PR24 Draft Determination Representation Addendum

Data Table Commentary Update

September 2024

YKY-PR24-DDR-82

Contents

Introduction

Yorkshire Water has updated data tables since the Draft Determination Representation submission in August 2024 to include additional investment explained within the addendum to the Draft Determination Representation. Please see document YKY-PR24-DDR-81 Coastal storm overflows.

This document provides supporting commentary to accompany the changes made to the data tables and the addendum being provided to Yorkshire Water's Draft Determination Representation.

Please see document YKY-PR24-DDR-81 Coastal storm overflows for further details on the addendum. Please see document YKY-PR24-DDR-85, YKY-PR24-DDR-86, YKY-PR24-DDR-89 and YKY-PR24-DDR-90 for the updated data tables and commentary that incorporate the changes detailed within the addendum.

Changes within the data tables have been made in different font colours for each resubmission to Ofwat. Please see table below.

Resubmission	Date of resubmission	Font Colour
1a	10th November 2023	**Red**
1b	24th November 2023	**Red**
2	21st December 2023	**Green**
3	25th January 2024	**Orange**
4	26th April 2024	**Purple**
5	28th August 2024	**Blue**
6	18th September 2024	**Pink**

All changes in the data tables that have been made in the version shared as part of our Draft Determination Representation Addendum are shown in bold pink text, and included in the change log.

Additional Data Tables

ADD20 - Wastewater network+ - WINEP storm overflow scheme costs and cost drivers

Cost Driver 7- Screen required (yes/no)

Definition: *"Screen Required (yes/no) - does the asset require a new screen or screen upgrade to meet Storm Overflow Discharge Reduction Plan requirements. If more than one screen is required for an asset, provide the number of screens."*

This column AE is populated as 'yes' in all cases, apart from two sites which have been amended as part of OFW-REP-YKY-018 – response, on the assumption that all storm overflows will require new screening installations as a result of the requirements arising from the SODRP. Each overflow will need a change to the existing screen installed to meet whatever new criteria and guidance is issued in relation to the SODRP or to fulfil the requirement for all storm overflows to have a screen by 2050.

The two sites amended as part of YKY-PR24-DDR-81 so that 'No' is in the screen column within our statutory plan and main ADD20 data table submission are:

- ILKLEY/STW/3XDWF OVERFLOW
- DANESMOOR/STW

These solutions do not require a screen due to solution type and we have not included costs for them.

Please also note that in YKY-PR24-DDR-81 Coastal storm overflows addendum, we have outlined our three plans relating to storm overflows.

Outcomes (OUT)

Storm Overflows

The proposed additional coastal investment means a minor change to our 2029/30 and AMP9 PCLs, which has been reflected in OUT5.

Risk and Return (RR)

RR1 - Revenue cost recovery inputs

PAYG rates have been amended to the "natural PAYG rate" in line with the updated costs in tables CW1, CWW1 and equity issuance costs to align with latest submission.

RR2 - Totex inputs to cross reference with CA

AMP8 totex has changed to reflect the impact of the totex update within this submission.

AMP9 totex has also been amended to show the increase in AMP9 costs to align with this submission.

Equity issuance costs are in 2022/23 prices and assumed to be 2% of the ordinary share issuance, calculated in line with Ofwat's methodology to align with latest submission.

RR4 - Financing financial model inputs

Ordinary Shares issued have been updated in line with Ofwat's policy of maintaining gearing at a maximum of 57.5% to align with latest submission.

RR5 - Tax opening balances

Table has been updated to align with latest totex submission.

RR10 – RR16

These tables have been updated to align with latest submission model outputs.

Costs – Wholesale wastewater (CWW)

CWW1 - Totex analysis - wastewater network+ and bioresources (post frontier shift and real price effects)

Updated to apply frontier shift to latest totex view from cost tables as set out below.

CWW3 - Enhancement expenditure - wastewater network+ and bioresources

Storm Overflow Investment

Please note, some expenditure in line CWW3.22 & CWW3.46 has money but no benefits or defined schemes within any associated tables (e.g. CWW20). This relates to the additional expenditure proposed for any additional SOAFs resulting from AMP7 year 5 investigations.

Our **'optimised storm overflow discharge reduction programme'** is reflected within the following lines:

- CWW3.196 - Increase storm tank capacity at STWs - grey solution; non WINEP - capex
- CWW3.197 - Increase storm tank capacity at STWs - grey solution; non WINEP - opex
- CWW3.198 - Storage schemes to reduce spill frequency at CSOs etc - grey solution; non WINEP - capex
- CWW3.199 - Storage schemes to reduce spill frequency at CSOs etc - grey solution; non WINEP - opex

Our '**coastal storm overflow programme'** is reflected within the following lines:

- CWW3.200 – Coastal - Increase storm tank capacity at STWs - grey solution, capex
- CWW3.201 – Coastal - Increase storm tank capacity at STWs - grey solution, opex
- CWW3.202 – Coastal - Storage schemes to reduce spill frequency at CSOs etc - grey solution, capex
- CWW3.203 Coastal - Storage schemes to reduce spill frequency at CSOs etc - grey solution, opex
- CWW3.204 – Coastal - Storm overflow - new / upgraded screens (WINEP/NEP) wastewater capex
- CWW3.205 – Coastal - Storm overflow - new / upgraded screens (WINEP/NEP) wastewater opex

Expenditure has been removed from lines CWW3.187 and CWW3.188 and split in the new lines above.

CWW20 - Wastewater network+ - Sewage treatment works population, capacity and network data

The following lines have been updated to reflect the benefits from all our storm overflow programmes:

- CWW20.14 - Additional storm tank capacity provided at STWs - grey infrastructure
- CWW20.17 - Number of STW sites where additional storage has been delivered with pumping
- CWW20.36 - Additional volume of network storage at CSOs etc to reduce spill frequency - grey infrastructure
- CWW20.39 - Number of individual sites delivering additional network storage - grey infrastructure - which include pumping
- CWW20.47 - Total storm overflow spill volume avoided
- CWW20.48 - Total number of new storm overflow screens installed
- CWW20.59 - Length of new rising main installed to reduce storm overflow spills (km)
- CWW20.60 - Total length of sewer installed to reduce storm overflow spills (km)

Long-Term Delivery Strategy

LS1 Forecast outcomes & LS2 Forecast outcomes from base expenditure

The minor amendments to OUT5 made as a result of the additional coastal overflow programme have been reflected in LS1.

LS4 - Wholesale wastewater totex enhancement expenditure by purpose, core pathway

For wastewater LTDS we have split the AMP8 CSO spill reduction costs down to a lower level of granularity. We have also reduced AMP9 coastal for the £164m now included in AMP8.

RR2 AMP9 has also been amended to show the increase in AMP9 costs.