

Scottish Water AR22 Annual Return submission queries

Overview

We have organised these queries according to the sections in the Annual Return submission. These are:

- Annual Reports and Accounts Performance and Prospects 2021-22
- General AR22 queries;
- Section A;
- Section B, including Overall Performance Assessment (OPA) and Customer Experience Measures (CEMs);
- Section C;
- Section D;
- Section E;
- Section G, including Progress towards Committed List (PCL);
- Section H;
- Section M;
- Section N; and
- Section P.

Query numbering uses the following convention:

- characters before the hyphen indicate the section of the Annual Return to which the query relates;
- characters after the hyphen indicate the query number.

For example, Query C-7 relates to Section C and is the seventh query for this section.

Each query is of one of the following four types:

- Further clarification – where further clarification, explanation or information is requested;
- Incomplete information – where information requested has not been provided;
- Internal consistency – where there are internal inconsistencies between information in different parts of the Annual Return or Annual Reports and Accounts; and
- Template change – where there have been changes to the template without prior agreement with WICS.

Each query has a reference indicating the worksheets, lines and/or documents to which it relates and the type of query it is. For most queries, this reference includes the line(s) in the Annual Return to which it relates. It may also include the page number of the document mentioned in the query, whether the Annual Report or the appropriate section of the Commentary.

Annual Reports and Accounts Performance and Prospects 2021-22

The queries in this section relate to 'Annual Report & Accounts 2021/22: Performance and Prospects'.

AR-1. Reference: Annual Report 2021-22 (Further clarification)

Please provide further information on the Annual Outperformance Incentive Plan (AOIP), including:

- a. the process for setting the targets for each year of this regulatory control period;
- b. the process for approving the targets for each year of this regulatory control period;
- c. the process for assessing actual performance in 2021-22 against the target in the year;
- d. whether there was any external assurance or audit of the process for setting targets, approving targets or assessing performance against targets;
- e. whether the process in 2021-22 has changed compared to the process in place in the previous regulatory control period, including any changes to the role of external assurance or audit.

AR-2. Reference: Annual Report 2021-22 (Further clarification)

We note the absence of a reference to Scottish Water's performance as per the UK CSI benchmarking. Please provide Scottish Water's score in the utility sector and across all sectors for 2021-22.

AR-3. Reference: Annual Report 2021-22 (Further clarification)

We note that there is no comparison of expenditure to the Final Determination. Please provide a like-for-like comparison between actual expenditure in 2021-22 and the allowed for expenditure from the Final Determination for each of the expenditure items. These are:

- a. Operating costs
- b. Private Finance Initiative (PFI) expenditure
- c. Reasonable Cost Contributions
- d. Responsive maintenance expenditure
- e. Interest Expenditure

The table below provides the allowed for expenditure from the Final Determination updated for outturn inflation for ease of reference.

Query AR-3		
Item	Final Determination model in projected outturn prices £m	Final Determination updated for outturn inflation £m
Operating costs	438	453
Private Finance Initiative (PFI) expenditure	167	173
Responsive maintenance	185	191
Reasonable cost contributions and Other	35	36
Interest	154	154
Total	980	1,007

Query AR-3	
Assumed inflation factor in the Final Determination (2017/18 prices to projected outturn prices)	1.10
Actual inflation factor (2017/18 prices to outturn prices)	1.13

AR-4. Reference: Annual Report 2021-22, page 5 (Further clarification)

We note on page 5 of the Annual Report the reported investment of £799m in 2021-22.

Please provide a breakdown of this investment into the following categories:

- a. Tier 1 repair and refurbishment investment
- b. Completion Investment
- c. Tier 2 excluding completion investment

Please provide an equivalent breakdown for 2020-21 for comparison.

AR-5. Reference: Annual Report 2021-22, page 9 (Further clarification)

We note on page 9 of the Annual Report the closing cash balance of £657.1m. Please explain the movements in this closing cash balance in 2020-21 and in 2021-22 in respect of:

- a. the reported cash balance of the “regulated business” increasing from £428.7m in 2020/21 (2020/21 Annual Report, page 10) to £515.9m (2021-22 Annual Report, page 9); and
- b. the reported cash balance of Scottish Water increasing from £570.4m (2020-21 Annual Report, page 10) to £657.1m (2021-22 Annual Report, page 9).

AR-6. Reference: Annual Report 2021-22, page 87 (Further clarification)

In relation to the cash balance, we note that page 87 of the Annual Report explains, “given the current uncertain economic environment we will continue to hold a £200m minimum cash balance. The balance of our cash has been committed for future investment delivery”. Please provide a breakdown of the reported cash balance into the following categories:

- a. cash available based on expenditure being below the normative charge for certain Tier 1 expenditure items (repair and refurbishment, developer contributions and taxation) and expected to be utilised in future years;
- b. cash committed for future Tier 2 investment;
- c. residual cash balance.

AR-7. Reference: Annual Report 2021-22, page 90 (Further clarification)

We note from the table on page 90 of the Annual Report that Scottish Water reports a closing cash balance for the ‘Horizons group’ of £44.1m, as set out in the table below.

Please provide the sources and utilisation of cash for Horizons over the previous five years as set out in second table below and provide a commentary.

Query AR-7				
Cash balance	Scottish Water £m	Business Stream group £m	Horizons group £m	Group Total £m
Opening balance at 1 April 2021	428.7	94.9	46.8	570.4
Cash generated/(utilised)	87.2	2.2	(2.7)	86.7

Query AR-7				
Cash balance	Scottish Water £m	Business Stream group £m	Horizons group £m	Group Total £m
Closing balance at 31 March 2022	515.9	97.1	44.1	657.1

Query AR-7					
'Horizons Group'	2017-18	2018-19	2019-20	2020-21	2021-22
Opening cash balance					
Cash generated					
Cash utilised					
Closing cash balance					

AR-8. Reference: Annual Report 2021-22, pages 19 and 127 (Further clarification)

We note from page 19 of the Annual Report that Scottish Water generated £39m in outperformance to support investment. We also note from page 127 that Scottish Water has generated outperformance on tier 1 costs of £15.1m. Please explain and reconcile the difference.

AR-9. Reference: Annual Report 2021-22, pages 61 and 127 (Further clarification)

We note from page 61 of the Annual Report that Scottish Water's operational emissions has reduced by 16,000 tonnes to 233,000 tCO₂e. We also note from page 127 that Scottish Water achieved an emissions reduction of 7,428 tCO₂e. Please explain and reconcile the difference.

AR-10. Reference: Annual Report 2021-22, page 61 (Further clarification)

As set out in the table below, the figures on page 66 of the 2020-21 Annual Report and page 61 of the 2021-22 Annual Report would suggest that grid electricity emissions have reduced from 146,910 tCO₂e (59% of 249,000) to 130,480 tCO₂e (56% of 233,000). Please provide:

- a breakdown of how much of the 16,000 tCO₂e difference is due to the carbon intensity reducing versus how much is due to Scottish Water reducing its electricity usage; and
- an explanation of how much of the reduction in carbon intensity is as a result of the greening of the grid compared to Scottish Water increasing its own renewable generation?

Query AR-10					
	2020-21 breakdown	2020-21 emissions (tCO ₂ e)	2021-22 breakdown	2021-22 emissions (tCO ₂ e)	Difference
Grid electricity	59%	146,910	56%	130,480	-11%
Process emissions	23%	57,270	25%	58,250	2%
Natural gas	12%	29,880	13%	30,290	1%

Query AR-10					
	2020-21 breakdown	2020-21 emissions (tCO2e)	2021-22 breakdown	2021-22 emissions (tCO2e)	Difference
Transport & travel	5%	12,450	6%	13,980	12%
Others	3%	7,470	2%	4,660	-38%
Self-generated renewable electricity exports	-2%	-4,980	-2%	-4,600	-6%
Total		249,000		233,000	

AR-11. Reference: Annual Report 2021-22, page 61 (Further clarification)

As set out in Table 4, the diagrams on page 66 of the 2020-21 Annual Report and page 61 of the 2021-22 Annual Report suggests that emissions related to transport and travel emissions have increased from 12,450 tCO2e (5% of 249,000) to 13,980 tCO2e (6% of 233,000). Please explain how this is consistent with Scottish Water's fleet driving 300,000 fewer miles in 2021-22 compared to 2020-21, as set out in Table 5.

Query AR-11	
Year	Total miles
2020-21	18,800,000
2021-22	18,500,000

AR-12. Reference: Annual Report 2021-22, page 84 (Further clarification)

We note from page 84 of the Annual Report that Scottish Water moved repair expenditure from operating expenditure to repair and refurbishment expenditure (Tier 1 and Tier 2)? Please explain how much of the repair expenditure has been moved from operating expenditure and restate the final determination allowances for operating expenditure, repair and refurbishment expenditure and Tier 2 expenditure, taking account of this change.

AR-13. Reference: Annual Report 2021-22, page 85 (Further clarification)

We note from page 85 of the Annual Report that "investment on a regulatory accounting basis" includes investment funded from infrastructure charges, the refund associated with Dalmeir PFI and insurance recoveries. Please disaggregate the £24.6m related to these expenditure items and explain why the refund associated with Dalmeir PFI and insurance recoveries are included in the investment on a regulatory accounting basis.

AR-14. Reference: Annual Report 2021-22, page 86 (Further clarification)

We note from page 86 of the Annual Report that Scottish Water reported total operating costs of £1,051 million in the year. Please provide a further disaggregation of the total operating costs into its component parts.

AR-15. Reference: Annual Report 2021-22, page 90 (Further clarification)

We note from page 90 of the Annual Report that cloud computing costs of £28m are expensed for statutory accounting purposes. Please explain why these costs are not included in operating expenditure for regulatory reporting.

AR-16. Reference: Annual Report 2021-22, page 93 (Further clarification)

We note from page 93 of the Annual Report that Scottish Water's performance for 2021-22 is already within the range for each of the items listed in 2022-23 targets. Please explain how Scottish Water derived the ranges for the year ahead and the process for confirming them.

General

The queries in this section relates to more than one section in the Annual Return submission.

Gen-1. Reference: all tables (Further clarification)

We note that the Assurance Report in the resubmission is the same document as in the initial submission, which included incorrect table templates for 2021-22. Please explain whether the information provided as part of the resubmission has been subject to assurance.

Gen-2. Reference: Sections A, B, C, D, E and P (Internal consistency)

We note that across multiple sections, certain lines have confidence grades that do not accord with the confidence grades of the inputs to these lines. For each of the following lines, please provide an explanation of the line's confidence grade(s) and update the grades(s) as appropriate.

- Table A2: Lines A2.14, A2.15 and A2.19 (B3);
- Table A3: Lines A3.9 ('Report Year + 1' only), A3.16 and A3.20 (B3);
- Table B1: Lines B1.3 and B1.5 (A1);
- Table B5: Table B5: Lines B5.1 (A2), B5.2 (B2), B5.32 (A2), B5.34 (A1) and B5.39 (A1);
- Table B6: Lines B6.3 (B2), B6.4 (A1), B6.17 (A1), B6.40 (B3), B6.42 (A1) and B6.52 ('Report Year' only) (B3);
- Table B6A: Line B6A.12 (B3);
- Table C1: Lines C1.4 (C4), C1.27 (B4), C1.29 (B4), C1.34 (B4), C1.35 (B4) and C1.40 (B4);
- Table C3: Lines C3.5 to C3.7 ('Regulated Carbon Footprint' only) (B2);
- Table D5: Line D5.8 (A1);
- Table E3: Line E3.36 (B3);
- Table E3a: Line E3a.26 (A1);
- Table E6: Line E6.16 (A1);
- Table P3: Line P3.17 ('Report Year 2021-2022' only) (A2)

Section A

The queries in this section relate to Section A – Base Information.

A-1. Reference: Lines A1.1 to A1.5 (Further clarification)

Lines A1.1 to A1.5 provide a breakdown of billed properties with potable water. Please explain whether there are any billed properties with non-potable water, and if so, where these are reported.

A-2. Reference: Lines A1.10 and E6.2 (Internal consistency)

We note that the confidence grade given to Line A1.10 'Total number of connected properties' is B3. The confidence grade given to Line E6.2 'Total connected properties' is B4. Please explain the difference in confidence grades and update the confidence grade(s) as appropriate.

A-3. Reference: Lines A1.21 and A1.23 (Further clarification)

Please confirm whether Line A1.23 'Unmeasured non-household billed properties not billed for surface drainage' includes exempt properties. If not, please explain where these are reported?

A-4. Reference: Lines A2.3 and E6.1 (Internal consistency)

We note that the confidence grade given to Line A2.3 'Population of unmeasured household properties' is B2. The confidence grade given to Line E6.1 'Annual average resident connected population' is A2. Please explain the difference in confidence grades and update the confidence grade(s) as appropriate.

A-5. Reference: Line A2.20, page 17 (Further clarification)

We note that the estimate of the MLE adjustment has reduced by around 30% in 2021-22 (see the table below). Please provide an explanation for this change.

Query A-5				
Line ref.	Line title	2020-21	2021-22	Change
A2.20	MLE Adjustment (Ml/d)	-7.76	-5.52	29%

A-6. Reference: Lines A3.2, A3.3 and E7.2 (Internal consistency)

We note that the difference between Line A3.1 'Winter population' and Line A3.3 'Household population connected to the wastewater service' is 139,120 (see the table below). Please explain how this aligns with Line E7.2 'Annual average non- resident connected population', which has a value of 38,472.

Query A-6		
Line ref.	Line title	Population (000s)
A3.1	Winter	5,139.769
A3.3	Household Population connected to the wastewater service	5,000.649
Calc	A3.1-A3.3	139.120
E7.2	Annual average non- resident connected population	38.472

A-7. Reference: Line A3.18, page 22 (Further clarification)

We note that the load from public septic tanks has increased by around 20% in 2021-22 (see the table below). Please provide an explanation for this change.

Query A-7				
Line ref.	Line title	2020-21	2021-22	Change
A3.18	Public septic tank load (tonnes)	164.63	129.28	-21%

- A-8. Reference: Line A3.23, page 20 (Internal consistency)**
 Table 12 on Page 20 of the Commentary gives the equivalent resident population served as 6,488,820, while Line A3.23 gives the equivalent resident population served as 6,448,854. Please explain this difference and update the tables and/or Commentary as appropriate.
- A-9. Reference: page 14 (Internal consistency)**
 Table 9 on Page 14 of the Commentary refers to the population of unmeasured household properties as 'Population in Households with Water'. Please provide the full reference to the correct line title.
- A-10. Reference: page 14 (Further clarification)**
 Page 14 of the Commentary explains that the Water Summer Population reported in Line A2.2 is calculated as the sum of the Unmeasured Household Water Population (Line A2.3), the Measured Household Water Population (Line A2.4) and the Summer Transient Tourist Population. Please provide the value for the summer transient tourist population for water in 2021-22.
- A-11. Reference: page 20 (Internal consistency)**
 Table 11 on Page 20 of the Commentary refers to the population of unmeasured household properties as 'Population in Households with Wastewater'. Please provide the full reference to the correct line title.
- A-12. Reference: pages 19 and 20 (Further clarification)**
 Pages 19 and 20 of the Commentary explain that the Wastewater Summer Population reported in Line A3.2 is calculated as the sum of the Unmeasured Household Wastewater Population (Line A3.3), the Measured Household Wastewater Population (Line A3.4) and the Summer Transient Wastewater Tourist Population. Please provide the value for the summer transient tourist population for wastewater in 2021-22.
- A-13. Reference: page 20 (Incomplete information)**
 Table 12 on Page 20 of the Commentary does not provide the breakdown of resident connected population. Please provide the breakdown of resident connected population.

Section B, OPA and CEMs

The queries in this section relate to Section B – Outputs to customers, Overall Performance Assessment and Customer Experience Measures.

B-1. Reference: all B tables, page 25 (Further clarification)

With reference to Table B1, Page 25 of the Commentary explains, "It is not feasible to forecast data for AR23, for this table". The Commentary makes similar comments for other tables. Please explain why.

Query B-1	
Table or Line ref.	Forecast not provided for:
B1	Full table
B2.5	More than 3 hours planned and warned
B2.6	More than 6 hours planned and warned
B2.7	More than 12 hours planned and warned
B2.8	More than 24 hours planned and warned
B2.9	More than 3 hours unplanned
B2.10	More than 6 hours unplanned
B2.11	More than 12 hours unplanned
B2.12	More than 24 hours unplanned
B2.13	More than 3 hours caused by third parties
B2.14	More than 6 hours caused by third parties
B2.15	More than 12 hours caused by third parties
B2.16	More than 24 hours caused by third parties
B2.17	More than 6 hours unplanned (overruns of planned interruptions)
B2.18	More than 12 hours unplanned (overruns of planned interruptions)
B2.19	More than 24 hours unplanned (overruns of planned interruptions)
B2.20	Average supply interruption greater than three hours (minutes per property)
B3.3	Number of flooding incidents in the year
B3.4a	Number of properties flooded during the year due to severe weather
B3.5	Props. where flooding limited to uninhabited cellars only (o/loaded sewers)
B3.8	Properties which have flooded more than once in the last ten years (other causes)
B3.9	Flooding incidents due to equipment failure
B3.9a	Number of properties flooded during the year due to equipment failure
B3.10	Flooding incidents due to blockages
B3.10a	Number of properties flooded during the year due to blockages
B3.11	Flooding incidents due to sewer collapses
B3.11a	Number of properties flooded during the year due to sewer collapses
B3.12	Props. where flooding limited to uninhabited cellars only (other causes)
B3.17	1 in 20 risk at end of year
B3a	Full table
B4	Full table

Query B-1	
Table or Line ref.	Forecast not provided for:
B5	Full table
B6	Full table
B6a	Full table
B8.1	Mains bursts per 1000 km
B8.2	Total number of sewer collapses
B8.3	Sewer collapses per 1000 km
B8.4	Number of unsatisfactory intermittent discharges
B8.5	Number of intermittent discharges
B8.7	Total number of blockages
B8.8	Blockages per 1000 km

B-2. Reference: B1.1, pages 25 to 26 (Internal consistency)

Household population connected to the water service reported in Line B1.1 is different to the population reported in Line A2.5. We also note that Page 25 of the Commentary explains that Line B1.1 includes "Population not in Households". Please explain:

- a. the reason for the difference between Lines B1.1 and A2.5; and
- b. what is meant by 'population not in households'.

Please update Line B1.1 and/or the Commentary as appropriate.

B-3. Reference: Lines B1.7 and B1.8 (Internal consistency)

The sum of Lines B1.7 'Total number of reservoir sources monitored' and B1.8 'Total number of reservoir sources not monitored' equals 189. We note that the sum of Lines E4.1 'Impounding reservoirs' and E4.2 'Lochs' equals 134. Please reconcile Lines B1.7 and B1.8 to the information reported on water sources in Table E4.

Query B-3		
Line ref.	Description	Sources
B1.7	Total number of reservoir sources monitored	116
B1.8	Total number of reservoir sources not monitored	73
B1.7+B1.8	Total number of reservoir sources	189
E4.1	Impounding reservoirs	96
E4.2	Lochs	38
E4.1+E4.2	Impounding reservoirs and Loch sources	134
(B1.7+B1.8) - (E4.1+E4.2)	Difference	55

B-4. Reference: B2.1 (Internal consistency)

The forecast in Line B2.1 'Total connected properties' of 2,778,569 in 2022-23 differs from the forecast in Line A1.10 'Total number of connected properties' of 2,780,117.

Please reconcile the difference and update the tables as appropriate.

Query B-4		
Connected properties – Water		2022-23 (forecast)
B2.1	Total connected properties	2,778,569
A1.10	Total number of connected properties	2,780,117
Difference		-1,548

B-5. Reference: Lines B2.3 and B2.4, page 28 (Internal consistency)

Line B2.4 'Properties receiving low pressure but excluded from Line B2.3' is defined as:

“The total number of properties which, during the report year, have received pressure or flow below the reference level *but are not reported in the headline figure (emphasis added)* because they are covered by one of the exclusions described in the Guidance section. It includes, for example, all properties which have received low pressure during the year caused by abnormal demand or equipment failures. Low pressures due to planned maintenance should not be included in this category.”

The number of properties with low pressure used for calculating the OPA score is 45. Please confirm if the 177 properties in Line B2.4 are included in the number reported in Line B2.3 (see the table below). If so, please update Line B2.3 and/or the Commentary as appropriate to exclude these properties in line with the definitions.

Query B-5		
Source		Value
B2.3	Properties below reference level at end of year	222
B2.4	Properties receiving low pressure but excluded from Line B2.3	177
Number used for OPA (OPA calculator: sheet 'Data', cell CR151)		45

B-6. Reference: Line B3.1 (Internal consistency)

The forecast for Line B3.1 'Total properties connected to the sewerage system' of 2,616,869 in 2022-23 differs from the forecast in Line A1.20 'Total number of connected properties' of 2,646,697.

Please reconcile the difference and update the tables as appropriate.

Query B-6		
Connected properties - Foul sewerage		2022-23 (forecast)
B3.1	Number of properties connected to sewerage system	2,616,869
A1.20	Total number of connected properties	2,646,697
Difference		-29,828

B-7. Reference: Lines B3.3 and B3.4, page 33 (Internal consistency)

Page 33 of the Commentary explains, "The biggest driver of flooding incidents has been the frequent occurrence of short sharp summer storms producing extreme weather events, causing significant widespread flooding and resulting in a high level of customer contacts and stakeholder requests."

We note that the number of flooding incidents in the year reported in Line B3.3 has increased by 8% in 2021-22; however, the number of flooding incidents attributed to severe weather reported in Line B3.4 has reduced by 10% in 2021-22 (see the table below). Please reconcile the statement on Page 33 of the Commentary with the information reported in Lines B3.3 and B3.4 and update the table and/or the Commentary as appropriate.

Query B-7				
Line ref.	Line title	2020-21	2021-22	Change
B3.3	Number of flooding incidents in the year	131	142	8%
B3.4	Number of flooding incidents attributed to severe weather	82	74	-10%

B-8. Reference: page 33 (Internal consistency)

Page 33 of the Commentary references the same line twice for different lines of the Annual Return. "Overall, Internal Flooding Overloaded Sewer (IFOS) incidents seem higher than 2020-21, (Line B3.2) but each incident affected slightly less properties (Line B3.2)." Please correct the references.

B-9. Reference: Line B3.8, page 34 (Further clarification)

In relation to Line B3.8 'Properties which have flooded more than once in the last ten years (other causes)', Page 33 of the Commentary explains, "Producing this data required an amalgamation of 4 years of data from Microsoft Dynamics and 6 years of data from Promise. The challenge of doing this was discussed during the audit, and it was recognised that the confidence grading would be low." We note that Scottish Water reported data from April 2019 onwards instead. Please provide the alternative estimate based on "4 years of data from Microsoft Dynamics and 6 years of data from Promise" and the associated confidence grade.

B-10. Reference: Table B3a, page 37 (Further clarification)

We note that lines in this Table have lower confidence grades of B4, than the comparable lines in Table B3 (a combination of B2s and B3s). Please explain whether Scottish Water has any data improvement initiatives underway or planned to improve information in this area.

B-11. Reference: Lines B4.4 to B4.11, page 41 (Further clarification)

The table below shows a reduction in performance in relation to the telephone contact measures reported in Lines B4.4 to B4.11. Page 41 of the Commentary attributes this reduction to weather. Please explain:

- a. how the weather had an adverse impact; and
- b. whether Scottish Water is undertaking any actions in response to the reduction in performance in these areas.

Query B-11				
Line ref.	Line title	2020-21	2021-22	Change
B4.4	Total calls received on customer contact lines	293,606	324,939	11%
B4.5	Total calls answered on customer contact lines	288,103	311,494	8%

Query B-11				
Line ref.	Line title	2020-21	2021-22	Change
B4.6	Total calls answered within 30 seconds on customer contact lines	276,728	262,259	-5%
B4.7	Total calls answered in more than 30 seconds on customer contact lines	11,375	49,235	333%
B4.5/B4.4	% calls answered	98%	96%	-2%
B4.6/B4.4	% calls answered within 30 seconds	94%	81%	-14%
B4.7/B4.4	% calls answered in more than 30 seconds	4%	15%	291%
B4.8	Average time taken to answer a call on customer contact lines	9	60	567%
B4.9	All lines busy	0	1	+1
B4.10	Total of abandoned calls on customer contact lines	5,503	13,445	144%
B4.10/B4.4	% abandoned calls	1.9%	4.1%	121%
B4.11	Total Telephone complaints	93,916	100,084	7%

B-12. Reference: Lines B5.9 to B5.16 (Incomplete information)

Lines B5.10 to B5.16 have not been populated contrary to what was agreed during the joint working on this measure. Please populate these lines.

B-13. Reference: Lines B6.21 to B6.24 (Further clarification)

We note that the total number of surveys returned to Scottish Water from LPs in Line B6.21 is the same as the total number of surveys returned to Scottish Water from LPs regarding the Ease of Service in Line B6.23. Please confirm whether both lines cover the Ease of Service survey? If so, please explain the difference between Line B6.22 'LP experience survey - satisfied' of 1,426 responses and B6.24 'Ease of service indicator line 2' of 1,442 responses.

B-14. Reference: Tables B6 and B6a (Further clarification)

In Tables B6 and B6a, we note that the Developer CEM and Stakeholder CEM are being trialled for this year. Please explain:

- a. Scottish Water's observations on these two measures to date;
- b. trends observed;
- c. whether any changes will be made to the measures in future years given the lessons learned from the trial; and
- d. when the measures will 'go live' with forecasts applied to performance.

B-15. Reference: Table B6a (Further clarification)

In Table B6a, we note that Scottish Water performed below the target range for performance on the Stakeholder CEM. Please provide an explanation for this.

B-16. Reference: Lines B7.7 to B7.10, page 59 (Incomplete information)

In relation to Lines B7.7 to B7.10, Page 59 of the Commentary explains, "This new line to the annual return and reporting will be developed to provide this information in the future". Please provide timescales and milestones for reporting each of these lines for next year's Annual Return.

B-17. Reference: Line B7.13, page 60 (Internal consistency)

In relation to Line B7.13 'Number of payments to domestic properties for internal flooding from sewers due to being on the register', Page 60 of the Commentary explains, "No payments were made last year." and the line is then reported as "-" with N confidence grade. However, Line B7.15 reports that £32,235.37 was paid to 'domestic properties for internal flooding from sewers due to being on the register'. Please reconcile these lines.

In addition, where no payments were made in other lines, Scottish Water reported this as 0 with AX confidence grade (e.g. in Line B7.1). Please use this latter reporting approach consistently throughout (i.e. if no payments are made, reporting this as 0 with AX confidence grade (e.g. in Line B7.1)).

B-18. Reference: Lines B7.18 and B7.20 (Further clarification)

We note that the average amount paid to 'non-domestic properties for internal flooding from sewers due to not being on the register' has increased by 18% in 2021-22 (see the table below). Please explain this increase.

Query B-18				
Line ref.	Line title	2020-21	2021-22	Change
B7.18	Number of payments to non domestic properties for internal flooding from sewers due to not being on the register	66	110	67%
B7.20	Total amount paid to non domestic properties for internal flooding from sewers due to not being on the register (£)	39,618	78,016	97%
Average amount paid to non domestic properties for internal flooding from sewers due to not being on the register (£)		600	709	18%

B-19. Reference: Lines B7.21 and B7.22, page 61 (Further clarification)

We note that Lines B7.21 and B7.22 are reported as 0 with AX confidence grade for 2020-21 and that Page 61 of the Commentary explains that these are new lines. Please confirm that there were no payments to domestic properties for external flooding from sewers in 2020-21.

B-20. Reference: Lines B7.35 to B7.38, page 61 (Further clarification)

In relation to Lines B7.35 to B7.38, Page 61 of the Commentary explains, "Due to reporting issues the figures below are for part-year only (from April to December 2021). This was caused by technical issues between corporate systems." Please provide:

- a. further information on these technical issues; and
- b. an appropriate confidence grade rather than the confidence grade of "N/A" currently reported.

B-21. Reference: Line B7.53 (Further clarification)

We note that the Line B7.53 'Number of payments made within Service Standards period due to being on the register' has increased from 0 to 48 in 2021-22. Please provide an explanation for this increase.

B-22. Reference: Lines B7.76 to B7.80, page 65 (Further clarification)

In relation to Lines B7.76 to B7.80, Page 65 of the Commentary explains:

"There were no failures against this standard, however we proactively offered the payment to customers. In particular:

- "November 2021 Storm Arwen - we proactively contacted the 5,446 household customers and 166 business customers impacted offering a payment in recognition of loss of services for over 24 hours as a result of electrical failures. 1,966 payments totalling £139,905.00 have been made to date and journalled to the incident work order.
- "January 2022 Storms Malik and Corrie - we proactively contacted the 64 household customers and 4 business customers impacted, offering a payment in recognition of loss of services for over 24 hours as a result of electrical failures. 45 payments totalling £2,340.00 have been made to date and journalled to the incident work order."

Please explain:

- whether these are ex gratia payments;
- if so, why these payments have not been reported in Lines B7.69 and B7.70; and
- whether these payments are included in other lines of the Table and, if so, where these payments are reported.

B-23. Reference: Lines B8.3 and B8.8 (Internal consistency)

In relation to Lines B8.3 and B8.8, the values reported in these lines suggest that they are reported per km of sewers, rather than per 1000 km of sewers (see the table below).

Please report these lines in the correct units.

Query B-23		
Line ref.	Line title	2021-22
E7.8	Total length of sewer	53,602
B8.2	Total number of sewer collapses	1,434
B8.3	Sewer collapses per 1000 km (reported)	0.03
Calc	Sewer collapses per 1000 km (calculated: B8.2/(E7.8/1000))	26.75
B8.7	Total number of blockages	35,822
B8.8	Blockages per 1000 km (reported)	0.67
Calc	Blockages per 1000 km (calculated: B8.7/(E7.8/1000))	668.30

B-24. Reference: Tables B9e and B9f (Incomplete information)

We note that Tables B9e and B9f have not been completed. Please provide timescales and milestones for reporting these tables for next year's Annual Return.

B-25. Reference: Tables B9a and B9b (Further clarification)

In relation to Table B9a and B9b, we note that the SoSI 1 in 40 LoS Dry Year Annual Average has reduced from 92 to 69 in 2021-22 and that the SoSI 1 in 40 LoS Critical period has reduced from 83 to 51 in 2021-22. Please provide an explanation for the reduction in these measures in 2021-22.

B-26. Reference: Tables B10 and B11a to B11c (Further clarification)

We note that these tables have not been covered in the Reporter's Report. Please confirm whether or not these tables have been subject to external assurance.

B-27. Reference: Table B10 (Incomplete information)

Page 72 of the Commentary explains, "The content of the table and associated Commentary have been agreed with the Drinking Water Quality Regulatory (DWQR)". Please provide a letter of endorsement from the DWQR as requested on page 134 of 'AR22 B tables – Definitions' document: "A letter from the Drinking Water Quality Regulator for Scotland (DWQR) confirming the content of Table B10 should be appended to the Annual Return submission."

B-28. Reference: Table B10, page 72 (Further clarification)

In relation to Table B10, Page 72 of the Commentary explains, "COVID-19 affected sampling from Regulatory Supply Zones (RSZ) during 2021 and restrictions prevented normal randomised customer tap sampling between January and June and from mid-December onwards. During these periods, and in agreement with DWQR, RSZ samples were taken from alternative locations that included service reservoir outlets, Scottish Water samplers' properties, depots, and offices."

Please explain when Scottish Water expects to return to normal sampling.

B-29. Reference: Lines B10.1 to B10.14, page 72 (Further clarification)

In relation to Lines B10.1 to B10.14, Page 72 of the Commentary explains, "The tables may contain small differences in test numbers compared with DWQR's annual water quality report, which is currently being drafted." Please explain how this can be possible given that the same page of the Commentary states, "The content of the table and associated Commentary have been agreed with the Drinking Water Quality Regulatory (DWQR)".

B-30. Reference: Line B10.15a (Internal consistency)

We note that the sample count and test failures count reported in Line B10.15a is different to the values used in the OPA calculator¹. This results in different compliance rate and OPA score (see the table below). Please provide an explanation and reconcile these lines.

Query B-30					
Line ref.	Name	Total failures	Total samples	Compliance	OPA score
B10.15a	Total compliance including Cryptosporidium compliance (for OPA)	190	296,659	99.93595	105.25
OPA calculator	Total Drinking Water	187	297,389	99.93712	105.52
Difference		-3	730	0.00117	0.27

¹ Throughout this document, "OPA calculator" refers to 'SR21 OPA - Calculator - P12 - March 2022(1)' workbook received by email on 07/10/2022.

B-31. Reference: Lines B10.19 to B10.22 (Further clarification)

In relation to Lines B10.19 to B10.22, we note the number of contacts in each category differs from the numbers reported by DWQR (see the table below). Please provide an explanation and reconcile each line.

Query B-31			
Consumer Contacts to Scottish Water	No. of consumer contacts received by SW (all methods) about subject	Water Quality Consumer Contacts Received by Scottish Water	Change
Source:	B10.19	Table 20 of DWQR, Performance Tables 2021 ²	Calculation
WQ Chlorine Taste/Smell	815	731	84
WQ Colour Other	9		9
WQ Discoloured Water	19,645	17,887	1,758
WQ Illness due to Water	786	733	53
WQ Metallic Taste	649	602	47
WQ Milky Cloudy Water	1,827	1,662	165
WQ Musty/Earthy Taste/Smell	1,163	1,058	105
WQ Organisms in Water	34	30	4
WQ Particles in Water	596	543	53
WQ Solvent/Fuel Taste/Smell	16	14	2
WQ Taste/Smell Other	-		-
WQ TCP/Chemical Taste/Smell	543	505	38
Other Contact (DWRQ report category)		5	- 5
Total	26,083	23,770	2,313

B-32. Reference: Line B10.23, page 74 (Incomplete information)

Line B10.23 has not been reported. Page 74 of the Commentary explains, "The number of 2nd tier complaints about Water Quality received/upheld by DWQR is not populated by Scottish Water as, by definition, this information is held by DWQR." Please request this information from DWQR and populate.

B-33. Reference: Line B11b.1, page 76 (Further clarification)

In relation to Line B11b.1, Page 76 of the Commentary explains, "For AR22 a consistent calculation is unavailable but is most likely to be very similar to last year's value of 1,202." Please explain why the calculation is not available.

B-34. Reference: Lines B11b.13 and B11b.14, page 77 (Incomplete information)

Page 77 of the Commentary explains, "For AR22 Lines B11b.13 and B11b.14 and Line B11b.16 cannot be populated because of the inaccessibility of source data. For previous years this was sourced from SEPA's CLAS system which, due to a cyber-attack, cannot be

² <https://dwqr.scot/media/jwiptidd/performance-tables-2021.pdf>

accessed for this reporting year". Please provide timescales and milestones for reporting these Tables for next year's Annual Return.

B-35. Reference: Lines B11b.25 to B11b.28, page 78 (Incomplete information)

In relation to Lines B11b.25 to B11b.28, Page 78 of the Commentary explains, "The numbers reported in these lines are based on the 2021 calendar year only." Please explain why these lines cannot be populated for the financial year.

B-36. Reference: Line B11b.33, OPA measure 08 (Further clarification)

We note that for the "New OPA", the number of non-compliant WWTW is reported as 21. However, for the OPA in place over 2015-21 (SR15 OPA), the number of non-compliant wastewater treatment works is reported as 5 in the OPA calculator. Please provide:

- an explanation for why the number of non-compliant wastewater treatment works is different under the "new OPA" and the OPA in place over 2015-21 (SR15 OPA);
- the definitions for non-compliant wastewater treatment works for the "new OPA" and the OPA in place over 2015-21 (SR15 OPA) and, if applicable, an explanation for why the definition has changed; and
- the methodology for calculating the number of non-compliant wastewater treatment works for the "new OPA" and the OPA in place over 2015-21 (SR15 OPA) and, if applicable, an explanation for why the methodology has changed.

B-37. Reference: Line B11b.33, OPA measure 08 (Internal consistency)

Line B11b.32 reports 20 non-compliant works; however, the OPA calculator shows 21 non-compliant works (see the table below). This also results in different scores between the OPA calculator and the Reporter's report. Please explain this difference and reconcile.

Query B-37		
Source	No. of Non-Compliant Works	OPA score
11b.33 and Reporter's Report	20	63.08
Scottish Water OPA calculator	21	62.56
Difference	1	-0.51

B-38. Reference: OPA measure 04 (Internal consistency)

Please explain the difference between the value of leakage reported in the OPA calculator and the value of leakage reported on Page 5.1 of the Reporter's Report (see the table below).

Query B-38		
Source	Leakage (MI/d)	Leakage OPA score
Reporter's Report (page 5.1)	458.39	41.295
Scottish Water OPA calculator	459.00	41.256
Difference	0.61	-0.039

B-39. Reference: OPA SR15 equivalent, OPA calculator: 'DATA' sheet, cell E481 (Further clarification)

We note that the OPA calculator states about some measures used to calculate SR15 equivalent: "[Customer contact] data is no longer collected due to the contract under

which it was collected expiring at the end of March 2021. It was agreed that this indicator (as well as Hosepipe, Assessed Customer Service and SOSI) would be "static" (convenient as they almost always got the same score each month)."

We note that this was discussed for Assessed Customer Service. However, this was not agreed for customer contact, SOSI and hosepipe restrictions. Please report the SR15 OPA score based on actual performance in the year for customer contact, SOSI and hosepipe restrictions.

B-40. Reference: Household CEM, Data Input sheet: Customer Experience survey score for month (Further clarification)

We note that the reported Customer Experience survey scores in month for 2020-21 are different in the 2020-21 hCEM calculator workbook and the 2021-22 hCEM workbook³ (see the table below). Please explain this difference.

Query B-40		
Month	Reported Customer Experience score for 2020-21	
	hCEM calculator workbook 2020-21	hCEM calculator workbook 2021-22
April	94.08%	96.40%
May	94.08%	95.07%
June	94.08%	93.80%
July	94.08%	94.91%
August	94.08%	93.06%
September	94.08%	92.94%
October	94.08%	93.58%
November	94.08%	94.40%
December	94.08%	93.30%
January	94.08%	94.45%
February	94.08%	93.38%
March	94.08%	93.52%

B-41. Reference: Household CEM, Data Input sheet: No Experience No Contact survey score for month (Further clarification)

We note that the reported No Experience No Contact survey scores in each month for 2020-21 are different in the 2020-21 hCEM calculator workbook and the 2021-22 hCEM calculator workbook (see the table below). Please explain this difference.

Query B-41		
Month	Reported No Experience No Contact score for 2020-21	
	hCEM calculator workbook 2020-21	hCEM calculator workbook 2021-22
April	94.68%	94.34%
May	94.68%	93.66%
June	94.68%	96.37%
July	94.68%	93.00%

³ Throughout this document, "hCEM calculator workbook" refers to the 'hCEM Calculator' workbook received by email on 10/10/2022 for 2021-22 or to the 'Year End 2020-21 hCEM Calc Final' workbook received on 05/05/2021 for 2020-21.

Query B-41		
Month	Reported No Experience No Contact score for 2020-21	
	hCEM calculator workbook 2020-21	hCEM calculator workbook 2021-22
August	94.68%	97.54%
September	94.68%	94.84%
October	94.68%	95.17%
November	94.68%	93.14%
December	94.68%	94.28%
January	94.68%	94.65%
February	94.68%	94.43%
March	94.68%	94.74%

B-42. Reference: Household CEM, Data Input sheet: Experience No Contact survey score for month (Further clarification)

We note that the reported Experience No Contact survey scores in each month for 2020-21 are different in the 2020-21 hCEM calculator workbook and the 2021-22 hCEM calculator workbook (see the table below). Please explain this difference.

Query B-42		
Month	Reported Experience No Contact score for 2020-21	
	hCEM calculator workbook 2020-21	hCEM calculator workbook 2021-22
April	79.42%	85.85%
May	79.42%	83.12%
June	79.42%	79.20%
July	79.42%	75.97%
August	79.42%	83.86%
September	79.42%	78.53%
October	79.42%	77.11%
November	79.42%	74.31%
December	79.42%	77.71%
January	79.42%	76.48%
February	79.42%	82.31%
March	79.42%	76.96%

B-43. Reference: Non-household CEM, Data Input sheet: Formal complaints (Further clarification)

We note that the reported numbers of formal complaints for 2020-21 are different in the 2020-21 nhCEM calculator⁴ workbook and the 2021-22 nhCEM calculator workbook (see the table below). Please clarify whether this difference is due to formal complaints from developers being reported separately from this year onwards, or if not, please explain the difference.

⁴ Throughout this document, "nhCEM calculator workbook" refers to the 'nhCEM Calculator' workbook received by email on 10/10/2022 for 2021-22 or to the 'New nhCEM calculator YEAR END 2020_21' workbook received by email on 05/05/2021 for 2020-21.

Query B-43		
Month	Reported number of formal complaints for 2020-21	
	nhCEM calculator workbook 2020-21	nhCEM calculator workbook 2021-22
April	13	13
May	20	20
June	18	17
July	17	17
August	8	6
September	20	17
October	21	18
November	14	14
December	10	10
January	12	11
February	17	17
March	17	16

B-44. Reference: Non-household CEM, Data Input sheet: Escalations (Further clarification)

We note that the reported numbers of escalations for 2020-21 are different in the 2020-21 nhCEM calculator workbook and the 2021-22 nhCEM calculator workbook (see the table below). Please explain this difference.

Query B-44		
Month	Reported number of escalations for 2020-21	
	nhCEM calculator workbook 2020-21	nhCEM calculator workbook 2021-22
April	2	4
May	2	4
June	2	7
July	0	17
August	5	30
September	7	20
October	6	23
November	13	21
December	4	11
January	1	6
February	5	12
March	1	8

B-45. Reference: Non-household CEM, Data Input sheet: Licensed Provider survey score for month (Further clarification)

We note that the reported Licence Providers survey scores for 2020-21 are different in the 2020-21 nhCEM calculator workbook and the 2021-22 nhCEM calculator workbook (see the table below). Please explain this difference.

Query B-45		
Month	Reported Licensed Provider survey score for 2020-21	
	nhCEM calculator workbook 2020-21	nhCEM calculator workbook 2021-22
April	95.57%	99.02%
May	95.57%	100.00%
June	95.57%	93.33%
July	95.57%	95.00%
August	95.57%	94.00%
September	95.57%	95.65%
October	95.57%	95.83%
November	95.57%	93.40%
December	95.57%	96.36%
January	95.57%	96.29%
February	95.57%	95.06%
March	95.57%	92.98%

B-46. Reference: Non-household CEM, Data Input sheet: Business End Users survey score for month (Further clarification)

We note that the reported Business End Users survey scores for 2020-21 are different in the 2020-21 nhCEM calculator workbook and the 2021-22 nhCEM calculator workbook (see the table below). Please explain this difference.

Query B-46		
Month	Reported Business End Users survey score for 2020-12	
	nhCEM calculator workbook 2020-21	nhCEM calculator workbook 2021-22
April	93.00%	95.08%
May	93.00%	95.45%
June	93.00%	89.70%
July	93.00%	92.64%
August	93.00%	96.36%
September	93.00%	92.00%
October	93.00%	89.41%
November	93.00%	92.53%
December	93.00%	90.56%
January	93.00%	93.10%
February	93.00%	93.10%
March	93.00%	96.51%

B-47. Reference: Non-household CEM, Data Input sheet: Business End Users survey score for month (Further clarification)

Prior to this year, the qualitative element of the nhCEM combined a Licensed Provider survey score, a Developer survey score, and a Business End User survey score. In calculating this quantitative score, the Licensed Provider survey score and the developer survey score both had weightings of 25% and the Business End User survey score had a weighting of 50%; the ratio of the weightings of the Licensed Provider survey score and the Business End User survey score was, therefore, 1:2. As of this year, the Developer survey

score no longer feeds into the nhCEM. The weightings of the Licensed Provider survey score and the Business End User survey score in calculating the nhCEM quantitative score have therefore been adjusted; we note that both scores now have a weighting of 50%. This means, however, that the ratio of the weightings of the two scores is no longer 1:2, but 1:1. Please explain the reason for changing the relative weightings of these two scores in calculating the nhCEM quantitative score.

- B-48. Reference: Non-household CEM, Document: 'MCL 3759 Non-Household Customer Experience Measure Definition Document Ver B' (pages 24-26) (Internal consistency)**
The accompanying document for the 2021-22 nhCEM calculator workbook, MCL 3759 Non-Household Customer Experience Measure Definition Document Ver B, mentions both the developer survey score and the number of Connections Service Issue Contacts as contributors to the nhCEM (pages 24 to 26), even though neither of these numbers now contributes to the measure. Please explain this and update the accompanying document if appropriate.
- B-49. Reference: Developer CEM, 'Data Input' sheet: all lines (Further clarification)**
Please confirm whether the input data for years 2022-23 and onwards in the Developer CEM calculator⁵ workbook represent Scottish Water's forecast and, if so, please explain how the forecast was estimated.
- B-50. Reference: Stakeholder CEM, 'Quant' sheet: 'Monthly Volumes' (Further clarification)**
The 'Quant' sheet of the Stakeholder CEM calculator workbook⁶ gives monthly volumes for 'Unwanted Stakeholder contacts received', 'Enquires not responded to/deadline not met', 'Escalated/Formal Complaints', and 'Scottish Government/Regulator Upheld Complaints'. Please provide a source for these monthly volumes.

⁵ Throughout this document, "Developer CEM calculator workbook" refers to the 'Development dCEM Calculator SR21' workbook received by email on 10/10/2022.

⁶ Throughout this document, "Stakeholder CEM calculator workbook" refers to the 'MASTER - SCEM Scoring - 2021_22' workbook received by email on 10/10/2022

Section C

The queries in this section relate to Section C – Carbon Emissions and Net Zero.

C-1. Reference: Lines C1.10, C1.11, C1.46, C1.47, C4.6 to C4.10, C4.16 to C4.19, C4.26 and C4.27 (Incomplete information)

In relation to Lines C1.10, C1.11, C1.46, C1.47, C4.6 to C4.10, C4.16 to C4.19, C4.26 and C4.27, please provide timescales and milestones for reporting each of these lines ahead of next year's Annual Return.

C-2. Reference: Line C1.1, page 85 (Further clarification)

In relation to Line C1.1, Page 85 of the Commentary explains, "The increase from the previous year is due to overall increase in fuel consumption and is within expected year to year variation". As Line C1.1 has increased by 58% in 2021-22, please explain whether this is consistent with expected year-to-year variation.

Query C-2				
Line ref.	Description	2020-21	2021-22	Change
C1.1	Direct emissions from burning fossil fuels (including CHP generated on site)	2364	3734	58%

C-3. Reference: Lines C1.4 to C1.8, C1.12 to C1.16 and C1.22 to C1.26 (Internal consistency)

The emissions reported by scope and GHG type in Lines C1.5 to C1.8 do not align with the total scope 1 emissions reported in C1.4. The same applies to the equivalent lines for scope 2 and scope 3 emissions (see the table below). Please explain the differences and correct.

Query C-3						
Emissions (tCO2e)	Scope 1		Scope 2		Scope 3	
	Line ref.	Value	Line ref.	Value	Line ref.	Value
Total scope emissions	C1.4	36,588.83	C1.12	94,663.30	C1.22	103,671.65
CO2 emissions	C1.5	14,781.88	C1.13	93,183.22	C1.23	65,519.52
CH4 emissions	C1.6	2,353.00	C1.14	354.71	C1.24	13,743.62
N2O emissions	C1.7	19,431.92	C1.15	607.45	C1.25	24,410.14
other GHG emissions	C1.8	22.12	C1.16	518.00	C1.26	0.00
Calculation	C1.5+C1.6 +C1.7+C1.8	36,588.92	C1.13+C1.14 +C1.15+C1.16	94,663.38	C1.23+C1.24 +C1.25 +C1.26	103,673.28
Difference	C1.4 – (C1.5+C1.6 +C1.7 +C1.8)	-0.09	C1.12 – (C1.13+C1.14 +C1.15+C1.16)	-0.08	C1.22 – (C1.23+C1.24 +C1.25 +C1.26)	-1.63

C-4. Reference: Lines C1.9 and C1.12, page 86 (Further clarification)

Page 86 of the Commentary explains that total scope 2 emissions were 106,520 tCO₂e in 2020-21. Line G3.15c in AR21 reports total scope 2 emissions of 102 ktCO₂e. Please explain this difference and update the Table and/or Commentary as appropriate.

Query C-4			
Scope 2 emissions 2020-21 (tCO ₂ e)	G3.15c (AR21)	Commentary p. 86 (AR22)	Change
Total scope 2 emissions	102,000	106,520	4,520

C-5. Reference: Lines C1.18 and C1.18a, page 87 (Incomplete information)

In relation to Lines C1.18 and C1.18a, Page 87 of the Commentary explains, "This is largely composed of operational sites run by PFI companies on our behalf. These have all been reported under C1.18a as we are not currently able to split this between PFIs within the Scottish Water Group (Scottish Water Grampian) and those out with it". Please provide timescales and milestones for reporting each of these lines for next year's Annual Return.

C-6. Reference: Line C1.27 (Internal consistency)

We note that the gross operational emissions reported in Line C1.27 is 234,924 tCO₂e. Page 61 of the Annual Reports and Accounts Performance and Prospects 2021-22 reports an operational greenhouse gas emissions carbon footprint of 233,000 tCO₂e. Please explain the difference.

C-7. Reference: Lines C1.30 and C1.31 (Further clarification)

We note that the values for carbon intensity in water and wastewater (operational emissions) are reported as 0.09 and 0.20 kgCO₂e/MI for 2021-22. In the Annual Return 2020-21, the equivalent lines in G3.15e and G3.15f were reported as 0.08 and 0.19 tCO₂e/MI for 2020-21. Please confirm what units are correct and update the Tables and/or the Commentary as appropriate.

C-8. Reference: Line C2.3 (Internal consistency)

We note that the total capital expenditure reported in Line C2.3 of £798.07m is different to that reported in Line G1.82 of £798.983m. Please explain this difference.

C-9. Reference: Lines C3.2a to C3.2c (Incomplete information)

Lines C3.2a to C3.2c suggest that 0.590 GWh of on site renewable electricity generated is neither used nor 'generated and exported' (see the table below). Please provide an explanation.

Query C-9						
Renewable energy (GWh)		SW Regulated	PFIs excluding those in SW Group)	SW Grampian	SW Horizons	Total
C3.2a	On site renewable electricity generated	32.644	23.601	9.503	12.940	78.688

Query C-9						
Renewable energy (GWh)		SW Regulated	PFI's excluding those in SW Group)	SW Grampian	SW Horizons	Total
C3.2b	On site renewable electricity used	18.947	22.678	9.017	1.913	52.555
C3.2c	On site renewable electricity generated and exported	19.146	0.923	0.486	4.988	25.542
C3.2b+C3.2c		38.093	23.601	9.503	6.901	78.097
Difference		-5.449	0.000	0.000	6.039	0.590

C-10. Reference: Line C3.10, page 96 (Incomplete information)

Page 96 of the Commentary explains, "Note that we do not include PFI transport in scope 3 of our operational footprint and so we do not have this data to report." Please provide timescales and milestones for reporting each of these lines ahead of next year's Annual Return.

C-11. Reference: Line C3.16, (Further information)

For the total electricity expenditure reported in line C3.16, please provide further breakdown and explain:

- How much of this expenditure was purchased on a fixed rate. Where this is the case, please provide further information on these contracts including the end date.
- How much of this expenditure was purchased at a variable rate and is subject to prevailing market prices.
- How much of this expenditure relates to renewables generated by the business or other charges. In the latter case, please provide further information on these charges.

C-12. Reference: Line C3.16 (Internal consistency)

The total electricity expenditure (gross) reported in Line C3.16 is higher than the Power costs reported in M18 Tables (see the table below). Please provide a reconciliation.

Query C-12		
Electricity expenditure £m		Core Total
M18.2 (W)	Power	25.332
M18.2 (WW)	Power	28.777
M18.2 (W + WW)	Calculated Total	54.109
C3.16 (SW Regulated)	Total electricity expenditure (gross)	54.580
Difference (M18.2 (W + WW) – C3.16)		-0.471

C-13. Reference: Lines C3.16 to C3.20 (Further clarification)

Please complete the following table:

Query C-13		
Line ref.	Description	Report Year 2021-22 Scottish Water Horizons
C3.16	Total electricity expenditure (gross)	
C3.17	Recharges of electricity expenditure between companies in the Scottish Water 'Group'	
C3.18	Income received from energy exports and decarbonisation payments	
C3.19	Movement of income between companies in the Scottish Water 'Group'	
C3.20	Total electricity expenditure (net)	

C-14. Reference: Line C4.5 (Internal consistency)

We note that the total area of landholdings of 23,217ha reported in this line is different to the area reported in Page 61 of the Annual Reports and Accounts Performance and Prospects 2021-22 of 22,500ha Please explain the difference.

C-15. Reference: Line C4.12, page 99 (Further clarification)

Page 99 of the Commentary explains, "At the largest of these sites, existing commercial timber that was due to be harvested, was removed prior to being replanted as part of the woodland project. It has not been possible to net off the felled areas against the total area planted." Please explain why this has not been possible.

C-16. Reference: Line C4.14, page 99 (Incomplete information)

Line 4.14 is reported as "-" with a confidence grade of M. Page 99 of the Commentary explains, "No other land cover change projects took place within the reporting year." If the Commentary is correct, this line should be reported as 0 with an appropriate confidence grade. Please update the table and/or Commentary as appropriate.

Section D

The queries in this section relate to Section D – Asset Information.

D-1. Reference: Line D5.9, page 103 (Further clarification)

Line D5.9 ‘Lead communication pipes replaced – quality’ has decreased by 40% in 2021-22 (see the table below). Page 103 of the Commentary explains that “The source of the information used to populate this line is to be reviewed to ensure consistent reporting in future.” Please provide further information on:

- a. what is meant by this statement;
- b. the source information and methodology used to populate this line for 2020-21 and 2021-22 and explain whether this source has changed;
- c. the choice of confidence grade, which has remained at B2 in both years.

Query D-1				
Line ref.	Line title	2020-21	2021-22	Change
D5.9	Lead communication pipes replaced - quality	1,131	682	40%

D-2. Reference: Line D5.11, page 103 (Further clarification)

Line D5.11 ‘Communication pipes replaced – other’ has increased by over 180% in 2021-22 (see the table below). Page 103 of the Commentary explains that “It is unclear whether this is due to a change in methodology or an upturn due to easing of COVID restrictions. Scottish Water will endeavour to investigate the root cause.” Please provide further information on:

- a. the source information and methodology used to populate this line for 2020-21 and 2021-22;
- b. the choice of confidence grade, which has remained at B2 in both years;
- c. the timescale for this investigation and when the outcome of the investigation will be shared with WICS.

Query D-2				
Line ref.	Line title	2020-21	2021-22	Change
D5.11	Communication pipes replaced - other	56	159	184%

D-3. Reference: Line D6.3, page 104 (Further clarification)

Line D6.3 ‘New sewers added during the year’ has increased by around 20% in 2021-22 (see the table below). This change is noted on Page 104 of the Commentary, but no explanation is given. Please explain this change.

Query D-3				
Line ref.	Line title	2020-21	2021-22	Change
D6.3	New sewers added during the year (km)	279.93	333.91	19%

D-4. Reference: Line D6.4, page 105 (Internal consistency)

Line D6.4 ‘Sewers inspected by CCTV or man entry during the year’ has increased by over 200% in 2021-22 (see the table below). Page 105 of the Commentary states that the

change is 51%. Please explain the difference, and the change since no explanation is given in the Commentary. Please also update the table and/or Commentary as appropriate.

Query D-4				
Line ref.	Line title	2020-21	2021-22	Change
D6.4	Sewers inspected by CCTV or man entry during the year (km)	24.24	76.23	214%

Section E

The queries in this section relate to Section E – Operating Costs and Efficiency

E-1. Reference: Line E3.2 (Further clarification)

We note that Line E3.2 ‘Annual average non-resident connected population’ has decreased by 58% in 2021-22 (see the table below). Please provide an explanation of the change given that COVID-19 impacted on the tourist population in 2020-21.

Query E-1			
Line ref.	2020-21	2021-22	Change
E3.2 Total	27.142	11.470	-58%

E-2. Reference: Lines E4.5 and E4.26 (Internal consistency)

We note that ‘Total source outputs’ in Line E4.5 has a confidence grade of B2. The confidence grade given to Line E4.26 ‘Total distribution input’ is B3. Please explain the difference in confidence grades and update the confidence grades as appropriate.

E-3. Reference: Lines E6.1, A2.3 and A2.5 (Internal consistency)

We note that Line E6.1 ‘Annual average resident connected population’ is equal to Line A2.3 ‘Population of unmeasured household properties’. Line E6.1 should equal Line A2.5 ‘Household population connected to the water service’ in order to include the population in measured household properties. Please update Line E6.1.

E-4. Reference: Line E7.2 (Further clarification)

We note that Line E7.2 ‘Annual average non-resident connected population’ has decreased by 57% in 2021-22 (see the table below). Please provide an explanation of the change given that COVID-19 impacted on the tourist population in 2020-21.

Query E-4			
Line ref.	2020-21	2021-22	Change
E7.2 Total	90.3	38.5	-58%

E-5. Reference: Lines E7.26 to E7.30 (Incomplete information)

We note that Lines E7.26 to E7.30 in the block titled ‘SUDS Costs’ have not been populated. Please provide timescales for collecting and reporting this information in next year’s annual return.

E-6. Reference: Lines E9.6 to E9.28, pages 150 to 152 (Template change)

Pages 150 to 152 of the Commentary provides incorrect line references for Lines E9.6 to E9.28. Please correct these references.

E-7. Reference: Line E9.6 (Further clarification)

Line E9.6 ‘Suspended solids consent’ is reported as 0 for all large sewage treatment works. Please explain whether the consents have changed in 2021-22 and update the tables as appropriate.

E-8. Reference: Line E9.7 (Further clarification)

We note that Line E9.7 'BOD consent' has changed materially in 2021-22 (see the table below). Please explain whether the consents have changed in 2021-22 and update the tables as appropriate.

Query E-8		
Name	E9.3 2020-21	E9.7 2021-22
Alloa	75	0
Ardoch	75	0
Dunfermline	75	0
Erskine	75	0
Kinneil Kerse	75	0
Perth	0	30
Stirling	75	0

Section G and PCL

The queries in this section relate to Section G – Investment Monitoring and the Progress to the Committed List measure.

G-1. Reference: Lines G1.04, G1.08, G1.12, G1.16, G1.21, G1.32, G1.36, G1.41 and G1.48 (Further clarification)

For Lines G1.04, G1.08, G1.12, G1.16, G1.21, G1.32, G1.36, G1.41 and G1.48, please provide the equivalent values for financial year 2020-21.

G-2. Reference: Lines G1.37 and G2b.37 (Internal consistency)

Line G1.37 'SR10 Completion' reports actual and forecast expenditure to 2025-26. However, Line G2b.37 'SR10 projects remaining (Q&S3b)' reports 0 projects remaining. Please explain whether these two lines are consistent and update the tables as appropriate.

G-3. Reference: Lines G1.58 and G1.49 (Further clarification)

The final determination allowed for £4,507m (17/18 prices), which was updated to £4.8 billion following the movement of operating expenditure to capital investment (reflecting 'improved cost capture'). Line G1.58 'Gross Investment' plus Line G1.49 'Allowed For Investment Still to Be Allocated' provides £4,230m (17/18 prices) over the regulatory control period 2021-27. The table below shows the annual investment profile from the Final Determination and the G tables. Please explain the difference between the allowed for investment in the Final Determination and the actual and forecast investment reported in the Section G of the Annual Return.

		Query G-3						
Line ref.	Description	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total
G1.49	Allowed For Investment Still to Be Allocated	0	130	321	509	577	605	
G1.58	Gross Investment	774	808	697	495	545	352	
G1.48 +G1.58	G tables Gross Investment + Allowed for Investment Still to Be Allocated (£m, outturn prices)	774	938	1018	1004	1122	957	
G8.2	Capital price inflation factor	1.134	1.291	1.422	1.448	1.462	1.484	
(G1.48 +G1.58) /G8.2	G tables Gross Investment + Allowed for Investment Still to Be Allocated (£m, 2017/18 prices)	683	727	716	693	767	645	4,230
	Final Determination Total Investment (£m, 2017/18 prices)	665	692	729	767	806	847	4,507

G-4. Reference: Line G1.60 (Internal consistency)

Line G1.60 'Net Investment' reports different values over the regulatory control period 2021-27 compared to the equivalent line in the information Request ('Item 2 Table 1 Summary Information Line 1.20 'Investment costs (Tier 1 repair, Tier 2) net of grants and contributions'). The table below shows the annual net investment from the Information Request and the G tables. Please explain the difference between these lines.

Query G-4						
Net Investment (£m, projected outturn prices)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
G1.60	764	799	688	486	536	343
Information Request, Item 2, Line 1.20	742	908	994	986	1,105	944

G-5. Reference: Lines G1.64 to G1.66 (Further clarification)

We note the total of project overheads of £258m in Line G1.64, risk allowances of £75m in Line G1.65 and Asset support costs of £80m in Line G1.36 'Total Support'⁷. As shown in the table below, the sum of these Lines represents 11% of Gross Investment. Please provide an explanation of how Scottish Water has derived the project overheads, risk allowances and total support lines.

Query G-5		
Line ref.	Description	Total (£m, outturn prices)
G1.64	Project overheads allocated to projects	258
G1.65	Risk allowance	75
G1.36	Total Support	80
G6	Removal of overheads included in Line G1.36	-6
Calculation	Subtotal	407
G1.66	Gross Investment	3,670
Calculation	Subtotal/G1.66	11%

G-6. Reference: Lines G1.71 and M1.23 (Internal consistency)

Line G1.71 'Responsive repair and refurbishment investment previously expensed as operating expenditure ('Tier 1')' reports a value of £73m for the report year 2021-22. Line M1.23 'Repair and refurbishment expenditure previously expensed as operating expenditure in SR15 (i.e. including non-capitalised repairs)' reports a value of £53m. Please explain the difference between these lines and update the tables as appropriate.

G-7. Reference: Lines G1.71, G1.72 and G1.75 (Internal consistency)

Line G1.75 reports Tier 1a expenditure of £151.9m in 2021-22. The sum of lines G1.71 'Responsive repair and refurbishment investment previously expensed as operating expenditure ('Tier 1')' and G1.72 'Remaining responsive repair and refurbishment

⁷ This includes £6m of overheads that have been removed for the analysis to avoid double counting the overheads from Line G1.64. This is based on a sum product function on Table G6 on Columns 90 and Columns 139, 140 and 141 respectively.

investment ('Tier 1') provide a value of £151.6m in 2021-22 (see the table below). Please explain the difference.

Query G-7							
Line ref.	Description	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
G1.71	Responsive repair and refurbishment investment previously expensed as operating expenditure ('Tier 1') (£m, projected outturn prices)	72.9	76.8	74.6	0	0	0
G1.72	Remaining responsive repair and refurbishment investment ('Tier 1') (£m, projected outturn prices)	78.7	62.3	36.3	9.2	10.6	2.9
G1.71 + G1.72	Responsive repair and refurbishment investment (£m, projected outturn prices)	151.6	139.1	110.9	9.2	10.6	2.9
G1.75	Tier 1a (£m, projected outturn prices)	151.9	139.2	111.2	9.9	11.3	3.4

G-8. Reference: Lines G1.83 and G5.24 (Further clarification)

We note that Line G1.83 'Infrastructure charge contributions for infrastructure assets' is different to Line G5.24 'Total infrastructure charge income' (see the table below). Please explain how the additional income will be utilised.

Query G-8							
Line ref.	Description	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
G1.83	Infrastructure charge contributions for infrastructure assets (£m, projected outturn prices)	11	17	17	17	17	17
G5.24	Total infrastructure charge income (£m, projected outturn prices)	19	18	19	18	19	19

G-9. Reference: Tables G2a and G2c (Incomplete information)

In Tables G2a and G2c, we note that there are no outputs reported for the following Ministerial Objectives:

- a. asset maintenance;
- b. circular economy;
- c. flooding and surface water management; and
- d. Private Finance Initiative funded projects

Please explain when this information will be provided.

G-10. Reference: Lines G2a.006, G2a.014, G2a.109 and G2a.113 (Further clarification)

We note that Lines G2a.006, G2a.014, G2a.109 and G2a.113 report a value of 0 over the period. Please explain why there are no outputs associated with these lines.

- G-11. Reference: Lines G2a.026, G2a.029, G2a.031, G2a.050 and G2a.071 (Internal consistency)**
 We note that the Lines G2a.026, G2a.029, G2a.031, G2a.050 and G2a.071 have different outputs compared to the equivalent lines in Table 3 in the Information Request (see the table below). Please explain and reconcile the difference between these values.

Query G-11				
Output description	AR22 G2a 2021-22 Q4		IR Item 2 Table 3 2021-22 Committed List + Pre-Committed List	
	Line ref.	Value	Line ref.	Value
Length of water mains cleaned	G2a.026	449,939	3.030	0
Number of properties removed from internal flooding at risk register	G2a.029	166	3.033	162
Number of properties removed from external flooding at risk register	G2a.031	49	3.035	47
Number of lead communication pipes replaced	G2a.050	8,422	3.053	2
Length of distribution mains interventions	G2a.071	94,386	3.074	82,299

- G-12. Reference: Line G2a.047 (Internal consistency)**
 We note that the Line G2a.047 'Number of Innovation pilot programmes undertaken' was not included in Table 3 in the Information Request. Please explain why this line was included in the Annual Return but not in the Information Request.
- G-13. Reference: Lines G2b.6, G2b.7, G2b.8, G2b.11, G2b.13, G2b.16, G2b.18, G2b.28 and G2b.3 (Further clarification)**
 We note that Lines G2b.6, G2b.7, G2b.8, G2b.11, G2b.13, G2b.16, G2b.18, G2b.28 and G2b.3 report a value of 0 over the period. Please explain why there are no outputs associated with these lines.
- G-14. Reference: Table G2c (Template change)**
 We note that the 'SR10 Completion Projects' block has been removed. If there are no outputs, please report zero.
- G-15. Reference: Lines G3.127 to G3.144 (Internal consistency)**
 In Table G3, we note that the 'Security and Resilience' block (Lines G3.127 to G3.144) has no projects confirmed on the Committed List. If this is the case, please explain why there are outputs reported against the Ministerial Objective of 'Security and Resilience' table in G2c.
- G-16. Reference: Table G4c (Incomplete information)**
 Table G4c has not been completed. Please complete and resubmit this table.

G-17. Reference: Lines G5.45 and G5.46, page 171 (Incomplete information)

We note that Line G5.45 'Additional population equivalent served from new Part 4 investment - water' is not reported. Page 171 of the Commentary explains, "Due to availability of output data, there are no Water Part 4 growth outputs forecast". Please explain:

- a. why this information is no longer available, given that it was reported in previous years; and
- b. how the equivalent information is available for wastewater in Line G5.46.

G-18. Reference: G6 Columns 4 and 61 (Further clarification)

There are 26 projects which are not classed as 'Completion' in Column 4 ('Primary Investment Category') but have a non-zero completion investment value in Column 61 (see the table below). Please explain why that is the case.

Query G-18		
Project Autocode	Project Title	Completion Investment £m
046172	Distribution Water Quality Rehab - Kirbister Orkney RSZ	-0.07
050057	Supplier Rebates Finance - SR21 - 2021-22	-1.53
401642	S009 - UID - Dalmarnock WwTP Inlet CSO	0.05
401967	S209 - UID - Dalmarnock WWTW Storm Tank Overflow	0.11
403146	SR15 ES - Amlaird WTW and Corsehouse WTW Strategic Main Out and Decommission	0.04
403862	Tullich WTW Upgrade TR from 046838	0.01
403936	Coylton WwTW (Transfer from 030397)	0.00
403937	Neilston WwTW	-0.07
404033	Tobermory (Craignure WQ) - Man Del Completion Project TR 045029	0.01
403894	Gairloch WWTW - Low Carbon Treatment - SR15 Capital Maintenance	0.03
403991	SR15 ES - Newmore WTW - WQ & Essential Related CM Upgrade	1.73
404099	Skellyton (Larkhall) STW - Transfer project from 030881	0.00
500017	W473 - Conon Avenue	0.46
500244	Bonnycraig WTW	0.01
500245	Galashiels Manse Street WTW	2.17
501115	Improving resilience of supplies – Howden	0.00
501639	Telemetry Application Consolidation	-0.03
502020	SR15 ESD Core Balancing Team Payment Line	-0.20
502187	Enhancement of Water Treatment Works Security	-0.07
503100	ABV Incentivisation Actual	2.83
503102	ESD Incentivisation Actual	-3.07
503235	Galashiels Manse Street Infra	0.25
503489	SR15 Internal Sewer Flooding Alternative Solutions Phase 8	0.00
503579	SR15 Internal Sewer Flooding Alternative Solutions Phase 9	-0.01

Query G-18		
Project Autocode	Project Title	Completion Investment £m
503580	SR15 Internal Sewer Flooding Alternative Solutions Phase 10	0.06
050059	Supplier Rebates Finance - SR21 - 2022-23	-0.55

G-19. Reference: G6 Column 9, page 191 (Further clarification)

79% of projects reported do not provide an assigned Regulator or other body responsible for project sign-off in Column 9. Page 191 of the Commentary explains that "Although DWQR and SEPA do not generally sign off projects, we have used this column to identify where the projects are appropriate to each quality regulator."

Please explain how SEPA and DWQR receive assurance that the project need has been met in the absence of regulatory sign-off.

G-20. Reference: G6 Column 9, page 191 (Incomplete information)

Page 191 of the Commentary explains that "Although DWQR and SEPA do not generally sign off projects, we have used this column to identify where the projects are appropriate to each quality regulator." In G6, we note that for the 317 Completion projects provided (filtered by Column 4), there are only 16 projects with an assigned regulator in Column 9.

Please provide this information for the remaining Completion projects given that:

- a. regulatory sign-off was provided over the 2015-21 regulatory control period; and
- b. completion projects relate to projects that were expected to be delivered over the 2015-21 regulatory control period.

G-21. Reference: G6 Column 11, page 173 (Incomplete information)

No project has been assigned a Water Resource Zone (WRZ) in Column 11. Page 55 of the guidance and definitions to the G tables asked "For drinking water investment projects, enter the name of the water resource zone that the investment project relates to." Page 173 of the Commentary explains that this column "shows the name of the water resource zone where a project has either a Letter of Commitment, Enforcement Notice or Measures in the Interests of Safety (MIOS). To fully populate this information, for all projects where appropriate, will require detailed asset information." However, this column does not show the name of the water resource zone where a project has either a Letter of Commitment, Enforcement Notice or Measures in the Interests of Safety (MIOS).

Please explain:

- a. why no data was provided;
- b. what is meant by the comment "will require detailed asset information"; and
- c. whether this is information that Scottish Water holds.

Please populate for the projects which have either a Letter of Commitment, Enforcement Notice or Measures in the Interests of Safety (MIOS) requirements, and also provide a timeframe for completing this information for the remaining projects.

G-22. Reference: G6 Column 12, page 173 (Incomplete information)

No project has been assigned a water body affected in Column 12. Page 55 of the guidance and definitions to the G tables asked "For environmental projects, enter the name of the water body that the investment project relates to". Page 173 of the Commentary explains that this column "shows the name of the water body affected where a project has either a Letter of Commitment, Enforcement Notice or Measures in the Interests of Safety (MIOS) requirements. To fully populate this information for all relevant projects we will require detailed asset information not currently available in the system". This, however, is not the case.

Please populate for the projects which have either a Letter of Commitment, Enforcement Notice or Measures in the Interests of Safety (MIOS) requirements, and also provide a timeframe for completing this information for the rest of the projects.

G-23. Reference: G6 Column 28, page 175 (Incomplete information)

We note that Column 28 'Project Appraisal Document Reference' is not completed for any project'. Page 175 of the Commentary states that "Where available this gives the hyperlink to the Appraisal Document".

Please populate for the projects where this applies and provide a timeframe for completing this information for the rest of the projects.

G-24. Reference: G6 Column 35, page 176 (Incomplete information)

No project has been assigned a Regulatory Sign-off date in relation to the initial baseline in Column 35. Page 176 of the Commentary explains that "we do not have a Regulatory Signoff Dates associated with projects on the Committed List."

Please explain why that is the case, particularly for SR15 Completion projects, and provide this information for the SR15 Completion projects.

G-25. Reference: G6 Column 60b (Incomplete information)

Around 1% of the projects across all project categories have an RSO date provided in relation to actual / forecast performance in Column 60b. However, there are 214 Completion projects (according to Column 4 Primary Investment Category) which do not have a specified RSO date in Column 60b (see the table below).

Please explain why that is the case and provide this information.

Query G-25	
Project Autocode	Project Title
030537	Netherburn STW Upgrade
031851	Glencorse New WTW
045505	Loch Ryan Shellfish Waters improvement Scheme Upgrade
045127	Distribution Water Quality Rehab - Afton RSZ

Query G-25	
Project Autocode	Project Title
400092	Aboyne (Tanarside) WTW Upgrade
401334	Bradán A - Iron & Manganese Distribution WQ Improvements - Knockjarder Cluster
401835	S197 - UID - Springhill Road Roundabout
401746	S108 - UID - Millbrae Crescent Railway line CSO Yoker (GN no 45)
401663	S038 - UID - Rutherglen Road in Park (Richmond Park)
401814	SR15 ES - S176 UID 129 Neilston Road Paisley
401794	S156 UID Town Centre West No1 CSO Paisley Cart Walk West of Tannery Bridge Street Abbey Bridge
401616	S053 - UID - Cressy Street off Govan Road in Ship Yards
401614	S045 - UID - Clyde Industrial Estate Rutherglen
401792	S154 - UID Causeyside St CSO
401789	S151 - UID - 899 Aikenhead Road at Curtis Avenue
401698	S076 - UID - Millbrae Bridge on South Bank Millbrae Road
401962	S208 - UID - Dalmarnock Bridge Overflow
402137	Post Project Water Quality Sampling and Reporting- SWW
402453	Hydro Generation Cluster 1 of 3 - Lomond Schemes
402620	Dalmuir PFI
402755	S224 - 253 Byres Road CSO Glasgow
402924	SR15 ES - Stage 4 DOMS investigations in 31 zones
402753	S218 - Polmadie Road (at Calder Street)
403099	QS3b AR - P007 UID Junction of Bellshaugh Gardens & Bellshaugh Road CSO
403105	QS3b AR - P013 UID At The Junction of Otago Street and Otago Lane North
403226	SR15 ES - E004 DALDOWIE - Cluster 7 - Old Monkland, 53-55 Woodside ST CSO
403227	SR15 ES - E005 Raebog Rd-Windsor Drive Dual Manhole
403134	SR15 ES - Greenlaw Road Newton Mearns Internal and External Flooding
403125	SR15 ES - Stoer WTW Upgrade
403126	SR15 ES - Bayhead WTW Upgrade
403243	SR15 ES - E021 Mains avenue rear off (Timbers) CSO
403244	SR15 ES - E022 21 Robslee Road CSO
403128	SR15 ES - Yarrowfues WTW Main Out
403321	SR15 ES - Craigneuk Avenue, Airdrie Internal and External Flooding
403332	SR15 ES - Ailsa Road - Craig Street
403334	SR15 ES - Hillhead Drive
403336	SR15 ES - Nelson Street - South Scott Street Baillieston
403338	SR15 ES - Viewpark Road The Loaning
403407	Braeface Difgen
403545	Irvine BW scoping of capex 3 costs Gales ps
403548	Largs Pencil BW Scoping of Cx 3 Costs for Fairlie WWTW and Anthony Road CSO
403552	Argyle Street, Glasgow

Query G-25	
Project Autocode	Project Title
403604	SR15 ES - Londornoch WTW Lagoons - Legacy Sludge LA01
403631	SR15 ES - Papa Stour WTW
403700	SR15 ES - Roberton WTW - Manganese, Pollution Control & Automatic Coagulant Dosing
403699	SR15 ES - Black Esk WTW
403747	SR15 ES - E033 DALDOWIE - Cluster 7 - COATBRIDGE, 30M W-O WOODSIDE ST CSO
403757	Portobello West BW - Improvements to CSOs impacting Braid Burn and Bathing Water
403817	SR15 ES - Water resilience studies
403821	SR15 ES - Bradan WTW - Improving Drinking Water Quality Reliability
403827	Renewables - Hydro - Saline Difgen Scheme
403903	Lochmaddy WTW - WQ - DW3, DW13, DW23
403913	SR15 ES - E036 Rutherglen Stonelaw Rd-Buchanan Dr CSO
403880	QS3b AR - Forehill Distribution WQ Improvements
500043	Improvement to Supply-Demand Balance - Benbecula WRZ
403971	SR15 ES - Kilmun, Lagganbhuie UNS SO
403974	Kilmun, Alderburn Place UNS SO
403955	Muirdykes WTW
403935	Inverurie STW Upgrade (Transfer from 30394 and 45010)
500126	Erskine DOA (DOA002466) Environmental Study
403996	SR15 ES - Lochaline WTW
403895	SR15 ES - Tighnabruaich WTW & CWT - WQ & Captial Maintenance
404040	SR15 ES - SE 390 - Main Street, Newtongrange
404041	SR15 ES - W406 - Lilybank Street, Hamilton
404042	SR15 ES - W773 - The Cresnet, Lesmahagow
404067	SR15 - Reactive & Opportunistic Lead Communication Pipe Replacement Programme
404068	SR15 ES - Customer Requested Lead Pipe Replacement
500045	Improvement to Supply-Demand Balance - West Lewis WRZ
403992	SR15 ES - North Lochs WTW - SR15 WQ
403944	SR15 ES - Network Modelling (Creation of new all-mains models & strategic models)
403938	Stromness UWWTW (Transfer from 400089)
404001	PSCD Glenhove to Dalmacoulter Rising Main - Close Proximity Diversions
404003	SR15 ES - PSCD Bradan Trunk Main - Close Proximity Diversions
500060	FRMA Improvements
403980	SR15 ES - Strone Dunselma Lodge WwTW
403963	SR15 ES - Dougliehill SR
500056	Drought Resilience - Improved Hydrological Information
404026	SR15 ES - Main Street, Newtonmore

Query G-25	
Project Autocode	Project Title
404023	SR15 ES - E1446 - Main Street, Limekilns
500190	Climate Change Model for WRZ
404133	Laggan Bridge WTW - Cartridge Filter and UV
404137	North Harris improvement scheme
500089	NE347 - Links Street, Kirkcaldy
500198	Kelso WWTW Odour Upgrade
500040	Bradán RSZ Cleaning Programme
500041	Improvement to Supply-Demand Balance - Lochinver WRZ
500032	Improvement to Supply-Demand Balance - North Hoy WRZ
500035	Balmore WTW - Filter Refurbishment
500109	Upper Clyde Strategic Study
500140	Inverclyde DOA (DOA000454) Environmental Study
500154	Leven Valley DOA (DOA002460) Environmental Study
500176	Stevenston DOA (DOA000544) Environmental Study
500200	Drought Plans
500243	Glendye - DW5 Interventions
500225	Enhancement of Physical Security Vulnerable Point
500226	Badentinan - DW5 Interventions
500228	Balmore F - DW5 Interventions
500474	Dynamic Wastewater Treatment Control Prototype
500475	Improving Reliability of WQ in Network - Emerging SR risks
500478	Carsphairn WTW
500483	Energy Efficiency – Water
500484	Energy Efficiency Wastewater
500488	SR15 Enhanced Non Domestic Meter Replacement Programme
500508	Development of a National Substance Strategy (PSD)
500638	R&D SR15 Leakage Projects (ELL)
500639	R&D SR15 Water Treatment Pilots and Trials
500640	R&D SR15 Wastewater Treatment Pilots and Trials
500649	Ardersier WWTW - Outfall Extension
500659	E1009 - Orchard Brae Gardens, Edinburgh
500661	E1010 - Craigleith Road, Edinburgh
500662	W646 - Brandon Gardens, Prestwick
500663	SW522 - East Shaw Street, Kilmarnock
500664	W172 - Annbank Road, Mossblown
500665	E1282 - Carronflats Road, Grangemouth
500680	E1336 Seabegs Road Bonnybridge
500681	SW843 - Wellgate, Lanark
500682	SW857 - Townhead Street, Stonehouse
500706	Development of Renewable Energy Projects

Query G-25	
Project Autocode	Project Title
500710	Reactive Lead Communication Pipe Replacement Programme
500797	Black Esk RSZ Cleaning
500846	Balmore A RSZ Cleaning
500843	Critical Reservoir Assets (works to prevent MIOS)
500874	South Moorhouse RSZ Cleaning
500862	Hoy Calder RSZ Cleaning
500864	Boardhouse WTW - Auto Coagulation Control
500867	North Lochs RSZ Cleaning
500789	Assynt WTW - CWT Additional Storage
500815	Howe s Way Carstairs
500889	Turret - Balmoe - Carron Valley RSZ Cleaning
500890	Turriff RSZ Cleaning
500840	Milngavie C4 RSZ Cleaning
500855	Benbecula RSZ Cleaning
500861	Glendevon _ Glenfarg RSZ Cleaning
500869	Picketlaw RSZ Cleaning
500735	Inverness WOA - Urchany & Raitloan SR
500891	Whalsay Shetland RSZ Cleaning
500899	Drought Resilience Improved Hydrological Information Hydrology Modelling and CAR Licences
501027	Turriff WTW QUALITY
501092	Stronsay WTW
501194	Land Acquisition, Run off and Compensation Liabilities
501205	Skerries WTW- QUALITY
501210	Braemar WTW QUALITY
501226	Glendevon WTW - Quality (Reduce Transmission risks in DWSP)
501227	Lintrathen WTW - QUALITY (Reduction of risks identified in Drinking Water Safety Plan – Transmission
501247	Security of RWPS & TWPS, Phase 5 – West
501244	Security of RWPS & TWPS, Phase 2 - North East – Islands
501245	Security of RWPS & TWPS, Phase 3 - Highlands – Islands
501246	Security of RWPS & TWPS, Phase 4 – South
501273	Afton Lorg Windfarm
501274	Afton Scottish Power OHL
501276	Daer Windfarm
501297	Mannofield WTW – Quality
501419	500799 - Sewer flooding Customer Risk Assessment
501621	SEPA Compliance Assessment Scheme - WWTWs - Phase 2
501634	Lochaline WTW - WQ Upgrade - Early Delivery Elements
501572	Loch Ascog WTW

Query G-25	
Project Autocode	Project Title
501573	Dougliehill WTW
501641	Enhancement of security at vulnerable points - Phase 2
502099	PV Project Vesting Pump Stations
502100	PV Project Vesting SUDS
502098	PV Project Vesting Team and Small Works
502312	Mannofield WTW -Improvements to Network Assets (SR Isolation Valves)
502236	Mannofield WTW -Improvements to SR s
502258	Amlaird - Gorbals TWPS and Drumboy Hill DSR
502273	Dougliehill and Greenock WRZ
502336	Environmental Studies - Development Costs
502194	Whitehillocks WTW - Water Quality Instruments
502204	Whitehillocks WTW - Causeywell SR
502278	Ayrshire Strategic Resilience- Highlees DSR
502338	Kinghorn Bathing Water - Catchment Network Improvements
502373	Mannofield WTW - Inchgarth Reservoir Investigations
502285	R&D - Innovation projects
502412	Bradán WTW Water Quality
502555	Mannofield WTW - Commissioning of Sodium Hypochlorite Dosing Kiosk
502801	SR15 LRC3 - Daldowie WWTW Increase in Full Flow to Treatment
502923	Consultants Onsite Plans
503069	Amlaird WR1 Mitigation " Loch Goin
503196	IR18 Water Quality Improvement - Corsehouse RSZ
503492	PV Project Vesting - Pump Stations – South
503493	PV Project Vesting - Pump Stations – West
503494	PV Project Vesting - SUDS- South
503495	PV Project Vesting - SUDS – West
503496	PV Project Vesting - Pump Stations – North
503497	PV Project Vesting - SUDS – North
503498	PV Project Vesting - SUDS – East
503499	PV Project Vesting - Pump Stations – East
503517	Enhanced Odour Mitigations - Boat of Garten WwTW
503538	W335 Viewpark Road, Motherwell (SR15)
503542	Coursington WWTW Chemical Dosing
503608	BW Sewer Misconnection Remediation
503689	Dodside Pumping Station Air conditioning
503736	Camphill to Bradán 21 Inch Main - Survey and Remedial Works
503771	SW1905 - Wellhouse Crescent, Glasgow
503860	EFOS - Crow Wood Terrace, Chryston - W1000
505307	N-WW-I-190220-Stornoway_DOA-Sewer
505669	Public Network Katrine & Stronachlacher

Query G-25	
Project Autocode	Project Title
505938	Black Cart Water Aesthetic Study
506337	Glengavel DIR Leakage Monitoring Improvements
506338	Wintrehope DIR Spillway Drainage Improvements
508124	Roberton WTW - Coag Control Instrumentation
508853	SSGE - Peatlands Restoration
508854	SSGE - Energy Efficiency – Water
508855	SSGE - Energy Efficiency – Wastewater
509347	SSGE Peatlands Restoration North Lochs and Sandy Lochs
509644	DIR North Loch Calder Pro-active Works 2021
503101	CWA Incentivisation Actual
511684	DI Meter Verification Programme RP
512309	INVERNESS & NAIRN - Duntelchaig Drought Plan
512310	INVERNES & NAIRN - Duntelchaig Hydrometry
514200	Baillieston NHS Car Park Extension
514369	Loch Glass 2021 Drought
050061	PV Project Vesting Profile Correction
403321DO_FR 2_F	SR15 ES - Craigneuk Avenue, Airdrie Internal and External Flooding
404042DO_FR 2_F	SR15 ES - W773 - The Crescent, Lesmahagow

G-26. Reference: G6 Columns 62 to 67 and 68 to 77 (Incomplete information)

68% of the projects classed as Completion investment in Column 4 ('Primary investment category') do not have information provided in Columns 62 to 67 and 68 to 77.

Please provide this information for the remaining completion projects.

G-27. Reference: G6 Column 67a (Incomplete information)

21% of projects classed as Completion according to Column 4 ('Primary Investment Category') do not have data provided in Column 67a 'Total Budgeted Expenditure for Completion Projects' (see the table below). Please provide this information.

Query G-27	
Project Autocode	Project Title
031851	Glencorse New WTW
045127	Distribution Water Quality Rehab - Afton RSZ
401835	S197 - UID - Springhill Road Roundabout
401663	S038 - UID - Rutherglen Road in Park (Richmond Park)
401814	SR15 ES - S176 UID 129 Neilston Road Paisley
401794	S156 UID Town Centre West No1 CSO Paisley Cart Walk West of Tannery Bridge Street Abbey Bridge

Query G-27	
Project Autocode	Project Title
401792	S154 - UID Causeyside St CSO
402137	Post Project Water Quality Sampling and Reporting- SWW
402620	Dalmuir PFI
402755	S224 - 253 Byres Road CSO Glasgow
402924	SR15 ES - Stage 4 DOMS investigations in 31 zones
403134	SR15 ES - Greenlaw Road Newton Mearns Internal and External Flooding
403126	SR15 ES - Bayhead WTW Upgrade
403128	SR15 ES - Yarrowfues WTW Main Out
403552	Argyle Street, Glasgow
403631	SR15 ES - Papa Stour WTW
403817	SR15 ES - Water resilience studies
403913	SR15 ES - E036 Rutherglen Stonelaw Rd-Buchanan Dr CSO
403880	QS3b AR - Forehill Distribution WQ Improvements
403971	SR15 ES - Kilmun, Lagganbhuie UNS SO
403938	Stromness UWWTW (Transfer from 400089)
404001	PSCD Glenhove to Dalmacoulter Rising Main - Close Proximity Diversions
500198	Kelso WWTW Odour Upgrade
500041	Improvement to Supply-Demand Balance - Lochinver WRZ
500032	Improvement to Supply-Demand Balance - North Hoy WRZ
500200	Drought Plans
500243	Glendye - DW5 Interventions
500225	Enhancement of Physical Security Vulnerable Point
500226	Badentinan - DW5 Interventions
500228	Balmore F - DW5 Interventions
500474	Dynamic Wastewater Treatment Control Prototype
500483	Energy Efficiency – Water
500846	Balmore A RSZ Cleaning
500862	Hoy Calder RSZ Cleaning
500867	North Lochs RSZ Cleaning
500815	Howe s Way Carstairs
500890	Turriff RSZ Cleaning
500861	Glendevon _ Glenfarg RSZ Cleaning
500891	Whalsay Shetland RSZ Cleaning
501194	Land Acquisition, Run off and Compensation Liabilities
501274	Afton Scottish Power OHL
501419	500799 - Sewer flooding Customer Risk Assessment
501634	Lochaline WTW - WQ Upgrade - Early Delivery Elements
502099	PV Project Vesting Pump Stations
502100	PV Project Vesting SUDS
502098	PV Project Vesting Team and Small Works

Query G-27	
Project Autocode	Project Title
502336	Environmental Studies - Development Costs
502204	Whitehillocks WTW - Causeywell SR
502338	Kinghorn Bathing Water - Catchment Network Improvements
502285	R&D - Innovation projects
502801	SR15 LRC3 - Daldowie WWTW Increase in Full Flow to Treatment
503492	PV Project Vesting - Pump Stations – South
503493	PV Project Vesting - Pump Stations – West
503494	PV Project Vesting - SUDS- South
503495	PV Project Vesting - SUDS – West
503496	PV Project Vesting - Pump Stations – North
503497	PV Project Vesting - SUDS – North
503498	PV Project Vesting - SUDS – East
503499	PV Project Vesting - Pump Stations – East
503542	Coursington WWTW Chemical Dosing
512309	INVERNESS & NAIRN - Duntelchaig Drought Plan
512310	INVERNES & NAIRN - Duntelchaig Hydrometry
514200	Baillieston NHS Car Park Extension
514369	Loch Glass 2021 Drought
050061	PV Project Vesting Profile Correction

G-28. Reference: G6 Column 86 (Further clarification)

We note that the total of G6 Column 86 has a value of £5,933m. Item 2, Table 2 Itemised List, Column 86 reports the same value. Please explain why these totals align in Table G6 and Table 2 but the net investment reported in Table G1 and Table 1 of the Information Request do not align (as set out in query G-4).

Query G-28		
Column ref.	Column title	Total
Table G6 Column 86	Total Project Value over 2021-27 £m	5,932.988
Information Request: Item 2, Table 2, Column 86	Total Project Value over 2021-27 £m	5,932.988

Query G-28		
Line ref.	Line title	Total over 2021-27 regulatory control period £m
G1.60	Net investment; projected outturn prices	3,615.686

Query G-28		
Line ref.	Line title	Total over 2021-27 regulatory control period £m
Information Request: Item 2, Line 1.20	Investment costs (Tier 1 repair, Tier 2) net of grants and contributions	5,677.621

G-29. Reference: G6 Column 86 (Further clarification)

Project 511344 'Field Service Transformation Project' has a 'Total Project Value over 2021-27' (G6 Column 86) of £15m. This included in Line G1.33 'Asset Support Direct'. Please provide a description of this project and the accompanying project appraisal.

G-30. Reference: G6 Column 86 (Further clarification)

Project 512070 'Asset Management Transformation Routemap (AMTR)' has a 'Total Project Value over 2021-27' (G6 Column 86) of £8m. This included in Line G1.33 'Asset Support Direct'. Please provide a disaggregation of the project costs and explain whether these should be treated as capital expenditure.

G-31. Reference: G6 Column 86 (Further clarification)

The table below shows projects that are included in Line G1.33 'Asset Support Direct'. For each of these projects, please explain why they are treated as capital expenditure.

Query G-31		
Project Autocode	Project Title	Total Project Value over 2021-27 £m
503100	ABV Incentivisation Actual	6.23
519431	Wholesale Self Service and Service Tracking.	5.20
513832	Non-Complex Service Delivery (NCSD) Phase 3	4.95
512776	Exemplar WW Programme	4.75
503101	CWA Incentivisation Actual	4.35
513469	WSRM Accreditation	3.25
516278	Pay Salary Structure and Mechanisms	2.65
517417	PE - Ecosystem Collaboration	2.30
516414	TOFD - Digital & Info - VR Meetings	2.26
518658	Data & Information - Design	2.25
516411	TOFD - Digital & Info - Collaboration Environment	2.18
512059	R&I Develop	2.16
516412	TOFD - Digital & Info - Delivery Assurance	2.06
511544	ESD Integrated Wedge Holding Line Project	2.00
517420	Improving People Experience in Moments that Matter	1.95
516399	Transformation Experimental Pilot Programme	1.92
512058	R&I Define	1.91
516413	TOFD - Digital & Info - Lean Digitisation	1.91
511541	CWA Integrated Wedge Holding Line Project	1.60

Query G-31		
Project Autocode	Project Title	Total Project Value over 2021-27 £m
518323	Interim Improvement Measures Programme (PPD Phase 1)	1.38
516274	SW Wide Engagement with Transformation	1.10
516275	TOFD - Standardisation	0.90
518659	Data & Information - Advance	0.88
519157	Define C&CC vision, focus and success	0.88
517438	People & OH Measures & Metrics	0.84
511543	ESD Transformation Factory Conveyor Belt Holding Line Project	0.75
516269	Performance Enhancement	0.72
519259	Lean and Agile Solutions Prestart and Design Stages	0.65
517435	LAD01 - Developer Connections	0.61
516270	Remote Management - Pilot (previously Remote Control)	0.56
511540	CWA Transformation Factory Conveyor Holding Line Project	0.56
518660	Data & Information - Citizenship	0.55
517437	Building Change Experience Capability	0.52
514491	Wholesale Transformation	0.50
515802	Intelligent Asset Base - ICC to ROC (Pilot)	0.50
516253	Digital Assets Strategy	0.45
516273	Intelligent Networks Source to Tap - Pilot	0.36
517436	Enterprise architecture	0.36
513470	WSRM " Risk Assessment Platform	0.34
516256	Internal Learning and Innovation	0.34
516266	Competency Model	0.26
519235	Transformation Identify Stage Planning	0.22
516271	Intelligent Networks Sink to Sea – Pilot	0.11
519104	Transformation Planning	0.11
516257	Strategic skills plan	0.05
516268	Leadership Development Programme	0.05
515887	TOFD - Digital Initiatives POC	0.00
503593	Transformational Change Project	-4.32
050059	Supplier Rebates Finance - SR21 - 2022-23	-7.00
050057	Supplier Rebates Finance - SR21 - 2021-22	-8.63
503102	ESD Incentivisation Actual	-9.59

G-32. Reference: G6 Column 86 (Further clarification)

We note that Project 511527 'SR21 Overhead Allocation' has a 'Total Project Value' (G6 Column 86) of -£315m over the regulatory control period 2021-27. The table below also sets out individual projects assigned to SR21 Overheads and included in Line G1.34 'Asset Support Indirect'. Please provide:

- a. further information on these projects; and
- b. an explanation of why some projects have positive values, while others have negative values.

Query G-32		
Project Autocode	Project Title	Total Project Value over 2021-27 £m
511523	SR21 Overhead SCSP	105.41
511522	SR21 Overhead Capital Investment	91.33
511525	SR21 Overhead Digital	67.39
511526	SR21 Overhead Support	27.52
511524	SR21 Overhead CSD	23.92
511527	SR21 Overhead Allocation	-315.20

G-33. Reference: G6 Column 86 (Further clarification)

The table below shows projects that are included in Line G1.34 'Asset Support Indirect'. For each of these projects, please explain why they are treated as capital expenditure.

Query G-33		
Project Autocode	Project Title	Total Project Value over 2021-27 £m
500624	Technology, Information & Business Change SR15 Overhead	3.796
500622	Workplace & Property Management SR15 Overhead	0.184
508589	NE Private Water Supplies	0.100
503464	SR21 ES Portfolio Programme	0.099
515625	rDWD Implementation - Juniper House	0.052
400537	TS Financial Control indirect overhead	0.004
503461	SR21 ES Water Programme	0.001
503462	SR21 ES Waste Programme	0.001
500605	Cap Inv Specialist Services Commercial SR15 Overhead	-0.040
500601	Cap Inv Controller of Cap Inv SR15 Overhead	-0.046
500632	CSD Health & Safety SR15 Overhead	-0.080

G-34. Reference: G6 Column 86 (Further clarification)

The table below shows projects that are included in Line G1.35 'Non Asset Support'. For each of these projects, please explain why they are treated as capital expenditure.

Query G-34		
Project Autocode	Project Title	Total Project Value over 2021-27 £m
513312	Hydro Nation Chair	3.605
517203	Carbon Capture " woodland creation at Loch Katrine - Management plan development	3.105

Query G-34		
Project Autocode	Project Title	Total Project Value over 2021-27 £m
512988	Improvements to Customer Self Service Response Programme	1.739
517207	Climate change Risk Assessment - Scenario Development	0.528
512990	SR21 Market Research Programme	0.500
512992	Improvements to Priority Customer Service Incidents Programme	0.500
512993	Priority Customer Service Register Programme	0.500
517202	Study “ Establish baseline net carbon position on Scottish Water landbank	0.337
514119	Howdenwells & Manse Street WOAs Water Demand Investigations	0.300
519960	WW R&ALP SR21 Y2 Time	0.251
517218	Carbon capture “ woodland creation at Turdees	0.040
517211	Carbon capture “ woodland creation at Carstairs WWTW	0.035
517208	Carbon capture “ woodland creation at Shotts WWTW	0.035
517209	Carbon capture “ woodland creation at Mauldslie WWTW	0.015

G-35. Reference: G6 Columns 97 to 102, page 179 (Incomplete information)

In Table G6, no project has the ‘Carbon impacts’ information reported in Columns 97 to 102. On Page 179 of the Commentary, the section for these columns is incomplete.

Please populate these columns for the projects where information is available from Scottish Water's systems and provide a timescale for completing the remaining columns.

G-36. Reference: Table G7 (Further clarification)

In Table G7, please explain why information is not provided for Management approach group 3 ‘Customer & Community’, Management approach group 5 ‘Flourishing Scotland’, Management approach group 10 ‘RCC’ and Management approach group 13 ‘SR15’.

G-37. Reference: Line G7.004 (Incomplete information)

In Table G7, the line requesting ‘Projected expenditure for repair, refurbishment and inspections from the original management approaches (Tier 2; planned)’ is not reported for any of the management approach groups. Please explain why these lines have not been populated.

G-38. Reference: Line G7.129 (Internal consistency)

Line G7.129 ‘Projected expenditure for repair, refurbishment and inspections from the original management approaches (Tier 1; responsive)’ has a value of £1,276m (in projected outturn prices) over the regulatory control period 2021-27. In the Information Request, Item 2, Line 13.129 ‘Projected expenditure for repair, refurbishment and inspections from the original management approaches (Tier 1; responsive)’ reports a value of £1,237m (in

projected outturn prices) over the 2021-27 period. Please provide an explanation and reconciliation of these lines.

Query G-38		
Line ref.	Line title	Total over 2021-27 regulatory control period £m
G7.129	Projected expenditure for repair, refurbishment and inspections from the original management approaches (Tier 1; responsive); projected outturn prices	1,275.994
Information Request: Item 2, Line 13.129	Projected expenditure for repair, refurbishment and inspections from the original management approaches (Tier 1; responsive); projected outturn prices	1,236.806

G-39. Reference: Line G7.131 (Internal consistency)

Line G7.131 'Projected expenditure for Tier 2 replacement from the original management approaches' reports a value of £3,976m (in projected outturn prices) over the regulatory control period 2021-27. In the Information Request, Item 2, Line 13.131 'Projected expenditure for Tier 2 replacement from the original management approaches' reports a value of £3,854m (in projected outturn prices) over the 2021-27 period. Please provide an explanation and reconciliation of these lines.

Query G-39		
Line ref.	Line title	Total over 2021-27 regulatory control period £m
G7.131	Projected expenditure for Tier 2 replacement from the original management approaches	3,976.260
Information Request: Item 2, Line 13.131	Projected expenditure for Tier 2 replacement from the original management approaches; projected outturn prices	3,854.143

G-40. Reference: Lines G7.132, G7.133 and G1.74 (Internal consistency)

Line G7.132 reports 'Latest forecast expenditure for repair, refurbishment and inspections (Tier 1; responsive)' expenditure of £870m (in projected outturn prices) over the regulatory control period 2021-27. Line G7.133 reports 'Latest forecast expenditure for repair, refurbishment and inspections (Tier 2; planned)' expenditure of £528m (in projected outturn prices) over the regulatory control period 2021-27. This results in total repair and refurbishment investment of £1,398m (in projected outturn prices) over 2021-27. Line G1.74 reports 'Total Repair and Refurbishment' expenditure of £953m (in projected outturn prices) over the same period. Please provide an explanation and reconciliation of these lines.

Query G-40		
Line ref.	Description	Total over 2021-27 regulatory control period £m
G7.132	Latest forecast expenditure for repair, refurbishment and inspections (Tier 1; responsive); projected outturn prices	869.785
G7.133	Latest forecast expenditure for repair, refurbishment and inspections (Tier 2; planned); projected outturn prices	528.123
Calc	Latest forecast expenditure for repair, refurbishment and inspections (Tier 1 and Tier 2); projected outturn prices (calculated: G7.132 + G7.133)	1,397.908
G1.74	Total Repair and Refurbishment	952.535
Calc	Total Repair and Refurbishment; projected outturn prices (calculated: yearly values for G1.74 inflated according to the year's inflation index and summed)	1,204.879

G-41. Reference: Line G8.1 (Internal consistency)

Line G8.1 'Capital price inflation' does not equal the Information Request Item 2, Table 14.5 reported 'Capital Price Inflation'. The table below shows the differences. Please provide an explanation and reconciliation of these lines.

Query G-41									
Line ref.	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
G8.1	3.06%	2.59%	1.21%	5.98%	13.80%	10.20%	1.80%	1.00%	1.50%
Information Request: Item 2, Line 14.5	3.06%	2.59%	1.21%	3.98%	11.50%	8.50%	1.50%	1.00%	1.50%

G-42. Reference: Line G8.7, page 182 (Incomplete information)

Line G8.7 is not completed. We note that Page 182 of the Commentary explains, "In Line G8.7, there is no Efficiency applied to the programme". Please explain why there is no efficiency applied to the investment programme.

G-43. Reference: PCL calculator (Further clarification)

In the 'CurrentForecast' sheet in the PCL calculator workbook⁸, we note that the PCL score is calculated as the LBE summary divided by the number of gates. However, in the 'ExternalBaseline' sheet the calculation is different for the following investment categories: digital, SVCD planned and SVCD responsive. Please explain the difference in the calculation of the PCL score between the 'CurrentForecast' sheet and the 'ExternalBaseline' sheet.

⁸ Throughout this document, "PCL calculator workbook" refers to the 'SR21 PCL 2021_22_P12 Final - V1_0' workbook received by email on 10/10/2022.

Section H

The queries in this section relate to Section H – Asset Inventory

- H-1. Reference: Line H1.8, page 183 (Internal consistency)**
 Page 183 of the Commentary explains that "The confidence grades for the H1 Table are assessed individually considering the proportion of each asset as opposed to defaulting to the lowest value in the H2-H6 Tables." In Line H1.8 'Sea Outfalls' the Gross MEAV has a confidence grade of C4. This value is taken from Lines H4.5 and H4.6, which both have a confidence grade of B4 for the Gross MEAV. Please explain the difference in confidence grades and update the confidence grade(s) as appropriate.
- H-2. Reference: Lines H2.1 to H2.8 and E4.25 (Internal consistency)**
 We note that the total number of water treatment works reported in Lines H2.1 to H2.8 is 228. We also note that in Line E4.25 the total number of water treatment works reported is 231. Please explain the difference between these two values.
- H-3. Reference: Lines H2.9 and E6.26 (Internal consistency)**
 We note that the total number of service reservoirs reported in Line H2.9 is 1,284. We also note that in Line E6.26 the total number of service reservoirs reported is 1,293. Please explain the difference between these two values.
- H-4. Reference: Lines H2.10 and E6.28 (Internal consistency)**
 We note that the total number of water towers reported in Line H2.10 is 17. We also note that in Line E6.28 the total number of water towers reported is 18. Please explain the difference between these two values.
- H-5. Reference: Lines H2.13 and E6.22 (Internal consistency)**
 We note that the total number of booster pumping stations reported in Line H2.13 is 619. We also note that in Line E6.22 the total number of booster pumping stations reported is 623. Please explain the difference between these two values.
- H-6. Reference: Lines H3.1 to H3.3 and E4.1 to E4.4 (Internal consistency)**
 Please provide a reconciliation between water resource assets as reported in Lines H3.1 to H3.3 and Lines E4.1 to E4.4.

Query H-6		
Line ref.	Line title	Value
H3.1	Dams and impounding reservoirs [301]	201
H3.2	Raw water intake (lochs and burns) [302]	269
H3.3	Raw water aqueducts [303] (km)	1710.275
E4.1	Impounding reservoirs	96
E4.2	Lochs	38
E4.3	River and burn abstractions	73
E4.4	Boreholes	62

H-7. Reference: Line H4.3, page 194 (Further clarification)

We note that improved data has led to a reduction in the gross MEAV from £546.7m in 2020-21 to £354.4m in 2021-22. We also note that the confidence grade remains unchanged. Please provide further information on the improvement in information and explain whether this has an impact on the assigned confidence grade.

H-8. Reference: Lines H5.1, H5.2 and E7.31 (Internal consistency)

We note that the total number of sewage pumping stations reported in Lines H5.1 and H5.2 is 2,257. We also note that in Line E7.31 the total number of sewage pumping stations reported is 2,259. Please explain the difference between these two values.

H-9. Reference: Lines H5.3 to H5.7 and E7.41 (Internal consistency)

We note that the total number of sewage treatment works reported in Lines H5.3 to H5.7 is 1,836. We also note that in Line E7.41 the total number of sewage treatment works reported is 1,834. Please explain the difference between these two values.

Section M

The queries in this section relate to Section M – Regulatory Accounts

M-1. Reference: Lines M1.10 and M1.12, page 2 (Further clarification)

Page 2 of the Commentary to Section M explains that “The reduction in Operating expenditure (Line 1.10) is due to improved cost capture which has resulted in the reallocation of £53m of responsive repair and refurbishment costs, which would have in previous years been included within Operating costs.”

Please confirm whether this adjustment has been made to Lines M1.10 and M1.12 for 2020-21 and 2021-22?

M-2. Reference: Line M3.19, page 3 (Further clarification)

Page 3 of the Commentary to Section M explains that “The increase in deferred tax to reflect the UK Budget 2021 announcements on 3 March 2021, substantively enacted on the 24 May 2021, which included measures to support economic recovery as a result of the ongoing Covid-19 pandemic. These included an increase to the UK’s main corporation tax rate to 25%, which is due to be effective from 1 April 2023.”

Please provide further explanation of the reasons for the change from £14.6m to £153.4m in Line M3.19 and the calculation of the increase.

M-3. Reference: Table M3, Column P ‘Explanation of Difference’ (Incomplete information)

We note that Column P of Table M3 ('Explanation of Difference') has not been completed. Please provide an explanation for each line in the table.

M-4. Reference: Line M4.5, page 3 (Internal consistency)

'Row M4.5 'Current cost depreciation charge' reports a figure of £585.456m. Page 3 of the Commentary reports £301.2m. Please confirm the correct figure and update tables and/or Commentary as appropriate.

M-5. Reference: Line M5.22, page 3 (Further clarification)

Page 3 of the Commentary to Section M explains that “the reduction in line M5.22 income and expenditure account represents the cumulative catch up of presenting responsive and planned repairs in table M4.” Please provide further explanation of this impact.

M-6. Reference: Line M6.2 (Internal consistency)

Please explain the difference in line M6.2 'Movement in working capital' for 2020-21 between AR21 and AR22.

Query M-6				
Line ref.	Line title	AR21 (2020-21)	AR22 (2020-21)	Change
M6.2	Movement in working capital	-74.156	-71.836	-3%

M-7. Reference: Lines M6.9, M6.10 and M1.15 (Internal consistency)

We note that M6.9 and M6.10 (interest received and paid) are reported to be £0.008m and -£142.216m, respectively. This does not align with the net interest charges reported in Line M1.15 of £141.611m. Please explain the differences.

M-8. Reference: Lines M6-R.9 and M6-R.10 (Incomplete information)

Please report Lines M6-R.9 'Planned repair and refurbishment' and M6-R.10 'Asset replacement investment' for 2020-21.

M-9. Reference: Lines M7.19 and M7.23 (Further clarification)

Please provide a further disaggregation of the revenue impacts included in Lines M7.19 'Change in revenue due to other factors' and M7.23 'Change in revenue due to other factors'.

Query M-9		
Line ref.	Line title	AR22 (2021/22)
M7.19	Household - Change in revenue due to other factors	-11.345
M7.23	Non-household - Change in revenue due to other factors	-18.062

M-10. Reference: Lines M7.23, M7.24 and M7.25 (Internal consistency)

Several lines do not align with the reported values for 2020-21 between AR21 and AR22. These are set out in the table below. Please provide an explanation and reconciliation of these differences.

Query M-10			
Line ref.	Line title	AR21 (2020-21)	AR22 (2020-21)
M7.23	Change in revenue due to other factors	12.192	11.621
M7.24	Total change in Non-Household revenue compared to the previous year	-10.223	-10.794
M7.25	Revenue from GAP sites scheme (included in line 7.3)	-0.638	-0.067

M-11. Reference: Lines M8.1 to M8.13 (Further clarification)

Please explain the timing impacts in rows M8.1-13 in more detail, including how the figures were derived.

M-12. Reference: Lines M8.14 and M8.15 (Further clarification)

Please provide further explanation of the cash generated and timing impacts related to wholesale prepayment in Line M8.14 and the working capital movement in Line M8.15.

M-13. Reference: Line M8.15 (Further clarification)

Please reconcile the working capital movement in Line M8.15 of £15.2m to the information reported in Table M11.

M-14. Reference: Line M8.23 (Internal consistency)

Please reconcile Line M8.23 'Closing cash balance excluding completion at 31 March 2022' of £343.3m with the sum of Lines M5.3 'Cash' of £21.1m and M5.4 'Short term deposits' of £494.8m which equals a cash balance of £515.9m.

We also note that the completion figures used in the calculation of cash balances in table M8 and the supporting commentary do not align to those reported in the G-tables. Please explain the differences set out in the table below.

Query M-14			
M tables commentary (page 5)		G tables	
Description	Value	Line ref.	Value
Total SR15 completion	£290.6m	G1.41 (Report year plus forecast)	£244.185m
Remaining SR15 completion	£172.6m	G1.41 (Forecast only)	£126.196m

M-15. Reference: Lines M11.18 and M11.19 (Template change)

Please explain the reasons for inserting Lines M11.18 and M11.19.

M-16. Reference: Table M21, page 5 (Further clarification)

Page 5 of the Commentary to Section M explains that 'The 2020/21 data has been updated to reflect the actual 2020/21 tax computation submitted'. Please provide further information on these changes since AR21, including in relation to the following lines:

Query M-16				
Line ref.	Line title	AR21 (2020-21)	AR22 (2020-21)	Change
M21.5	Capitalised expenditure allocated for capital allowances (including Work in progress)	678.704	696.883	18.179
M21.6	Work in progress (portion where capital allowances have not been claimed) - closing	450.214	432.035	-18.179
M21.7	Assets qualifying for 100% first year allowances	0.000	0.900	0.900
M21.8	Assets to be included in the general (18%) pool	196.655	217.868	21.213
M21.9	Assets qualifying for long life (6%) pool	136.901	134.225	-2.676
M21.10	Assets qualifying for Industrial Buildings Allowance	0.000	6.042	6.042
M21.16	Other assets not qualifying for capital allowances or revenue deductions	46.140	38.839	-7.302
M21.23	General provisions – opening balance	86.032	86.058	0.026
M21.35	Capital allowances - asset life <25 years	160.011	163.829	3.818
M21.36	Capital allowances - asset life >=25 years	112.851	112.291	-0.561
M21.37	Industrial building allowance utilised	0.000	0.020	0.020
M21.38	Other deductions	-166.356	-154.861	11.495
M21.39	Total deductions	273.491	288.264	14.773
M21.41	Other additions	2.801	1.687	-1.114
M21.42	Total additions	2.801	1.687	-1.114
M21.43	Trading profit for tax	70.346	54.459	-15.887

Query M-16				
Line ref.	Line title	AR21 (2020-21)	AR22 (2020-21)	Change
M21.44	Adjusted trading profit for tax	38.812	32.074	-6.738
M21.45	Current tax charge	7.374	6.094	-1.280
M21.47	Total current tax charge	7.374	6.094	-1.280

M-17. Reference: Lines M21.1 to M21.16 (Further clarification)

Please explain the change in the value of assets qualifying for different pools, allowances and deductions between 2020-21 and 2021-22 in Lines M21.1 to M21.16.

M-18. Reference: Table M21 (Further clarification)

Please explain the changes between 2020-21 and 2021-22 for the following lines:

Query M-18				
Line ref.	Line title	AR22 (2020-21)	AR22 (2021-22)	Change
M21.23	General provisions – opening balance	86.058	73.803	-12.254
M21.24	Losses brought forward	49.649	26.578	-23.071
M21.25	HCA Operating profit	189.937	214.895	24.958
M21.27	HCA Infrastructure renewals charge	134.200	0.000	-134.200
M21.30	Deduction for capitalised revenue expenditure	-249.140	0.000	249.140
M21.31	Trading profit	341.036	497.654	156.618
M21.32	Depreciation on capitalised revenue expenditure – non – infrastructure	24.154	49.868	25.713
M21.35	Capital allowances - asset life <25 years	163.829	180.865	17.035
M21.37	Industrial building allowance utilised	0.020	0.181	0.161
M21.38	Other deductions	-154.861	-45.470	109.391
M21.39	Total deductions	288.264	446.395	158.131
M21.44	Adjusted trading profit for tax	32.074	26.368	-5.707
M21.45	Current tax charge	6.094	5.010	-1.084

M-19. Reference: Tables M27 and M28 (Further clarification)

In Tables M27 and M28, please provide further commentary on each of the 'Core IFRS adjustments'.

Query M-19		
Line ref.	Line title	Core IFRS adjustment
M27.2	Operating expenditure	-23.841
M27.3	PPP operating costs	38.462
M27.5	Current cost depreciation charge	285.865
M27.11	Net interest receivable less payable	-15.218
M27b.2	Actuarial gains/losses on post employment plans	158.412
M27b.3	Post employment plans - non cash (IAS 19 adjustments), net of tax	-20.260
M27b.4	Other gains and losses	-67,124.540

Query M-19		
Line ref.	Line title	Core IFRS adjustment
M28.1	Tangible assets	-66,624.616
M28.2	Working capital	-31.828
M28.17	Post employment asset / (liabilities)	-32.182
M28.18	Other provisions	10.992
M28.22	Income and expenditure account	-87.582
M28.23	Current cost reserve	-66,823.375
M28.24	Other reserves	233.323

M-20. Reference: Lines M28.1 and M28.23 (Further clarification)

Please provide further commentary on the 'Core IFRS adjustments' in lines M28.1 'Tangible assets' and M28.23 'Current cost reserve'.

M-21. Reference: Line M28.2 (Further clarification)

Please explain the change in the adjustment made to the Working capital line in row M28.2 in the 'Licenced' column between AR21 and AR22.

Query M-21				
Line ref.	Line title	AR21 (2020-21)	AR22 (2021-22)	Change
M28.2	Working capital ('Licenced' column)	29.884	16.110	-13.774

M-22. Reference: Line M28.3 (Further clarification)

Please explain how the cash of £68.647m reported for non-core/non-licensed in line 28.3 was generated.

M-23. Reference: Table M4 (Stat), Line M4.11 (Internal consistency)

Please explain the difference between Line M4.11 'Net interest receivable less payable' of the M4 Stat table between the AR21 and AR22 submissions for the report year 2020-21 (see the table below).

Query M-23				
Line ref.	Line title	AR21 (2020-21)	AR22 (2020-21)	Change
M4.11 (Stat)	Net interest receivable less payable	-142.830	-159.370	12%

M-24. Reference: Table M4 (Stat), Line M4.14 (Further clarification)

Please explain the increase in deferred tax from £8.563m to £175.022m between 2020/21 and 2021/22 in Line M4.14 (Stat).

M-25. Reference: Table M5 (Stat) (Further clarification)

Please explain the changes between 2020-21 and 2021-22 for the following line items:

Query M-25				
Line ref.	Line title	AR22 (2020-21)	AR22 (2021-22)	Change
M5.3 (Stat)	Cash	28.906	21.096	-27%
M5.4 (Stat)	Short term deposits	399.800	494.800	24%
M5.10 (Stat)	Corporation tax payable	3.117	11.684	275%
M5.16 (Stat)	Deferred tax provision	-474.799	-649.822	37%
M5.17 (Stat)	Post employment asset / (liabilities)	-169.379	-32.182	-81%

Section N

The queries in this section relate to Section N – Transfer pricing

N-1. Reference: Lines N2.1.1 to N2.2.7 (Further clarification)

In relation to Lines N2.1.1 to N2.2.7, the table below shows the change in several line items between 2020-21 and 2021-22. Please explain these changes in the following rows:

Query N-1				
Line ref.	Line title	AR21	AR22	Change
2.2.1	Wholesale Water & Wastewater Charge	189,095,710	195,776,907	4%
2.2.2	Non Primary Meter Services	51,982	73,774	42%
2.2.3	Non Primary Supply Shut Off and Disconnections	22,977	1,496	-93%
2.2.4	Non Primary Building Water Supplies	1,724	56,898	3200%
2.2.5	Non Primary Inspections	55,344	78,559	42%
2.2.6	Non Primary Connections	379,569	537,624	42%
2.2.7	Verification Of Services	59,181	84,325	42%

N-2. Reference: Lines N2.3.1 to N2.3.7 (Further clarification)

Please explain how Scottish Water has derived the costs in Lines N2.3.1 to N2.3.7 with reference to the Regulatory Accounting Rule 5 (RAR5) guidelines.

N-3. Reference: Line N2.3.5, page 4 (Further clarification)

In relation to Line N2.3.5 'Support Services Asset Management', Page 4 of the Commentary to section N explains "In 2021-22, there was an increase of £400k compared to 2020-21 relating to an increase in the number of projects." Please provide further information on these transactions, including:

- a. what these services relate to;
- b. how many of these projects were undertaken in 2020-21 and 2021-22;
- c. the scope of these projects;
- d. why these services are provided by Scottish Water Horizons;
- e. whether the cost of these projects was market tested; and
- f. if it was not market tested, how Scottish Water derived the transfer price with reference to the Regulatory Accounting Rule 5 (RAR5) guidelines.

N-4. Reference: Table N2, Section N2.3 'Scottish Water Horizons' (Further clarification)

Please confirm whether the Scottish Water Horizons is charged by Scottish Water Core for hosting renewables on its land. Please include these charges in the N tables where appropriate. If Scottish Water Horizons is not charged for hosting renewables on land owned by the core business, please explain why this is the case.

N-5. Reference: Lines N2.4.1-N2.4.5 (Further clarification)

Please explain how Scottish Water has derived the costs in Lines N2.4.1 to N2.4.5 with reference to the Regulatory Accounting Rule 5 (RAR5) guidelines.

Query N-5		
Line ref.	Line title	AR22
2.4.1	Support Lab Plant & Veh Cross Charge for Aquatrine	91,494
2.4.2	Support Lab Plant & Veh Cross Charge for Deerdynes	1,242
2.4.3	Material & Contractor Charge for Legal & Estates	6,000
2.4.4	Test & Sample processing charge for Scientific Services	1,524,087
2.4.5	Material & Contractor Charge for Rechargeable Works	347,196

N-6. Reference: Line N2.4.4 (Further clarification)

We note that Line 2.4.4 'Test and sample processing charge for scientific services' has increased by than 50% from £976,654 in AR21 to £1,524,087 in AR22. Please provide further information on these transactions, including:

- a. what these services relate to;
- b. the associate entity providing these services;
- c. how many tests and samples were processed in 2020-21 and 2021-22;
- d. whether the cost of these samples was market tested;
- e. if it was not market tested, how Scottish Water derived the transfer price with reference to the Regulatory Accounting Rule 5 (RAR5) guidelines.

N-7. Reference: Line N2.5.1, page 5 (Further clarification)

In relation to Line N2.5.1 'Management and Support recharge', Page 5 of the Commentary to Section N explains that "These costs were based on the intra group recharge rates for SW group". Please provide further information on how these recharge rates have been set with reference to the Regulatory Accounting Rule 5 (RAR5) guidelines.

N-8. Reference: Line N2.6.1 (Further clarification)

In relation to Line N2.6.1 'Management and Support recharge', Page 5 of the Commentary to Section N explains that "These costs were based on the intra group recharge rates for SW group". Please provide further information on how these recharge rates have been set with reference to the Regulatory Accounting Rule 5 (RAR5) guidelines.

N-9. Reference: Line N2.8.5 (Further clarification)

We note that Line N2.8.5 'Miscellaneous' has been added in 2021-22. Please explain what these transactions relate to.

N-10. Reference: Lines N2.9.1 to N2.9.8 (Further clarification)

Please explain how Scottish Water has derived the payments to Scottish Water Horizons in Lines N2.9.1 to N2.9.8 with reference to the Regulatory Accounting Rule 5 (RAR5) guidelines.

Query N-10		
Line ref.	Line title	AR22
2.9.1	Impact Assessment Charges	20,160
2.9.2	Plan Provision Recharge	35,280
2.9.3	Timesheet Recharge	208,539

Query N-10		
Line ref.	Line title	AR22
2.9.4	Renewable Energy	1,156,395
2.9.5	Test Centre recharge	246,474
2.9.6	Chemical Storage Recharge	15,369
2.9.7	Vesting Project Recharge	1,756,730
2.9.8	Grit Storage Recharge	1,598

N-11. Reference: Line N2.9.7 (Further clarification)

Please provide further information on the Vesting Project Recharge in Line 2.9.7. Please explain:

- a. what these services relate to;
- b. whether the cost of these samples was market tested;
- c. if it was not market tested, how Scottish Water derived the transfer price with reference to the Regulatory Accounting Rule 5 (RAR5) guidelines.

N-12. Reference: Lines N2.9.9 to N2.9.11 (Further clarification)

Lines N2.9.9 'Waste services', N2.9.10 'Membrane project recharge' and N2.9.11 'Property recharge' are new transactions in 2021-22. Please explain:

- a. what these services relate to;
- b. whether the cost of these samples was market tested;
- c. if it was not market tested, how Scottish Water derived the transfer price with reference to the Regulatory Accounting Rule 5 (RAR5) guidelines.

N-13. Reference: Table N2, Section N2.9 'Scottish Water Horizons' (Further clarification)

Please confirm whether Scottish Water Core is charged by Scottish Water Horizons for the offsetting of emissions through sequestration. Please include these charges in the N tables where appropriate. If Scottish Water Core is not charged for the offsetting of emissions by Scottish Water Horizons, please explain why this is the case.

N-14. Reference: Line N3.1.1 (Further clarification)

We note that Scottish Water was paid £24.3m to AES for PFI services. Please provide further information on this payment, including:

- a. whether it was in line with the level of payment set out in the PFI contract;
- b. the actual expenditure associated with this payment in terms of the reported operating expenditure, capital expenditure and interest costs for AES in 2021-22.

Section P

The queries in this section relate to Section P – Tariff Basket Information.

P-1. Reference: Lines P2.10C, P2.10D and P2.10E (Further clarification)

In Table P2, please explain the changes between '2020-21 Month' and '2021-22 Month' for the following lines: P10C, P2.10D and P2.10E.

Query P-1				
Line ref.	Summary	2020-21 Month	2021-22 Month	Change
P2.10C	Total revenue from gap sites (£)	14,631,174.30	15,816,946.00	8%
P2.10D	Total revenue from vacant properties (£)	13,147,717.75	11,795,458.17	-10%
P2.10E	Total revenue from vacant gap sites (£)	1,325,962.63	1,208,821.00	-9%

P-2. Reference: Table P2 (Further clarification)

In Table P2, please explain the changes between '2020-21 Month' and '2021-22 Month' for the following lines:

Query P-2				
Line ref.	Line title	2020-21 Month	2021-22 Month	Change
P2.20B	Assessed meter sizes related to gap sites	2541	3351	32%
P2.20D	Assessed meter sizes related to vacant gap sites	393	429	9%
P2.20E	Total volume at measured supply points related to gap sites	393694	438728	11%
P2.63B	Number of meters at measured supply points related to gap sites	8986	9956	11%
P2.63C	Number of meters at measured supply points related to vacant properties	13441	9151	-32%
P2.63D	Number of meters at measured supply points related to vacant gap sites	830	582	-30%
P2.63E	Total volume at measured supply points related to gap sites	1660560	1997911	20%
P2.63F	Total volume at measured supply points related to vacant gap sites	23598	18518	-22%
P2.63G	Average Volume	185	201	9%
P2.118B	Assessed meter sizes related to gap sites	2046	2641	29%
P2.118D	Assessed meter sizes related to vacant gap sites	375	403	8%
P2.118E	Total volume at measured supply points related to gap sites	340054	374679	10%
P2.118G	Average Volume	166	142	-15%
P2.146B	Number of meters at measured supply points related to gap sites	7320	8145	11%

Query P-2				
Line ref.	Line title	2020-21 Month	2021-22 Month	Change
P2.146C	Number of meters at measured supply points related to vacant properties	11833	8113	-31%
P2.146D	Number of meters at measured supply points related to vacant gap sites	813	578	-29%
P2.146E	Total volume at measured supply points related to gap sites	1479234	1735555	17%
P2.146F	Total volume at measured supply points related to vacant gap sites	28378	21352	-25%
P2.146G	Average Volume	202	213	5%
P2.172C	RV for property drainage related to vacant properties	326333593	292367437	-10%
P2.172D	RV for property drainage related to vacant gap sites	37042689	33883948	-9%
P2.174B	Area of supply points charged an area based tariff related to gap sites	0	2831	
P2.174C	Area of supply points charged an area based tariff related to vacant properties	0	701	

P-3. Reference: Line P2.21 (Further clarification)

In Table P2, please explain the changes between '2020-21 month' and '2021-22 month' for Line P2.21 (and line P2.24).

Query P-3						
Line ref.	Summary	2019-20 Month	2020-21 Month	2021-22 Month	Change 2019-20 to 2020-21	Change 2020-21 to 2021-22
P2.21	20mm	870,277	1,069,453	897,579	23%	-16%

P-4. Reference: Lines P2.25 and P2.26 (Further clarification)

Please explain the change in Lines P2.25 and P2.26 between the years 2019-20, 2020-21 and 2021-22.

P-5. Reference: Lines P2.31 to P2.34 (Further clarification)

Please explain why Lines P2.31 to P2.34 report 'n/a' for the year 2021-22.

P-6. Reference: Lines P2.67 to P2.77 (Further clarification)

Please explain the change from 'former LUVA' to 'non-former LUVA' in Lines P2.67 to P2.77 and why the 'former LUVA' lines are reported as 'n/a' for columns '2020-21 RF' and '2021-22 Month'.

P-7. Reference: Lines P2.122 to P2.125 (Incomplete information)

Please explain why Lines P2.122 to P2.125 have not been completed for the columns '2020-21 RF' and '2021-22 Month'.

P-8. Reference: Lines P2.158 and P2.159 (Further clarification)

Please explain the change in Lines P2.158 and P2.159 between:

- a. the '2020-21 Month' and '2020-21 RF' columns; and
- b. the '2020-21 RF' and '2021-22 Month' columns.

Query P-8							
Line ref.	Summary	2020-21 Month	2020-21 RF	Change	2020-21 RF	2021-22 Month	Change
P2.158	Foul sewage volumes from schedule 3 agreements	96,054	73,708	-23%	73,708	82,146	11%
P2.159	Foul sewage revenue from schedule 3 agreements	107,707	64,302	-40%	64,302	93,387	45%

P-9. Reference: Line P2.177 (Further clarification)

Please explain the increase in the 'Standard area-based tariff' in Line P2.177 from £0.3442 in 2020-21 to £0.8278 in 2021-22.

P-10. Reference: Line P3.8 (Incomplete information)

Please provide a confidence grade for each column in Line P3.8.

P-11. Reference: Table P4 (Incomplete information)

Please provide confidence grades for Table P4.

P-12. Reference: Line P4.6 to P4.9 (Further clarification)

Please explain the difference between volumes reported in Lines P4.6 to P4.9 and volume reported in Line A2.8.

Query P-12			
Line ref.	Description	Unit	2021-22
Tariff multipliers: Volumes - Measured household Properties			
P4.6	First 25m3 pa, meters <= 20mm	m3	7668
P4.7	Volume over 25m3 pa, meters <= 20mm	m3	77374
P4.8	Meters of diameter > 20mm	m3	
P4.9	Total	m3	85042
A2.8	Measured household volume of water delivered (including losses)	MI/d	0.2425444
Calc	Measured household volume of water delivered (including losses) (A2.8*1000*365)	m3	88529
Calc	Difference	m3	3487
Calc	Difference	%	4%

P-13. Reference: Line P5.8 (Incomplete information)

Please provide a confidence grade for each column in Line P5.8.

P-14. Reference: Line P5.17 (Internal consistency)

Please explain the difference between the total properties with unmeasured wastewater reported in Line P5.17 and the number reported in Line A1.16 in the 2022-23 forecast. Please also explain the reconciliation between Table P5 and Line A1.11.

Query P-14		
Line ref.	Description	2022-23 Total (forecast)
P5.17	Total properties with unmeasured wastewater	2,517,326
A1.16	Unmeasured household connected properties	2,517,807
Calc	Difference	481

P-15. Reference: Table P6 (Incomplete information)

Please provide confidence grades for Table P6.

P-16. Reference: Line P6.31 (Internal consistency)

Please explain the difference between the total number of measured household properties billed for surface drainage in Line P6.31 and the number reported in Line A1.29 in the 2022-23 forecast.

Query P-16		
Line ref.	Description	2022-23 Total (forecast)
P6.31	Total number of billed properties	469.0
A1.29	Measured household connected properties	465.5
Calc	Difference	-3.5