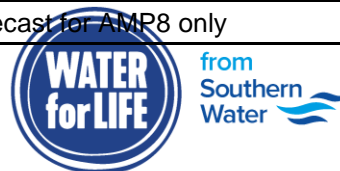


## DS1e- Developer services revenue (English companies)

Line description		Commentary
	<b>Developer services revenue - water network+</b>	
1	Diversions - s185	S185 Diversion revenue is a straight pass through of S185 Diversion costs on CW11
2	Diversions - NRSWA	NRSWA diversions are calculated as being 82% of the cost found on CW11
3	Diversions - other	Other Diversions are a straight pass through of any costs found on CW11
4	Infrastructure charge receipts - new connections	Infrastructure charge receipts are a straight pass through of any costs found on DS2e
5	Other developer services revenue (price control)	Other developer services are a straight pass through from bulk supplies costs found on CW11
6	Price control developer services revenue before taking into account environmental incentives	Calculation
7	Income offset	Forecast for AMP7 only
8	Environmental incentives for more sustainable developments	Forecast for AMP8 only
9	Environmental incentives for less sustainable developments	Forecast for AMP8 only
10	Price control developer services revenue after taking into account environmental incentives	Calculation
11	Connection charges	Connection charges are a straight pass through of any costs found on DS2e
12	Requisitioned mains	Requisitioned mains are a straight pass through of any costs found on DS2e
13	Other developer service revenue (non-price control)	Not applicable
14	Total developer services revenue - water network+	Calculation
15	Value of adopted assets	Calculation
	<b>Developer services revenue - wastewater network+</b>	
16	Diversions - NRSWA	NRSWA diversions are calculated as being 82% of the cost found on CWW11
17	Diversions - other non-price control	Other non-price control are a straight pass through of any costs found on CWW11
18	Infrastructure charge receipts - new connections	Infrastructure charge receipts are a straight pass through of any costs found on DS3
19	Other developer services revenue (price control)	Not applicable for AMP8
20	Price control developer services revenue	Calculation
21	Income offset	Forecast for AMP7 only
22	Environmental incentives for more sustainable developments	Forecast for AMP8 only
23	Environmental incentives for less sustainable developments	Forecast for AMP8 only



24	Price control developer services revenue after deduction of income offset and after environmental incentives are taken into account	Calculation
25	Receipts for on-site work	Receipts for on-site work are a straight pass through of any new connections or requisitioned sewers found on DS3
26	Diversions - s185	S185 Diversion revenue is a straight pass through of S185 Diversion costs on CWW11
27	Other developer services revenue (non-price control)	Not applicable for AMP8
28	Total developer services revenue - wastewater network+	Calculation
29	Value of adopted assets	Calculation



### DS2e- Developer services expenditure - water (English companies)

Line description		Commentary
	<b>Water developer services expenditure (price control)</b>	
1	Infrastructure network reinforcement	<p>This figure was produced based on the number developments identified within the water growth tracker as expected to have a detrimental impact on our network, therefore requiring network reinforcement.</p> <p>This will be low confidence grade as we currently do not have any schemes in design. We have therefore made the assumption that each development will require reinforcement activities within AMP8. As none of these schemes are currently in design, we have therefore currently split the funding equally across each development and profiled it equally across the years of AMP8. (There will inevitably be schemes that cost more and others that require minimal or no reinforcement)</p> <p>It is also low confidence grade, as we did not have a network reinforcement budget in AMP7 so have only been able to base figures on minimal spend.</p>
2	Asset payments associated with legacy agreements	None assumed.
	<b>Water developer services expenditure (excluding diversions) - non-price control; Site-specific costs for developments that do not require new water mains</b>	
3	New connections	In line with historic costs.
4	Other site-specific developer services activities	None assumed.
	<b>Water developer services expenditure (excluding diversions) - non-price control; Site-specific costs for developments that do require new water mains</b>	
5	New connections	In line with historic costs. Assumption has been to take 15% of total cost forecast being connections needing new water mains. The remaining 85% of cost is presented in DS2e.3. The assumption has been based on analysis of prior years' actuals.
6	Requisition mains	In line with historic costs.
7	Other site-specific developer services activities	None assumed.
	<b>Developer services expenditure (excluding diversions) - water (English companies); totals</b>	
8	Developer services expenditure (excluding diversions) - water (price control)	Totals for above. Any opex costs represent an allocation of the costs of our developer services team.
9	Developer services expenditure (excluding diversions) - water (non-price control)	Totals for above. Any opex costs represent an allocation of the costs of our developer services team.
10	Developer services expenditure (excluding diversions) - water (total)	Totals for above. Any opex costs represent an allocation of the costs of our developer services team.

### DS3- Developer services expenditure - wastewater (English and Welsh companies)



Line description		Commentary
	<b>Wastewater developer services expenditure (price control)</b>	
1	Infrastructure network reinforcement - capex	This figure was produced from the review of the known risk within our live growth schemes that will not complete construction by the end of the AMP. This is a fairly low confidence figure as we have not reached the design stage for some of these areas. It is assumed that the cost will be comparable to other projects. We would say the confidence figure is B4 as we have a clear understanding of where the risk is but not necessarily the full extent of what the solution will entail.
2	Infrastructure network reinforcement - opex	None assumed.
14	Asset payments - capex	None assumed.
15	Asset payments - opex	None assumed.
	<b>Wastewater developer services expenditure (excluding diversions) -price control; Site-specific developer services - Capex</b>	
3	New connections	None, in line with historic activity.
4	Requisition sewers	In line with historic costs.
5	Other site-specific developer services activities capex	None assumed
6	Total site-specific developer services capex	Totals for above.
	<b>Wastewater developer services expenditure (excluding diversions) -price control; Site-specific developer services - Opex</b>	
7	New connections	None assumed.
8	Requisition sewers	None assumed.
9	s185 diversions	None.
10	Other site-specific developer services activities	This represents an allocation of the costs of our developer services team.
	<b>Developer services expenditure (excluding diversions) - wastewater; totals</b>	
11	Developer services expenditure (excluding diversions) - wastewater (price control)	Totals for above.
12	Developer services expenditure (excluding diversions) - wastewater (non-price control)	Totals for above.
13	Developer services expenditure (excluding diversions) - wastewater (total)	Totals for above.



## DS4- Developer services - New connections, properties and mains

Line description		Commentary
	<b>Connections volume data</b>	
1	New connections (residential – excluding NAVs)	Ofwat has signalled a maintained support for competition in the new connections market. We continue to invest in our service for SLP and NAV customers to support healthy competition in the sector and provide our customers with choice. The data tables include projections into Southern Water market share where we have reviewed NAV and SLP activity in AMP7. NAVs and SLPS have a been established in the South East for a number of years and we expect that trend to continue. We have therefore applied existing levels of market share in AMP7 to our projections for AMP8.
2	New connections (business – excluding NAVs)	
3	Total new connections served by incumbent	
4	New connections – SLPs	
	<b>Properties volume data</b>	
5	New properties (residential - excluding NAVs)	ONS data provided a baseline total number of new properties anticipated in Southern Water's region. It is assumed that one property would require one connection, consistent with APR reporting. ONS data only provided a forecast for household growth.
6	New properties (business - excluding NAVs)	
7	Total new properties served by incumbent	Analysis of historic APR data identified that a further 5% of water connections and 4% of wastewater connections are for nonhouseholder customers. Analysis revealed Southern Water deliver the majority of non-household connections including 84% of water connections and 92% of wastewater connections. These trends were applied to the ONS baseline property forecasts.
8	New residential properties served by NAVs	
9	New business properties served by NAVs	
10	Total new properties served by NAVs	
11	Total new properties	Incumbent/NAV/SLP market share Informed through analysis of APR data historic data. Ratio of household to non-household properties informed by analysis of data in APRs. Note: The total new properties includes water properties and wastewater properties and will therefore contain duplicate new properties.
12	New properties – SLP connections	

### **Water New Connection forecasting:**

Water forecasts were within 5% of actuals for the first two years of the AMP. There was a divergence in 2022-23 where an anticipated uptick in development was replaced with a downturn. This downturn is associated with recent economic disruption and expected to return to normal over the medium term.

2022-23 also saw a decrease in NAV and SLP activity below historic averages. We anticipate future regulation to promote competition and therefore expect NAV and SLP activity to return to normal levels in the medium term.

2025-26 predicts a decrease in activity from the previous year but is within normal levels.

### **Wastewater New Connection forecasting:**

Actual wastewater new connections came in around 11% below forecast on average for the first two years of the AMP. In 2022-23, wastewater connections experienced an uptick in activity but



		tracked lower than anticipated. This shortfall is associated with the recent economic disruption and connection activity is expected to return to previous levels over the medium term. Confidence: C3
	<b>New water mains data</b>	
13	Length of new mains (km) - requisitions	New mains length for requisitions has been rising for the last 2 years. Increase in requisitions since 2021 is presumed to be due to recovery from covid, therefore linear forecast predicted for the next year and then this figure is utilised for the remainder of the AMP and for next AMP.
14	Length of new mains (km) - SLPs	SLPs length has been variable across the last 3 years, therefore Excel's forecast function used for value for next year and then the value is utilised across the remainder of the AMP and for next AMP. The government sets out that new and sustainable development is a priority and indicates that water companies should work with developers and self lay providers to enable sustainable development ( <a href="http://Gov.uk">Gov.uk</a> ). Information on how the SLP market might change could not be found and therefore a linear forecast has remained.

DS5- Network reinforcement costs		
Line description		Commentary
	<b>Wholesale water network+ (treated water distribution)</b>	We have assumed that our AMP8 water infrastructure network reinforcement expenditure will be on pumping and storage facilities, and our waste on foul and combined systems, in line with our past costs. All on site / site specific capex has been included within either distribution and trunk mains for water or foul and combined systems for waste, again in line with historic expenditure.
1	Distribution and trunk mains	
2	Pumping and storage facilities	
3	Other	
4	Total	
	<b>Wholesale wastewater network+ (sewage collection)</b>	
5	Foul and combined systems	
6	Surface water only systems	
7	Pumping and storage facilities	
8	Other	
9	Total	

**DS6- Network reinforcement drivers - potable mains, sewers, pumping stations and pumping capacity**

Line description		Commentary
	<b>Potable mains</b>	
1	Length of new potable mains laid - proportional allocation	<p><b>1- Network reinforcement column E &amp; F</b></p> <p><u>AMP7 forecast -</u></p> <p>Incumbent: AMP7 Developer services programme reviewed, and network reinforcement schemes identified. Length of new main/upsized main in km determined by reviewing project paperwork for identified schemes and adding to relevant year of delivery. Km of mains added to incumbent as capital schemes are delivered by Southern Water and not SLP. Years without incumbent network reinforcement schemes set to 0.</p> <p>SLP: This was calculated for the year 22-23 by subtracting the summed value for network reinforcement incumbent, requisitions (incumbent and SLP), resilience, maintenance and Water quality from the mains length value in 6C.1, to provide a value for SLP new mains. The value of 6C.1 is produced by our pioneer data system. For the AMP7 years 23-24, 24-25 data from the 2022 Ofwat data query has been averaged and assigned.</p> <p>Length of potable mains- Values for 22-23 and 23-24 align with 6.C1.</p> <p><u>AMP8 forecast-</u></p> <p>Incumbent: Km forecast by utilising AMP7 network reinforcement scheme information to create average length for both new mains and upsized mains. Assumption that there will be a 50:50 split of new mains vs upsized mains, so average for new mains and upsized mains each applied to half of growth schemes/ developments accounted for in FAIP (40 schemes) and then divided equally between the 5 years of AMP8. Km added to incumbent as these will be capital schemes delivered by SW and not SLP.</p> <p>SLP: Data from the Ofwat data query (MS018 reported figures) have been averaged and assigned.</p> <p><b>2- Requisitions column G &amp; H-</b> Values taken from DS4 lines DS4.13 and DS4.14 for both AMP7 and AMP8 forecasts.</p> <p><b>3- Resilience, Maintenance and water quality columns I, J &amp; K:</b></p> <p>Data for year 22-23: OCF 460 data reviewed and mains that have been tagged as being installed or upsized due to resilience, maintenance and water quality drivers added to relevant category.</p> <p><u>AMP7 forecast-</u></p>
2	Length of new potable mains laid - full allocation	
3	Length of potable mains upsized - proportional allocation	
4	Length of potable mains upsized - full allocation	



		<p>Data from OFWAT query in 2022 used to calculate average for resilience, maintenance and water quality for length of new mains which is then applied across remainder of AMP7 years.</p> <p>AMP8 forecast- Average value for resilience, maintenance and water quality calculated from MS018 data above applied across AMP8, dWRMP24 internal interconnector schemes added to resilience line based on WRMP24 delivery deadlines see CW8 sheet. KM for dWRMP24 schemes taken from CW8.</p> <p>No resilience, water quality or maintenance drivers identified for upsizing mains in AMP 7 or AMP 8 so figures set to 0.</p> <p>WRMP internal interconnector schemes have been added to the resilience line where appropriate from our revised draft WRMP24. Our revised dWRMP24 is current in draft and is still subjected to change.</p> <p>None of the growth schemes are in design so we don't yet know the scale of network reinforcement required and have forecast km based on schemes completed in AMP7 and number of developments/schemes identified in AMP8 plan.</p> <p>Growth schemes are based on developments identified through our growth process as having potential to have a detrimental impact to our network without intervention. As these have not entered design, we have assumed that each will need network reinforcement either in the form of a new main or an upsized main. 80 developments/growth schemes identified by developer services are presumed to require a network reinforcement of some kind. Assumption has been made that half will require a new main and half will require an upsized main in AMP8.</p> <p>We've not been able to identify the split between drivers as there are too many unknowns and averages. Therefore proportional and full allocation have been included at the same value.</p>
	<b>Sewers</b>	
5	Length of new sewers laid - proportional allocation	<p>The following assumptions have been made:</p> <ul style="list-style-type: none"> <li>&gt; All sewers constructed within the site boundary are self-lay adoptions Network reinforcement.</li> <li>&gt; Sewers constructed off-site to a point of connection are considered self-lay adoption Requisitions. These lengths have been specifically measured for this exercise. Not inclusive of the Requisitions of known projects by SW</li> <li>&gt; Maintenance has been taken as sewer rehabilitation (both Planned and Operational Reactive). These align with the values determined for CWW6.</li> <li>&gt; 2022/23 values are based on Developer Services data as reported in APR23. Our data set does not however differentiate between sewers laid off-site or as diversions or upsizing. Without access to as-built data, so assumptions have been made.</li> </ul>
6	Length of new sewers laid - full allocation	
7	Length of sewers upsized - proportional allocation	
8	Length of sewers upsized - full allocation	





		<p>&gt; Subsequent years reflect specific planned schemes. Due to the early stage of these schemes, precise measurements are not determined. For sites which have no completed design, we have assumed 90% upsizing and 10 % new sewer.</p> <p><b>Incumbent Requisitions Forecast (2026-2030)</b> is based on the requisitions reported in the last 3 years and applied to AMP8. Due to the timescales of the sign off a handover some requisitions may be reported after the project achieves benefit, currently there are no active s98 schemes that will achieve benefit in 2025 so that value will be 0.</p> <p>Assumptions have been used for upsizing/reinforcement for Group 1, 2 and 3 schemes due to the early stages of modelling being done, a lot of the reinforcement is based on averages we have seen on other completed projects with similar scopes.</p>
<b>Pumping stations and capacity (water)</b>		
9	New potable water pumping stations built - proportional allocation	<p><b>1- Network reinforcement column E &amp; F</b>  <u>AMP7 forecast</u> - No new pumping stations were built or upsized in 22-23 being built or upsized therefore 0 added to all lines. As no new or upsized booster stations, no additional kw pumping capacity added in 22-23.</p> <p>Asset plans reviewed and forecast boosters added to relevant lines. As schemes are not far enough in design, kw was unknown and therefore average kw taken from 22-23 submission.</p> <p><u>AMP8 forecast-</u> Review of zonal reviews and deferred AMP7 schemes to determine if any had booster requirements. These were then totalled and split equally across the AMP.</p> <p>WRMP internal interconnector schemes (deemed resilience schemes) were reviewed to determine if additional booster stations were required and these were added to the relevant lines. Schemes are not far enough in design, kw was unknown and therefore average kw taken from OCF 445.</p> <p><b>3- Resilience, Maintenance and water quality columns I, J &amp; K:</b>  <u>AMP7 forecast-</u> No new pumping stations being built or upsized as a result of network reinforcement therefore 0 added to all AMP7 lines. As no new or upsized booster stations, no additional kw pumping capacity added in AMP7. This does not align with 6B.1, where a change in kw is seen. This is because we have implemented improvements in our reporting and data processes, leading to an improvement in our data, rather than any additional assets installed or upsized. Further reporting changes throughout AMP7 may occur as we continue to improve this process.</p> <p><u>AMP8 forecast-</u> WRMP internal interconnector schemes (deemed resilience schemes) were reviewed to determine if additional booster stations were required and these were added to the resilience lines where required. No network reinforcement schemes with booster stations required for water quality or maintenance identified.</p>
10	New potable water pumping stations built - full allocation	
11	Existing potable water pumping stations upsized - proportional allocation	
12	Existing potable water pumping stations upsized - full allocation	
13	Additional potable water pumping capacity installed - proportional allocation	
14	Additional potable water pumping capacity installed - full allocation	



		<p>None of the growth schemes are in design so we don't yet know the scale of network reinforcement that will be required and have therefore estimated the number of boosters</p> <p>Have not been able to identify split between drivers as too many unknowns and averages, therefore proportional and full allocation have been included at the same value.</p> <p>Schemes requiring new or upsized booster stations are not at the stage of design to understand pump capacity (kw) requirement. Average kw therefore utilised.</p>
	<b>Pumping stations and capacity (wastewater)</b>	
15	New pumping stations built on sewerage network - proportional allocation	<p>Assumptions made:</p> <p>&gt; For future pumping stations under incumbent network reinforcement an average of current Pumping stations KWh is taken (removing KWh &gt;300 as these are associated with much larger works)</p> <p>&gt; The total number is aligned to the values in CWW6, the split for Self-lay adoptions is derived by taking the value for incumbent pumping stations from the total for both number of stations &amp; KWh capacity.</p> <p>&gt; It is assumed that there is only one allocation for any works. So proportional allocation matches full allocation</p> <p>&gt; It is assumed that all resilience or maintenance will be completed under separate programmes and would not be delivered by Developer Services</p> <p>&gt; It is assumed there are no upsizing works planned as more upgrades are like for like replacement. Apart from the confirmed work completed at Sayers common (2023-2024) to Upsize the current pump rate of the WPS which involves different pumps than were originally installed.</p>
16	New pumping stations built on sewerage network - full allocation	
17	Existing stations upsized on sewerage network - proportional allocation	
18	Existing stations upsized on sewerage network - full allocation	
19	New pumping capacity installed on sewerage network - proportional allocation	
20	New pumping capacity installed on sewerage network - full allocation	