June 2020

Trust in water

RAG 4.09 – Guideline for the table definitions in the annual performance report

Consultation version

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1. Definitions of terms

Section 1 – Regulatory financial reporting

Financial performance for the 12 months ended 31 March 20xx

Pro forma 1A: Income statement

1A.1	Revenue	Appointed – Total business revenue that is within the scope of the price control, together with revenue that is outside of the price control but still forms part of regulated activities. Non-appointed – Total business revenue from non-appointed activities as defined by the licence. See appendix 1 for further examples.
1A.2	Operating costs	Historical cost operating costs.
1A.3	Other operating income	Historical cost operating income includes profits or loss on disposal of fixed assets; income arising from exceptional items should also be included. Normally a positive number, but a loss should be negative.
1A.4	Operating profit	Historical cost operating profit. Equal to the sum of lines 1A.1 to 1A.3.
1A.5	Other income	Includes rental income and income from investments (eg, share income); excludes net interest and profit on disposals on fixed assets. **Grants and contributions, adopted assets** Companies may recognise grants and contributions in the income statement under UKGAAP. This may be as revenue, by netting off opex, another income line or by amortisation over the life of the asset. We require that all such income be shown as 'other income' in this line. Amortised credits should be recorded in this line where recognition of the asset is spread over a number of years. This permits a consistent treatment as required in RAG1 1.8 and 1.9.
1A.6	Interest income	Interest income includes interest received on cash deposits, loans to group companies, etc.
1A.7	Interest expense	Interest expense includes interest paid on loans, leases, debenture, floating rate debt, overdrafts, preference shares and all other borrowings.
1A.8	Other interest expense	Total net interest expenses which are not directly related to deposits and borrowings as defined in 1A.6 and 1A.7.

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		e.g Net interest cost of defined benefit pension schemes.
1A.9	Profit before taxation and fair value movements	Equal to the sum of lines 1A.4 to 1A.8.
1A.10	Fair value gains/(losses) on financial instruments	Any fair value gains/(losses) arising on financial instruments which must be accounted for at fair value on the balance sheet with changes recognised in the income statement.
1A.11	Profit before tax	Historical cost profit on ordinary activities before taxation. Equal to the sum of lines 1A.9 to 1A.10.
1A.12	UK Corporation tax	The current tax charge on profits from ordinary activities. This will include mainstream corporation tax, income and other taxes. It should exclude any deferred tax charge which is to be reported separately. A positive number for tax credit, negative number for tax charge.
1A.13	Deferred tax	The movement in the deferred tax provision. A positive number for tax credit, negative number for tax charge.
1A.14	Profit for the year	Historical cost profit for the year. To be shown after taxation, but before deduction of dividends. Equal to the sum of lines 1A.11 to 1A.13.
1A.15	Dividends	Dividends declared by the company in the year.
Tax analysis		
1A.16	Current year	The current tax charge on profits from ordinary activities, excluding any adjustment in respect of prior years. This will include mainstream corporation tax, income and other taxes and any payments for group relief received. It should exclude any deferred tax charge which is to be reported separately.
1A.17	Adjustment in respect of prior years	The impact on the current tax charge of adjustments in respect of prior years.
1A.18	UK corporation tax	Sum of 1A.16 and 1A.17. Equal to 1A.12.
Analysis of non-appointed revenue		
1A.19	Imported sludge	Revenue from disposing of sludge from other wastewater undertakers.
1A.20	Tankered waste	Revenue for treating tankered waste brought to WWTWs.
1A.21	Other non-appointed revenue	Other non-appointed revenue not included in 1A.19 or 1A.20.
1A.22	Revenue	Total non-appointed revenue. Sum of 1A.19 to 1A.21.

Pro forma 1B: Statement of comprehensive income

1B.1	Profit for the year	Historical cost profit for the year. Equal to line 1A.14.
1B.2	Actuarial gains/(losses) on post-employment plans	Actuarial gains/(losses) on post-employment plans.

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1B.3	Other comprehensive income	Other gains and losses.
1B.4	Total comprehensive income for the year	Total comprehensive income for the year. Equal to the sum of lines 1B.1 to 1B.3.

Pro forma 1C: Statement of financial position

Non-current assets		
1C.1	Fixed assets	Historical cost net book value of tangible fixed assets at the end of the financial year.
1C.2	Intangible assets	Total value of any intangible assets (not physical in nature) at the end of the financial year.
1C.3	Investments – loans to group companies	Loans made to other group companies repayable in more than one year.
1C.4	Investment – other	All investments, excluding those in line 1C.3, eg, shares in other group companies.
1C.5	Financial instruments	Difference between book value and fair value of any non-current assets relating to financial instruments, including options, futures, forwards and swaps, which are presented at fair value in the statutory accounts.
1C.6	Retirement benefit assets	The total amount due to employees in the pension scheme for all of the past service completed up to the balance sheet date, less scheme assets. Where this calculation results in a net asset it should be shown in this line.
1C.7	Total non-current assets	Historical cost total fixed assets. Equal to the sum of lines 1C.1 to 1C.6.
Current assets		
1C.8	Inventories	Stocks held at the year end. Stocks consist of consumable stores and work in progress, including chemicals, stationery, petrol, backfill materials, etc.
1C.9	Trade & other receivables	Debtors consist of all amounts owing to the company at the financial year end including trade debtors, prepayments and accrued income. This includes amounts falling due after more than one year. Any assets held for sale should also be included here.
1C.10	Financial instruments	Difference between book value and fair value of any current assets relating to financial instruments, including options, futures, forwards and swaps, which are presented at fair value in the statutory accounts.
1C.11	Cash & Cash equivalents	Cash consists of cash in hand and at bank and short term deposits. Overdraft balances should not be netted off as they should be included separately in 'Trade & other payables'. Equal to the sum of 1E.4 and 1E.5.
1C.12	Total current assets	Equal to the sum of lines 1C.8 to 1C.11.

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Current liabilities		
1C.13	Trade & other payables	Trade creditors, accrued interest and any other accruals or creditors due within one year that are not borrowings, tax creditors, capex creditors or liabilities arising from derivative financial instruments.
1C.14	Capex creditor	Capital expenditure creditors due within one year.
1C.15	Borrowings	Balances due within one year which comprise: • obligations under leases; • loans due to other group companies; • redeemable debentures; • bonds; • commercial paper; • bills of exchange; • bank loans; and • any other borrowings. Accrued interest on borrowings should not be included.
1C.16	Financial instruments	Difference between book value and fair value of any current liabilities relating to financial instruments, including options, futures, forwards and swaps, which are presented at fair value in the statutory accounts.
1C.17	Current tax liabilities	Corporation tax payable consists of any balances of corporation tax due to HMRC.
1C.18	Provisions	Total provisions for liabilities and charges due within one year. Includes deferred income – grants and contributions and all other provisions including restructuring or reorganisation provisions.
1C.19	Total current liabilities	All creditors due to be paid within one year. Equal to the sum of lines 1C.13 to 1C.18.
Net current assets/ (liabilities)		
1C.20	Net current assets/ (liabilities)	Historical cost net current assets. Equal to the sum of lines 1C.12 and 1C.19.
Non-current liabilities		
1C.21	Trade & other payables	Trade creditors, accrued interest and any other accruals or creditors due after more than one year that are not borrowings, tax creditors, capex creditors or liabilities arising from derivative financial instruments.
1C.22	Borrowings	Balances due after more than one year which comprise: • obligations under leases; • loans due to other group companies; • redeemable debentures; • bonds; • commercial paper;

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		• bills of exchange; • bank loans; and • any other borrowings. Accrued interest on borrowings should not be included.
1C.23	Financial instruments	Difference between book value and fair value of any non-current liabilities relating to financial instruments, including options, futures, forwards and swaps, which are presented at fair value in the statutory accounts.
1C.24	Retirement benefit obligations	The total amount due to employees in the pension scheme for all of the past service completed up to the balance sheet date, less scheme assets. Where this calculation results in a net liability it should be shown in this line.
1C.25	Provisions	Total provisions for liabilities and charges due after one year not included elsewhere in the table. Includes restructuring or reorganisation provisions.
1C.26	Deferred income – grants & contributions	Balance of deferred income relating to capitalised grants and contributions received.
1C.27	Deferred income – adopted assets	Balance of deferred income relating to adopted assets.
1C.28	Preference share capital	Nominal value of the preference share capital.
1C.29	Deferred tax	Provision for tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. (A deferred tax asset should be entered as a positive number.)
1C.30	Total non-current liabilities	Total creditors due after one year. Equal to the sum of lines 1C.21 to 1C.29.
Net assets		
1C.31	Net assets	Total assets employed by the business under the historical cost accounting convention. Equal to the sum of lines 1C.7, 1C.20 and 1C.30.
Equity		
1C.32	Called up share capital	Nominal value of the ordinary shares of the company which are issued and fully paid.
1C.33	Retained earnings and other reserves	Cumulative balance of historical cost profits retained and any other reserves, other than called up share capital.
1C.34	Total Equity	Total of shareholders' funds. The sum of called up share capital, share premium, profit and loss account, and other reserves. This equals line 1C.31.

Pro forma 1D: Statement of cash flows

1D.1	Operating profit	Operating profit before tax and interest. This is equal to

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		line 1A.4.
1D.2	Other income	The cash impact of 'other income' in line 1A.5.
1D.3	Depreciation	The negative value of depreciation and amortisation of tangible and intangible assets.
1D.4	Amortisation – Grants & contributions	The statutory values in the first column should be offset by adjustments such that any amortisation will be recorded as 'other income' in the regulatory accounts.
1D.5	Changes in working capital	The total movement in working capital.
1D.6	Pension contributions	Any difference between the pension contributions paid in the year and the charge included in the total operating expenditure in 2B.11.
1D.7	Movement in provisions	The negative value of any other non-cash profit and loss items which affect operating profit.
1D.8	Profit on sale of fixed assets	The negative value of net current cost profit/loss on disposal of fixed assets.
1D.9	Cash generated from operations	Net cash flow movement from the operating activities of the company. The sum of lines 1D.1 to 1D.8.
1D.10	Net interest paid	Net of interest received, interest paid, interest on lease rentals and non-equity dividends paid.
1D.11	Tax paid	All cash flows to or from taxation authorities (or other group companies) in respect of the company's revenue and capital profits including corporation tax paid/received and group taxation payments/receipts by the company in the year.
1D.12	Net cash generated from operating activities	The sum of lines 1D.9 to 1D.11.
Investing activities		
1D.13	Capital expenditure	Gross purchase price of fixed assets paid before the deduction of any grants and contributions.
1D.14	Grants and contributions	All grants and contributions which are accounted for as reductions in capital expenditure. This may not agree to grants and contributions recorded in tables 2B and 2E, which cover ALL grants and contributions.
1D.15	Disposal of fixed assets	Cash proceeds received in the year on the sale of fixed assets
1D.16	Other	Other movements not already included in lines 1D.13 to 1D.15.
1D.17	Net cash used in investing activities	The net cash flow of the company relating to the acquisition or disposal of any asset held as a fixed asset. The sum of lines 1D.13 to 1D.16.
1D.18	Net cash generated before financing activities	The sum of lines 1D.12 and 1D.17.
Cashflows from financing activities		

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1D.19	Equity dividends paid	The total equity dividend paid by the company in the year. This includes any special dividends paid in the year.
1D.20	Net loans received	The receipts from any loans taken out in the year. These include the proceeds of any loans taken out from other group companies. Repayments should be netted off.
1D.21	Cash inflow from equity financing	The net proceeds of any share issues received in the year, less the cost of any share buy backs.
1D.22	Net cash generated from financing activities	The net effect on cash flow after repaying the capital element of finance leases, raising /repaying loans and share issues. The sum of lines 1D.19 to 1D.21.
1D.23	Increase/(decrease) in net cash	The net cash flow of the company in the year measured by the change in the level of cash. The sum of lines 1D.18 and 1D.22.

Pro forma 1E: Net debt analysis (appointed activities) at 31 March 20xx

Figures for this table should be derived using granular data on financial instruments embedded in company balance sheets. This granular data should be set out in Table 4B: 'Analysis of debt', which we are requesting from companies as part of their submission. Borrowings should be entered as positive numbers in the Table 1E pro forma.

1E.1	Borrowings (excluding preference shares)	Borrowings such as: • obligations under leases; • loans due to other group companies; • redeemable debentures; • bonds; • commercial paper; • bills of exchange; • bank loans; and • any other borrowings. The following should not be included: • accrued interest on borrowings; • mains deposits; • issuance costs or transaction costs; • premiums or discounts; • fair value accounting adjustments which do not impact on the principal sum outstanding on the debt or the total interest paid. For example when financial instruments, such as interest rate swap agreements are presented at fair value. • liabilities arising per IFRS16 in connection with the recognition of DPC arrangements on the balance sheet of the regulated company.

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		Where there is a difference between 'Borrowings' as reported in column 'Total appointed activities' of table 1C (i.e. the sum of lines 1C.15 and 1C.22) and table 1E a reconciliation of the differences should be provided. Where borrowings have been swapped, the principal outstanding should be assigned to categories based on the nature of the payable leg of the swap (e.g. a loan swapped from fixed to floating should be categorized as floating).
1E.2	Preference share capital	Nominal value of the preference share capital. This should equal 'Preference share capital' as reported in column 'Total appointed activities' of table 1C (i.e. line 1C.28).
1E.3	Total borrowings	The sum of lines 1E.1 and 1E.2.
1E.4	Cash	Cash in hand and at bank at the year-end.
1E.5	Short term deposits	Investments which are readily convertible into known amounts of cash. This may include deposits made with group companies.
1E.6	Net Debt	The sum of lines 1E.3 to 1E.5.
1E.7	Gearing	Regulatory gearing calculated as net debt in 1E.6 divided by RCV in 4C.5.
1E.8	Adjusted gearing	Some companies may use a different measure of net debt to calculate gearing for the purposes of financial covenants which are of use to the financial community. If a different measure of debt is commonly used by a company, then the restated gearing level should be inserted in this line.
1E.9	Full year equivalent nominal interest cost	Full year equivalent nominal interest cost as at 31 March. Calculated as the 'Nominal interest rate' multiplied by the 'Principal sum as at 31 March'. Nominal interest rate is defined as the coupon associated with nominal debt or equivalent implied by the coupon of index linked debt. The nominal interest rate should not include accounting adjustments relating to amortisation of issuance costs or premium / discount. Rates entered for borrowings in hedging relationships should be stated at the post hedge interest rate. **Processing rule for nominal interest rate:** **Fixed rate instruments:** The coupon rate as an input. **Floating rate instruments:** The margin plus/minus the Reference Interest Rate observed on 31 March. **Index-linked instruments:** Nominal interest rate = ((1 + real coupon) x (1 + RPI or CPI/CPIH)) – 1. The principal sum outstanding should not be adjusted for accounting adjustments such as unamortised

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		issuance costs. RPI and CPI /CPIH should be the latest annualised March monthly figure reported by ONS. **Processing rule for principal sum:** The principal sum should not include amounts relating to debt issuance costs or premium / discount. **Fixed rate and floating rate instruments:** In most instances this will be the principal sum at initial recognition of the instrument. For instruments with stepped principal repayments, the principal sum is the sum outstanding as at 31 March not including amounts relating to issuance costs or premium / discount **Index-linked instruments:** The principal sum outstanding at 31 March, i.e. the principal sum at initial recognition plus indexation of the principal. **Foreign currency instruments:** The Sterling equivalent upon which interest is calculated. **Swaps that are not in designated hedging arrangements:** The paid and received legs should be reported separately in the appropriate categories within the table. The notional value of the swap should be reported as the principal sum, with the received leg reported as a negative principal sum.
1E.10	Full year equivalent cash interest payment	Full year equivalent cash interest payment at 31 March. **Processing rule:** **Fixed rate instruments and floating rate instruments:** Copied from 'Full year equivalent nominal interest cost'. **Index linked instruments:** Calculated as the 'Real coupon' multiplied by the 'principal sum as at 31 March'.
Indicative interest rates		
1E.11	Indicative weighted average nominal interest rate	1E.9 divided by the principal sum outstanding as at 31 March for fixed, floating and index linked instruments on which interest payments are calculated. The nominal interest rate on index linked debt should include inflation accretion.
1E.12	Indicative weighted average cash interest	1E.10 divided by the principal sum outstanding as at 31 March for fixed, floating and index linked instruments on

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	rate	which interest payments are calculated.
1E.13	Weighted average years to maturity	Calculated as the multiple of the principal sum and years to maturity for each instrument divided by the principal sum outstanding as at 31 March for fixed, floating and index linked instruments on which interest payments are calculated. **Definition of years to maturity:** Full years to maturity of the instrument from 31 March. Instruments with no fixed maturity should be reported as follows: Instruments that are instantly callable should be classified as loans due in less than one year. Inter-company loans should be matched with the instrument at group level at the external borrowing rate. Instruments with no fixed maturity that are not instantly callable should be reported with a maturity of 25 years.

Pro forma 1F: Financial flows for the 12 months ended 31 March 20xx and for the price review to date (2017-18 financial year average RPI)

- Guidance on how to account for the PR19 Blind Year reconciliation will form part of a later consultation.
- All £m values should be entered in 2017-18 price base.
- Values should be converted using the average CPIH figure for the reporting year./ price control period
- Percentage change values should be calculated to 2 decimal places.
- The Fisher equation should be used in calculations, where appropriate.

		Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity
1F.1	Return on Regulatory Equity	The values to be used for allowed equity return will be published in Ofwat's Financial Flows data reference document on our website, alongside the annual publication of the Regulatory Capital Values.	The impact on the allowed Return on Regulatory Equity Base of departing from the notional gearing structure. Calculated as the allowed equity return on the actual regulatory equity base (average RCV less average actual Net Debt), expressed as a percentage of the notional regulatory equity	The values to be used for allowed equity return, will be published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values.

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			base.	

1F.2	Actual Performance Adjustment – 2015-20	This relates to the total PR14 out / (under) performance adjustments. The values to be used will be published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values. The value for the reporting period should be divided by regulatory equity (line 1F.4), for the same period, and entered as a percentage.
1F.3	Adjusted Return on Regulatory Equity	The sum of lines 1F.1 and 1F.2

		Notional returns and notional regulatory equity	**Actual returns and notional regulatory equity**	**Actual returns and actual regulatory equity**
1F.4	Regulatory Equity	The values to be used for notional regulatory equity for the reporting period will be included in Ofwat's publication 'Regulatory capital values'.	The values to be used for notional regulatory equity for the reporting period are those which will be included in Ofwat's publication 'Regulatory capital values'.	Calculated as the average of the opening and closing RCV (NB: do not use the 'average' value stated in the report - this will be included in Ofwat's publication 'Regulatory capital values'), less average net debt (using the opening and closing balances, for the reporting period, as reported in table 1E). **Note: The calculation is only required for the current reporting period, relevant values for prior periods will be included in Ofwat's publication 'Regulatory capital values'. This will also contain the relevant deflated RCV values to be used in the calculation for the reporting year.**

1F.5	Gearing	The impact of having a different gearing structure to that assumed in the notional company structure. Calculated by: a) the difference between the notional gearing ratio (60.0%) and actual average gearing (using the opening and closing balances, for the reporting period, unless the company considers that a weighted average is more accurate) as reported in table 1E (Net Debt) b) the difference between the adjusted allowed return on regulatory

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		equity - base and the allowed cost of debt as set in the final determination c) multiplying a) x b) d) multiplying c) by the average RCV **Note:** • **The adjustment only applies to the actual returns and actual regulatory equity column** • **no adjustment should be made for corporation tax** • **Net debt includes any preference shares**
1F.6	Gearing benefits sharing	The value of the benefit attributable to customers, calculated in accordance with the methodology set out in the published document, PR19 final determinations: Aligning risk and return technical appendix.
1F.7	Variance in Corporation Tax	The difference between the amount allowed for corporation tax as published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values less: • tax payable at the standard rate of corporation tax on the profit /(loss) on appointed activities only, before any fair value adjustments. • plus or minus any adjustment for accelerated or deferred capital allowances • plus or minus any amounts for prior year adjustments • plus or minus other final determination adjustments to accounting profit.
1F.8	Group Relief	The amount of group relief utilised in calculating the amount of corporation payable minus any amounts paid by way of compensation for the transfer, of the group relief, from the parent or affiliated undertaking.
IF.9	Cost of Debt (adjusted for Hedging Instruments)	Calculated as; The Cost of Debt (unadjusted for Hedging Instruments)[1] **less** Line 1F.11

Footnote 1 - Calculating Cost of Debt (unadjusted for hedging instruments);

Actual returns and notional regulatory equity	Actual returns and actual regulatory equity
Impact of the actual cost of debt compared to the allowed cost of debt in the published Final Determination. Calculated by: a) taking net actual interest paid (interest paid on loans, borrowings, finance leases and adjustments associated with indexation for inflation), less any interest received on cash and short term deposits as reported in the Income statement. All other items should be excluded, including any intercompany interest.	Impact of the actual cost of debt compared to the allowed cost of debt in the published Final Determination. Calculated by: a) taking net actual interest paid (interest paid on loans, borrowings, finance leases and adjustments associated with indexation for inflation), less any interest received on cash and short term deposits as reported in the Income statement. All other items should be excluded, including any intercompany interest.

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b) divided by the average net debt (calculated using the opening and closing balances, for the reporting period,) c) Less; ○ movement in CPIH for the reporting period, and ○ allowed cost of debt in the published Final Determination d) multiplying c) by the average RCV (as defined in paragraph 1F.4) for the period e) Multiplying d) by the notional gearing ratio (60.0%)	b) divided by the average net debt (using the opening and closing balances for the reporting period,) c) Less; ○ movement in CPIH for the reporting period, and ○ allowed cost of debt in the published Final Determination d) multiplying c) by the average RCV (as defined in paragraph 1F.4) for the period e) multiplying d) by the actual average gearing ratio (calculated using the opening and closing balance for the reporting period, unless the company considers that a weighted average is more appropriate)

1F.10	Hedging Instruments	The Income statement impact of hedging instruments on the actual cost of debt. This figure is calculated by the company.
1F.11	Financing total	The sum of lines 1F.5 to line 1F.10 plus line 1F.3
1F.12	Totex out / (under) performance	The difference between the actual totex performance versus the amount allowed in the published Final Determination, for the reporting period, adjusted for the following: • Timing differences • Company sharing ratio with customers This data should be the same as the data in line 4C.18 **No adjustment should be made for corporation tax.**
1F.13	ODI out / (under) performance	The ODI out / under performance as reported in table 3A, for the in-period and notional outperformance payments and underperformance payments relating to the reporting period only. (Note: the value in table 3A is already reported in 2017-18 prices so no further conversion is required) **No adjustment should be made for corporation tax.**
1F.14	C-Mex out / (under) performance	For 2020-21 the reported value will be zero.
1F.15	D-Mex out / (under) performance	For 2020-21 the reported value will be zero.
1F.16	Retail out (under) performance	The difference between the allowance for retail operating costs, excluding margin, for Household and Non-Household in the Final Determination compared to the actual costs as reported in table 2C – Operating cost analysis – retail. The allowance for Household retail costs will be published in Ofwat's Financial Flows data reference document on our website

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		alongside the annual publication of the Regulatory Capital Values. Values should be deflated using the average CPIH figure for the reporting year./ price control period The allowance for Non-Household retail costs will be published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values. Values should be deflated using the average CPIH figure for the reporting year./ price control period **No adjustment should be made for corporation tax.**
1F.17	Other exceptional items	Exceptional items that are outside the normal operating activities. **No adjustment should be made for corporation tax.**
1F.18	Operational performance total	The sum of lines 1F.12 to line 1F.17
1F.19	Total Earnings	The sum of lines 1F.11 and line 1F.18
1F.20	RCV Growth from inflation	The values to be used will be included in Ofwat's publication 'Regulatory capital values.
1F.21	Voluntary sharing arrangements	The value of any payment associated with voluntary sharing arrangements or similar schemes as set out in the published document, PR19 final determination: Aligning risk and return technical appendix, i.e. cost of embedded debt sharing mechanism, contribution to affordability / hardship funds.
1F.22	Total Shareholder Return	The sum of line 1F.19 plus line 1F.20.
1F.23	Gross Dividend	The total amount of dividends paid during the period for the appointee business only.
1F.24	Interest receivable on intercompany loans	The total amount of interest income received on inter-company loans (as included in the P&L Account)
1F.25	Net Dividend	Line 1F.23 minus line 1F.24
1F.26	Retained Value	Line 1F.22 minus line 1F.25

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Section 2 – Price review and other segmental reporting

Pro forma 2A: Segmental income statement for the 12 months ended 31 March 20xx

It is assumed in this table that principal user recharges are included in the costs disclosed for each price control ie the control making the recharge should reduce its costs by the amount being recharged and the control receiving the benefit of the asset should increase its costs by the amount of the recharge.

2A.1	Revenue – price control	Total revenue covered by the price control split over the price controls units. Revenue values should be sourced from table 2I.
2A.2	Revenue – non price control	Other revenue from appointed activities, not covered by the price control recorded under each price controls unit (see appendix 1). The total of 2A.1 & 2A.2 should equal 1A.1.
2A.3	Operating expenditure	Operating expenditure split over the price controls units. Will agree to 2B.11 and 2C.9 [wholesale and retail respectively]. The total of 2A.3, 2A.4 & 2A.5 should reconcile to 1A.2.
2A.4	Depreciation - tangible fixed assets	Depreciation of tangible fixed assets. Will agree to 2D.10. The total of 2A.3, 2A.4 & 2A.5 should reconcile to 1A.2.
2A.5	Amortisation - intangible fixed assets	Amortisation of intangible fixed assets. The total of 2A.3, 2A.4 & 2A.5 should reconcile to 1A.2.
2A.6	Other operating income	Other operating income split over the price controls units. Total should reconcile to 1A.3.
2A.7	Recharge from wholesale for legacy assets principally used by wholesale (assets existing at 31 March 2015)	Where a legacy asset (asset existing before 31 March 2015) is principally used by wholesale, the capex and depreciation should be recorded in wholesale with a recharge made to household retail to reflect the proportion of the asset used by residential retail. The recharge to residential retail should be recorded in this line. This line should be entered as positive values. Recharges should cover depreciation, repair and maintenance costs only and should not include a return on the asset.
2A.8	Income from wholesale for legacy assets principally used by retail (assets existing at 31 March 2015)	Where a legacy asset (asset existing before 31 March 2015) is principally used by retail, the capex and depreciation should be recorded in retail with a recharge made to wholesale to reflect the proportion of the asset used by wholesale. The corresponding income to residential retail should be recorded in this line. This line should be entered as positive values. Recharges should cover depreciation, repair and maintenance costs only and should not include a return on the asset.
2A.9	Recharge from wholesale assets acquired after 1 April 2015 principally used by wholesale	Where an asset acquired after 1 April 2015 is principally used by wholesale, the capex and depreciation should be recorded in wholesale with a recharge made to household retail to reflect the proportion of the asset used by residential retail. The recharge to residential retail should be recorded in this line. This line should be entered as positive values. Recharges should cover depreciation, repair and maintenance costs only and should not

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		include a return on the asset.
2A.10	Income from wholesale assets acquired after 1 April 2015 principally used by retail	Where an asset acquired after 1 April 2015 is principally used by wholesale, the capex and depreciation should be recorded in wholesale with a recharge made to household retail to reflect the proportion of the asset used by residential retail. The recharge to residential retail should be recorded in this line. This line should be entered as positive values. Recharges should cover depreciation, repair and maintenance costs only and should not include a return on the asset.
2A.11	Operating profit	Operating profit. The sum of lines 2A.1 to 2A.10.
2A.12	Surface water drainage rebates	Total value of surface water drainage rebates paid or credited to customers' accounts in the year where the customer has challenged the proportion of their site that is connected for surface water.

Pro forma 2B: Totex analysis for the 12 months ended 31 March 20xx – by wholesale price controls

Operating expenditure		
2B.1	Power	All energy costs, including the climate change levy and the carbon reduction commitment. Any cost savings from power generated internally should be netted off these costs.
2B.2	Income treated as negative expenditure	Income received from sales which are external to the appointed business and which directly relate to the water and wastewater processes. It should be input as a negative number. This will include; • Electricity sales from sources such as Hydro, PV, wind and CHP to external parties. • Electricity sales from back-up generators under arrangements such as the National Grid 'STOR', "frequency response" and "dynamic demand". • Bio-methane gas sales to the National Grid. • Sludge and sludge products such as cake, granules etc. to external parties.
2B.3	Service charges/ discharge consents	Total cost of service charges by the environment agency or canal & river trust for discharge consents.
2B.4	Bulk Supply/Bulk discharge	Total payments for bulk imports/exports. Where a company jointly owns a supply, the costs associated with it should not be reported here but in the appropriate cost line.
2B.5	Enhancement operating expenditure	Total enhancement operating expenditure. This line should equal to the sum of lines 4D.5 and 4E.5.
2B.6	Growth operating expenditure	Total growth operating expenditure. This line should equal to the sum of lines 4D.6 and 4E.6.

Consultation

2B.7	Renewals expensed in year (Infrastructure)	Infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities to replace significant lengths of pipework or parts of an asset. These are targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
2B.8	Renewals expensed in year (Non-Infrastructure)	Non-infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
2B.9	Other operating expenditure excluding renewals	Other operating costs not covered by 2B.7 and 2B.8. This should exclude finance charges associated with operating leases
2B.10	Local authority and Cumulo rates	The cost of local authority rates. This should include both the local authority rates, cumulo rates and sewerage site rates (where appropriate).
2B.11	Total operating expenditure excluding third party services	Total operating costs excluding third party services. The sum of lines 2B.1 to 2B.10.
2B.12	Third party services	Operating expenditure for providing third party services. E.g. Bulk supplies, supplies of non-potable water and rechargeable works where the appointee is a monopoly supplier.
2B.13	Total operating expenditure	Total operating expenditure for the wholesale business only within each business category. The sum of lines 2B.11 and 2B.12. This should reconcile to 2A.3.
2B.14	Grants and contributions - operating expenditure	Grants and contributions – operating expenditure. E.g. from connection charges, infrastructure charges, requisitions and other contributions. Adopted assets should not be included. The sum of 2B.12 and 2B.20 equals lines 2E.7 for water resources, 2E.14 for water network plus, and 2E.28 for wastewater network plus respectively.
Capital expenditure		
2B.15	Maintaining the long term capability of the assets - infra	Capital expenditure on infrastructure assets excluding third party capex to maintain the long term capability of assets and to deliver base levels of service. Where projects have drivers both of enhancement and capital maintenance, companies should apply a method of proportional allocation to allocate costs between enhancement and capital maintenance.
2B.16	Maintaining the long term capability of the assets – non-infra	Capital expenditure on non-infrastructure assets excluding third party capex to maintain the long term capability of assets and to deliver base levels of service. Where projects have drivers both of enhancement and capital maintenance, companies should apply a method of proportional allocation to allocate costs between enhancement and capital maintenance.

Consultation

2B.17	Enhancement capital	Total enhancement capital expenditure. This line should equal to the sum of lines 4D.17 and 4E.17.
2B.18	Growth capital expenditure	Total growth operating expenditure. This line should equal to the sum of lines 4D.18 and 4E.18.
2B.19	Total gross capital expenditure excluding third party services	Total gross capital expenditure excluding third party services. The sum of lines 2B.12 to 2B.16.
2B.20	Third party services	Capital expenditure for providing third party services. E.g. Bulk supplies, supplies of non-potable water and rechargeable works where the appointee is a monopoly supplier.
2B.21	Total gross capital expenditure	The sum of lines 2B.17 and 2B.18.
2B.22	Grants & contributions - capital expenditure	Grants and contributions - capital expenditure. E.g. from connection charges, infrastructure charges, requisitions and other contributions. Adopted assets should not be included.
2B.23	Net totex	The sum of lines 2B.11 and 2B.20 less the sum of lines 2B.12 and 2B.20.
Cash expenditure		
2B.24	Pension deficit recovery payments	Actual pension deficit recovery payments including costs capitalised and any group recharges for pension deficit costs. Companies that report under FRS102 should include the element of the statutory charge attributable to deficit payments in this line rather than block A above.
2B.25	Other cash items	Other cash items not included in totex.
2B.26	Totex including cash items	The sum of lines 2B.23 to 2B.25.

Consultation

Pro forma 2C: Operating cost analysis for the 12 months ended 31 March 20xx – retail

Household properties are defined in chapter 3.

Operating expenditure		Household	Non-household
2C.1	Customer services	The costs associated with providing the following services for the appointee's household. • Billing. • Payment handling, remittance and cash handling. • Charitable trust donations. • Vulnerable customer schemes. • Non-network customer enquiries and complaints. • Network customer enquiries and complaints • Investigatory visits (where the cause of the investigation is not a network issue) Excludes customer services costs incurred in providing services to a third party's customers (eg. where a WoC bills and collect payment on behalf of a WaSC).	The costs associated with providing the following services for non-household customers. • Billing. • Payment handling, remittance and cash handling. • Non-network customer enquiries and complaints. • Network customer enquiries and complaints. • Investigatory visits (where the cause of the investigation is not a network issue)
2C.2	Debt management	All costs relating to the management of debt recovery for the appointee's household customers – monitoring of outstanding debt, including issue of reminders and follow up telephone calls, managing and monitoring field recovery of debt, includes costs of customer visits, managing and monitoring external debt collection routes including debt collection agencies and legal. Excludes costs incurred relating to the management of debt recovery for a third party's customers (eg. where a WoC manages debt on behalf of a WaSC).	All costs relating to the management of debt recovery for non-household – monitoring of outstanding debt, including issue of reminders and follow up telephone calls, managing and monitoring field recovery of debt, includes costs of customer visits, managing and monitoring external debt collection routes including debt collection agencies and legal, including notification of disconnections to non-household customers.

Consultation

2C.3	Doubtful debts	The charge/credit to the profit and loss account for bad and doubtful debts for household customers. This should include only the appointee's doubtful debts and not doubtful debts relating to a third party.	The charge/credit to the profit and loss account for bad and doubtful debts for non-household. This should include only the appointee's doubtful debts and not doubtful debts relating to a third party.
2C.4	Meter reading	Costs associated with meter reading for household customers – including ad hoc read requests, cyclical reading, scheduling, transport, physical reading, reading queries and read processing costs, managing meter data plus supervision and management of meter readers. Income from meter reading commission should be netted off these costs. Excludes costs associated with meter reading for third parties.	Costs associated with meter reading for non- household customers – including ad hoc read requests, cyclical reading, scheduling, transport, physical reading, reading queries and read processing costs, managing meter data plus supervision and management of meter readers. Income from meter reading commission should be netted off these costs. Excludes costs associated with meter reading for third parties.
2C.5	Services to developers	Not applicable for household.	The operating costs of providing services to developers, to include: • provide developer information – deal with questions from developers where physical aspects of infrastructure are required to change, investigate and advise on implications; • provide connections for developers – including project management, contracting with third parties; and • administration for new connections.
2C.6	Other operating expenditure	Any other operating costs (ie, excluding interest and taxation) incurred serving household customers, on an aggregated basis. Include the costs of (among other costs): • provision of offices; • insurance premiums; • net retail expenditure on demand-side water efficiency initiatives;	Any other operating costs (ie, excluding interest and taxation) incurred serving non-household customers, on an aggregated basis. Include the costs of (among other costs): • provision of offices; • insurance premiums; • disconnections; • demand-side water

Consultation

		• net retail expenditure on customer side leaks; • other direct costs; • general and support expenditure; • other business activities.	efficiency initiatives; • customer side leaks; • other direct costs; • general and support expenditure; • other business activities.
2C.7	Local authority and cumulo rates	The cost of local authority rates. This should include both the local authority and cumulo rates. Only costs related to serving household customers to be included.	The cost of local authority rates. This should include both the local authority and cumulo rates. Only costs related to serving non-household customers to be included.
2C.8	Total operating expenditure excluding third party services	The sum of lines 2C.1 to 2C.7.	The sum of lines 2C.1 to 2C.7.
2C.9	Depreciation (tangible fixed assets) on assets existing at 31 March 2015	Depreciation charge on assets which existed before 1 April 2015 (ie assets included in wholesale RCV) wholly or principally used by residential retail (as defined in paragraph 2.1 of RAG 2). Depreciation includes amortisation of deferred credits and fixed intangible assets.	Depreciation of assets which existed before 1 April 2015 (ie assets included in wholesale RCV) wholly or principally used by business retail (as defined in paragraph 2.1 of RAG 2). Depreciation includes amortisation of deferred credits and fixed intangible assets.
2C.10	Depreciation (tangible fixed assets) on assets acquired between 1 April 2015 and 31 March 2020	Depreciation charge on assets acquired between 1 April 2015 and 31 March 2020 wholly or principally used by residential retail (as defined in paragraph 2.1 of RAG 2). Depreciation includes amortisation of deferred credits and fixed intangible assets.	Depreciation charge on assets which was acquired between 1 April 2015 and 31 March 2020 wholly or principally used by business retail (as defined in paragraph 2.1 of RAG 2). Depreciation includes amortisation of deferred credits and fixed intangible assets.
2C.11	Depreciation (tangible fixed assets) on assets acquired after 1 April 2020	Depreciation charge on assets acquired after 1 April 2020 wholly or principally used by residential retail (as defined in paragraph 2.1 of RAG 2). Depreciation includes amortisation of deferred credits and fixed intangible assets.	Depreciation charge on assets acquired after 1 April 2020 wholly or principally used by business retail (as defined in paragraph 2.1 of RAG 2). Depreciation includes amortisation of deferred credits and fixed intangible assets.
2C.12	Amortisation – intangible fixed assets	Amortisation of intangible assets used wholly or principally for the household retail business.	Amortisation of intangible assets used wholly or principally for the non-household retail business.
2C.13	Recharge from wholesale for legacy assets principally used by wholesale (assets existing at 31 March 2015)	Where a legacy asset (asset existing before 31 March 2015) is principally used by wholesale, the capex and depreciation should be recorded in wholesale with a recharge made to household retail to reflect the	N/A

Consultation

		proportion of the asset used by residential retail. The recharge to residential retail should be recorded in this line. This line should be entered as positive values. Recharges should cover depreciation, repair and maintenance costs only and should not include a return on the asset.	
2C.14	Income from wholesale for legacy assets principally used by retail (assets existing at 31 March 2015)	Where a legacy asset (asset existing before 31 March 2015) is principally used by retail, the capex and depreciation should be recorded in retail with a recharge made to wholesale to reflect the proportion of the asset used by wholesale. The corresponding income to residential retail should be recorded in this line. This line should be entered as positive values. Recharges should cover depreciation, repair and maintenance costs only and should not include a return on the asset.	N/A
2C.15	Recharge from wholesale assets acquired after 1 April 2015 principally used by wholesale	Where an asset acquired after 1 April 2015 is principally used by wholesale, the capex and depreciation should be recorded in wholesale with a recharge made to household retail to reflect the proportion of the asset used by residential retail. The recharge to residential retail should be recorded in this line. This line should be entered as positive values. Recharges should cover depreciation, repair and maintenance costs only and should not include a return on the asset.	N/A
2C.16	Income from wholesale assets acquired after 1 April 2015 principally used by retail	Where an asset acquired after 1 April 2015 is principally used by retail, the capex and depreciation should be recorded in retail with a recharge made to wholesale to reflect the proportion of the asset used by wholesale. The corresponding income to residential retail should be recorded in this line. This line should be entered as positive values. Recharges should cover depreciation, repair and maintenance costs only and should not include a	

Consultation

		return on the asset.	
2C.17	Net recharges costs	Net recharges costs for residential retail. The sum of lines 2C.12 and 2C.14 minus sum of lines 2C.13 and 2C.15.	N/A
2C.18	Total retail costs	Total operating costs in respect of the household retail business. The sum of lines 2C.8 to 2C.11 plus 2C.16.	Total operating costs in respect of the non-household retail business. The sum of lines 2C.8 to 2C.11 plus 2C.16.
2C.19	Third party services operating expenditure	The operating costs of providing appointed household retail services to third parties.	The operating costs of providing appointed non- household retail services to third parties.
2C.20	Pension deficit repair costs	Actual pension deficit recovery payments in household retail including costs capitalised and any group recharges for pension deficit costs.	Actual pension deficit recovery payments in non-household retail including costs capitalised and any group recharges for pension deficit costs.
2C.21	Total retail costs including third party and pension deficit repair costs	Total operating costs in respect of the household retail business. The sum of lines 2C.17 to 2C.19	Total operating expenditure in respect of the non-household retail business. The sum of lines 2C.17 to 2C.119.
2C.22	Debt written off	Water and/ or sewerage outstanding debts that have been written off for the appointee's household customers in the report year, net of collections of previously written off debt. Write-offs in relation to court or other debt recovery costs should not be included.	Water and/ or sewerage outstanding debts that have been written off for non-household customers in the report year, net of collections of previously written off debt. Write-offs in relation to court or other debt recovery costs should not be included.
2C.23	Capital expenditure	Household element of capital expenditure on assets principally used by retail.	Non-household element of capital expenditure on assets principally used by retail.

Consultation

2C.24	Demand-side water efficiency - gross expenditure	The total retail operating costs of providing water efficiency services to household customers, including: • Promotion of water saving initiatives - Production of customer literature and customer awareness campaigns; • Retro-fitting of water saving devices – Provision of advice and devices to customers; • Water efficiency audits – water and energy conservation, optimisation of systems, advice and investigations into usage; • Data logging	N/A
2C.25	Demand-side water efficiency - expenditure funded by wholesale	The retail operating costs of providing water efficiency services (as defined in 2C.23) to household customers that are funded by the wholesale business	N/A
2C.26	Demand-side water efficiency - net retail expenditure	The retail operating costs of providing water efficiency services (as defined in 2C.23) to household customers net of any operating costs that are funded by the wholesale business Line 2C.23 less line 2C.24	N/A
2C.27	Customer-side leak repairs - gross expenditure	The total retail operating costs associated with household customer side leaks, to include: • Investigations - Activities from enquiries relating to customer-side leaks, including site visits, the use of pipe locating equipment and any attendance on sites during excavations; • Resolution – Activities comprising pipe repairs and replacement; • Free leak repairs	N/A

Consultation

2C.28	Customer-side leak repairs - expenditure funded by wholesale	The retail operating costs associated with household customer side leaks (as defined in 2C.26) that are funded by the wholesale business	N/A
2C.29	Customer-side leak repairs - net retail expenditure	The retail operating costs associated with household customer side leaks (as defined in 2C.26) net of any operating costs that are funded by the wholesale business Line 2C.26 less line 2C.27.	N/A

Pro forma 2D: Historic cost analysis of tangible fixed assets - by price control

When populating the split between principal assets and third party assets for depreciation, companies should note that this distinction need only be made for assets dedicated to third party service activities. Depreciation on assets used for both principal and third party activities does not need to be allocated and should be recorded as principal services.

Cost		
2D.1	At 1 April 20xx	The historical cost value of the assets brought forward from the previous year.
2D.2	Disposals	The reduction in value of assets caused by disposal of assets, by type.
2D.3	Additions	Increase in value of assets by type caused by purchase.
2D.4	Adjustments	Any adjustments to the 'cost' value, this will include revaluations.
2D.5	Assets adopted at nil cost	The fair value of any adopted assets
2D.6	At 31 March 20xx	This is the historical cost value at the end of the year. The sum of lines 2D.1 to 2D.5.
Depreciation		
2D.7	At 1 April 20xx	Accumulated depreciation brought forward on assets by type at the beginning of the year. This should be entered as a negative number.
2D.8	Disposals	The reduction in accumulated depreciation caused by disposal of assets by type. Enter as a positive.
2D.9	Adjustments	Any adjustments to the accumulated depreciation value, this will include the impact of any impairments.

Consultation

2D.10	Charge for the year	Depreciation charge. Enter as a negative.
2D.11	At 31 March 20xx	Accumulated depreciation carried forward by asset type at the end of the charging year. The sum of lines 2D.7 to 2D.10.
2D.12	Net book amount at 31 March 20xx	Net book value by asset type at the year end. The sum of lines 2D.6 and 2D.11.
2D.13	Net book amount at 1 April 20xx	Net book value by asset type at the beginning of the year. The sum of lines 2D.1 and 2D.7.
Depreciation charge for the year		
2D.14	Principal services	Depreciation charge on assets used to deliver 'principal services' as set out in appendix 1. Enter as a negative.
2D.15	Third party services	Depreciation charge on assets used to deliver 'third party services' as set out in appendix 1. Enter as a negative.
2D.16	Total	Total depreciation charge (sum of lines 14 and 15) which will agree to line 2D.10.

Pro forma 2E: Analysis of 'grants and contributions' for the 12 months ended 31 March 20xx – water resources, water network plus and wastewater network plus

For this table where the term 'capitalised' is used, this refers to a contribution which is initially recognised on the statement of financial position before being amortised over multiple accounting periods in the income statement.

Grants and contributions – Water resources		
2E.1	Diversions – s185	Contributions received in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under section 185 of the Water Industry Act 1991.
2E.2	Other contributions (price control)	Other contributions received from organisations towards the construction of water specific capital projects which were included in the price control.
2E.3	Price control grants and contributions	The sum of lines 2E.1 to 2E.2.
2E.4	Diversions - NRSWA	Contributions received in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under the New Roads and Streets Works Act 1991.

Consultation

2E.5	Diversions – other non-price control	Contributions received in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under a statutory provision except a provision of the Water Industry Act 1991 or a provision of the New Roads and Streets Works Act 1991.
2E.6	Other contributions (non-price control)	Other contributions received from organisations towards the construction of water specific capital projects which were not included in the price control.
2E.7	Total grants and contributions	The sum of lines 2E.3 to 2E.6.
2E.8	Value of adopted assets	The fair value of any adopted water resource assets.
Grants and contributions – Water network plus		
2E.9	Connection charges	Contributions received from developer for service connection charges for installing a new service pipe and meter.
2E.10	Infrastructure charge receipts – new connections	Infrastructure charges received in the year for new connections. This reflects a contribution to the costs of enhancing the local water network.
2E.11	Requisitioned mains	Contributions received from developers to requisition a new water main
2E.12	Diversions – s185	Contributions received in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under section 185 of the Water Industry Act 1991.
2E.13	Other contributions (price control)	Other contributions received from organisations towards the construction of water specific capital projects which were included in the price control.
2E.14	Price control grants and contributions before the deduction of income offset	The sum of lines 2E.9 to 2E.13.
2E.15	Income offset	Income offset discounts applied to grants and contributions for water network plus. Should be entered as a positive number.
2E.16	Price control grants and contributions after the deduction of income offset	Line 2E.14 minus line 2E.15.
2E.17	Diversions - NRSWA	Contributions received in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under the New Roads and Streets Works Act 1991.

Consultation

2E.18	Diversions – other non-price control	Contributions received in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under a statutory provision except a provision of the Water Industry Act 1991 or a provision of the New Roads and Streets Works Act 1991
2E.19	Other contributions (non-price control)	Other contributions received from organisations towards the construction of water specific capital projects which were not included in the price control.
2E.20	Total grants and contributions	The sum of lines 2E.16 to 2E.19.
2E.21	Value of adopted assets	The fair value of any adopted water network plus assets
Grants and contributions – Wastewater network plus		
2E.22	Receipts for on-site work	Contributions received from developers for on-site work. This includes contributions received to requisition a new sewer.
2E.23	Infrastructure charge receipts – new connections	Infrastructure charges received in the year for new connections. This reflects a contribution to the costs of enhancing the local sewerage network.
2E.24	Diversions – s185	Contributions received in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under section 185 of the Water Industry Act 1991.
2E.25	Other contributions (price control)	Other contributions received from organisations towards the construction of specific wastewater capital projects which were included in the price control. This also includes contributions received from developers for connection to a public sewer and 'inspection and supervision fees' (2.5% of construction costs based on WRC 'Sewers for adoption'.
2E.26	Price control grants and contributions before the deduction of income offset	The sum of lines 2E.22 to 2E.25.
2E.27	Income offset	Income offset discounts applied to grants and contributions for wastewater network plus. Should be entered as a positive number.
2E.28	Price control grants and contributions after the deduction of income offset	Line 2E.26 minus line 2E.27.
2E.29	Diversions - NRSWA	Contributions received in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under the New Roads and Streets Works Act 1991.

Consultation

2E.30	Diversions – other non-price control	Contributions received in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under a statutory provision except a provision of the Water Industry Act 1991 or a provision of the New Roads and Streets Works Act 1991.
2E.31	Other contributions (non-price control)	Other contributions received from organisations towards the construction of specific wastewater capital projects which were not included in the price control.
2E.32	Total grants and contributions	The sum of lines 2E.28 to 2E.31.
2E.33	Value of adopted assets	The fair value of any adopted wastewater network plus assets.
Movement in capitalised grants and contributions		
2E.34	Brought forward	Total value of capitalised grants and contributions brought forward as at 1 April.
2E.35	Capitalised in year	Total value of grants and contributions capitalised in the year.
2E.36	Amortisation (in income statement)	Total value of amortisation released to the income statement in the year. Input as a negative number.
2E.37	Carried forward	Total value of capitalised grants and contributions carried forward as at 31 March. This should represent the wholesale element of 1C.26. The sum of lines 2E.34 to 2E.36.

Pro forma 2F: Household – revenue by customer type

2F.1	Unmeasured water only customer	Revenue from all household unmeasured water only customers.
2F.2	Unmeasured wastewater only customer	Revenue from all household unmeasured wastewater only customers.
2F.3	Unmeasured water & wastewater customer only	Revenue from all household unmeasured water & wastewater customers only. This line should not include any revenue from WoC's billing on behalf of WaSC's.
2F.4	Measured water only customer	Revenue from all household measured water only customers.
2F.5	Measured wastewater only customer	Revenue from all household measured wastewater only customers.
2F.6	Measured water & wastewater customer only	Revenue from all household measured water & wastewater customers only. This line should not include any revenue from WoC's billing on behalf of WaSC's.
2F.7	Total	The sum of lines 2F.1 to 2F.6.

Consultation

The number of customers reported in columns 4 and 5 should be the average number of customers in the year, calculated at least on a monthly basis. Voids should be excluded. For the purposes of this table, 'customers' should be equal to the former June return (table 7) definition of 'billed properties'. This is as follows.

These are properties used as single domestic dwellings (normally occupied), receiving water for domestic purposes which are not factories, offices or commercial premises. These include cases where a single aggregate bill is issued to cover separate dwellings having individual standing charges. (In some instances the standing charge may be zero). The number of dwellings attracting an individual standing charge and not the number of bills should be counted. Exclude mixed/commercial properties and multiple household properties, e.g. blocks of flats having only one standing charge. Where companies issue an assessed charge to a property because metering is not possible or is uneconomic then these properties should be classified as unmeasured.

Examples:

- **Typical family dwelling, i.e. terraced, semi-detached, detached house or flat having individual standing charges.**
- **Local authority family dwellings which each have individual standing charges but may be included in an aggregate water bill.**

Column 3 is the total of columns 1 and 2. Column 6 is calculated by dividing column 2 by column 4.

The total of column 1 should be equal to the sum of lines 2I.1, 2I.2, 2I.5 & 2I.6. Column 2 should be equal to the sum of lines 2I.10, 2I.11 & 2I.12.

Consultation

Pro forma 2G & 2H: Non-household water & wastewater – revenues by tariff type

Where the appointee has exited all non-household market activities then these tables should be left blank.

Default tariffs		
2[G/H].1	Tariff type 1	Total revenue received from each non-household tariff type listed separately.
2[G/H].2	Tariff type x	Total revenue received from each non-household tariff type listed separately.
2[G/H].x	Total default tariffs	Total revenue received from all non-household customers on a default tariff.
Non-default tariffs		
2[G/H].x	Total non-default tariffs	Total revenue received from all customers on a non-default tariff.
2[G/H].x	Total	Total revenue received from all default and non-default tariffs.

Column 3 is the total of columns 1 and 2. Column 5 is calculated by dividing column 2 by column 4.

Columns 1-3 should be recorded in £m with 3 decimal places. Column 4 should be recorded in '000s with 3 decimal places. Column 5 should be to the nearest £1.

Revenue per customer		
2[G/H].x	Total	Total revenue received from all default and non-default tariffs.

For the tariff analysis the number of connections reported in column 4 should be the average number of properties billed (excluding void properties) in the year, calculated at least on a monthly basis. Companies may wish to adjust the 'total' number of customers in the bottom row if a single customer is supplied at multiple sites with different tariff bands.

For the customer analysis the number of customers reported in column 4 should be equivalent to that in the tariff analysis. However some customers will be receiving multiple services under different tariffs, e.g. for a sewage service and a surface water drainage charge, or for services at multiple sites falling into different tariff bandings.

Consultation

Therefore the total number of 'customers' may be lower than the number of connections shown in the tariff analysis.

2G – The total of column 1 should be equal to the sum of lines 2I.1& 2I.2. 2H – The total of column 1 should be equal to the sum of lines 2I.5 & 2I.6.

Pro forma 2I: Revenue analysis & wholesale control reconciliation for the 12 months ended 31 March 20xx

Wholesale charge – water		
2I.1	Unmeasured	Total revenue from wholesale water charges, other than on a measured basis. This should be split between household and non-household connections. This should include revenue from large users and special agreements.
2I.2	Measured	Total revenue from wholesale water charges, where all or some of the charges are based on measured quantities of volume. This should be split between household and non-household connections. This should include revenue from large users and special agreements.
2I.3	Third party revenue	Third party revenue covered by the wholesale water price control, e.g. supplies of non-potable water to customers.
2I.4	Total	Total revenue from wholesale water charges. The sum of 2I.1 to 2I.3.
Wholesale charge – wastewater		
2I.5	Unmeasured	Total revenue from wholesale wastewater charges, other than on a measured basis. This should be split between household and non-household connections. This should include revenue from large users and special agreements.
2I.6	Measured	Total revenue from wholesale wastewater charges, where all or some of the charges are based on measured quantities of volume. This should be split between household and non-household connections. This should include revenue from trade effluent, large users and special agreements.
2I.7	Third party revenue	Third party revenue covered by the wholesale wastewater price control.
2I.8	Total	Total revenue from wholesale wastewater charges. The sum of 2I.5 to 2I.7.
Wholesale total		
2I.9	Wholesale Total	The sum of lines 2I.4 and 2I.8.
Retail Revenue		
2I.10	Unmeasured	Total revenue from retail charges, other than on a measured basis. This should be split between household and non-household connections.

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2I.11	Measured	Total revenue from retail charges, where all or some of the charges are based on measured quantities of volume. This should be split between household and non-household connections.
2I.12	Retail third party revenue	Any third party revenue relating to retail activities.
2I.13	Total	Total revenue from retail charges. The sum of 2I.10 to 2I.12.
Third party revenue – non-price control		
2I.14	Bulk supplies - water	Bulk supply charges received for providing a bulk supply (for potable or non-potable supplies) to another water undertaker.
2I.15	Bulk supplies - wastewater	Bulk supply charges for providing wastewater connection agreements with another wastewater undertaker.
2I.16	Other third party revenue – non price control	All other sources of revenue received from third parties for which costs are not covered by the wholesale price control. E.g. rechargeable works where the appointee is a monopoly supplier and Excluded charges.
Principal services – non-price control		
2I.17	Other appointed revenue	All other sources of revenue that are not reported elsewhere in the table but are classed as appointed business. E.g. recreational use of protected land.
2I.18	Total appointed revenue	The sum of lines 2I.9, 2I.13, 2I.14, 2I.15, 2I.16 and 2I.17. This should equal 1A.1 (appointed business activities column).

Pro forma 2J: Infrastructure network reinforcement costs for the 12 months ended 31 March 20xx

Wholesale – water network+ (treated water distribution)		
2J.1	Distribution and trunk mains	Capital expenditure on new or upsized distribution and trunk mains other than defined in 4D.14, 4D.15, and excluding third party capex
2J.2	Pumping and storage facilities	Capital expenditure on new or upgrading of pumps and the installation of small service reservoirs or towers other than defined in 4D.14, 4D.15 and excluding third party capex
2J.3	Other	Any other capital expenditure other than defined in 4D.14, 4D.15, 2J.1 and 2J.2
2J.4	Total	The sum of lines 2J.1 to 2J.3
Wholesale – wastewater network+ (sewage collection)		
2J.5	Foul and combined systems	Capital expenditure on new or upsized public foul and combined sewers other than defined in 4E.14, 4E.15 and excluding third party capex
2J.6	Surface water only systems	Capital expenditure on new or upsized surface water only public sewers other than defined in 4E.14, 4E.15 and

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		excluding third party capex
2J.7	Pumping and storage facilities	Capital expenditure on construction of new booster stations and pumps and installation of storage tanks other than defined in 4E.14, 4E.15 and excluding third party capex.
2J.8	Other	Any other capital expenditure other than defined in 4E.14, 4E.15, 2J.5 to 2J.7
2J.9	Total	The sum of lines 2J.5 to 2J.8

Pro forma 2K: Infrastructure charges reconciliation for the 12 months ended 31 March 20xx

Impact of infrastructure charge discounts		
2K.1	Infrastructure charges	Value of grants and contributions receivable, as recorded in table 2E, lines 2E.10 (water) and 2E.22 (wastewater) 'total' column.
2K.2	Discounts applied to infrastructure charges	The value of the discounts applied to infrastructure charges E.g. for developments where properties are fitted with water efficient fittings.
2K.3	Gross Infrastructure charges	Value of grants and contributions receivable before any discounts are applied. Calculated as the sum of 2K.1 and 2K.2.
Comparison of revenue and costs		
2K.4	Variance brought forward	Variance reported in 2K.7 in the previous reporting year.
2K.5	Revenue	Water: Value derived above in 2K.3 (column 1) Wastewater: Value derived above in 2K.3 (column 2)
2K.6	Costs	Water: Equal to 2J.4 column 1 x (-1) Wastewater: Equal to 2J.9 column 1 x (-1)
2K.7	Variance carried forward	The sum of lines 2K.4 to 2K.6

Pro forma 2L: Analysis of land sales for the 12 months ended 31 March 20xx

Land sales		
2L.1	Land sales – proceeds from disposals of protected land	The net proceeds, after the deduction of all offsetting costs from disposals of protected land, including those already subject to regulation through Condition K of the licence.

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Pro forma 2M: Revenue reconciliation for the 12 months ended 31 March 20xx

Revenue recognised		
2M.1	Wholesale revenue governed by price control	Wholesale revenue governed by price control.
2M.2	Grants & contributions (price control)	Price control grants and contributions collected in year under the price control after the deduction of income offset. Equal to the sum of lines 2E.8 and 2E.19.
2M.3	Total revenue governed by wholesale price control	Total revenue governed by wholesale price control. Sum of 2I.19 and 2I.20.
Revenue assumed in determination		
2M.4	Wholesale charges	Amount assumed in wholesale determination for the year.
2M.5	Grants and contributions (price control – capex)	Grants and contributions (price control – capex) as calculated by the grants and contributions feeder model.
2M.6	Grants and contributions (price control – opex)	Grants and contributions (price control – opex) as calculated by the grants and contributions feeder model.
2M.7	Income offset	Income offset amount assumed by the grants and contributions feeder model. Should be entered as a negative amount.
2M.8	Adjustment for in-period ODI revenue	The change in revenue (from the final determination) as applied by the company arising from the in-period ODI adjustment.
2M.9	Adjustment for RFI	The change in revenue (from the final determination) as applied by the company arising from the in-period RFI adjustment.
2M.10	Total assumed revenue	Total revenue assumed at the determination as adjusted for ODI and RFI impacts. Sum of 2M.4 to 2M.9.
2M.11	Difference	2M.3 minus 2M.10.

Pro forma 2N: Developer services non-financial data

Number of new connections and properties for reporting period		
2N.1	New connections (residential – excluding NAVs)	Number of new connections in respect of residential properties, excluding connections that are being served by NAVs.
2N.2	New connections (business – excluding NAVs)	Number of new connections in respect of non-household properties, excluding connections that are being served by NAVs.

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2N.3	Total new connections served by incumbent	The sum of lines 2N.1 and 2N.2.
2N.4	New connections – SLPs	Number of new connections served by the incumbent where self-lay providers completed the service connections.
2N.5	New properties (residential – excluding NAVs)	Number of new residential properties added to the network, excluding those that are being served by NAVs.
2N.6	New properties (business – excluding NAVs)	Number of new non-household properties added to the network, excluding those that are being served by NAVs.
2N.7	Total new properties served by incumbent	The sum of lines 2N.5 and 2N.6.
2N.8	New residential properties served by NAVs	Number of new residential properties on NAV sites with a bulk supply from the incumbent. To be estimated if not known – noted in the annual return.
2N.9	New business properties served by NAVs	Number of non-household properties on NAV sites with a bulk supply form the incumbent. To be estimated if not known – noted in the annual return.
2N.10	Total new properties served by NAVs	The sum of lines 2N.8 and 2N.9.
2N.11	Total new properties	The sum of lines 2N.7 and 2N.10.
2N.12	New properties – SLP connections	Number of new properties served by the incumbent where the service connections were completed by self-lay providers.
2N.13	Length of new mains (km) - requisitions	Total length (km) of new mains laid by the incumbent water company in report year for which the company levies requisition charges. This figure is part of 6B.4 - Total length of new potable mains.
2N.14	Length of new mains (km) - SLPs	Total length (km) of new mains laid by self-lay providers in report year, which the incumbent water company adopts.

Pro forma 2O: Historic cost analysis of intangible fixed assets - by price control

When populating the split between principal assets and third party assets for amortisation, companies should note that this distinction need only be made for assets dedicated to third party service activities. Amortisation on assets used for both principal and third party activities does not need to be allocated and should be recorded as principal services.

Cost		
2O.1	At 1 April 20xx	The historical cost value of the assets brought forward from the previous year.
2O.2	Disposals	The reduction in value of assets caused by disposal of assets, by type.

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2O.3	Additions	Increase in value of assets by type caused by purchase.
2O.4	Adjustments	Any adjustments to the 'cost' value, this will include revaluations.
2O.5	Assets adopted at nil cost	The fair value of any adopted assets
2O.6	At 31 March 20xx	This is the historical cost value at the end of the year. The sum of lines 2O.1 to 2O.5.
Amortisation		
2O.7	At 1 April 20xx	Accumulated amortisation brought forward on assets by type at the beginning of the year. This should be entered as a negative number.
2O.8	Disposals	The reduction in accumulated amortisation caused by disposal of assets by type. Enter as a positive.
2O.9	Adjustments	Any adjustments to the accumulated amortisation value, this will include the impact of any impairments.
2O.10	Charge for the year	Amortisation charge. Enter as a negative.
2O.11	At 31 March 20xx	Accumulated amortisation carried forward by asset type at the end of the charging year. The sum of lines 2O.7 to 2O.10.
2O.12	Net book amount at 31 March 20xx	Net book value by asset type at the year end. The sum of lines 2O.6 and 2O.11.
2O.13	Net book amount at 1 April 20xx	Net book value by asset type at the beginning of the year. The sum of lines 2O.1 and 2O.7.
Amortisation for the year		
2O.14	Principal services	Amortisation charge on assets used to deliver 'principal services' as set out in appendix 1. Enter as a negative.
2O.15	Third party services	Amortisation charge on assets used to deliver 'third party services' as set out in appendix 1. Enter as a negative.
2O.16	Total	Total amortisation charge (sum of lines 14 and 15) which will agree to line 2O.10.

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Section 3 – Performance summary

Pro forma 3A

Outcome performance table

Price base

Within the PR19 final determinations: company specific outcome performance commitment appendices https://www.ofwat.gov.uk/regulated-companies/price-review/2019-price-review/final-determinations/ the performance commitment and outcome delivery incentive monetary values, including incentive rates, are in 2017-18 prices. It is company's responsibility to report accurate and complete information for overall and individual performance commitments' as specified in the company specific outcome performance commitment appendix.

For the five year 2020-25 period, the performance commitment and outcome delivery incentive monetary amounts in table 3A should also be in 2017-18 prices, *not* in report year prices.

This includes the 31 March 2025 forecasts for total 2020-25 period outperformance payment or underperformance payment. It also includes actual performance levels that are measured in monetary values.

It is for companies to decide how best to communicate their performance to customers, customer challenge groups (CCGs) and other stakeholders.

For in-period outcome delivery incentives, companies should include a detailed note in their regulatory accounts to reconcile the value of any provision they declare in the financial statements in respect of underperformance payments or outperformance payments that will be payable in the next charging year with the APR table 3A 2017-18 price term values.

When will indexation take place?

The outcome delivery incentives monetary values will be indexed immediately prior to their application. That is, financial outperformance payments and underperformance payments will need to be translated to future year prices at the time of payment to/by the company:

- For in-period outcome delivery incentives (adjustment to in-period revenue) indexation will take place as part of the determination process.
- For outcome delivery incentives that will be applied at a future price review determination indexation will take place as part of the price review reconciliation process.

In pro forma 3A, various blocks have been included to capture information on performance levels achieved for common as well bespoke performance commitments. These blocks divide financial and non-financial ODIs for water and wastewater as appropriate.

3A.1	Unique reference	Unique reference generated for the performance commitment as reported in the company's Outcome performance commitment appendix. For example: PR19AFW_W-A1 (pre-populated data)
3A.2	Unit	Unit that the performance commitment is measured in as described in its definition (pre-populated data)

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3A.3	Unit description	Description of the performance commitment unit (pre-populated data)
3A.4	Decimal places	Number of decimal places (where applicable) (pre-populated data)
3A.5	Performance level – actual (previous reporting year)	Actual performance for the previous reporting year (pre-populated data)
3A.6	Performance level – actual (current reporting year)	Actual performance for the current reporting year in the units the performance commitment is measured in. For example, if the performance commitment is measured in Ml/day and the actual performance level is 124.5 Ml/day, then enter 124.5. In case where the performance commitment level is calculated by using supplementary data for example 3 years average data for leakage or where performance is standardised e.g. by number of connections for low pressure or population water supplied used for customer contacts then provide that supplementary information in table pro forma 3B. This calculated performance level is copied over from 3B to 3A in this line. This line applies to all performance commitments, including those with non-financial incentives and those where a performance commitment level (PCL) has not been set for the current reporting year.
3A.7	Performance commitment level met?	If the performance commitment level for the current reporting year has been met select ‘Yes’, where it has not been met select ‘No’. If a performance commitment level has not been set for the current reporting year select "-" (hyphen).
3A.8	Outperformance payment or underperformance payment - in-period outcome delivery incentives (ODIs) (indicator)	This column applies only to performance commitments which have outcome delivery incentives that are payable within 2020-25 rather than at the end of 2020-25 period. If an outperformance payment has been earned in the current reporting year select “Outperformance payment”, if an underperformance payment has been earned select “Underperformance payment”. If the actual performance level is within the outperformance deadband select “Outperformance payment deadband”, if it is within the underperformance deadband select “Underperformance payment deadband”. Otherwise leave blank (empty) or select "-". Note: this refers to the outperformance payment or underperformance payment for the current reporting

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		year, not the cumulative value since 1 April 2020.
3A.9	Outperformance payment or underperformance payment - in-period ODIs (£m)	This column applies only to performance commitments which have outcome delivery incentives that are payable within 2020-25 rather than at the end of 2020-25 period The outperformance payment or underperformance payment earned in the current reporting year. £million to 4 decimal places, rounded. This should be copied from the embedded ODI reconciliation model included as part of RAG from 2020-21. Outperformance payments must be entered as a positive number, underperformance payments as a negative number. Where no outperformance payment or underperformance payment has been earned, leave blank (empty). Note: this is the outperformance payment or underperformance payment for the current reporting year, not the cumulative value since 1 April 2020.
3A.10	Outperformance payment or underperformance payment – outcome delivery incentives (ODIs) payable at the end of 2020-25 period (indicator)	This column applies only to performance commitments which have outcome delivery incentives that are payable at the end of 2020-25 period. If an outperformance payment has been earned in the current reporting year select “Outperformance payment”, if an underperformance payment has been earned select “Underperformance payment”. If the actual performance level is within the outperformance deadband select “Outperformance payment deadband”, if it is within the underperformance deadband select “Underperformance payment deadband”. Otherwise leave blank (empty) or select "-". Note: this refers to the outperformance payment or underperformance payment for the current reporting year, not the cumulative value since 1 April 2020.
3A.11	Outperformance payment or underperformance payment - ODIs payable at the end of 20202-25 (£m)	This column applies only to performance commitments which have outcome delivery incentives that are payable at the end of 2020-25. The outperformance payment or underperformance payment accrued in the current reporting year. £million to 4 decimal places, rounded. This should be copied from the embedded ODI reconciliation model included as part of RAG from 2020-21. Outperformance payments must be entered as a positive number, underperformance payments as a negative number. Where no outperformance payment or underperformance payment has accrued, leave blank (empty). Note: this is the outperformance payment or

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		underperformance payment for the current reporting year, not the cumulative value since 1 April 2020.
3A.12	31 March 2025 forecast - total 2020-25 Outperformance payment or underperformance payment (indicator)	This column applies to all financial outcome delivery incentives that are payable within 2020-25 period and outcome delivery incentives that are payable at the end of 2020-25). A forecast of the overall outperformance payment or underperformance payment paid/ accrued by the end of 2020-25 (31 March 2025) based on your current performance and your current expectation of your future performance. If an overall outperformance is forecast select "Outperformance payment", if underperformance is forecast select "Underperformance payment". If the actual performance level is forecast to be within the outperformance deadband select "Outperformance payment deadband", if it is forecast to be within the underperformance deadband select "Underperformance payment deadband". Otherwise leave blank (empty) or select "-". A forecast for the total 2020-25 period outperformance payment or underperformance payment, as at 31 March 2025, should be entered if: • Outperformance or underperformance payment is probable ('more likely than not'); and • the amount can be estimated reliably (it should be the best estimate and, in reaching the best estimate, the company should take into account the risks and uncertainties that surround the underlying events). The forecast should include any outperformance payment and/or underperformance payment already earned (either in previous reporting years or the current reporting year), plus forecasts for the remaining years of the 2020-25 period.
3A.13	31 March 2025 forecast - total 2020-25 Outperformance payment or underperformance payment (£m)	This column applies to all financial outcome delivery incentives that are payable within 2020-25 and outcome delivery incentives that are payable at the end of 2020-25 period). A forecast of the overall outperformance payment or underperformance payment paid/ accrued by the end of 2020-25 period (31 March 2025) based on your current performance and your current expectation of your future performance. The forecast should include any outperformance payment and/or underperformance payment already earned (either in previous reporting years or the current reporting year), plus forecasts for the remaining years of the 2020-25 period. £million to 4 decimal places, rounded.

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		Outperformance payments must be entered as a positive number, underperformance payments as a negative number.

Pro forma 3B: Supplementary performance table

Pro forma 3B has a number of blocks for various common and bespoke performance commitments for which supplementary data is used to calculate the standardised performance levels or where appropriate the elements that are part of the overall performance commitment definition. The examples of these supplementary data are the number of connections, the sewer or water network length, the population served and so on. The number of performance commitments and its associated data included in this pro forma are not exhaustive; and companies may include all performance commitments along with underpinning supplementary data for the calculated performance levels. The calculated performance level from this pro forma is copied across in to pro forma 3A where it is determined whether the performance commitment level has been met or not. The brief description of these blocks in this pro forma is given below.

Block A: This block contains performance commitments where the performance level is set in standardised units such as pollution incidents per 10,000 km of sewer length, mains repairs per 1,000 km and so on.

Block B: This block includes performance commitments where the performance level is measured against a calculated baseline such as the leakage reduction from the baseline of 2019-20. The baseline is based on the three years' data that is included in this block.

Block C: This block gathers information on the supplementary data that is used to calculate the average minutes lost per property per year for supply interruptions.

Block D: This block gathers information on the supplementary data that is used to calculate performance on unplanned/planned outage.

Block E: This block gathers information on the supplementary data that is used to calculate the performance against the risk of severe restrictions in drought.

Block F1-F3: These blocks gather information on three performance levels used for the overall compliance against the performance commitment on priority services for customers in vulnerable circumstances.

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Block G: This block gathers information on the supplementary data that is used to measure the performance level against the risk of sewer flooding in a storm.

Block H: This block collects information on the sewer collapses that do not form part of the reported collapses but the incidents of failures are reported to have impact on service and or environment and company undertakes action to fix it by repairing or relining.

Block I: This block collects information on any other performance commitments that are considered to be appropriate for including in the supplementary information table that can aid in to understand the performance level achieved.

Pro forma 3C: C-MeX

Customer measure of experience (C-MeX) table		
3C.1	Annual customer satisfaction score for the customer services survey	The name of the abstraction site. This can be anonymised if it is necessary for national security reasons.
3C.2	Annual customer satisfaction score for the customer experience survey	Results of the qualitative survey for the current reporting year (two decimal places).
3C.3	Annual C-MeX score	Overall C-MeX score for the current reporting year (two decimal places) in line with the company's outcomes performance commitment appendix where 3C.1 is weighted 50% and 3C.2 is weighted 50% of the overall score.
3C.4	Annual net promoter score	The company's net promoter score (NPS) for the current reporting year (two decimal places) where the results from the customer service survey and customer experience survey and weighted equally and no other weightings applied.
3C.5	Total household complaints	Total household complaints as reported to CCWater for the current reporting year (two decimal places).
3C.6	Total connected household properties	Total connected household properties as at 31 March of the current reporting year (zero decimal places). To avoid double counting this should be the sum of water-only, wastewater-only and dual-service properties.
3C.7	Total household complaints per 10,000 connections	3C.5 * (10,000 / 3C.6) to three decimal places

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3C.8	Confirmation of communication channels offered	In line with the outcomes performance commitment appendix for each company, confirmation that the requisite number of communication channels have been offered throughout the current reporting year (true or false).

Pro forma 3D: D-MeX

Developer services measure of experience (D-MeX) table		
3D.1	Qualitative survey annual results	Results of the qualitative survey for the current reporting year (two decimal places).
3D.2	Quantitative metrics annual results	Results of the quantitative metrics in line with the company's outcomes performance commitment appendix for the current reporting year (two decimal places).
3D.3	D-MeX score	Overall D-MeX score for the current reporting year (two decimal places) in line with the company's outcomes performance commitment appendix where 3D.1 is weighted 50% and 3D.2 is weighted 50% of the overall score.
3D.4	Developer services revenue (water)	The sum of lines 2E.1, 2E.2, 2E.9, 2E.10, 2E.11, 2E.12, 2E.13 and 2K.3 (gross of any discounts or income offsets) in £m to three decimal places.
3D.5	Developer services revenue (wastewater)	The sum of lines 2E.22, 2E.23, 2E.24, 2E.25 and 2K.3 (gross of any discounts or income offsets) in £m to three decimal places.

Pro forma 3E: Shadow reporting of new common performance measure data

Table 3E collected shadow data for the 2015-20 period on new metrics developed to be common performance measures for the 2020-25 period. This information was restricted to water companies and regulators and used purely to help improve the consistency and accuracy of information being reported. It is too early to know if further similar new metrics will be required as part of the PR24 process for the 2025-30 period. However, it can take a number of years for a metric to be appropriately defined and understood by all companies, along with the implementation of reporting procedures, so that new performance information is reported consistently. Without prejudging PR24, it may be useful to keep table 3E in case further metrics for water companies are required. As an interim measure we propose that companies report the measures produced for the PR19 asset health long list that are not reported to another regulator.

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The metrics are:

- Properties at risk of receiving low pressure
- Unplanned maintenance – non-infrastructure (water)
- Sewer blockages
- External sewer flooding
- Unplanned maintenance – non-infrastructure (wastewater)

The intention of the red, amber, and green rating and commentary for shadow reporting is to provide transparency on the degree to which a company has been able to implement the reporting guidance for shadow reporting.

For each element:

- Green indicates full implementation of the guidance and robust data
- Amber is appropriate for partial implementation or data that is not fully robust, but unlikely to have a material impact on reported figures
- Red is appropriate for elements that either have not yet been implemented or for which the data had significant weaknesses, and there is likely to be a material impact on reported figures as a result.

Definitions documents are available from the 'Outcomes definitions – PR19' page of the Ofwat website.

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Section 4 – Additional regulatory information

Pro forma 4A: Bulk supply information for the 12 months ended 31 March 20xx

Bulk supply exports		
4A.1 – 4A.10	Bulk supply xx	Value of bulk supply revenue and Ml supplied. The description for each bulk supply should match that used on the bulk supply register.
4A.11	Total bulk supply exports	Sum of lines 1 to 10.
Bulk supply imports		
4A.12 – 4A.21	Bulk supply xx	Value of bulk supply costs and Ml supplied. The description for each bulk supply should match that used on the bulk supply register.
4A.22	Total bulk supply imports	Sum of lines 12 to 21.

Pro forma 4B: Analysis of debt

This table is identical to our 'App20' business plan table from requests made to companies during the PR19 process. We are requesting this table to assist in our monitoring of the sector's financial resilience, and also to understand inter-year changes in figures provided in Table 1E: Net Debt Analysis.

Our guidance and the template is essentially unchanged from the May 2018 guidance and June 2018 template. The last submission of this table covered debt instruments issued up to and including 31 March 2018. Companies should update the information provided alongside the APR for the 2020-21 reporting year for debt instruments issued between 01 April 2018 and 31 March 2021; also removing debt instruments that have reached maturity in this period.

Companies should classify each item of debt on its statement of financial position as:

- fixed rate (block A);
- floating rate (block B);
- RPI index linked (block C); or
- CPI index linked (block D).

Companies should include a brief description alongside each item of debt to make it

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possible to identify the specific debt instrument used. In each case this description should provide the following details as a minimum:

- where available the instrument identifier (ISIN);
- where available the credit rating of each instrument;
- the remaining years to maturity;
- the coupon, and for floating rate instruments details of the market index to which the instrument is tied;
- the currency in which the debt is designated (if not in sterling), as well as any assumptions used around exchange rates to derive the instrument's sterling cost;
- whether the debt is subordinated (class A/class B); and
- any other significant information regarding the structure of the debt which is required to enable the nature of the debt instrument to be fully understood (for example, mezzanine funding).

For floating rate debt companies should report in the 'Reference Interest Rate' column the relevant reference rate as of 31 March 2021. Companies should also report separately what the reference rate is (e.g. LIBOR).

We have included 200 lines for companies to report all relevant debt instruments under each classification. Companies should not add any columns to the table.

Derivatives

We expect companies to provide details of all relevant financial derivatives. Where companies have used financial derivatives in a designated hedging arrangement (or economic hedging arrangement), we expect companies to report these together with the debt instruments to which the derivative(s) relate (i.e. report the debt instrument details net of the impact of the hedging arrangement). If companies are using any other financial derivatives, including for example interest rate swaps, inflation swaps or forex swaps not as part of a designated (or economic) hedging arrangement, we expect companies to report these separately.

Companies should include these swaps in the table by reporting both the paid and received legs separately in the appropriate lines. For all financial derivatives we expect companies to clearly report all relevant information, for example the date at which any derivatives expire, as well as any credit breaks and the frequency thereof. Companies may (but are not required to) combine derivatives to simplify reporting where derivatives are of the same type and nature (e.g. two interest rate swaps with the same maturity). For the avoidance of doubt if companies are unclear or unsure as to whether combining derivatives is appropriate, companies should report each instrument individually.

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Index linked debt and inflation

We have separated index linked instruments into RPI and CPI linked issuance. We have included columns ('Real RPI coupon' and 'Real CPI coupon') for companies to report the relevant real CPI or real RPI coupon rate. Companies should also convert the rates of fixed and floating rate instruments into both real CPI and real RPI terms. For the purposes of these calculations we expect companies to use an assumption for RPI of 3.0% per year and CPI of 2% per year.

For the avoidance of doubt, by asking companies to report CPI linked instruments we are not indicating a preference for moving to CPI instead of CPIH. We are aware of some CPI linked issuance in the sector; we are unaware of any CPIH linked issuance. Therefore we do not consider it would be efficient to include space in the data table for companies to report CPIH linked issuance.

Additional clarifications

Companies should report all current (as of 31 March 2021) debt instruments irrespective of maturity date. Where companies have forward starting instruments we expect companies to report these. Companies should report the start date in the start date column. Please note that this column only applies to forward starting instruments – we do not expect companies to report the start date of existing instruments.

Companies should also report all quasi-debt, including, for example, finance leases or preference shares. Operational leases that will be categorised as finance leases under IFRS16 should also be reported. As with forward starting instruments, companies should also report the date at which these leases will become debt instruments. Companies should indicate clearly using the 'Further Information' column if the debt instrument is an operational lease etc.

We do not require companies to report cash in this table.

We expect companies to report any revolving credit facilities in the relevant part of the table. Companies should report the interest rate of any such facilities; any additional 'commitment costs' can be captured in the column for unamortised issuance costs. The principal sum outstanding for any revolving credit facilities should reflect the amount drawn as of 31 March 2021.

If companies have any unamortised debt issuance costs which are included on the statement of financial position, and which are being amortised over the period of the debt, companies should include these in the relevant column and provide detail to explain these. Companies should also report any unamortised debt issue premiums

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or discounts alongside unamortised issuance costs.

If companies are using instantly callable debt instruments, they should classify these as loans due in less than one year (e.g. 0.1 years to maturity) and clearly indicate that the instrument is instantly callable. Instruments with no fixed maturity date that are not instantly callable should be reported with a maturity of 25 years. Companies should also clearly indicate that this instrument has no fixed maturity date.

Companies should report all debt relevant to regulated company, even where this has been taken out by an associate or financing subsidiary. Inter-company loans should be matched with the relevant instrument at group level at the external borrowing rate (i.e. companies should report the relevant external rate not the intragroup rate). Companies should also report the relevant ISIN of the external debt instrument associated with the inter-company loan.

For amortising debt, companies should report the weighted average time to maturity, rather than the final maturity. Companies should clearly indicate where the debt instrument is amortising. If companies have debt instruments where the interest payable is not directly based on the principal sum outstanding (e.g. commitment fees payable on undrawn amounts in relation to a capex facility, or where interest payments are based on the notional amount indexed and not the principal sum outstanding), companies should indicate the principal sum outstanding in column K and the figure on which annualised interest costs are based in column L. If interest payments are based on the principal sum outstanding, companies should simply ensure that this figure is entered in both columns K and L.

Consultation

Pro forma 4C: Impact of price control performance to date on RCV

This table allows the user of the APR to anticipate the impact on the RCV at the end of the price control period as a result of cumulative performance to date.

4C.1	Final determination allowed totex (net of business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	The company's allowed totex in the final determination, net of allowed totex for business rates, Environment Agency abstraction licence fees, grants and contributions and other items not subject to cost sharing, as published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values. Values should be inflated using the average CPIH figure for the reporting year./ price control period.
4C.2	Actual totex (net of business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	The company's actual totex, net of business rates and Environment Agency abstraction licence fees, grants and contributions and other items not subject to cost sharing, as reported in: Gross totex – sum of lines 4J/K.11 and 4J/K.19 Business rates – line 4J/K.10 Abstraction charges – line 4J.3 Other items not subject to cost sharing – • non-s185 diversions - line 4P.3 • innovation fund – line 9A.12 • strategic water resource development schemes – lines 4L.22 and 4L.53
4C.3	Variance	4C.1 minus 4C.2
4C.4	Variance due to timing of expenditure	The value due to a variation in the timing of the planned expenditure.
4C.5	Variance due to efficiency	4C.3 minus 4C.4
4C.6	Customer cost sharing rate	The customer cost sharing rate as published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values.
4C.7	Customer share of totex over/underspend	Sum of 4C.5 multiplied by 4C.6
4C.8	Company share of totex over/underspend	4C.5 less 4C.7
4C.9	Final determination allowed totex - business rates and abstraction licence fees	The company's allowed totex in the final determination for business rates and Environment Agency abstraction licence fees as published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values. Values should be inflated using the average CPIH figure for the reporting year./ price control period.

Consultation

4C.10	Actual totex - business rates and abstraction licence fees	The company's actual totex for business rates and Environment Agency abstraction licence fees as reported in: Business rates – line 4J/K.10 Abstraction charges – line 4J.3
4C.11	Variance	4C.9 less 4C.10
4C.12	Customer cost sharing rate	The customer cost sharing rate as published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values.
4C.13	Customer share of totex over/underspend	Sum of 4.11 multiplied by 4C.12
4C.14	Company share of totex over/underspend	4C.11 less 4C.13
4C.15	Final determination allowed totex not subject to cost sharing	The company's allowed totex in the final determination for third party services, strategic regional water resource development schemes, other cash items and non-s185 diversions as published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values.
4C.16	Actual totex not subject to cost sharing	The company's actual totex for items not subject to cost sharing – • non-s185 diversions - line 4P.3 • innovation fund – line 9A.12 • strategic water resource development schemes – sum of lines 4L.21 and 4L.53 • other cash items – line 4J/K.25
4C.17	Variance	4C.15 less 4C.16
4C.18	Total company share of totex over/underspend	Sum of 4C.8, 4C.14 and 4C.17
4C.19	PAYG rate	The appropriate PAYG rate as published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values.
4C.20	RCV element of cumulative totex over/underspend	Sum of 4C.18 multiplied by 4C.19
4C.21	Adjustment for ODI outperformance payment or underperformance payment	RCV impact of the outperformance payment or underperformance payment from the ODI.
4C.22	RCV determined at FD at 31 March	RCV at 31 March per the 2019 price determination inflated using the appropriate CPIH and RPI values – these are published on the OFWAT website annually in April.
4C.23	Projected shadow RCV	The sum of 4C.20 to 4C.22.

Pro forma 4D: Totex analysis for the 12 months ended 31 March 20xx -

Consultation

wholesale water resources and water network+

Operating expenditure		
4D.1	Power	All energy costs, including the climate change levy and the carbon reduction commitment. Any cost savings from power generated internally should be netted off these costs.
4D.2	Income treated as negative expenditure	Income received from sales which are external to the appointed business and which directly relate to the water processes. It should be input as a negative number. This will include; Electricity sales from sources such as Hydro, PV and wind to external parties. Electricity sales from back-up generators under arrangements such as the National Grid 'STOR', "frequency response" and "dynamic demand".
4D.3	Abstraction charges/ discharge consents	Total cost of abstraction charges and/or discharge consents by the environment agency or canal & river trust.
4D.4	Bulk Supply	Total payments for bulk imports. If a supply is a shared supply and is jointly owned, the costs associated with it should not be reported here but in the appropriate cost line.
4D.5	Enhancement operating expenditure	Total enhancement operating expenditure. This line should equal line 4L.76.
4D.6	Growth operating expenditure	Total growth operating expenditure. This line should equal line 4L.12.
4D.7	Renewals expensed in year (Infrastructure)	Infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities to replace significant lengths of pipework or parts of an asset. These are targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
4D.8	Renewals expensed in year (Non-Infrastructure)	Non-infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
4D.9	Other operating expenditure excluding renewals	Other operating costs not covered by 4D.7 and 4D.8. This should exclude finance charges associated with operating leases.
4D.10	Local authority and Cumulo rates	The cost of local authority rates. This should include both the local authority rates and cumulo rates.
4D.11	Total operating expenditure excluding third party services	Total operating costs excluding third party services. The sum of lines 4D.1 to 4D.10.
4D.12	Total third party services	Operating expenditure for providing third party services. See appendix 1.

Consultation

4D.13	Total operating expenditure	Total operating expenditure for the wholesale business only within each business category. The sum of lines 4D.11 and 4D.12. This should reconcile to wholesale operating expenditure in table 2A line 3 and 2B line 11.
4D.14	Grants and contributions - operating expenditure	Grants and contributions – operating expenditure. E.g. from connection charges, infrastructure charges, requisitions and other contributions. Adopted assets should not be included. This should agree to line 2B.14. Input as a positive number.
Capital expenditure		
4D.15	Maintaining the long term capability of the assets - infra	Capital expenditure on infrastructure assets excluding third party capex to maintain the long term capability of assets and to deliver base levels of service. Where projects have drivers both of enhancement and capital maintenance, companies should apply a method of proportional allocation to allocate costs between enhancement and capital maintenance.
4D.16	Maintaining the long term capability of the assets – non-infra	Capital expenditure on non-infrastructure assets excluding third party capex to maintain the long term capability of assets and to deliver base levels of service. Where projects have drivers both of enhancement and capital maintenance, companies should apply a method of proportional allocation to allocate costs between enhancement and capital maintenance.
4D.17	Enhancement capital expenditure	Total enhancement capital expenditure. This line should equal line 4L.44.
4D.18	Growth capital expenditure	Total growth operating expenditure. This line should equal line 4L.6.
4D.19	Total gross capital expenditure excluding third party services	Total gross capital expenditure excluding third party services - the sum of lines 4D.15 to 4D.18
4D.20	Third party services	Capital expenditure for providing third party services. See appendix 1
4D.21	Total gross capital expenditure	The sum of lines 4D.19 and 4D.20.
4D.22	Grants & contributions - capital expenditure	Grants and contributions – capital expenditure. E.g. from connection charges, infrastructure charges, requisitions and other contributions. Adopted assets should not be included. This should agree to line 2B.22. Input as a positive number.
4D.23	Net totex	The sum of lines 4D.13 and 4D.21 less the sum of 4D.14 and 4D.22.
Cash expenditure		

Consultation

4D.24	Pension deficit recovery payments	Actual pension deficit recovery payments including costs capitalised and any group recharges for pension deficit costs. Companies that report under FRS102 should include the element of the statutory charge attributable to deficit payments in this line rather than block A above.
4D.25	Other cash items	Other cash items not including in the accounting charge.
4D.26	Totex including cash items	The sum of lines 4D.23 to 4D.25.
Unit cost information (operating expenditure)		
4D.27	Volume	See service level guidance in part 2 – 'Disaggregation of wholesale activities – upstream services'
4D.28	Unit cost	Line 4D.13 divided by 4D.27.
4D.29	Population	Resident population in billed households and billed non-households. The population should be obtained from most recent ONS or local authority estimates, or the company's update of these estimates.
4D.30	Unit cost	Line 4D.13 divided by 4D.29.
Energy consumption		
4D.31	Energy consumption - water resources (MWh)	Measure of energy usage (electricity, gas, liquid fuels) by the water resource business units (irrespective of the power source). Energy usage should be measured as that which is either imported or self-generated and used in relevant business unit. No account should be taken of self-generated energy that is exported from the business unit where it is generated. Fleet transport and standby generation should be included as should an allowance for administrative buildings and head office function.
4D.32	Energy consumption - raw water distribution (MWh)	Measure of energy usage (electricity, gas, liquid fuels) by the raw water distribution wholesale business unit (irrespective of the power source). Energy usage should be measured as that which is either imported or self-generated and used in relevant business unit. No account should be taken of self-generated energy that is exported from the business unit where it is generated. Fleet transport and standby generation should be included as should an allowance for administrative buildings and head office function.
4D.33	Energy consumption - water treatment (MWh)	Measure of energy usage (electricity, gas, liquid fuels) by the water treatment wholesale business unit (irrespective of the power source). Energy usage should be measured as that which is either imported or self-generated and used in relevant business unit. No account should be taken of self-generated energy that is exported from the business unit where it is generated. Fleet transport and standby generation should be included as should an allowance for administrative buildings and head office function.

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4D.34	Energy consumption - treated water distribution (MWh)	Measure of energy usage (electricity, gas, liquid fuels) by the treated water distribution wholesale business unit (irrespective of the power source). Energy usage should be measured as that which is either imported or self-generated and used in relevant business unit. No account should be taken of self-generated energy that is exported from the business unit where it is generated. Fleet transport and standby generation should be included as should an allowance for administrative buildings and head office function.
4D.35	Energy consumption - network plus (MWh)	Measure of energy usage (electricity, gas, liquid fuels) by the network+ wholesale business unit (irrespective of the power source). Energy usage should be measured as that which is either imported or self-generated and used in relevant business unit. No account should be taken of self-generated energy that is exported from the business unit where it is generated. Fleet transport and standby generation should be included as should an allowance for administrative buildings and head office function.
4D.36	Energy consumption - wholesale (MWh)	Energy consumption – wholesale water business. Calculated as the sum of 4D.31 and 4D.35.

Lines 4D.31 to 4D.36 relate to the energy costs associated with operating costs only. For consistency with the APR (Line 2B.1) this line should include all energy costs (including electricity, gas and fuel for vehicles, plant and machinery). These lines are intended to capture energy consumed; energy exported should not be included. Energy consumption should be allocated between lines 4D.31 to 4D.36 in a way that is consistent with the accounting separation units, i.e. 'network +' includes raw water distribution, water treatment and treated water distribution (in line with Ofwat's Water 2020 decisions document -May 2016).

Consultation

Pro forma 4E: Totex analysis for the 12 months ended 31 March 20xx – wholesale wastewater (Further disaggregated into upstream services – for guidance on these activities please see section 2.)

Operating expenditure		
4E.1	Power	All energy costs, including the climate change levy and the carbon reduction commitment. Any cost savings from power generated internally should be netted off these costs.
4E.2	Income treated as negative expenditure	Income received sales which are external to the appointed business and which directly relate to the wastewater processes. It should be input as a negative number. This will include; Electricity sales from sources such as Hydro, PV, wind and CHP to external parties. Electricity sales from back-up generators under arrangements such as the National Grid 'STOR', "frequency response" and "dynamic demand". Bio-methane gas sales to the National Grid. Sludge and sludge products such as cake, granules etc. to external parties.
4E.3	Discharge consents	Total cost of discharge consents by the environment agency or canal & river trust.
4E.4	Bulk discharge	Total payments for bulk discharges.
4E.5	Enhancement operating expenditure	Total enhancement operating expenditure. This line should equal line 4M.74.
4E.6	Growth operating expenditure	Total growth operating expenditure. This line should equal line 4M.12.
4E.7	Renewals expensed in year (Infrastructure)	Infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities to replace significant lengths of pipework or parts of an asset. These are targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
4E.8	Renewals expensed in year (Non-Infrastructure)	Non-infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
4E.9	Other operating expenditure excluding renewals	Other operating costs not covered by 4E.7 and 4E.8. This should exclude finance charges associated with operating leases
4E.10	Local authority and Cumulo rates	The cost of local authority rates. This should include both the local authority rates, cumulo rates and sewerage site rates (where appropriate).
4E.11	Total operating expenditure excluding third party services	Total operating costs excluding third party services. The sum of lines 4E.1 to 4E.10.

Consultation

4E.12	Total third party services	Operating expenditure for providing third party services. See appendix 1.
4E.13	Total operating expenditure	Total operating expenditure for the wholesale business only within each business category. The sum of lines 4E.11 and 4E.12. This should reconcile to operating expenditure in table 2A line 3 and 2B line 11.
4E.14	Grants and contributions - operating expenditure	Grants and contributions – operating expenditure. E.g. from connection charges, infrastructure charges, requisitions and other contributions. Adopted assets should not be included. This should agree to line 2B.14. Input as a positive number.
Capital expenditure		
4E.15	Maintaining the long term capability of the assets - infra	Capital expenditure on infrastructure assets excluding third party capex to maintain the long term capability of assets and to deliver base levels of service. Where projects have drivers both of enhancement and capital maintenance, companies should apply a method of proportional allocation to allocate costs between enhancement and capital maintenance.
4E.16	Maintaining the long term capability of the assets – non-infra	Capital expenditure on non-infrastructure assets excluding third party capex to maintain the long term capability of assets and to deliver base levels of service. Where projects have drivers both of enhancement and capital maintenance, companies should apply a method of proportional allocation to allocate costs between enhancement and capital maintenance.
4E.17	Enhancement capital expenditure	Total enhancement capital expenditure. This line should equal line 4M.43.
4E.18	Growth capital expenditure	Total growth capital expenditure. This line should equal line 4M.6.
4E.19	Total gross capital expenditure excluding third party services	Total gross capital expenditure excluding third party services - the sum of lines 4E.15 to 4E.18.
4E.20	Third party services	Capital expenditure for providing third party services. See appendix 1
4E.21	Total gross capital expenditure	The sum of lines 4E.19 and 4E.20.
4E.22	Grants & contributions - capital expenditure	Grants and contributions – capital expenditure. E.g. from connection charges, infrastructure charges, requisitions and other contributions. Adopted assets should not be included. This should agree to line 2B.22. Input as a positive number.
4E.23	Net totex	The sum of lines 4E.13 and 4E.21 less the sum of 4E.14 and 4E.22.
Cash expenditure		

Consultation

4E.24	Pension deficit recovery payments	Actual pension deficit recovery payments including costs capitalised and any group recharges for pension deficit costs. Companies that report under FRS102 should include the element of the statutory charge attributable to deficit payments in this line rather than block A above.
4E.25	Other cash items	Other cash items not including in the accounting charge.
4E.26	Totex including cash items	The sum of lines 4E.24 to 4E.25.
Unit cost information (operating expenditure)		
4E.27	Units	See service level guidance in part 2 – 'Disaggregation of wholesale activities – upstream services'
4E.28	Unit cost	Line 4E.13 divided by 4E.27.
4E.29	Population	Resident population in billed households and billed non-households. The population should be obtained from most recent ONS or local authority estimates, or the company's update of these estimates.
4E.30	Unit cost	Line 4E.13 divided by 4E.29.
Energy consumption		
4E.31	Energy consumption - sewage collection (MWh)	Measure of energy usage (electricity, gas, liquid fuels) by the sewage collection wholesale business unit (irrespective of the power source). Energy usage should be measured as that which is either imported or self-generated and used in relevant business unit. No account should be taken of self-generated energy that is exported from the business unit where it is generated. Fleet transport and standby generation should be included as should an allowance for administrative buildings and head office function.
4E.32	Energy consumption - sewage treatment (MWh)	Measure of energy usage (electricity, gas, liquid fuels) by the sewage treatment wholesale business unit (irrespective of the power source). Energy usage should be measured as that which is either imported or self-generated and used in relevant business unit. No account should be taken of self-generated energy that is exported from the business unit where it is generated. Fleet transport and standby generation should be included as should an allowance for administrative buildings and head office function.

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4E.33	Energy consumption - wastewater network plus (MWh)	Measure of energy usage (electricity, gas, liquid fuels) by the network+ wholesale business unit (irrespective of the power source). Energy usage should be measured as that which is either imported or self-generated and used in relevant business unit. No account should be taken of self-generated energy that is exported from the business unit where it is generated. Fleet transport and standby generation should be included as should an allowance for administrative buildings and head office function.
4E.34	Energy consumption - bioresources (MWh)	Measure of energy usage (electricity, gas, liquid fuels) by the sludge wholesale business unit (irrespective of the power source). Energy usage should be measured as that which is either imported or self-generated and used in relevant business unit. No account should be taken of self-generated energy that is exported from the business unit where it is generated. Fleet transport and standby generation should be included as should an allowance for administrative buildings and head office function.
4E.35	Energy consumption - wholesale (MWh)	Energy consumption – wholesale wastewater business. Calculated as the sum of 4E.33 and 4E.34.

Pro forma 4F: Major project capital expenditure by purpose for the 12 months ended 31st March 20xx - wholesale water

Major project capital expenditure by purpose		
4F.1-4F.10	Capital expenditure purpose – additional line x	Capital expenditure to deliver the major project during the report year. (directly attributable costs only)
4F.11	Total major project capital expenditure	Total of lines 4F.1 to 4F.10
Major project operating expenditure by purpose		
4F.12-4F.21	Operating expenditure purpose – additional line x	Operating expenditure to deliver the major project during the report year. (directly attributable costs only)
4F.22	Total major project operating expenditure	Total of lines 4F.12 to 4F.21

Costs recorded should be the direct costs related to the delivery of the relevant major project.

Pro forma 4G: Major project capital expenditure by purpose for the 12 months ended 31st March 20xx - wholesale wastewater

Major project capital expenditure by purpose

Consultation

4G.1-4G.10	Capital expenditure purpose – additional line x	Capital expenditure to deliver the major project during the report year. (directly attributable costs only)
4G.11	Total major project capital expenditure	Total of lines 4G.1 to 4G.10
Major project operating expenditure by purpose		
4G.12-4G.21	Operating expenditure purpose – additional line x	Operating expenditure to deliver the major project during the report year. (directly attributable costs only)
4G.22	Total major project operating expenditure	Total of lines 4G.12 to 4G.21

Costs recorded should be the direct costs related to the delivery of the relevant major project.

Pro forma 4H: Financial metrics

4H.1	Net debt	The sum of table 1E lines 3 to 5. Equal to table 1E line 6.
4H.2	Regulatory equity	Regulatory equity is calculated as year-end regulatory capital value (RCV) less net debt at the period end. Equal to table 4C line 5 less table 1E line 6.
4H.3	Regulatory gearing	Regulatory gearing calculated as net debt in table 1E line 6 divided by RCV in table 4C line 5. Equal to table 1E line 7.
4H.4	Post tax return on regulatory equity	Profit after current tax for the appointed business for the year as a % of average regulatory equity. Profit after current tax should exclude any fair value gains losses on financial derivatives (table 1A line 9 less line 12). For this metric average regulatory equity is a simple average of the regulatory equity at the start and end of the year. Regulatory equity at each year end is calculated in table 4H line 2. The opening regulatory equity at 31 March 2020 should be calculated after the impact of any midnight adjustment to RCV.
4H.5	RORE (return on regulatory equity)	RORE calculates the returns on a regulatory basis by reference to the notional regulated equity (calculated using notional gearing level (60.0% for PR19) and average RCV for each year. (Values should be calculated in 2017-18 price base as per Table 1F) The base RORE set at the final determination (as per line 1 in table 1F), should be adjusted for the RORE impact of the following factors: 1. Totex out / under performance - the values from table 1F line 1F.13 should be used and adjusted for corporation tax at the headline rate.

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		2. ODI out / under performance - the sum of the values from table 1F, lines 1F.14 to 1F.16 should be used, no adjustment should be made for corporation tax. 3. Retail out / under performance - the values from table 1F line 1F.17 should be used and adjusted for corporation tax at the headline rate. 4. Financing out / under performance - RORE impact of the difference between the actual average interest rate paid on borrowings (in real terms) and the allowed interest rate (real) multiplied by notional debt and adjusted for corporation tax at the headline rate. When calculating the actual average interest rate paid on borrowings in real terms, the actual year average inflation rate should be used to deflate a nominal rate to a real rate. The actual interest rate paid should also exclude any interest paid which is not directly related to borrowings. Note: this calculation is different to the cost of debt and cost of hedging in Table 1F and so those values must not be used. 5. Other factors - Exceptional items that are outside the normal operating activities. The values from table 1F line 1F.18 should be used where applicable and adjusted for corporation tax at the headline rate if the exceptional item is subject to corporation tax RORE should be presented: • for the year under report; • on an average basis (calculated as an arithmetic average of the annual figures in the AMP to date) and should recognise gains and losses made in the period from the start of the AMP to the date of the APR. The Fisher equation should be used to translate from nominal to real interest rates; (1+n)=(1+r)*(1+i)
4H.6	Total dividend yield	Calculated as the total appointee dividend for the year (as would be included in the statement of changes in equity) / divided by actual year end regulated equity (table 4H line 2)
4H.7	Adjusted dividend yield	Calculated as the total appointee dividend for the year (as would be included in the statement of changes in equity) less any dividends paid to a holding company solely to enable that company to pay interest on an intergroup loan from the appointee, divided by actual year end regulated equity (table 4H line 2).
4H.8	Retail profit margin - Household	The retail profit margins should be calculated as earnings before interest and tax (after deducting wholesale charges) divided by total revenue charged to household or non-household customers respectively.
4H.9	Retail profit margin - Non household	The retail profit margins should be calculated as earnings before interest and tax (after deducting wholesale charges) divided by total revenue charged to household or non-

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		household customers respectively
4H.10	Credit rating	Issuer credit rating issued by a recognised credit rating agency as defined within each company's licence. A recognised credit rating agency is Standard and Poor's Rating Group (or any of its subsidiaries), Moody's Investors Services Incorporated (or any of its subsidiaries), Fitch Ratings Limited, or any other reputable credit rating agency which has comparable standing in the United Kingdom and the United States of America. If the company is rated by more than one credit rating agency then only the lowest rating needs to be included. Companies should also provide details of the "Outlook/Watch" status of the rating.
4H.11	Return on RCV	Calculated as profit before interest less current tax (table 1A line 4 plus table 1A line 5 less table 1A line 12) divided by the average RCV for the year. The average RCV for the year should be in the year average price base for the year as it appear on the Ofwat website, and it should take account of any midnight adjustment to RCV at 31 March 2020. This can be sourced from the annual OFWAT RCV publication.
4H.12	Total dividend cover	Profits of the appointed business for the year before dividends (table 1A line 14) divided by total appointee dividend for the year (as would be included in the statement of changes in equity).
4H.13	Adjusted dividend cover	Profits of the appointed business for the year before dividends (table 1A line 14) divided by total appointee dividend for the year ((as would be included in the statement of changes in equity) less any dividends paid to a holding company solely to enable that company to pay interest on an intergroup loan from the appointee).
4H.14	Funds from operations (FFO)	Funds from operations (FFO) is net cash generated from operating activities adjusted to remove changes in working capital. We acknowledge that our approach to calculating this differs from some of the methodologies applied by the credit rating agencies.
4H.15	Interest cover (cash)	Interest cover (cash) is equal to (FFO as calculated above plus interest paid on borrowings)/ interest paid on borrowings. Interest paid on borrowings excludes any accretion of index linked debt which is a non cash item.
4H.16	Adjusted interest cover (cash)	Adjusted interest cover (cash) equal to (FFO as calculated above plus interest paid on borrowings less RCV run off)/ interest paid on borrowings. Interest paid on borrowings excludes any accretion of index linked debt which is a non cash item. RCV run off is set out in the final determinations and should be adjusted to the year-end price base. The RCV run off figures are published by Ofwat each year.
4H.17	FFO/Debt	Ratio of FFO to net debt. We acknowledge that our approach to calculating this differs from some of the methodologies applied by the credit rating agencies.

Consultation

4H.18	Effective tax rate	Effective tax rate is the current tax charge for the appointed business before any adjustments in respect of prior period, as a % of the profit before tax and fair value movements for the appointed business.
4H.19	RCF	Equal to table 4H line 12 less table 1D line 19.
4H.20	RCF/capex	Equal to table 4H line 17 divided by table 1D line 13.
4H.21	Revenue (actual)	Equal to table 2A line 1.
4H.22	EBITDA (actual)	EBITDA (earnings before interest, tax, depreciation and amortisation) should be calculated using the price control revenue as set out in table 4H line 19 and the associated costs. It should include only amounts which are relevant to the price control.
4H.23	Base Return	The base RORE set at the final determination. This is as set out in the line definition for 4H.5.
4H.24	Totex out / (under) performance	This is as set out in the line definition for 4H.5.
4H.25	Retail cost out / (under) performance	This is as set out in the line definition for 4H.5.
4H.26	ODI out / (under) performance	This is as set out in the line definition for 4H.5.
4H.27	Financing out / (under) performance	The difference between the actual average interest rate paid on borrowings (in real terms) and the allowed interest rate (real) on notional debt. This should be calculated based on the notional capital structure i.e difference in actual interest rate and allowed interest rate multiplied by notional net debt. When calculating the actual real interest rate paid from the actual nominal interest rate paid (nominal interest paid/average net debt) the actual year average inflation rate should be used to deflate the nominal rate to a real rate. This is as set out in the line definition for 4H.5. Any adjustment for tax should be calculated in a manner consistent with the calculation in 4H.5.
4H.28	Other factors	This is as set out in the line definition for 4H.5.
4H.29	Regulatory return for the year	Sum of 4H.21 to 4H.26. Equal to 4H.5. This should be entered as the impact on RoRE for the year and on an average basis (calculated as an arithmetic average of the annual figures in the AMP to date) and should recognise gains and losses made in the period from the start of the price control period to the end of the reporting period.
4H.30	Proportion of borrowings which are fixed rate	Equal to table 1E line 1 (fixed rate) plus table 1E line 2 divided by table 1E line 3.
4H.31	Proportion of borrowings which are floating rate	Equal to table 1E line 1 (floating rate) divided by table 1E line 3.
4H.32	Proportion of borrowings which are index linked	Equal to table 1E line 1 (index linked) divided by table 1E line 3.

Consultation

4H.33	Proportion of borrowings due within 1 year or less	In this line please provide details of the % of borrowings (table 1E line 3) which falls into this category.
4H.34	Proportion of borrowings due in more than 1 year but no more than 2 years	In this line please provide details of the % of borrowings (table 1E line 3) which falls into this category.
4H.35	Proportion of borrowings due in more than 2 years but no more than 5 years	In this line please provide details of the % of borrowings (table 1E line 3) which falls into this category.
4H.36	Proportion of borrowings due in more than 5 years but no more than 20 years	In this line please provide details of the % of borrowings (table 1E line 3) which falls into this category.
4H.37	Proportion of borrowings due in more than 20 years	In this line please provide details of the % of borrowings (table 1E line 3) which falls into this category.

Pro forma 4I: Financial derivatives

Figures for this table should be based on company financial instruments, which we have requested companies set out in Table 4B: 'Analysis of debt', which we are requesting from companies as part of their submission. We expect entries to table 4I to be consistent with the derivative positions reported in Table 4B.

4I.1	Floating to fixed rate	Financial instruments through which floating interest rate liabilities are converted into fixed rate interest rate liabilities. Where the rate payable on an instrument is designated as a margin over a specified reference rate (e.g. 6 Month Libor plus X%), please include an assumption of the reference rate to determine the rate payable. Please provide details of any assumptions that have been made in a note to the table.
4I.2	Floating from fixed rate	Financial instruments through which floating interest rate liabilities are converted from fixed rate interest rate liabilities. Where the rate payable on an instrument is designated as a margin over a specified reference rate (e.g. 6 Month Libor plus X%), please include an assumption of the reference rate to determine the rate payable. Please provide details of any assumptions that have been made in a note to the table.
4I.3	Floating to index linked	Financial instruments through which floating interest rate liabilities are converted into inflation linked interest rate liabilities. Where the rate payable on an instrument is designated as a margin over a specified reference rate (e.g. 6 Month Libor plus X%), please include an assumption of the reference rate to determine the rate payable. Please provide details of any assumptions that have been made in a note to the table.

Consultation

4I.4	Floating from index linked	Financial instruments through which floating interest rate liabilities are converted from inflation linked interest rate liabilities. Where the rate payable on an instrument is designated as a margin over a specified reference rate (e.g. 6 Month Libor plus X%), please include an assumption of the reference rate to determine the rate payable. Please provide details of any assumptions that have been made in a note to the table.
4I.5	Fixed to index-linked	Financial instruments through which fixed interest rate liabilities are converted into inflation linked interest rate liabilities. Where the rate payable on an instrument is designated as a margin over a specified reference rate (e.g. 6 Month Libor plus X%), please include an assumption of the reference rate to determine the rate payable. Please provide details of any assumptions that have been made in a note to the table.
4I.6	Fixed from index-linked	Financial instruments through which fixed interest rate liabilities are converted from inflation linked interest rate liabilities. Where the rate payable on an instrument is designated as a margin over a specified reference rate (e.g. 6 Month Libor plus X%), please include an assumption of the reference rate to determine the rate payable. Please provide details of any assumptions that have been made in a note to the table.
4I.7	Total	The total of the interest rate swaps. The sum of table 4I lines 1 to 6.
4I.8	Cross currency swap USD	Financial instruments which convert debt liabilities from US Dollars into Pounds Sterling.
4I.9	Cross currency swap EUR	Financial instruments which convert debt liabilities from Euro into Pounds Sterling.
4I.10	Cross currency swap YEN	Financial instruments which convert debt liabilities from Yen into Pounds Sterling.
4I.11	Cross currency swap Other	Financial instruments which convert debt liabilities from currencies other than US Dollars, Euro or Yen into Pounds Sterling.
4I.12	Total	Total of currency swap financial instruments. The sum of table 4I lines 8 to 11.
4I.13	Currency interest rate swaps USD	Financial instruments which convert currency in which interest is paid or payable from US Dollars into Pounds Sterling.
4I.14	Currency interest rate swaps EUR	Financial instruments which convert currency in which interest is paid or payable from Euro into Pounds Sterling.
4I.15	Currency interest rate swaps YEN	Financial instruments which convert currency in which interest is paid or payable from Yen into Pounds Sterling.
4I.16	Currency interest rate swaps Other	Financial instruments which convert currency in which interest is paid or payable from currencies other than US Dollars, Euro or Yen into Pounds Sterling.
4I.17	Total	Total of instruments which convert the currency in which interest is paid between sterling and another currency. The sum of table 4I lines 13 to 16.

Consultation

4I.18	Forward currency contracts USD	Forward contracts which convert future debt obligations from US Dollars into Pounds Sterling.
4I.19	Forward currency contracts EUR	Forward contracts which convert future debt obligations from Euro into Pounds Sterling.
4I.20	Forward currency contracts YEN	Forward contracts which convert future debt obligations from Yen into Pounds Sterling.
41.21	Forward currency contracts CAD	Forward contracts which convert future debt obligations from Canadian Dollars into Pounds Sterling.
41.22	Forward currency contracts AUD	Forward contracts which convert future debt obligations from Australian Dollars into Pounds Sterling.
41.23	Forward currency contracts HKD	Forward contracts which convert future debt obligations from Hong Kong Dollars into Pounds Sterling.
4I.24	Forward currency contracts Other	Forward contracts which convert future debt obligations from currencies other than US, Canadian, Australian or Hong Kong Dollars, Euro or Yen into Pounds Sterling.
4I.25	Total	Total of forward contracts which convert debt between currencies. The sum of table 4I lines 18 to 24.
4I.26	Other financial derivatives	Other financial derivatives (e.g. power) not already included in lines 4I.1 to 4I.24.
4I.27	Total financial derivatives	The sum of table 4I lines 7, 12, 17, 25 and 26. The 'Mark to Market' should equal the 'Financial instruments' totals from table 1C (i.e. the sum of lines 1C.5, 1C.10, 1C.16 and 1C.23).

Pro forma 4J: Atypical and non-atypical expenditure by business unit for the 12 months ended 31 March 20xx - wholesale water

Operating expenditure (excl. atypicals)		
4J.1	Power	All energy costs, including the climate change levy and the carbon reduction commitment. Any cost savings from power generated internally should be netted off these costs.

Consultation

4J.2	Income treated as negative expenditure	Income received from sales which are external to the appointed business and which directly relate to the water processes. It should be input as a negative number. This will include: Electricity sales from sources such as Hydro, PV and wind to external parties. Electricity sales from back-up generators under the National Grid 'STOR'. Renewables Obligations Certificates (ROCs) and payments made under the non-domestic RHI and Feed-in Tariff schemes.
4J.3	Abstraction charges/ discharge consents	Total cost of service charges (abstraction licences and permits to discharge) by the Environment Agency or Canal and River Trust. Assuming no atypicals this should equal the sum of table 4N lines 5 to 7.
4J.4	Bulk Supply	Total payments for bulk imports. If a supply is a shared supply and is jointly owned, the costs associated with it should not be reported here but in the appropriate cost line.
4J.5	Enhancement operating expenditure	Total enhancement operating expenditure. This line should equal line 4L.76.
4J.6	Growth operating expenditure	Total growth operating expenditure. This line should equal line 4L.12.
4J.7	Renewals expensed in year (Infrastructure)	Infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities to replace significant lengths of pipework or parts of an asset. These are targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
4J.8	Renewals expensed in year (Non-Infrastructure)	Non-infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
4J.9	Other operating expenditure excluding renewals	Other operating costs not covered by 4J.7 and 4J.8 (excludes interest, tax and LA rates). This should exclude finance charges associated with operating leases.
4J.10	Local authority and Cumulo rates	The cost of local authority rates. This should include both the local authority rates and cumulo rates.
4J.11	Total operating expenditure excluding third party services	Total operating costs excluding third party services. The sum of lines 4J.1 to 4J.10.
4J.12	Total third party services	Operating expenditure for providing third party services. See RAG 4 appendix 1.
4J.13	Total operating expenditure	Total operating expenditure for the wholesale business only within each business category. The sum of lines 4J.11 and 4J.12.

Consultation

4J.14	Grants & contributions – operating expenditure	Grants and contributions operating expenditure as reported in Table 4D . Input as a positive number.
Capital expenditure (excl. atypicals)		
4J.15	Maintaining the long term capability of the assets - infra	Capital expenditure on infrastructure assets excluding third party capex to maintain the long term capability of assets and to deliver base levels of service. Where projects have drivers both of enhancement and capital maintenance, companies should apply a method of proportional allocation to allocate costs between enhancement and capital maintenance.
4J.16	Maintaining the long term capability of the assets – non-infra	Capital expenditure on non-infrastructure assets excluding third party capex to maintain the long term capability of assets and to deliver base levels of service. Where projects have drivers both of enhancement and capital maintenance, companies should apply a method of proportional allocation to allocate costs between enhancement and capital maintenance.
4J.17	Enhancement capital expenditure	Total enhancement capital expenditure. This line should equal line 4L.44.
4J.18	Growth capital expenditure	Total growth operating expenditure. This line should equal line 4L.6.
4J.19	Total gross capital expenditure excluding third party services	Total gross capital expenditure excluding third party services - the sum of lines 4J.15 to 4J.18.
4J.20	Third party services	Capital expenditure for providing third party services. See RAG 4 appendix 1.
4J.21	Total gross capital expenditure	The sum of lines 4J.19 and 4J.20
4J.22	Grants & contributions – capital expenditure	Grants and contributions - capital expenditure as reported in Table 4D Input as a positive number.
4J.23	Net totex	The sum of lines 4J.13, and 4J.21 less the sum of 4J.14 and 4J.22.
4J.24	Pension deficit recovery payments	Actual pension deficit recovery payments including costs capitalised and any group recharges for pension deficit costs. Companies that report under FRS102 should include the element of the statutory charge attributable to deficit payments in this line rather than block A above.
4J.25	Other cash items	Other cash items not including in the accounting charge.
4J.26	Net totex including cash items	The sum of lines 4J.23 to 4J.25.
Atypical expenditure		

Consultation

4J.27-4J.31	Atypical expenditure items	Please specify atypical items in the lines 4J.27 to 4J.31. Atypical items are defined as unusual items outside ordinary activities. This would include items such as office moves and one-off reorganisations. For avoidance of doubt these items should **not** be included in lines 4J.1 to 4J.2654 above. Costs should be entered as a positive number and any income/rebates entered as a negative number.
4J.32	Total atypical expenditure	Total atypical expenditure. Calculated as the sum of lines 4J.27 to 4J.31.
4J.33	Total expenditure	Total expenditure. Calculated as the sum of 4J.26 and 4J.32.

Pro forma 4K: Atypical and non-atypical expenditure by business unit for the 12 months ended 31 March 20xx - wholesale wastewater

Operating expenditure (excl. atypicals)		
4K.1	Power	All energy costs, including the climate change levy and the carbon reduction commitment. Any cost savings from power generated internally should be netted off these costs.
4K.2	Income treated as negative expenditure	Income received from sales which are external to the appointed business and which directly relate to the wastewater processes. It should be input as a negative number. This will include: Electricity sales from sources such as Hydro, PV, wind and CHP to external parties. Electricity sales from back-up generators under the National Grid 'STOR'. Bio-methane gas sales to the National Grid. Sludge and sludge products such as cake, granules etc. to external parties. Renewables Obligations Certificates (ROCs) and payments made under the non-domestic RHI and Feed-in Tariff schemes.
4K.3	Discharge consents	Total cost of service charges by the Environment Agency or Canal & River Trust for discharge permits. Assuming no atypical items this should equal the sum of table 4O lines 5 to 7.
4K.4	Bulk discharge	Total payments for bulk discharges.
4K.5	Enhancement operating expenditure	Total enhancement operating expenditure. This line should equal line 4M.74.
4K.6	Growth operating expenditure	Total growth operating expenditure. This line should equal line 4M.12.
4K.7		Infrastructure renewals which are expensed rather than

Consultation

	Renewals expensed in year (Infrastructure)	capitalised in the statutory accounts. 'Renewals' are generally planned activities to replace significant lengths of pipework or parts of an asset. These are targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
4K.8	Renewals expensed in year (Non-Infrastructure)	Non-infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
4K.9	Other operating expenditure excluding renewals	Other operating costs not covered by 4K.7 and 4K.8 (excludes interest, tax and LA rates). This should exclude finance charges associated with operating leases.
4K.10	Local authority and Cumulo rates	The cost of local authority rates. This should include both the local authority rates, cumulo rates and sewerage site rates (where appropriate).
4K.11	Total operating expenditure excluding third party services	Total operating costs excluding third party services. The sum of lines 4K.1 to 4K.10.
4K.12	Total third party services	Operating expenditure for providing third party services. See RAG4 appendix 1.
4K.13	Total operating expenditure	Total operating expenditure for the wholesale business only within each business category. The sum of lines 4K.11 and 4K.12.
4K.14	Grants & contributions – operating expenditure	Grants and contributions operating expenditure as reported in Table 4E. Input as a positive number.
Capital expenditure (excl. atypicals)		
4K.15	Maintaining the long term capability of the assets - infra	Capital expenditure on infrastructure assets excluding third party capex to maintain the long term capability of assets and to deliver base levels of service. Where projects have drivers both of enhancement and capital maintenance, companies should apply a method of proportional allocation to allocate costs between enhancement and capital maintenance.
4K.16	Maintaining the long term capability of the assets – non-infra	Capital expenditure on non-infrastructure assets excluding third party capex to maintain the long term capability of assets and to deliver base levels of service. Where projects have drivers both of enhancement and capital maintenance, companies should apply a method of proportional allocation to allocate costs between enhancement and capital maintenance.
4K.17	Enhancement capital expenditure	Total enhancement capital expenditure. This line should equal line 4L.43.
4K.18	Growth capital expenditure	Total growth capital expenditure. This line should equal line 4L.6.
4K.19	Total gross capital expenditure excluding third party services	Total gross capital expenditure excluding third party services - the sum of lines 4K.15 to 4K.18.

Consultation

4K.20	Third party services	Capital expenditure for providing third party services. See appendix 1
4K.21	Total gross capital expenditure	The sum of lines 4K.19 & 4K.20.
4K.22	Grants & contributions – capital expenditure	Grants and contributions capital expenditure as reported in Table 4E. Input as a positive number.
4K.23	Net totex	The sum of lines 4K.13 and 4K.21 less the sum of 4K.14 and 4K.22.
Cash expenditure (excl. atypicals)		
4K.24	Pension deficit recovery payments	Actual pension deficit recovery payments including costs capitalised and any group recharges for pension deficit costs. Companies that report under FRS102 should include the element of the statutory charge attributable to deficit payments in this line rather than block A above.
4K.25	Other cash items	Other cash items not included in the accounting charge.
4K.26	Net totex including cash	The sum of lines 4K.23 to 4K.25.
Atypical expenditure		
4K.27-4K.31	Atypical expenditure items	Please specify atypical items in lines 4K.278 to 4K.31. Atypical items are defined as unusual items outside ordinary activities. This would include items such as office moves and one-off reorganisations. For avoidance of doubt these items should **not** be included in lines 1 to 26 above. Costs should be entered as a positive number and any income/rebates entered as a negative number.
4K.32	Total atypical expenditure	Total atypical expenditure. Calculated as the sum of lines 4K.27 to 4K.31.
4K.33	Total expenditure	Total expenditure. Calculated as the sum of 4K.26 and 4K.32.

Pro forma 4L: Expenditure by purpose for the 12 months ended 31st March 20xx – water resources and water network+

Addressing low pressure is not included as only a very limited number of companies have investment in this area. Where a company does have continuing investment, it should make use of the freeform lines at the foot of this table.

Growth capital expenditure and operating expenditure		
4L.1 & 4L.7	New connections (CPs, meters, stop valve)	Capital /operating cost of connecting a new property that relates to sole use assets (including the cost of a meter, communication pipe and boundary stop tap valve).
4L.2 & 4L.8	New mains	Capital /operating expenditure on laying new mains. Capital /operating expenditure reported in this line should be the same categories of expenditure that was used to calculate requisition charges.

Consultation

4L.3 & 4L.9	Other on-site costs	Other on-site capital /operating expenditure for connecting a new property.
4L.4 & 4L.10	Infrastructure network reinforcement	Capital / operating expenditure for the provision of new infrastructure network assets or enhanced capacity in existing infrastructure network assets such as water mains, tanks, service reservoirs, in consequence of new connections and/or new developments. This expenditure relates solely to network reinforcement works that are needed on an existing network assets beyond the nearest practicable point where the connection to the network has, or will been made. Capital /operating expenditure reported in this line should be the same categories of expenditure that was used to calculate infrastructure charges.
4L.5 & 4L.11	Other off-site costs	Other off-site capital expenditure for connecting a new property.
4L.6 & 4L.12	Total growth capital / operating expenditure	The sum of lines 4L.1 to 4L.5 / 4L.7 to 4L.11. Total growth capital expenditure in line 6 should equal line 4D.18. Total growth operating expenditure in line 12 should equal line 4D.6.

Enhancement capital expenditure and operating expenditure		
4L.13 & 4L.45	WINEP / NEP - Making ecological improvements at abstractions (habitats directive, SSSI, NERC, BAPs)	Capital / operating expenditure to deliver projects required to deal with the environmental impact of water abstraction during the report year.
4L.14 & 4L.46	WINEP / NEP ~ Eels Regulations (measures at intakes)	Capital / operating expenditure on quality enhancement schemes listed in the NEP (or WINEP) either to improve intakes to prevent the entrainment of fish, provide or alter eel or alter fish passes or take alternative measures to meet the requirements of the Eels (England and Wales) Regulations 2009, or carry out investigations required to confirm the level of entrainment and/or the appropriate technical solution.
4L.15 & 4L.47	WINEP / NEP ~ Invasive non-native species	Capital / operating expenditure required to deal with invasive non-native species.
4L.16 & 4L.48	Improving taste / odour / colour	Capital / operating expenditure to deliver improvements to consumer acceptability of the drinking water (relating to colour, taste and odour)
4L.17 & 4L.49	2020-25 supply-side improvements to supply-demand balance	Capital / operating expenditure to hat enhances the supply-demand balance in 2020-25. Includes expenditure associated with schemes delivering supply-side (resource and production options) enhancements in 2020-25.

Consultation

4L.18 & 4L.50	2020-25 demand-side improvements to supply-demand balance (excluding leakage and metering)	Capital / operating expenditure that enhances the supply-demand balance in 2020-25. Includes expenditure associated with schemes delivering demand-side (water efficiency options) enhancements in 2020-25. This excludes benefits from leakage and metering activities.
4L.19 & 4L.51	2020-25 leakage improvements to supply-demand balance	Capital / operating expenditure that enhances the supply-demand balance in 2020-25. Includes expenditure associated with schemes delivering leakage enhancements in 2020-25.
4L.20 & 4L.52	2020-25 internal interconnectors	Capital / operating expenditure that enhances the supply-demand balance in 2020-25. Includes expenditure associated with schemes delivering interconnectivity in 2020-25. To include inter-zonal connections providing a supply-demand balance benefit, and intra-zonal which provide within zone benefits.
4L.21 & 4L.53	Long-term improvements to supply-demand balance (no benefit in 2020-25)	Capital / operating expenditure that enhances the supply-demand balance in the longer term (after 2025). Includes expenditure associated with schemes delivering interconnectivity in 2020-25. To include inter-zonal connections providing a supply-demand balance benefit, and intra-zonal which provide within zone benefits post 2025.
4L.22 & 4L.54	Strategic regional water resources	Capital / operating expenditure associated with the strategic regional water resource solutions programme.
4L.23 & 4L.55	Investment to address raw water deterioration (THM, nitrates, Crypto, pesticides, others)	Capital / operating expenditure to address raw water deterioration.
4L.24 & 4L.56	Resilience	Capital / operating expenditure to address low probability – high consequence events (including those related to the National Flood Resilience Review), where the failure and consequence to services for customers or the environment are beyond management control. Expenditure that contributes to the delivery of common performance commitments should not be included. Capital expenditure to improve resilience. This relates to expenditure to manage the risk of giving consumers an appropriate level of service protection in the face of extreme events caused by hazards that are beyond their control. To include expenditure to meet new, more onerous requirements stemming from the National Flood Resilience Review.
4L.25 & 4L.57	SEMD	Capital / operating expenditure to comply with the requirements of Security and Emergency Measures Direction (SEMD). To include schemes to protect CNI and NI assets and assessments of further improvements to comply with SEMD Direction 1998, and emergency response and resilience requirements. Defra's Protective Security Guidance.

Consultation

4L.26 & 4L.58	Non-SEMD	Capital / operating expenditure on schemes driven by other (ie non-SEMD) security requirements, for example to improve cyber security or to enhance the security of network and information systems.
4L.27 & 4L.59	WINEP / NEP ~ Drinking Water Protected Areas (schemes)	Capital / operating expenditure on schemes to either avoid additional treatment or reduce current treatment (surface and groundwaters) and is associated with Drinking Water Protected Areas under Article 7 of the Water Framework Directive.
4L.28 & 4L.60	WINEP / NEP ~ Water Framework Directive measures	Capital / operating expenditure on Water Framework Directive – driven measures to improve, protect or ensure no deterioration in the status or potential of surface water or groundwater where the measures arise from PR14 investigations or sustainable abstraction work.
4L.29 & 4L.61	WINEP / NEP ~ Investigations	Capital / operating expenditure on environmental investigations and options appraisals listed in the NEP, except where line definitions require costs to be reported elsewhere in this table for AMP5 or AMP6.
4L.30 & 4L.62	Improvements to river flows	Capital / operating expenditure relating to reducing abstraction licenses (unless captured elsewhere in this table, principally 4L.13 1 or 4L.20).
4L.31 & 4L.63	Metering (excluding cost of providing metering to new service connections) - for meters requested by optants	Capital / operating expenditure related to metering (excluding cost of providing metering to new service connections) for provision of meters requested by optants
4L.32 & 4L.64	Metering (excluding cost of providing metering to new service connections) - for meters introduced by companies	Capital / operating expenditure related to metering (excluding cost of providing metering to new service connections) for provision of meters introduced by companies (irrespective of whether these meters are used for charging).
4L.33 & 4L.65	Metering (excluding cost of providing metering to new service connections) - other	Capital / operating expenditure related to metering (excluding cost of providing metering to new service connections) for provision of meters to businesses and other non-household customers.
4L.34- 4L.43 & 4L.66– 4L.75	Capital / operating expenditure purpose – additional line x	Other capital / operating expenditure by purpose. Where possible companies should maintain consistency with corresponding lines in previous data submissions when using these lines.
4L.44 & 4L.76	Total enhancement capital / operating expenditure	Total enhancement capital / operating expenditure. Calculated as the sum of lines 4L.13 to 4L.43 / 4L.45 to 4L.75. Total enhancement capital expenditure in line 44 should equal line 4D.17. Total enhancement operating expenditure in line 76 should equal line 4D.5

Consultation

Where a quality enhancement scheme (or the proportionally allocated component of a quality enhancement scheme) has more than one cost driver, companies should allocate the expenditure attributable to the primary driver to the relevant line 4L.13 to 4L.33. Any net additional cost for delivering any further drivers should be included in the relevant line.

Pro forma 4M: Expenditure by purpose for the 12 months ended 31st March 20xx - wastewater network+ and bioresources

This pro forma does not include a number of standard lines included for AMP6, for example NEP – monitoring of pass forward flows at CSOs. The lines have been removed because we do not expect investment in these areas in the 2020-25 price control period, or because only a very limited number of companies have investment in these areas. Where a company does have continuing investment it should make use of the freeform lines at the foot of the table.

Growth capital expenditure and operating expenditure		
4M.1 & 4M.7	On-site costs	The capital /operating cost of connecting a new property that relates to on-site work. Includes the cost for laying new sewers. This should exclude capital expenditure for the purpose of reducing the risk to properties and external areas of flooding from sewers that should be reported in 4M.5 and 4M.11, unless an increase in risk is clearly the result of new development. Capital / operating expenditure reported in this line should be the same categories of expenditure that was used to calculate a water or sewerage undertaker's receipts for on-site work.
4M.2 & 4M.8	Infrastructure network reinforcement	A water or sewerage undertaker's capital /operating expenditure for the provision of new infrastructure network assets or enhanced capacity in existing infrastructure network assets such as water mains, tanks, service reservoirs, sewers and pumping stations, in consequence of new connections and/or new developments. This expenditure relates solely to network reinforcement works that are needed on a water or sewerage undertaker's existing network assets beyond the nearest practicable point where the connection to the water or sewerage undertaker's network has, or will been made. Capital / operating expenditure reported in this line should be the same categories of expenditure that was used to calculate a water or sewerage undertaker's infrastructure charges.
4M.3 & 4M.9	Other off-site costs	Other capital /operating expenditure for connecting a new property that relates to off-site work.

Consultation

4M.4 & 4M.10	Growth at sewage treatment works (excluding sludge treatment)	Capital / operating expenditure associated with meeting or offsetting changes in demand from new and existing customers at sewage treatment works but excluding sludge treatment centres. Expenditure at sludge treatment centres should be reported in 4M.3.
4M.5 & 4M.11	Reducing flooding risk for properties	Capital / operating expenditure for the purpose of enhancing the public sewerage system to reduce the risk to properties and external areas of flooding from sewers. Exclude maintaining the long term capability of the assets – infra that should be reported in 4K.15 and expenditure associated with the provision of new sewers for new development and such other on-site expenditure required in consequence of the new development that should be reported in 4M.1 / 4M.7.
4M.6 & 4M.12	Total growth capital / operating expenditure	The sum of lines 4M.1 to 4M.5 / 4M.7 to 4M.11. Total growth capital expenditure in line 6 should equal line 4E.17. Total growth operating expenditure in line 12 should equal line 4E.6.

Enhancement capital expenditure and operating expenditure		
4M.13 & 4M.44	First time sewerage (s101A)	Capital / operating expenditure for new and additional sewage treatment and sewerage assets for first time sewerage schemes to meet the duty under s101A of the Water Industry Act 1991.
4M.14 & 4M.45	Sludge enhancement (quality)	Capital / operating expenditure on sludge treatment and disposal assets and associated biogas treatment for meeting new environmental obligations listed in the WINEP / NEP. This is for both infrastructure and non-infrastructure
4M.15 & 4M.46	Sludge enhancement (growth)	Capital / operating expenditure on sludge treatment and disposal assets and associated biogas treatment for providing new capacity for growth. This is for both infrastructure and non- infrastructure assets.
4M.16 & 4M.47	WINEP / NEP - Conservation drivers	Capital / operating expenditure on the primary cost driver of quality enhancement schemes listed in the WINEP / NEP where the objective of the primary driver is to meet the requirements of conservation drivers (the Habitats and Birds Directives, the CRoW Act, the Marine and Coastal Access Act, invasive non-native species and the UK Biodiversity Action Plan) over and above that on schemes and investigations for which expenditure is required to be reported elsewhere in this table).
4M.17 & 4M.48	WINEP / NEP - Event Duration Monitoring at intermittent discharges	Capital / operating expenditure on quality enhancement schemes listed in the WINEP / NEP to provide event and duration monitoring of intermittent discharges. For AMP7 these are the outputs required by the Environment Agency or Natural Resources Wales under the driver codes U_MON1, U_MON2, U_MON3, U_EDMW, SW_MON and BW_MON.

Consultation

4M.18 & 4M.49	WINEP / NEP - Flow monitoring at sewage treatment works	Capital / operating expenditure on quality enhancement schemes listed in the WINEP / NEP to provide flow monitoring at sewage treatment works (AMP7 driver codes: U_MON4, U_MON5).
4M.19 & 4M.50	WINEP / NEP - Schemes to increase flow to full treatment	Capital / operating expenditure on quality enhancement schemes listed in the WINEP / NEP to increase the flow to full treatment to 3PG+I+3E (AMP7 driver code: U_IMP5).
4M.20 & 4M.51	WINEP / NEP - Schemes to increase storm tank capacity	Capital / operating expenditure on quality enhancement schemes listed in the WINEP / NEP to increase the storm tank capacity to 68 l/hd or to 2 hours retention at max flow into the tanks (AMP7 driver code: U_IMP6).
4M.21 & 4M.52	WINEP / NEP - Storage schemes to reduce spill frequency at CSOs, etc	Capital / operating expenditure on the primary cost driver of quality enhancement schemes listed in the WINEP / NEP where the objective of the primary cost driver is to meet new or tightened spill frequency objectives at network assets, eg CSOs, (whether or not there is an explicit spill frequency requirement) by the provision of new or additional storage volume.
4M.22 & 4M.53	WINEP / NEP – Chemicals removal	Capital / operating expenditure on improvements listed in the WINEP / NEP as part of the national 'Pathway to good measures for chemicals' programme or to prevent deterioration in chemical status or to achieve standstill limits for chemicals (AMP7 driver codes: WFD_IMP_CHEM, WFD_NDLS, some WFD_ND and potentially L_IMP and LWFD_IMP).
4M.23 & 4M.54	WINEP / NEP - Chemicals monitoring / investigations / options appraisals	Capital / operating expenditure on monitoring, investigations, feasibility studies and improvements listed in the WINEP / NEP as part of the national Chemicals Investigation Programme (AMP7 driver codes: WFD_INV_CHEM1-9, WFD_MONCHEM)
4M.24 & 4M.55	WINEP / NEP - Investigations	Capital / operating expenditure on investigations listed in the WINEP / NEP over and above that on investigations for which expenditure is required to be reported elsewhere in this table (principally 4M.23).
4M.25 & 4M.56	WINEP / NEP - Nutrients (N removal)	Capital / operating expenditure on the primary cost driver of quality enhancement schemes listed in the WINEP / NEP where the objective of the primary cost driver is to meet new or tightened consent conditions for nitrogen.
4M.26 & 4M.57	WINEP / NEP - Nutrients (P removal)	Capital / operating expenditure on the primary cost driver of quality enhancement schemes listed in the WINEP / NEP where the objective of the primary cost driver is to meet new or tightened consent conditions for phosphorus.
4M.27 & 4M.58	WINEP / NEP - Reduction of sanitary parameters	Capital / operating expenditure on the primary cost driver of quality enhancement schemes listed in the WINEP / NEP where the objective of the primary cost driver is to meet new or tightened consent conditions for one or more of the sanitary parameters unless the objective is associated with a specific cost driver code for which there is a dedicated line elsewhere in this table (eg WFD_ND_GWQ (line 4M.13). In such cases costs should be excluded from this line and entered in the line for the relevant cost driver code.

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4M.28 & 4M.59	WINEP / NEP - UV disinfection (or similar)	Capital / operating expenditure on the primary cost driver of quality enhancement schemes listed in the WINEP / NEP where the objective of the primary cost driver is to meet new or tightened consent conditions for microbiological parameters to meet the requirements of the EU Shellfish Waters or revised Bathing Water Directives. Such schemes will typically involve UV disinfection but may involve alternative technologies eg membrane filtration.
4M.29 & 4M.60	Odour	Capital / operating expenditure on schemes where the primary objective is to effect a step change improvement in odour control above base standards.
4M.30 & 4M.61	Resilience	Capital / operating expenditure to address low probability – high consequence events (including those related to the National Flood Resilience Review), where the failure and consequence to services for customers or the environment are beyond management control. Expenditure that contributes to the delivery of common performance commitments should not be included.
4M.31 & 4M.62	SEMD	Capital / operating expenditure to protect CNI and NI assets and on assessments of potential further improvements to comply with the Security and Emergency Measures Direction 1998 and Defra's Protective Security Guidance.
4M.32 & 4M.63	Non-SEMD security	Capital / operating expenditure on schemes driven by other (ie non-SEMD) security requirements, for example to improve cyber security or to enhance the security of network and information systems.
4M.33-4M.42 & 4M.64-4M.73	Capital / operating expenditure purpose - additional line x	Other capital / operating expenditure purpose [Company to insert other purposes as required]. Regard should be had for the desirability of maintaining consistency with corresponding lines in previous data submissions when using these lines.
4M.43 & 4M.74	Total enhancement capital / operating expenditure	Total enhancement capital / operating expenditure. Calculated as the sum of 4M.13 to 4M.42 / 4M.44 to 4M.73 inclusive. Total enhancement capital expenditure in line 34 should equal line 4E.17. Total enhancement operating expenditure in line 74 should equal line 4E.5.

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Pro forma 4N: Other expenditure for the 12 months ended 31 March 20xx – water resources an water network plus

4N.1	Costs associated with Traffic Management Act	Costs directly related to permit schemes made pursuant to the Traffic Management Act excluding penalties or fines incurred by the company
4N.2	Projects incurring costs associated with Traffic Management Act	The number of projects for which the costs that have been reported in 4N.1 have been incurred.
4N.3	Costs associated with lane rental schemes	Costs directly associated with lane rental schemes excluding penalties or fines incurred by the company.
4N.4	Statutory water softening	Costs associated with statutory requirements for the softening of water as directed by the relevant legislation. To be entered as £
4N.5	Canal & River Trust abstraction charges/ discharge consents	Costs associated with Canal & River Trust service charges and discharge consents. To be entered as £
4N.6	Environment Agency abstraction charges/ discharge consents	Costs associated with Environment Agency service charges/ discharge consents. To be entered as £
4N.7	Other abstraction charges/ discharge consents	Costs associated with Other service charges/ discharge consents. To be entered as £

Pro forma 4O: Other expenditure for the 12 months ended 31 March 20xx – wholesale wastewater

4O.1	Costs associated with Traffic Management Act	Costs associated with permit schemes made pursuant to the Traffic Management Act. This includes costs of permits and associated administration costs but excludes penalties or fines incurred by the company. To be entered as £.
4O.2	Number of projects incurring costs associated with Traffic Management Act	Costs directly associated with lane rental schemes excluding penalties or fines incurred by the company.
4O.3	Costs associated with lane rental schemes	Costs directly associated with lane rental schemes excluding penalties or fines incurred by the company.
4O.4	Costs associated with Industrial Emissions Directive	Costs associated with industrial emissions directive
4O.5	Canal & River Trust service charges and	Costs associated with Canal & River Trust service charges and discharge consents.

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	discharge consents	
4O.6	Environment Agency service charges / discharge consents	Costs associated with Environment Agency service charges / discharge consents.
4O.7	Other discharge charges / permits	Costs associated with other service charges / discharge consents.

Pro forma 4P: Expenditure on non-price control diversions for the 12 months ended 31 March 20xx

4P.1	Costs associated with NSWRA diversions	Costs incurred in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under the New Roads and Streets Works Act 1991.
4P.2	Costs associated with other non-price control diversions	Costs incurred in relation to the alteration or removal of any relevant pipe (as defined in section 158 of the Water Industry Act 1991) or other apparatus that the Appointee is required to carry out under a statutory provision except a provision of the Water Industry Act 1991 or a provision of the New Roads and Streets Works Act 1991.
4P.3	Total costs associated with non-price control diversions	The sum of lines 4P.1 and 4P.2.

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Pro forma 5A: Non-financial data for the 12 months ended 31st March 20xx - water resources

Water resources		
5A.1	Proportion of distribution input derived from impounding reservoirs	Proportion of distribution input derived from impounding (gravity fed) reservoirs, including bulk supply. Operational sources from which no water has been obtained in the report year should not be included in the number of sources.
5A.2	Proportion of distribution input derived from pumped storage reservoirs	Proportion of distribution input derived from pumped storage reservoirs including bulk supply. Operational sources from which no water has been obtained in the report year should not be included in the number of sources. Please refer to additional guidance relating to number of sources. Pumped storage reservoirs will receive an element of gravity flow. If this flow makes a material contribution (>20%) to the volume of the reservoir the distribution input from this source should be allocated proportionally between the two reservoir types. When reporting source numbers the source should be allocated according to the type of flow that delivers the larger part of the reservoir's input. For example, if 60% of the reservoir's volume is pumped river water the source should be counted as a pumped storage source.
5A.3	Proportion of distribution input derived from river abstractions	Proportion of distribution input derived from river abstractions including bulk supply. Operational sources from which no water has been obtained in the report year should not be included in the number of sources. Please refer to additional guidance relating to number of sources.
5A.4	Proportion of distribution input derived from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	Proportion of distribution input derived from groundwater works including bulk supply, but excluding managed aquifer recharge (MAR) water supply schemes. Operational sources from which no water has been obtained in the report year should not be included in the number of sources. Please refer to additional guidance relating to number of sources.
5A.5	Proportion of distribution input derived from artificial recharge (AR) water supply schemes	Proportion of distribution input derived from AR supply schemes including bulk supply. AR schemes are a subset of managed aquifer recharge (MAR) schemes, which functions by recharging an aquifer before or after abstraction. The water abstracted is not necessarily the water that has been recharged, so the water can be of natural quality and require more complex treatment. This excludes aquifer storage and recovery (ASR) water supply schemes (see line below)
5A.6	Proportion of distribution input derived from aquifer storage and recovery (ASR) water supply schemes	Proportion of distribution input derived from ASR supply schemes including bulk supply. ASR schemes are a subset of managed aquifer recharge (MAR) schemes, which functions by recharging an aquifer, storing that water and maintaining its quality. The aim is to enable simple and less costly treatment of the re-abstracted water, and that the water recharged is predominantly the

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		water that is re- abstracted. This excludes artificial recharge (AR) water supply schemes (see line above)
5A.7	Proportion of distribution input from saline abstractions	Proportion of distribution input derived from saline abstractions including bulk supply. Operational sources from which no water has been obtained in the report year should not be included in the number of sources.
5A.8	Proportion of distribution input from water reuse schemes	Proportion of distribution input derived from reuse schemes. Direct effluent reuse, not returned to the environment.
5A.9	Number of impounding reservoirs	Number of sources of impounding reservoirs. Please refer to additional guidance in line 5A.16 relating to number of sources.
5A.10	Number of pumped storage reservoirs	Number of sources of pumped storage reservoirs. Please refer to additional guidance in line 5A.16 relating to number of sources. Pumped storage reservoirs will receive an element of gravity flow. The source should be allocated according to the type of flow that delivers the larger part of the reservoir's input. For example, if 60% of the reservoir's volume is pumped river water the source should be counted as a pumped storage source.
5A.11	Number of river abstractions	Number of sources of river abstractions. Please refer to additional guidance in line 5A.16 relating to number of sources.
5A.12	Number of groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	Number of sources of groundwater works, excluding MAR water supply schemes. Please refer to additional guidance in line 5A.16 relating to number of sources. For detailed definitions of water supply schemes, see associated data lines for distribution input.
5A.13	Number of artificial recharge (AR) water supply schemes	Number of sources of AR water supply schemes. Please refer to additional guidance in line 5A.16 relating to number of sources. For detailed definitions of water supply schemes, see associated data lines for distribution input.
5A.14	Number of aquifer storage and recovery (ASR) water supply schemes	Number of sources of ASR water supply schemes. Please refer to additional guidance in line 5A.16 relating to number of sources. For detailed definitions of water supply schemes, see associated data lines for distribution input.
5A.15	Number of saline abstraction schemes	Total number of sources of saline abstraction schemes. Please refer to additional guidance in line 5A.16 relating to number of sources
5A.16	Total number of sources	The total number of sources operated by a company. This should equal the sum of lines 5A.9 to 5A.15. Subject to the relevant appendix in RAG4 a source is defined as an independent raw water supply that directly supplies a treatment works, such as impounding reservoirs, river abstractions and groundwater works. Standby or mothballed sources from which no water has been obtained in the year should not be included.

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5A.17	Number of reuse schemes	Total number of reuse schemes. Do not include in number of sources (line 5A.16).
5A.18	Total number of water reservoirs	All reservoirs used for holding raw water. This line shall include impounding reservoirs, pumped storage reservoirs and bank side storage facilities.
5A.19	Total capacity of water reservoirs	Total design/construction capacity of all reservoirs used for holding raw water. This line shall include impounding reservoirs, pumped storage reservoirs and bank side storage facilities.
5A.20	Total number of intake and source pumping stations	The total number of intake, raw water transport and source pumping stations associated with potable, non-potable and raw water systems. For the avoidance of doubt this is the number of sites as opposed to the number of individual pumps.
5A.21	Total number of raw water transport stations	Total number of number of raw water transport stations. For the avoidance of doubt this is the number of sites as opposed to the number of individual pumps.
5A.22	Total capacity of intake and source pumping stations	Total kW of all abstraction pumpsets (duty, assist and standby - irrespective of the number that may be working at any one time) associated with Raw water abstraction. Refer to RAG 2 Appendix 2 for proportional allocation.
5A.23	Total capacity of raw water transfer pumping stations	Total installed power of all transfer pumpsets (duty, assist and standby - irrespective of the number that may be working at any one time) associated with Raw water transfer.
5A.24	Total length of raw water abstraction mains and other conveyors (Water resources: raw water abstraction)	The length of all mains or other conveyors associated with raw water abstraction between water resources defined assets (eg a river intake pumping station and a surface water reservoir). Include all green coloured pipework in the examples given in Appendix 2 of RAG 4.
5A.25	Average pumping head – raw water abstraction	Average pumping head for the raw water abstraction business unit as defined in RAG 4 and RAG 2. This is to be calculated using actual pumping head rather than the rating of the pumps.
5A.26	Average pumping head - raw water transport	Average pumping head for the raw water transport business unit as defined in RAG 4 and RAG 2. This is to be calculated using actual pumping head rather than the rating of the pumps.
5A.27	Total length of raw and pre-treated (non-potable) water transport mains (Network plus: raw water transport)	The length of all raw and pre-treated (non-potable) water mains. Include; i) all amber coloured pipework in the examples given in Appendix 2 of RAG 4, ii) raw water and pre-treated (non-potable) mains which deliver non-potable water to the end customer or a third party water company, and iii) partially treated water mains which deliver non-potable water to the end customer (eg industrial process water and fire-fighting mains) or a third party water company. Exclude raw water abstraction mains and other conveyors reported in 5A.24 and raw and partially

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		treated water mains that are situated within the boundaries of the water treatment service.
5A.28	Water resources capacity (measured using water resources yield)	The company level water resources capacity, which should be the sum of all company water resource zones (WRZs) across all of its licensed areas. Capacity is measured in terms of water resources yield which captures the average volume of water available from the environment and constrained by water resources control assets. See RAG 4 Appendix 2 for guidance on the calculation of water resources yield.

The proportions entered in lines 5A.1 to 5A.8 should sum to unity. The proportion of water in each source category is a measure of how difficult a company's water is to treat. When classifying the water into one of the categories, the following guidelines should be followed:

- Water abstracted from boreholes or springs and pumped directly to a treatment works should be classified as borehole water.
- Water abstracted from a river and transported directly to a treatment works (either by pumping or by gravity) should be classified as river water.
- Water that is transported directly to a treatment works from a reservoir which has been filled by a river should be classified as water from reservoirs (this is because, in general, while the water is stored in the reservoir, sediments will settle making the water easier to treat).
- Water that is transported from a reservoir, via a river, to a treatment works should be classified as water from a river.

If multiple sources feed a works (for example a river and a number of boreholes) and the flow from these sources is combined prior to treatment, then all of the flow entering the works can be categorised as the more difficult to treat water. (In this example, all of the water would be categorised as river water.)

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Pro forma 5B: Operating cost analysis for the 12 months ended 31 March 20xx – water resources

5B.1	Power	All energy costs, including the climate change levy and the carbon reduction commitment. Any cost savings from power generated internally should be netted off these costs.
5B.2	Income treated as negative expenditure	Income received from sales which are external to the appointed business and which directly relate to the water processes. It should be input as a negative number. This will include; Electricity sales from sources such as Hydro, PV and wind to external parties. Electricity sales from back-up generators under arrangements such as the National Grid 'STOR', "frequency response" and "dynamic demand".
5B.3	Abstraction charges/ discharge consents	Total cost of abstraction charges and/or discharge consents by the environment agency or canal & river trust.
5B.4	Bulk Supply	Total payments for bulk imports. If a supply is a shared supply and is jointly owned, the costs associated with it should not be reported here but in the appropriate cost line.
5B.5	Renewals expensed in year (Infrastructure)	Infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities to replace significant lengths of pipework or parts of an asset. These are targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
5B.6	Renewals expensed in year (Non-Infrastructure)	Non-infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
5B.7	Other operating expenditure excluding renewals - direct	Other direct costs not included in previous lines 5B.5 to 5B.6
5B.8	Other operating expenditure excluding renewals - indirect	Other indirect costs not included in previous lines 5B.5 to 5B.6
5B.9	Total functional expenditure	The sum of lines 5B.1 to 5B.8
5B.10	Local authority and Cumulo rates	The cost of local authority rates. This should include both the local authority rates and cumulo rates.
5B.11	Total operating expenditure (excluding 3rd party)	Total operating expenditure excluding 3rd party costs recorded in table 4D. The sum of lines 5B.9 to 5B.10.
5B.12	Depreciation	Historical Deprecation charge for relevant fixed asset

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5B.13	Total operating costs (excluding 3rd party)	Total of operating expenditure (excluding 3rd party costs) and depreciation costs. The sum of lines 5B.11 to 5B.12.

Artificial recharge (AR) schemes are a subset of managed aquifer recharge (MAR) schemes, which function by recharging an aquifer before or after abstraction. The water abstracted is not necessarily the water that has been recharged, so the water can be of natural quality and require more complex treatment.

Aquifer storage and recovery (ASR) schemes are a subset of managed aquifer recharge (MAR) schemes, which function by recharging an aquifer, storing that water and maintaining its quality. The aim is to enable simple and less costly treatment of the re-abstracted water, and that the water recharged is predominantly the water that is re-abstracted.

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Pro forma 6A: Non-financial data for the 12 months ended 31st March 20xx - raw water transport, raw water storage and water treatment

Raw water transport and water treatment		
6A.1	Total water treated at all SW simple disinfection works	The average daily distribution input derived from surface water works providing simple disinfection and pre-aeration only. Bulk supplies received should be included and bulk exports should be omitted.
6A.2	Total water treated at all SW1 works	The average daily distribution input derived from surface water works providing simple physical treatment only. Bulk supplies received should be included and bulk exports should be omitted.
6A.3	Total water treated at all SW2 works	The average daily distribution input derived from surface water works providing single stage complex physical or chemical treatment but excluding processes in W4, W5 & W6. Bulk supplies received should be included and bulk exports should be omitted.
6A.4	Total water treated at all SW3 works	The average daily distribution input derived from surface water works providing more than one stage of complex treatment but excluding processes in W4, W5 & W6. Bulk supplies received should be included and bulk exports should be omitted.
6A.5	Total water treated at all SW4 works	The average daily distribution input derived from surface water works providing one of the processes with very high operating costs. Bulk supplies received should be included and bulk exports should be omitted.
6A.6	Total water treated at all SW5 works	The average daily distribution input derived from surface water works providing two or more of the processes with very high operating costs. Bulk supplies received should be included and bulk exports should be omitted.
6A.7	Total water treated at all SW6 works	The average daily distribution input derived from surface water works providing processes with extremely high operating costs. Bulk supplies received should be included and bulk exports should be omitted.
6A.8	Total water treated at all GW simple disinfection works	The average daily distribution input derived from surface water works providing simple disinfection and pre-aeration only. Bulk supplies received should be included and bulk exports should be omitted.
6A.9	Total water treated at all GW1 works	The average daily distribution input derived from ground water works providing simple physical treatment only. Bulk supplies received should be included and bulk exports should be omitted.
6A.10	Total water treated at all GW2 works	The average daily distribution input derived from ground water works providing single stage complex physical or chemical treatment but excluding processes in W4, W5 & W6. Bulk supplies received should be included and bulk exports should be omitted.
6A.11	Total water treated at all GW3 works	The average daily distribution input derived from ground water works providing more than one stage of complex treatment but excluding processes in W4, W5 & W6. Bulk supplies received should be included

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		and bulk exports should be omitted.
6A.12	Total water treated at all GW4 works	The average daily distribution input derived from ground water works providing one of the processes with very high operating costs. Bulk supplies received should be included and bulk exports should be omitted.
6A.13	Total water treated at all GW5 works	The average daily distribution input derived from ground water works providing two or more of the processes with very high operating costs. Bulk supplies received should be included and bulk exports should be omitted.
6A.14	Total water treated at all GW6 works	The average daily distribution input derived from ground water works providing processes with extremely high operating costs. Bulk supplies received should be included and bulk exports should be omitted.
6A.15	Total water treated at more than one type of works	Where water is treated at more than one type of works shown in lines 4P.24 to 4P.37 above, the average daily input which is recorded more than once in rows 4P.24 to 4P.37 above, entered as a negative.
6A.16	Total number of SW simple disinfection works	Total number of surface water works providing simple disinfection and pre-aeration only
6A.17	Total number of SW1 works	Total number of surface water works providing simple physical treatment and/or blending only
6A.18	Total number of SW2 works	Total number of surface water works providing single stage complex physical or chemical treatment but excluding processes in W4, W5 & W6
6A.19	Total number of SW3 works	Total number of surface water works providing more than one stage of complex treatment but excluding processes in W4, W5 & W6
6A.20	Total number of SW4 works	Total number of surface water works providing one of the processes with very high operating costs
6A.21	Total number of SW5 works	Total number of surface water works providing two or more of the processes with very high operating costs
6A.22	Total number of SW6 works	Total number of surface water works providing processes with extremely high operating costs
6A.23	Total number of GW simple disinfection works	Total number of ground water works providing simple disinfection and pre-aeration only
6A.24	Total number of GW1 works	Total number of ground water works providing simple physical treatment and/or blending only
6A.25	Total number of GW2 works	Total number of ground water works providing single stage complex physical or chemical treatment but excluding processes in W4, W5 & W6
6A.26	Total number of GW3 works	Total number of ground water works providing more than one stage of complex treatment but excluding processes in W4, W5 & W6
6A.27	Total number of GW4 works	Total number of ground water works providing one of the processes with very high operating costs
6A.28	Total number of GW5 works	Total number of ground water works providing two or more of the processes with very high operating costs

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6A.29	Total number of GW6 works	Total number of ground water works providing processes with extremely high operating costs
6A.30	Number of treatment works requiring remedial action because of raw water deterioration	The number of water treatment works that require remedial action because of raw water deterioration. All works should be supported by the drinking water inspectorate (DWI) or in the case of planned activity be proposed to the DWI. The works should be included in the year the substantive activity is planned to take place.
6A.31	Zonal population receiving water treated with orthophosphate	Zonal population receiving water treated with orthophosphate, in thousands
6A.32	Average pumping head – water treatment	Average pumping head for the water treatment business unit as defined in RAG 4 and RAG 2. This is to be calculated using actual pumping head rather than the rating of the pumps.
6A.33	Band Disclosure (nr) WTWs in size band 1	Please disclose the number of WTW for each banding. See Additional Guidance
6A.34	Band Disclosure (nr) WTWs in size band 2	Please disclose the number of WTW for each banding. See Additional Guidance
6A.35	Band Disclosure (nr) WTWs in size band 3	Please disclose the number of WTW for each banding. See Additional Guidance
6A.36	Band Disclosure (nr) WTWs in size band 4	Please disclose the number of WTW for each banding. See Additional Guidance
6A.37	Band Disclosure (nr) WTWs in size band 5	Please disclose the number of WTW for each banding. See Additional Guidance
6A.38	Band Disclosure (nr) WTWs in size band 6	Please disclose the number of WTW for each banding. See Additional Guidance
6A.39	Band Disclosure (nr) WTWs in size band 7	Please disclose the number of WTW for each banding. See Additional Guidance
6A.40	Band Disclosure (nr) WTWs in size band 8	Please disclose the number of WTW for each banding. See Additional Guidance
6A.41	Band Disclosure (%) Proportion of total DI band 1	Please disclose the proportion (%) of total DI for band 1. See additional guidance below.
6A.42	Band Disclosure (%) Proportion of total DI band 2	Please disclose the proportion (%) of total DI for band 2. See additional guidance below.
6A.43	Band Disclosure (%) Proportion of total DI band 3	Please disclose the proportion (%) of total DI for band 3. See additional guidance below.
6A.44	Band Disclosure (%) Proportion of total DI band 4	Please disclose the proportion (%) of total DI for band 4. See additional guidance below.
6A.45	Band Disclosure (%) Proportion of total DI band 5	Please disclose the proportion (%) of total DI for band 5. See additional guidance below.
6A.46	Band Disclosure (%) Proportion of total DI band 6	Please disclose the proportion (%) of total DI for band 6. See additional guidance below.
6A.47	Band Disclosure (%) Proportion of total DI band 7	Please disclose the proportion (%) of total DI for band 7. See additional guidance below.
6A.48	Band Disclosure (%)	Please disclose the proportion (%) of total DI for band 8.

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	Proportion of total DI band 8	See additional guidance below.

For Water Treatment, rows 6A.1 to 6A.30:

For both groundwater and surface water, a works is here defined as an individual location which receives raw or partially treated water for treatment (excluding secondary disinfection) and direct delivery to customers.

If the output of a site needs to be blended so as to become potable, then that site in itself is not defined as a works. However, where the total treatment process is split between a number of sites, the DI entering treated distribution should be split pro rata between bands based on the volumes treated at the individual sites. The pre-aeration of deep borehole water is included in category SD, correction

Categories of treatment types	Examples
SD: Works providing simple disinfection only	• Marginal chlorination • Pre-aeration
W1: Simple disinfection plus simple physical treatment and/or blending only	• Rapid gravity filtration • Slow sand filtration • Pressure filtration • Aeration (solvent removal)
W2: Single stage complex physical or chemical treatment W3: More than one stage of complex treatment but excluding processes in W4, W5 or W6	• Super chlorination • Coagulation • Flocculation • Biofiltration • pH correction • Softening
W4: Single stage complex physical or chemical treatment with significantly higher operating costs than in W2/ W3 W5: More than one stage of complex, high cost treatment	• Membrane filtration (excluding desalination) • Ozone treatment • Activated carbon/ pesticide removal • UV treatment • Adsorption treatment
W6: Works with one or more very high cost processes	• Desalination • Re-use

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Band Guidance 6A.33 to 6A.48

Size band	Distribution Input Ml/d
Band 1	< 2
Band 2	≥ 2 and < 4
Band 3	≥4 and < 8
Band 4	≥8 and < 16
Band 5	≥16 and < 32
Band 6	≥32 and < 64
Band 7	≥64 and < 128
Band 8	≥ 128

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Pro forma 6B: Non-financial data for the 12 months ended 31st March 20xx – treated water distribution

Wholesale water non-financial data - Water Resources, Water Treatment		
6B.1	Total length of potable mains as at 31 March	The total length of potable water mains on 31 March of report year
6B.2	Total length of potable mains relined	Total length of potable mains relined in report year. Include all spray applied lining.
6B.3	Total length of potable mains renewed	Total length of potable mains renewed in report year. Include mains whose prime purpose is renewal of an existing main, even where existing main remains in service (i.e. is not abandoned immediately on commissioning of new main). Include mains sleeving/pipe cracking/sliplining where used for this category of work.
6B.4	Total length of new potable mains	Total length of new potable mains laid in report year. Include new mains and mains renewals involving upsizing, whose prime justification is the requirement for additional capacity.
6B.5	Total length of potable water mains (≤ 320mm)	The length of all potable water mains less than or equal to 320mm. Include all elements of trunk and distribution assets and system ancillaries. Include facilities intended for standby and emergency supplies.
6B.6	Total length of potable water mains (>320mm and ≤ 450mm)	The total length of all potable water mains greater than 320mm up to and including 450mm. Include all elements of trunk and distribution assets and system ancillaries. Include facilities intended for standby and emergency supplies.
6B.7	Total length of potable water mains (>450mm and ≤610mm)	The total length of all potable water mains greater than 450mm up to and including 610mm. Include all elements of trunk and distribution assets and system ancillaries. Include facilities intended for standby and emergency supplies.
6B.8	Total length of potable water mains (> 610mm)	The length of all potable water mains greater than 610mm. Include all elements of trunk and distribution assets and system ancillaries. Include facilities intended for standby and emergency supplies.
6B.9	Capacity of booster pumping stations	Total installed power of all treated water pumpsets (duty, assist and standby - irrespective of the number that may be working at any one time) associated with Treated water distribution (into and within). Refer to RAG 2 Appendix 2 for proportional allocation.
6B.10	Capacity of service reservoirs	The installed design/constructed capacity of treated water service reservoirs within the water supply system including treated water reservoirs at water treatment works and any secondary disinfection plant on reservoir sites. Include break pressure tanks. Exclude decommissioned assets.
6B.11	Capacity of water towers	The installed design/constructed capacity of treated water storage towers within the water supply system. Exclude decommissioned assets.

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6B.12	Distribution input	Distribution input is the average amount of potable water entering the distribution system. Please refer to the additional guidance for a diagrammatic representation of what this should include.
6B.13	Water delivered (non-potable)	All non-potable water supplied as part of the appointed business. Include all non-potable water charged at standard and non-standard rates.
6B.14	Water delivered (potable)	All potable water supplied as part of the appointed business. This includes: a) the average volume of water delivered for billed measured residential and businesses; b) the estimated volume of water delivered for billed unmeasured residential and businesses; c) supply pipe leakage; d) meter under registration for water delivered which is measured e) unbilled water taken legally for legitimate purposes (public supplies for which no charge is made e.g. some sewer flushing etc, uncharged church supplies, fire training and fire-fighting supplies where these are not charged irrespective of whether or not they are metered). Do not include volumes associated with leakage allowance rebates to metered customers; f) water taken illegally providing it is based on actual occurrences using sound and auditable identification and recording procedures (if not this should be treated as distribution losses and excluded from this line).
6B.15	Water delivered (billed measured residential properties)	Average volume of water delivered to residential properties which is measured (Ml/d). This is to include supply pipe leakage and meter under-registration. Additional meters fitted to measured residential properties for ancillary supplies (e.g. external hosepipes) which are non-commercial are to be included, as should any fitted to unmeasured residential properties if this is how revenue is allocated. Exclude miscellaneous use (Distribution system operational use, water taken legally unbilled and water taken illegally unbilled).
6B.16	Water delivered (billed measured businesses)	Average volume of water delivered to businesses which is measured (Ml/d). This is to include supply pipe leakage and meter under-registration. Additional meters fitted to measured businesses for ancillary supplies (e.g. external hosepipes) which are non-commercial are to be included, as should any fitted to unmeasured businesses if this is how revenue is allocated. Exclude miscellaneous use (Distribution system operational use, Water taken legally unbilled and Water taken illegally unbilled).
6B.17	Total annual leakage	Total annual leakage measures the sum of distribution losses and supply pipe losses in megalitres per day (Ml/d). It includes any uncontrolled losses between the treatment works and the customer's stop tap. It does not include internal plumbing losses.
6B.18	Distribution losses	Distribution losses represent the losses on the

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		company's potable water distribution system and so excludes supply pipe leakage.
6B.19	Water taken unbilled	Total water taken unbilled (whether legally or illegally). Water used by the company for mains tests, flushing, washouts, running to waste, or incurred through burst mains or other leakage should be excluded.
6B.20	Number of lead communication pipes	The total number of lead communication pipes within the undertaker's supply area.
6B.21	Number of galvanised iron communication pipes	The total number of galvanised iron communication pipes within the undertaker's supply area.
6B.22	Number of other communication pipes	The total number of other (excluding lead & galvanised iron) communication pipes within the undertaker's supply area.
6B.23	Number of booster pumping stations	The number of booster pumping stations within the distribution system (potable only). Include those relating to peak network capacity provision and those designed to provide resilience and back up for pump failure. For the avoidance of doubt this is the number of sites as opposed to the number of individual pumps. Do not include single property booster pumps.
6B.24	Total number of service reservoirs	The number of treated water service reservoirs within the water supply system including treated water reservoirs at water treatment works and any secondary disinfection plant on reservoir sites. Include break pressure tanks. Exclude decommissioned assets. A single structure divided into separate cells counts as one reservoir.
6B.25	Number of water towers	The number of treated water service towers within the water supply system. Exclude decommissioned assets.
6B.26	Total length of potable mains laid or structurally refurbished pre-1880	Total length of potable mains laid or structurally refurbished pre- 1880
6B.27	Total length of potable mains laid or structurally refurbished between 1881 and 1900	Total length of potable mains laid or structurally refurbished between 1881 and 1900
6B.28	Total length of potable mains laid or structurally refurbished between 1901 and 1920	Total length of potable mains laid or structurally refurbished between 1901 and 1920
6B.29	Total length of potable mains laid or structurally refurbished between 1921 and 1940	Total length of potable mains laid or structurally refurbished between 1921 and 1940
6B.30	Total length of potable mains laid or structurally refurbished between 1941 and 1960	Total length of potable mains laid or structurally refurbished between 1941 and 1960
6B.31	Total length of potable mains laid or structurally refurbished between 1961 and 1980	Total length of potable mains laid or structurally refurbished between 1961 and 1980

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6B.32	Total length of potable mains laid or structurally refurbished between 1981 and 2000	Total length of potable mains laid or structurally refurbished between 1981 and 2000
6B.33	Total length of potable mains laid or structurally refurbished post 2001	Total length of potable mains laid or structurally refurbished post 2001
6B.34	Average pumping head – treated water distribution	Average pumping head for the treated water distribution business unit as defined in RAG 4 and RAG 2. This is to be calculated using actual pumping head rather than the rating of the pumps.

Component analysis as a proportion of distribution input – not to scale

<table>
<tr><td colspan="8">Distribution Input (line 12)</td></tr>
<tr><td colspan="2">Distribution system
◄-------</td><td colspan="6">Customers' installations
-------►</td></tr>
<tr><td colspan="2"></td><td>Water Delivered – billed measured residential</td><td>Water Delivered – billed measured business</td><td>Water Delivered – billed unmeasured residential</td><td>Water Delivered – billed unmeasured business</td><td>Water taken legally unbilled</td><td>Water taken illegally unbilled</td></tr>
<tr><td colspan="2"></td><td colspan="2">Water Delivered – billed measured</td><td colspan="2">Water Delivered – billed unmeasured</td><td colspan="2" rowspan="2">Water taken unbilled</td></tr>
<tr><td colspan="2"></td><td colspan="4">Water Delivered – billed</td></tr>
<tr><td colspan="2">Water not delivered</td><td colspan="6">Water Delivered to customers</td></tr>
<tr><td rowspan="2">Distribution system operational use</td><td rowspan="2">Distribution Losses</td><td rowspan="2">Underground supply pipe losses</td><td colspan="2">Total plumbing losses</td><td colspan="2" rowspan="2">Customer use</td></tr>
<tr><td>Above ground supply pipe losses</td><td>Internal plumbing losses</td></tr>
<tr><td></td><td>Total leakage</td><td colspan="4">Consumption</td></tr>
</table>

Pro forma 6C: Non-financial data - Properties, population and other for the 12 months ended 31st March 20xx – by water network+

Where the following definitions refer to 'residential' properties then this has the same meaning as 'households' as described in chapter 3. References to 'business' properties have the same meaning as 'non-households' in chapter 3.

Non-financial data - Properties and population wholesale water		
6C.1	Residential properties billed for measured water (external meter)	Average number of billed metered residential properties with external meters. An external meter is one located underground on the customer's underground supply pipe. Closeness to the property boundary is not important. Exclude void properties.
6C.2	Residential properties billed for measured water (not external meter)	Average number of billed metered residential properties (not externally metered). An internal meter is one located inside the customer's property or attached to the property at above ground level in a box or cabinet. All other meters should be classed as external. Exclude void properties.
6C.3	Business properties billed measured water	Average number of business properties billed for measured water within the supply area. Exclude miscellaneous users.
6C.4	Residential properties billed for unmeasured water	Average number of residential properties billed for unmeasured water within the supply area. Exclude void properties.
6C.5	Business billed unmeasured water	Average number of businesses billed for unmeasured water within the supply area. Exclude miscellaneous users.
6C.6	Residential void properties	The total number of residential properties connected to the water distribution system at the end of the report year which are connected but not necessarily billed.
6C.7	Business void properties	The total number of business properties connected to the water distribution system at the end of the report year which are connected but not necessarily billed.
6C.8	Total business connected properties at year end	The total number of business properties connected to the water distribution system at the end of the report year. This must include properties which are connected but not necessarily billed (for example, temporarily unoccupied) but should exclude properties which have been permanently disconnected. A group of properties supplied by a single connection should be counted as several properties. They should only be treated as a single property if a single bill covers the whole property.
6C.9	Total residential properties connected properties at year end	The total number of residential properties connected to the water distribution system at the end of the report year. This must include properties which are connected but not necessarily billed (for example, temporarily unoccupied) but should exclude properties which have been permanently disconnected. A group of properties supplied by a single connection should be counted as several properties. They should only be treated as a single property if a single bill covers the whole property.

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6C.10	Total connected properties at year end	The total number of properties (residential and business) connected to the distribution system at the end of the report year. This must include properties which are connected but not billed (for example, temporarily unoccupied) but should exclude properties which have been permanently disconnected. A group of properties supplied by a single connection should be counted as several properties. They should only be treated as a single property if a single bill covers the whole property.
6C.11	Total number of new business properties connections	Total number of new business connections to a company's area of supply during the report year. This will cover the number of new business properties added for each year that were previously not connected for water supply. Exclude separation of common services, or other reconnections.
6C.12	Total number of new residential connections	Total number of new residential connections to a company's area of supply during the report year. This will cover the number of new residential properties added for each year that were previously not connected for water supply. Exclude separation of common services, or other reconnections.
6C.13	Total population served	Total resident population served. This should include billed households supplied with unmeasured and measured water and billed business supplied with unmeasured and measured water.
6C.14	Number of business meters (billed properties)	The total number of business meters at billed properties within the company's area supply, exclude void properties and meters at properties that are charged on an unmeasured basis.
6C.15	Number of residential meters (billed properties)	The total number of residential meters at billed properties within the company's area of supply, exclude void properties and meters at properties that are charged on an unmeasured basis.
6C.16	Company area	Area of company in km^2
6C.17	Number of lead communication pipes replaced for water quality	The total number of lead communication pipes replaced for quality reasons (as a result of the lead quality programme to deal with the revised Drinking Water Regulations). All replacement activity under quality, must have been confirmed by DWI in the schedule of works attached to a legally binding instrument of works. This must be consistent with the programme of work funded under the PR14 water quality enhancement programme (annex 4). Include all lead communication pipes which are replaced at customers' request under Regulation 30(1) of the Water Supply (Water Quality) Regulations 2016.
6C.18	2020-25 supply-side improvements to supply-demand balance	Incremental supply-side (resource and production) benefits delivered during the reporting year to the supply-demand balance. The reported value should account for all water resource zones, and be the maximum of dry year annual average or dry year critical period benefits.
6C.19	2020-25 demand-side improvements to supply-demand balance (excluding	Incremental demand-side (water efficiency) benefits delivered during the reporting year to the supply-demand balance. The reported value should account for all water resource zones, and be the maximum of dry year annual

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	leakage and metering)	average or dry year critical period benefits. Exclude any costs incurred by the retail business unit. All demand management savings delivered in the reporting year should be included (whether funded as enhancement or maintenance).
6C.20	2020-25 leakage improvements to supply-demand balance	Incremental leakage benefits (as enhancement) delivered during the reporting year to the supply-demand balance. The reported value should account for all water resource zones, and be the maximum of dry year annual average or dry year critical period benefits.
6C.21	2020-25 internal interconnectors	Incremental interconnection benefits delivered during the reporting year to the supply-demand balance. The reported value should account for all water resource zones, and be the maximum of dry year annual average or dry year critical period benefits.
6C.22	Mean Zonal Compliance	DWI measure
6C.23	Compliance Risk Index	DWI measure of Compliance Risk.
6C.24	Event Risk Index	DWI measure of Event Risk.

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Pro forma 6D: Demand management cost analysis for the 12 months ended 31 March 20xx – metering and leakage activities

Basic and smart meter definitions

Basic meters are meters that require manual reads of consumption data through direct access to the meter installation.

Smart meters are meters that can be read remotely without having to directly access the meter installation for a manual reading, examples include, but are not limited to, meters using automated meter reading (AMR) and advanced metering infrastructure (AMI) technology.

Expenditure – Metering activities			
		Basic meters	**Smart meters**
6D.1	New optant meter installation	Total capital and operating expenditure (excluding cost of providing metering to new service connections) for provision of basic meters requested by optants during the reporting year. This excludes meters installed at properties with an existing meter installation. These costs are associated with the meter numbers identified in line 6D.6.	Total capital and operating expenditure (excluding cost of providing metering to new service connections) for provision of smart meters requested by optants during the reporting year. This excludes meters installed at properties with an existing meter installation. These are associated with the meter numbers identified in line 6D.6.
6D.2	New selective meter installation	Total capital and operating expenditure (excluding cost of providing metering to new service connections) for provision of basic meters introduced by companies during the reporting year (irrespective of whether these meters are used for charging). This excludes meters installed at properties with an existing meter installation. These costs are associated with the meter numbers identified in line 6D.7	Total capital and operating expenditure (excluding cost of providing metering to new service connections) for provision of smart meters introduced by companies during the reporting year (irrespective of whether these meters are used for charging). This excludes meters installed at properties with an existing meter installation. These costs are associated with the meter numbers identified in line 6D.7.
6D.3	New business meter installation	Total capital and operating expenditure (excluding cost of providing metering to new service connections) for provision of new basic meters for businesses and other non-household customers during the reporting year. This excludes meters installed at properties with an existing meter installation. These costs are associated with the meter numbers identified in line 6D.8.	Total capital and operating expenditure (excluding cost of providing metering to new service connections) for provision of new smart meters for businesses and other non-household customers during the reporting year. This excludes meters installed at properties with an existing meter installation. These costs are associated with the meter numbers identified in line 6D.8.

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6D.4	Residential meters renewed	Total capital and operational expenditure for the renewal of existing residential meter installations (basic or smart) with basic meters during the reporting year. These costs are associated with the meter numbers identified in line 6D.9.	Total capital and operational expenditure for the renewal of existing residential meter installations (basic or smart) with smart meters during the reporting year. These costs are associated with the meter numbers identified in line 6D.9.
6D.5	Business meters renewed	Total capital and operational expenditure for renewal of existing business meter installations (basic or smart) with basic meters during the reporting year. These costs are associated with the meter numbers identified in line 6D.10	Total capital and operational expenditure for renewal of existing business meter installations (basic or smart) with smart meters during the reporting year. These costs are associated with the meter numbers identified in line 6D.10.
Explanatory variables – Metering activities			
		Basic meters	**Smart meters**
6D.6	New optant meters installed	The total number of basic meters installed at the request of the optants at existing residential properties during the reporting year (including where a company has installed a basic meter for social tariff purposes). Include basic meters installed at residential properties fitted in any location (eg internal, external in garden, external at boundary etc). Exclude all basic meters installed at the company's behest. For clarity and to avoid possible double counting, this should exclude basic meters installed at properties where the resident subsequently becomes an optant by virtue of switching to measured charges. These meters should have already been reported in line 6D.7. This excludes meters installed at properties with an existing meter installation, which is defined as a renewal, and should be recorded in line 6D.9.	The total number of smart meters installed at the request of the optants at existing residential properties during the reporting year (including where a company has installed a smart meter for social tariff purposes). Include smart meters installed at residential properties fitted in any location (eg internal, external in garden, external at boundary etc). Exclude all smart meters installed at the company's behest. For clarity and to avoid possible double counting, this should exclude smart meters installed at properties where the resident subsequently becomes an optant by virtue of switching to measured charges. These meters should have already been reported in line 6D.7. This excludes meters installed at properties with an existing meter installation, which is defined as a renewal, and should be recorded in line 6D.9.
6D.7	New selective meters installed	The number of basic meters installed during the reporting year at existing billed residential properties at the behest of the company. Include meters installed at residential properties fitted in any location (eg internal, external in garden, external at boundary etc). Exclude all meters installed for meter optants or following property conversions. This excludes meters installed at properties with an existing meter installation, which is defined as a	The number of smart meters installed during the reporting year at existing billed residential properties at the behest of the company. Include meters installed at residential properties fitted in any location (eg internal, external in garden, external at boundary etc). Exclude all meters installed for meter optants or following property conversions. This excludes meters installed at properties with an existing meter

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		renewal, and should be recorded in line 6D.9.	installation, which is defined as a renewal, and should be recorded in line 6D.9.
6D.8	New business meters installed	The number of basic meters installed during the reporting year at existing business properties. This excludes meters installed at properties with an existing meter installation, which is defined as a renewal, and should be recorded in line 6D.10.	The number of smart meters installed during the reporting year at existing business properties This excludes meters installed at properties with an existing meter installation, which is defined as a renewal, and should be recorded in line 6D.10.
6D.9	Residential meters renewed	The number of existing residential property meter installations (basic or smart) renewed with basic meters during the reporting year.	The number of existing residential property meter installations (basic or smart) renewed with smart meters during the reporting year.
6D.10	Business meters renewed	The number of existing business property meter installations (basic or smart) renewed with basic meters during the reporting year.	The number of existing business property meter installations (basic or smart) renewed with smart meters during the reporting year.
6D.11	New residential meters installation – supply-demand balance benefit	The supply-demand balance benefit (demand saving) associated with the installation of the basic meters defined in lines 6D.6 and 6D.7. The benefit is assumed to be a reduction in consumption and is recorded as a positive figure. Benefits relating to leakage reduction are excluded from this line and should be reported in line 6D.24.	The supply-demand balance benefit (demand saving) associated with the installation of the smart meters defined in line 6D.6 and 6D.7. The benefit is assumed to be a reduction in consumption and is recorded as a positive figure. Benefits relating to leakage reduction are excluded from this line and should be reported in line 6D.24.
6D.12	New business meters installation– supply-demand balance benefit	The supply-demand balance benefit (demand saving) associated with the installation of the basic meters defined in line 6D.8 The benefit is assumed to be a reduction in consumption and is recorded as a positive figure. Benefits relating to leakage reduction are excluded from this line and should be reported in line 6D.24.	The supply-demand balance benefit (demand saving) associated with the installation of the meters defined in line 6D.8. The benefit is assumed to be a reduction in consumption and is recorded as a positive figure. Benefits relating to leakage reduction are excluded from this line and should be reported in line 6D.24.
6D.13	Residential meters renewed - supply-demand balance benefit	n/a	The supply-demand balance benefit (demand saving) associated with the meters renewals in line 6D.4. The benefit is assumed to be a reduction in consumption and is recorded as a positive figure. Benefits relating to leakage reduction are excluded from this line and should be reported in line 6D.24.
6D.14	Business meters renewed - supply-demand	n/a	The supply-demand balance benefit (demand saving) associated with the meters renewals in line 6D.5. The benefit is assumed to be a reduction in

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	balance benefit		consumption and is recorded as a positive figure. Benefits relating to leakage reduction are excluded from this line and should be reported in line 6D.24.
6D.15	Residential properties - basic meter penetration	The total company meter penetration this line should correspond to that used in water resource management plans and reporting. Calculated excluding void properties.	The total company meter penetration in this line should correspond to that used in water resource management plans and reporting. Calculated excluding void properties.

Expenditure – Leakage activities			
6D.16	Active leakage control	Total capital and operational expenditure for active leakage control activities in the reporting year. This should include expenditure associated with all leakage activities to both maintain the existing leakage level and further reduce leakage beyond this point.	
6D.17	Pressure management	Total capital and operational expenditure for pressure management activities to control leakage in the reporting year. This should include expenditure associated with all leakage activities to both maintain the existing leakage level and further reduce leakage beyond this point.	
6D.18	Mains replacement	Total capital and operational expenditure for mains replacement activities that provide a leakage benefit in the reporting year. This should include expenditure associated with all leakage activities to both maintain the existing leakage level and further reduce leakage beyond this point. This should be the total expenditure for any mains replacement activity that delivers a leakage saving rather than a proportion of the expenditure attributed to the leakage reduction benefit.	
6D.19	Other leakage activity	Total capital and operational expenditure for any other leakage activities in the reporting year not included in lines 6D.16 to 6D.18.	
6D.20	Total leakage activity	Total of lines 6D.16 to 6D.19	
Explanatory variables – Leakage activities			
6D.21	Active leakage control – leakage saved	Leakage saved from active leakage control activities in the reporting year. This should include all savings from these activities both in maintaining the existing leakage level and further reducing leakage beyond this point. Therefore, this represents total leakage saved rather than the reduction in leakage from a given target.	
6D.22	Pressure management – leakage saved	Leakage saved from pressure management activities in the reporting year. This should include all savings from these activities both in maintaining the existing leakage level and further reducing leakage beyond this point. Therefore, this represents total leakage saved compared to a scenario where these activities were not undertaken, rather than the reduction in leakage from a given target.	
6D.23	Mains replacement – leakage saved	Leakage saved from mains replacement activities in the reporting year. This should include all savings from these activities both in maintaining the existing leakage level and further reducing leakage beyond this point. Therefore, this represents total leakage saved compared to a scenario	

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		where these activities were not undertaken, rather than the reduction in leakage from a given target.
6D.24	Meter installation – leakage saved	Leakage saved from meter installation activities in the reporting year. This should include all savings from these activities both in maintaining the existing leakage level and further reducing leakage beyond this point. Therefore, this represents total leakage saved compared to a scenario where these activities were not undertaken, rather than the reduction in leakage from a given target.
6D.25	Other leakage activity – leakage saved	Leakage saved from other leakage management activities not included in lines 6D.21 to 6D.24 in the reporting year. This should include all savings from these activities both in maintaining the existing leakage level and further reducing leakage beyond this point. Therefore, this represents total leakage saved compared to a scenario where these activities were not undertaken, rather than the reduction in leakage from a given target.
6D.26	Total leakage activity – leakage saved	Total of lines 6D.21 to 6D.25.
Per capita consumption (excluding supply pipe leakage)		
6D.27	Per capita consumption (measured)	Estimated per capita consumption of households that are supplied with measured water. This figure applies to billed measured households and excludes underground supply pipe leakage. Underground supply pipe leakage is any loss of water from the underground supply pipe. Our guidance identifies two distinct classes of household property under the retail household price control: 1. mainstream household properties, such as houses, bungalows, and flats; and 2. other types of property which are ineligible to choose their supplier. These would be mixed- use premises where the principal use is as a home. Most companies will be reporting on per capita consumption relating to a PR19 outcome. This will be measured using the narrower household definition under 1) above and will not include 2). Companies therefore should restrict the definition of households to the narrower property types under 1) for reporting this measure.
6D.28	Per capita consumption (unmeasured)	Estimated per capita consumption of households that are supplied with unmeasured water. This figure applies to billed unmeasured households and excludes underground supply pipe leakage. Underground supply pipe leakage is any loss of water from the underground supply pipe. Our guidance identifies two distinct classes of household property under the retail household price control: 1. mainstream household properties, such as houses, bungalows, and flats; and 2. other types of property which are ineligible to choose their supplier. These would be mixed- use premises where the principal use is as a home. Most companies will be reporting on per capita consumption relating to a PR19 outcome. This will be measured using the narrower household definition under 1) above and will not include 2). Companies therefore should restrict the definition of households to the narrower property types under 1) for reporting this measure.

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Pro forma 7A: Wastewater network+ - Functional expenditure for the 12 months ended 31st March 20xx

Costs of STWs in size bands 1 to 5		
7A.1	Direct costs of STWs in size band 1	Sum of direct costs of STWs in band 1. See additional guidance below for STW banding
7A.2	Direct costs of STWs in size band 2	Sum of direct costs of STWs in band 2. See additional guidance below for STW banding
7A.3	Direct costs of STWs in size band 3	Sum of direct costs of STWs in band 3. See additional guidance below for STW banding
7A.4	Direct costs of STWs in size band 4	Sum of direct costs of STWs in band 4. See additional guidance below for STW banding
7A.5	Direct costs of STWs in size band 5	Sum of direct costs of STWs in band 5. See additional guidance below for STW banding
7A.6	General & support costs of STWs in size bands 1 to 5	The sum of general and support expenditure for all STWs in bands 1 to 5 (see additional guidance). Where possible, such expenditure should be attributed on a causal basis; otherwise it should be apportioned in proportion to direct costs.
7A.7	Functional expenditure of STWs in size bands 1 to 5 (excluding 3rd party services)	Functional expenditure of STWs in size bands 1 to 5 (excluding 3rd party services). Calculated as the sum of 7A.1 to 7A.6 inclusive.
Costs of STWs in size band 6		
7A.8	Service charges for STWs in size band 6	Sum of service charges (EA and Canal & River Trust) for the STWs in band 6. Calculated from Table 7B.11.
7A.9	Estimated terminal pumping costs size band 6 works	The sum of estimated costs of terminal pumping stations pumping to STWs in band 6 included in the direct costs. Calculated from table 7B.12
7A.10	Other direct costs of STWs in size band 6	Direct costs of STWs in band 6 which are not included in lines 7A.8 and 7A.9 above.
7A.11	Direct costs of STWs in size band 6	Total direct costs of STWs in band 6. Calculated as the sum of 7A.8 to 7A.10 inclusive.
7A.12	General & support costs of STWs in size band 6	Sum of general and support expenditure for all STWs in band 6. Where possible, such expenditure should be attributed on a causal basis; otherwise it should be apportioned in proportion to direct costs. Calculated from 7B.15.
7A.13	Functional expenditure of STWs in size band 6 (excluding 3rd party services)	Functional expenditure of STWs in size band 6 (excluding 3rd party services). Calculated as the sum of 7A.11 and 7A.12.

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7A.14	Total operating functional expenditure (excluding 3rd party services)	Total operating functional expenditure (excluding 3rd party services). Calculated as the sum of 7A.7 and 7A.13.

Functional expenditure

Functional expenditure is defined as operating expenditure excluding both third party costs and Local authority and cumulo rates. This is also presented in table 8B.

Treatment works size

For the purpose of these tables, sewage treatment works (STW) size is defined by the load received by the works, expressed as mass (i.e. kilograms of BOD_5 per day). In calculating the size of a works, companies should assume that resident connected population contribute 60g BOD_5/head/day and add the trade effluent load (total COD) using a conversion factor of COD:BOD of 2:1.

No allowance should be made for non-resident population when classifying the size band of a works.

Companies must include non-resident population when reporting loads and costs.

Under this classification scheme, large works are defined as those with an average daily loading >1,500kg BOD_5/day, and small works are those with an average loading <=1,500kg BOD_5/day.

Small works

- Size band 1 <= 15kg BOD_5/day (population equivalent: 0 - 250)
- Size band 2 >15 but <= 30kg BOD_5/day (population equivalent: 250 - 500)
- Size band 3 >30 but <= 120kg BOD_5/day (population equivalent: 500 – 2,000)
- Size band 4 >120 but <= 600kg BOD_5/day (population equivalent: 2,000 –10,000)
- Size band 5 >600 but <= 1,500kg BOD_5/day (population equivalent: 10,000 – 25,000)

Large works

- Size band 6 > 1,500kg BOD_5/day (population equivalent: >25,000)

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Pro forma 7B: Wastewater network+ - Large sewage treatment works for the 12 months ended 31 March 20xx

This table relates to Network+ costs only at the treatment works. This means that any costs relating to sludge (also known as the Bioresources price control unit) should be excluded.

Also note that treatment of tankered waste treatment is a non-appointed activity (see appendix 1) and so should not be taken into account when completing lines 7B.3 and 7B.9.

Large sewage treatment works data		
7B.1	Works name	Name of sewage treatment works
7B.2	Classification of treatment works	Classification of treatment works P = Primary treatment; SAS = Secondary Activated Sludge; SB = Secondary Biological; TA1 = Tertiary A1; TA2 = Tertiary A2; TB1 = Tertiary B1; TB2 = Tertiary B2 Where a works' load is split into two treatment streams, the works should be reported in this line as the higher of the two proportions. For example, a works with a split of 60% Secondary Activated Sludge and 40% Secondary Biological should be classed as Secondary Activated Sludge (SAS) in this line. (Further information on classification of treatment works can be found under Proforma 7D).
7B.3	Population equivalent of total load received	The average equivalent population of the total load received by the treatment works during the report year. Total load will be comprised of both resident and non-resident population loads.
7B.4	Suspended solids consent	The value of the effluent consent standard (95%ile) with respect to suspended solids. This figure must be as determined by the Environment Agency and not a company's own assessment of the consent standard.
7B.5	BOD5 consent	The value of the effluent consent standard (95%ile) with respect to BOD5. This figure must be as determined by the Environment Agency and not a company's own assessment of the consent standard.
7B.6	Ammonia consent	The value of the effluent consent standard (95%ile) with respect to ammonia, if applicable at the works in question. This figure must be as determined by the Environment Agency and not a company's own assessment of the consent standard.
7B.7	Phosphorus consent	The value of the effluent consent standard with respect to

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		phosphorus (annual mean), if applicable at the works in question. This figure must be as determined by the Environment Agency and not a company's own assessment of the consent standard.
7B.8	UV consent	The value of the consent process standard with respect to intensity of UV irradiation, if applicable at the works in question. This figure must be as determined by the Environment Agency and not a company's own assessment of the consent standard.
7B.9	Load received by STW	The average daily organic load (in kgBOD5) received by the treatment works during the report year. Calculated on the basis of a contribution of 60g BOD5 per head of equivalent population per day. Calculated values should agree with those reported in 4S.6.
7B.10	Flow passed to Full Treatment	The average daily flow (in m^3/d) passed to full treatment at the treatment works during the report year.
7B.11	Service charges	The total service charges (Environment Agency and Canal & River Trust for the STW.
7B.12	Estimated terminal pumping expenditure	The estimated direct cost of terminal pumping stations pumping to the STW.
7B.13	Other direct expenditure	Direct expenditure at the STW (the costs directly attributable to each works) excluding service charges and terminal pumping costs. Where the works also undertakes sludge treatment, the costs associated with sludge treatment should be excluded.
7B.14	Total direct expenditure	Sum of lines 7B.11 to 7B.13.
7B.15	General and support expenditure	The general and support expenditure allocated to each sewage treatment works. Where possible, such expenditure should be allocated on a causal basis; otherwise it should be apportioned in line with direct costs.
7B.16	Functional expenditure	The sum of direct expenditure and general and support expenditure. Sum of lines 7B.14 and 7B.15.

RAG2 sets out how costs should be divided across that price control units. In this table, general and support costs may, where they cannot be directly attributed, require allocation so that the network+ element can be identified.

Companies should follow the guidance in RAG2 table 2.4.1 to source appropriate cost drivers for allocation.

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Pro forma 7C: Non-financial data for the 12 months ended 31st March 20xx - wastewater network+

7C.1	Connectable properties served by s101A schemes completed in the report year	The number of connectable properties (either identified as "polluting" or "likely to pollute") associated with s101A schemes completed in the report year and for which the capital costs are reported in 4M.13
7C.2	Number of s101A schemes delivered in the report year	The number of s101A schemes completed in the report year and for which the capital costs are reported in 4M.13
7C.3	Total pumping station capacity	Total installed pumping capacity of all in-line pumping stations (including standby pumps). Include foul, combined, stormwater and terminal pumping stations. Exclude capacity of pumps delivering flows to or from off-line storm tanks, FLIPS devices, sludge pumping stations and inter-stage pumping within a sewage treatment works or sludge treatment centre. Report capacity of all installed pumps (irrespective of the number that may be working at any one time.)
7C.4	Number of network pumping stations	Number of in-line pumping stations on sewerage network on 31 March of the reporting year including surface water pumping stations that drain directly to receiving waters (rivers etc) and all terminal pumping stations. Pumping stations transferred into the incumbent's ownership by 31 March of the reporting year as a result of schemes made by the Secretary of State / Welsh Ministers under the Water Industry (Schemes for Adoption of Private Sewers) Regulations 2011 should be included. Pumping stations delivering flows to or from off-line storm tanks, FLIPS devices, sludge pumping stations and inter-stage pumping within sewage treatment works should all be excluded.
7C.5	Total number of sewer blockages	Total number of sewer blockages on the current network (ie. the sewerage network including private sewers and lateral drains transferred as a result of schemes made by the Secretary of State / Welsh Ministers under the Water Industry (Schemes for Adoption of Private Sewers) Regulations 2011.)
7C.6	Total number of gravity sewer collapses	Total number of gravity sewer collapses on the current network (ie. the sewerage network including private sewers and lateral drains transferred as a result of schemes made by the Secretary of State / Welsh Ministers under the Water Industry (Schemes for Adoption of Private Sewers) Regulations 2011.)
7C.7	Total number of sewer rising main bursts	Total number of rising mains bursts on the current network (ie. the sewerage network including private sewers and lateral drains transferred as a result of schemes made by the Secretary of State / Welsh Ministers under the Water Industry (Schemes for Adoption of Private Sewers) Regulations 2011.)
7C.8	Number of combined sewer overflows	The total number of combined sewer overflows - a storm overflow (with no significant settlement) on a gravity sewer, a pumping station or STW inlet.

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7C.9	Number of emergency overflows	The total number of emergency overflows at sewage pumping stations - an emergency overflow does not normally operate in storm conditions but is designed to operate in the event of asset failure ie. electrical power failure, mechanical breakdown, rising main failure or blockage downstream. Must not be included if already counted as a CSO in 7C.8 (some overflows are permitted to operate as both an EO and a CSO) ie. no overflows should be double counted. All emergency overflows at pumping stations should be included irrespective of whether they are located on the network or at a sewage treatment works.
7C.10	Number of settled storm overflows	The total number of storm tank overflows - a storm overflow with significant settlement at a STW.
7C.11	Sewer age profile (constructed post 2021)	Total length of sewer (including rising mains) laid or structurally refurbished post 2021. Reported length should include both legacy assets and formerly private sewers and lateral drains transferred into the company's ownership on (or in the case of rising mains, from) 1 October 2011.
7C.12	Volume of trade effluent	Total volumes of trade effluent receiving treatment at sewage treatment works.
7C.13	Volume of wastewater receiving treatment at sewage treatment works	Calculated as the flow receiving treatment at sewage treatment works reported to the EA in the annual OMA report plus an estimate for the additional flow for all remaining works (typically those with a population equivalent of less than 250). This will include domestic foul flows, trade effluent, surface and highway drainage and infiltration.
7C.14	Length of gravity sewers rehabilitated	Total length of sewer renovated or replaced in the report year.
7C.15	Length of rising mains replaced or structurally refurbished	Total length of sewer rising mains replaced or structurally refurbished in the report year. The term 'structurally refurbished' is intended to capture any pipeline rehabilitation technique which results in an improvement in the structural integrity of the pipe such that its expected service life has been materially extended. The term has been used in the definition of data items in previous submissions (eg. Table WWn3 Line 15 of the 2018 business plan) and companies should interpret the term in a way that is consistent with such submissions.
7C.16	Length of foul (only) public sewers	Length of gravity foul (only) public sewers on 31 March of report year excluding formerly private sewers transferred into the company's ownership on 1 October 2011.
7C.17	Length of surface water (only) public sewers	Length of gravity surface water (only) public sewers on 31 March of report year excluding formerly private sewers transferred into the company's ownership on 1 October 2011.
7C.18	Length of combined public sewers	Length of gravity combined public sewers on 31 March of report year excluding formerly private sewers transferred into the company's ownership on 1 October 2011.

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7C.19	Length of rising mains	Length of rising mains on 31 March of report year excluding formerly private sewers transferred into the company's ownership from 1 October 2011.
7C.20	Length of other wastewater network pipework	Length of other wastewater network pipework on 31 March of report year excluding formerly private sewers transferred into the company's ownership on 1 October 2011 that are not captured in 7C.16 to 7C.19 (eg sludge mains, overflow pipes, etc).
7C.21	Total length of "legacy" public sewers as at 31 March	To be entered as the sum of 7C.16 to 7C.20 inclusive.
7C.22	Length of formerly private sewers and lateral drains (s105A sewers)	Total length of formerly private sewers and lateral drains (s105A sewers) transferred into the company's ownership on (or in the case of rising mains, from) 1 October 2011.

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Pro forma 7D: Non-financial data for the 12 months ended 31st March 20xx – wastewater network+

This table relates to Network+ costs only at the treatment works. This means that any costs relating to sludge (also known as the Bioresources price control unit) should be excluded.

Also note that treatment of tankered waste treatment is a non-appointed activity (see appendix 1) and so should not be taken into account when completing lines 7D.1 to 7D.7.

Sewage treatment Wholesale Wastewater		
7D.1	Load received by STWs in size band 1	Average daily pollution loads received (in kg of BOD_5/day) by STWs of size band 1 (<= 15kg BOD_5/day) for each category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.
7D.2	Load received by STWs in size band 2	Average daily pollution loads received (in kg of BOD5/day) by STWs of size band 2 (15 - 30kg BOD_5/day) for each category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.
7D.3	Load received by STWs in size band 3	Average daily pollution loads received (in kg of BOD_5/day) by STWs of size band 3 (30 - 120kg BOD_5/day) for each treatment category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.
7D.4	Load received by STWs in size band 4	Average daily pollution loads received (in kg of BOD_5/day) by STWs of size band 4 (120 - 600kg BOD_5/day) for each treatment category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.

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7D.5	Load received by STWs in size band 5	Average daily pollution loads received (in kg of BOD_5/day) by STWs of size band 5 (600 - 1500kg BOD_5/day) for each treatment category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.
7D.6	Load received by STWs above size band 5	Average daily pollution loads received (in kg of BOD_5/day) by STWs above size band 5 (>1500kg BOD_5/day) for each treatment category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads. Reported values should agree with those reported in 7B.9.
7D.7	Total load received	Average daily pollution loads received (in kg of BOD_5/day) by STWs of all sizes. Calculated as sum of 7D.1 to 7D.6.
7D.8	Load received from trade effluent customers at treatment works	Average daily pollution load in kg BOD_5 received by sewage treatment works of all sizes from trade effluent customers.
7D.9	STWs in size band 1	Number of sewage treatment works of size band 1. (See additional guidance)
7D.10	STWs in size band 2	Number of sewage treatment works of size band 2. (See additional guidance)
7D.11	STWs in size band 3	Number of sewage treatment works of size band 3. (See additional guidance)
7D.12	STWs in size band 4	Number of sewage treatment works of size band 4. (See additional guidance)
7D.13	STWs in size band 5	Number of sewage treatment works of size band 5. (See additional guidance)
7D.14	STWs above size band 5	Number of sewage treatment works of size band above size band 5. (See additional guidance)
7D.15	Total number of STWs	Total number of sewage treatment works of all sizes. Calculated as sum of 7D.9 to 7D.14.
7D.16	Current population equivalent served by STWs	Population equivalent (resident) connected to sewage treatment works. Equivalent population should be calculated on the basis of 60g BOD_5 per capita per day. Imported effluents should be included in calculation. No account should be taken of holiday population.
7D.17	Current population equivalent served by STWs with tightened/new P consents	Population equivalent served by biological filter STWs or activated sludge STWs at which new or tightened consent conditions for phosphorus are met by schemes delivered in the report year, and for which costs are reported in 4M.26 / 4M.57.

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7D.18	Current population equivalent served by STWs with tightened/new N consents	Population equivalent served by STWs at which new or tightened consent conditions for nitrogen are met by schemes delivered in the report year and for which costs are reported in 4M.25 / 4M.56.
7D.19	Current population equivalent served by STWs with tightened/new sanitary parameter consents	Population equivalent served by STWs at which new or tightened consent conditions for one or more sanitary parameters are met by schemes delivered in the report year and for which costs are reported in 4M.26 / 4M.58.
7D.20	Current population equivalent served by STWs with tightened/new UV consents	Population equivalent served by STWs at which new or tightened consent conditions for microbiological parameters to meet the requirements of the EU Shellfish Waters or revised Bathing Water Directives are met by schemes delivered in the report year and for which costs are reported in 4M.27 / 4M.59
7D.21	Population equivalent treatment capacity enhancement	The increase in treatment capacity, from company action, measured in population equivalent. The increase must be measured from the previous year's capacity of existing sewage treatment works and the previous capacity at each works must be the higher of the then current design capacity or the company's revised understanding of actual capacity before the company's action.
7D.22	Current population equivalent served by STWs with tightened/new consents for chemicals…	Population equivalent served by STWs at which new or tightened consent conditions for chemicals required by-the national 'Pathway to good measures for chemicals' programme, or to prevent deterioration in chemical status, or to achieve standstill limits for chemicals are met by schemes, delivered in the report year and for which costs are reported in 4M.22 / 4M.53.
7D.23	Cumulative shortfall in FFT addressed by WINEP / NEP schemes to increase STW capacity	Cumulative shortfall in flow to full treatment at STWs at which a requirement to increase the flow to full treatment to 3PG + I + 3E with enhanced flow to full treatment is met by schemes listed in the WINEP / NEP, delivered in the report year and for which costs are reported in 4M.19 / 4M.50.
7D.24	Additional storm tank capacity provided at STWs	The new or additional volume provided to meet a requirement to increase the storm tank capacity to 68 l/hd or to 2 hours retention at max flow into the tanks by schemes listed in the WINEP / NEP, delivered in the report year and for which costs are reported in 4M.20 / 4M.51.
7D.25	Additional volume of network storage at CSOs etc to reduce spill frequency	The volume of new or additional storage in the network provided to meet new or tightened spill frequency requirements at CSOs etc, by schemes listed in the WINEP / NEP delivered in the report year and for which costs are reported in 4M.21 / 4M.52. Storage volumes associated with non-WINEP / non-NEP schemes (eg that provided for the prevention of sewer flooding to properties) should be excluded. The volume reported should be the volume required to meet

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		the permit conditions (most commonly the storage volume that must be filled before any discharge takes place), rather than what was actually constructed (which may be different due to factors related to the design or construction).

In accordance with Appendix 1, tankered waste is not part of the appointed business and should therefore be excluded from consideration when completing lines 7D.1 to 7D.7 (and lines 7B.3 and 7B.9).

Primary sewage treatment works	Treatment methods are restricted to primary treatment (screening, comminution, maceration, grit and detritus removal, pre-aeration and grease removal, storm tanks, plus primary sedimentation, including where assisted by the addition of chemicals e.g. Clariflow).
Secondary activated works	Sewage treatment works providing secondary activated sludge treatment methods whose treatment methods include those for primary works plus works whose treatment methods include activated sludge (including diffused air aeration, coarse bubble aeration, mechanical aeration, oxygen injection, submerged filters) and other equivalent techniques including deep shaft process, extended aeration (single, double and triple ditches) and biological aerated filters as secondary treatment.
Secondary biological works	Sewage treatment works providing secondary biological treatment methods whose treatment methods include those for primary works plus works whose treatment methods include rotating biological contractors and biological filtration (including conventional filtration, high rate filtration, alternating double filtration and double filtration, root zone treatment (where used as a secondary treatment stage).
Tertiary activated works	A1 - Works with a secondary activated sludge process whose treatment methods also include prolonged settlement in conventional lagoons or raft lagoons, irrigation over grassland, constructed wetlands, root zone treatment (where used as a tertiary stage), drum filters, microstrainers, slow sand filters, tertiary nitrifying filters, wedge wire clarifiers or Clariflow installed in humus tanks, where used as a tertiary treatment stage. A2 - Works with a secondary activated sludge process whose treatment methods also include rapid-gravity sand filters, moving bed filters, pressure filters, nutrient removal control using physico-chemical and biological methods, disinfection, hard COD and colour removal, where used as a tertiary treatment stage.

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Tertiary biological works	B1 - Works with a secondary stage biological process whose treatment methods also include prolonged settlement in conventional lagoons or raft lagoons, irrigation over grassland, constructed wetlands, root zone treatment (where used as a tertiary stage), drum filters, microstrainers, slow sand filters, tertiary nitrifying filters, wedge wire clarifiers or Clariflow installed in humus tanks, where used as a tertiary treatment stage. B2 - Works with a secondary biological process whose treatment methods also include rapid-gravity sand filters, moving bed filters, pressure filters, nutrient removal control using physico-chemical and biological methods, disinfection, hard COD and colour removal, where used as a tertiary treatment stage.
Load received by STWs in size band 1	The average daily load received (in kg of BOD_5/day) by STWs of size band 1 (<= 15kg BOD_5/day) for each treatment category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.
Load received by STWs in size band 2	The average daily load received (in kg of BOD_5/day) by STWs of size band 2 (15 - 30kg BOD_5/day) for each treatment category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.
Load received by STWs in size band 3	The average daily load received (in kg of BOD_5/day) by STWs of size band 3 (30 - 120kg BOD_5/day) for each treatment category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.
Load received by STWs in size band 4	The average daily load received (in kg of BOD_5/day) by STWs of size band 4 (120 - 600kg BOD_5/day) for each treatment category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.
Load received by STWs in size band 5	The average daily load received (in kg of BOD_5/day) by STWs of size band 5 (600 - 1500kg BOD_5/day) for each treatment category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.
Load received by STWs above size band 5	The average daily load received (in kg of BOD_5/day) by STWs above size band 5 (>1500kg BOD_5/day) for each treatment category. The convention outlined under the common definitions should be used to calculate the load for each STW. Companies must classify the size band of a works using resident population only. Companies must include non-resident population when reporting loads.

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Pro forma 7E: Non-financial data - Properties, population and other for the 12 months ended 31st March 20xx - wholesale wastewater

Properties and population		
7E.1	Residential properties connected during the year	The number of new residential properties added for each period within the company's sewerage area during the report year.
7E.2	Business properties connected during the year	The number of new business properties added for each period within the company's sewerage area during the report year. This should be the number of new connections; disconnections and demolished properties should not be netted off.
7E.3	Residential properties billed unmeasured sewerage	Average number of residential properties billed for unmeasured sewerage within the undertaker's area. Exclude void properties.
7E.4	Residential properties billed measured sewerage	Average number of residential properties billed for measured sewerage within the undertaker's area. Exclude void properties. Include residential properties billed for measured water supply where sewerage bills are based on value of water supplied.
7E.5	Residential properties billed for sewerage	Residential properties billed for sewerage. Calculated as the sum of 7E.3 and 7E.4.
7E.6	Business properties billed unmeasured sewerage	Average number of business properties billed for unmeasured sewerage. Exclude void properties.
7E.7	Business properties billed measured sewerage	Average number of business properties billed for measured sewerage, including trade effluent customers. Exclude void properties.
7E.8	Business properties billed for sewerage	Business properties billed for sewerage. Calculated as the sum of 7E.6 and 7E.7.
7E.9	Void properties	Average number of properties (residential and business) within the undertaker's area which are connected to the sewerage system but do not receive a charge as there are no occupants. This should not include properties that do not receive a bill because it would be uneconomical to do so.
7E.10	Number of properties	Total number of connected properties. Calculated as the sum of 7E.5, 7E.8 and 7E.9.
7E.11	Resident population	The annual average resident population connected to the sewerage system.
7E.12	Non-resident population	The annual average holiday and tourist population connected to the sewerage system. Do not include daily commuters or day visitors. Non-resident population should comprise holiday and tourist population. An acceptable method of estimation would be to obtain from tourist boards estimates of the number of bed spaces available for non-residents. Except where there is firm evidence to the contrary, companies

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		should assume a two-thirds occupancy rate for four months in the year. Non-resident population should exclude day visitors and daily commuters.
7E.13	Total sewerage catchment area	Total area of sewered catchments. Note: This will be less than the operating area within which company as the sewerage undertaker is licensed to provide sewerage services (owing to the exclusion of unsewered areas).
7E.14	Designated coastal bathing waters	Number of EU designated coastal bathing waters within the company's operating area. Inland bathing waters should be excluded unless i) bathing water quality is impacted by any water company discharge and ii) their designation has resulted in a tightening of the permit conditions of the discharge.
7E.15	Number of intermittent discharge sites with event duration monitoring	Number of intermittent discharge sites at which event duration monitors are installed during the report year. The associated costs are reported in table 4M.
7E.16	Number of monitors for flow monitoring at STWs	Number of STWs at which WINEP / NEP flow monitoring schemes under driver code Flow3 have been delivered in the report year and for which the associated costs are reported in table 4M.
7E.17	Number of odour related complaints	The total number of complaints received in any format during the year relating to odour from sewerage service assets.

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Pro forma 8A: Non-financial data for the 12 months ended 31st March 20xx - bioresources

8A.1	Total sewage sludge produced, treated by incumbents	This is a measure of all the untreated sewage sludge (primary, secondary, tertiary) produced by in-area wastewater treatment processes in the report year which is either treated by the incumbent or remains untreated prior to disposal. Grit and screenings removed through preliminary treatment processes should be excluded. Cross-border imports should be excluded. Sludge treated by managed contractors should be included; sludge treated by separate 3rd party service providers should be reported in 8A.2.
8A.2	Total sewage sludge produced, treated by 3rd party sludge service provider	This is a measure of all the untreated sewage sludge (primary, secondary, tertiary) produced by in-area wastewater treatment processes in the report year which is treated by a 3rd party sludge service provider. Grit and screenings removed through preliminary treatment processes should be excluded. Cross- border imports should be excluded. Sludge treated by managed contractors (as opposed to separate 3rd party service providers) should be excluded; instead it should be reported in 8A.1.
8A.3	Total sewage sludge produced	To be entered as the sum of 8A.1 and 8A.2.
8A.4	Total sewage sludge produced from non-appointed liquid waste treatment	This is an estimate of all the untreated sewage sludge (primary, secondary, tertiary) produced by in-area wastewater treatment processes in the report year, and which is produced as a result of treating non-appointed liquid wastes through appointed wastewater treatment assets. Because this sludge is generated at in-area wastewater treatment sites we expect this quantity to be included in the total given in 8A.3. Cross-border imports should be excluded.
8A.5	Percentage of sludge produced and treated at a site of STW and STC co-location	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) STC means any site where thickening to >10%DS, and / or dewatering and / or microbial reduction (eg digestion, lime stabilisation etc) is undertaken.

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8A.6	Total sewage sludge disposed by incumbents	The total amount of sewage sludge treated and disposed of during the report year by the incumbent expressed in thousands of tonnes of dry solids of sludge disposed by the whole service. This should include recycling to farmland (irrespective of whether spreading is undertaken by the 3rd party service provider or the farmer) and disposal to landfill, incineration, land restoration / reclamation, composting and other routes. This will be different from sewage sludge produced due to: - quantities of lime used in lime treated sludge, - losses of volatile solids in the treatment process, and - changes in the amount of stockpiled sludge. Sludge disposed of by managed contractors should be included; sludge disposed of by separate 3rd party service providers should be reported in 8A.7.
8A.7	Total sewage sludge disposed by 3rd party sludge service provider	The total amount of sewage sludge treated and disposed of during the report year by a 3rd party sludge service provider expressed in thousands of tonnes of dry solids of sludge produced by the whole service. This should include recycling to farmland (irrespective of whether spreading is undertaken by the 3rd party service provider or the farmer) and disposal to landfill, incineration, land restoration / reclamation, composting and other routes. This may be different from sewage sludge produced due to: - quantities of lime used in lime treated sludge, - losses of volatile solids in the treatment process, and - changes in the amount of sludge stockpiled at sludge treatment centres. Sludge disposed of by managed contractors (as opposed to separate 3rd party service providers) should be excluded; instead it should be reported in line 8A.6.
8A.8	Total sewage sludge disposed	To be entered as the sum of 8A.6 and 8A.7.
8A.9	Total measure of intersiting 'work' done by pipeline	Total work done in intersiting sludge operations by pipeline during the report year measured as the product of sludge mass (in ttds) multiplied by distance conveyed (in km). Based on actual length of pipeline from sludge holding tanks to STC, not straight line distance. This measure should not include sludge transported between STWs via a gravity sewer, the operating costs of which are allocated to Network+. For the purposes of this line, 'intersiting' means the conveyance of sludge between physically separate sites that are connected by a sludge pumping main. (km1*tds1)+(km2*tds2)+…...(kmN*tdsN)

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8A.10	Total measure of intersiting 'work' done by tanker	Total work done in intersiting sludge operations carried out by road tanker during the report year measured as the product of sludge mass (in ttds) multiplied by distance travelled (in km) in transporting the sludge. Based on actual distance travelled from sludge holding tanks to STC, not straight line distance. Work done by other forms of transport of liquid sludge (eg tractors) should be included in this line. This measure should exclude the distance travelled by vehicles to the sewage treatment works to collect the sludge. No account should be taken of distance travelled by empty tankers. (km1*tds1)+(km2*tds2)+…...(kmN*tdsN)
8A.11	Total measure of intersiting 'work' done by truck	Total work done in intersiting sludge operations carried out by truck during the report year measured as the product of sludge mass (in ttds) multiplied by distance travelled (in km) in transporting the sludge. Based on actual distance travelled from sludge holding tanks to STC, not straight line distance. This measure should exclude the distance travelled by vehicles to the sewage treatment works to collect the sludge. No account should be taken of distance travelled by empty tankers. (km1*tds1)+(km2*tds2)+…...(kmN*tdsN)
8A.12	Total measure of intersiting 'work' done (all forms of transportation)	To be entered as the sum of 8A.9 to 8A.11.
8A.13	Total measure of intersiting 'work' done by tanker (by volume transported)	Total work done in intersiting sludge operations carried out by road tanker during the report year measured as the product of sludge volume (in m^3) multiplied by distance travelled (in km) in transporting the sludge. Based on actual distance travelled from sludge holding tanks to STC, not straight line distance. Work done by other forms of transport of liquid sludge (eg tractors) should be included in this line. This measure should exclude the distance travelled by vehicles to the sewage treatment works to collect the sludge. No account should be taken of distance travelled by empty tankers. (km1*$m^3$1)+(km2*$m^3$2)+…...(kmN*m^3N)
8A.14	Total measure of 'work' done in sludge disposal operations by pipeline	Total work done in sludge disposal operations carried out by pipeline (eg transport to an incinerator) during the report year measured as the product of sludge mass (in ttds) multiplied by distance travelled (in km). Based on actual distance travelled from the STC to the landbank, landfill site, land reclamation site or incinerator as appropriate, not straight line distance. (km1*tds1)+(km2*tds2)+…...(kmN*tdsN)
8A.15	Total measure of 'work' done in sludge disposal operations by tanker	Total work done in sludge disposal operations carried out by road tanker during the report year measured as the product of sludge mass (in ttds) multiplied by distance travelled (in km) in transporting the sludge. Based on actual distance travelled from the STC to the landbank, landfill site or land reclamation site as appropriate, not straight line distance. Work done by other forms of transport of liquid sludge (eg tractors) should be

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		included in this line. No account should be taken of distance travelled by empty tankers. (km1*tds1)+(km2*tds2)+…...(kmN*tdsN)
8A.16	Total measure of 'work' done in sludge disposal operations by truck	Total work done in sludge disposal operations carried out by truck during the report year measured as the product of sludge mass (in ttds) multiplied by distance travelled (in km) in transporting the sludge. Based on actual distance travelled from the STC to the landbank, landfill site or land reclamation site as appropriate, not straight line distance. No account should be taken of distance travelled by empty tankers. (km1*tds1)+(km2*tds2)+…...(kmN*tdsN)
8A.17	Total measure of 'work' done in sludge disposal operations (all forms of transportation)	The sum of lines 8A.14 to 8A.16.
8A.18	Total measure of 'work' done by tanker in sludge disposal operations (by volume transported)	Total work done in sludge disposal operations carried out by road tanker during the report year measured as the product of sludge volume (in m^3) multiplied by distance travelled (in km) in transporting the sludge. Based on actual distance travelled from the STC to the landbank, landfill site or land reclamation site as appropriate, not straight line distance. Work done by other forms of transport of liquid sludge (eg tractors) should be included in this line. No account should be taken of distance travelled by empty tankers. (km1*$m^3$1)+(km2*$m^3$2)+…...(kmN*m^3N)
8A.19	Chemical P sludge as percentage of sludge produced at STWs	The total quantity of sludge produced at wastewater treatment works which use chemical dosing for phosphorus removal expressed as a percentage of total sludge produced at all in-area sewage treatment works (reported in 8A.3)

For the purposes of reporting quantities of sludge produced (lines 8A.1 to 8A.3), this is measured ideally at the boundary between the Network plus and Bioresources business units as defined in RAG 4 or if not, at the point of treatment. There should be continuous measurement via instrumentation rather than by composite or spot sampling. Where both the incumbent and a 3rd party service provider undertake different stages of sludge treatment eg dewatering followed by lime stabilisation, sludge quantities should not be doubled-counted and should be reported either in line 8A.1 or line 8A.2, not both.

For the purposes of reporting against lines 8A.5 and 8A.6, sludge disposal operations for sludge recycled to farmland are assumed to end upon arrival at the field. Accordingly, no account need be taken of changes in the quantity of sludge stored in field piles when completing these lines.

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Pro forma 8B: Operating cost analysis for the 12 months ended 31 March 20xx – bioresources

In this proforma the data for lines 1 to 39 is presented in 3 separate blocks. In companies' published APRs they may wish to combine this into a single table, particularly if not all of the columns are relevant for that company.

Sludge transport	Sludge treatment	Sludge disposal		
8B.1	8B.14	8B.27	Power	All energy costs, including the climate change levy and the carbon reduction commitment. Any cost savings from power generated internally should be netted off these costs.
8B.2	8B.15	8B.28	Income treated as negative expenditure	Income received sales which are external to the appointed business and which directly relate to the wastewater processes. It should be input as a negative number. This will include; Electricity sales from sources such as Hydro, PV, wind and CHP to external parties. Electricity sales from back-up generators under arrangements such as the National Grid 'STOR', "frequency response" and "dynamic demand". Bio-methane gas sales to the National Grid. Sludge and sludge products such as cake, granules etc. to external parties.
8B.3	8B.16	8B.29	Discharge consents	Total cost of discharge consents by the environment agency or canal & river trust.
8B.4	8B.17	8B.30	Bulk discharge	Total payments for bulk discharges.
8B.5	8B.18	8B.31	Renewals expensed in year (Infrastructure)	Infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities to replace significant lengths of pipework or parts of an asset. These are targeted at improving network performance or solving ongoing problems and restores an asset to full capability.
8B.6	8B.19	8B.32	Renewals expensed in year (Non-Infrastructure)	Non-infrastructure renewals which are expensed rather than capitalised in the statutory accounts. 'Renewals' are generally planned activities targeted at improving network performance or solving

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				ongoing problems and restores an asset to full capability.
8B.7	8B.20	8B.33	Other operating expenditure excluding renewals - direct	Other Direct costs not included in previous lines; • 8B.1 to 8B.6 (S tran) • 8B.14 to 8B.19 (S treat) • 8B.27 to 8B.32 (S disp)
8B.8	8B.21	8B.34	Other operating expenditure excluding renewals - indirect	Other Indirect costs not included in previous lines; • 8B.1 to 8B.6 (S tran) • 8B.14 to 8B.19 (S treat) • 8B.27 to 8B.32 (S disp)
8B.9	8B.22	8B.35	Total functional expenditure	The sum of lines; • 8B.1 to 8B.8 (S tran) • 8B.14 to 8B.21 (S treat) • 8B.27 to 8B.34 (S disp)
8B.10	8B.23	8B.36	Local authority and Cumulo rates	The cost of local authority rates. This should include both the local authority rates and cumulo rates.
8B.11	8B.24	8B.37	Total operating expenditure (excluding 3rd party)	Total operating expenditure excluding 3rd party costs recorded in table 4E. The sum of lines; • 8B.9 to 8B.10 (S tran) • 8B.22 to 8B.23 (S treat) • 8B.35 to 8B.36 (S disp)
8B.12	8B.25	8B.38	Depreciation	Historical Deprecation charge for relevant fixed asset.
8B.13	8B.26	8B.39	Total operating costs (excluding 3rd party)	Total of operating expenditure (excluding 3rd party costs) and depreciation costs. The sum of lines; • 8B.11 to 8B.12 (S tran) • 8B.24 to 8B.25 (S treat) • 8B.37 to 8B.38 (S disp)

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Pro forma 8C: Bioresources analysis for the 12 months ended 31 March 20xx

Energy		
8C.1	Energy generated by and used in bioresources control	[tbc]
8C.2	Energy generated by bioresources and used in network plus control	[tbc]
8C.3	Energy generated by bioresources and exported to the grid or third party	[tbc]
8C.4	Energy bought from grid and used in bioresources control	[tbc]
Bioresources liquors treated by network plus		
8C.5	Flow of liquor or partially treated liquor returned from bioresources to network plus	[tbc]
8C.6	BOD load of liquor or partially treated liquor returned from bioresources to network plus	[tbc]
8C.7	Ammonia load of liquor or partially treated liquor returned from bioresources to network plus	[tbc]
8C.8	Recharge to Bioresources by network plus for costs of handling and treating bioresources liquors	[tbc]

Pro forma 8D: Non-financial data - Sludge treatment and disposal for the 12 months ended 31st March 20xx - bioresources

Sludge treatment process		
8D.1	% Sludge - untreated	Percentage of sludge produced which is untreated prior to disposal
8D.2	% Sludge treatment process - raw sludge liming	Percentage of sludge produced which is untreated other than by liming
8D.3	% Sludge treatment process - conventional AD	Percentage of sludge produced which is treated by conventional AD (with or without liming)
8D.4	% Sludge treatment process - advanced AD	Percentage of sludge produced which is treated by advanced AD (with or without liming). (THP, EH, two-stage + PAS and APD)
8D.5	% Sludge treatment process - incineration of raw sludge	Percentage of sludge produced which is untreated other than by incineration
8D.6	% Sludge treatment process - other (specify)	Percentage of sludge produced by other treatment type(s) (to be specified)

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8D.7	% Sludge treatment process - Total	Calculated as the sum of 8D.1 to 8D.6 The totals for the incumbent and 3rd party service provider columns should sum to 100%
(Un-incinerated) sludge disposal and recycling route		
8D.8	% Sludge disposal route - landfill, raw	Percentage of (un-incinerated) sludge by disposal route - landfill, raw
8D.9	% Sludge disposal route - landfill, partly treated	Percentage of (un-incinerated) sludge by disposal route - landfill, partly treated
8D.10	% Sludge disposal route - land restoration / reclamation	Percentage of (un-incinerated) sludge by disposal route - land restoration / reclamation
8D.11	% Sludge disposal route - sludge recycled to farmland	Percentage of (un-incinerated) sludge by disposal route - recycled to farmland
8D.12	% Sludge disposal route - other (specify)	Percentage of (un-incinerated) sludge by disposal route - other (specify)
8D.13	% Sludge disposal route - Total	Calculated as the sum of lines 8D.8 to 8D.12 The totals for the incumbent and 3rd party service provider columns should sum to 100%

The quantity of sludge produced to which the percentages reported in lines 8D.1 to 8D.7 (inclusive) relate should be that reported in line 8A.3.

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Pro forma 9A: Innovation competition

9A.1	Allocated innovation competition fund price control revenue	This is the proportion of the £200m that was made available at PR19 for innovation activities for the period 2020-25 that the company is expected to recover from their customer base and that will be ring-fenced and administered such that it cannot be used for purposes other than the innovation competition. This should be inflated to nominal prices for the year.
Revenue collected for the purposes of the innovation competition		
9A.2	Price control revenue collected from customers	Total revenue covered by the price control that is collected by the company from customers in order to collectively fund the innovation competition, that will be ring-fenced and administered such that it cannot be used for purposes other than the innovation competition
9A.3	Non-price control revenue (e.g. royalties)	Other revenue from appointed activities, not covered by the price control that is collected by the company that relates innovation competition activities.
9A.4	Revenue collected from customers and transferred into the innovation competition fund	Total revenue collected from customers and paid into the innovation competition fund.
Bids accepted and awarded funding for innovation competition		
9A.5 – 9.7	Innovation project 1 - 3	The funding awarded to the company for bids accepted on an innovation project through the innovation competition.
9A.8	Total	The total funding awarded to the company for all bids accepted on an innovation project through the innovation competition.
Expenditure on innovation projects (exc. innovation activities funded through totex)		
Actual expenditure on innovation projects funded through the innovation competition		
9A.9 – 9.11	Innovation project 1 – 3	Actual expenditure on an innovation project funded directly through the innovation competition. Excludes business as usual expenditure on innovation activities that is already funded through totex.
9A.12	Total	Total actual expenditure on innovation projects funded directly through the innovation competitions. Excludes business as usual expenditure on innovation activities that is already funded through totex.
Allowed future expenditure on innovation projects funded through the innovation competition		
9A.13 – 9A.15	Innovation project 1 - 3	Allowed future expenditure on an innovation project funded directly through the innovation competition, as decided upon by Ofwat and/ or any entity involved in the decision-making process. Excludes business as usual expenditure on innovation activities that is already funded through totex.
9A.16	Total	Total allowed future expenditure on innovation projects funded directly through the innovation competition, as decided upon by Ofwat and/ or any entity involved in the

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		decision-making process. Excludes business as usual expenditure on innovation activities that is already funded through totex.
Expenditure on innovation projects funded by shareholders		
9A.17 - 19	Innovation project 1 - 3	Actual expenditure on an innovation project that is not funded through the innovation competition or through totex.
9A.20	Total	Total actual expenditure on innovations project that is not funded through the innovation competition or through totex.
Innovation competition funding returned to customers		
9A.21	Total funding to be returned to customers	The total amount which the company will be returning to customers, in line with the reconciliation process.

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2. Disaggregation of wholesale activities – upstream services

This section sets out our definitions of the different activities that water companies in England and Wales carry out as part of delivering their upstream services.

Water service	
Water resources – Abstraction licences	
Description	This service has been identified separately because of the potential for a market to emerge in the future, which would enable abstraction licences to generate a separate income stream. This service includes activities related to negotiating with third parties to obtain abstraction rights and to agree charges, as well as the annual cost of the licence itself. This service should not include activities that are incurred in choosing abstraction sites, optimising abstraction or ensuring compliance with licence conditions. All such abstraction planning activities and licence administration activities should be included in the 'raw water abstraction' service. This also includes Transfer Licences where they are to support another abstraction.
Boundary points	N/A
Assets	N/A
Unit cost description	Licensed volume available in Ml.
Water resources – Raw water abstraction	
Description	The water abstraction service includes activities related to the operation of existing water resource sites, identification of new sources, catchment management, licence management, management of schemes in accordance with acts of parliament and other legal obligations, and the abstraction infrastructure which may include pre-treatment where it is upstream of raw water transport. Pre-treatment processes can vary, from a relatively simple physical separation of the largest impurities, to more complex chemical treatments. In some circumstances, transport from the water abstraction site is included within the abstraction service rather than in raw water transport. Where raw water is transported between Water resources assets, the assets supporting this transport should also be included in Water resources – Raw water abstraction The activities relating to the inspections, operation and maintenance of assets in this price control unit are included in this service. Raw water abstracted is taken from the point of chargeable abstraction, and together with raw water imported less raw water exported, constitutes raw water collected (UKWIR/NRA (1995) Demand forecasting methodology - Main Report), on an annual rather than daily basis.
Boundary points	**Start:** none **End:** Where raw and pre-treated (non-potable) water either; • enters treatment works;

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	• enters Raw water transport; • enters raw water storage facilities; • is delivered to the end customer; or • is delivered to a third party water company. Where pre-treatment is downstream of the pump/abstraction structure the boundary is the outlet of pre-treatment. Water resources pre-treatment is for the purposes of enabling raw water distribution and therefore should be upstream of raw water distribution assets. Pre-treatment on a treatment works is not considered Water resources pre-treatment but is Network + - Water treatment.
Assets	• Reservoirs, springs and lakes with an abstraction licence – including all associated assets e.g. dams, control rooms, valves, sluices. • Reservoirs filled by catchment rather than abstracted water from another water body. • Reservoirs/other storage assets without an abstraction licence where the function of the asset is to support a flow condition or abstraction at another point as part of a recognised scheme (e.g. as part of a licenced operation that covers multiple locations and sources). • Reservoirs that do not have any of the above (own abstraction licence, natural catchment or support downstream abstraction) but do have15 days or more usable storage. • Pre-treatment (upstream of raw water distribution) devices including Ultra Violet Panels, pH correction, other chemical process or screening/grit separation in order to protect pumps or downstream pipework. • Aquifer recharge assets (e.g. as part of a licenced operation that covers multiple locations and sources) which augment groundwater yields. • Borehole abstraction assets – pumping equipment, buildings and other sundry equipment. • River abstraction assets – pumping equipment, buildings, weirs, screens, inlets, fish passes, stilling well, other sundry equipment and other assets that support abstraction (regardless of their location in relation to the source). • Desalination abstraction assets - pumping equipment, buildings, screens, inlets, stilling well, other sundry equipment and other assets that support abstraction (regardless of their location in relation to the source). • Effluent reuse abstraction assets - pumping equipment, buildings, screens, inlets, stilling well, other sundry equipment and other assets that support abstraction (regardless of their location in relation to the source). For direct reuse (where water does not re-enter the environment) the control point (between wastewater treatment and water treatment) is deemed the point of raw water abstraction and the assets associated with the control (e.g. pumps, valves, flow meters, level sensors) are considered as water resources. • Pipework between Water resources defined assets. Where an abstraction asset is the first Water resource asset but not directly at the source (e.g. riverbank), any pipework between the source and first Water resource asset should also be Water resources. • The asset used to control the volume of abstraction e.g. pump, penstock, weir or valve. • Abstraction meters.

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	• IT assets – abstraction sites control. • Vehicles, • Premises.
Unit cost description	Volume abstracted in Ml.
Network+ – Raw water transport	
Description	This service includes the activities related to transporting the raw water or pre-treated water from the boundaries of the abstraction site/assets or pre-treatment assets through a transport network to a treatment works , a raw water storage facility (balancing reservoirs/tanks), or to customers that require untreated or non- potable water (including third party water companies). It can also include blending of water from different sources. Where a water abstraction site and water treatment works are co-located on the same site, then the raw water effectively 'by-passes' the raw water transport stage. The activities allocated to this service include primarily the development and maintenance of the physical raw water transport network. This includes pipelines and aqueducts.
Boundary points	**Start:** raw and pre-treated (non-potable) water that has been pumped or gravity fed from a raw water abstraction or raw water storage source. **End:** raw and pre-treated (non-potable) water where it either: • enters treatment works; • enters raw water transport facilities; • is delivered to the end customer; or • is delivered to a third party water company.
Assets	• Pipelines and aqueducts. Where a water abstraction site and water treatment works are co-located on the same site, then the raw water effectively 'by-passes' the raw water transport stage and the assets should be allocated to raw water abstraction. • Booster pumps, valves, meters and other equipment within the raw water distribution network not already defined elsewhere as Raw Water Abstraction. • Leakage detection equipment. • IT assets – network control. • Vehicles. • Premises.
Unit cost description	Volume transported in Ml.
Network+ – Raw water storage	
Description	This service includes activities related to the construction, operation and maintenance of raw water storage facilities. In general, no raw water transport costs should be allocated to this service, since the cost of raw water transport should be included within the 'raw water transport' service. Associated activities, such as inlet flow control to prevent overfilling and outflow control (which ensures continuity of availability of supply) and planned and emergency drawdown and discharge facilities (with associated permitting) are included in this service. Activities related to determining losses due to leakage and to ensuring security of the site from contamination are also included.

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	Reservoirs/other storage assets that are not covered by the definitions in raw water abstraction and have less than 15 days usable storage should be included as raw water storage. . Please see Appendix 2 for more detail. Where pre-treatment is downstream of raw water storage it should be included in raw water storage. (Note the location of pre-treatment determines whether it should be accounted for in raw water abstraction or raw water storage).
Boundary points	**Start:** raw water or pre-treated (non-potable) water entering the storage facility. **End:** raw water or pre-treated (non-potable) water pumped or gravity fed from the storage facility where it either • enters treatment works; • enters raw water transport; • is delivered to the end customer; or • is delivered to a third party water company.
Assets	• Storage reservoirs and other storage assets that are not captured by the definitions in raw water abstraction and have less than 15 days usable storage. • Booster pumps, valves, meters and other equipment within the raw water storage sites. • Devices including Ultra Violet Panels, pH correction, other chemical process or screening/grit separation in order to protect pumps or downstream pipework. • IT assets. • Vehicles. • Premises.
Unit cost description	Average volume stored in Ml. Volumes should be measured at least monthly.
Network+ - Water treatment	
Description	Receive raw or pre-treated (non-potable) water from raw water transport network and undertake treatment processes. This may include water softening. **Inputs:** Raw water and pre-treated (non-potable) water from raw water transport network. **Outputs:** Treated water (potable and non-potable) fed into the distribution network or directly to an end user customer. Waste by- products from treatment processes into the sewerage network.
Boundary points	**Start:** Input of raw water and pre-treated (non-potable) water from the abstraction site, raw water storage facility or raw water transport **End:** Treated water (both potable and non-potable)which: • enters water distribution network; • enters treated water storage facilities; • is delivered to the end customer (without entering the distribution network); or • is delivered to a third party water company.

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Assets	• Treatment works including;
	  ○ on site pipework,
	  ○ Pumps which support the treatment process.
	• IT assets – treatment works control.
	• Vehicles.
	• Other premises.

Unit cost description	Distribution input (potable) volume in Ml. Distribution input is the average amount of potable water entering the distribution system and supplied to customers within the company's area of supply, on an annual rather than daily basis.
Network+ - Treated water distribution	
Description	Treated water distribution includes activities related to distributing treated water from the treatment works to the customer including secondary disinfection and other chemical dosing. This includes all trunk and distribution network repair and maintenance activities, as well as activities associated with any new network development. **Inputs:** Treated (potable) water from treatment sites and third parties. **Outputs:** Supply of treated (potable) water to customers and new appointees.
Boundary points	**Start:** Treated (potable) water that has been pumped or gravity fed into the treated water distribution network. **End:** Supply of treated (potable) water to customer.

Assets	• Water mains and pipework up to meter point or curtilage in customer premises or new appointee boundary.
	• Booster pumps and high lift pumps.
	• Storage reservoirs, service reservoirs and water towers within the distribution network.
	• Leakage detection equipment.
	• Other ancillaries including;
	  • washouts,
	  • pressure reduction valves,
	  • air release
	• valves, hydrants
	• Network monitoring equipment including loggers and flow
	• measurement equipment.
	• IT assets – network control.
	• Vehicles.
	• Premises.
	• District and customer meters.
	• Meter chambers.

Unit cost description	Distribution input (potable) volume in Ml. Distribution input is the average amount of potable water entering the distribution system and supplied to customers within the company's area of supply, on an annual rather than daily basis.

Wastewater service

Consultation

Network+ (Sewage collection) - Foul	
Description	This service is for the collection of foul sewage from customers' properties. This includes development, repair and maintenance of the sewage collection infrastructure. Other specific activities are the provision and maintenance of ancillaries such as overflows, screens, on-line and off-line retention tanks, rising main wells and pumps and flow measurement.
Boundary points	**Start:** Receipt of sewage from retail customer or new appointee. **End:** Sewage arriving at the inlet to sewage treatment works or discharging through CSOs in adverse weather conditions.
Assets	• Sewers and pipework – from customer premises/new appointees to sewage treatment works. • Pumping stations and other assets within the sewerage network (such as manholes and inspection chambers). • Storm overflows and screens. • Street furniture and other ancillary assets. • Emergency outflows. • IT assets – network control. • Vehicles. • Premises. • Storage tanks.
Unit cost description	Volume collected in Ml. This is equivalent to the foul element of average volume of sewage collected but on an annual rather than daily basis.
Network+ (Sewage collection) - Surface water drainage	
Description	This service is for the collection of surface water from exterior areas of customers' properties. This includes development, repair and maintenance of the sewage collection infrastructure. Other specific activities are the provision and maintenance of ancillaries such as overflows, screens, on-line and off-line retention tanks, rising main wells and pumps and flow measurement.
Boundary points	**Start:** Receipt of surface water drainage from retail customer or new appointee. **End:** Sewage arriving at the inlet to sewage treatment works or discharging through CSOs in adverse weather conditions. Discharge from a SuDS system adopted by the company or a watercourse.
Assets	• Sewers and pipework – from customer premises/new appointees to sewage treatment works. • Pumping stations and other assets within the sewerage network (for example, manholes and inspection chambers). • Storm overflows and screens. • Street furniture and other ancillary assets. • Emergency outflows. • IT assets – network control. • Vehicles. • Premises.
Unit cost description	Volume collected in Ml. This is equivalent to the surface water drainage element of average volume of sewage collected but on an annual rather than daily basis.
Network+ (Sewage collection) - Highway drainage	

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Description	This service includes the activities related to collection of surface water that runs off roads and pavements. The activities included in this service relate to the development, repair and maintenance of the sewage collection infrastructure. Other activities that should be considered within this service may include the provision and maintenance of ancillaries such as overflows, screens, on-line and off-line retention tanks, rising main wells and pumps and flow measurement.
Boundary points	**Start:** Receipt of highway drainage into sewage collection infrastructure. **End:** Sewage arriving at the inlet to sewage treatment works or discharging through CSOs in adverse weather conditions. Discharge from a SuDS system adopted by the company or a watercourse.
Assets	• Sewers and pipework – from customer premises/new appointees to sewage treatment works. • Pumping stations and other assets within the sewerage network (for example, manholes and inspection chambers). • Storm overflows and screens. • Street furniture and other ancillary assets. • Emergency outflows. • IT assets – network control. • Vehicles. • Premises.
Unit cost description	Volume collected in Ml. This is equivalent to the highway drainage element of average volume of sewage collected but on an annual rather than daily basis.
Network+ - Sewage treatment & disposal	
Description	Receive untreated sewage from the sewage collection system into treatment works, undertake treatment processes and discharge treated wastewater into rivers, etc and sewage sludge for transporting onwards to sludge treatment processes. Includes all direct costs associated with sewage treatment including terminal pumping costs. The activities of emptying septic tanks or very small sewage works by transporting the contents periodically to the inlet of a larger sewage treatment works are sewage treatment activities. **Inputs:** Untreated sewage from sewage collection network. **Outputs:** Treated wastewater into receiving watercourses, discharge of sewage sludge for transporting to sludge treatment processes. Excludes imported liquor treatment.
Boundary points	**Start:** Sewage arriving at the inlet to sewage treatment works. **End:** Consented sampling point at point of discharge of treated wastewater to receiving watercourse; point of discharge of sewage sludge from sewage treatment process or from holding tank into pumping station or pipework leading to sludge treatment processes or in to tankers for onward transport for sludge dewatering or treatment processes. Sewage treatment activities include those that thicken indigenous sludge to no more than 10% dry solids through gravity or mechanical means and may use chemicals to do so. Please see diagrams in Appendices 4 and 5 for more detail.
Assets	• Sewage treatment plants – tanks, filters, strainers etc. • Pumps, valves and other ancillary assets. • Sludge holding tanks and associated ancillary assets. • Indigenous sludge thickening plant and associated ancillary assets.

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	• IT assets – treatment works control. • Vehicles. • Other premises.
Unit cost description	Biochemical oxygen demand (BOD) in tonnes. This is the total pollution load in tonnes BOD/year that is discharged to the sewerage system.
Network+ - Sludge liquor treatment	
Description	Includes all activities in transporting and treating liquors at a sewage treatment plant that have been generated during the sludge treatment process. This includes transporting and treating liquors that have been partially treated and are returned for final treatment at a sewage treatment plant. Excludes liquor treatment which is carried out at a stand-alone liquor treatment plant (which will be included in the 'sludge treatment' upstream service).
Boundary points	**Start:** Pipework from sludge treatment process to sewage works. **End:** Discharge of treated liquor to receiving watercourse.
Assets	• Liquor pipework from sludge treatment to sewage treatment site. • Pumps, valves and other ancillary assets. • Vehicles. • IT assets. • Premises.
Unit cost description	Biochemical oxygen demand (BOD) in tonnes.
Sludge transport	
Description	This service includes the transport of sludge from the sewage treatment plant to the sludge treatment plant. All types of transport, and associated fuel costs, are included within this service. However, transport within the sludge treatment plant or between sludge treatment plants is not included in this service, which is instead an activity of the 'sludge treatment' service.
Boundary points	**Start:** point of discharge of sludge from indigenous thickening processes, indigenous sludge holding tanks or directly from sewage treatment process into pumps and pipework or tankers for transport to sludge treatment processes. **End:** input of sludge into sludge treatment works.
Assets	• Pipework from sewage treatment site to sludge treatment site. • Pumps, valves and other ancillary assets. • Vehicles. • IT assets. • Premises.
Unit cost description	Volume transported (m^3).
Sludge treatment	
Description	All sludge treatment activities including; • Thickening of treated sludge, • De-watering of thickened sludge, • Incineration of non-treated sludge; and, • Treatment of sludge liquors in a stand-alone liquor treatment plant.

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	While different technologies exist for sludge treatment, sludge treatment is defined as a technology-neutral service for the purpose of the APR. Where income is received for energy generation then this should be shown as 'negative expenditure' in table 4E.	
Boundary points	**Start:** storage of sewage sludge in blending or holding tanks and input into sludge treatment sites. **End:** Point at which the treated sludge is collected for disposal. Renewable energy generated and exported or used on site.	
Assets	• Pre-treatment sludge blending tanks. • Screening of sludge prior to treatment or prior to disposal • Pre-treatment thickening of mixed indigenous and imported sludge • Sludge treatment plants – thickeners, advanced pre-digestion process assets, digesters, centrifuges, vacuum presses, belt presses, other dewatering assets, sludge dryers, drying beds. • Composting vessels and facilities. • Incinerators, • Stand-alone liquor treatment plants. • Sludge measurement assets,	• Cake pads, • Associated pumps, valves and other ancillary assets. • Treated sludge storage facilities. • Vehicles. • IT assets. • Premises. • Gas treatment and energy generation equipment such as combined heat and power (CHP) plants. • CHP electrical connection to the electricity grid. • Gas connections to gas grid. • Measuring equipment.
Unit cost description	Dried solid mass in thousand tonnes of dried solids (ttds). This is the total amount of sewage sludge produced during the report year expressed in thousands of tonnes of dry solids of sludge produced by the whole service.	
Sludge disposal		
Description	The collection of treated sludge from collection point, onward transport and disposal to landfill, agricultural land, land reclamation sites and to other end users in various forms including; • treated sludge • incinerated sewage sludge ash (ISSA), • composted sludge, • sludge cake. Where income is received for treated sludge then this should be shown as 'negative expenditure'.	
Boundary points	**Start:** Collection from treated sludge holding tanks or cake storage facilities at sludge treatment works; or collection of untreated sludge that is taken directly for disposal such as via landfill sites. **End:** Sludge disposed or recycled to land.	

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Assets	• Vehicles. • IT assets. • Premises. • Landfill sites or sludge tips. • Incinerators (for completely treated sludge). • Sludge measurement assets.
Unit cost description	Dried solid mass in thousand tonnes of dried solids (ttds). This is the total for all sewage sludge disposal. This should include disposal to farmland, landfill, incineration, composting and other routes.

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3. Household and Non-household premises

In April 2017, the business retail market was opened to competition. Around 1.2 million business customers in England became eligible to choose their water and waste water supplier. Reflecting the policy position of the Welsh Government, the new business retail market was not extended to customers of Welsh water companies. Customers of Welsh water companies continue to be only able to switch their water supplier if they are supplied with at least 50MI of water per year.

Criteria for whether or not businesses in England are eligible to participate in this new market were set out - generally, business premises are eligible where the primary use is for non-domestic purposes[1]. This meant that some businesses – for example those based at domestic premises – remained ineligible to participate in the competitive market. This necessitated a change in the definition of 'households', as we set out below.

Our PR14 final determination said that "households" had, for the purposes of the price controls for retail activities, **'the same meaning as:**

(i) the regulatory reporting definition of that term set out in section A5.4 of Appendix 5 (Guidance on business plan tables) to 'Setting price controls for 2015-20 – final methodology and expectations for companies' business plans' (July 2013); or (if different)

(ii) such definition as may be included in Regulatory Accounting Guidelines issued under paragraph 5 of Condition F (Accounts and accounting information) of the Appointment'.

We included the reference to the RAGs because we knew that it was likely that the final eligibility criteria for participation in the business retail market would change. This meant that some customers who were non-households at 1 April 2015 for the purpose of the price controls at PR14 were not eligible to switch supplier from 1 April 2017 because they fell outside the criteria.

In anticipation of the business retail market opening to competition from April 2017, in December 2016 we reviewed the non-household retail price controls. Our final determination resulting from this review, Business retail price review 2016: final determinations (PR16), set price controls for business retail activities for English water companies in relation to **premises other than household premises (as**

[1] Further details on the eligibility criteria are available on the Ofwat website: https://www.ofwat.gov.uk/regulated-companies/markets/business-retail-market/who-is-eligible/

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defined in Section 17C of the Water Industry Act 1991).[2] This is different to our position at PR14.

For 2017-18 we changed the definition of "households" so that we can ensure that these customers continue to be protected by a retail price control. Therefore the definition of "households" is the same as the legal definition of "household premises" in section 17C of the Water Industry Act 1991. Premises falling within that definition **are not eligible to switch supplier**.

The 2015-20 **average cost to serve (ACTS)** control for household retail activities automatically adjusts according to the number of customers, so the newly classified households (who were previously non-households) will be assimilated under the household control without the need for further changes.

Welsh water companies

We intend to retain the original definition of "households" in the RAGs for water companies whose areas are wholly or mainly in Wales (Welsh water companies). No change in the definition is needed to protect customers of Welsh water companies.

At PR16 our final determinations for Welsh water companies set price controls for business retail activities in relation to premises other than households using the same definition as at PR14. This is because, reflecting the policy position of the Welsh Government, the new business retail market has not been extended to customers of Welsh water companies. Customers of Welsh water companies continue to be only able to switch their water supplier if they are supplied with at least 50Ml of water per year.

For completeness we set out below the definition for households in relation to water undertakers and wastewater undertakers whose areas are wholly or mainly in Wales:

These are properties used as single domestic dwellings (normally occupied), receiving water for domestic purposes which are not factories, offices or commercial premises. These include cases where a single aggregate bill is issued to cover separate dwellings having individual standing charges. (In some instances the standing charge may be zero). The number of dwellings attracting an individual standing charge and not the number of bills should be counted. Exclude mixed/commercial properties and multiple household properties, for example, blocks of flats having only one standing charge. Where companies issue an assessed charge to a property because metering is not possible or is

[2] Note Ofwat has, subsequent to the 2016 review, reviewed and published its decision on price protections to apply in the business retail market from April 2020 – see our July 2019 Decision document at: https://www.ofwat.gov.uk/wp-content/uploads/2019/06/Future-protections-for-business-retail-customers-Decision-on-Retail-Exit-Code-price-protections.pdf

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uneconomic then these properties should be classified as unmeasured.

Examples:

- typical family dwelling, that is, terraced, semi-detached, detached house or flat having individual standing charges; or
- Local authority family dwellings which each have individual standing charges but may be included in an aggregate water bill.

For non-households in relation to water undertakers and wastewater undertakers whose areas are wholly or mainly in Wales:

These are properties receiving water for domestic purposes but which are not occupied as domestic premises, or where domestic dwellings are combined with other properties, or where properties are in multiple occupation but only have one standing charge. The number of bills should be counted in this case.

Examples:

- industrial/commercial properties (for example, institutions, farms, public houses, offices);
- combined premises with a single standing charge, such as a flat above a shop; or
- block of flats, or caravan site (consisting of multiple dwellings) but only having one standing charge. These must be counted as one non-household property.

Residential and Business properties

In our cost assessment tables (and our proposed PR19 business plan tables) where the definitions refer to 'residential' properties then this has the same meaning as 'households' as described above. References to 'business' properties have the same meaning as 'non-household' properties described above.

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4. Infrastructure and non-infrastructure assets

Infrastructure assets generally comprise:

- underground systems of mains and sewers;
- impounding and other types of raw water storage reservoirs;
- dams;
- sludge pipelines;
- sea outfalls; and
- information about infrastructure assets e.g. zonal investigations records.

Non-infrastructure assets cover:

- intake works;
- pumping stations;
- treatment works;
- boreholes;
- operational land;
- offices;
- depots;
- workshops;
- residential properties directly connected with operational services;
- land held for protecting wholesomeness of water supply;
- plant and machinery;
- vehicles;
- surplus land; and
- all other assets not listed above or as infrastructure.

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5. Small company return line definitions

Pro forma S1: Analysis of turnover and operating costs

Turnover		
S1.1	Unmeasured - household	All revenue derived from: • the sale of water at tariff basket charges; • optional unmeasured water charges at standard rates for example, for hosepipes and swimming pools; and • the provision of sewerage services at tariff basket charges, to households other than on a measured basis.
S1.2	Unmeasured – non-household	All revenue derived from: • the sale of water at tariff basket charges; and • the provision of sewerage services at tariff basket charges to non-households other than on a measured basis.
S1.3	Measured – household	All revenue accrued from the sale of water and from the provision of sewerage services at tariff basket charges to households where all or some of the charges for the supplies are based on measured quantities of volume.
S1.4	Measured – non-household	All revenue accrued from the sale of water and from the provision of sewage treatment and disposals at tariff basket charges to non-households where all or some of the charges for the supplies are based on measured quantities of volume. Exclude reception, treatment and disposal of trade effluent.
S1.5	Other	All other sources of turnover for water and sewerage services that are not reported in lines S1.1 to S1.4. Include revenues from large users, special agreements, revenue grants, rechargeable works, and other appointed business.
S1.6	Total turnover	The sum of lines S1.1 to S1.5.
Retail operating costs		
S1.7	Customer service	The costs associated with providing the following services for customers. • Billing. • Payment handling, remittance and cash handling. • Charitable trust donations. • Vulnerable customer schemes. • Non-network and network customer enquiries and complaints. • Investigatory visits (where the cause of the investigation is not a network issue)

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S1.8	Doubtful debts	The charge for bad and doubtful debts for all types of customer.
S1.9	Other operating costs	Any other operating costs related to retail, not included in S1.7 or S1.8. Include the costs of (among other costs): • provision of offices; • insurance premiums; • net retail expenditure on demand-side water efficiency initiatives; • net retail expenditure on customer side leaks; • other direct costs; • general and support expenditure;
Wholesale operating costs		
S1.10	Power	All energy costs, including the climate change levy and the carbon reduction commitment.
S1.11	Service charges/ discharge consents	Total cost of service charges by the environment agency or canal & river trust for discharge consents.
S1.12	Bulk Supply/Bulk discharge	Total payments for bulk imports/exports. Where a company jointly owns a supply, the costs associated with it should not be reported here but in the appropriate cost line.
S1.13	Other operating costs	Any other operating costs relating to the wholesale business (ie. excluding interest, taxation and local authority rates).
S1.14	Local authority rates	The cost of local authority rates. This should include both the local authority rates, cumulo rates and sewerage site rates (where appropriate).
S1.15	Total operating costs	Sum of lines S1.7 to S1.14.
Depreciation		
S1.16	Depreciation - retail	Positive value of depreciation on assets used for the retail business only.
S1.17	Depreciation - wholesale	Positive value of depreciation on assets used for the wholesale business only.
S1.18	Total depreciation	The sum of lines S1.16 and S1.17.
S1.19	Total operating profit	The sum of line S1.6 minus S1.15 and S1.18.

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Pro forma S2: Non-financial information for the 12 months ended 31 March 20xx

S2.1	Site name	Name of each individual site area for which an appointment is currently held.
S2.2	No. of household properties connected (000)	Total number of household connections billed for a water or wastewater service within the supply area. Exclude void properties.
S2.3	No. of non-household properties connected	Total number of non-household connections billed for a water or wastewater service within the supply area. Exclude void properties.
S2.4	Annual site consumption – households (Ml/yr)	Water: Estimated/calculated annual total consumption of households that are supplied with water on a site by site basis. This figure applies to billed households and excludes underground supply pipe leakage. Underground supply pipe leakage is any loss of water from the underground supply pipe. Wastewater: Volume of sewage discharged to the sewerage area and billed. Companies should include sewage collected from properties supplied by all water supply companies within their sewerage area. Note that this should be the volume for which customers are billed in the year and is therefore the volume registered by customers' water meters adjusted by the company's non-return to sewer allowance. The reported volume must therefore exclude meter-under registration and any supply pipe leakage that customers are not charged for. It should include external supply pipe leakage as long as charges for this are not refunded to customers.
S2.5	Annual site consumption – non-households (Ml/yr)	Water: Estimated/calculated annual total consumption of non- households that are supplied with water on a site by site basis. This figure applies to billed non-households and excludes underground supply pipe leakage. Underground supply pipe leakage is any loss of water from the underground supply pipe. Wastewater: Volume of water delivered to non-households returned as sewage to the sewer in the sewerage area and billed. Companies should include sewage collected from properties supplied by all water supply companies within their sewerage area. Note that this should be the volume for which customers are billed in the year and is therefore the volume registered by customers' water meters adjusted by the company's non-return to sewer allowance.
S2.6	Per capita consumption (excluding supply pipe leakage)	Estimated per capita consumption (PCC) measured in flow used (litres) per person (head) per day (l/h/d). The estimated PCC figures apply to billed households and exclude underground supply pipe leakage. Underground supply pipe leakage is any loss of water from the underground supply pipe. Estimated PCC should include mainstream household properties, such as houses, bungalows, and flats. It should exclude mixed-use premises where the principal use is as a home.

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		Unmeasured households: estimated PCC of households that are supplied with unmeasured water. Leave blank if there are no unmeasured households. Measured households: estimated PCC of measured households.
S2.7	Total annual leakage (Ml/yr)	Total annual leakage as defined by the Environment Agency in the Water resources planning components guide (reference '40 BL or FP': the sum of distribution losses underground and supply pipe losses), multiplied up from megalitres per day (Ml/day) to megalitres per year (Ml/year).

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