



SSCDD15 Reading Guide

Guide to reading our representation

Summary :

We have submitted the following overviews of our key arguments and representations to Ofwat's draft determination of our business plan for the five years from 2025 to 2030.

- A covering letter from Andy Willcott to David Black.
- An executive summary of our key arguments and representations. (SSC-DD-01, pages 6)
- Our completed pro forma. (SSC-DD-05, SSC-DD-14)
- Our company briefing note (SSC-DD-13)

We submit a main representation document that outlines our all of our key representation areas, additional evidence and addresses Ofwat's actions. We provide supporting information, models and spreadsheets in appendices. Our list of submission documents is as follows

- SSC-DD-01 Representations on Ofwat's draft determination of our business plan for 2025-2030
- SSC-DD-02 PR24 Data tables- resubmitted
- SSC-DD-03 PR24 Data tables - additional tables
- SSC-DD-04 Data table commentary
- SSC-DD-05 Pro forma document
- SSC-DD-06 Supporting evidence for enhancement cases
- SSC-DD-07 PA PCC critique
- SSC-DD-08 Oxera letter of assurance
- SSC-DD-09 Baringa report on energy RPE
- SSC-DD-10 Past Delivery
- SSC-DD-11 Risk and Return - RoRE
- SSC-DD-12 Regional demand management activity
- SSC-DD-13 Company briefing note
- SSC-DD-14 240808 Summary Tables
- SSC-DD-15 Reading guide

	SSC-DD-01 Chapter	Page	Description	Linked appendices	SSC-DD-02/03 Updated tables
Part 1:	Outcomes representations				
1	Outcome delivery incentive skew to penalty	13	We highlight issues with Ofwat’s approach to assessing outcomes at DD that result in a significant negatively skewed ODI package. We identify solutions that would result in a more proportionate package.		ADD18- Updated RR30 RORE Analysis for the draft determinations and company representations
2	Per capita consumption penalty	24	We critique the Europe Economics study used to calculate COVID-19 impacts on per capita consumption and set penalties. We propose a pragmatic approach to PCC penalty removal.	SSC-DD-07 PA PCC critique	-
Part 2:	Base cost representations				
3	Base costs overall approach	34	We outline our views on Ofwat’s cost assessment approach to base and retail costs.	-	-
4	Topography and power costs	36	We seek further actions by Ofwat to ensure power costs are funded appropriately. We restate our CAC on topography and consider the energy input price pressure and real price effects adjustment.	SSC-DD-08 Oxera letter of assurance SSC-DD-09 Baringa report on energy RPE	CW18- Cost adjustment claims - base expenditure
Part 3:	Enhancement cost representations				
5	Enhancement allowances	46	We recognise and broadly accept Ofwat’s transparent approach in assessing our enhancement costs. We have considered carefully Ofwat’s efficiency challenges and are making representations on:	SSC-DD-06 Enhancement Costs – Supporting Evidence: <ul style="list-style-type: none"> Water efficiency: Section 5, p44 Resilience, 	CW3- Enhancement expenditure CW7- Demand management - Metering activities CW8- WRMP schemes

	SSC-DD-01 Chapter	Page	Description	Linked appendices	SSC-DD-02/03 Updated tables
			<ul style="list-style-type: none"> • Water efficiency • Metering • Resilience • Leakage 	Section 1 and 2, p5	
6	Post-model efficiency approach	57	We make representations on Ofwat’s approach to post modelling efficiency assessments on enhancement through the 20% efficiency cap and frontier shift.	-	ADD2- Enhancement expenditure - water resources and water network+ (CW3 equivalent; post-frontier shift efficiency and real price effects basis)
7	Price control deliverables	59	<p>We have considered carefully our DD PCDs and are making representations on:</p> <ul style="list-style-type: none"> • Supply side scheme- Grafham transfer • Demand side scheme - Metering 	-	-
8	New enhancement cost submissions	63	<p>Since we submitted our business plan to Ofwat in October 2023, some additional enhancement requirements have arisen. We introduce new cases for:</p> <ul style="list-style-type: none"> • New water supply – Fenstanton • SRO development costs- Fens reservoir • PFAS Uncertainty and; • Cyber costs 	<p>SSC-DD-06 Enhancement Costs – Supporting Evidence</p> <ul style="list-style-type: none"> • Fenstanton - Section 3, page 19 • Fens- Section 4, page 32 • Cyber- Section 6, page 47 	<p>CW3- Enhancement expenditure</p> <p>CW8- WRMP schemes</p>
Part 4:	Risk and return				

	SSC-DD-01 Chapter	Page	Description	Linked appendices	SSC-DD-02/03 Updated tables
9	Regulatory capital value run-off rate	68	We are asking Ofwat to unwind its proposed RCV run-off reduction and allow a rate of 4.5%, as set out in our business plan submission.	-	-
10	Financial resilience	74	We have considered in detail what Ofwat's draft determination means for our financial resilience over the five years to 2030 and beyond.	SSC-DD-10 Past Delivery SSC-DD-11 Risk and Return - RoRE	-
Part 5:	Addressing Ofwat's actions				
11	Dividend policy	81	We address Ofwat's QAA feedback on gaps in our dividend pay policy.	-	-
12	Executive pay policy	84	We address Ofwat's QAA feedback on gaps in our executive pay policy.	-	-
13	Other Ofwat actions	88	We address Ofwat's actions in the pro-forma document on: <ul style="list-style-type: none"> • Providing our water efficiency and metering activity and associated demand reductions by region • How we intend to use out net zero adjustment to base costs • Our cyber security maturity 	SSC-DD-12: Regional demand management activity	-