

Centre City Tower, 7 Hill Street, Birmingham B5 4UA
21 Bloomsbury Street, London WC1B 3HF

By email

29 January 2018

Freedom of Information Act (FOIA) 2000 - Request For Information

Reference: FOI 20180108

Dear [REDACTED]

Thank you for your request for information concerning AMP 4/5 Totex Allowances

Ofwat confirms it does hold the information and details of the allowances for AMP4 and AMP5 (2010-15) are accessible from the links on Ofwats web site via the following links:

[Previous price reviews](#). PR04 has the details for AMP4 (2005-10) and PR09 has the AMP5 (2010-15) details. Water and wastewater are shown separately – please note that we used the term “sewerage service” before PR14. For all of the price reviews before PR14 the expenditure allowances show the capex/opex split, since the capital expenditure and operating expenditure allowances were calculated separately, as explained in the final determination documents from those earlier price reviews.

Totex is defined in the Regulatory Accounting Guidelines (RAGs). See the guidance for pro-forma 2B in [RAG 4.07 - Guideline for the table definitions in the annual performance report](#) for what is included in totex.

PR14 [policy chapter A3 – wholesale water and wastewater costs and revenues](#) gives further information on the AMP6 (2015-20) wholesale totex allowances. And we explain how the totex allowance was calculated at PR14 here [Setting price controls for 2015-20 – wholesale cost assessment](#). Please note the retail costs and revenue are separate to wholesale totex. We set separate [household](#) and [non-households](#) retail allowances.

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You may be interested to know that when we produced annual financial performance and expenditure reports, the report for the final year in each period would include a summary of the industry performance over the five-year period. We stopped producing the financial performance and expenditure reports after 2010 so nothing produce such a report for AMP5 (2010-15)

Links to published reports giving insights on performance in the earlier AMPs are:

AMP4 (2005-10) - [Financial performance and expenditure of the water companies in England and Wales 2009-10](#)

AMP3 (2000-05) [http://www.ofwat.gov.uk/aptrix/ofwat/publish.nsf/AttachmentsByTitle/fpe_report2004-05.pdf/\\$FILE/fpe_report2004-05.pdf](http://www.ofwat.gov.uk/aptrix/ofwat/publish.nsf/AttachmentsByTitle/fpe_report2004-05.pdf/$FILE/fpe_report2004-05.pdf)

AMP2 (1995-2000) [http://www.ofwat.gov.uk/aptrix/ofwat/publish.nsf/AttachmentsByTitle/capex2000.pdf/\\$FILE/capex2000.pdf](http://www.ofwat.gov.uk/aptrix/ofwat/publish.nsf/AttachmentsByTitle/capex2000.pdf/$FILE/capex2000.pdf)

AMP1 (1990-95) [http://www.ofwat.gov.uk/aptrix/ofwat/publish.nsf/AttachmentsByTitle/capex1994-95.pdf/\\$FILE/capex1994-95.pdf](http://www.ofwat.gov.uk/aptrix/ofwat/publish.nsf/AttachmentsByTitle/capex1994-95.pdf/$FILE/capex1994-95.pdf)

Ofwat stopped producing the financial performance and expenditure reports after 2010.

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Water Lane
Wilmslow

Yours sincerely,

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