

**Table B5.2W - Water – supply/demand balance expenditure projections: line definitions**

**Block A – Capex efficiency profile**

1	Overall compounded assumed improvement profile (capex enhancements infrastructure and non infrastructure)	% (2dp)
<b>Full line title</b>	Overall compounded assumed improvement profile (capex enhancements infrastructure and non-infrastructure)	
<b>Definition</b>	Projected annual reductions in capital enhancement expenditure on infrastructure and non-infrastructure assets compared to projected levels based on the Scottish Water current unit cost database.	
<b>Processing rules</b>	Input field	
<b>Reference</b>	New	

2	Overall compounded assumed improvement profile (capex enhancements infrastructure and non infrastructure)	£m (3dp)
<b>Full line title</b>	Overall compounded assumed improvement profile (capex enhancements infrastructure and non-infrastructure)	
<b>Definition</b>	Projected annual reductions in capital enhancement expenditure on infrastructure and non-infrastructure assets compared to projected levels based on the Scottish Water current unit cost database.	
<b>Processing rules</b>	Line 1 multiplied by total of lines 10 and 17 below	
<b>Reference</b>	New	

**Block B – Water service SDB growth – capital expenditure infrastructure**

6	Capex growth excluding demand management - water (infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: capex growth excluding demand management - water (infrastructure)	
<b>Definition</b>	Capital expenditure on infrastructure assets associated with meeting or offsetting changes in demand from new and existing customers, while maintaining existing levels of service. Exclude expenditure associated with selective meters. These costs should be consistent with the Q&SIII programme. Note: This capital expenditure should exclude expenditure relating to the provision of local distribution assets to provide a water service to new customers. This expenditure should be reported under line 8: capex – new development.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

7	Capex growth selective meters – water (infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: capex growth selective meters - water (infrastructure)	
<b>Definition</b>	Capital expenditure on infrastructure assets associated with the installation of selective meters. These costs should be consistent with the Q&S programme.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

8	Capex new development - water (infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: capex – new development water (infrastructure)	
<b>Definition</b>	The gross capital costs associated with the provision of local distribution infrastructure assets to provide water services for new customers with no net deterioration of existing levels of service. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

9	Capex optional metering - water (infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: Capex optional metering – water (infrastructure)	
<b>Definition</b>	Infrastructure capital expenditure associated with the total number of free meter options installed at household properties during each year. Include assets for meters installed at household properties fitted in any location (eg internal, external in garden, external at boundary). Include only those assets for meters which have been installed free of charge to the customer and which are used to determine a customer's bill. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

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10	Capex sub total - water (infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: Capex sub total – water (infrastructure)	
<b>Definition</b>	Gross capital expenditure for the provision of infrastructure assets to provide water services for new customers, to accommodate increased use of water by existing customers and to accommodate the potential impact of climate change, while maintaining existing levels of service. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Calculated field: the sum of lines 6, 7, 8 and 9	
<b>Reference</b>	New	

11	Capex total net of efficiency - water (infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: capex total net of efficiency – water (infrastructure)	
<b>Definition</b>	Gross capital expenditure net of efficiency, for the provision of infrastructure assets to provide water services for new customers, to accommodate increased use of water by existing customers and to accommodate the potential impact of climate change, while maintaining existing levels of service. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Calculated field: Line 10 multiplied by (1 – line 1 divided by 100).	
<b>Reference</b>	New	

**Block C – Water service SDB – capital expenditure non-infrastructure**

12	Capex growth excluding demand management - water (non-infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: capex growth excluding demand management – water (non-infrastructure)	
<b>Definition</b>	<p>Capital expenditure on non-infrastructure assets associated with meeting or offsetting changes in demand from new and existing customers, while maintaining existing levels of service. Exclude expenditure associated with selective meters and other assets to manage customer demand. These costs should be consistent with the Q&amp;SIII programme.</p> <p>Note: This capital expenditure should exclude expenditure relating to the provision of local distribution assets to provide a water service to new customers. This expenditure should be reported under line 15: capex – new development.</p>	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

13	Capex growth selective meters - water (non-infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: capex growth selective meters – water (non-infrastructure)	
<b>Definition</b>	<p>Capital expenditure on non-infrastructure assets associated with the installation of selective meters. These costs should be consistent with the Q&amp;SIII programme.</p>	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

14	Capex growth other demand management – water (non-infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: Capex growth other demand management - water (non-infrastructure)	
<b>Definition</b>	The gross capital costs associated with the provision of assets to manage customer demand, other than selective meters, which should be included in line 13. These costs should be consistent with the scheme specific costs in the Q&SIII programme.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

15	Capex new development - water (non-infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: capex – new development - water (non-infrastructure)	
<b>Definition</b>	The gross capital costs associated with the provision of local distribution non-infrastructure assets to provide water services for new customers with no net deterioration of existing levels of service. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

16	Capex optional metering - water (non-infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: Capex optional metering – water (non-infrastructure)	
<b>Definition</b>	Non-infrastructure capital expenditure associated with the total number of free meter options installed at household properties during each year. Include meters installed at household properties fitted in any location (eg internal, external in garden, external at boundary, etc.). Include only those meters which have been installed free of charge to the customer and which are used to determine a customer’s bill. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

17	Capex sub total - water (non-infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: Capex sub total - water (non-infrastructure)	
<b>Definition</b>	Gross capital expenditure for the provision of non-infrastructure assets to provide water services for new customers, to accommodate increased use of water by existing customers and to accommodate the potential impact of climate change, while maintaining existing levels of service. . These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Calculated field: the sum of lines 12, 13, 14, 15 and 16	
<b>Reference</b>	New	

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18	Capex total net of efficiency - water (non-infrastructure)	£m (3dp)
<b>Full line title</b>	Supply/demand balance: capex total net of efficiency – water (non-infrastructure)	
<b>Definition</b>	Gross capital expenditure net of efficiency, for the provision of non-infrastructure assets to provide water services for new customers, to accommodate increased use of water by existing customers and to accommodate the potential impact of climate change, while maintaining existing levels of service. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Calculated field: Sum of lines (12, 14 and 15) multiplied by (1 – line 2 divided by 100) plus the sum of lines (13 and 16) multiplied by (1 - line 3 divided by 100)	
<b>Reference</b>	New	



**Block D – Capital contributions**

19	Developer and other contributions	£m (3dp)
<b>Full line title</b>	Supply/demand balance – requisitions and other contributions for the water service	
<b>Definition</b>	A projection of anticipated developer and other anticipated capital contributions received for the water service.	
<b>Processing rules</b>	Input field	
<b>Reference</b>	New	

20	Grants	£m (3dp)
<b>Full line title</b>	Supply/demand balance – grants -for the water service	
<b>Definition</b>	All grants received, approved and anticipated net of associated costs of securing the grant for the water service.	
<b>Processing rules</b>	Input field	
<b>Reference</b>	New	

21	Infrastructure charges	£m (3dp)
<b>Full line title</b>	Supply/demand balance: infrastructure charges for the water service	
<b>Definition</b>	Anticipated revenues from infrastructure charges that should equate to the multiple of the number of connections for domestic purposes, the proposed standard infrastructure charges and the effect of any scaling factor.	
<b>Processing rules</b>	Input field	
<b>Reference</b>	New	

**Block E – Water service SDB – changes in operating expenditure**

22	Opex growth excluding demand management - water	£m (3dp)
<b>Full line title</b>	Supply/demand balance: opex growth excluding demand management – water	
<b>Definition</b>	The adjusted base operating expenditure in 2003-04 associated with changes to water delivered to new and existing customers while maintaining existing levels of service. Exclude expenditure associated with selective meters and other assets to manage customer demand. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

23	Opex growth selective meters - water	£m (3dp)
<b>Full line title</b>	Supply/demand balance: operating costs of selective metering – water	
<b>Definition</b>	The additional operating expenditure associated with the total number of selective meters installed at properties in each year. Include meters installed at properties fitted in any location (e.g. internal, external in garden, external at boundary, etc.). These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field	
<b>Reference</b>	New	

24	Opex growth other demand management - water	£m (3dp)
<b>Full line title</b>	Supply/demand balance: opex growth other demand management - water	
<b>Definition</b>	The additional operating expenditure associated with assets to manage customer demand, other than selective meters, installed at properties in each year. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

25	Opex new development – water	£m (3dp)
<b>Full line title</b>	Supply/demand balance: opex – new development – water	
<b>Definition</b>	The adjustments made to base operating expenditure in 2003-04 as a result of additional capital costs associated with the provision of local distribution assets to provide water services for new customers with no net deterioration of existing levels of service. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field	
<b>Reference</b>	New	

26	Opex optional metering – water	£m (3dp)
<b>Full line title</b>	Supply/demand balance: opex – optional metering – water	
<b>Definition</b>	The additional operating expenditure associated with the total number of free meter options installed at household properties in each year. Include meters installed at household properties fitted in any location (e.g. internal, external in garden, external at boundary, etc.). Include only those meters which have been installed free of charge to the customer and which are used to determine a customer’s bill. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field	
<b>Reference</b>	New	

27	Opex sub total - water	£m (3dp)
<b>Full line title</b>	Supply/demand balance – opex sub total – water	
<b>Definition</b>	The adjustments to base operating expenditure in 2003-04 due to growth related capital expenditure, capital investment for new development and to accommodate the potential impact of climate change, while maintaining existing levels of service. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Calculated field: the sum of lines 22, 23, 24, 25, and 26	
<b>Reference</b>	New	

28	Overall compounded assumed improvement profile (opex base)	% (2dp)
<b>Full line title</b>	Assumed overall improvement profile for water service base operating expenditure efficiency	
<b>Definition</b>	The overall cumulative improvement in water service base operating efficiency resulting from catch-up in relative efficiency plus minimum improvements achievable by efficient companies.	
<b>Processing rules</b>	Input field	
<b>Reference</b>	New	

29	Overall compounded opex improvement profile	£m
<b>Full line title</b>	Overall compounded opex improvement profile	
<b>Definition</b>	Overall compounded opex improvement profile	
<b>Processing rules</b>	Calculated field: Line 28 multiplied by line 27	
<b>Reference</b>	New	

30	Additional opex total net of efficiency – water	£m (3dp)
<b>Full line title</b>	Supply/demand balance – total opex net of efficiency – water	
<b>Definition</b>	The adjustments to base operating expenditure in 2003-04 net of efficiency, due to growth related capital expenditure, capital investment for new development and to accommodate the potential impact of climate change, while maintaining existing levels of service. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Calculated field:	
<b>Reference</b>	New	

**Block F – Water service ESL – capital expenditure infrastructure**

31	Capex for agreed 'early start' programme 2005-06 for enhanced security of supply (infrastructure)	£m (3dp)
<b>Full line title</b>	Enhanced service levels: capex for agreed 'early start' programme 2005-06 for enhanced security of supply (infrastructure)	
<b>Definition</b>	The forecast infrastructure capital costs associated with 'early start' schemes associated with the achievement of an enhanced service level that directly impacts on supply/demand balance through improved security of water supplies in 2005-06 and 2006-07. These amounts must reconcile with those agreed and be consistent with the forecasts set out in any water resource plans.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

32	Capex – enhanced security of supply sub total (excluding 'early start' capex) (infrastructure)	£m (3dp)
<b>Full line title</b>	Enhanced service levels: capex – enhanced security of supply sub total (excluding 'early start' capex) (infrastructure)	
<b>Definition</b>	<p>The infrastructure capital costs associated with the achievement of an enhanced service level that directly impacts on supply/demand balance through improved security of water supplies.</p> <p>An enhancement is achieved through the provision of identifiable, measurable and permanent stepped improvements in service levels above the most recently established authority-wide base level of service and additional to improvements which result from expenditure in other purpose categories.</p> <p>This expenditure should be consistent with the forecasts set out in any water resource plans. It should exclude any forecast infrastructure capex associated with 'early start' schemes affecting enhancements to the security of supply position included under line 29. These costs should be consistent with the Q&amp;SIII programme.</p>	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	



33	Capex – enhanced security of supply net of efficiency (infrastructure)	£m (3dp)
<b>Full line title</b>	Enhanced service levels: capex – enhanced security of supply net of efficiency (infrastructure)	
<b>Definition</b>	<p>The infrastructure capital costs, net of efficiency, associated with the achievement of an enhanced service level that directly impacts on supply/demand balance.</p> <p>An enhancement is achieved through the provision of identifiable, measurable and permanent stepped improvements in service levels above the most recently established authority-wide base level of service and additional to improvements which result from expenditure in other purpose categories. These costs should be consistent with the Q&amp;SIII programme.</p> <p>Early start' capex is not included in the efficiency calculation.</p>	
<b>Processing rules</b>	Calculated field: Line 29 plus (line 30 multiplied by (1 –line 1 divided by 100)).	
<b>Reference</b>	New	

**Block G – Water service ESL – capital expenditure non-infrastructure**

34	Capex for agreed 'early start' programme 2005-06 for enhanced security of supply (non-infrastructure)	£m (3dp)
<b>Full line title</b>	Enhanced service levels: capex for agreed 'early start' programme 2005-06 for enhanced security of supply (non-infrastructure)	
<b>Definition</b>	The forecast non-infrastructure capital costs associated with 'early start' schemes associated with the achievement of an enhanced service level that directly impacts on supply/demand balance through improved security of water supplies in 2005-06 and 2006-07. These amounts must reconcile with those agreed and be consistent with the forecasts set out in any water resource plans.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

35	Capex – enhanced security of supply sub-total (excluding early start capex) (non-infra)	£m (3dp)
<b>Full line title</b>	Enhanced service levels: capex – enhanced security of supply sub total (excluding 'early start' capex) (non-infrastructure)	
<b>Definition</b>	<p>The non-infrastructure capital costs associated with the achievement of an enhanced service level that directly impacts on supply/demand balance through improved security of water supplies.</p> <p>An enhancement is achieved through the provision of identifiable, measurable and permanent stepped improvements in service levels above the most recently established authority-wide base level of service and additional to improvements which result from expenditure in other purpose categories.</p> <p>This expenditure should be consistent with the forecasts set out in any water resource plans. It should exclude any forecast non-infrastructure capex associated with 'early start' schemes affecting enhancements to the security of supply position included under line 32. These costs should be consistent with the Q&amp;SIII programme.</p>	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

36	Capex – enhanced security of supply net of efficiency (non-infrastructure)	£m (3dp)
<b>Full line title</b>	Enhanced service levels: capex – enhanced security of supply net of efficiency (non-infrastructure)	
<b>Definition</b>	<p>The non-infrastructure capital costs, net of efficiency, associated with the achievement of an enhanced service level that directly impacts on supply/demand balance.</p> <p>An enhancement is achieved through the provision of identifiable, measurable and permanent stepped improvements in service levels above the most recently established authority-wide base level of service and additional to improvements which result from expenditure in other purpose categories. These costs should be consistent with the Q&amp;SIII programme.</p> <p>‘Early start’ capex is not included in the efficiency calculation.</p>	
<b>Processing rules</b>	Calculated field: Line 32 plus line 33 multiplied by (1 –line 2 divided by 100).	
<b>Reference</b>	New	

**Block H – Water service ESL –changes in operating expenditure**

37	Opex for agreed 'early start' programme 2005-06 for enhanced security of supply	£m (3dp)
<b>Full line title</b>	Opex for agreed 'early start' programme 2005-06 for enhanced security of supply	
<b>Definition</b>	The forecast adjustments made to base operating expenditure in 2003-04 due to capital investment in 'early start' schemes to achieve an enhanced service level that directly impacts on supply/demand balance through improved security of water supplies in 2005-06. These amounts must reconcile with those agreed and be consistent with the forecasts set out in any water resource plans. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

38	Opex – enhanced security of supply sub total (excluding 'early start' opex)	£m (3dp)
<b>Full line title</b>	Opex – enhanced security of supply sub total (excluding 'early start' opex)	
<b>Definition</b>	The adjustments made to base operating expenditure in 2003-04 due to capital investment undertaken to achieve an enhanced service level that directly impacts on supply/demand balance through improved security of water supplies.  This expenditure should be consistent with the forecasts set out in your water resource plans. It should exclude any forecast opex associated with 'early start' schemes affecting enhancements to the security of supply position included under line 35. These costs should be consistent with the Q&SIII programme.	
<b>Processing rules</b>	Input field:	
<b>Reference</b>	New	

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39	Additional opex – enhanced security of supply net of efficiency	£m (3dp)
<b>Full line title</b>	Enhanced service levels – opex – enhanced security of supply net of efficiency	
<b>Definition</b>	The adjustments made to base operating expenditure, in 2003-04 net of efficiency, due to capital investment undertaken to achieve an enhanced service level that directly impacts on supply/demand balance. These costs should be consistent with the Q&SIII programme. 'Early start' opex is not included in the efficiency calculation.	
<b>Processing rules</b>	Calculated field: Line 35 plus (Line 36 multiplied by (1- line 5 divided by 100)).	
<b>Reference</b>	New	

45	Total Supply/Demand capex (infra & non-infra) post efficiency	
<b>Full line title</b>		
<b>Definition</b>	Capital expenditure on supply demand programme on infrastructure and non-infrastructure assets	
<b>Processing rules</b>	Line 11 + Line 18 + Line 33 + Line 36	
<b>Reference</b>	Calculated	

50	Total Supply/Demand and enhanced service levels programme capital expenditure	
<b>Full line title</b>		
<b>Definition</b>	Capital expenditure on supply demand programme on infrastructure and non-infrastructure assets	
<b>Processing rules</b>	tbc	
<b>Reference</b>		

51	Total Supply/Demand and enhanced service levels programme <b>operating</b> expenditure	
<b>Full line title</b>		
<b>Definition</b>	The net additional operating expenditure attributable to the water service supply demand programme, after adjustment to account for efficiency assumptions.	
<b>Processing rules</b>	Line 30 + 39	
<b>Reference</b>		