

Submission of Ofwat Market Information Tables (13th March 2018)

This note outlines the key caveats and assumptions undertaken for the completion of the Ofwat Market Information Tables that have been infilled and published alongside our dWRMP19 on our website, as is the requirement (www.ofwat.gov.uk).

The Market Information tables are provided to support the effective optimisation of water resources. We hope by publishing these tables it will enable and encourage potential third parties to identify and put forward opportunities to supply water resource solutions or provide demand management or leakage services. This set of 16 tables have been produced using the Ofwat guidance (Water Resources Market Information Guidance, October 2017) and are consistent with our Water Resource Planning (WRP) tables.

Originator: Asset Strategy

Date: 13th March 2018

Approval: Director of Regulation & Corporate Affairs

Key caveats and assumptions

- There is one scheme to 'trade' in the dWRMP19, 'reverse ANGL'. This is not a formal option in our dWRMP19 as it was developed as part of our EBSD modelling 'in-principle' and is subject to further modelling ahead of the revised WRMP. Although that is the case, we have included it within our Market Information tables to help improve visibility over the potential for future sharing.
 - For 'Reverse ANGL' We have used -£217.34 per ML. This cost has been shared with Anglian Water and will be consistent with our dWRMP19.
- For transfers with neighbouring companies that are continuations of existing agreements, these costs are consistent with our modelled costs. All other option costs are also consistent with our modelled costs and where a cost basis is used, it has been through our WRMP audit and governance procedures.
- The 'EGHS to Surrey Hills Reduction' option has a variable operation cost within our WRP table submission, but not within the Market Information tables as it is a reduction in an existing export.
- We have opted to refer users to the Water Resource Planning team mailbox where they require shape files containing WRZ boundaries. Our reason for doing so is to be able to track who has access to this data in line with data protection regulations.
- Although given as an output from our least cost model, we have not included existing internal transfer costs within our Market Information tables. These costs represent an operational preference to balance supply and demand prior to the investment for options. The justification would be that we would always attempt to use our existing deployable output in the first instance.
- For 'treatment type' we have used the Ofwat template for treatment classification. This is in line with previous Ofwat submissions and has been reviewed as part of this work package to ensure it is current and relevant.