Portsmouth Water

DATA TABLE COMMENTARY – COSTS WHOLESALE WATER

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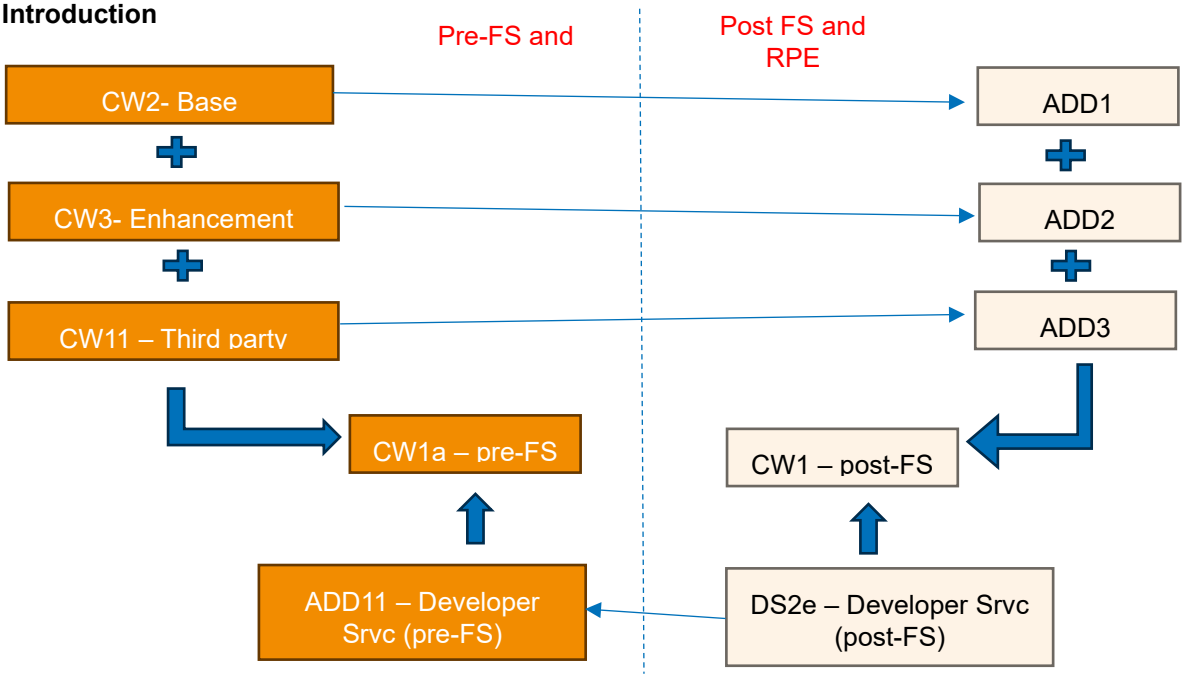
TABLE CW1 & CW1A - Totex analysis - water resources and water network+ (post frontier shift and real price effects)

Introduction



CW1 and CW1a have been updated in accordance with the diagram above.

For more details on the updates see the relevant table commentary.

For a summary of cost changes see our cost allowances representation: PR24 Draft Determination response: Expenditure Allowances

For information we have made no changes to:

- Grants and contributions
- Pension deficit
- Other cash items
- Atypical expenditure

2023-24 and 2024-25 – updated as part of Past Delivery tables for APR 2023-24 and our budget for 2024-25.

TABLE CW2 - Base expenditure analysis - water resources and water network+

Updates

The following updates were made for 2025-30 due to additional requirements from Ofwat in the Draft Determination, reallocation of costs from Base and omission for catchment management partnership grants. For a summary see our cost allowances representation.

Line	Item	Type	Description	BP submission (£m)	DD Update (£m)	Difference (£m)
CW2.4 / CW2.15	Mains renewals	Ofwat add	Additional 10km required to be delivered from base	0	3.0	3.0
CW2.6	Net Zero	Ofwat add	Additional GHG reduction	0	0.15	0.15
CW2.6	Catchment Management	Omission	Grants for environment improvement omitted from BP in error	0.1	0.5	0.4
CW2.16	Meter Replacements	Reallocated from enhancement	Reallocated from Enhancement from smart meter case	0 in base, 8.8 in enhancement	6.8	6.8
CW2.16	ERP And GIS	Reallocated from enhancement	Reallocated from Enhancement from smart meter case	0 in base, 4.7 in enhancement	4.7	4.7
				Total (pre-FS)		**15.0**

Note: the meter replacements, ERP and GIS costs were in our enhancement case. These have been reallocated to base in our Draft Determination response.

2023-24 and 2024-25 updated for APR 2023-24 and our budget for 2024-25 in line with PD8 table and commentary

No updates to the 2025-30 period have been made for the review of other elements.

TABLE CW3 - Enhancement expenditure - water resources and water network+

We have updated the CW3 table for a number of reallocations to base and items required by Ofwat in the Draft Determination. We have also included a new investment case (see PRT07.08) for PFAS.

In addition, we are now requesting transition expenditure, see CW12 for commentary

Line	Item	Type	Description	BP submission (£m)	DD Update (£m)	Difference (£m)
CW3.66, CW3.69, CW3.72, CW3.81	Meter Replacements	Reallocated from enhancement	Reallocated from Enhancement from smart meter case	8.8	0	(8.8)
CW3.87	Smart meter infrastructure (ERP and GIS)	Reallocated from enhancement	Reallocated from Enhancement from smart meter case	4.7	0	(4.7)
CW3.47	Leakage	Ofwat addition	Leakage uplift	0	2.1	2.1
CW3.118	Resilience	Ofwat addition	Climate Resilience uplift	0	1.3	1.3
CW3.131 & CW132	Additional line - PFAS	New DWI	New requirement from DWI	0	9.1	9.1
CW3.97	UV programme	Transitional expenditure	Accelerated delivery of Maindell UV	0.6	0.6	-
CW3.34	WINEP	Transitional expenditure	Accelerated delivery of WINEP investigations	0.46	0.46	-
CW3.124	Security Cyber	Transitional expenditure	Accelerated eCAF	0.46	0.46	-
				Total (pre-FS)		**(2.5)**

2023-24 and 2024-25 updated for APR 2023-24 and our budget for 2024-25 in line with PD8 table and commentary and revised cost for accelerated programme spend - see CW17.

No updates to the 2025-30 period have been made for the review of other elements.

TABLE CW4 - Raw water transport, raw water storage and water treatment data

CW4.1 to CW4.12 - Raw water transport and storage

There have been no changes to input cells on these lines.

CW4.13 to CW4.49

The values for 2023-24 have been updated to align with actual performance.

We do not expect a change in performance compared to the PR24 submission from 2024-25 onwards.

CW4.50 - Energy consumption - water treatment (MWh)

The value for 2023-24 has been updated to align with actual performance.

An improved interpretation of the guidance has resulted in a change in the allocation of energy consumption between water treatment (CW4.50), treated water distribution (CW.23) and water resources (RES1.24). 2022-23 actual and 2024-25 onwards forecast has been updated to align with this improved interpretation.

CW4.51 to CW4.55

There have been no changes to input cells on these lines.

TABLE CW5 - Treated water distribution - assets and operations

CW5.1 to CW5.4

There have been no changes to input cells on these lines.

CW5.5 to CW5.11

The values for 2023-24 have been updated to align with actual performance.
We do not expect a change in performance compared to the PR24 submission from 2024-25 onwards.

CW5.12 to CW5.22

There have been no changes to input cells on these lines.

CW5.23 - Energy consumption – treated water distribution (MWh)

The value for 2023-24 has been updated to align with actual performance.

An improved interpretation of the guidance has resulted in a change in the allocation of energy consumption between water treatment (CW4.50), treated water distribution (CW.23) and water resources (RES1.24). 2022-23 actual and 2024-25 onwards forecast has been updated to align with this improved interpretation.

CW5.24 - Average pumping head – treated water distribution

The value for 2023-24 has been updated to align with actual performance.

We do not expect a change in performance compared to the PR24 submission from 2024-25 onwards.

CW5.25 to CW5.27

There have been no changes to input cells on these lines.

CW5.28 to CW5.30

The values for 2023-24 have been updated to align with actual performance.

We do not expect a change in performance compared to the PR24 submission from 2024-25 onwards.

CW5.31 to CW5.39 - Water balance - Company level

The values for 2023-24 have been updated to align with actual performance.

We do not expect a change in performance compared to the PR24 submission from 2024-25 onwards.

CW5.58 to CW5.67 - Components of total leakage (post MLE) - Company level

The values for 2023-24 have been updated to align with actual performance.

We do not expect a change in performance compared to the PR24 submission from 2024-25 onwards.

TABLE CW6 - Water network+ - Mains, communication pipes and other data

CW6.1 to CW6.27

The values for 2023-24 have been updated to align with actual performance.

We do not expect a change in performance compared to the PR24 submission from 2024-25 onwards.

CW6.28 - Company area

There have been no changes to input cells on this line.

CW6.29 - Compliance Risk Index

The value for 2023-24 has been updated to align with actual performance.

We do not expect a change in performance compared to the PR24 submission in 2024-25.

Performance for 2025-26 onwards have been updated to reflect the updated guidance of the deadband level, as set out in section 8.4.4 of Ofwat's delivering outcomes for customers and the environment.

CW6.30 - Event Risk Index

The value for 2023-24 has been updated to align with actual performance.

We do not expect a change in performance compared to the PR24 submission from 2024-25 onwards.

TABLE CW7 - Demand management - Metering activities

CW7.1 to CW7.23

The values for 2023-24 have been updated to align with actual performance.

We do not expect a change in performance compared to the PR24 submission from 2024-25 onwards.

CW7.24 to CW7.51

There have been no changes to input cells on these lines.

TABLE CW9 - Enhancement expenditure (cumulative) - water resources and water network+

CW9 has been updated to reflect the changes in CW3, see CW3 commentary for detail.

TABLE CW12 - Transitional expenditure - water resources and water network+

CW12 has been updated to reflect our request for Transitional Expenditure, details are in the table below.

Lines	Project (£m, 22/23 prices)	AMP7	AMP8			Net total
		2024-25	2025-26	2026-27	2027-28	
CW12.121	eCAF – Security Cyber enhancement	0.458			(0.458)	-
CW12.34	WINEP – WINEP enhancement	0.462			(0.462)	-
CW12.94	UV programs – Addressing raw water quality deterioration (grey solutions)	0.600			(0.600)	-
	TOTAL	1.520			(1.520)	-

Please see our cost allowances representation for details: PR24 Draft Determination response: Expenditure Allowances

TABLE CW17 - Accelerated programme expenditure - water resources and water network plus

We have updated CW17 to align with our APR 2023-24 and to redistribute the allowed expenditure to 2024-25, line CW17.84. This is in accordance with the Accelerated Spend from DEFRA.

Please see our cost allowances representation for further details: PR24 Draft Determination response: Expenditure Allowances

TABLE CW19 - Demand management - Leakage expenditure and activities

CW19.1 to CW19.3 - Leakage expenditure - company level

We have updated our 2023-24 values to align with what was reported in our Annual Performance Report, Table 6D.22-23. The breakdown of expenditure between maintaining leakage and reducing leakage is set out below.

Expenditure Description	Area	Maintain / Reduce	Expenditure (£m)
New Pressure Management	Prevent (pressure management) - direct costs	Reduce	£0.041m
Digital Twin Refund	Prevent (calm networks) - direct costs	Maintain	-£0.377m
Leakage Monitoring Replacement	Aware- direct costs	Maintain	£0.513m
New Leakage Monitoring	Aware - direct costs	Reduce	£0.099m
Internal and External Specialist Detection and Consultancy	Locate - direct costs	Maintain	£1.636m
Other Locate Costs	Locate - direct costs	Maintain	£0.664m
Satellite Leak Detection	Locate - direct costs	Reduce	£0.073m
Electronic Listening Sticks	Locate - direct costs	Reduce	£0.059m
Leak Repairs	Mend - direct costs	Maintain	£2.847m
TOTAL			**£5.555m**

There are no changes to 2023-23 or 2024-25 onwards.

CW19.10 - Mend supply pipe cost

Outturn mend supply pipe costs for 2023-24 are included - £0.250m.

There are no changes to 2023-23 or 2024-25 onwards.

CW19.13 - Number of properties covered by PMAs with fixed outlet pressure control

Outturn properties covered by PMAs with fixed outlet pressure control for 2023-24 are included – 21,760. The increase represents changes to the network to optimise pressure.

There is no change to 2022-23. 2024-25 onwards has been updated to align to 2023-24.

CW19.14 - Number of properties covered by PMAs with active pressure control

Outturn properties covered by PMA's with active pressure control for 2023-24 are included – 198,689. The increase represents changes to the network to optimise pressure.

There is no change to 2022-23. 2024-25 onwards has been updated to align to 2023-24 and new PMAs in future years outlined in CW19.15 and CW19.16.

CW19.15 to 19.16 – New PMAs

Outturn new PMAs and associated for 2023-24 are included – 1 area with 260 properties. This represents a single additional PMA in Condor Avenue.

There are no changes to 2023-23 or 2024-25 onwards.

CW19.25 to CW19.29 - DMA characteristics - company level

Outturn DMA data for 2023-24 is included. This represents an increase of 5 DMAs compared to 2022-23.

2023-23 is updated to reflect an error in the PR24 submission.

2024-25 onwards has been updated to align to 2023-24 and new DMAs expected in future years. The increase in DMAs per year is consistent with the PR24 submission.

DMA availability has reduced in the year due to a change in reporting method as we have moved to a new reporting system. We expect improvement in 2024-25 onwards as we focus on maintaining high levels of data quality.

CW19.40 to CW19.42 - Trunk main balances - company level

There have been no changes to input cells on these lines.

CW19.49 - Smart networks coverage - permanent acoustic/noise loggers

Outturn smart networks coverage for 2023-24 is included – 51.68%. The drop in coverage is a result of mains replacement from metallic to plastic pipes in areas where loggers that work effectively on metallic pipes are located.

The 'spare' loggers have been redeployed to optimise coverage in other existing smart network areas.

There are no changes to 2023-23.

2024-25 onwards has been updated to align with 2023-24 outturn data.

CW19.52 - Hours on ALC activity per annum

Outturn hours of ALC activity for 2023-24 are included – 24,575. This represents a significant increase on 2022-23.

There are no changes to 2023-23.

2024-25 onwards has been updated to align with 2023-24 outturn data and updated expected future staffing levels.

CW19.55 to CW19.97 - Mains repairs - company level

Outturn repairs for 2023-24 are included.

There are no changes to 2023-23 or 2024-25 onwards.

The reduction in customer detected repairs reflects the benign conditions in the year, whilst the increase in company detected reflects the additional ALC hours.

The increase in average run time of mains repairs reflects difficulty in obtaining permits to repair mains in the roads.

This is offset by a reduction in run times of all other leaks.

The increase in both customer and company detected supply pipe repairs reflects increased meter installations, including not for revenue metering.

There are no changes to 2023-23 or 2024-25 onwards.

CW19.112 - Historical minimum achieved level of leakage

There have been no changes to input cells on these lines.

We have not reached a new minimum achieved level of leakage in 2023-24.

CW19.113 - Volume of leakage that needs to be saved to maintain current level

The volume of leakage that needs to be saved to maintain current level was updated to NRR. This is to reflect the benign weather conditions in the year. Previously it was expected 2023-24 would be a severe weather year.

TABLE CW20 - Water mains - asset condition

No changes were made to this table

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