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# **PR24 Final Methodology submission table guidance – section 12: Past delivery**

## About this document

### Version control

Version	Date published	Description
V1	7/7/2022	Draft methodology
V2	13/12/2022	Final methodology Changes from V1; None
V3	7/2/2023	Changes from V2; Line description amended PD11.1, PD11.2 and PD11.3
V4	31/5/2023	<p>Changes from V3:</p> <p>PD8 – updated calculation rules</p> <p>PD8.15 – added calculation rule and removed references to DS tables</p> <p>PD8.22 – removed references to DS tables</p> <p>PD9 – corrected cross-references to other tables</p> <p>PD9 – added lines to capture the adjustment from the WINEP uncertainty mechanism and (for CMA companies only) allowance and expenditure for items with bespoke sharing rates.</p> <p>PD10 changed from collecting information associated with innovation competition to data associated with super-deduction first-year capital allowances.</p> <p>PD11.13 – deleted 'except bioresources' from the definition.</p> <p>PD12.27 – added 'bioresources' to the first sentence, so it now reads '...for the water resources, network plus, bioresources and additional price controls.'</p> <p>PD12 – Added new lines PD12.21 'PR19 Bioresources forecasting accuracy incentive penalty in 2017-18 FYA (CPIH deflated) prices' and PD12.56 'PR19 Bioresources forecasting accuracy incentive penalty in 2022-23 FYA (CPIH deflated) prices' and removed lines associated with the PR19 Innovation fund and competition revenue adjustment.</p> <p>PD11 – Added new lines PR24 Transitional expenditure programme RCV adjustment in 2017-18 FYA (CPIH deflated) prices and PR24 Defra accelerated programme RCV adjustment in 2017-18 FYA (CPIH deflated) prices.</p>

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## 1. Summary purpose of the data tables

### What data are we collecting?

- 1.1 The Past Delivery business plan tables collect forecast data relating to wholesale revenue, land sales, wholesale totex, bulk supplies, Green recovery and the innovation competition fund.
- 1.2 There is also a table collecting companies' inflation forecasts for 2023–2035 and two reconciliation summary tables. The first summary table collects end-of-period midnight adjustments to the RCV arising from PR14 and PR19 reconciliations and calculates the opening RCV balances on 1 April 2025. The second summary table collects all the RCV and revenue adjustments arising from the PR19 end-of-period reconciliations.
- 1.3 For companies whose areas are wholly or mainly in Wales ("Welsh companies"),<sup>1</sup> there are an additional two tables collecting forecast data on non-household water and wastewater revenues by tariff types.
- 1.4 Other business plan data tables collect forecast data that will also be used in the PR19 reconciliation models for the 2020–25 price control period.

### Why are we collecting the data?

- 1.5 The purpose of collecting this data is to enable us to update the PR19 reconciliation models set out in the PR19 reconciliation rulebook and therefore reconcile companies' performance over the 2020–25 period against the PR19 final determination or the Competition and Market Authority's (CMA) redetermination or any subsequent interim determination of K (IdoK).
- 1.6 The rulebook and models are available on our [website](#) with the exception of the business retail (Dŵr Cymru and Hafren Dyfrdwy only). In the rulebook we say that we propose to check compliance with the business retail controls through the annual reporting process. Therefore we do not envisage building a separate model.
- 1.7 We are also collecting Green Recovery data following our [Green recovery decisions](#) in July 2021, to allow the reconciliation of the agreed additional package of investment.

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<sup>1</sup> Dŵr Cymru and Hafren Dyfrdwy

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

- 1.8 The PR19 reconciliation models use actual costs and performance from the APR tables and forecasts from business plan tables.
- 1.9 The business plan tables closely mirror APR equivalent tables in terms of format and structure with line definitions clearly cross-referenced, but not in relation to price base. The APR collects actual data in outturn (nominal) prices whereas the business plan collects forecasts in 2022-23 base year prices.
- 1.10 The PR19 Past Delivery business plan tables also include an inflation table and two RCV and revenue adjustment summary tables which are exclusive to the PR24 business plan and are not collected in the APR.

## 2. General guidance

- 2.1 Unless otherwise stated, the price base for financial cost information is 2022-23 base year prices indexed using the financial year average Consumer Price Index (including housing costs) i.e. 2022-23 prices FYA (CPIH deflated).
- 2.2 Where the PR19 reconciliation models require the inputs in a different price base to the business plan forecast values, we expect companies to convert the forecasts to the required price base using the inflation details in business plan table PD1.
- 2.3 We expect companies to publish their populated PR19 reconciliation models with associated commentary.
- 2.4 As we did in PR19, we will use two feeder models to take the outputs from the PR14 and PR19 reconciliations and convert them to 2022-23 prices for use in the PR24 financial model. These are the PR24 revenue adjustments feeder model and PR24 RCV adjustments feeder model.
- 2.5 The first will profile the revenue adjustments in the 2025-30 price controls and direct the profiled revenue adjustments to the right price control in the financial model. The second will direct the RCV adjustments from the reconciliations into the right price controls.

### 3. PD1 – Inflation indices

#### Table PD1 line definitions

##### Price base and Indexation

This table contains companies' assumptions about CPIH and RPI inflation during the current price control period and for the ten years 2025–35 used in the compilation of their business plans. This allows us to adjust the price base of business plans and compare across companies on a consistent basis – without prescribing assumptions about inflation. We will provide published index numbers for each year from 2011–12 to 2022–23.

Line	Title	Definition	RAG 4.10 line reference
PD1.1	RPI: Months of actual data for Financial Year	Counts the number of months completed in a financial year. Values should equal 12 to indicate that forecasts of RPI have been completed for all months of the financial year.	n/a
PD1.2	Retail Price Index for April	The published values for the retail price index (RPI) for April available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for April.	n/a
PD1.3	Retail Price Index for May	The published values for the retail price index (RPI) for May available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for May.	n/a
PD1.4	Retail Price Index for June	The published values for the retail price index (RPI) for June available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for June.	n/a
PD1.5	Retail Price Index for July	The published values for the retail price index (RPI) for July available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for July.	n/a
PD1.6	Retail Price Index for August	The published values for the retail price index (RPI) for August available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for August.	n/a
PD1.7	Retail Price Index for September	The published values for the retail price index (RPI) for September available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for September.	n/a
PD1.8	Retail Price Index for October	The published values for the retail price index (RPI) for October available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for October.	n/a

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Line	Title	Definition	RAG 4.10 line reference
PD1.9	Retail Price Index for November	The published values for the retail price index (RPI) for November available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for November.	n/a
PD1.10	Retail Price Index for December	The published values for the retail price index (RPI) for December available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for December.	n/a
PD1.11	Retail Price Index for January	The published values for the retail price index (RPI) for January available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for January.	n/a
PD1.12	Retail Price Index for February	The published values for the retail price index (RPI) for February available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for February.	n/a
PD1.13	Retail Price Index for March	The published values for the retail price index (RPI) for March available on the ONS website and for 2023-24 and 2024-25, the company's forecast RPI values for March.	n/a
PD1.14	CPIH: Months of actual data for Financial Year	Counts the number of months completed in a financial year. Values should equal 12 to indicate that forecasts of CPIH have been completed for all months of the financial year.	n/a
PD1.15	Consumer Price Index (with housing) for April	The published values for the consumer price index including housing costs (CPIH) for April available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for April.	n/a
PD1.16	Consumer Price Index (with housing) for May	The published values for the consumer price index including housing costs (CPIH) for May available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for May.	n/a
PD1.17	Consumer Price Index (with housing) for June	The published values for the consumer price index including housing costs (CPIH) for June available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for June.	n/a
PD1.18	Consumer Price Index (with housing) for July	The published values for the consumer price index including housing costs (CPIH) for July available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for July.	n/a
PD1.19	Consumer Price Index (with housing) for August	The published values for the consumer price index including housing costs (CPIH) for August available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for August.	n/a
PD1.20	Consumer Price Index (with housing) for September	The published values for the consumer price index including housing costs (CPIH) for September available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for September.	n/a



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Line	Title	Definition	RAG 4.10 line reference
PD1.21	Consumer Price Index (with housing) for October	The published values for the consumer price index including housing costs (CPIH) for October available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for October.	n/a
PD1.22	Consumer Price Index (with housing) for November	The published values for the consumer price index including housing costs (CPIH) for November available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for November.	n/a
PD1.23	Consumer Price Index (with housing) for December	The published values for the consumer price index including housing costs (CPIH) for December available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for December.	n/a
PD1.24	Consumer Price Index (with housing) for January	The published values for the consumer price index including housing costs (CPIH) for January available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for January.	n/a
PD1.25	Consumer Price Index (with housing) for February	The published values for the consumer price index including housing costs (CPIH) for February available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for February.	n/a
PD1.26	Consumer Price Index (with housing) for March	The published values for the consumer price index including housing costs (CPIH) for March available on the ONS website and for 2023-24 to 2034-35, the company's forecast CPIH values for March.	n/a
PD1.27	Indexation rate for index linked debt percentage increase	The percentage uplift of index-linked debt by indexation. The financial model works on year average prices, so a year average inflation rate for index linked debt is more appropriate.	n/a
PD1.28	RPI: Financial year average indices	Average of lines PD1.2 to PD1.13	n/a
PD1.29	CPIH: Financial year average indices	Average of lines PD1.15 to PD1.26	n/a
PD1.30	RPI: November year on year %	Year on year change in line PD1.9	n/a
PD1.31	RPI: Financial year average indices year on year %	Year on year change in line PD1.28	n/a
PD1.32	RPI: Financial year end indices year on year %	Year on year change in line PD1.13	n/a
PD1.33	CPIH: November year on year %	Year on year change in line PD1.22	n/a
PD1.34	CPIH: Financial year average indices year on year %	Year on year change in line PD1.29	n/a
PD1.35	CPIH: Financial year end indices year on year %	Year on year change in line PD1.26	n/a
PD1.36	Wedge between RPI and CPIH	Line PD1.31 – line PD1.34	n/a
PD1.37	Long term RPI inflation rate	The company's view of the long-term inflation rate for RPI. Long-term inflation rate is the rate used to discount the nominal WACC into a real WACC.	n/a

Line	Title	Definition	RAG 4.10 line reference
PD1.38	Long term CPIH inflation rate	The company's view of the long-term inflation rate for CPIH. Long-term inflation rate is the rate used to discount the nominal WACC into a real WACC.	n/a

## PD1 Commentary requirement

3.1 Companies should include the following commentary to this table;

- A brief explanation for the basis of its inflation forecasts.

## 4. PD2 – Non-household water – revenues by tariff type

Table PD2 line definitions

Price base and Indexation	
Forecast data should be provided in 2022-23 base year prices.	

Line	Title	Definition	RAG 4.10 line reference
PD2.1	Tariff type 1	Total revenue received from non-household tariff type 1 (customer group 1)	2G.1
PD2.2	Tariff type 2	Total revenue received from non-household tariff type 2 (customer group 1)	2G.2
PD2.3	Total default tariffs customer group 1	Total revenue received from all non-household group 1 customers on a default tariff.	2G.3
PD2.4	Tariff type 1	Total revenue received from non-household tariff type 2 (customer group 2)	2G.4
PD2.5	Total default tariffs	Total revenue received from all non-household customers on a default tariff.	2G.5
PD2.6	Total non-default tariffs	Total revenue received from all customers on a non- default tariff.	2G.6
PD2.7	Total	Total revenue received from all default and non-default tariffs.	2G.7
PD2.8	Total	Total revenue received from all default and non-default tariffs. Some customers will be receiving multiple services under different tariffs, e.g. for services at multiple sites falling into different tariff bandings. Therefore the total number of 'customers' may be lower than the number of connections shown in the tariff analysis.	2G.8

Column	Definition
1	The total of column 1 should be equal to the sum of lines RR7.1 & RR7.2.
2	
3	Total of columns 1 and 2
4	The number of connections reported should be the average number of properties billed (excluding void properties) in the year, calculated at least on a monthly basis. Should be recorded in '000s with 3 decimal places. For the customer analysis the number of customers reported in column 4 should be equivalent to that in the tariff analysis.
5	Calculated by dividing column 2 by column 4. Nearest £1.

Column	Definition
6	
7	
8	Total of columns 6 and 7
9	
10	

## PD2 Additional guidance

- 4.1 This table should only be completed by Dŵr Cymru and Hafren Dyfrdwy .
- 4.2 It contains the inputs needed for populating the PR19 Business retail reconciliation model and calculating the revenue adjustments to be applied at PR24.
- 4.3 We expect Dŵr Cymru and Hafren Dyfrdwy to provide their populated PR19 Business retail reconciliation models and associated commentary with their business plans.

## PD2 Commentary requirement

- 4.4 Companies should include the following commentary to this table;
- An explanation for the basis of forecast non-household water revenues.

## 5. PD3 – Non-household wastewater – revenues by tariff type

Table PD3 line definitions

Price base and Indexation	
Forecast data should be provided in 2022-23 base year prices.	

Line	Title	Definition	RAG 4.10 line reference
PD3.1	Tariff type 1	Total revenue received from non-household tariff type 1 (customer group 1)	2H.1
PD3.2	Tariff type 2	Total revenue received from non-household tariff type 2 (customer group 1)	2H.2
PD3.3	Tariff type 3	Total revenue received from non-household tariff type 3 (customer group 1)	2H.3
PD3.4	Total default tariffs	Total revenue received from all non-household group 1 customers on a default tariff.	2H.4
PD3.5	Total non-default tariffs	Total revenue received from all customers on a non- default tariff.	2H.5
PD3.6	Total	Total revenue received from all default and non-default tariffs.	2H.6
PD3.7	Total	Total revenue received from all default and non-default tariffs. Some customers will be receiving multiple services under different tariffs, e.g. for services at multiple sites falling into different tariff bandings. Therefore the total number of 'customers' may be lower than the number of connections shown in the tariff analysis.	2H.7

Column	Definition
1	The total of column 1 should be equal to the sum of lines RR7.5-RR7.10.
2	
3	Total of columns 1 and 2
4	The number of connections reported should be the average number of properties billed (excluding void properties) in the year, calculated at least on a monthly basis. Should be recorded in '000s with 3 decimal places. For the customer analysis the number of customers reported in column 4 should be equivalent to that in the tariff analysis.
5	Calculated by dividing column 2 by column 4. Nearest £1.

Column	Definition
6	
7	
8	Total of columns 6 and 7
9	
10	

### PD3 Additional guidance

- 5.1 This table should only be completed by Dŵr Cymru and Hafren Dyfrdwy.
- 5.2 It contains the inputs needed for populating the PR19 Business retail reconciliation model and calculating the revenue adjustments to be applied at PR24.
- 5.3 We expect Dŵr Cymru and Hafren Dyfrdwy to provide their populated PR19 Business retail reconciliation models and associated commentary with their business plans.

### PD3 Commentary requirement

- 5.4 Companies should include the following commentary to this table;
  - An explanation for the basis of forecast non-household wastewater revenues.

## 6. PD4 – Analysis of land sales

### Table PD4 line definitions

<b>Price base and Indexation</b>			
Forecast data should be provided in 2022-23 base year prices.			

Line	Title	Definition	RAG 4.10 line reference
PD4.1	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.	2L.1

### PD4 Additional guidance

- 6.1 This table contains the inputs needed for populating the PR19 Land sales reconciliation model and calculating the adjustments to the RCV to be applied at PR24.
- 6.2 It contains the net proceeds from the disposals of protected land expected in the remaining years of the current control period 2020-25.
- 6.3 Disposals of interest in land include the creation of an interest or right in or over land – for example, the granting of leases and wayleaves. Proceeds from all such transactions should be included.
- 6.4 We expect companies to provide their populated PR19 Land sales reconciliation models and associated commentary with their business plans.

### PD4 Commentary requirement

- 6.5 Companies should include the following commentary to this table;
  - A brief explanation for the basis of forecast land sales.

## 7. PD5 – Revenue reconciliation – wholesale

Table PD5 line definitions

<b>Price base and Indexation</b>			
Forecast data should be provided in 2022-23 base year prices.			

Line	Title	Definition	RAG 4.10 line reference
PD5.1	Wholesale revenue governed by price control	Wholesale revenue governed by price control. Water resources and water network+; copied from RR27.4 Wastewater network+ and bioresources; copied from RR27.12 Additional control; copied from RR27.16.	2M.1
PD5.2	Grants & contributions (price control)	Price control grants and contributions collected in year under the price control after the deduction of income offset. For English water companies, this is equal to the sum of lines DS1e.10 and DS1e.24. For Welsh companies, this is equal to the sum of lines DS1w.12 and DS1w.23.	2M.2
PD5.3	Total revenue governed by wholesale price control	Total revenue governed by wholesale price control. Sum of PD5.1 and PD5.2.	2M.3
PD5.4	Allowed wholesale revenue before adjustments (or modified by CMA)	For water resources, water network plus and wastewater network plus – This, together with grants and contributions in line 5, is equivalent to 'Allowed revenue' in line 2 of the calculations block in the PR19 Reconciliation Rulebook. Unless modified by the CMA, it is the company's allowed revenue as set out in the 'Notification of the PR19 final determination of Price Controls' in the first charging year. For bioresources – This is equivalent to the 'Modified Revenue' set out in line 3 of the calculations block in the PR19 Reconciliation Rulebook. Consistent with the PR19 Reconciliation Rulebook, for all wholesale controls this should reflect any in-period ODI determinations.	2M.4
PD5.5	Allowed grants & contributions before adjustments (or modified by CMA)	Grants and contributions (price control) as calculated by the grants and contributions feeder model.	2M.5
PD5.6	Revenue adjustment	For water resources, water network plus and wastewater network plus – This is equivalent to 'RFI' line 27 of the calculation block in the PR19 Reconciliation Rulebook.	2M.6



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Line	Title	Definition	RAG 4.10 line reference
		For bioresources – This is equivalent to minus 'Bioresources revenue adjustment (ABR) – with financing adjustment & 2 year lag of inflation' in line 7 of the calculations block in the PR19 Reconciliation Rulebook.	
PD5.7	Other adjustments	For water resources, water network plus and wastewater network plus – This is equivalent to the 'blind year adjustment inc. financing rate and inflation adjustment (BYA)' in line 8 of the calculation block in the PR19 Reconciliation Rulebook. For water resources, it would also include 'Bilateral entry adjustment – as incurred' in line 5 of the calculations block in the PR19 Reconciliation Rulebook for relevant companies. For bioresources – This is equivalent to minus 'Profit from bioresources trading – with 2 year lag of inflation' in line 8 of the bioresources calculation block in the PR19 Reconciliation Rulebook.	2M.7
PD5.8	Revenue cap	Equal to the sum of lines PD5.4–PD5.7. For water resources, water network plus and wastewater network plus – This is equivalent to the 'Adjusted Allowed Revenue (AR)' in line 9 in the calculation block of the PR19 Reconciliation Rulebook. For bioresources – This is equivalent to the 'Allowed revenue' in line 4 of the calculations block in the PR19 Reconciliation Rulebook.	2M.8
PD5.9	Revenue cap	Equal to line PD5.8.	2M.9
PD5.10	Revenue recovered	Equal to line PD5.3. For water resources, water network plus and wastewater network plus – This is equivalent to the 'Actual revenue (RR)' in line 9 of the Inputs block in the PR19 reconciliation rulebook. For bioresources – This is equivalent to 'Recovered revenue for bioresources (RR)' in line 4 of the inputs block in the PR19 Reconciliation Rulebook.	2M.10
PD5.11	Revenue imbalance	PD5.9 less PD5.10 For water resources, water network plus and wastewater network plus – This is equivalent to the 'Revenue Imbalance' in line 10 of the calculations block in the PR19 Reconciliation Rulebook. For bioresources – This is the 'Revenue imbalance' in line 5 of the calculations block in the PR19 Reconciliation Rulebook.	2M.11

## PD5 Additional guidance

- 7.1 This table contains the revenue inputs needed for populating the PR19 Revenue forecasting incentive (RFI) and PR19 Bioresources revenue reconciliation models and calculating the incentive payments to be applied at PR24.

- 7.2 We expect companies to provide their populated PR19 Revenue forecasting incentive (RFI) and PR19 Bioresources revenue reconciliation models and associated commentary with their business plans.

### **PD5 Commentary requirement**

- 7.3 Companies should include the following commentary to this table;
- An explanation for the profile of the blind year adjustment applied in the final four years of the 2020-25 period.
  - An explanation for the basis of forecast revenue.
  - An explanation for the imbalance between actual revenue recovered and the PR19 final determination allowed revenue.

## 8. PD6 – Bulk supply information

### Table PD6 line definitions

<b>Price base and Indexation</b>	
Forecast data should be provided in 2022-23 base year prices.	

Line	Title	Definition	RAG 4.10 line reference
<b>PD6.1- PD6.25</b>	Bulk supply xx	Value of bulk supply revenue and MI supplied. The description for each bulk supply should match that used on the bulk supply register.	4A.1- 4A.25
<b>PD6.26</b>	Total bulk supply exports	Sum of lines PD6.1 to PD6.25.	4A.26
<b>PD6.27- PD6.51</b>	Bulk supply xx	Value of bulk supply costs and MI supplied. The description for each bulk supply should match that used on the bulk supply register.	4A.27- 4A.51
<b>PD6.52</b>	Total bulk supply imports	Sum of lines PD6.27 to PD6.51.	4A.52

### PD6 Additional guidance

- 8.1 This table contains the water service inputs needed for populating the PR19 Water trading incentive reconciliation model and calculating the end of period incentive payments to be applied after PR24.
- 8.2 We expect companies to provide their populated PR19 Water trading incentive models, associated commentary and accompanying reports to evidence compliance with Ofwat approved trading and procurement codes, with their business plans.

### PD6 Commentary requirement

- 8.3 Companies should include the following commentary to this table;
- An explanation for the basis of forecast bulk supply exports and imports.

## 9. PD7 and PD7a – Impact of Green recovery on RCV

Table PD7 / PD7a line definitions

<p><b>Price base and Indexation</b></p> <p>Forecast data should be provided in 2022-23 base year prices.</p>
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Line	Title	Definition	RAG 4.10 line reference
PD7.1	Approved bid	The company's approved bid as communicated by Ofwat	4U.1
PD7.2	Actual totex	Calculated as the sum of lines SUP4.15 and SUP5.15.	4U.2
PD7.3	Variance	PD7.2 less PD7.1.	4U.3
PD7.4	Variance due to timing of expenditure	The value due to a variation in the timing of the planned expenditure. (i.e. accelerated or deferred)	4U.4
PD7.5	Variance due to efficiency	PD7.3 less PD7.4.	4U.5
PD7.6	Customer cost sharing rate – outperformance	The customer cost sharing rate for outperformance as published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values.	4U.6
PD7.7	Customer cost sharing rate – underperformance	The customer cost sharing rate for underperformance as published in Ofwat's Financial Flows data reference document on our website alongside the annual publication of the Regulatory Capital Values.	4U.7
PD7.8	Customer share of totex – outperformance	PD7.3 multiplied by PD7.6	4U.8
PD7.9	Customer share of totex – underperformance	PD7.3 multiplied by PD7.7	4U.9
PD7.10	Company share of totex – outperformance	PD7.3 less PD7.8	4U.10
PD7.11	Company share of totex – underperformance	PD7.3 less PD7.9	4U.11
PD7.12	Increase / decrease in shadow RCV	Calculated as PD7.2 plus PD7.8 minus PD7.9.	4U.12
PD7.13	In period funding	The company's approved in-period funding as communicated by OFWAT.	4U.13
PD7.14	Net increase / decrease in shadow RCV	PD7.12 less PD7.13	4U.14

## PD7 / 7a Additional guidance

- 9.1 These tables contain information associated with performance in delivering green recovery schemes to assess the impact on the RCV at the end of the price control period.
- 9.2 The tables are included specifically for the five companies<sup>2</sup> who received new investment allowances in our [green economic recovery final decisions](#).
- 9.3 The data is needed for populating the PR19 Cost reconciliation model and calculating the end of period revenue and RCV adjustments to be applied at PR24.
- 9.4 We expect companies to provide their populated PR19 Cost reconciliation models and associated commentary with their business plans.

## PD7 Commentary requirement

- 9.5 Companies should provide commentary to meet the requirements for reporting on green recovery as detailed in our [green economic recovery final decisions](#).

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<sup>2</sup> Severn Trent Water, South Staffs Water, South West Water, Thames Water and United Utilities

## 10. PD8 – Totex analysis – wholesale

Table PD8 line definitions

<b>Price base and Indexation</b>			
Forecast data should be provided in 2022-23 base year prices.			

Line	Title	Definition	RAG 4.10 line reference
PD8.1	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.1
PD8.2	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; <ul style="list-style-type: none"> <li>Electricity sales from sources such as Hydro, PV, wind and CHP to external parties.</li> <li>Electricity sales from back-up generators under arrangements such as the National Grid 'STOR', "frequency response" and "dynamic demand".</li> <li>Bio-methane gas sales to the National Grid.</li> <li>Sludge and sludge products such as cake, granules etc. to external parties.</li> </ul>	2B.2
PD8.3	Service charges/ discharge consents	Total cost of service charges by the Environment Agency / Natural Resources Wales or the Canal & River Trust for abstraction and discharge consents.	2B.3
PD8.4	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.4
PD8.5	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.	2B.5
PD8.6	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.	2B.6

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Line	Title	Definition	RAG 4.10 line reference
PD8.7	Other operating expenditure (including Location specific costs & obligations)	Other operating costs not covered by PD8.5 and PD8.6. This should exclude finance charges associated with operating leases.	2B.7
PD8.8	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.8
PD8.9	Total base operating expenditure	The sum of lines PD8.1 to PD8.8.	2B.9
PD8.10	Enhancement operating expenditure	Total enhancement operating expenditure. Copied from CW1.2 and CWW1.2.	2B.10
PD8.11	Developer services operating expenditure	Total developer services operating expenditure. Copied from CW1.3 and CWW1.3.	2B.11
PD8.12	Total operating expenditure excluding third party services	Total operating costs excluding third party services. The sum of lines PD8.9 to PD8.11.	2B.12
PD8.13	Third party services	Operating expenditure for providing third party services. Eg Bulk supplies, supplies of non-potable water and rechargeable works where the appointee is a monopoly supplier. Copied from CW1.5 and CWW1.5.	2B.13
PD8.14	Total operating expenditure	Total operating expenditure for the wholesale business only within each business category. The sum of lines PD8.12 and PD8.13.	2B.14
PD8.15	Grants and contributions – operating expenditure	Grants and contributions – operating expenditure. Copied from CW1.7 and CWW1.7.	2B.15
PD8.16	Base capital expenditure	Capital expenditure 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. Copied from CW1.8 and CWW1.8.	2B.16
PD8.17	Enhancement capital expenditure	Total enhancement capital expenditure. Copied from CW1.9 and CWW1.9.	2B.17
PD8.18	Developer services capital expenditure	Total developer services capital expenditure. Copied from CW1.10 and CWW1.10.	2B.18
PD8.19	Total gross capital expenditure excluding third party services	Total gross capital expenditure excluding third party services. The sum of lines PD8.16 to PD8.18.	2B.19
PD8.20	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. Copied from CW1.12 and CWW1.12.	2B.20
PD8.21	Total gross capital expenditure	The sum of lines PD8.19 and PD8.20.	2B.21

Line	Title	Definition	RAG 4.10 line reference
PD8.22	Grants & contributions – capital expenditure	Grants and contributions – capital expenditure. Copied from CW1.14 and CWW1.14.	2B.22
PD8.23	Net totex	The sum of lines PD8.14 and PD8.21 less the sum of lines PD8.15 and PD8.22.	2B.23
PD8.24	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. Copied from CW1.16 and CWW1.16.	2B.24
PD8.25	Other cash items	Other cash items not included in totex. Copied from CW1.17 and CWW1.17.	2B.25
PD8.26	Totex including cash items	The sum of lines PD8.23 to PD8.25.	2B.26

## PD8 Additional guidance

- 10.1 This table contains totex inputs needed for populating the PR19 Cost reconciliation model and calculating the end of period revenue and RCV adjustments to be applied at PR24.
- 10.2 We expect companies to provide their populated PR19 Cost reconciliation models and associated commentary with their business plans.
- 10.3 Waterwater network plus and bioresources base costs reported in this table should be consistent with APR tables 4E and 4K and should not take account of the updated [sludge liquors](#), [energy generation](#) and [overheads](#) guidance.

## PD8 Commentary requirement

- 10.4 Companies should include the following commentary to this table;
- An explanation for the basis of forecast totex.



## 11. PD9 – Totex performance

### Table PD9 line definitions

#### Price base and Indexation

Forecast data should be provided in 2022-23 base year prices.

Line	Title	Definition	RAG 4.10 line reference
PD9.1	Final determination allowed totex (net of business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	<p>The company's allowed totex in the final determination, net of allowed totex for business rates, Environment Agency / Natural Resources Wales 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.</p> <p>CMA companies only – deduct the allowance made by the CMA for any items that it either excluded from cost sharing or set bespoke cost sharing rates.</p> <p>Values should be inflated using the average CPIH figure for the reporting year/ price control period.</p>	4C.1

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Line	Title	Definition	RAG 4.10 line reference
PD9.2	Actual totex (excluding business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	<p>The company's actual totex, excluding business rates and Environment Agency / Natural Resources Wales abstraction licence fees and income offset grants and contributions and other items not subject to cost sharing, as reported in:</p> <p>Actual totex – PD8.26</p> <p><b>Less the sum of costs excluded from cost sharing or with separate sharing rates:</b></p> <p>Income offset payments – DS1e.7/ DS1e.21/ DS1w.9/ DS1w.20</p> <p>Non price control grants and contributions (negative number):</p> <ul style="list-style-type: none"> <li>For English water companies: DS1e.2 + DS1e.3 + DS1e.16 + DS1e.17</li> <li>For Welsh water companies: DS1w.4 + DS1w.5 + DS1w.15 + DS1w.16</li> </ul> <p>Third party services (opex) – PD8.13</p> <p>Third party services (capex) – PD8.20</p> <p>Other cash items – PD8.25</p> <p>Pension deficit recovery costs – PD8.24</p> <p>Actual expenditure on innovation projects funded through the innovation competition – PD10.22</p> <p>Non-section 185 diversions – CW11.9, CW11.10, CW11.24, CW11.25, CWW11.5, CWW11.6, CWW11.18, CWW11.19</p> <p>Abstraction charges (water only) – PD8.3</p> <p>Local authority and cumulo rates – PD8.8</p> <p>Strategic scheme development costs – CW3.58</p> <p>Green recovery expenditure – PD7.2</p> <p>CMA companies only – any expenditure (other than business rates) that the CMA either excluded from cost sharing or set bespoke cost sharing rates</p>	4C.2
PD9.3	Transition expenditure	Expenditure incurred in 2019–20 for the delivery of outcomes in the price control period 2020–25 and that was included in the totex allowance at PR19.	4C.3
PD9.4	Disallowable costs	<p>In setting price controls, we have used an overarching principle that costs should only feature in our totex for cost sharing for activities where it is appropriate for a company to share an over (or under) spend with their customers. We define disallowable items as costs that do not conform to this overarching principle. These include:</p> <ul style="list-style-type: none"> <li>costs associated with impairment of other businesses;</li> <li>costs related to financing (bond issuance fees, refinancing, takeover costs);</li> <li>finances and investigation costs;</li> <li>compensation claims; and</li> <li>any other costs where the activity driving it does not, ex ante, have a reasonable expectation of customer benefit.</li> </ul>	4C.4
PD9.5	Total actual totex (net of business rates, abstraction licence fees and grants and contributions)	The sum of lines PD9.2 and PD9.3 minus PD9.4.	4C.5

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Line	Title	Definition	RAG 4.10 line reference
PD9.6	WINEP reconciliation adjustment	The company's adjustment to allowed totex as a result of the PR19 WINEP uncertainty mechanism.	
PD9.7	Final determination allowed totex – business rates	The company's allowed totex in the final determination for business rates 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.15
PD9.8	Actual totex – business rates	The company's actual totex for business rates as reported in: Business rates – line PD8.8	4C.16
PD9.9	Final determination allowed totex – abstraction licence fees	The company's allowed totex in the final determination for Environment Agency / Natural Resources Wales 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.	4C.15
PD9.10	Actual totex – abstraction licence fees	The company's actual totex for Environment Agency / Natural Resources Wales abstraction licence fees as reported in: Abstraction charges – line PD8.3	4C.16
PD9.11	CMA final determination allowed totex – items with bespoke sharing rates	CMA companies only – the allowance determined by the CMA for items that it also set bespoke cost sharing arrangements for (other than business rates).	
PD9.12	Actual totex – items with bespoke sharing rates	CMA companies only – actual expenditure on items reported in line 11.	
PD9.13	Company cost sharing rates	CMA companies only – the company cost sharing rate for items included in lines 11 and 12 set by the CMA.	

## PD9 Additional guidance

- 11.1 This table contains totex inputs needed for populating the PR19 Cost reconciliation model and calculating the end of period revenue and RCV adjustments to be applied at PR24.
- 11.2 To allow Ofwat to exclude disallowable costs from actual submitted totex, companies must provide details of any such cost items incurred. Companies should include all such items in Table PD9.
- 11.3 Transition expenditure refers to expenditure incurred in 2019-20 for the delivery of outcomes in the price control period 2020-25. Although incurred in 2019-20, forecast expenditure (to account for the blind year) was included in the totex baseline. Actual

totex must therefore be adjusted to incorporate the actual value of this expenditure to ensure the incentive on cost performance is retained. Transition expenditure is presented in the table as a negative value to reflect the point that it must be added to actual totex to contribute to the baseline calculation. The actual value of transition expenditure is not part of the RAGs, but was included in companies' submissions towards the blind year reconciliations. Companies submitted this information as part of the July 2020 annual reporting.

11.4 We expect companies to provide their populated PR19 Cost reconciliation models and associated commentary with their business plans.

### **PD9 Commentary requirement**

11.5 Companies should include the following commentary to this table;

- An explanation for the basis of forecast totex performance.
- CMA companies only - a description of items excluded from lines 1 and 2, and included in lines 11, that the CMA set bespoke cost sharing rates for, other than business rates.

## 12. PD10 – Capital allowance super deductions for PR19 tax reconciliation

Table PD10 line definitions

<b>Price base and Indexation</b>			
Price base does not apply in this table.			

Line	Title	Definition	RAG 4.10 line reference
PD10.1	Proportion of expenditure qualifying for 130% super-deduction - WR	The proportion of capital expenditure that qualifies for the enhanced super deduction rate main rate pool for the water resources control.	n/a
PD10.2	Proportion of expenditure qualifying for 50% super-deduction - WR	The proportion of capital expenditure that qualifies for the enhanced super deduction rate special rate pool for the water resources control.	n/a
PD10.3	Proportion of expenditure qualifying for 130% super-deduction - WN	The proportion of capital expenditure that qualifies for the enhanced super deduction rate main rate pool for the water network plus control.	n/a
PD10.4	Proportion of expenditure qualifying for 50% super-deduction - WN	The proportion of capital expenditure that qualifies for the enhanced super deduction rate special rate pool for the water network plus control.	n/a
PD10.5	Proportion of expenditure qualifying for 130% super-deduction - WWN	The proportion of capital expenditure that qualifies for the enhanced super deduction rate main rate pool for the wastewater network plus control.	n/a
PD10.6	Proportion of expenditure qualifying for 50% super-deduction - WWN	The proportion of capital expenditure that qualifies for the enhanced super deduction rate special rate pool for the wastewater network plus control.	n/a
PD10.7	Proportion of expenditure qualifying for 130% super-deduction - BR	The proportion of capital expenditure that qualifies for the enhanced super deduction rate main rate pool for the bioresources control.	n/a
PD10.8	Proportion of expenditure qualifying for 50% super-deduction - BR	The proportion of capital expenditure that qualifies for the enhanced super deduction rate special rate pool for the bioresources control.	n/a
PD10.9	Proportion of expenditure qualifying for 130% super-deduction - DMMY	The proportion of capital expenditure that qualifies for the enhanced super deduction rate main rate pool for the additional control 1 (dummy control).	n/a
PD10.10	Proportion of expenditure qualifying for 50% super-deduction - DMMY	The proportion of capital expenditure that qualifies for the enhanced super deduction rate special rate pool for the additional control 1 (dummy control).	n/a

## PD10 Additional guidance

- 12.1 The March 2021 budget announced that from 1 April 2021 until 31 March 2023, companies investing in qualifying new plant and machinery assets will be able to claim enhanced capital allowances. More details can found at <https://www.gov.uk/guidance/super-deduction>.
- 12.2 These lines should be used in the updated version of the PR19 financial model that takes into account changes to capital allowance rates.
- 12.3 Companies will need the updated model to run the PR19 tax reconciliation model and calculate the end of period revenue adjustments to be applied at PR24.
- 12.4 We expect companies to provide their populated PR19 tax reconciliation models and associated commentary with their business plans.

## PD10 Commentary requirement

- 12.5 If a company expects to have significant amounts of capital investment that will not qualify for the enhanced capital allowance rates, it should provide commentary to explain why. Commentary should also disclose whether the capital allowance computations have been subject to third party assurances and submitted to HMRC.

## 13. PD11 – RCV midnight adjustments

### Table PD11 line definitions

#### Price base and Indexation

Closing RCV balances are in 2017-18 prices from the PR19 Final Determination as updated by the Competition and Markets Authority (CMA) redetermination or subsequent In-period determination of K.

End of period RCV midnight adjustment outputs from the final PR14 Blind Year reconciliations are in 2017-18 FYA (CPIH deflated) prices.

End of period RCV midnight adjustment outputs from the PR19 reconciliation models are in 2017-18 FYA (CPIH deflated) prices as specified in the PR19 Reconciliation Rulebook methodology.

End of period RCV midnight adjustment outputs from the PR24 transition and accelerated programmes model are in 2017-18 FYA (CPIH deflated) prices.

The calculated lines derive opening RCV balances in 2017-18 FYA (CPIH deflated) prices and convert these to 2017-18 FYE (CPIH deflated) prices and 2022-23 (PR24) base year prices, using the FYA and FYE CPIH figures contained in table PD1 for use in the PR24 financial model.

Line	Title	Definition	RAG 4.10 line reference
PD11.1	Pre 2020 RCV – Closing RCV at 31 March 2025 in 2017-18 FYA prices (from PR19 FD as updated by the CMA redetermination and IdoKs) – RPI inflated RCV	The last determined year end RCV balance as at 31 March 2025 in 2017-18 FYA prices inflated by RPI by price control, as stated in the associated financial model. The last determination could be either the PR19 FD, the CMA's redetermination or a subsequent in-period determination.	n/a
PD11.2	Pre 2020 RCV – Closing RCV at 31 March 2025 in 2017-18 FYA prices (from PR19 FD as updated by the CMA redetermination and IdoKs) – CPIH inflated RCV	The last determined year end RCV balance as at 31 March 2025 in 2017-18 FYA prices inflated by CPIH by price control, as stated in the associated financial model. The last determination could be either the PR19 FD, the CMA's redetermination or a subsequent in-period determination.	n/a

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Line	Title	Definition	RAG 4.10 line reference
PD11.3	2020-25 RCV – Closing RCV at 31 March 2025 in 2017-18 FYA prices (from PR19 FD as updated by the CMA redetermination and IdoKs) – Post 2020 investment RCV	The last determined year end RCV totex additions (minus run-off) as at 31 March 2025 in 2017-18 FYA prices by price control, as stated in the associated financial model. The last determination could be either the PR19 FD, the CMA's redetermination or a subsequent in-period determination.	n/a
PD11.4	Closing RCV at 31 March 2025 in 2017-18 FYA prices (from PR19 FD as updated by the CMA redetermination and IdoKs)	The last determined closing RCV as at 31 March 2025 in 2017-18 FYA prices including totex additions (minus run-off) by price control, as stated in the associated financial model. Sum of lines PD11.1 to PD11.3.	n/a
PD11.5	PR14 BYR ODI RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The final blind year (2019-20) midnight adjustments to the RCV in PR19 base year prices by price control (except bioresources), relating to the reconciliation of PR14 Outcome Delivery Incentives (ODIs).	n/a
PD11.6	PR14 BYR Totex menu RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The final blind year (2019-20) midnight adjustments to the RCV in PR19 base year prices by price control (except bioresources), relating to the reconciliation of PR14 Totex menu incentives.	n/a
PD11.7	PR14 BYR Land sales RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The final blind year (2019-20) midnight adjustments to the RCV in PR19 base year prices by price control (except bioresources), relating to the reconciliation of PR14 Land sales.	n/a
PD11.8	PR14 BYR RPI-CPIH wedge RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The final blind year (2019-20) midnight adjustments to the RCV in PR19 base year prices by price control, relating to the difference between actual RPI-CPIH wedge observed over the price control period and that included in the final determination.	n/a
PD11.9	PR14 BYR Other RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The final blind year (2019-20) midnight adjustments to the RCV in PR19 base year prices by price control (except bioresources), relating to other qualifying items such as the correction of unambiguous errors.	n/a
PD11.10	PR14 IFRS16 RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 FD midnight adjustments to the RCV in PR19 base year prices by price control, relating to the IFRS change to accounting treatment of leases.	n/a
PD11.11	PR19 ODI RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Outcome Delivery Incentive (ODI) end of period midnight adjustments to the RCV as at 31 March 2025, in PR19 base year prices by price control. The adjustments are based on reconciling actual and forecast performance levels over the 2020-25 period against PR19 / CMA performance commitment levels, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD11.12	PR19 WINEP / NEP RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Water Industry National Environment Programme (WINEP) / National Environment Programme (NEP) end of period midnight adjustments to the RCV as at 31 March 2025, in PR19 base year prices by price control. The adjustments are based on reconciling actual and forecast performance levels over the 2020-25 period against PR19 WINEP / NEP assumptions, in-line with the PR19 Reconciliation Rulebook methodology.	n/a



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Line	Title	Definition	RAG 4.10 line reference
PD11.13	PR19 Costs reconciliation RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Costs reconciliation end of period midnight adjustments to the RCV as at 31 March 2025, in PR19 base year prices by price control. The adjustments are based on reconciling actual and forecast performance levels over the 2020-25 period against PR19 totex allowances, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD11.14	PR19 Land sales RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Land sales reconciliation end of period midnight adjustments to the RCV as at 31 March 2025, in PR19 base year prices by price control (except bioresources). The adjustments are based on reconciling actual and forecast disposals of interests in land over the 2020-25 period, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD11.15	PR19 RPI-CPIH wedge RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 RPI-CPIH wedge reconciliation end of period midnight adjustments to the RCV as at 31 March 2025, in PR19 base year prices by price control. The adjustments are based on reconciling the difference between actual RPI-CPIH wedge observed over the 2020-25 period and that included in the final determination, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD11.16	PR19 Strategic regional water resources RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Strategic regional water resources reconciliation end of period midnight adjustments to the RCV as at 31 March 2025, in PR19 base year prices for the water resources and water network plus price controls. The adjustments are based on reconciling actual and forecast performance levels over the 2020-25 period against PR19 revenue allowances, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD11.17	PR19 Green recovery RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Green recovery reconciliation end of period midnight adjustments to the RCV as at 31 March 2025, in PR19 base year prices by price control. The adjustments are based on reconciling actual and forecast performance levels over the 2020-25 period against the package of investment agreed in July 2021.	n/a
PD11.18	PR19 Havant Thicket activities RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Havant Thicket activities reconciliation end of period midnight adjustment to the RCV as at 31 March 2025, in PR19 base year prices for the additional price control. The adjustment is based on reconciling actual and forecast performance levels over the 2020-25 period against PR19 revenue allowances, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD11.19	Other RCV adjustments in 2017-18 FYA (CPIH deflated) prices	Other end of period midnight adjustments to the RCV as at 31 March 2025, in PR19 base year prices by price control. The adjustments relate to reconciling actual and forecast performance levels over the 2020-25 period for other qualifying items such as the correction of unambiguous errors.	n/a

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Line	Title	Definition	RAG 4.10 line reference
<b>PD11.20</b>	PR24 Transitional expenditure programme RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR24 Transitional expenditure programme end of period midnight adjustment to the RCV as at 31 March 2025, in PR19 base year prices by price control. The adjustment is based on reconciling actual expenditure in 2023-24 and 2024-25 on those schemes included within the transition programme at PR24, brought forward from the 2025-30 price control period.	n/a
<b>PD11.21</b>	PR24 Defra accelerated programme RCV adjustment in 2017-18 FYA (CPIH deflated) prices	The PR24 Defra accelerated programme end of period midnight adjustment to the RCV as at 31 March 2025, in PR19 base year prices by price control. The adjustment is based on reconciling actual expenditure in 2023-24 and 2024-25 on those assessed schemes included within Defra's accelerated programme for PR24, brought forward from the 2025-30 price control period.	n/a
<b>PD11.22</b>	Opening RCV at 1 April 2025 in 2017-18 FYA (CPIH deflated) prices post midnight adjustments	The opening RCV balance as at 1 April 2025 in 2017-18 FYA (CPIH deflated) prices post midnight adjustments. PD11.4 plus the sum of lines PD11.5 to PD11.21.	n/a
<b>PD11.23</b>	Opening RCV at 1 April 2025 in 2017-18 FYE (CPIH deflated) prices post midnight adjustments	The opening RCV balance as at 1 April 2025 in 2017-18 FYE (CPIH deflated) prices post midnight adjustments. PD11.22 converted to 2017-18 FYE using CPIH details in PD1.	n/a
<b>PD11.24</b>	Opening RCV at 1 April 2025 in 2022-23 FYA (CPIH) prices post midnight adjustments	The opening RCV balance as at 1 April 2025 in 2022-23 FYA (CPIH) prices post midnight adjustments. PD11.22 converted to 2022-23 FYA prices using CPIH details in PD1.	n/a
<b>PD11.25</b>	Opening RCV at 1 April 2025 in 2022-23 FYE (CPIH) prices post midnight adjustments	The opening RCV balance as at 1 April 2025 in 2022-23 FYE (CPIH) prices post midnight adjustments. PD11.23 converted to 2022-23 FYE prices using CPIH details in PD1.	n/a

## PD11 Additional guidance

- 13.1 All the PR19 reconciliation models that produce RCV adjustments calculate in 2017-18 prices. The outputs from these models will be used in the PR24 financial model, which uses 2022-23 prices. We will convert the adjustments output from the reconciliation models to the correct price base for the financial model in the PR24 RCV adjustments feeder model.
- 13.2 The PR14 blind year (BYR) adjustments are summarised in table 2 of each company's 'Blind year adjustments, Final decision' document and the accompanying final 'Blind year adjustments model' published on our [website](#).

13.3 The PR14 IFRS16 adjustments were unaffected by 2019–20 inflation and were out of scope of the blind year reconciliation. They remain unchanged from the 2019 final determination and the adjustments can be found in table 3 of each company's 'PR19 final determination – Accounting for past delivery appendix' published on our [website](#).

### **PD11 Commentary requirement**

13.4 None.

## 14. PD12 – PR19 reconciliation adjustments summary

### Table PD12 line definitions

Price base and Indexation
<p>The end of period RCV midnight adjustment outputs from the PR19 reconciliation models are in 2017-18 FYA (CPIH deflated) prices as specified in the PR19 Reconciliation Rulebook methodology.</p>
<p>Revenue adjustment outputs from the final PR14 Blind Year reconciliations are in 2017-18 FYA (CPIH deflated) prices.</p>
<p>Revenue adjustment outputs from the PR19 reconciliation models are in varying price bases as specified in the PR19 Reconciliation Rulebook methodology.</p>
<p>The calculated lines convert these values into 2022-23 base year prices using FYA CPIH figures contained in table PD1, for use in the PR24 financial model.</p>

Line	Title	Definition	RAG 4.10 line reference
<b>PD12.1 to PD12.9</b>	PR19 reconciliation end-of-period RCV midnight adjustments as at 31 March 2025	Copied from table PD11.11 to PD11.19.	n/a
<b>PD12.10</b>	PR14 BYR WRFIM revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The final blind year (2019-20) end-of-period revenue adjustments in PR19 base year prices for the network plus and additional price controls, relating to the reconciliation of the PR14 Water revenue forecasting incentive mechanism (WRFIM).	n/a
<b>PD12.11</b>	PR14 BYR Water trading revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The final blind year (2019-20) end-of-period revenue adjustments in PR19 base year prices for the water resources and network plus price controls, relating to the reconciliation of PR14 Water trading incentives.	n/a
<b>PD12.12</b>	PR14 BYR Totex menu revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The final blind year (2019-20) end-of-period revenue adjustments in PR19 base year prices for the network plus and additional price controls, relating to the reconciliation of PR14 Totex menu incentives.	n/a

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Line	Title	Definition	RAG 4.10 line reference
PD12.13	PR14 BYR Other revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The final blind year (2019-20) end-of-period revenue adjustments in PR19 base year prices for the wastewater network plus price control, relating to other qualifying items such as the correction of unambiguous errors.	n/a
PD12.14	PR14 BYR Residential retail revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The final blind year (2019-20) end-of-period revenue adjustments in PR19 base year prices for the residential retail price control, relating to the reconciliation of PR14 Residential retail revenue.	n/a
PD12.15	PR19 ODI revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Outcome Delivery Incentive (ODI) end of period revenue adjustments in PR19 base year prices by price control. The adjustments are based on reconciling actual and forecast performance for 2020-25 period against PR19 / CMA performance commitment levels, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD12.16	PR19 RFI revenue adjustment in 2024-25 prior November (CPIH deflated) prices	The PR19 Revenue Forecasting Incentive (RFI) revenue adjustments in prior November (CPIH deflated) prices by price control (except bioresources). The adjustments are based on reconciling forecast recovered revenue for 2023-24 and 2024-25 against PR19 / CMA allowed revenues, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD12.17	PR19 C-MeX revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Customer measure of experience (C-MeX) revenue adjustments in PR19 base year prices for the residential retail price control. The adjustments are based on reconciling forecast performance in 2023-24 and 2024-25, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD12.18	PR19 D-MeX revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Developer services measure of experience (D-MeX) revenue adjustments in PR19 base year prices for the network plus price controls. The adjustments are based on reconciling forecast performance in 2023-24 and 2024-25, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD12.19	PR19 Bilateral entry (BEA) revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Bilateral entry (BEA) revenue adjustments in PR19 base year prices for the water resources price control. The adjustments are based on reconciling forecast performance in 2023-24 and 2024-25, should bilateral entry occur in the water resources market, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD12.20	PR19 Bioresources revenue adjustment in 2024-25 prior November (CPIH deflated) prices	The PR19 Bioresources revenue adjustments in 2024-25 prior November (CPIH deflated) prices for the bioresources price control. The adjustments are based on reconciling forecast performance in 2023-24 and 2024-25 against PR19 forecast sludge volumes, in-line with the PR19 Reconciliation Rulebook methodology.	n/a

PR24 business plan table guidance part 12; Past delivery

Line	Title	Definition	RAG 4.10 line reference
PD12.21	PR19 Bioresources forecasting accuracy incentive penalty in 2017-18 FYA (CPIH deflated) prices	The PR19 Bioresources forecasting accuracy incentive penalty in PR19 base year prices for the bioresources price control. The penalty is based on reconciling outturn sludge production for the 2020-25 period against PR19 forecast sludge production, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD12.22	PR19 Residential retail revenue adjustment in 2024-25 FYA (CPIH deflated) prices	The PR19 Residential retail end of period revenue adjustments in 2024-25 FYA (CPIH deflated) prices for the residential retail price control. The adjustments are based on reconciling actual and forecast performance for the 2020-25 period against PR19 / CMA allowed revenues based on actual customer numbers, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD12.23	PR19 Business retail revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Business retail end of period revenue adjustments in PR19 base year prices for the business retail price control. The adjustments are based on reconciling actual and forecast performance for the 2020-25 period against PR19 / CMA performance commitment levels, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD12.24	PR19 Water trading revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Water trading end of period revenue adjustments in PR19 base year prices for the water resources and water network plus price controls. The adjustments are based on reconciling actual and forecast revenues for qualifying trades starting in the 2020-25 period, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD12.25	PR19 Developer services revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Developer services end of period revenue adjustments in PR19 base year prices for the network plus price controls. The adjustments are based on reconciling actual and forecast revenues for the 2020-25 period against PR19 developer services revenues, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
PD12.26	PR19 Cost of new debt revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Cost of new debt end of period revenue adjustments in PR19 base year prices for the water resources, network plus, bioresources and additional price controls. The adjustments are based on reconciling the actual and forecast cost of new debt in the 2020-25 period by reference to a market benchmark, in-line with the PR19 Reconciliation Rulebook methodology.	n/a

PR24 business plan table guidance part 12; Past delivery

Line	Title	Definition	RAG 4.10 line reference
<b>PD12.27</b>	PR19 Gearing outperformance revenue adjustment in 2022-23 FYA (CPIH deflated) prices	The PR19 Gearing outperformance end of period revenue adjustments in 2022-23 FYA (CPIH deflated) prices for the network plus price controls. The adjustments are based on reconciling the actual and forecast gearing outperformance sharing payments for highly-g geared companies in the 2020-25 period, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
<b>PD12.28</b>	PR19 Totex costs revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Totex costs reconciliation end of period revenue adjustments in PR19 base year prices for the water resources, network plus, bioresources and additional price controls. The adjustments are based on reconciling actual and forecast performance levels over the 2020-25 period against PR19 / CMA totex allowances, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
<b>PD12.29</b>	PR19 Tax revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Tax end of period revenue adjustments in PR19 base year prices for the water resources, network plus, bioresources and additional price controls. The adjustments are based on reconciling any changes to corporation tax or capital allowance rates over the 2020-25 period, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
<b>PD12.30</b>	PR19 RPI-CPIH wedge revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 RPI-CPIH wedge reconciliation end of period revenue adjustments in PR19 base year prices for the water resources, network plus, bioresources and additional price controls. The adjustments are based on reconciling the difference between actual RPI-CPIH wedge observed over the 2020-25 period and that included in the final determination, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
<b>PD12.31</b>	PR19 Strategic regional water resources revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Strategic regional water resources reconciliation end of period revenue adjustments in PR19 base year prices for the water resources and water network plus price controls. The adjustments are based on reconciling actual and forecast performance levels over the 2020-25 period against PR19 / CMA revenue allowances, in-line with the PR19 Reconciliation Rulebook methodology.	n/a
<b>PD12.32</b>	PR19 Havant Thicket activities revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Havant Thicket reservoir activities reconciliation revenue adjustment in PR19 base year prices for the additional price control. The adjustment is based on reconciling actual and forecast performance levels over the 2020-25 period against PR19 revenue allowances, in-line with the PR19 Reconciliation Rulebook methodology.	n/a

PR24 business plan table guidance part 12; Past delivery

Line	Title	Definition	RAG 4.10 line reference
<b>PD12.33</b>	PR19 Green recovery costs revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Green recovery reconciliation end of period revenue adjustments in PR19 base year prices for the water resources, network plus and bioresources price controls. The adjustments are based on reconciling actual and forecast performance levels over the 2020-25 period against the package of investment agreed in July 2021.	n/a
<b>PD12.34</b>	PR19 Green recovery (TVM) revenue adjustment in 2017-18 FYA (CPIH deflated) prices	The PR19 Green recovery time value of money (TVM) reconciliation end of period revenue adjustments in PR19 base year prices for the water resources, network plus and bioresources price controls. The adjustments are based on reconciling actual and forecast revenue received to fund the green recovery over the 2020-25 period, against allowed expenditure in the package of investment agreed in July 2021.	n/a
<b>PD12.35</b>	Other revenue adjustments in 2017-18 FYA (CPIH deflated) prices	Other end of period revenue adjustments in PR19 base year prices by price control. The adjustments relate to reconciling actual and forecast performance levels over the 2020-25 period for other qualifying items such as the correction of unambiguous errors.	n/a
<b>PD12.36 to PD12.70</b>	End-of-period RCV and revenue adjustments in PR24 base year prices	Lines PD12.1 to PD12.35 converted to 2022-23 FYA prices using CPIH details in PD1.	n/a

## PD12 Additional guidance

- 14.1 Some of the PR19 reconciliation models calculate in 2017-18 prices and others in outturn (nominal) prices. The outputs from these models will be used in the PR24 financial model, which uses 2022-23 prices. We will convert the adjustments output from the reconciliation models to the correct price base for the financial model in the PR24 revenue adjustments feeder model.
- 14.2 The table requires the outcome delivery incentive (ODI) revenue adjustments for 2024-25 for end of period performance commitments only. Consistent with the [PR19 Reconciliation Rulebook](#), in-period ODIs should not be included in this table but should be reported by price control in OUT6 and by performance commitment in OUT8 using the version of the PR19 ODI performance model issued to companies for use in their business plans.
- 14.3 As explained in the additional guidance for OUT8, we remain open to amending the approach set out in the PR19 Reconciliation Rulebook for in period ODIs and will set out our final approach by draft determination.



14.4 Deferred outperformance payments from previous years should also be excluded from this table. These values are contained in the final determination in-period adjustment models published in November 2022. The PR24 revenue adjustments feeder model will contain inputs for deferred outperformance payments where applicable.

### **PD12 Commentary requirement**

14.5 Companies should provide confirmation that the table has been completed in accordance with the above guidance.

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is a non-ministerial government department.  
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