

Supplementary PR24 data tables commentary

PR24 Draft Determination Representations – August 2024



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Overview of changes to Supplementary tables	3
SUP1A Connected properties, customers and population	4
SUP11 Real price effects and frontier shift	6
SUP15 Affordability - residential customers	7



Overview of changes to Supplementary tables

We have updated our data tables to reflect our Draft Determination Representations in accordance with Ofwat requirements, including updating 2023-24 forecasts with actuals for both APR aligned and non-APR aligned data.

We have provided commentary on material changes made to the data in the tables. Please refer to our original data table commentary (ANH07 to ANH18) if more information is required.

We have made changes to the following Supplementary tables since submitting the version of our data tables that our Draft Determination is based on (ANH03 Data tables - March 2024 update). Please see the Change Log in ANH_DD_004 - v7 Main data tables for a more detailed summary and the individual tables themselves for changes in red font:

- SUP1A
- SUP1B
- SUP11

SUPIA Connected properties, customers and population

Note that 2023/24 data, has been updated to reflect APR out-turn values.

Population data

SUPIA.17 Resident population

Note the revised population forecast has been based upon the WRMP24 preferred plan projection for population, re-based to the 2023/24 APR Out-turn values.

Population is calculated based upon Anglian Water SAP customer information and ONS population and local authority household data. Population is derived using the in-year assessment of households we serve as a percentage of the Office of National Statistics (ONS) property totals, as applied to the ONS Local Authority and Unitary Authority (LAUA) property and population tables. Additional account is taken of non-household communal population, which is derived using census data. The estimate of household population is based on the 2021 (2018 updated - 2021 issued) sub-national population and the December 2018 (June 2021 Issue) household projections from the ONS. Population projections have been amended to reflect the current ONS mid-year population estimates.

Baseline population and property figures are derived for each LAUA, utilising ONS population and household data. Actual recorded properties in our 'billing' system for the base-year are then compared to the LAUA household official totals, either directly through GIS or via parish attribution. This allows the percentage of households served by Anglian Water to be determined for the AWS statutory water and sewerage areas. These property totals for the Anglian Water statutory water and wastewater geographies, once derived, are internally reconciled and are then used to provide the baseline for the forecast models. Base-line population totals are then derived using the known household percentages derived from the comparison of Anglian Water and ONS household totals and applying these to the ONS snpp population figures (per LAUA).

We apportion the data for the districts we serve to derive an estimate of both the water and the waste-water populations in the Anglian Water region.

The estimate of non-household population is based on the latest census data published by the ONS. This 'communal' population covers prisons, care homes and military bases among many categories. These projections have been revised in line with the paper 'Updating the Department for Communities and Local Government's Household Projections', specifically annex 2 'Improving Institutional

Population Estimates and Projections'. In addition, we have added an estimate of people resident in mixed properties. This value is now based upon new estimates derived by our demographic consultants.

· Forecast - This is derived in accordance with the WRMP methodology, utilising Local Planning Authority projections to derive a plan based population forecast (See Overview (WRMP Forecast Process)). Data referenced includes:

- ONS snpp (sub national population projections)
- DCLG Household projections
- Local Authority planning projection data
- ONS mid-year estimates
- Census data - re Communal population data
- SAP baseline Anglian Water household data

Note the revised population forecast has been based upon the WRMP24 preferred plan projection for population, re-based to the 2023/24 APR Out-turn values.

From 2023/24 to 2029/30 we expect to see an increase in the total water population from 5,064,108 to 5,332,732. An increase of 268,624. (As opposed to an increase from 4,972,797 (2022/23) to 5,283,511 (2029/30), an increase of 310,714 (1 extra year))

From 2023/24 to 2029/30 we expect to see an increase in the total wastewater population from 6,605,276 to 6,886,102. An increase of 280,806. (As opposed to an increase from 6,494,202 (2022/23) to 6,853,639 (2029/30), an increase of 359,437 (1 extra year))

SUPIA.18 Non-resident population (wastewater)

Note the revised non-resident population forecast has been re-based to the 2023/24 APR Out-turn values.

Baseline non-resident population figures have been provided by the wastewater team and the forecast has been then projected in line with WRMP24 population growth.

For non-resident population we expect this to increase from 219,249 in 2023/24 to 231,234 in 2029/30. (As opposed to an increase from 221,866 (2022/23) to 235,729 (2029/30), (1 extra year))

Note these values have been split proportionally to the measured/unmeasured splits for future forecast.

Household population data

SUP1A.19 Household population

Note the revised household population forecast has been based upon the WRMP24 preferred plan projection for household population, re-based to the 2023/24 APR Out-turn values.

The household population for water has been calculated and shown, excluding the non-household communal population (as derived above).

Non-resident population has been apportioned to the water cohort, based upon the wastewater value.

SUP1A.20 Household measured population (water only)

Note the revised household measured population forecast has been based upon the WRMP24 preferred plan projection for household population, re-based to the 2023/24 APR Out-turn values.

The measured household population for water has been derived based upon the APR assessment.

The forecast measured and unmeasured split has been derived, using baseline out-turn data and the meter installation/optant forecasts provided by the metering team, as used in the WRMP24 demand forecast model.

From 2023/24 to 2029/30 we expect to see an increase in the total measured water population from 4,895,509 to 5,249,959; an increase of 264,450. (As opposed to an increase from 4,895,007 (2022/23) to 5,204,632 (2029/30), an increase of 309,625 (1 extra year))

SUP1A.21 Household unmeasured population (water only)

Note the revised household unmeasured population forecast has been based upon the WRMP24 preferred plan projection for household population, re-based to the 2023/24 APR Out-turn values.

The unmeasured household population for water has been derived based upon the APR assessment.

The forecast measured and unmeasured split has been derived, using baseline out-turn data and the meter installation/optant forecasts provided by the metering team, as used in the WRMP24 demand forecast model.

From 2023/24 to 2029/30 we expect to see a decrease in the total unmeasured water population from 772,620 to 619,500; a decrease of 153,130. . (As opposed to a decrease from 775,608 (2022/23) to 595,997 (2029/30), an increase of 179,611 (1 extra year))

SUP11 Real price effects and frontier shift

As we set out in ANH_DD_014 Comments on Frontier Shift and Real Price Effects, we have used the approach taken by Ofwat at Draft Determination for both Frontier Shift and RPEs.

SUP15 Affordability - residential customers

We have not updated this table as it is not required by Ofwat. However we wish to correct two statements set out by Ofwat in the Draft Determination that relate to shareholder contributions to customer affordability. The company specific documentation sets out the following:

Water companies have arrangements in place to support customers that might be struggling to pay their bills. This is called a social tariff, and it helps to reduce the bill for these customers. Anglian Water plans to increase social tariff provision from 3% of households in 2020-25 to 7% in 2025-30. Anglian Water's shareholders will contribute £8 million to hardship funds and other support measures, and £6 million on matching payments which are made by customers repaying debts. We propose to hold Anglian Water to account for these contributions through our monitoring and reporting, and through the customer-focused licence condition. Overview of Anglian Water's PR24 draft determination

"It demonstrated moderate ambition on affordability. Its shareholders plan to contribute £14.29 million (equivalent to 0.06% of the company's return on regulatory equity), split between a new discount scheme for customers with medical needs, hardship payments and matched payments for customers repaying debts. The company is trialling a seasonal tariff with plans for a wider rollout that could result in overall bill reductions and longer-term benefits for all customers." Anglian Water - Quality and ambition assessment appendix

As submitted in our Business Plan, SUP15.52 set out that shareholders were funding solely the £4.5m for the medical needs discount. Shareholders will also fund circa £0.5m to administer this scheme. Ofwat appear to have conflated hardship funds and matched payment schemes with support funded by shareholders. We were clear in completing SUP15 that these other elements of support are funded by customers; hardship funds and matched payments are aggregated into line SUP15.54 being "Total revenue from customers to fund other measures to support affordability for customers struggling to pay".

Where it is stated that, "We propose to hold Anglian Water to account for these contributions through our monitoring and reporting, and through the customer-focused licence condition", we assume this refers to section C of table 2N of the APR, "other direct bill reduction schemes". We would expect to report the medical needs discount in this table from 2025/26.

When we sought clarification from Ofwat on the items captured within section C of table 2N of the 23/24 APR, we were advised to "focus on direct bill reduction schemes in this section".

On this basis, neither hardship funds nor matched payment schemes would meet the criteria as they are not bill reductions but rather reduce arrears payments. In completing table 2N, section C for the 2023/24 APR we therefore included neither hardship funds nor matched payment schemes; we assume we have interpreted this as the correct approach. However, even if we had included both hardship funds and matched payment schemes, we would have noted customers as the funding source given these schemes are funded out of opex, in turn funded by customer charges. From what we can see, all other companies have followed this same approach to table 2N, bar one - United Utilities.



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