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PR24 Final Methodology submission table guidance – section 9: Long- term strategies

About this document

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">• redrafted guidance for clarity;• updated LS1 and LS2 to reflect the final methodology performance commitments; and• added new lines to tables LS3-LS6.
V3	7/2/2023	Changes from V2: <ul style="list-style-type: none">• clarified how to reflect schemes delivered via direct procurement for customers (DPC); and• clarified how companies should present the information if they have considered alternative glidepaths for different performance levels and pace of delivery.
V4	31/5/2023	Changes from V3: <ul style="list-style-type: none">• clarified how companies should present the information if they have considered alternative glidepaths for different performance levels from base expenditure.

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1. Summary purpose of the data tables

What data are we collecting?

- 1.1 In these tables, we are collecting data on companies' forecast long-term outcomes and enhancement expenditure for 2025-50. Forecast enhancement expenditure should be set out using adaptive pathways, consistent with a company's long-term delivery strategy.
- 1.2 We also ask for data on the forecast enhancement expenditure required to meet long-term outcomes under a range of scenarios, and how forecast enhancement expenditure will impact on customer bills.

Why are we collecting the data?

- 1.3 This data underpins a company's long-term delivery strategy at PR24. We expect long-term delivery strategies to form a key part of the evidence to justify the scale and timing of need for enhancement expenditure in 2025-30 and provide early sight of future investments.

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

- 1.4 These tables are not included in the APR, as we only need this information at price reviews.

2. General guidance

- 2.1 The data in these tables should be clearly linked to a company's long-term delivery strategy.
- 2.2 Tables LS1-LS2 ask companies to set out their forecast **long-term outcomes to 2050**, including the service levels to be achieved through total expenditure and then through base expenditure.
- 2.3 Tables LS3-LS4i then ask for the **enhancement expenditure required to meet the forecast outcomes**, over and above what is delivered through base expenditure. Companies should use **adaptive pathways** to present this information and show how the investment programme will vary in different plausible futures. The data should be clearly linked to the long-term delivery strategy.
- 2.4 In completing these tables, companies should have regard to the definitions of core and alternative adaptive pathways as set out in our guidance.¹ These pathways will show:
 - **core pathway**: activities that are 'no and/or low regret', ie required across a wide range of plausible future scenarios or to keep future options open, or need to be undertaken to meet short-term requirements; and
 - **alternative pathways**: investment that should only be carried out under certain circumstances, such as under more adverse future scenarios.
- 2.5 Tables LS5-LS6 confirm the forecast enhancement expenditure required to meet long-term outcomes **under each listed scenario**. This includes the common reference scenarios as well as any relevant company-specific scenarios. Companies should use these tables to confirm the relevant adaptive pathways they would follow under each scenario.
- 2.6 As set out in our guidance, we do not expect an alternative pathway for each common reference scenario.² This is because the package of investment described by an adaptive pathway may deliver the forecast long-term outcomes under one or more of the scenarios. We expect companies to use scenario testing to demonstrate that, under different plausible futures, the strategy is likely to efficiently deliver the company's ambition.
- 2.7 Long-term delivery strategies should bring together all enhancement activities that are required to meet a company's long-term goals into a consistent and holistic strategy.

¹ Ofwat, ['PR24 and beyond: Final guidance on long-term delivery strategies'](#), April 2022, pp. 21-23.

² Ofwat, ['PR24 and beyond: Final guidance on long-term delivery strategies'](#), April 2022, pp. 22-23, 52.

Where companies expect a scheme to be delivered via direct procurement for customers this should be clearly communicated as part of the long-term delivery strategy. To ensure consistency between the wholesale expenditure tables and the long-term delivery strategy tables LS3 to LS6, we confirm that companies should not include any costs forecast to be incurred by the competitively appointed provider (CAP).

- 2.8 Finally, LS7 sets out the forecast **impacts of enhancement expenditure for customer bills**. These impacts are likely to vary according to which adaptive pathways are followed.

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) i.e. 2022-23 prices FYA (CPIH deflated).

3. LS1 – Forecast outcomes

- 3.1 In this table, we are asking companies to set out the outcomes that they are forecasting to deliver over the 2025–50 period.
- 3.2 Lines LS1.1–LS1.30 relate to the PR24 common performance commitments and any bespoke performance commitments. LS1.31–LS1.32 relate to information reported in strategic planning frameworks.

Table LS1 line definitions

Line	Title	Definition
LS1.1–LS1.30	These lines share the same definitions as those in table OUT1. Companies should refer to 'PR24 business plan table guidance part 1: Outcomes' for the relevant line definitions.	
LS1.31	Supply-side scheme benefit	Supply-side scheme benefit (MI/d) delivered to the supply-demand balance as linked supply-demand balance enhancement expenditure. Reported in the year that the water resource benefit is expected to become available and can be reported against the supply-demand balance for WRMP annual review purposes.
LS1.32	Wastewater network storage volume delivered or avoided	Effective new/additional storage delivered in the network through grey or green infrastructure (nature-based solutions) to address storage volume issues, or measures undertaken to avoid the need for additional storage in the network.

LS1 Additional guidance

- 3.3 This table asks for the performance impact of all base and enhancement expenditure across the period 2025–2050.
- 3.4 This is different from table OUT1, which asks for the performance impact of all base expenditure but only enhancement investment that commences in, or prior to, the 2025–30 period. In table LS1, the impacts of enhancement investment commencing from 2030–31 onwards should be included.
- 3.5 As set out in our guidance on long-term delivery strategies, the strategy should include forecasts against all PR24 common performance commitments, except those based on compliance or relative performance.³

³ Ofwat, ['PR24 and beyond: Final guidance on long-term delivery strategies'](#), April 2022, p. 15.

- 3.6 Performance commitment levels should be presented in consistent units across the period.
- 3.7 We expect companies to have a maximum of two to three bespoke performance commitments.
- 3.8 The long-term delivery strategy should aim to meet these forecast performance commitment levels under, at minimum, all the common reference scenarios.
- 3.9 If a company has considered alternative glidepaths for different performance levels and pace of delivery, they should present a 'most likely' view of the glidepaths in this table. The accompanying narrative in the long-term delivery strategy should explain how this would change under different scenarios and pathways.

LS1 Commentary requirement

- 3.10 Companies should include an explanation of any significant change over the period in the rate of service level improvement for a performance commitment.
- 3.11 If a company has considered multiple glidepaths, they should state the pathways that are required to deliver the 'most likely' glidepath presented in this table.

4. LS2 – Forecast outcomes from base expenditure

- 4.1 In this table, we are asking for data about the outcomes that companies expect to achieve through base expenditure in the 2025-50 period.
- 4.2 Lines LS2.1-LS2.30 relate to the PR24 common performance commitments and any bespoke performance commitments. LS2.31-LS2.32 relate to information reported in strategic planning frameworks.

Table LS2 line definitions

Line	Title	Definition
LS1.1-LS1.30	These lines share the same definitions as those in table OUT1. Companies should refer to 'PR24 business plan table guidance part 1: Outcomes' for the relevant line definitions.	
LS1.31	Supply-side scheme benefit	Supply-side scheme benefit (MI/d) delivered to the supply-demand balance as linked supply-demand balance enhancement expenditure. Reported in the year that the water resource benefit is expected to become available and can be reported against the supply-demand balance for WRMP annual review purposes.
LS1.32	Wastewater network storage volume delivered or avoided	Effective new/additional storage delivered in the network through grey or green infrastructure (nature-based solutions) to address storage volume issues, or measures undertaken to avoid the need for additional storage in the network.

LS2 Additional guidance

- 4.3 As set out in our guidance on long-term delivery strategies, the strategy should include forecasts against all PR24 common performance commitments, except those based on compliance or relative performance.⁴
- 4.4 Performance commitment levels should be presented in consistent units across the period.
- 4.5 In developing their forecasts, we expect companies to take account of our approach to determining performance improvements from base expenditure, as set out in the final methodology.⁵ The long-term delivery strategy should set out the enhancement activities required over and above this to meet the forecast outcomes set out in LS1 under a range of plausible future scenarios.

⁴ Ofwat, '[PR24 and beyond: Final guidance on long-term delivery strategies](#)', April 2022, p. 15.

⁵ See Appendix 9.

- 4.6 We expect companies to have a maximum of two to three bespoke performance commitments.
- 4.7 If a company has considered alternative glidepaths for different performance levels from base expenditure, they should present a 'most likely' view of the glidepaths in this table. The accompanying narrative in the long-term delivery strategy should explain how this would change under different scenarios and pathways.

LS2 Commentary requirement

- 4.8 Companies should include the following commentary:
- an explanation of how the company has taken account of our approach to forecasting performance improvements from base expenditure;
 - any significant deviations from that approach; and
 - if applicable, why those deviations are appropriate.

5. LS3-LS3i – Wholesale water totex enhancement expenditure by purpose, core and alternative pathways

5.1 In these tables, we are asking for forecast costs that relate to enhancement expenditure for wholesale water in the core and alternative pathways set out in a company's long-term delivery strategy.

Table LS3 line definitions

Line	Title	Definition
LS3.1-LS3.46	These lines share the same definitions as those in table CW3. Companies should refer to 'PR24 business plan table guidance part 3: Costs (wholesale) – water' for the relevant line definitions.	
LS3.47	Total water enhancement expenditure - core pathway	The total water enhancement expenditure requirement associated with the core pathway.

Table LS3a-LS3i line definitions

Line	Title	Definition
LS3.1	Decision year	The latest point in time when a decision would need to be taken about whether the alternative adaptive pathway is followed.
LS3.2	Most likely trigger year	The most likely point in time at which the strategy moves to the alternative pathway, based on scenario testing.
LS3.3	Likelihood	The estimated likelihood of the alternative pathway being triggered during the 2025-50 period.
LS3.4-LS3.49	These lines share the same definitions as those in table CW3. Companies should refer to 'PR24 business plan table guidance part 3: Costs (wholesale) – water' for the relevant line definitions.	
LS3.50	Total water enhancement expenditure - alternative pathway	The total water enhancement expenditure requirement associated with the alternative pathway.

LS3-LS3i Additional guidance

5.2 2020-25 expenditure is based on actuals and updated forecasts, whilst 2025-26 to 2049-2050 expenditure is based on all forecast enhancement expenditure across the period. This marks the difference between tables LS3-LS3i and the data reported in CW1-CW19. In CW1-CW19, the enhancement expenditure forecasts relate only to enhancement investment that commences in, or prior to, the 2025-30 period. In this table, all enhancement investment, including that commencing from 2030-31 onwards, is included.

- 5.3 LS3 should be used to set out enhancement expenditure in the core pathway. Expenditure should be included in the core pathway where it meets the definition set out in Section 3.3.2 of our guidance on long-term delivery strategies.⁶
- 5.4 Activities which should only be carried out under certain circumstances, such as under more adverse future scenarios, are then set out in alternative pathways.
- 5.5 LS3a-LS3i, which represent the alternative pathways, show the change in enhancement expenditure compared to the core pathway. Where there are enhancement lines that do not change in the alternative pathway, these should be left blank.
- 5.6 LS3a-LS3i allow for nine alternative pathways to be presented. As set out in our guidance, it is up to companies to determine how many alternative pathways are required to achieve their ambition in a range of plausible futures. We consider nine is a suitable maximum number, however if companies wish to input further pathways, they should create duplicate tabs, labelled LS3j, LS3k and so on. Where companies use fewer than nine alternative pathways, the leftover tabs should be left blank.
- 5.7 Likelihood should be presented as a percentage. Companies may use a confidence range where necessary.
- 5.8 Data should be inputted to three decimal places for consistency. However, cost estimates should be presented to:
- 3 significant figures in 2030-35; and
 - 2 significant figures in 2035-50.

LS3 Commentary requirement

- 5.9 Companies should include the following commentary to this table:
- if any of the alternative pathways require expenditure in the 2025-30 period, an explanation of why this investment is not included in the core pathway;
 - an explanation of whether any costs have been proportionally allocated between expenditure categories in tables LS3-LS3i and LS4-LS4i, including how much has been subject to proportional allocation and the cost drivers used;
 - an explanation of the reasons for using the additional lines; and

⁶ Ofwat, ['PR24 and beyond: Final guidance on long-term delivery strategies'](#), April 2022, pp. 21-22.

- an explanation of how the alternative pathways presented in a company's long-term delivery strategy align with pathways a-i if they have used different labelling.

6. LS4-LS4i – Wholesale wastewater totex enhancement expenditure by purpose, core and alternative pathways

6.1 In these tables, we are asking for costs that relate to enhancement expenditure for wholesale wastewater in the core and alternative pathways set out in a company's long-term delivery strategy.

Table LS4 line definitions

Line	Title	Definition
LS4.1-LS4.64	These lines share the same definitions as those in table CWW3. Companies should refer to 'PR24 business plan table guidance part 4: Costs (wholesale) – wastewater' for the relevant line definitions.	
LS4.65	Total wastewater enhancement expenditure - core pathway	The total wastewater enhancement expenditure requirement associated with the core pathway.

Table LS4a-LS4i line definitions

Line	Title	Definition
LS4.1	Decision year	The latest point in time when a decision would need to be taken about whether the alternative adaptive pathway is followed.
LS4.2	Earliest expected trigger year	The earliest point in time at which the strategy moves to the alternative pathway.
LS4.3	Likelihood	The estimated likelihood of the alternative pathway being triggered during the 2025-50 period.
LS4.4-LS4.67	These lines share the same definitions as those in table CWW3. Companies should refer to 'PR24 business plan table guidance part 4: Costs (wholesale) – wastewater' for the relevant line definitions.	
LS4.68	Total wastewater enhancement expenditure - alternative pathway	The total wastewater enhancement expenditure requirement associated with the alternative pathway.

LS4-LS4i Additional guidance

6.2 2020-25 expenditure is based on actuals and updated forecasts, whilst 2025-26 to 2049-2050 expenditure is based on all forecast enhancement expenditure across the period. This marks the difference between tables LS4-LS4i and the data reported in CWW1-CWW20. In CWW1-CWW20, the enhancement expenditure forecasts relate only to enhancement investment that commences in, or prior to, the 2025-30 period. In these tables, all enhancement investment, including that commencing from 2030-31 onwards, is included.

- 6.3 LS4 should be used to set out enhancement expenditure in the core pathway. Expenditure should be included in the core pathway where it meets the definition set out in Section 3.3.2 of our guidance on long-term delivery strategies.⁷
- 6.4 Activities which should only be carried out under certain circumstances, such as under more adverse future scenarios, are then set out in alternative pathways.
- 6.5 LS4a-LS4i, which represent the alternative pathways, show the change in enhancement expenditure compared to the core pathway. Where there are enhancement lines that do not change in the alternative pathway, these should be left blank.
- 6.6 LS4a-LS4i allow for nine alternative pathways to be presented. As set out in our guidance on long-term delivery strategies, it is up to companies to determine how many alternative pathways are required to achieve their ambition in a range of plausible futures. We consider nine is a suitable maximum number, however if companies wish to input further pathways, they should create duplicate tabs, labelled LS4j, LS4k and so on. Where companies use fewer than nine alternative pathways, the leftover tabs should be left blank.
- 6.7 Likelihood should be presented as a percentage. Companies may use a confidence range where necessary.
- 6.8 Data should be inputted to three decimal places for consistency. However, cost estimates should be presented to:
- 3 significant figures in 2030-35; and
 - 2 significant figures in 2035-50.

LS4 Commentary requirement

- 6.9 Companies should include the following commentary to this table;
- if any of the alternative pathways require expenditure in the 2025-30 period, an explanation of why this investment is not included in the core pathway;
 - an explanation of whether any costs have been proportionally allocated between expenditure categories in tables LS3-LS3i and LS4-LS4i, including how much has been subject to proportional allocation and cost drivers used;
 - an explanation of the reasons for using the additional lines; and

⁷ Ofwat, ['PR24 and beyond: Final guidance on long-term delivery strategies'](#), April 2022, pp. 21-22.

- an explanation of how the alternative pathways presented in a company's long-term delivery strategy align with pathways a-i if they have used different labelling.

7. LS5 – Wholesale water totex enhancement expenditure under scenarios

- 7.1 In this table, we are asking for the forecast wholesale water enhancement expenditure required to meet long-term outcomes under each of the PR24 common reference scenarios. Where company-specific scenarios affect the enhancement requirement by triggering alternative pathways, this should also be reflected.
- 7.2 Enhancement expenditure should reflect the adaptive pathways followed under each scenario and should be consistent with tables LS3-4i.

Table LS5 line definitions

Line	Title	Definition
LS5.1	Water enhancement totex - Abstraction reductions common reference scenario - low	Total water enhancement expenditure for the Abstraction reductions common reference scenario - low - totex
LS5.2	Water enhancement totex - Abstraction reductions common reference scenario - high	Total water enhancement expenditure for the Abstraction reductions common reference scenario - high - totex
LS5.3	Water enhancement totex - Climate change common reference scenario - low	Total water enhancement expenditure for the climate change common reference scenario - low - totex
LS5.4	Water enhancement totex - Climate change common reference scenario - high	Total water enhancement expenditure for the climate change common reference scenario - high - totex
LS5.5	Water enhancement totex - Demand common reference scenario - low	Total water enhancement expenditure for the demand common reference scenario - low - totex
LS5.6	Water enhancement totex - Demand common reference scenario - high	Total water enhancement expenditure for the demand common reference scenario - high - totex
LS5.7	Water enhancement totex - Technology common reference scenario - low	Total water enhancement expenditure for the technology common reference scenario - low - totex
LS5.8	Water enhancement totex - Technology common reference scenario - high	Total water enhancement expenditure for the technology common reference scenario - high - totex
LS5.9	Water enhancement totex – company-specific scenario 1	Total water enhancement expenditure for a bespoke scenario, to be defined by company - totex
LS5.10	Water enhancement totex – company-specific scenario 2	Total water enhancement expenditure for a bespoke scenario, to be defined by company - totex
LS5.11	Water enhancement totex – company-specific scenario 3	Total water enhancement expenditure for a bespoke scenario, to be defined by company - totex

LS5 Additional guidance

- 7.3 All figures should be enhancement expenditure only.

- 7.4 Figures for columns P, Q and R should be totals for the period rather than annual figures.
- 7.5 Companies may choose to set out alternative pathways in tables LS3a-LS4i that are triggered by different factors to those described by the common reference scenarios. This will create a unique long-term expenditure requirement different to that associated with the common reference scenarios. In this case, companies should include in this table the company-specific scenarios that trigger these alternative pathways. We do not require companies to list all the bespoke scenarios they have tested in this table.
- 7.6 If companies wish to input more than three company-specific scenarios, they should create additional lines, labelled LS5.12, LS5.13, and so on.
- 7.7 LS5.2 is not applicable to companies in Wales.

LS5 Commentary requirement

- 7.8 Companies should include an explanation of which adaptive pathways are followed under each scenario.
- 7.9 Where company-specific scenarios are listed, companies should explain the factors being tested by the scenario or set out where this information can be found in the long-term delivery strategy document.

8. LS6 – Wholesale wastewater totex enhancement expenditure under scenarios

- 8.1 In this table, we are asking for the forecast wholesale wastewater enhancement expenditure required to meet long-term outcomes under each of the PR24 common reference scenarios. Where company-specific scenarios affect the enhancement requirement by triggering alternative pathways, this should also be reflected.
- 8.2 Enhancement expenditure should reflect the adaptive pathways followed under each scenario and should be consistent with tables LS3-4i.
- 8.3 We include the common reference scenarios for abstraction reductions in this table. This is because, while these scenarios are most likely to affect wholesale water expenditure, they may in turn impact on the wider strategy, for example given considerations around affordability and/or fairness between current and future generations.

Table LS6 line definitions

Line	Title	Definition
LS6.1	Wastewater enhancement totex - Abstraction reductions common reference scenario - low	Total wastewater enhancement expenditure for the Abstraction reductions common reference scenario - low - totex
LS6.2	Wastewater enhancement totex - Abstraction reductions common reference scenario - high	Total wastewater enhancement expenditure for the Abstraction reductions common reference scenario - high - totex
LS6.3	Wastewater enhancement totex - Climate change common reference scenario - low	Total wastewater enhancement expenditure for the climate change common reference scenario - low - totex
LS6.4	Wastewater enhancement totex - Climate change common reference scenario - high	Total wastewater enhancement expenditure for the climate change common reference scenario - high - totex
LS6.5	Wastewater enhancement totex - Demand common reference scenario - low	Total wastewater enhancement expenditure for the demand common reference scenario - low - totex
LS6.6	Wastewater enhancement totex - Demand common reference scenario - high	Total wastewater enhancement expenditure for the demand common reference scenario - high - totex
LS6.7	Wastewater enhancement totex - Technology common reference scenario - low	Total wastewater enhancement expenditure for the technology common reference scenario - low - totex
LS6.8	Wastewater enhancement totex - Technology common reference scenario - high	Total wastewater enhancement expenditure for the technology common reference scenario - high - totex
LS6.9	Wastewater enhancement totex – company-specific scenario 1	Total wastewater enhancement expenditure for a bespoke scenario, to be defined by company - totex
LS6.10	Wastewater enhancement totex – company-specific scenario 2	Total wastewater enhancement expenditure for a bespoke scenario, to be defined by company - totex

Line	Title	Definition
LS6.11	Wastewater enhancement totex – company-specific scenario 3	Total wastewater enhancement expenditure for a bespoke scenario, to be defined by company – totex

LS6 Additional guidance

- 8.4 All figures should be enhancement expenditure only.
- 8.5 Figures for columns P, Q and R should be totals for the period rather than annual figures.
- 8.6 Companies may choose to set out alternative pathways in tables LS3a-LS4i that are triggered by different factors to those described by the common reference scenarios. This will create a unique long-term expenditure requirement different to that associated with the common reference scenarios. In this case, companies should include in this table the company-specific scenarios that trigger these alternative pathways. We do not require companies to list all the bespoke scenarios they have tested in this table.
- 8.7 If companies wish to input more than three company-specific scenarios, they should create additional lines, labelled LS6.12, LS6.13, and so on.
- 8.8 LS6.2 is not applicable to companies in Wales.

LS6 Commentary requirement

- 8.9 Companies should include an explanation of which adaptive pathways are followed under each common reference scenario.
- 8.10 Where company-specific scenarios are listed, companies should explain the factors being tested by the scenario or set out where this information can be found in the long-term delivery strategy document.

9. LS7 – Average total water, wastewater and combined bills under core and alternative pathways

9.1 In this table, we are asking for data related to forecast bill impacts under different adaptive pathways.

Table LS7 line definitions

Line	Title	Definition
LS7.1	Average water bill - Core pathway	Actual and forecast total and change in average total water bills for core pathway of the long-term delivery strategy
LS7.2	Average water bill - Alternative pathway 1	Actual and forecast total and change in average total water bills for alternative pathway 1 of the long-term delivery strategy
LS7.3	Average water bill - Alternative pathway 2	Actual and forecast total and change in average total water bills for alternative pathway 2 of the long-term delivery strategy
LS7.4	Average water bill - Alternative pathway 3	Actual and forecast total and change in average total water bills for alternative pathway 3 of the long-term delivery strategy
LS7.5	Average water bill - Alternative pathway 4	Actual and forecast total and change in average total water bills for alternative pathway 4 of the long-term delivery strategy
LS7.6	Average water bill - Alternative pathway 5	Actual and forecast total and change in average total water bills for alternative pathway 5 of the long-term delivery strategy
LS7.7	Average water bill - Alternative pathway 6	Actual and forecast total and change in average total water bills for alternative pathway 6 of the long-term delivery strategy
LS7.8	Average water bill - Alternative pathway 7	Actual and forecast total and change in average total water bills for alternative pathway 7 of the long-term delivery strategy
LS7.9	Average water bill - Alternative pathway 8	Actual and forecast total and change in average total water bills for alternative pathway 8 of the long-term delivery strategy
LS7.10	Average water bill - Alternative pathway 9	Actual and forecast total and change in average total water bills for alternative pathway 9 of the long-term delivery strategy
LS7.11	Average wastewater bill - Core pathway	Actual and forecast total and change in average total wastewater bills for core pathway of the long-term delivery strategy
LS7.12	Average wastewater bill - Alternative pathway 1	Actual and forecast total and change in average total wastewater bills for alternative pathway 1 of the long-term delivery strategy
LS7.13	Average wastewater bill - Alternative pathway 2	Actual and forecast total and change in average total wastewater bills for alternative pathway 2 of the long-term delivery strategy
LS7.14	Average wastewater bill - Alternative pathway 3	Actual and forecast total and change in average total wastewater bills for alternative pathway 3 of the long-term delivery strategy
LS7.15	Average wastewater bill - Alternative pathway 4	Actual and forecast total and change in average total wastewater bills for alternative pathway 4 of the long-term delivery strategy
LS7.16	Average wastewater bill - Alternative pathway 5	Actual and forecast total and change in average total wastewater bills for alternative pathway 5 of the long-term delivery strategy
LS7.17	Average wastewater bill - Alternative pathway 6	Actual and forecast total and change in average total wastewater bills for alternative pathway 6 of the long-term delivery strategy
LS7.18	Average wastewater bill - Alternative pathway 7	Actual and forecast total and change in average total wastewater bills for alternative pathway 7 of the long-term delivery strategy

Line	Title	Definition
LS7.19	Average wastewater bill - Alternative pathway 8	Actual and forecast total and change in average total wastewater bills for alternative pathway 8 of the long-term delivery strategy
LS7.20	Average wastewater bill - Alternative pathway 9	Actual and forecast total and change in average total wastewater bills for alternative pathway 9 of the long-term delivery strategy
LS7.21	Average combined bill - Core pathway	Actual and forecast total and change in average total combined bills for core pathway of the long-term delivery strategy
LS7.22	Average combined bill - Alternative pathway 1	Actual and forecast total and change in average total combined bills for alternative pathway 1 of the long-term delivery strategy
LS7.23	Average combined bill - Alternative pathway 2	Actual and forecast total and change in average total combined bills for alternative pathway 2 of the long-term delivery strategy
LS7.24	Average combined bill - Alternative pathway 3	Actual and forecast total and change in average total combined bills for alternative pathway 3 of the long-term delivery strategy
LS7.25	Average combined bill - Alternative pathway 4	Actual and forecast total and change in average total combined bills for alternative pathway 4 of the long-term delivery strategy
LS7.26	Average combined bill - Alternative pathway 5	Actual and forecast total and change in average total combined bills for alternative pathway 5 of the long-term delivery strategy
LS7.27	Average combined bill - Alternative pathway 6	Actual and forecast total and change in average total combined bills for alternative pathway 6 of the long-term delivery strategy
LS7.28	Average combined bill - Alternative pathway 7	Actual and forecast total and change in average total combined bills for alternative pathway 7 of the long-term delivery strategy
LS7.29	Average combined bill - Alternative pathway 8	Actual and forecast total and change in average total combined bills for alternative pathway 8 of the long-term delivery strategy
LS7.30	Average combined bill - Alternative pathway 9	Actual and forecast total and change in average total combined bills for alternative pathway 9 of the long-term delivery strategy

LS7 Additional guidance

- 9.2 This table contains the impact of a company's long-term delivery strategy on residential customers, across water and wastewater. The change in bills should be based on the change in enhancement expenditure, using the approach set out in Appendix 1 of our guidance on long-term delivery strategies.⁸
- 9.3 For each line populated, companies should set out the total bill for 2020-25, and estimated changes in bills over 2025-50 under the pathway.
- 9.4 Where there is no change in bills estimated in a year, a zero should be input into the relevant cell. Forecast bill numbers should be input in £. Reductions in bills should be input as negative numbers.
- 9.5 Where an alternative pathway has not been used, the line should be left blank.

⁸ Ofwat, '[PR24 and beyond: Final guidance on long-term delivery strategies](#)', April 2022, p. 65.

- 9.6 Where companies expect one or more schemes to be delivered via direct procurement for customers (DPC), the costs forecast to be incurred by the competitively appointed provider should be included in the calculation of long-term bill impacts. To ensure this is simple and transparent, companies should include DPC schemes as part of their enhancement expenditure when following the approach to calculating long-term bill impacts set out in Appendix 2 of the Final guidance on long-term delivery strategies.⁹

LS7 Commentary requirement

- 9.7 Companies should include their bill calculations, demonstrating how they have followed our approach to calculating long-term bill impacts.
- 9.8 Where relevant, companies should clearly state the long-term bill impact associated with DPC schemes as well as documenting key assumptions.

⁹ Ofwat, ['Final guidance on long-term delivery strategies'](#), April 2022, p. 65.

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