

May 2023

# **PR24 Final Methodology submission table guidance – section 8: Developer services**

## About this document

This document presents supporting definitions, guidance and commentary requirements related to developer services PR24 business plan tables.

## Version control

Version	Date published	Description
V1	7/7/2022	Draft methodology
V2	13/12/2022	Final methodology Changes from V1; <ul style="list-style-type: none"> <li>Edits made to tables to reflect changes made from PR24 draft methodology. Tables to be updated further for February 2023 version of business plan tables.</li> </ul>
V3	7/2/2023	Changes from V2; <ul style="list-style-type: none"> <li>The following tables have been removed: <ul style="list-style-type: none"> <li>DS3 – infrastructure charge reconciliation</li> <li>DS6 – expenditure on non-price control diversions</li> <li>DS8 – nutrient neutrality</li> <li>DS10 – developer services - wholesale water site-specific developer services unit cost information</li> </ul> </li> <li>Renumbering of remaining tables: <ul style="list-style-type: none"> <li>Previously DS4e and DS4w now DS2e and DS2w.</li> <li>Previously DS5 now DS3.</li> <li>Previously DS7 now DS4.</li> <li>Previously DS2 now DS5.</li> <li>Previously DS9 now DS6.</li> </ul> </li> <li>Clarification added that expenditure tables (DS2e, DS2w and DS3) should include the impact of the frontier shift and real price effect assumptions included in table SUP11.</li> </ul>
V4	31/5/2023	<ul style="list-style-type: none"> <li>Table DS1e <ul style="list-style-type: none"> <li>Income offset lines added</li> <li>Value of adopted assets row deleted</li> <li>Environmental incentive lines added to wastewater developer services revenue section</li> <li>Non-price control developer services revenue sub-total lines added</li> </ul> </li> <li>Table DS1w <ul style="list-style-type: none"> <li>Environmental incentive rows added</li> <li>Value of adopted assets rows deleted</li> </ul> </li> <li>Table DS2e and DS2w <ul style="list-style-type: none"> <li>Diversion expenditure lines removed and added to table CW11</li> </ul> </li> <li>Table DS3 <ul style="list-style-type: none"> <li>Diversion expenditure lines removed and added to table CWW11</li> </ul> </li> </ul>

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# 1. Summary purpose of the data tables

## What data are we collecting?

1.1 These tables relate to developer services and include:

- DS1e and DS1w – developer services revenue
- DS2e and DS2w – developer services expenditure – water network+
- DS3 – developer services expenditure – wastewater network+
- DS4 – developer services – new connections, properties and mains
- DS5 – network reinforcement costs
- DS6 – network reinforcement drivers – potable mains, sewers, pumping stations and pumping capacity

## Why are we collecting the data?

1.2 To inform our approach to regulating developer services at PR24, including:

- cost assessment;
- potential revenue reconciliation mechanisms;
- to understand the volume and type of developer services activity water and wastewater companies expect to deliver in the 2025–2030 period, and the state of competition in developer services; and
- to calculate the proportion of allowed revenue to be recovered from water customer bills.

## How is the data aligned with the annual performance report (APR)?

1.3 DS1e and DS1w are like Table 2E in the APR. But we have made some amendments to reflect our PR24 final methodology.

1.4 DS2e and DS2w is like Table 4N in the APR. But we have made some amendments to reflect our PR24 final methodology.

1.5 DS3 is like Table 4O. But we have made some amendments to reflect our PR24 final methodology.

1.6 DS4 is aligned to Table 4Q in the APR.

1.7 DS5 is aligned with Table 2J in the APR.

- 1.8 DS6 is not currently included in the APR. But companies were asked to provide historical outturn data requested in DS6 as part of the [network reinforcement May 2022 data request](#).

## 2. General guidance

- 2.1 These business plan tables accompany our final methodology for developer services and related issues.
- 2.2 Site-specific developer services relate to the work on, or provision of, water or sewerage structures or facilities located on a development as well as work to provide and connect a requested main, sewer, communication pipe or lateral drain on, to or in the immediate vicinity of, the development. It does not refer to costs or work required as part of network reinforcement.
- 2.3 Network reinforcement refers to work other than site-specific developer services work to provide or modify:
  - water mains and such tanks, service reservoirs, and pumping stations; and
  - sewers, pumping stations and storage facilities.
- 2.4 Forecast expenditure reported in Tables DS2e, DS2w, DS3 and DS5 should include the impact of the frontier shift and real price effect assumptions included in table SUP11.

### **Price base and Indexation**

The base year for the business plan is 2022-23.

The price base for financial cost information is base year prices indexed using the financial year average Consumer Price Index (including housing costs) ie 2022-23 prices FYA (CPIH deflated).

### 3. DS1e – Developer services revenue (English companies)

Table DS1e line definitions

Line	Title	Definition	RAG 4.11 line reference
<b>Developer services revenue – water network+</b>			
<b>DS1e.1</b>	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.12
<b>DS1e.2</b>	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.	2E.17
<b>DS1e.3</b>	Diversions – other non-section 185 diversions	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.18
<b>DS1e.4</b>	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. This includes infrastructure charges collected by new appointees and passed through to incumbents.	2E.10
<b>DS1e.5</b>	Other developer services revenue (price control)	Other revenue received from organisations towards developer services that are included in the price control (if any).	N/A
<b>DS1e.6</b>	Price control developer services revenue before deduction of income offset and before environmental incentives are taken into account	The sum of lines DS1e.1 to DS1e.5.	N/A
<b>DS1e.7</b>	Income offset	Income offset discounts applied to developer services revenue for water network+. Should be entered as a positive number. For avoidance of doubt, the ability to offer income offset for English water companies is removed from April 2025 onwards for new agreements. We would not expect companies to enter into any agreements in the remainder of AMP7 that would require them to make any payments in connection with income offset after April 2025.	2E.15
<b>DS1e.8</b>	Environmental incentives for more sustainable developments	Environmental incentives offered for more sustainable developments – water network+. Please enter as a negative value.	N/A

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Line	Title	Definition	RAG 4.11 line reference
DS1e.9	Environmental incentives for less sustainable developments	Revenue received in relation to environmental incentives for less sustainable developments – water network+. Please enter as a positive value.	N/A
DS1e.10	Price control developer services revenue after deduction of income offset and after environmental incentives are taken into account	DS1e.6 minus DS1e.7 plus the sum of lines DS1e.8 to DS1e.9.	N/A
DS1e.11	Connection charges	Revenue received from developers for service connection charges for installing a new service pipe and meter. This line should also include administration and application fees, including charges associated with self-lay schemes.	2E.9
DS1e.12	Requisitioned mains	Revenue received from developers to requisition a new water main.	2E.10
DS1e.13	Other developer services revenue (non-price control)	Other revenue received from organisations towards developer services that are not included in the price control (if any).	N/A
DS1e.14	Non-price control developer services revenue	Sum of lines DS1e.11 to DS1e.13.	N/A
DS1e.15	Total developer services revenue – water network+	The sum of lines DS1e.10 and DS1e.14.	N/A
<b>Developer services revenue – wastewater network+</b>			
DS1e.16	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.	2E.29
DS1e.17	Diversions – other non-section 185 diversions	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.30
DS1e.18	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. This includes infrastructure charges collected by new appointees and passed through to incumbents.	2E.23
DS1e.19	Other developer services revenue (price control)	Other revenue received from organisations towards developer services that are included in the price control (if any).	N/A
DS1e.20	Price control developer services revenue before deduction of income	The sum of lines DS1e.16 to DS1e.19.	2E.26



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Line	Title	Definition	RAG 4.11 line reference
	offset and before environmental incentives are taken into account		
<b>DS1e.21</b>	Income offset	Income offset discounts applied to developer services revenue for wastewater network+. Should be entered as a positive number. For avoidance of doubt, the ability to offer income offset for English water companies is removed from April 2025 onwards for new agreements. We would not expect companies to enter into any agreements in the remainder of AMP7 that would require them to make any payments in connection with income offset after April 2025.	2E.27
<b>DS1e.22</b>	Environmental incentives for more sustainable developments	Environmental incentives offered for more sustainable developments – wastewater network+. Please enter as a negative value.	N/A
<b>DS1e.23</b>	Environmental incentives for less sustainable developments	Revenue received in relation to environmental incentives for less sustainable developments – wastewater network+. Please enter as a positive value.	N/A
<b>DS1e.24</b>	Price control developer services revenue after deduction of income offset and after environmental incentives are taken into account	DS1e.20 minus DS1e.21 plus the sum of lines DS1e.22 to DS1e.23.	N/A
<b>DS1e.25</b>	Receipts for on-site work	Revenue received from developers for on-site work. This includes revenue received to requisition a new sewer; for connection to a public sewer; and 'inspection and supervision fees' (2.5% of construction costs based on WRC 'Sewers for adoption').	2E.22
<b>DS1e.26</b>	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.24
<b>DS1e.27</b>	Other developer services revenue (non-price control)	Other revenue received from organisations towards developer services that are not included in the price control (if any).	N/A
<b>DS1e.28</b>	Non-price control developer services revenue	Sum of lines DS1e.25 to DS1e.27.	N/A
<b>DS1e.29</b>	Total developer services revenue – wastewater network+	The sum of lines DS1e.24 and DS1e.28.	N/A

## **DS1e Additional guidance**

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.

## **DS1e Commentary requirement**

3.1 Companies should include the following commentary:

- An explanation of any assumptions made to complete the table, and an indication of the confidence in the data provided.
- An explanation of what services / activities are included in lines DS1e.5, DS1e.13, DS1e.19, and DS1e.27 (if any).
- An explanation of how you have ensured your forecast developer services revenue aligns with your developer services charges.
- An explanation of any large differences in site-specific developer services revenue in DS1e and site-specific developer services costs in DS2e and DS3.

## 4. DS1w – Developer services revenue (Welsh companies)

Table DS1w line definitions

Line	Title	Definition	RAG 4.11 line reference
<b>Developer services revenue – water network+</b>			
<b>DS1w.1</b>	Connection charges	Revenue received from developers for service connection charges for installing a new service pipe and meter. This line should also include administration and application fees, including charges associated with self-lay schemes.	2E.9
<b>DS1w.2</b>	Requisitioned mains	Revenue received from developers to requisition a new water main.	2E.10
<b>DS1w.3</b>	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.12
<b>DS1w.4</b>	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.	2E.17
<b>DS1w.5</b>	Diversions – other non-section 185 diversions	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.18
<b>DS1w.6</b>	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. This includes infrastructure charges collected by new appointees and passed through to incumbents.	2E.10
<b>DS1w.7</b>	Other developer services revenue (price control)	Other revenue received from organisations towards developer services that are included in the price control (if any).	N/A
<b>DS1w.8</b>	Price control developer services revenue before deduction of income offset and before environmental incentives are taken into account	The sum of lines DS1w.1 to DS1w.7	N/A
<b>DS1w.9</b>	Income offset	Income offset discounts applied to developer services revenue for water network plus. Should be entered as a positive number.	2E.15
<b>DS1w.10</b>	Environmental incentives for more	Environmental incentives offered for more sustainable developments – water network+. Please enter as a negative value.	N/A

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Line	Title	Definition	RAG 4.11 line reference
	sustainable developments		
<b>DS1w.11</b>	Environmental incentives for less sustainable developments	Revenue received in relation to environmental incentives for less sustainable developments – water network+. Please enter as a positive value.	N/A
<b>DS1w.12</b>	Price control developer services revenue after deduction of income offset and after environmental incentives are taken into account	DS1w.8 minus DS1w.9 plus the sum of lines DS1w.10 to DS1w.11.	N/A
<b>DS1w.13</b>	Developer services revenue (non-price control)	Other revenue received from organisations towards developer services that are not included in the price control (if any).	N/A
<b>DS1w.14</b>	Total developer services revenue – water network+	The sum of lines DS1w.12 and DS1w.13.	N/A
<b>Developer services revenue – wastewater network+</b>			
<b>DS1w.15</b>	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.	2E.29
<b>DS1w.16</b>	Diversions – other non-section 185 diversions	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.30
<b>DS1w.17</b>	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. This includes infrastructure charges collected by new appointees and passed through to incumbents.	2E.23
<b>DS1w.18</b>	Other developer services revenue (price control)	Other revenue received from organisations towards developer services that are included in the price control (if any).	N/A
<b>DS1w.19</b>	Price control developer services revenue before deduction of income offset and before environmental incentives are taken into account	The sum of lines DS1w.15 to DS1w.18.	2E.26

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Line	Title	Definition	RAG 4.11 line reference
DS1w.20	Income offset	Income offset discounts applied to developer services revenue for wastewater network plus. Should be entered as a positive number.	2E.27
DS1w.21	Environmental incentives for more sustainable developments	Environmental incentives offered for more sustainable developments – wastewater network+. Please enter as a negative value.	N/A
DS1w.22	Environmental incentives for less sustainable developments	Revenue received in relation to environmental incentives for less sustainable developments – wastewater network+. Please enter as a positive value.	N/A
DS1w.23	Price control developer services revenue after deduction of income offset and after environmental incentives are taken into account	DS1w.19 minus DS1w.20 plus the sum of lines DS1w.21 to DS1w.22.	N/A
DS1w.24	Receipts for on-site work	Revenue received from developers for on-site work. This includes contributions received to requisition a new sewer; for connection to a public sewer; and ‘inspection and supervision fees’ (2.5% of construction costs based on WRC ‘Sewers for adoption’).	2E.22
DS1w.25	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.24
DS1w.26	Other developer services revenue (non-price control)	Other revenue received from organisations towards developer services that are not included in the price control (if any).	N/A
DS1w.27	Non-price control developer services revenue	The sum of lines DS1w.24 to DS1w.26.	N/A
DS1w.28	Total developer services revenue – wastewater network+	The sum of lines DS1w.23 and DS1w.27.	N/A

## DS1w Additional guidance

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.

## **DS1w Commentary requirement**

4.1 Companies should include the following commentary:

- An explanation of any assumptions made to complete the table, and an indication of the confidence in the data provided.
- An explanation of what services / activities are included in lines DS1w.7, DS1w.13, DS1w.18, and DS1w.26 (if any).
- An explanation of how you have ensured your forecast developer services revenue align with your developer services charges.
- An explanation of any large differences in site-specific developer services revenue in DS1w and site-specific developer services costs in DS2w and DS3.

## 5. DS2e – Developer services expenditure (excluding diversions) – water (English companies)

Table DS2e line definitions

Line	Title	Definition	RAG 4.10 line reference
<b>Water developer services expenditure (excluding diversions) – price control</b>			
<b>DS2e.1</b>	Infrastructure network reinforcement	<p>Expenditure related to the provision or upgrading of network assets (<b>both above and below ground</b>) such as water mains, tanks, service reservoirs, to provide for new customers with no net deterioration of existing levels of service. This expenditure relates solely to network reinforcement works that are needed on the existing and new network assets beyond the nearest practicable point where the connection to the network has been, or will be, made.</p> <p>Expenditure reported in this line should be the same categories of expenditure that was used to calculate infrastructure charges for English companies as reported in DS1e.4. For avoidance of doubt, costs of network reinforcement from all foreseeable developer applications should be reported here.</p>	4N.3
<b>DS2e.2</b>	Asset payments associated with legacy agreements	Asset payments associated with legacy agreements entered into before April 2020. For avoidance of doubt, English water companies must not offer asset payments under or in connection with any agreement entered into from April 2020 onwards.	N/A
<b>Water developer services expenditure (excluding diversions) – non-price control</b>			
<b>Site-specific costs for developments that do not require new water mains</b>			
<b>DS2e.3</b>	New connections	<p>Expenditure related to the connection of a new property (including the cost of a meter, communication pipe and boundary stop tap valve). Only include costs attributable to development sites that do not require new water requisition mains.</p> <p>Expenditure reported in this line should be the same categories of expenditure that was used to calculate connection charges for English companies as reported in DS1e.11.</p>	N/A
<b>DS2e.4</b>	Other site-specific developer services activities	<p>Expenditure related to other site-specific activities provided to developers that is not included in line DS2e.3. Only include costs attributable to development sites that do not require new water requisition mains.</p> <p>Please explain what activities you have included in this line in accompanying commentary, and where the accompanying revenue has been reported in DS1e.</p>	N/A
<b>Site-specific developer services – development sites that require new water mains</b>			
<b>DS2e.5</b>	New connections	Expenditure related to the connection of a new property (including the cost of a meter, communication pipe and boundary stop tap valve). Only include costs attributable to development sites that require new water requisition mains.	N/A

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		Expenditure reported in this line should be the same categories of expenditure that was used to calculate connection charges for English companies as reported in DS1e.11.	
<b>DS2e.6</b>	Requisition mains	Expenditure related to the provision of new requisition mains (eg the cost of work to lay new mains on-site and to connect to the existing network in the immediate vicinity of the development). Only include costs attributable to development sites that require new water requisition mains. Expenditure reported in this line should be the same categories of expenditure that was used to calculate requisition charges for English companies as reported in DS1e.12.	N/A
<b>DS2e.7</b>	Other site-specific developer services activities	Expenditure related to other site-specific activities provided to developers that is not included in lines DS2e.5 to DS2e.6. Only include costs attributable to development sites that require new water requisition mains. Please explain what activities you have included in this line in accompanying commentary, and where the accompanying revenue has been reported in DS1e.	N/A
<b>Developer services expenditure (excluding diversions) - water (English companies); totals</b>			
<b>DS2e.8</b>	Developer services expenditure (excluding diversions) - water (price control)	The sum of lines DS2e.1 and DS2e.2.	N/A
<b>DS2e.9</b>	Developer services expenditure (excluding diversions) - water (non-price control)	The sum of lines DS2e.3 to DS2e.7.	N/A
<b>DS2e.10</b>	Total developer services expenditure - water (non-price control)	The sum of lines DS2e.8 to DS2e.9.	N/A

### DS2e Additional guidance

- 5.1 DS2e is like Table 4N in the APR. But we have made some amendments to reflect our PR24 final methodology.
- 5.2 Forecast expenditure should include the impact of the frontier shift and real price effect assumptions included in table SUP11.

### DS2e Commentary requirement

- 5.3 Companies should include the following commentary:
  - An explanation of any assumptions made to complete the table, and an indication of the confidence in the data provided.



- An explanation of what services / activities are included in lines DS2e.4 and DS2e.7 (if any).
- An explanation of how you have ensured your forecast developer services costs align with your developer services charges.
- An explanation of any material year-on-year variations in developer services costs.

## 6. DS2w – Developer services expenditure – water (Welsh companies)

Table DS2w line definitions

Line	Title	Definition	RAG 4.10 line reference
<b>Water developer services expenditure (excluding diversions) – price control</b>			
<b>Site-specific costs for developments that do not require new water mains</b>			
<b>DS2w.1</b>	New connections	Expenditure related to the connection of a new property (including the cost of a meter, communication pipe and boundary stop tap valve). Only include costs attributable to development sites that do not require new water requisition mains.  Expenditure reported in this line should be the same categories of expenditure that was used to calculate connection charges for English companies as reported in DS1e.11.	N/A
<b>DS2w.2</b>	Other site-specific developer services activities	Expenditure related to other site-specific activities provided to developers that is not included in line DS2w.1. Only include costs attributable to development sites that do not require new water requisition mains.  Please explain what activities you have included in this line in accompanying commentary, and where the accompanying revenue has been reported in DS1w.	N/A
<b>Site-specific costs for developments that do require new water mains</b>			
<b>DS2w.3</b>	New connections	Expenditure related to the connection of a new property (including the cost of a meter, communication pipe and boundary stop tap valve). Only include costs attributable to development sites that require new water requisition mains.  Expenditure reported in this line should be the same categories of expenditure that was used to calculate connection charges for English companies as reported in DS1e.11.	N/A
<b>DS2w.4</b>	Requisition mains	Expenditure related to the provision of new requisition mains (eg the cost of work to lay new mains on-site and to connect to the existing network in the immediate vicinity of the development). Only include costs attributable to development sites that require new water requisition mains.  Expenditure reported in this line should be the same categories of expenditure that was used to calculate requisition charges for English companies as reported in DS1e.12.	N/A
<b>DS2w.5</b>	Other site-specific developer services activities	Expenditure related to other site-specific activities provided to developers that is not included in lines DS2w.3 to DS2w.4. Only include costs attributable to development sites that require new water requisition mains.  Please explain what activities you have included in this line in accompanying commentary, and where the accompanying revenue has been reported in DS1w.	N/A
<b>Network reinforcement and legacy asset payments</b>			

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<b>DS2w.6</b>	Infrastructure network reinforcement	Expenditure related to the provision or upgrading of network assets ( <b>both above and below ground</b> ) such as water mains, tanks, service reservoirs, to provide for new customers with no net deterioration of existing levels of service. This expenditure relates solely to network reinforcement works that are needed on the existing and new network assets beyond the nearest practicable point where the connection to the network has been, or will be, made. Expenditure reported in this line should be the same categories of expenditure that was used to calculate infrastructure charges for English companies as reported in DS1e.4. For avoidance of doubt, costs of network reinforcement from all foreseeable developer applications should be reported here.	4N.3
<b>DS2w.7</b>	Asset payments	Asset payments payable to developers and Self Lay Organisations (SLOs) who build water mains that a water company adopts.	N/A
<b>Developer services expenditure (excluding diversions) – water (Welsh companies); totals</b>			
<b>DS2w.8</b>	Total developer services expenditure – water (price control)	The sum of lines DS2w.1 to DS2w.7.	N/A
<b>DS2w.9</b>	Total developer services expenditure – water (total)	Equal to line DS2w.8.	N/A

### DS2w Additional guidance

- 6.1 DS2w is like Table 4N in the APR. But we have made some amendments to reflect our PR24 final methodology.
- 6.2 Forecast expenditure should include the impact of the frontier shift and real price effect assumptions included in table SUP11.

### DS2w Commentary requirement

- 6.3 Companies should include the following commentary:
  - An explanation of any assumptions made to complete the table, and an indication of the confidence in the data provided.
  - An explanation of what services / activities are included in lines DS2w.2 and DS2w.5 (if any).
  - An explanation of how you have ensured your forecast developer services costs align with your developer services charges.
  - An explanation of any material year-on-year variations in developer services costs.

## 7. DS3 – Developer services expenditure – wastewater (English and Welsh companies)

Table DS3 line definitions

Line	Title	Definition	RAG 4.10 line reference
	Wastewater developer services expenditure (excluding diversions) – price control		V a s t e v a t e n o e v e l o p e r s e r v i c e s e x p e n d i t u r e ( e x c l u d i

<b>DS3.1</b>	Infrastructure network reinforcement - capex	Expenditure related to the provision or upgrading of network assets (both above and below ground) such as sewers and pumping stations, to provide for new customers with no net deterioration of existing levels of service. This expenditure relates solely to network reinforcement works that are needed on the existing and new network assets beyond the nearest practicable point where the connection to the network has been, or will be, made.  Expenditure reported in this line should be the same categories of expenditure that was used to calculate infrastructure charges for English companies as reported in DS1e.17	40.3
<b>DS3.2</b>	Infrastructure network reinforcement - opex		40.9
<b>Wastewater developer services expenditure (non-price control)</b>			
<b>Site-specific developer services – capex and opex</b>			
<b>DS3.3, DS3.7</b>	New connections	Expenditure related to the connection of new properties to the existing sewer network in the immediate vicinity of the development (eg cost of laying lateral drains and new requisition sewers).  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 for English companies as reported DS1e.24.	40.1, 40.7
<b>DS3.4, DS3.8</b>	Requisition sewers	Expenditure related to the provision of new requisition sewer (eg the cost of work to lay new sewer on-site and to connect to the existing network in the immediate vicinity of the development).  Expenditure reported in this line should be the same categories of expenditure that was used to calculate a water or	40.2, 40.8

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		sewerage undertaker's receipts for on-site work for English companies as reported DS1e.24.	
<b>DS3.5, DS3.9</b>	Other site-specific developer services activities	Expenditure related to other site-specific activities provided to developers that is not included in lines DS3.3 to DS3.4, and DS3.7 to DS3.8. Please explain what activities you have included in this line in accompanying commentary, and where the accompanying revenue has been reported in DS1e / DS1w.	N/A
<b>DS3.6</b>	Total site-specific developer services - capex	The sum of lines DS3.3 to DS3.5.	N/A
<b>DS3.10</b>	Total site-specific developer services opex	The sum of lines DS3.7 to DS3.9.	N/A
<b>Developer services expenditure (excluding diversions) - wastewater; totals</b>			
<b>DS3.11</b>	Developer services expenditure (excluding diversions) - water (price control)	The sum of lines DS3.1 and DS3.2.	N/A
<b>DS3.12</b>	Developer services expenditure - wastewater (non-price control)	The sum of lines DS3.6 and DS3.10.	N/A
<b>DS3.13</b>	Developer services expenditure - wastewater (total)	The sum of lines DS3.11 and DS3.12.	N/A

### DS3 Additional guidance

- 7.1 DS3 is similar to Table 40. But we have made some amendments to reflect our PR24 final methodology.
- 7.2 Forecast expenditure should include the impact of the frontier shift and real price effect assumptions included in table SUP11.

### DS3 Commentary requirement

- 7.3 Companies should include the following commentary:
  - An explanation of any assumptions made to complete the table, and an indication of the confidence in the data provided.
  - An explanation of what services / activities are included in lines DS3.5 and DS3.9 (if any).
  - An explanation of how you have ensured your forecast developer services costs align with your developer services charges.

- An explanation of any material year-on-year variations in developer services costs.

## 8. DS4 – Developer services non-financial data

Table DS4 line definitions

Line	Title	Definition	RAG 4.10 line reference
DS4.1	New connections (residential – excluding new appointees)	<p>For water, this should equal the total number of new service connections between a property (or properties) and a new/existing water main during the reporting period that are served by the incumbent, counted at the time of the connection being made. It should exclude connections between an existing main and a new requisition main. This relates to residential properties and should exclude service connections that are served by new appointees.</p> <p>For wastewater, this should equal the number of lateral drains connected to sewers by company plus “self-laid” by contractors working on behalf of developers during the reporting period, counted at time of the connection being made. This relates to residential properties and should exclude connections that are being served by new appointees.</p> <p>The figure here will not necessarily be the same as DS4.5, since one new service connection could serve multiple properties, or a new connection could be required in an existing property.</p>	4Q.1
DS4.2	New connections (business – excluding new appointees)	This relates to new connections (as defined in DS4.1) in respect of non-household properties.	4Q.2
DS4.3	Total new connections served by incumbent	The sum of lines DS4.1 and DS4.2.	4Q.3
DS4.4	New connections – SLPs	This line records SLP activity. Number of new connections served by the incumbent where SLPs do the tapping. This figure is part of DS4.1/DS4.2.	4Q.4
DS4.5	New properties (residential – excluding new appointees)	Number of new residential properties added to the network, excluding those that are being served by new appointees. This relates to the new connections made in the year, not new billed properties, and should be counted at the time the new service connection is completed.	4Q.5
DS4.6	New properties (business – excluding new appointees)	This relates to new properties (as defined in DS4.5) for non-household use.	4Q.6
DS4.7	Total new properties served by incumbent	The sum of lines DS4.5 and DS4.6.	4Q.7
DS4.8	New residential properties served by new appointees	Number of new residential properties on new appointee sites with a bulk supply from the incumbent. To be estimated if not known – noted in the annual return.	4Q.8
DS4.9	New business properties served by new appointees	Number of non-household properties on new appointee sites with a bulk supply from the incumbent. To be estimated if not known – noted in the annual return.	4Q.9
DS4.10	Total new properties served by new appointees	The sum of lines DS4.8 and DS4.9.	4Q.10



Line	Title	Definition	RAG 4.10 line reference
DS4.11	Total new properties	The sum of lines DS4.7 and DS4.10.	4Q.11
DS4.12	New properties – SLP connections	This line records SLP activity. Number of new properties served by the incumbent where the service connections were completed by SLPs providers, as described in DS4.4. This figure is part of DS4.5/DS4.6.	4Q.12
DS4.13	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 CW6.1 – Total length of new potable mains.	4Q.13
DS4.14	Length of new mains (km) - SLPs	This line records SLP activity. Total length (km) of new mains laid by SLPs in report year, which the incumbent water company adopts. This figure is part of CW6.1 – Total length of new potable mains.	4Q.14

## DS4 Additional guidance

- 8.1 This table summarises site-specific developer services activity undertaken in any given year. It also provides information on the level of self-lay provider (SLP) and new appointee activity in the developer services market. It is aligned with Table 4Q in the APR.
- 8.2 The table contains inputs needed for populating the PR19 Developer services revenue adjustment mechanism model and calculating the end of period revenue adjustments to be applied at PR24.

## DS4 Commentary requirement

- 8.3 Companies should include the following commentary:
- An explanation of any assumptions made to complete the table, and an indication of the confidence in the data provided.
  - An explanation of any material year-on-year variations in developer services activity.
  - A description of the state of competition in developer services in each company's respective operating areas.

## 9. DS5 – Network reinforcement costs

Table DS5 line definitions

Line	Title	Definition	RAG 4.10 line reference
DS5.1	Distribution and trunk mains	Capital expenditure on new or upsized distribution and trunk mains as defined in DS2, excluding third party capex.	2J.1
DS5.2	Pumping and storage facilities	Capital expenditure on new or upgrading of pumps and the installation of small service reservoirs or towers as defined in DS2 and excluding third party capex.	2J.2
DS5.3	Other	Any other capital expenditure defined DS2 but not included in DS5.1 and DS5.2.	2J.3
DS5.4	Total	The sum of lines DS5.1 to DS5.3.	2J.4
DS5.5	Foul and combined systems	Capital expenditure on new or upsized public foul and combined sewers defined in DS3 and excluding third party capex.	2J.5
DS5.6	Surface water only systems	Capital expenditure on new or upsized surface water only public sewers defined in DS3 and excluding third party capex.	2J.6
DS5.7	Pumping and storage facilities	Capital expenditure on construction of new booster stations and pumps and installation of storage tanks defined in DS3 and excluding third party capex.	2J.7
DS5.8	Other	Any other capital expenditure defined in DS5 but not included in DS5.5–DS5.7.	2J.8
DS5.9	Total	The sum of lines DS5.5 to DS5.8.	2J.9

### DS5 Additional guidance

- 9.1 Please ensure DS5.4 aligns with capex reported in DS2e.4 and DS2w.9, and DS5.9 aligns with DS3.1.
- 9.2 Definitions are aligned with Table 2J in the APR. For avoidance of doubt, costs of network reinforcement from all foreseeable developer applications should be reported in Table DS5.
- 9.3 Forecast expenditure should include the impact of the frontier shift and real price effect assumptions included in table SUP11.

### DS5 Commentary requirement

- 9.4 Companies should explain any material year-on-year variations in network reinforcement costs.

## 10. DS6 Network Reinforcement drivers – potable mains, sewers, pumping stations and pumping capacity

Table DS6 line definitions

Line	Title	Definition	RAG 4.10 line reference
DS6.1	Length of new potable mains laid - proportional allocation	Length of new potable water mains laid. Assets should be allocated by investment driver, as described in the relevant guidance. For the avoidance of the doubt, any new mains laid to replace an existing main should be excluded from this line and reported in line DS6.3. The total length of new mains laid is expected to match the year on year difference in APR item 6C.1 - Total length of potable mains as at 31 March. Where there is a mismatch, please include relevant commentary to explain the discrepancy.	N/A
DS6.2	Length of new potable mains laid - full allocation	Length of new potable water mains laid. Assets should be allocated by investment driver, as described in the relevant guidance. For the avoidance of the doubt, any new mains laid to replace an existing main should be excluded from this line and reported in line DS6.4.	N/A
DS6.3	Length of potable mains upsized - proportional allocation	Length of potable water mains upsized (ie replaced or renewed but increased in diameter). Assets should be allocated by investment driver, as described in the relevant guidance. The sum of line DS6.1 and DS6.3 is expected to match APR item 6C.4 - Total length of new potable mains. Where there is a mismatch, please include relevant commentary to explain the discrepancy.	N/A
DS6.4	Length of potable mains upsized - full allocation	Length of potable water mains upsized (ie replaced or renewed but increased in diameter). Assets should be allocated by investment driver, as described in the relevant guidance.	N/A
DS6.5	Length of new sewers laid - proportional allocation	Length of new sewers laid. Assets should be allocated by investment driver, as described in the relevant guidance. For the avoidance of the doubt, any new sewers laid to replace an existing main should be excluded from this line and reported in line DS6.6.	N/A
DS6.6	Length of new sewers laid - full allocation	Length of new sewers laid. Assets should be allocated by investment driver, as described in the relevant guidance. For the avoidance of the doubt, any new sewers laid to replace an existing main should be excluded from this line and reported in line DS6.7.	N/A

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Line	Title	Definition	RAG 4.10 line reference
DS6.7	Length of sewers upsized – proportional allocation	Length of sewers upsized (ie replaced or renewed but increased in diameter). Assets should be allocated by investment driver, as described in the relevant guidance.	N/A
DS6.8	Length of sewers upsized – full allocation	Length of sewers upsized (ie replaced or renewed but increased in diameter). Assets should be allocated by investment driver, as described in the relevant guidance.	N/A
DS6.9	New potable water pumping stations built – proportional allocation	Number of new water pumping stations built. Assets should be allocated by investment driver, as described in the relevant guidance. The number of new water pumping stations built is expected to match the year on year difference in APR item 6B.20 – Total number of potable water pumping stations that pump into and within the treated water distribution system. Where there is a mismatch, please include relevant commentary to explain the discrepancy.	N/A
DS6.10	New potable water pumping stations built – full allocation	Number of new water pumping stations built. Assets should be allocated by investment driver, as described in the relevant guidance.	N/A
DS6.11	Existing potable water pumping stations upsized – proportional allocation	Number of new water pumping stations upsized (ie where investment has led to a capacity increase). Assets should be allocated by investment driver, as described in the relevant guidance.	N/A
DS6.12	Existing potable water pumping stations upsized – full allocation	Number of new water pumping stations upsized (ie where investment has led to a capacity increase). Assets should be allocated by investment driver, as described in the relevant guidance.	N/A
DS6.13	Additional potable water pumping capacity installed – proportional allocation	Additional pumping capacity installed at water pumping stations. This refers to any net increases in capacity from existing capacity (eg if a 50 kW station was upgraded to 75 kW, the figure reported in this line would be 25 kW). The activity should be allocated by investment driver, as described in the relevant guidance. The additional pumping capacity installed at water pumping stations is expected to match the year on year difference in APR item 6B.1 – Total installed power capacity of potable water pumping stations. Where there is a mismatch, please include relevant commentary to explain the discrepancy.	N/A
DS6.14	Additional potable water pumping capacity installed – full allocation	Additional pumping capacity installed at water pumping stations. This refers to any net increases in capacity from existing capacity (eg if a 50 kW station was upgraded to 75 kW, the figure reported in this line would be 25 kW). The activity should be allocated by investment driver, as described in the relevant guidance.	N/A

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Line	Title	Definition	RAG 4.10 line reference
DS6.15	New pumping stations built on sewerage network - proportional allocation	Number of new pumping stations built on the sewerage network. Assets should be allocated by investment driver, as described in the relevant guidance. The number of new pumping stations built on the sewerage network is expected to match the year on year difference in APR item 7C.4 - Number of network pumping stations. Where there is a mismatch, please include relevant commentary to explain the discrepancy	N/A
DS6.16	New pumping stations built on sewerage network - full allocation	Number of new pumping stations built on the sewerage network. Assets should be allocated by investment driver, as described in the relevant guidance.	N/A
DS6.17	Existing stations upsized on sewerage network - proportional allocation	Number of new pumping stations built on the sewerage network. Assets should be allocated by investment driver, as described in the relevant guidance. The number of new pumping stations built on the sewerage network is expected to match the year on year difference in APR item 7C.4 - Number of network pumping stations. Where there is a mismatch, please include relevant commentary to explain the discrepancy	N/A
DS6.18	Existing stations upsized on sewerage network - full allocation	Number of new pumping stations upsized on the sewerage network (ie where investment has led to a capacity increase). Assets should be allocated by investment driver, as described in the relevant guidance.	N/A
DS6.19	New pumping capacity installed on sewerage network - proportional allocation	Additional pumping capacity installed at pumping stations on the sewerage network. This refers to any net increases in capacity from existing capacity (eg if a 50 kW station was upgraded to 75 kW, the figure reported in this line would be 25 kW). The activity should be allocated by investment driver, as described in the relevant guidance. The additional pumping capacity installed at pumping stations on the sewerage network is expected to match the year on year difference in APR item 7C.3 - Total pumping station capacity. Where there is a mismatch, please include relevant commentary to explain the discrepancy.	N/A
DS6.20	New pumping capacity installed on sewerage network - full allocation	Additional pumping capacity installed at pumping stations on the sewerage network. This refers to any net increases in capacity from existing capacity (eg if a 50 kW station was upgraded to 75 kW, the figure reported in this line would be 25 kW). The activity should be allocated by investment driver, as described in the relevant guidance.	N/A

## DS6 Additional guidance

The table collects data on the following activities:

- length of new and upsized potable mains;
- length of new and upsized sewers;

- number of new and upsized pumping stations; and
- additional pumping capacity installed.

The data is split by driver of the investment:

- **network reinforcement** - activities defined as network reinforcement relate to works for which the company levies infrastructure charges, to provide for new customers with no net deterioration of existing levels of service. This relates only to assets laid beyond the nearest practicable point where the connection to the network has, or will be made. Self-lay adoptions should be reported separately in the dedicated column;
- **requisition mains / sewers** - activities defined as requisitions relate to new mains and sewers laid by the incumbent water company for which the company levies requisition charges. The length of new mains and sewers laid by self-lay providers (SLPs), which the incumbent water company adopts, should be reported separately in the dedicated column;
- **resilience** - activities defined as resilience relates to works to manage the risk of failing to give consumers or the environment an appropriate level of service protection in the face of low probability and high consequence events caused by hazards that are beyond companies' control. This includes works to meet new, more onerous requirements arising from the National Flood Resilience Review. For the purpose of this business plan table only, activities related to supply demand balance investments (eg internal interconnections) should also be included;
- **maintenance** - activities defined as maintenance relate to works to maintain the long term capability of assets and to deliver base levels of service; and
- **water quality** - activities defined as water quality relate to works to deliver improvements to consumer acceptability of the drinking water (relating to colour, taste and odour).

For the avoidance of the doubt, for each data line the company should report the total value of activities completed in the year, not only where projects have an overlap with network reinforcement. For example, all new potable mains laid in the year should be included and reported against the relevant driver of the investment.

Where an activity has more than one investment driver (eg reinforcement, resilience, maintenance), it should be allocated according to two different allocation methods:

- **proportional allocation** - companies should allocate the asset proportionally across investment areas following the same method used to allocate the relevant expenditure. For example, assuming the relevant expenditure was allocated 60:40 between network reinforcement and maintenance, the activity should also be allocated 60:40 between network reinforcement and maintenance; and

- **full allocation** - companies should allocate the asset in full to each of the areas that drive the expenditure. For example, assuming the relevant expenditure was allocated 60:40 between network reinforcement and maintenance, the activity should be allocated in full to both network reinforcement and maintenance.

The comparison of information between the proportional and full allocation will help to inform differences in allocation practices across companies between growth and other areas of expenditure. In particular, it will help to inform what proportion of activities was allocated to network reinforcement, out of all activities that had some overlap with network reinforcement in the year. We provide an example of the two allocation methods below.

## **DS6 Commentary requirement**

10.1 Please set out the approach/methodology taken to complete the table and any assumptions that have been applied.

10.2 Examples

**10.3 Example 1: proportional allocation vs allocation 'in full'.** For the purpose of this example, the company has laid 1 km of a new main. The expenditure has been allocated 60% to resilience and 40% to network reinforcement. Under the proportional allocation method, 60% of the main is allocated to resilience (0.6 km), and 40% to reinforcement (0.4 km) with the Total being 1 km. Under the allocation 'in full', the full length of the main is allocated to both resilience (1 km) and reinforcement (1 km) and the Total is 2 km.

Line description	Units	DPs	Network reinforcement	Requisition mains / sewers		Resilience	Maintenance	Water quality	Total
				Incumbent	Self-lay adoptions				

Potable mains									
Length of new potable mains laid - proportional allocation	km	1	0.4	0.0	0.0	0.6	0.0	0.0	1.0
Length of new potable mains laid - full allocation	km	1	1.0	0.0	0.0	1.0	0.0	0.0	2.0
Length of potable mains upsized - proportional allocation	km	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Length of potable mains upsized - full allocation	km	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0

10.4

10.5



10.6 **Example 2: new vs upsized mains.** For the purpose of this example, 1 km of existing mains is replaced by 1 km of larger diameter mains. The drivers of the replacement are network reinforcement and maintenance, and project costs are allocated 60:40 between these drivers. This would be reported under line 2 'Length of potable mains upsized'. Under the proportional allocation method, the upsized main would be reported 40% under network reinforcement and 60% under maintenance. In sheet '2. Under the allocation 'in full', 1km would be reported under network reinforcement and 1km under maintenance.

Line description	Units	DPs	Network reinforcement	Requisition mains / sewers		Resilience	Maintenance	Water quality	Total
				Incumbent	Self-lay adoptions				

Potable mains									
Length of new potable mains laid - proportional allocation	km	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Length of new potable mains laid - full allocation	km	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Length of potable mains upsized - proportional allocation	km	1	0.4	0.0	0.0	0.0	0.6	0.0	1.0
Length of potable mains upsized - full allocation	km	1	1.0	0.0	0.0	0.0	1.0	0.0	2.0

**Example 3: new main.** For the purpose of this example, the company has laid 1 km of new main in consequence of a new development. The driver of the replacement is network reinforcement, and project costs are allocated 100% to this driver. This would be reported under 'Length of new potable mains'. Under the proportional allocation method, 1.0 km would be reported under network reinforcement. Under the

Line description	Units	DPs	Network reinforcement	Requisition mains / sewers		Resilience	Maintenance	Water quality	Total
				Incumbent	Self-lay adoptions				

Potable mains									
Length of new potable mains laid - proportional allocation	km	1	1.0	0.0	0.0	0.0	0.0	0.0	1.0
Length of new potable mains laid - full allocation	km	1	1.0	0.0	0.0	0.0	0.0	0.0	1.0
Length of potable mains upsized - proportional allocation	km	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Length of potable mains upsized - full allocation	km	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0

allocation 'in full' ,1.0 km would be reported under network reinforcement.



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Ofwat  
Centre City Tower  
7 Hill Street  
Birmingham B5 4UA  
Phone: 0121 644 7500

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