

August 2023

**PR24 Final Methodology submission  
table guidance – section 11:  
Summary tables**

## 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"><li>• Link to final methodology added</li></ul>
V3	7/2/2023	Changes from V2; None
V4	31/5/2023	Changes from V3; Revised for four summary tables only.
V5	15/8/2023	Changes from V4; Bespoke PCs added to SUM1. Formulae in SUM4 updated. Definition of mandatory and discretionary expenditure added.

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## 1. Purpose of the summary data tables and commentary

### What data are we collecting?

- 1.1 The summary data tables contain key figures drawn largely from the rest of the data tables that will be submitted as part of PR24 business plans. The accompanying commentary should be used as a means of explaining, at a high level for each of the summary data tables, the key reasons for differences between the PR19 and PR24 figures in each summary data table (where relevant), or where there are differences between Ofwat's final methodology and detail in the company's plan (where relevant).
- 1.2 We also ask companies to provide additional, whole-business plan level commentary to highlight the key issues that the company would like to signal as part of its submission and how the company's business plan proposals address the key challenges for PR24 (see page 15 of the [final methodology](#)).
- 1.3 We ask that commentary is limited to 300 words for each of the four summary data tables and a maximum additional 800 words to highlight key issues and how the company's plan address the key challenges for PR24.

### Why are we collecting the data?

- 1.4 The data and accompanying commentary will enable companies to present a summary of the key information in their plan. It will be used to brief Ofwat's Board on the key features of companies' business plan proposals and related bill changes.
- 1.5 The data will also enable consistent high-level information to be shared with stakeholders to enable comparisons between companies.
- 1.6 The majority of data included in the summary data tables is taken from elsewhere in the PR24 data tables submission. We expect that the commentary will reflect high level points included in the company's narrative business plan submission.

## 2. General guidance and commentary requirement

Table	Title	Content
<b>SUM1</b>	Performance commitments	All common, regional and bespoke performance commitments with a basic structure of 2 columns of data for 2024-25 and 2029-30.
<b>SUM2</b>	Key business plan metrics	Customer and property numbers, basic water and wastewater metrics and RCV growth.
<b>SUM3</b>	Cashflows and WACC	Dividends, financial ratios (gearing, cash interest cover, FFO/net debt, dividend cover, RORE) and WACC.
<b>SUM4</b>	Expenditure	Net totex breakdown.

- 2.1 There are 4 summary data tables, the vast majority of which will be populated directly from the other business plan tables.
- 2.2 The tables provide information primarily for the 2025-30 period. The data in the tables should be considered as ‘themes’ around which companies should provide a commentary. Unlike other tables in the plan, **we do not require line-by-line commentary**. Instead, the commentary for each summary data table should provide a short (max. 300 words) narrative at a higher level than that provided for the other data tables, explaining the key reasons for differences between the PR19<sup>1</sup> and PR24 figures in each summary data table (where relevant), or where there are differences between Ofwat's final methodology and detail in the company's plan (where relevant).
- 2.3 In addition, we ask companies to provide a whole-business plan level commentary to highlight the key issues that the company would like to signal as part of its submission and how the company's business plan proposals address the key challenges for PR24 (see page 15 of the [final methodology](#)):
- meeting rising expectations about what water companies need to deliver for their customers and communities;
  - protecting and enhancing our environment, including sustainably managing our natural resources, and making rapid progress on the operation of storm overflows;
  - adapting to climate change and meeting net zero emissions; and
  - delivering affordable bills, in the context of increasing cost of living challenges.

<sup>1</sup> For the avoidance of doubt, PR19 data should be consistent with the CMA's decision.

- 2.4 Companies should signpost readers to the related part of the main business plan submission. We suggest that footnotes are used for signposting and accept that footnotes do not need to be considered to be part of the word count.
- 2.5 We ask that commentary is limited to 300 words for each of the four summary data tables and a maximum additional 800 words to highlight key issues and how the company's plan address the key challenges for PR24.
- 2.6 We expect that the narrative will also explain the impact that the changes in expenditure, cost of capital etc. will have on average bills. Where a company makes reference to the corresponding movements in bills, you should ensure that any amounts quoted are consistent with the bill changes shown in the waterfall model chart.
- 2.7 The information in the 4 tables should provide information which will aid the reader of the commentary to understand the movements and so they should be integral to any explanation provided. That said, the commentary should be high-level and succinct.
- 2.8 Note that we are not including a comprehensive statement of comparative amounts and values for the previous price review period in the tables. You should include this information as part of the narrative when you are drawing out comparisons between your current and future approach.

## **Discretionary and mandatory expenditure**

- 2.9 In SUM4 we require a view of how much requested expenditure in each given category is mandatory and discretionary. Companies are applying this framework in their affordability and affordability testing. The guidance for these activities defines mandatory expenditure as 'what a company must deliver to carry out its statutory functions'. Discretionary expenditure should be expenditure not strictly required to meet statutory functions, for example to deliver non-statutory requirements, go beyond statutory requirements, and/or meet customer preferences. Consistent with the guidance, we ask companies to identify any 'grey areas' in this analysis and, where this is the case, to provide explanation of how it has applied the definitions in the accompanying commentary.

### 3. SUM1– Performance commitments

Table SUM1 line definitions

Line	Title	Definition
SUM1.1	Water supply interruptions	COPIED FROM OUT1.1
SUM1.2	Compliance risk index (CRI)	COPIED FROM OUT1.2
SUM1.3	Customer contacts about water quality	COPIED FROM OUT1.3
SUM1.4	Internal sewer flooding	COPIED FROM OUT1.4
SUM1.5	External sewer flooding	COPIED FROM OUT1.5
SUM1.6	Biodiversity	COPIED FROM OUT1.6
SUM1.7	Operational greenhouse gas emissions (water)	COPIED FROM OUT1.7
SUM1.8	Operational greenhouse gas emissions (wastewater)	COPIED FROM OUT1.8
SUM1.9	Leakage	COPIED FROM OUT1.9
SUM1.10	Per capita consumption	COPIED FROM OUT1.10
SUM1.11	Business demand	COPIED FROM OUT1.11
SUM1.12	Total pollution incidents	COPIED FROM OUT1.12
SUM1.13	Serious pollution incidents	COPIED FROM OUT1.13
SUM1.14	Discharge permit compliance	COPIED FROM OUT1.14
SUM1.15	Bathing water quality	COPIED FROM OUT1.15
SUM1.16	River water quality (phosphorus)	COPIED FROM OUT1.16
SUM1.17	Storm overflows	COPIED FROM OUT1.17
SUM1.18	Mains repairs	COPIED FROM OUT1.18
SUM1.19	Unplanned outage	COPIED FROM OUT1.19
SUM1.20	Sewer collapses	COPIED FROM OUT1.20
SUM1.21	Leakage - region 1	COPIED FROM OUT1.21
SUM1.22	Leakage - region 2	COPIED FROM OUT1.22
SUM1.23	Per capita consumption - region 1	COPIED FROM OUT1.23
SUM1.24	Per capita consumption - region 2	COPIED FROM OUT1.24
SUM1.25	Business demand - region 1	COPIED FROM OUT1.25
SUM1.26	Business demand - region 2	COPIED FROM OUT1.26
SUM1.27	Abstraction Incentive Mechanism (AIM)	COPIED FROM OUT1.27
SUM1.28	Embedded greenhouse gas emissions	COPIED FROM OUT1.28
SUM1.29	Low carbon concrete	COPIED FROM OUT1.29
SUM1.30	Low pressure	COPIED FROM OUT1.30
SUM1.31	Street works collaboration	COPIED FROM OUT1.31
SUM1.32	Water softening	COPIED FROM OUT1.32

## 4. SUM2 – Key business plan metrics

Table SUM2 line definitions

Line	Title	Definition
<b>SUM2.1</b>	Total household population	COPIED FROM SUP1A.19
<b>SUM2.2</b>	Average number of residential water customers (000s)	COPIED FROM SUP1A.1
<b>SUM2.3</b>	Average number of residential wastewater customers (000s)	COPIED FROM SUP1A.2
<b>SUM2.4</b>	Average number of residential water and wastewater customers (000s)	COPIED FROM SUP1A.3
<b>SUM2.5</b>	Total annual leakage	COPIED FROM CW5.35
<b>SUM2.6</b>	Leakage/property/day	Line 5 divided by the sum of lines 2 and 4.
<b>SUM2.7</b>	Household water consumption	SUM OF CW5.31 AND CW5.32
<b>SUM2.8</b>	Per Capita Consumption (PCC)	Line 7 divided by line 1.
<b>SUM2.9</b>	Business demand	Sum of CW5.33 and CW5.34
<b>SUM2.10</b>	Mains length	COPIED FROM OUT4.86
<b>SUM2.11</b>	Distribution input (per year)	COPIED FROM OUT4.24
<b>SUM2.12</b>	Energy consumption – treated water distribution (MWh)	COPIED FROM CW5.23
<b>SUM2.13</b>	Energy consumption per water Megalitre consumed	Line 12 x 1000 divided by line 11.
<b>SUM2.14</b>	Phosphorus discharged from treatment works	COPIED FROM OUT5.61
<b>SUM2.15</b>	Phosphorus prevented from entering rivers from partnership working	COPIED FROM OUT5.63
<b>SUM2.16</b>	Sewer length	COPIED FROM OUT5.71
<b>SUM2.17</b>	Volume of wastewater receiving treatment at sewage treatment works	COPIED FROM CWW6.13
<b>SUM2.18</b>	Energy consumption - wastewater network +	COPIED FROM CWW8.9
<b>SUM2.19</b>	Energy consumption per wastewater Megalitre received	Line 18 x 1000 divided by line 17.



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Line	Title	Definition – 31 March 2025	Definition – 1 April 2025	Definition – 31 March 2030
<b>SUM2.20</b>	Water resources RCV	COPIED FROM RR12.3 column 1	COPIED FROM RR12.6 column 1	RR13.5+ RR13.10+ RR13.15
<b>SUM2.21</b>	Water network plus RCV	COPIED FROM RR12.3 column 2	COPIED FROM RR12.6 column 2	RR13.20+ RR13.25+ RR13.30
<b>SUM2.22</b>	Wastewater network plus RCV	COPIED FROM RR12.3 column 3	R COPIED FROM R12.6 column 3	RR13.35+ RR13.40+ RR13.45
<b>SUM2.23</b>	Bioresources RCV	COPIED FROM RR12.3 column 4	COPIED FROM RR12.6 column 4	RR13.50+ RR13.55+ RR13.60
<b>SUM2.24</b>	Additional control 1 RCV	COPIED FROM RR12.3 column 5	COPIED FROM RR12.6 column 5	RR13.65+ RR13.70+ RR13.75
<b>SUM2.25</b>	Additional control 2 RCV	COPIED FROM RR12.3 column 6	COPIED FROM RR12.6 column 6	RR13.80+ RR13.85+ RR13.90
<b>SUM2.26</b>	Total RCV	Sum of lines 20 to 25.	Sum of lines 20 to 25.	Sum of lines 20 to 25.

## 5. SUM3 – Cashflows and WACC

Table SUM3 line definitions

Line	Title	Definition
<b>SUM3.1</b>	Overall cost of equity (used in WACC)	Copied from RR25 line 11
<b>SUM3.2</b>	Overall cost of debt (used in WACC)	Copied from RR25 line 16
<b>SUM3.3</b>	WACC - vanilla (pre-tax cost of debt and post-tax cost of equity)	Copied from RR25 line 17
<b>SUM3.4</b>	Retail margin deduction	Copied from RR25 line 20
<b>SUM3.5</b>	Wholesale WACC	Copied from RR25 line 21
<b>SUM3.6</b>	Pay as you go	Copied from RR10 line 2
<b>SUM3.7</b>	RCV run-off	Copied from RR10 line 3
<b>SUM3.8</b>	Return on capital	Copied from RR10 line 4
<b>SUM3.9</b>	Revenue adjustments for PR19 reconciliations	Copied from RR10 line 5
<b>SUM3.10</b>	Quality and ambition (QAA) award / penalty	Copied from RR10 line 6
<b>SUM3.11</b>	Tax	Copied from RR10 line 7
<b>SUM3.12</b>	Grants and contributions (price control)	Copied from RR10 line 8
<b>SUM3.13</b>	Other income (non-price control)	Copied from RR10 line 9
<b>SUM3.14</b>	Innovation fund	Copied from RR10 line 10
<b>SUM3.15</b>	Revenue re-profiling	Copied from RR10 line 11
<b>SUM3.16</b>	Final allowed revenues	Copied from RR10 line 1
<b>SUM3.17</b>	Target credit rating – notional capital structure	Copied from RR16 line 13
<b>SUM3.18</b>	Gearing - notional capital structure	Copied from RR16 line 1
<b>SUM3.19</b>	Adjusted cash interest cover - notional capital structure	Copied from RR16 line 3
<b>SUM3.20</b>	FFO/net debt - notional capital structure	Copied from RR16 line 5
<b>SUM3.21</b>	Dividend yield - notional capital structure	Copied from RR16 line 11
<b>SUM3.22</b>	RORE - notional capital structure	Copied from RR16 line 12
<b>SUM3.23</b>	Target credit rating - actual capital structure	Copied from RR16 line 36
<b>SUM3.24</b>	Gearing - actual capital structure	Copied from RR16 line 24
<b>SUM3.25</b>	Adjusted cash interest cover - actual capital structure	Copied from RR16 line 26
<b>SUM3.26</b>	FFO/net debt - actual capital structure	Copied from RR16 line 28
<b>SUM3.27</b>	Dividend yield - actual capital structure	Copied from RR16 line 34
<b>SUM3.28</b>	RORE - actual capital structure	Copied from RR16 line 35

## 6. SUM4 – Expenditure

Table SUM4 line definitions

Line	Title	Definition
SUM4.1	Enhancement water totex - Environmental	Copied from CW3.40.
SUM4.2	Enhancement water totex - WRMP	Sum of CW3.59 and CW3.90.
SUM4.3	Enhancement water totex - resilience	Copied from CW3.120.
SUM4.4	Enhancement water totex - net zero	Copied from CW3.129.
SUM4.5	Enhancement water totex - other	Line 6 minus lines 1- 4.
SUM4.6	Total water enhancement net totex	Copied from CW3.143.
SUM4.7	Base - water totex	Sum of CW1a.1 and CW1a.8.
SUM4.8	Total water net totex excluding developer services	Sum of lines 6 and 7.
SUM4.9	Developer services - water net totex	Sum of CW1a.3 and CW1a.10 minus CW1a.7 minus CW1a.14.
SUM4.10	Total water net totex	Sum of lines 8 and 9.
SUM4.11	Enhancement wastewater totex - Nutrient <b>removal</b>	Sum of; <ul style="list-style-type: none"> <li>• CWW3.57</li> <li>• CWW3.60</li> <li>• CWW3.63</li> <li>• CWW3.66</li> <li>• CWW3.69</li> <li>• CWW3.72.</li> </ul>
SUM4.12	Enhancement wastewater totex - storm overflows	Sum of; <ul style="list-style-type: none"> <li>• CWW3.30</li> <li>• CWW3.33</li> <li>• CWW3.36</li> <li>• CWW3.39</li> <li>• CWW3.42</li> <li>• CWW3.45</li> <li>• CWW3.48.</li> </ul>
SUM4.13	Enhancement wastewater totex - Other environmental	Line 14 minus line 11 minus line 12.
SUM4.14	Total wastewater enhancement environmental net totex	Sum of CWW3.130 and CWW3.152.
SUM4.15	Enhancement wastewater totex - net zero	Copied from CWW3.179.
SUM4.16	Enhancement wastewater totex - other	Line 17 minus line 14 minus line 15.
SUM4.17	Total wastewater enhancement net totex	Copied from CWW3.195.

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<b>Line</b>	<b>Title</b>	<b>Definition</b>
<b>SUM4.18</b>	Base - wastewater totex	Sum of CWW1a.1 and CWW1a.8.
<b>SUM4.19</b>	Total wastewater net totex excluding developer services	Sum of lines 17 and 18.
<b>SUM4.20</b>	Developer services - wastewater net totex	Sum of CWW1a.3 and CWW1a.10 minus CWW1a.7 minus CWW1a.14.
<b>SUM4.21</b>	Total wastewater net totex	Sum of lines 19 and 20.

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