in arrears at the end of the year?
    - if a customer was in arrears on more than one occasion during the year, how would this be counted?
        - what is the calculation for a customer with debt across all the suggested age categories?
- **Our technical ability to report this information –** we know from experience that due to the volume of data held in relation to debt and customer accounts, generating new reports can be very costly and time consuming. The answers to the second bullet point will ensure consistency across the industry and will help us to develop accurate reports, efficiently and effectively (assuming the consultation leads to some changes).

• What additional information on household bills do you think should be included in the APR?

We do not support the need for any further information.

Appendix 2 Template for responses to question 1

Table	Line	Issue
Section 2 – Price Review and other segmental reporting		
2B (also 4B/4E)		**Capital Maintenance (CM) reporting** The PR19 process has exposed difficulties in understanding companies' expenditure on the maintenance of their assets. The bulk of companies' CM expenditure is reported on lines 15 and 16 but since the switch from UK GAAP to IFRS companies have also reported expensed renewals in lines 7 and 8. However, some companies report nothing against these lines and we understand that some CM expenditure is also reported against other lines. We have made the case to the CMA that the correct level of future CM needs to be assessed in ways others than through econometric modelling as part of botex or botex plus. For this to be done, clarity is required on historical levels of expenditure. We recommend that industry discussions are required to understand current reporting practices and to develop guidelines which can ensure industry-wide consistency on reporting. **Leakage reporting** Another issue that emerged during PR19 was the lack of sufficient detail on leakage expenditure. We note that a new line on enhancement spend on leakage is included in Table 4L and various lines on total leakage expenditure are included in the new table 6D. We suggest there should be a comparable base cost line for leakage reduction as well. We say more on this, and the need for work to ensure consistency of reporting, in our comments on Table 6D. **Enhancement opex reporting** The consultation proposes inclusion of lines on enhancement opex in tables 2B, 4D, 4E, 4J and 4K. There are two types of enhancement opex: (i) expenditure consequent on the creation of new capital assets, and (ii) expenditure made in lieu of capital investment. For the purposes of future cost assessment, it is important to understand the difference between these because the former is recurring and permanent while the latter may not be. • We understand that only the first type of enhancement opex (i.e. new opex consequent on the creation of new capital assets) should be reported in 2B, 4D and 4E and that where opex solutions are implemented in lieu of (or alongside) capital solutions to deliver service enhancements these are reported in the bottom block of Tables 4L and 4M. If so, this should be made clear in the reporting requirements. • The reporting requirements should also make clear what the baseline is for these additional costs. We assume it is to capture incremental costs from 1st April 2020. • The reporting requirements should make clear whether companies are to report the incremental opex incurred during the reporting year or whether it is the cumulative impact on total opex from the 1 April 2020.

		• Finally, to the extent that enhancement and growth opex contain an element of power and rates costs, which rows should these costs be reported in? This feels like another area of reporting which would benefit from industry-level discussions to ensure clarity and consistency over future reporting. **Opex/Capex Grants & Contributions (G&Cs)** These tables now include a new split of contributions between operating expenditure G&Cs and Capital Expenditure G&Cs. The RAGs provide no definition of these. For industry consistency, guidance would be useful about Ofwat's expectations of what constitutes an opex and capex contribution.
Section 3 – Performance summary		
3A		We think there should be separate blocks for Retail PCs rather than adding them in with Water PCs. For example, priority services are not specific to the water supply. Whilst one of the service offerings may relate to the delivery of bottled water during a water supply interruption, this is not the only reason for the customer registering for priority services. There are a vast number and wide range of support offerings for our customers on the PSR, such as braille or large print bills, that are offered regardless of whether a customer is billed for water or sewerage charges.
3A		We propose that a review of Leakage and PCC reporting guidance should be undertaken in AMP7 to account for the increased number of areas with smart meters, which were not considered when the current guidance was produce. We also consider that there are still some inconsistencies in reporting that could result from the current version of the guidance that would merit revisiting.
3C		There are inconsistencies between the proforma table and the reporting requirements in 4.09. For example, there are no reporting requirements for lines 5-7. Furthermore, the reporting requirement for line 1 refers to an abstraction site. We believe this reflects the AMP6 version of table 3C and should be updated for AMP7.
3D		The format of the table is now inconsistent with Ofwat's latest consultation on D-MeX which splits D-MeX into two half years. This may require a change to the table. (See https://www.ofwat.gov.uk/wp-content/uploads/2020/07/Consultation-on-changing-the-Water-UK-metrics-in-D-MeX.pdf section 4.2 page 15). Reporting deadlines – the datashare of Q4 data from Ofwat is currently in early June 2021 – following this companies may wish to verify the data and changes may occur. It is currently unclear as to when the finalised score will be able to be confirmed and this may make it difficult to meet the APR submission deadline.

Section 4 – Additional regulatory information – service level		
4C	**All**	The format of this table could be improved by dividing it into blocks: (1) net totex less rates and abstraction charges (lines 1-8), (2) rates and abstraction charges (lines 9-14), (3) costs not subject to sharing (lines 15-17), (4) total (lines 18-23)
4D, 4E	**27-30**	We are not clear what use, if any, is made of the unit cost information rows in these tables. We propose they are deleted. There is sufficient non-financial information elsewhere in the APR to enable the calculation of unit costs, if such comparisons are deemed useful.
4E	**All**	Tables 4E and others require an allocation of sewerage costs to split between Foul, Surface Water and Highways. As most of our sewers are combined the splits here are based on flow rates and are likely to be fairly arbitrary. Furthermore, reporting is likely to be inconsistent across the industry. We continue to question the benefit of keeping these splits.
4F, 4G	**All**	The costs for DPC major projects will likely be incurred by a competitively appointed provider (CAP) and not always by the appointee. It's not clear from the reporting requirements whose costs are to be reported. Is it the costs incurred by the appointee in the tender process or the costs CAP will they eventually incur in delivering the scheme? If it is the former, the information will be available to Ofwat as part of the tender process, which it will be involved in. If it is the latter, we do not think we should be reporting CAP costs which the CAP may consider commercially sensitive and may not want to pass on to the company. The company would, in effect, just be passing on information, without any ability to provide assurance around the data provided by the CAP. If, however, costs are incurred in delivering a major project via an in-house delivery, it would be appropriate for appointee to report these costs separately in this table.
4J, 4K	**All**	These two tables are very similar to 4D and 4E and represent a disproportionately burdensome solution to the small challenge of understanding companies' atypical expenditure. We propose that these tables be deleted, rows are added to tables 4D and 4E to record atypical expenditure as memo items and companies use their commentaries to explain the nature of their atypicals.
4L, 4M	**All**	**Enhancement drivers** The drivers which make up the rows of this table are largely the same as those which were identified for PR14. As the drivers for AMP8 investment plans become apparent new lines may need to be added. When this happens, thought should also be given to the collection of appropriate cost drivers to enable cost assessment at PR24. Furthermore, reflecting on the PR19 enhancement cost assessment, the cost drivers that were used at PR19 could potentially be improved upon. This is another area where collaboration between Ofwat and the industry would be beneficial.

		Cumulative Expenditure Recording of cumulative expenditure was introduced to address the fact that expenditure does not all occur in the same financial year as the output is reported. However, we are not aware of what use has been made of this data and therefore question its continued purpose. Furthermore, Tables 4L and 4M continue to have no capacity for recording expenditure on schemes in years after an output has been claimed. As flagged previously with Ofwat, expenditure after the year of output can often be significant. If reporting of cumulative expenditure is retained we therefore suggest this is added to the tables to save a separate reconciliation being added (as is currently the case). **Need vs solution** Sometimes we see confusion about whether capital expenditure should be classified according to the purpose/need or the solution. For example: o A deterioration in raw water quality is resolved by additional treatment at water works. o Water treatment resilience for works shutdown is resolved by additional interzonal supply main and pump stations. Clarity in the reporting requirements would be helpful. **Smart metering capex classification** No guidance exists as to where smart metering spend should be classified between wholesale and retail. Smart metering provides benefits to both the wholesale and retail business. Guidance as whether smart metering assets (particularly telemetry) are wholesale or retail would be useful.
Section 5 - Additional regulatory information – water resources		
		No comments
Section 6 - Additional regulatory information – water network plus		
6B	**28**	During PR19 Ofwat stated that it could not produce an enhancement model based on the length of lead pipes replaced as that data was not available for the industry. In PR19 companies committed to replace around 290,000 lead pipes by 2025, but at that point companies forecast that there will remain over 5.5 million lead pipes supplying customers in operation. If the industry follows the DWI's preferred investment plan to remove all lead pipes by 2050, there could be significantly more investment in lead replacement at PR24, therefore having available data on pipe length will be essential.
6B	**31-35**	We note the proposed breaking out of the number of pumping stations, which we support, but the same granularity is not proposed for the rated capacity. We view pumping station capacity as a bigger driver of cost than PS number and should be reported. We are pleased that in general the word 'site' has been dropped in favour of 'pumping station'. However, the word 'site' appears in example 2 in the

		updated version of 4.09. The wording there makes sense in the context of pumping stations in series but the image supplied is of pumping stations in parallel. We suggest this wording and image should be revised in line with the new definition of pumping station. Example 3 in the updated version of 4.09 sets out how to count pumping stations if the blending is in distribution but there is still no guidance on the categorisation if ground and surface waters are blended in the treatment works.
6C/7E		We note that data collected relating to properties connected are requested in different formats. The number of new properties connected is reported as a “year end” figure (e.g. total added during the report year), however the totals billed properties are reported as “year average” figures. This leads to discrepancies between the two lines that result from the difference in timing, as well as how companies operate their internal systems. We consider that the two lines should be aligned to provide more consistent datasets.
6D		There is currently no clear location to report enhanced metering activities. These are meters that are installed at customers’ properties at companies’ request but with no requirement on the customer to switch to measured charges. Instead the customer is given the opportunity to switch, should they wish to, or the meter remains unused for charging until the property changes hands. We consider that guidance should clearly explain where to report: • the number of enhanced meters that are installed each year, • the number of enhanced meters that are installed AND activated for charging in the same year, and • the number of enhanced meters that were installed in a prior year and are activated for charging during the reporting year.
6D	**16-26**	We welcome the inclusion of these lines so there is greater understanding of the costs of leakage control. However, without more detailed definition of what costs should be included we will not get consistency of reporting across the industry and so the data will be misleading. For example, for 6D.16 we would include as a minimum the following components - • Detection technician salary costs – inhouse and contracted resource • Targeting analyst costs • Customer side leakage management costs – waste notices etc. • Leakage monitoring infrastructure costs – DMA meters, pressure loggers, noise loggers, large customer logging – ongoing monitoring and maintenance/replacement • Night use study costs – models, instrumentation and staff time • Consumption reporting costs - models, instrumentation and staff time • Pressure monitoring costs - models, instrumentation and staff time • Repair costs – streetworks/TMA, contracts team, Network technician costs supporting proactive work

		• Distribution input monitoring and reporting costs - instrumentation and staff time. We suggest reactive repair costs should also be included but as a separate line. We would also suggest that the number of repairs completed should also be reported for both proactive and reactive work Draft RAG 4.09 states that costs to be reported include capital *and* operating costs for both maintaining *and* reducing leakage. However, the new lines in table 4L require companies to report the costs of reducing leakage alone, separately for capex and opex. Given the requirements of 4L, it would seem sensible to require the capex and opex associated with maintaining leakage levels alone in order to build the fullest picture of leakage costs.
6D	**21**	Volume of leakage saved from active leakage control. There is not an agreed method for defining this. It is not usually possible to get an actual flow rate for each leak so we rely on average leak sizes for each leak type (e.g. burst main or stop tap). But there is no standard definition for this so all companies will use something different. Standard assumptions need to be defined to ensure consistency.
6D	**22-24**	Volume of leakage saved from other activities. These can usually be assessed from flow data but assumptions need to be made about what period of time the drop is assessed over. For example, do you take the last day's data before the scheme was installed and compare it to the first day after completion or do you take the average of the previous and following month? How do you deal with fluctuations caused by weather?
6D	**27-28**	Per capita consumption. The reporting requirements represent a change to how we report PCC and so would need to be built into the pcc reporting guidelines. We would need to restate pcc for 18/19 and 19/20. This change would also cause a knock on impact to the water balance and reported leakage in those years
Section 7 - Additional regulatory information – wastewater network plus		
7C	**14 / 15**	We would like to see clarity added to the definition of this line to confirm the lengths of rehabilitation that should be reported. We currently understand that some companies report the length of sewer between the nearest two manhole where rehabilitation is taking place. The reasoning behind this we understand is that the rehabilitation work carried out has brought the whole length of sewer up to the required standard. Please could Ofwat confirm in the line definition that this is what they intend to be reported or if they require only the length that is actually rehabilitated.
7C	**3**	The reporting requirements for this line tell us to exclude inter-stage pumping within a sewage treatment works but we are not aware that a definition of "inter-stage" pumping exists. We have onsite inlet pumping stations, often after some form of screening / balancing, which we have

		historically considered to be inter-stage. However, other companies may take a different approach. Collectively these pumps represent a significant proportion of the total rated capacity. We have a number of vacuum sewerage systems in our network. We include the "pump" element of the associated vacuum pumping stations in the pumping station figures but not the "vacuum generating" compressors yet those assets do contribute to the motive force of moving sewage through the network.
7D	**7D.23/24**	The definition given in 7D.23 does not reflect what this driver requires and the range of approaches being taken by different companies to derive what their FFT should be. This might skew the data collected if companies adopt an strategy of avoiding particularly costly solutions in the short-term. EA guidance leaves room for this type of strategy, for example by reducing DWF to reflect a 2030 time horizon, resulting in a much reduced FFT deficit. This could result in cost-models derived from AMP7 data being skewed towards "easy wins". There is a similar issue for line 24 as the description doesn't capture the driver guidance accurately or the range of interpretations being applied.
7E/4M	**7E.20/ 4M.17**	In AMP6 we quoted the total number of Environment Agency obligations delivered where costs had been incurred against the EDM drivers and explained why in our APR commentary. This provided consistency with the total cost of delivering the EDM programme, as reported in table 4M, and provided consistency with the number of outputs claimed by us with the EA under this obligation in the AMP6 NEP. We are unsure if all companies reported in the same way as us. Some may only have reported those locations where EDMs needed to be installed. In order to ensure that unit costs for these lines are reported consistently we consider that guidance should clearly state whether it is the number of EA obligations delivered that should be reported (even if no EDM is installed) or if it is only the number of EDMs actually installed and the associated costs.
Section 8 - Additional regulatory information – bioresources		
8A	**5**	This line covers the 'Percentage of sludge produced and treated at a site of STW and STC co-location'. In RAG 4.07 (November 2017), when it referred to line 4R.27, the definition for this line was: *The percentage of the sludge quantity reported in 8A.3 that is produced at co-located sites. For the purposes of this definition:* *i) "co-located" includes sites where the STC is physically separate but the sludge is transferred from a wastewater treatment site by pipeline, and ii) <u>STC means any site where thickening to >10%DS, and / or dewatering and / or microbial reduction (eg digestion, lime stabilisation etc) is undertaken.</u>* We raised a query on this definition in 2019. We said that the purpose of this line was to understand how much of any company's sludge required to

		be transported by road to the place where it was treated. We said that the definition in 4.07 required us to exclude the transport of sludge between intermediate thickening centres (where sludge may be thickened to >10%DS but not treated to a standard that allowed it be recycled to the environment) and sludge treatment centres. Ofwat agreed with our point and in RAG 4.08 (March 2019) the definition was amended to: The percentage of the sludge quantity reported in 4R.25 that is produced at co-located sites. For the purposes of this definition: i) "co-located" includes sites where the STC is physically separate but the sludge is transferred from a wastewater treatment site by pipeline, and ii) <u>STC means any site where sludge is treated to a standard such that it can be recycled to the environment or disposed of without any further treatment</u>". In the draft RAG 4.09 the definition has reverted to the wording in 4.07. We disagree with this and believe that the amendment made in 2019 should be restored to capture the intention of this line.
8C		The top block of this new table is to measure the energy generated, bought and used in bioresources. We note that as a result of the bioresources workshop an additional line has been proposed for unused energy and columns for biogas have been added in comparison to the initial consultation version. We understand the intent behind the table. We question the value added by Line 1 (energy generated and used within the bioresources control). The relative efficiency of sludge operations is best measured by the proportion of energy which has to be imported. We note that biogas, like heat, is difficult to measure because biogas quality is variable, which presents challenges to the accuracy of flow meters. We would likely have to report an estimated figure based on standard assumptions rather than a directly measured figure and expect that other companies will do the same. Line 5 – the reporting requirements should make clear that all grid energy imports should be within scope, not just electricity. For example, some of our sites use natural gas or gas oil as a supplementary heating fuel. The second block of this new table is to measure volumes and strength of sludge liquors. Line 1 – we currently estimate our sludge liquor flows based on our measured flow of sludge into the primary sludge treatment process and regard this as an acceptable approach. We suggest the benefit derived from obtaining directly measured flows does not justify the investment required to fit flow meters at all our sludge treatment centres.

		Lines 2 and 3 – We currently measure the BOD concentration of sludge liquors through monthly samples and will expand our analysis to include ammonia measurement. We are aware that practice varies across the sector and that a more standardised approach would be beneficial. Line 4 – Having a consistent basis for sludge liquor charging is a key factor in determining gate fees for cross border trades and its absence is currently a blocker to companies entering long term trades. Much more work is required to derive this consistent methodology. We propose Ofwat sets up a working group similar to the one which operated during AMP6 on sludge measurement and forecasting incentives. We would be keen to join such a group.
'Table 2'		As a result of the bioresources workshop this new table has been added to the initial consultation to capture income from renewable energy subsidies. We agree that the information provided by this additional table will improve stakeholders' ability to compare the relative efficiency of WASC's sludge operations. The year of expiry column cannot be completed on a company-wide basis because subsidies apply to sites or even to separate assets within sites. For example, one of our two CHP at Cotton Valley WRC was commissioned in 2004 while the second was commissioned in 2007. Both are registered for ROCs on the same term so the years of expiry will clearly be different. We suggest that a more detailed table is required which enables companies to last all of their relevant assets individually (e.g. for us 22 CHP engines across 10 sites). Lines 3-5 ask companies to report on income from subsidies other than ROCs and RHIs. It would be helpful for the reporting requirements to include a definitive list of the subsidies that are in scope.
'Table 4'		This is another new table which has been added to the initial consultation as a result of the bioresources workshop. It intends to capture greater information about sludge transport. We are not convinced that the proposed new lines offer any advantage over the existing lines in the current table 4R. The proposed new lines report only distance travelled and number of trips so will be influenced significantly by the size of companies' haulage vehicles. By reporting 'tonne kilometres', the current lines dispose of this problem. The transport costs incurred by Bioresources are largely determined by Wastewater network plus - the size, location and accessibility of the WRCS and the quality of the sludge produced by those sites. It is worth recalling that the current lines were drawn up after substantial discussion within the Bioresources Working Group, which saw them as the best solution to the problem of understanding differences between companies in this important area.