DATA TABLE COMMENTARY – PRT60 SUPPLEMENTARY TABLES

CONTENTS

TABLE SUP1A - Connected properties, customers and population

As a water only company, we have water only customers. Therefore, within table SUP1A lines only the following lines need to be completed:

- SUP1A.1 - Residential water only customers,
- SUP1A.5 - Business water only customers,
- SUP1A.10 - Residential properties billed,
- SUP1A.11 - Residential void properties,
- SUP1A.13 - Business properties billed,
- SUP1A.14 - Business void properties,
- SUP1A.17 - Resident population,
- SUP1A.19 - Household population, and
- SUP1A.20 - Household measured population (water only).
- SUP1A.21 - Household unmeasured population (water only)

Properties and Population Based on WRMP24

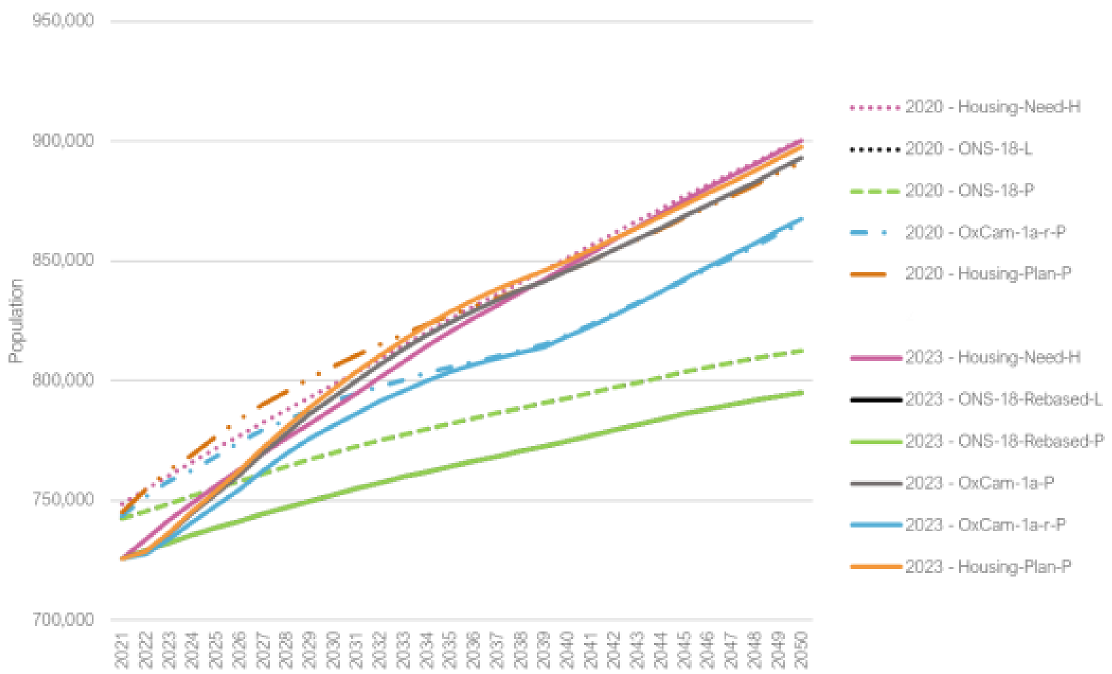
High quality property and population forecasts have been developed as part of the Water Resources Management Plan (WRMP) process, in line with Environment Agency (EA) guidance.

The process derived forecasts using Edge Analytics bottom-up forecasts which allocate local plan growth according to potential housing development sites – rather than top-down, which allocated growth according to existing levels of growth.

WRMP24 properties and population are rebased to 2021-22 outturn data and include all new properties and population expected in the area assuming no new New Appointments and Variations (NAVs).

Six property and population forecasts were included within the WRMP24 process and input into the Water Resources South East (WRSE) model used by all water companies in the South East of England to develop a joined-up plan for the region. These different forecasts resulted in changes to demand requirements within the WRSE model and underpinned alternative future scenarios used within our Long-Term Delivery Strategy (LTDS).

A comparison of the different property and population scenarios are shown below outlining the different scenarios assessed by Edge Analytics. The graph and tables show population growth between 2021 and 2050 under six scenarios using 2023 projections, with comparisons to previous 2020 forecasts. The tables also show projections to 2100.



2020 Scenarios	Population		Population Change	Population Change %	Dwellings p.a.	Population		Population Change	Population Change %	Dwellings p.a.
	2021	2050				2021	2100			
Housing-Need-H	748,387	900,486	152,099	20.3%	3,066	748,387	1,085,645	337,258	45.1%	2,532
Housing-Plan-P	745,237	891,292	146,055	19.6%	3,880	745,237	1,008,361	263,124	35.3%	2,721
ONS-18-L	742,427	812,532	70,105	9.4%	1,794	742,427	853,492	111,065	15.0%	1,111
ONS-18-P	742,427	812,532	70,105	9.4%	1,794	742,427	920,393	177,966	24.0%	1,542
OxCam-1a-r-P	743,456	865,817	122,361	16.5%	2,881	743,456	979,714	236,258	31.8%	2,014

2023 Scenarios	Population		Population Change	Population Change %	Dwellings p.a.	Population		Population Change	Population Change %	Dwellings p.a.
	2021	2050				2021	2100			
Housing-Need-H	725,553	900,343	174,789	24.1%	3,127	725,553	1,075,251	349,698	48.2%	2,406
Housing-Plan-P	725,539	897,778	172,239	23.7%	3,140	725,539	985,527	259,988	35.8%	1,872
ONS-18-Rebased-L	725,553	795,045	69,492	9.6%	1,704	725,553	790,037	64,484	8.9%	752
ONS-18-Rebased-P	725,553	795,045	69,492	9.6%	1,704	725,553	874,172	148,619	20.5%	1,276
OxCam-1a-P	725,553	892,887	167,333	23.1%	3,022	725,553	980,087	254,533	35.1%	1,824
OxCam-1a-r-P	725,553	867,562	142,009	19.6%	3,023	725,553	952,748	227,194	31.3%	1,825

Further information on the WRMP process can be found in PRT17 Water Resources Management Plan and more specifically inPRT17.17 rdWRMP24 Appendix 4CB - WRSE Population and Properties Update.

More on our LTDS can be found in PRT18 Long-Term Delivery Strategy 2025-2050.

Changes from WRMP24

All properties and population are based on WRMP24, but with some amendments which include rebasing for 2022-23 outturn data, and removal of forecast NAV properties and population.

The following assumption has been included regarding expected NAV properties. We have seen a steady increase in NAV activity in recent years and expect it to continue through AMP8.

Year	Number of New Properties in Portsmouth Water Area (from WRMP24 – 000s)	Proportion Expected to be served by a NAV	New Properties included in Table SUP1A (000's) – Excluding NAVs	NAV Population (000's)
2023-24	3.490	20%	2.792	1.675
2024-25	4.140	20%	3.312	1.987
2025-26	4.010	24%	3.048	2.310
2026-27	4.410	28%	3.175	2.964
2027-28	4.590	32%	3.121	3.525
2028-29	4.470	36%	2.861	3.862
2029-30	4.480	40%	2.688	4.301

An average occupancy of 2.4 has be assumed for all NAV properties. This aligns with assumed occupancy from WRMP24.

Except for the rebasing to 2022-23 outturn and a reduction of new properties and population due to NAVs, no other changes have been made to properties or population forecasts compared to WRMP24.

Non-resident population has been calculated using the same data used to derive WRMP19, which is consistent with assumptions used in WRMP24. There is an ongoing assumption from WRMP that non-resident population will increase from one year to another.

The calculation(s) used for each line are set out below.

SUP1A.1 - Residential water only customers
Measured properties = Measured properties from the previous year plus difference from previous year and current year from WRMP of the following:

- New Properties (after NAV adjustment).
- Meter Optants.
- Compulsory Metering.
- Metering on Change of Occupier.

Unmeasured properties = Unmeasured properties from previous year minus meter optants, compulsory metering and metering on change of occupier.

Voids = Voids from previous year plus difference from previous year and current year from WRMP.

SUP1A.5 – Business water only customers
Measured properties = Measured properties from previous year plus difference from previous year and current year from WRMP.

Unmeasured properties = Unmeasured properties from previous year plus difference from previous year and current year from WRMP.

Voids = Voids from previous year plus difference from previous year and current year from WRMP.

SUP1A.10 to SUP1A.14
We bill all customers, and therefore there is no difference between property and customer numbers.

SUP1A.17 – Resident population

Resident population = Total population minus total non-resident population (see SUP1A.19).

Total population = Total population from previous year plus difference from previous year and current year from WRMP.

SUP1A.19 – Household population
Resident household population = Resident population minus non-household population.

Non-household population = Non-household population from previous year plus difference from previous year and current year from WRMP.

Total non-resident household population = Total non-resident population from previous year plus difference based on WRMP19 assumption.

SUP1A.20 – Household measured population (water only)
Resident household measured population = Resident household population minus resident household unmeasured population.

SUP1A.21 – Household unmeasured population (water only)
Resident household unmeasured population = Total household unmeasured population minus non-resident household unmeasured population.

Total household unmeasured population = Total household unmeasured population from previous year plus difference from previous year and current year from WRMP.

Non-resident household unmeasured population = Total non-resident household population * (total household unmeasured population / total household population).

TABLE SUP1B - Properties and meters

Table SUP1B builds upon calculations from Table SUP1A and data is based on WRMP24, but with some amendments which include rebasing for 2022-23 outturn data, and removal of forecast NAV properties and population

End of year properties are assumed to be the average of the current and future year average properties (for example 31 March 2026 = average of 2025-26 average and 2026-27 average). The exception is 2022-23 data, which is outturn, aligned with our Annual Performance Report.

All unmeasured properties do not have a meter.

In AMP7, all measured properties have a basic meter, however as we move to compulsory smart metering from 2025-26 onwards as part of our Reducing Customer Side Demand (Universal Smart Metering) enhancement investment, there is an increase in AMI meter (active).

Below is the meter rollout profile for smart metering. These include the installation of smart meters on new properties that are supplied by Portsmouth Water and not a NAV. The smart metering rollout programme will start in December 2025, and therefore it is assumed that 33% of new properties in 2025-26 will be smart meters, and then all properties in 2026-27 onwards.

Year	NHH Smart Meters (#)	HH Smart Meters (#)
2025-26	155	3,045
2026-27	1,032	20,268
2027-28	1,788	35,112
2028-29	2,462	48,338
2029-30	2,907	57,093

We have no properties that are unbilled and do not expect any in future.

We can confirm that these tables have been both internally and externally assured.

TABLE SUP11 - Real price effects and frontier shift

SUP11.1 - CPIH
Copied from PD1

SUP11.2-6 - Real Price Effect - Wholesale
We are not asking Ofwat to include any Real Price Effect (RPE) adjustments as we believe these risks are best borne by companies rather than customers (see supporting document PRT09 Securing Value for Money). We have therefore populated these lines with zeros.

SUP11.2R-6R - Real Price Effect - Retail
As above we have populated this section of the table with zeros.

SUP11.7-11 - Wholesale Water Base
The breakdown of base costs is estimated from analysis of our AMP8 opex and a management judgement of the split of base capex.

SUP11.25-20 - Wholesale Water Enhancement
No simple breakdown of enhancement costs is available. The breakdown is based on management judgement of the split of costs within our current programme.

SUP11.49-53 – Retail
The split of Retail costs is estimated from analysis of our AMP8 retail costs.

SUP11.55/58 – Frontier Shift Assumption (Wholesale)
We have included a frontier shift assumption of 1.0% per annum for both base and enhancement. This is a management judgement based on the need to show ambition on costs given the increase in plan totex (see supporting document PRT09 Securing Value for Money). It is in line with the CMA view at PR19.

SUP11.62 – Frontier Shift Assumption (Retail)
We have not included a frontier shift assumption for Retail as we are already required to absorb normal inflationary pressures within the Retail price control.

TABLE SUP12 - Direct procurement for customers

We do not have any schemes which meet the Ofwat threshold for Direct Procurement for Customers. This table is therefore not populated. See supporting document PRT09 Securing Value for Money for more details.

TABLE SUP14 - Customer engagement and affordability / acceptability of plans

We have completed a range of internal and external research to inform our PR24 business plan. We have worked collaboratively with our research partner Blue Marble, our Customer Scrutiny Panel and our assurance partner Sia Partners, to ensure that all research is fit for purpose and meets requirements of PR24 guidance.

Our research that informed PR24 includes:

- Consultation on our Water Resources Management Plan (WRMP).
- Consultation on our 25-Year Vision.
- Consultation on our PR24 Choices.
- Quantitative and Qualitative Consumer Panels.
- Several bespoke research projects on a range of key topics highlighted by customers.
- Your Water, Your Say (YWYS) session and other webinars.
- Affordability and Acceptability Testing (AAT).

More information on our customer engagement can be found in PRT03 Engaging and Understanding Our Customers and Communities.

SUP14.1 - Number of household customers engaged with on the business plan
To ensure that we reached a wide variety of customers and stakeholders and gave everyone an opportunity to have their say, we contacted all customers that we have email addresses for over the PR24 engagement process. We also utilised social media channels, articles in local news agencies and newspapers and went physically into the community to maximise avenues for participation. We estimate the total of household customers reached to be more than 124,000, over a third of our household customer base.

Rather than the number we have contacted, we have interpreted 'customers engaged' in lines SUP14.1 and SUP14.2 to mean the number of customers who have been actively involved through response to our research. This is either through participation in panels and bespoke research, attendance at online engagement sessions (such as YWYS), or through answering consultations and surveys (such as AAT). The table below outlined nearly 3,000 household responses to research related to PR24:

Research	Household Responses
WRMP Consultation – Email and Website	274
25-Year Vision – Consultation	87
PR24 Choices – Consultation	582
Quantitative and Qualitative Consumer Panel	784
Bespoke Research Projects	146
YWYS	415
AAT (including qualitative and quantitative stages)	645
TOTAL	**2,933**

SUP14.2 - Number of non-household customers engaged with on the business plan
Throughout the PR24 engagement process, we have sought the views of non-household customers and have worked collaboratively with retailers to ensure all non-household customers can have their say. For all consultations, YWYS and AAT, retailers have sent out emails to all their non-household customers on our behalf. This means that we have reached an estimated 13,462 non-household customers (non-void non-household customers as of 31 March 2023).

As for household customers, we have interpreted 'customers engaged' to mean the number of customers who have been actively involved through response to our research. We have found it harder to obtain responses from non-households, with 161 non-households either participating in panels or bespoke research or answering the AAT survey (this represents just over 1% of our non-household customer base).

We will further engage with non-household customers and have plans in place to discuss delivery aspects of our PR24 plan as part of our expanding engagement function. We also will be learning from other water companies to understand how to engage non-households for PR29.

Research	Non-Household Responses
PR24 Choices – Consultation	17
Qualitative Consumer Panel	5
AAT (including qualitative and quantitative stages)	125
Bespoke Research Projects	14
TOTAL	**161**

We expect that some non-households may have been part of other consultations, however we do not have the data available to segregate from household and therefore have included these within the household figures.

We have also contacted over 400 local stakeholders throughout the process, many of whom have attended webinars and the YWYS session. The stakeholder numbers for some key events are set out below. It is likely that in some instances, a stakeholder has attended more than 1 event and therefore we do not expect the total stakeholder who have engaged with PR24 to be the total of all events. It is also likely that some responses to consultations were from stakeholders, however we do not have the data available to segregate from household and therefore have included these within the household figures.

Event	Stakeholder Attendees
WRSE and WRMP Launch	60
WRMP Webinar	67
WRMP In Person Event	70
YWYS	63

We also engaged directly with developers, through a highly successful Southern Region Developer Services Day organised collaboratively with South East Water, Southern Water and Thames Water, and facilitated by Skewb. 163 developers were invited and 103 attended the online event, many of whom operated within our region.

As part of collaborative work with retailers to contact non-households, we also extended opportunity to respond to the consultations to the retailers themselves. Unfortunately, we did not receive any direct response related directly to PR24.

We have not included stakeholders, developers, and retailers within line SUP14.2, as we interpret non-household customers to mean business customers only.

<u>SUP14.3 to SUP14.7, and SUP 14.28 to SUP14.32 - Affordability and acceptability of business plans</u>
We can confirm that our AAT results have been compiled in line with Ofwat guidance. As a water only company that does not bill on behalf the wastewater provider (Southern Water), we can confirm that we have completed the SUP14 table using responses to our water bill only and water only business plan for both affordability and acceptability. This aligns with guidance provided in the Collaborative Customer Research Steering Group meeting on 11 September 2023.

Our AAT process was conducted with Southern Water, facilitated by our research partner Blue Marble and assured by both our Customer Scrutiny Panel and assurance partner Sia Partners. Blue Marble is a company partner of the MRS, senior team members are all Members of the MRS and/or SRA. All Blue Marble's employees abide by the MRS Code of Conduct and as such all our research is in line with their ethical standards.

We can confirm that since completing our AAT testing, we have not increased our bill above levels included within the research. Instead, we have taken on board feedback from the research to reduce future bills by deferring some discretionary enhancement expenditure into future years and challenging ourselves to deliver more through increased efficiency. More information on this can be found in supporting document PRT09 Securing Value for Money.

The AAT research forms part of the PR24 research requirement, and the Ofwat guidance was followed to ensure it is useful and contextualised, and to the required quality. Household respondents were recruited via both email and letter which explained why the research was being undertaken. Invitations contained a link to the online survey and provisions were made to ensure that those who preferred to complete the survey on paper could easily apply to do so.

Ofwat guidance was followed to ensure both the research sample and methodology were fit for purpose. Blue Marble challenged some elements of the guidance directly with Ofwat where it was felt improvements could be made, and several of these were approved and implemented.

The questionnaire followed the Ofwat guidance with only minimal changes reflecting that the research was being conducted for two water companies (Portsmouth Water and Southern Water) and to ensure it was clear which plan(s) were being referred to in certain questions.

The survey was run and managed by QRS, an independent market research agency. Individual responses are confidential and not identifiable to Portsmouth Water and Southern Water.

The invitations were sent to a randomly drawn selection of customers from Portsmouth Water’s overall customer database with minimal exclusions. Southern Water’s sewerage bill data was appended at the outset to enable total combined water supply and sewerage bill profiles to be shown.

The response rate was high, resulting in a base size of 582 household customers, enabling robust analysis of the key subgroups of interest. While we recognise that the sample was self-selecting, with no quotas imposed, good sub-samples of all demographic groups were achieved, and weighting was applied to the data to compensate for the demographic skew in the unweighted total.

Blue Marble followed Ofwat’s prescribed questionnaire design as per Appendix F of the Ofwat guidance. The quantitative survey used balanced answer lists, randomised answer lists and gave options to say ‘don’t know’ as prescribed by Ofwat’s guidance.

The report reflects a wide range of perspectives by including the views of household and non-household customers. The survey was sent to a random sample of 8,800 household customers, of which 6.6% elected to respond (without the need for a reminder to be sent). Robust sub-samples of a range of customer types were achieved, including younger and older age groups, all social grades and customers with vulnerabilities. A mix of telephone invitations to non-household customers, recruitment via online non-household panels and email invitations via retailers were used to maximise response from non-household customers.

We have a high degree of confidence that the results submitted in SUP14 accurately align with the survey response and can confirm that both Portsmouth Water and Blue Marble have conducted a range of checks on this data including, first, second, and third-line assurance.

More information on our AAT results, including results for our combined bill and combined business plan with Southern Water, can be found in our Qualitative AAT Report and PRT03 Engaging and Understanding Our Customers and Communities. All documents related to the AAT research can be found on our website.

TABLE SUP15 - Affordability - residential customers

TABLE SUP15.A1 – Social tariffs and WaterSure

SUP15.1 - Number of customers on social tariffs
This is based on our current willingness to pay (WTP) with a maximum currently set at 27,500 household based on our current WTP.

Our approach for PR24 is that we will review and horizon scan on an ongoing basis to determine the need to adapt our social tariff provision. We have already in 2021-22 increased eligibility for Social Tariff to £21,000 household income less excluded benefits and income. This aligns with the threshold applied by Southern Water, the wastewater provider for our customers.

SUP15.2 - Number of customers on WaterSure tariffs
We currently have relatively few WaterSure customers. This reflects the fact that:

- It is a metered customer only tariff, and our current meter penetration is c.37%.
- Customers who are eligible for WaterSure are often eligible for our Social Tariff as well. This tariff provides a higher discount level compared to WaterSure and so most customers are placed on Social Tariff on a best tariff approach.

SUP15.3 - Number of customers not on social tariffs
Household properties billed less customers (SUP1A) forecast to be on Social Tariff and WaterSure.

Data for 2020-21 to 2022-23 is based on actuals. End of year figures have been used.

SUP15.4 - Total amount of money provided by customers and company to fund Social Tariff discounts.
SUP15.5 Average Social Tariff discount
Number of customers forecast to be on Social Tariff based on an assumed discount of 22.20% discount with an average Household bill from SUP15.45. The level of discount was calculated as the average discount for the first three years of AMP7.

SUP15.6 - Total reduction in bills for WaterSure customers
This has been built on a standard assumed discount value of £70 per customer per year.

TABLE SUP15.A2 - Vulnerability – Priority Services for customers in vulnerable circumstances – PSR

SUP15.13-18 - PSR Reach and Breakdown
First three years of AMP7 are based on actual reported numbers at year end for annual reporting.

Horizon scanning as part of business planning told us that:

- c.20% of our customer base will be >65 years of age (this makes them eligible for PSR).
- There is a similar level with disabilities (c.20%) (ONS data).
- We know that 30% of customers live alone (leaving 70% where more than one count of that population will be co-habiting which reduces our PSR reach as a household count.

We therefore expect to see somewhere between 15% and 20% as our target PSR for aging and disability (the group we will target as needing extra support)

We saw large increases in our PSR (based on age) during the early part of AMP7 and we are already exceeding our end of AMP target. We know it becomes harder to identify and engage with non-age related PSR codes and so we have set ambitious targets to continue to grow this next AMP.

This is based on a current view of c.18% PSR registration by 2035.

SUP15.19-20 - PSR contacts
We have delivered strong performance in 2022-23 as result of embedded processes and this will be maintained through AMP8.

TABLE SUP15.B1 - Income Deprivation – Proportion and number of residential households that are income deprived (income score of IMD) supplied by Ofwat

SUP15.21 - IMD Score (proportion of income deprived households)
Based on data published by Ofwat our score since 2019-20 has been stable and this has been used to populate the row for all years.

TABLE SUP15.B2 - Innovative Charges

SUP15.23 - Number of income-deprived households on innovative charges
We will be developing and trialling two innovative tariffs to support customers in income deprived households:

Trial 1: 2024-25 - Supporting disabled consumers on meters not eligible for WaterSure – it is assumed we will trial with 125 customers (analogue metered).

Trial 2: 2025-26 - Incentivising higher users with spot tariffs linked to SMART meters – 25 customers.

2026-27 assumed roll out. We forecast a small take up as disabled consumers may initially be reluctant to sign up to tariffs. Gaining more momentum towards the end of AMP8.

SUP15.25 – Average net bill reduction for income-deprived households as a result of innovative charges
Average discount targeted is the same as the expected Social Tariff discount. It increases in line with average bills.

TABLE SUP15.B3 - Targeted Demand Side Support
This section has been completed on a 'best endeavours' basis. The data held on our system is of low confidence levels, but we have identified a sample of 104 households (51 metering and 53 that meet the criteria (quintile 1) and from which we have been able to confirm exact bill reductions as a result. The value of reductions on that sample has a high confidence level.

TABLE SUP15.B3 - Targeted demand side support water efficiency advice

SUP15.27 - Number of income deprived households provided with water efficiency support measures.
This number is based on the assumption that our metering install process (our Customer Hypercare process) provides support to 10.049% (the IDM low-income value) of households as meters are installed.

We have assumed for the purpose of this line that 19,760 new meters are installed with 67,750 existing meters being replaced with smart meters over the AMP.

TABLE SUP15.B3 - Targeted demand side support – Provision of meter

SUP15.29 – Number of income deprived households moved from unmeasured to measured billing
This row is calculated based on our universal smart metering programme. We have assumed for the purpose of this line that 19,760 new meters are installed with 67,750 existing meters being replaced with smart meters over the AMP. The percentage of these that are income deprived households is based on row SUP15.21.

TABLE SUP15.B4 Other affordability support measures that reduce bills for customers

SUP15.36/37 – Matched payment

This is based on our Arrears Assist scheme which we are increasing from 2025 onwards

TABLE SUP15.B4 - Other measures that assist customers struggling to pay their bills without reducing their bills

SUP15.41 - Number of customers assisted with advice on income maximisation and managing debts
This has uncompleted data for the years 2020-21 to 2022-23 as we are not able to retrospectively analyse this particular subject matter.

TABLE SUP15.B6 - Total benefit of affordability support measures for customers struggling to pay their bills – impact of customers in water poverty

SUP15.48 - Number of households below the water affordability threshold before affordability support measures
SUP15.49 - Number of households below the water affordability threshold after affordability support measures
Our current calculations have assumed that 2.8% of our current properties are in water poverty and not supported currently by our Social Tariff.

TABLE SUP15 - Impact of affordability support measures on bad debt

SUP15.60 – Reduction in doubtful debt due to affordability support measures
We have calculated this row using only financial affordability relating to our matched payment scheme and Social Tariff value. We have not included water efficiency advice and support even when targeted at low-income customers struggling to pay.

SUP15.61 – Doubtful debt after application of affordability support measures
Doubtful debt after mitigations aligns with the doubtful debt forecasts reported in Table RET1.

Data assurance
Our assurer Jacobs noted an outstanding action in relation to two lines from this table which had missing data for some AMP7 years (PR24 Data Table Technical Assurance Report, pg.14) and missing commentary for rows SUP15.60-61.

We can confirm that the outstanding actions have now been completed but Jacobs were unable to review completion prior to submission.

One of the rows with missing data has now been completed. For the other (SUP15.41) we note the reasons for the missing data above. Commentary on completion of rows SUP16.60-61 is now provided above.

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