



**SCOTTISH WATER  
WICS ANNUAL RETURN 2023-24**

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# 1 Table P1 – Wholesale revenue reconciliation

## 1.1 Overview

Table P2 has been populated using data derived from Central Market Agency (CMA) settlement reports. Table P1 reconciles this data to values reported in the Annual Return A and M Tables. The maturity of the source settlement data varies for the more recent years where the settlement process has not yet concluded. This is summarised in the table below:

Financial Year	Settlement Reports Used	Current Status of Settlement Reports	Status of Data in Wholesale Information Tables
2010-11 To 2021-22	RF	Billed	Unchanged from AR23 submission
2022-23	RF	Billed except two Licensed Providers affected by material data issues – analysis and data corrections currently underway	Tables 1 and 2 updated from AR23 to reflect RF settlement data published in February 2024
2023-24	Apr-Jun: R3 Jul-Dec: R2 Jan-Feb: R1 Mar: P2	The settlement reports used represent the usual billed position at the end of a financial year, aligning with reported financial results for that year. The same combination of R1, R2 and R3 settlement reports are used to populate the wholesale tariff model each year. The new P2 rather than P1 run has been used to populate March data in AR24 (see section 1.2 below).	Tables 1 and 2 populated to reflect full year of settlement reports and latest position at financial year-end

Scottish Water loads all CMA settlement reports into corporate systems for reporting and analysis purposes.

## 1.2 Data Improvement Programs

The introduction of Financial Resilience arrangements in April 2023 following [consultation by WICS](#) resulted in LPs moving to a variety of payment terms for wholesale charges. To accommodate this change, the timing of the P1 settlement run was brought forward (from 2 months ahead of supply month to 3 months ahead) and an additional provisional settlement run (P2) was introduced, run at the same time as the previous P1 report (2 months ahead of supply month). The P2 report has therefore been used to populate March 2023 data in AR24 as it was the latest available settlement report for March at 2023/24 financial year end and is equivalent to the pre-Financial Resilience P1 report used to populate March data in previous Annual Returns.

There has been no other change in data sources or reporting methodology for Table P1 since AR23.

## 1.3 Data

### Reconciliation to revenues reported in the M Tables (Lines R1.1 - P1.8)

The first section of Table 1 reconciles revenues derived from tariffs and drivers in the P Tables (as set out in Table 2) with those reported in the M Tables and includes the following lines described below.

#### P1.1 - Total Wholesale Revenue (£m)

Total primary wholesale revenue as calculated by the P Tables (P2.8) based on data from the relevant disaggregated settlement report. Revenue for 2022-23 supply year has dropped since the AR23 submission as is normal between the R1/R2/R3 settlement runs and the final RF run. This is the result of estimated consumption having been replaced by actual meter readings and due to Scottish Water's Wholesale Data Changes policy where data corrections are backdated if customers have been overcharged but not where they have been undercharged. Revenue has increased in 2023-24, mainly due to the price increase of 5%.

#### P1.2 - Negative Volumes excluded from P Tables

A negative advance may be recorded at the CMA for a meter for a number of reasons: typically, either an erroneous meter reading, an undetected meter rollover (where the meter has advanced from 99999 to 00000) or a volumetric adjustment (e.g., a burst allowance). These volumes are excluded from the P Tables which do not envisage negative volumes and therefore do not fully replicate their treatment in settlement. In order to reconcile to billed revenue, this adjustment reflects the actual negative charges calculated by the CMA for the affected meters, taken from the disaggregated settlement reports.

#### P1.3 - Charges on 50% exempt Supply Points

This adjustment reflects the wholesale charges at Supply Points which are 50% exempt, taken from the disaggregated settlement reports. This income is not included in the P Tables which only allow for Supply Points with 100% exemption. This line is only populated from 2015-16 onwards because 50% exemption was first introduced at the launch of the current exemption scheme in 2015.

#### P1.3A - Reconciliation difference Table 2 vs. Settlement Report

The difference between the total wholesale charges calculated by the CMA (as set out in the disaggregated settlement reports used to populate the revenue drivers in Table 2) and the total revenue calculated by Table 2 from the revenue drivers and tariffs. Because Table 2 is a simplified version of the CMA settlement calculations, these values do not match exactly with Settlement Reports billed. The reconciliation difference is less than 0.5% of total revenue in all years.

#### P1.4 - Adjustment to final RF billed position

Table 2 has been populated based on the RF disaggregated settlement report issued by the CMA for all years up to 2022-23. Where data issues are identified after the RF run, the data is corrected, and the CMA is then requested to undertake settlement calculations on the affected Supply Points as a value-added service which are used as the basis of billing adjustments.

When the Wholesale Revenue Information tables (which subsequently became the revised P Tables) were first completed in 2019 for all historic years back to 2010-11, the value of these adjustments was populated in Line P1.4 for all years up to 2017-18 where RF, including adjustments for subsequent data corrections, had been billed. The value in Line P1.5 for these years will be net of the corresponding release of or charge to the income uncertainty provision.

For each year from 2018-19 onwards, the tables have been populated prior to any adjustments for post- RF data corrections being billed. Line P1.4 is therefore empty from 2018-19 onwards and the income uncertainty provision reported in Line P1.5 is the original value of the provision

at the relevant financial year end, prior to any release of or charge to the provision in respect of post-RF data corrections.

#### **P1.5 - Income Uncertainty Release/Charge**

Any release of or charge to the income uncertainty provision in the given year. For 2023-24, this is the anticipated net charge required by the time that the 2023-24 RF position is finalised and billed, net of the one-off provision releases.

#### **P1.6 - Vacancy/Gap Incentive payments**

Payments to Licensed Providers under the vacant site or gap site incentive schemes in the given year. Values relate to the gap site incentive scheme only from 2017-18 onwards following closure of the vacant site incentive scheme at the end of 2016-17. Gap site incentive payments were lower in 2020-21 and 2021-22 due to the suspension of gap site registration during COVID and had returned to previous levels in 2022-23.

There has been a significant drop in the value of payments made during 2023-24. This is the result of the review of the incentive scheme in 2020 which reduced the value of payments for smaller gap sites and prevented LPs from claiming incentives on new gap sites which were already being processed pro-actively by Scottish Water. The result of these changes has been delayed by the suspension of gap site processing during COVID lockdowns and the time taken to clear subsequent backlogs. In addition, under the revised scheme there have been higher levels of 'clawbacks' of incentive payments from Licence Providers where the gap site is no longer in charge after 2 years.

#### **P1.7 - Non-primary**

Non-primary wholesale income from Licensed Providers. Revenue in 2023-24 remains lower than historic levels as LPs increasingly use Accredited Entities (rather than Scottish Water) for Temporary disconnections and following the removal of charges for customer requested permanent disconnections from April 2020.

#### **P1.8 - Wholesale Revenue reported in M Tables**

This is a calculated row based on the sum of rows P1.1-1-7 above. Row P1.8 is reconciled to the wholesale revenue as reported in line M7.3 of the Annual Return (shown in row R1.8A).

### **Reconciliation to Measured Water Volumes reported in the A Tables (Lines P1.9 – P1.21)**

The second section of Table 1 reconciles total measured water volumes from the P Tables (as summarised in Table 2) with those already reported in line A2.10 of the A Tables and includes the following lines described below.

#### **P1.9 - Total Measured Water Volumes (m<sup>3</sup>)**

Total wholesale measured water volumes from the P Tables based on the relevant settlement report(s), from Line P2.12.

#### **P1.10 - Total Measured Water Volumes (Ml/day)**

Line P1.9 divided by number of days in the financial year and by 1,000 to convert from m<sup>3</sup> to Ml/day.

#### **P1.11 - Timing difference**

The difference between the P Tables values run on the settlement reports used for Table 2 (as per table in section 1.1) and the P Tables run on the monthly settlement reports used to populate Line A2.10 of the Annual Return for the same supply year.

### **P1.12 - Allocated tranche**

The first 20m<sup>3</sup> per meter at a Supply Point to which no charges apply, as defined in the Wholesale Charges Scheme. This volume is not included in the P Tables as it is not subject to charges but is included in the A Tables to reflect total non-household potable consumption for Water Balance purposes.

### **P1.13 - Schedule 3 Potable consumption**

Schedule 3 Supply Points are not subject to standard wholesale charges so are not included in the P Tables measured volumes, but their volumes are included in the A Tables to reflect total non-household potable consumption for Water Balance purposes. Raw water consumption at Schedule 3 Supply Points is not included.

### **P1.14 - Vacancy**

Consumption at vacant Supply Points is included in the P Tables from 2017-18 onwards following the introduction of charging at vacant premises. Until 2021, a separate estimate of consumption at vacant Supply Points was included in the Water Balance (and is therefore included in line A2.10) as part of the 'Estimated meter under-registration, supply pipe leakage and internal plumbing losses' Line P1.19 below. In 2021-22, following a move to a new reporting platform, the Water Balance reports consciously included consumption at vacant properties as calculated by the CMA, meaning that the adjustment in Line P1.14 was not needed. However, this decision was reversed in 2022-23 so the adjustment has been reintroduced to the reconciliation.

### **P1.15 - Exemption**

Volume at exempt Supply Points is not subject to charge so is not included in the P Tables but is included in the A Tables to reflect total non-household potable consumption for Water Balance purposes. The volumes at all Supply Points which are subject to exemption (at 50% or 100%) are reported in Line P1.15.

### **P1.16 - Adjustments for negative volumes**

As set out in relation to Line P1.2 above, negative volumes can be recorded for a meter at the CMA for a number of reasons. Whilst these negative volumes are excluded from the P Tables (which does not envisage such a scenario), the A Tables include an estimate of the actual positive consumption at such meters to reflect total non-household potable consumption for Water Balance purposes. This estimate reflects the expected final position in subsequent settlement runs following correction of related data errors causing the negative consumption.

### **P1.17 - Supply Point data error adjustments**

Adjustments included in the water balance to correct for open data issues at specific Supply Points, typically relating to erroneous meter readings which are having a material impact on settlement, and to exclude consumption on raw water supplies. Such data issues are logged, tracked to resolution, and corrected at subsequent settlement runs. The AR23 adjustment for data errors was -7.0Ml/d, removing volumes where data errors had caused overestimation of consumption. The AR24 adjustment is -8.6Ml/d.

The largest adjustments in AR24 are for Diageo, Fife (+0.4Ml/d), Superglass Insulation (+0.3Ml/d) and Strathallan School (-0.3Ml/d).

A change in approach to A2.10 in AR23 resulted in Line P1.17 reflecting an adjustment to deduct raw water volumes from the base data rather than adding in potable water volumes at these sites which had previously been excluded. This contributes to -7.9Ml/d of the P1.17 adjustment in AR24 (-5.9Ml/d in AR23). Two meters account for the majority of this movement, being at Kerry Ingredients (UK) Ltd, Menstrie and William Grant & Sons Distillery, Girvan.

### **P1.18 - Shipping Water**

Shipping water supplied via Scottish Water Horizons at Aberdeen harbour is included in the A Tables to reflect total non-household potable consumption for Water Balance purposes. This

is 1.32MI/d for 2023-24, a small decrease on AR23 but in line with the last 2 years.

#### **P1.19 - Estimated meter under-registration, supply pipe leakage and internal plumbing losses**

Estimates of meter under-registration, supply pipe leakage and internal plumbing losses at vacant premises are included in the A Tables to reflect total non-household potable consumption for Water Balance purposes. This has remained broadly in line with previous years at 16.5MI/d for 2023-24, a slight drop on the 2022-23 value (16.8MI/d).

#### **P1.20 - Measured non-household volume of water delivered reported in A tables**

The sum of Lines P1.10 to P1.19, which is measured non-household volume of water delivered, as reported in A2.10

### **Reconciliation to Measured Sewerage Volumes reported in the A Tables (Lines P1.21 – P1.29)**

The third section of Table 1 reconciles total measured sewerage volumes from the P Tables (as summarised in Table 2) with those already reported in line 3.7 of the A Tables and includes the following lines described below.

#### **P1.21 - Total Measured Foul Sewerage Volumes (m<sup>3</sup>)**

Total wholesale foul sewerage volumes at measured Supply Points from the P Tables based on the relevant settlement report(s), from Line P2.14.

#### **P1.22 - Total Measured Foul Sewerage Volumes (MI/day)**

Line P1.21 divided by number of days in the financial year and by 1,000 to convert from m<sup>3</sup> to MI/day.

#### **P1.23 - Timing difference**

The difference between the P Tables values run on the settlement reports used for Table 2 (as per table in section 1.1 of this document) and the P Tables run on the March R1 monthly settlement report used to populate line A3.7 of the Annual Return for the same supply year.

#### **P1.24 - Allocated tranche**

The first 20m<sup>3</sup> per meter at a Supply Point to which no charges apply, as defined in the Wholesale Charges Scheme. This volume is not included in the P Tables as it is not subject to charges but is included in the A Tables to reflect total non-household volumes.

#### **P1.25 - Schedule 3**

Schedule 3 Supply Points are not subject to standard wholesale charges so are not included in the P Tables measured volumes, but their volumes are included in the A Tables to reflect total non-household volumes.

#### **P1.26 - Vacancy**

Consumption at vacant Supply Points included in the P Tables from 2017-18 onwards following the introduction of charging at vacant premises. A separate estimate of consumption at vacant Supply Points was previously included in line A3.7 until 2018-19 (and reported separately in the 'Adjustments for vacancy' Line P1.28 below) so the vacant consumption included in the P Tables was deducted as part of the reconciliation and was reported in this line. The estimate has not been included in A3.7 since 2018-19 so reconciliation line P1.26 is no longer required and therefore contains zero in all subsequent years.

### **P1.27 - Exemption**

Volume at exempt Supply Points is not subject to charge so is not included in the P Tables but is included in the A Tables to reflect total non-household volumes. The volumes at all Supply Points which are subject to exemption (at 50% or 100%) are reported in Line P1.15.

### **P1.28 - Adjustments for vacancy**

An estimate of actual volumes at Supply Points flagged as vacant at the CMA was previously included in line A3.7. This estimate has not been included since 2018-19 so this reconciliation line is no longer required.

### **P1.29 - Adjustments to negative volumes**

As set out in relation to Line P1.2 above, negative volumes can be recorded for a meter at the CMA for a number of reasons. Whilst these negative volumes are excluded from the P Tables (which does not envisage such a scenario), the A Tables include an estimate of the actual positive consumption at such meters to reflect total non-household volumes. This estimate reflects the expected position in subsequent settlement runs following correction of related data errors causing the negative consumption.

### **P1.30 - Measured non-household foul volume reported in A tables**

Measured non-household foul sewerage as reported in line A3.7

## **Reconciliation of tariff multipliers to property counts (Lines P1.31 – P1.64)**

This section reconciles the tariff multipliers for counts of meters and unmeasured Supply Points reported in Table P2 with the counts of properties reported in Table A1 of the Annual Return. There are differences in the way that the data in each of the tables is derived which are summarised below.

Tariff multipliers in Table P2 are calculated based on the number of days in the financial year that each meter or unmeasured Supply Point has been in charge in order that the revenue calculated in Table P2 reconciles as closely as possible to the wholesale charges calculated by the CMA. For example, if a 20mm metered supply was disconnected part-way through the financial year so that it was only in charge for the first 91 days of the year, this would be included in Line P2.53 as 0.25 of a meter (based on 91/365 days).

Property counts in Table A1 of the Annual Return reflect a distinct count of all Supply Points which are in charge at the mid-point of the financial year (based on the 30th of September from the September R2 settlement report which is used to populate the tables). If a Supply Point was disconnected midway through September, it would therefore not be included in the Table A1 counts.

## **Reconciliation of assessed supply points to unmeasured non-household billed properties - potable water (Lines P1.31 – P1.37)**

### **P1.31 - Water assessed tariff multipliers**

Tariff multipliers for counts of water Supply Points with assessed water services, as reported in P2.20. As set out above, this value is calculated based on the number of days that each Supply Point is in charge during the financial year.



### **P1.32 – Adjustment for Transitional Phasing of FBM meters**

The Full Business Metering (FBM) programme ran from 2006-2009 and installed meters at all previously unmeasured business premises where it was practical to do so. All business premises which were metered through this programme transitioned from unmetered to metered charges on a phased basis as summarised in the table below:

<b>Financial Year</b>	<b>Metered Charges</b>	<b>Unmetered Charges</b>
2008-09	0%	100%
2009-10	33%	67%
2010-11	67%	33%
2011-12	100%	0%

For 2010-11, in order that the revenue calculated in Table P2 reconciles as closely as possible to the charges calculated by the CMA, tariff multipliers for Supply Points which were part of the FBM programme have been included on the proportions shown above (i.e., tariff multipliers x 33% included in Line P1.31 and tariff multipliers x 67% included in Line below).

During the period of transitional phasing from 2008-09 to 2010-11, Supply Points which were part of the FBM programme were reported as unmeasured in line A1.3 of the Annual Return. From 2011-12 onwards, this group of Supply Points were instead reported as measured in line A1.4 of the Annual Return.

For 2010-11, in order to reconcile between the unmeasured water tariff multipliers in Table P2 (which included 33% of the Supply Points in the FBM programme) and the property counts from Table A1 of the Annual Return (which included 100% of the Supply Points in the FBM programme) it was necessary to make an adjustment for the remaining 67% of this population which is reflected in this Line P1.32.

### **P1.33 – Exemption**

Exempt Supply Points are not subject to charge so are not included in the P2 numbers but are included in the A Tables to reflect total non-household property counts. It should be noted that up to 2022-23, data has been sourced from the RF final reconciliation run. So, this Line represents the final number of exempt Supply Points for that year. For 2023-24, the deadline for applications had not passed when all the monthly source settlement reports were run so for this year this number is not the final position. The 2023-24 Month exempt properties number is lower than usual as one large Licenced Provider had a systems problem which prevented many customers from applying to renew their exemption for much of the year. Whilst a manual workaround was ultimately implemented by the Licensed Provider, the issue resulted in a large proportion of applications being submitted to Scottish Water later in the financial year than usual and therefore not being reflected across all of the monthly settlement reports used to populate AR24.

### **P1.34 - Conversion from calculation of Supply Points on days-in-charge basis to distinct count of Supply Points**

As set out above, tariff multipliers in Table P2 are calculated based on the number of days in the financial year that each Supply Point with water assessed services has been in charge. Property counts in Table A1 of the Annual Return are based on the distinct count of Supply Points in charge at the mid-point of the financial year. This Line P1.34 converts from the 'days-in-charge' calculation in Table P2 to a distinct count of Supply Points which have been in charge at any time during the financial year, with the latter figure always being higher due to additions and removals during the year.

The value reported in Line P1.34 is higher in years where there have been more additions to (due to new connections and gap sites) and removals from (due to disconnections and deregistrations) the Supply Points registered in the CMA systems.

A change to processes 29 and 30 of the Operational Code was approved by the Technical Panel and published in March 2020 to enable Scottish Water to register unmeasured gap sites where services had been verified but access had not been granted to the premises to enable a meter to be installed. Shortly afterwards the registration of gap sites was repeatedly suspended during COVID-19 restrictions. In early 2022, additional resources were allocated to reduce the backlog of outstanding gap site requests, including those which could not historically be progressed due to lack of access to install a meter. As reported in AR23, this change to the Operational Code, and subsequent allocation of additional resource to clear historic cases, resulted in a significant increase in unmeasured gap sites being registered since early 2022 and is the cause of the increase in Line P1.34 in 2022-23. Following clearance of the backlog of historic cases, the volume of gap sites being registered has fallen significantly back to more normal historic levels in 2023-24.

### **P1.35 – Vacancy**

Vacant Supply Points are included in Table P2 from 2017-18 onwards following the introduction of charging at vacant premises. The line definitions for Table A of the Annual Return were changed for the 2019 Annual Return so that vacant premises are included in the A Table billed property counts from 2018-19 onwards. For 2017-18 vacant premises are included in the Table 2 tariff multipliers but not in the corresponding A Table property counts, so are adjusted separately in this Line.

### **P1.36 Timing Difference (RF to SEP R2)**

The A Tables in the Annual Return reflect property counts at the mid-point of the financial year. They are populated using the September R2 settlement report, being the latest available settlement run for September at the time that the Annual Return is produced. This Line P1.36 reflects the difference between the A Tables values run on the settlement reports used for Table P2 (as per table in Section 1.1 of this document and spanning a whole year) and the A Tables based on the count as at 30th of September using the September R2 monthly settlement report used to populate the Annual Return for the same supply year.

These values are a distinct count of Supply Points which have been in charge at any point during the period covered by the settlement report(s) so will be higher when run on a longer period (i.e. a year rather than a month) during which time more Supply Points will have been added or removed from charge. The value in Line P1.36 is therefore negative in all cases. For the same reasons set out in respect of Line P1.34 above and as reported in AR23, the value in Line P1.36 is larger negative in 2022-23 than in previous years due to an increase in the number of unmeasured gap sites being registered from early 2022 to early 2024. Following clearance of the backlog of historic gap site cases, the volume of gap sites being registered has fallen significantly back to more normal historic levels in 2023-24, as reflected in Line P1.36.

### **P1.37 - Unmeasured non-household billed properties - potable water (including exempt) (A1.3)**

Property counts as reported in line A1.3 of the Annual Return.

## **Reconciliation of measured supply points to measured non-household billed properties - potable water (Lines P1.38 – P1.47)**

### **P1.38 - Water measured tariff multipliers – meters**

Tariff multipliers for counts of water meters, as reported in Line P2.63. As set out above, this value is calculated based on the number of days that each meter is in charge during the financial year.

### **P1.39 - Adjustment for Transitional Phasing of FBM meters**

See description for Line P1.32 for background on Full Business Metering (FBM) programme and transitional phasing. For 2010-11, in order that the revenue calculated in Table 2 reconciles as closely as possible to the charges calculated by the CMA, tariff multipliers for meters which were part of the FBM programme have been included on the relevant proportions (i.e. Tariff multipliers x 67% included in Line P1.38).

During the period of transitional phasing from 2008-09 to 2010-11, Supply Points which were part of the FBM programme were reported as unmeasured in line A1.3 of the Annual Return. From 2011-12 onwards, this group of Supply Point were instead reported as measured in line A1.4 of the Annual Return.

For 2010-11, in order to reconcile between the tariff multipliers in Table P2 (which included 67% of the meters in the FBM programme) and the property counts from Table A1 of the Annual Return (which included 0% of the Supply Points in the FBM programme) was it necessary to make an adjustment for the 67% of this population which is reflected in this Line.

### **P1.40 - Meters with 0mm chargeable size**

Meters with a chargeable size of 0mm (typically the smaller dial of a combination meter with two dials fitted on a single supply) do not attract any fixed charges so are not included in Table P2.

### **P1.41 – Adjustments for Negative Volumes**

As set out in relation to Line P1.2 above, negative volumes can be recorded for a meter at the CMA for a number of reasons which will often be resolved by subsequent meter readings or data corrections reflected in later settlement runs. Where a meter has attracted no charges for the entire financial year in the RF run (typically due to a negative volume), the meter has been excluded from the tariff multiplier counts in Table P2 as such meters will not accrue consumption thresholds (such as the allocated tranche).

### **P1.42 – Exemption**

Exempt meters are not subject to charge so are not included in P2 but are included in the A Tables to reflect total non-household property counts. It should be noted that up to 2022-23, data has been sourced from the RF final reconciliation so this Line represents the final number of exempt meters for that year. For 2023-24, the deadline for applications had not passed when all the monthly source settlement reports were run so for this year this number is not the final position. As noted above for Line P1.33, the 2023-24 Month exempt properties number is lower than usual due to systems issues at one large Licenced Provider resulting in a large proportion of applications being submitted to Scottish Water later in the financial year than usual and therefore not being reflected across all of the monthly settlement reports used to populate AR24.

### **P1.43 – Schedule 3**

Schedule 3 meters are not subject to standard wholesale charges so are not included in the Table 2 tariff multipliers but are included in the A Table property counts.

### **P1.44 - Conversion from calculation of meters on days-in-charge basis to distinct count of Supply Points**

As set out above, tariff multipliers in Table P2 are calculated based on the number of days in the financial year that each meter has been in charge. Property counts in Table A1 of the Annual Return are based on the distinct count of Supply Points in charge at the mid-point of the financial year. This Line P1.44 converts from the 'days-in-charge' calculation of meters in Table

P2 to a distinct count of Supply Points which have been in charge at any time during the financial year.

This value varies significantly over time as it is affected by two distinct and opposing factors:

- i. The number of meters is higher than the corresponding number of metered Supply Points due to some Supply Points having multiple metered connections, making a negative contribution to the value in Line P1.44.
- ii. A distinct count of Supply Points in charge at any point during the financial year is higher than the equivalent days-in-charge calculation in Table P2 because Supply Points in charge for only part of the year are counted differently. This effect makes a positive contribution to the value in Line P1.44 and is greatest in periods where higher volumes of gap sites and new connections are being registered.

#### **P1.45 – Vacancy**

Vacant Supply Points are included in Table 2 from 2017-18 onwards following the introduction of charging at vacant premises. The line definitions for Table A of the Annual Return were changed for the 2019 Annual Return so that vacant premises are included in the A Table billed property counts from 2018-19 onwards. For 2017-18 vacant premises are included in the Table 2 tariff multipliers but not in the corresponding A Table property counts, so are adjusted separately in this Line P1.45.

#### **P1.46 - Timing Difference (RF to SEP R2)**

The A Tables in the Annual Return reflect property counts at the mid-point of the financial year. They are populated using the September R2 settlement report, being the latest available settlement run for September at the time that the Annual Return is produced. This Line P1.46 reflects the difference between the A Tables values run on the settlement reports used for Table P2 (as per table in Section 1.1 of this document and spanning a whole year) and the A Tables based on properties in charge 30th of September using the September R2 settlement report used to populate the Annual Return.

These values are a distinct count of Supply Points which have been in charge at any point during the period covered by the settlement report(s) so will be higher when run on a longer period (i.e. a year rather than a month) during which time more Supply Points will have been added or removed from charge. The value in R1.46 is therefore negative in all cases.

#### **P1.47 - Measured non-household billed properties - potable water (A1.4)**

Property counts as reported in Line A1.4 of the Annual Return.

### **Reconciliation of assessed supply points to unmeasured non-household billed properties - foul sewerage (Lines P1.48 – P1.54)**

#### **P1.48-P1.54 for assessed foul sewerage**

Have been derived on the same basis as the equivalent assessed water Lines P1.31-P1.37 described above.

## **Reconciliation of measured supply points to unmeasured non-household billed properties - foul sewerage (Lines P1.55 – P1.64)**

### **Lines R1.55-R1.64 for measured foul sewerage**

Have been derived on the same basis as the equivalent measured water Lines P1.38-P1.47 described above.

## 2 Table P2 – Wholesale volumes and revenues

### 2.1 Overview

Table P2 contains tariff drivers (meter counts, consumption, aggregate Rateable Value) and tariffs from the Wholesale Charges Scheme and uses these to calculate wholesale revenue. The tariff drivers are derived from the disaggregated settlement reports produced by the CMA.

The maturity of the source settlement data varies for the more recent years where the settlement process has not yet concluded. This is summarised in the table below:

Financial Year	Settlement Reports Used	Current Status of Settlement Reports	Status of Data in Wholesale Information Tables
2010-11 To 2021-22	RF	Billed	Unchanged from AR23 submission
2022-23	RF	Billed except two Licensed Providers affected by material data issues – analysis and data corrections currently underway	Tables 1 and 2 updated from AR23 to reflect RF settlement data published in February 2024
2023-24	Apr-Jun: R3 Jul-Dec: R2 Jan-Feb: R1 Mar: P2	The settlement reports used represent the usual billed position at the end of a financial year, aligning with reported financial results for that year. The same combination of R1, R2 and R3 settlement reports are used to populate the wholesale tariff model each year. The new P2 rather than P1 run has been used to populate March data in AR24 (see section 1.2 above).	Tables 1 and 2 populated to reflect full year of settlement reports and latest position at financial year-end

Scottish Water loads all CMA settlement reports into corporate systems for reporting and analysis purposes.

### 2.2 Performance Trends

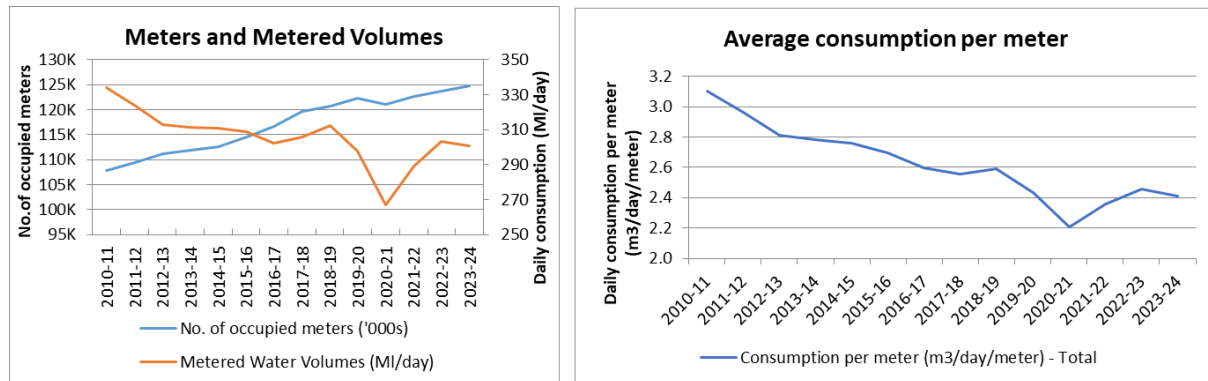
#### Long Term Consumption Trend

Over the long-term period covered by the P tables, consumption has been influenced by ongoing trends (such as a general decline in average consumption per meter) as well as initiatives such as the Scottish Assessors Association (SAA) project which introduced a significant number of new gap sites to the market in the period 2013- 2018 (although not reflective of the underlying movement in the size of the property base). The graphs below show how overall consumption and number of meters have varied over the period covered by the tables along with average consumption per meter. While the average consumption

rebounded in 2022-23, following the drop in the period 2019-20 – 2021-22 due to COVID, the long-term trend is still downwards.

The long-term decline in average consumption per meter is the result of closure of a number of large industrial sites, behavioural changes by customers who were metered for the first time via the Full Business Metering project soon after market opening and increased focus on water conservation by both customers and Licensed Providers.

Volumes at assessed sites continued to increase between 2022-23 month and 2023-24-month in Lines P2.11 and P2.13 as the result of higher numbers of new gap sites processed into charge. Further details are included in the Gap site section below.



The drop in consumption in Line P2.70 (>20mm meters (non-former LUVA): volume between 250,000m3 and (up to and including) 1,000,000m3) in 2023-24, is largely due to EDF Energy Nuclear Gen Ltd (Hunterston Power Station) which has had consistently low volumes since mid-2023, causing a drop of 772,189.47m3 between 2022-23 and 2023-24 monthly.

### Gap Sites and Vacant Properties

Table P2 also breaks out the proportion of revenue from gap sites and from charging at vacant properties (Lines 2.10C, 2.10D and 2.10E). As in previous years' AR submissions, in the gap sites lines we have reported the cumulative revenue from premises identified by the market's SAA project which ran from 2013 to 2018 and Licensed Provider gap site applications since the end of the project in March 2018. The gap sites lines do not include those Supply Points which originated from Scottish Water's pro-active reconciliation process which has also run since 2017-18 and which typically relate to reconfiguration of premises with corresponding deregistrations - the overall revenue impact of this ongoing churn being relatively neutral. There is an overlap between gap sites and vacant premises relating to vacant gap sites which generated income from April 2017 onwards. As in previous submissions, additional lines in Table P2 report the size of this overlap so that the net impact on wholesale revenue can be identified. As previously agreed with WICS, the individual vacant and gap site revenue lines are reported net of any overlap (i.e., the gap sites line reflects only non-vacant gap sites and the vacants line reflects only those vacant properties which were not gap sites) so that the sum of all three lines gives the total income associated with gap sites and vacant properties.

A change to processes 29 and 30 of the Operational Code was approved by the Technical Panel and published in March 2020 to enable Scottish Water to register unmeasured gap sites where services had been verified but access had not been granted to the premises to enable a meter to be installed. Shortly afterwards the registration of gap sites was repeatedly suspended during COVID-19 restrictions. In early 2022, additional resources were allocated to reduce the backlog of outstanding gap site requests, including those which could not historically be progressed due to lack of access to install a meter. This change to the

Operational Code, and subsequent allocation of additional resource to clear historic cases, resulted in a significant increase in unmeasured gap sites being registered from early 2022 to early 2023. Following clearance of the backlog of historic gap site cases, the volume of gap sites being registered has fallen significantly back to more normal historic levels in 2023-24.

The large volume of unmeasured gap sites processed during 2022/23 attracted only part of an annual charge during 2022/23 (as charges apply from the date of registration onwards) but attracted a full annual charge for the first time in 2023/24. This accounts for the increase in Lines P2.1, P2.3 and P2.10c in 2023/24. It has also contributed to an increase in assessed water and foul sewerage volume as reported in Lines P2.11 and P2.13.

## **2.3 Data**

### **P2.1 Revenue from water assessed charges**

This is a calculated field which is the sum of Lines P2.44 to P2.47.

Total revenue from water assessed charges has increased from £4,962,847 in 2021-22 RF to £5,521,837 in 2022-23 RF and from £5,661,528 in 2022-23 monthly to £6,642,922 in 2023-24 monthly. This increase can also be seen in Lines P2.44, P2.45 and P2.46. It is the result of an increase in wholesale charges of 4.2% in 2022/23 and 5% in 2023/24 and higher numbers of unmeasured gap sites being registered and brought into charge. This increase in unmeasured gap sites stems from the change to the Operational Code, and subsequent allocation of additional resource to clear historic gap site cases, which resulted in an increase in unmeasured gap sites being registered and brought into charge, as set out in the Gap Sites section in 2.2 above.

### **P2.2 Revenue from water volumetric charges**

This is a calculated line which is the sum of Lines P2.104 to P2.107.

The revenue from water volumetric charges has increased by 8% from £102,252,829 in 2021-22 RF to £110,730,691 in 2022-23 RF. The water volumetric charges have increased by 5% from £109,873,271 in 2022-23 monthly to £115,739,581 in 2023-24 monthly. These increases are mostly due to the lifting of COVID restrictions in 2022/23 and the increases in wholesale charges of 4.2% in 2022/23 and 5% in 2023/24.

### **P2.3 Revenue from foul sewerage assessed charges**

This is a calculated line which is the sum of the Lines P2.130 to P2.133.

Total revenue from sewerage assessed charges has increased from £4,167,535 in 2021-22 RF to £4,544,631 in 2022-23 RF and increased by 15% from £4,651,827 in 2022-23 monthly to £5,347,912 in 2023-24 monthly. This increase can also be seen in Lines P2.130, P2.131 P2.132 and P2.135. It is the result of an increase in wholesale charges of 4.2% in 2022/23 and 5% in 2023/24 and higher numbers of unmeasured gap sites being registered and brought into charge.

This increase in unmeasured gap sites stems from the change to the Operational Code, and subsequent allocation of additional resource to clear historic gap site cases, which resulted in an increase in unmeasured gap sites being registered and brought into charge, as set out in the Gap Sites section in 2.2 above.

### **P2.4 Revenue from foul sewerage measured charges**

This is a calculated line which is the sum of Lines P2.160 to P2.164.

The revenue from foul sewerage measured charges has increased by 11% from £47,850,289 in 2021-22 RF to £53,025,637 in 2022-23 RF. This increase can also be seen in Lines P2.160, P2.162 and P2.163. The increased volume is the result of COVID restrictions lifting and businesses returning to a more normal way of operating, along with a 4.2% increase in wholesale charges.



The revenue has also increased by 7% from £52,952,297 in 2022-23 monthly to £56,571,038 in 2023-24 monthly. Wholesale charges increased by 5% in 2023-24 which largely accounts for the increased revenue.

#### **P2.5 Revenue from surface water drainage**

This is a calculated line, which is the sum of Lines P2.178 to P2.180.

Total revenue from surface water drainage charges has increased from £149,624,087 in 2021-22 RF to £155,777,178 in 2022-23 RF as a result of the 4.2% increase in wholesale charges in 2022/23.

Total revenue from surface water drainage charges has increased from £157,157,203 in 22-23 monthly to £169,066,256 in 23-24 monthly. This increase is the result of the price increase in 2023-24 (5%).

#### **P2.6 Revenue from trade effluent**

This is a calculated line, which is the sum of Lines P2.201 to P2.203.

Total revenue from Trade Effluent has increased from £29,618,602 in 2021-22 RF to £30,928,433 in 2022-23 RF and from £30,771,470 in 2022-23 monthly to £32,187,587 in 2023-24 monthly due to increases in wholesale charges.

#### **P2.7 Revenue from field troughs and drinking bowls**

This is a calculated line, which is a sum of Lines P2.213 to P2.214.

#### **P2.8 Total revenue**

This is a calculated line which is the sum of Lines P2.1 to P2.7.

Revenue for 2022-23 has dropped since the AR22 submission as is normal between the monthly R1/R2/R3 settlement runs and the final RF run. This is the result of estimated settlement consumption having been replaced by actual meter readings and due to Scottish Water's Wholesale Data Changes policy where data corrections are generally backdated if customers have been overcharged but not where they have been undercharged.

#### **P2.9 Percentage of total revenue from gap sites**

This is a calculated line, being Line P2.10C divided by Line P 2.8.

#### **P2.10 Percentage of total revenue from vacant properties**

This is a calculated line, being Line P2.10D divided by Line P 2.8.

#### **P2.10B Percentage of total revenue from vacant gap sites**

This is a calculated line, being Line P2.10E divided by Line P 2.8.

#### **P2.10C Total revenue from gap sites**

This is a calculated line, which is the sum of the occupied gap site revenue in Lines P2.49, P2.109, P2.135, P2.166, P2.182, P2.205 and P2.216.

The total revenue from occupied gap sites has increased by 17% from £15,518,086 in 2021-22 RF to £18,184,250 in 2022-23 RF. The increase in revenue from gap sites is a result of the combination of:

- newly registered gap sites;
- change in volumes at existing registered and processed gap sites;
- vacant gap sites becoming reoccupied (particularly following COVID restrictions) and therefore moving from line R2.10E to R2.10C

The total revenue from occupied gap sites has increased by 22% from £18,477,545 in 2022-23 monthly to £22,531,329 in 2023-24 monthly. This is the result of an increase in the volume of new gap sites brought into charge in 2022-23 and attracting a full annual charge

for the first time in 2023/24, as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

#### **P2.10D Total revenue from vacant properties**

This is a calculated line. The total revenue from vacant sites has decreased from £12,747,279 in 2021-22 RF to £12,386,621 in 2022-23 RF and from £12,048,491 in 2022-23 monthly to £11,819,307 in 2023-24 monthly. This is not a material change.

#### **P2.10E Total revenue from vacant gap sites**

This is a calculated line. The total revenue from vacant gap sites has increased from £1,286,122 in 2021-22 RF to £1,342,176 in 2022-23 RF. This is not a material change.

The total revenue from vacant gap sites has increased by 14% from £ 1,313,493 in 2022-23 monthly to £1,503,856 in 2023-24 monthly. This is the result of an increase in the volume of new gap sites brought into charge as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

#### **P2.11 Water assessed volumes**

This is a calculated line, which is the sum of Lines P2.24 to P2.28.

Water assessed volumes increased from 4,102,102m<sup>3</sup> in 2021-22 RF to 4,219,486m<sup>3</sup> in 2022-23 RF. This is not a material change.

Water assessed volumes increased from 4,315,970m<sup>3</sup> in 2022-23 monthly to 4,756,642m<sup>3</sup> in 2023-24 monthly. This increase is the result of new gap sites processed and brought into charge. This increase stems from the change to the Operational Code, and subsequent allocation of additional resource to clear historic gap site cases, as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

#### **P2.12 Water measured volumes**

This is a calculated line, which is the sum of Lines P2.67 to P2.71.

Water measured volumes have grown from 105,612,589m<sup>3</sup> in 2021-22 RF to 110,769,712m<sup>3</sup> in 2022-23 RF. This is the result of the full lifting of COVID restrictions and businesses returning to normal operating patterns.

Water measured volumes have increased very slightly, from 109,972,438m<sup>3</sup> in 2022-23 monthly to 110,066,517m<sup>3</sup> in 2023-24 monthly. This is not a material change.

#### **P2.13 Foul sewerage assessed volumes**

This is a calculated field, which equals P2.120

The movements in foul sewerage assessed volume mirror the movements seen in water assessed volumes P2.11

Sewerage assessed volumes have increased slightly from 3,589,125m<sup>3</sup> in 2021-22 RF to 3,661,584m<sup>3</sup> in 2021-22 RF. This is not a material change.

Sewerage assessed volumes have increased by 9% from 3,740,366m<sup>3</sup> in 22-23 monthly to 4,061,208m<sup>3</sup> in 23-24 monthly. This is the result of an increase in the volume of new gap sites brought into charge in 2023-24 as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

#### **P2.14 Foul sewerage measured volumes**

This is a calculated field, which equals the value in row P2.148

Total volumes from foul sewerage measured charges have grown 8%, from 43,234,908m<sup>3</sup> in 2021-22 RF to 46,709,929m<sup>3</sup> in 2022-23 RF. The increase is the result of COVID restrictions lifting and businesses returning to a more normal way of operating.

Total volumes from foul sewerage measured charges have grown 2%, from 46,610,590m<sup>3</sup> in 2022-23 monthly to 47,644,050m<sup>3</sup> in 2023-24 monthly. This is not a material change.

### **Water assessed charges – Lines P2.15 – P2.52C**

#### **Tariff multipliers: licensed provider: assessed meter sizes P2.15 20mm**

The number of unmeasured Supply Points has increased by 14% from 21,076 in 2021-22 RF to 23,967 in 2022-23 RF. This increase is the result of new gap sites brought into charge.

The number of unmeasured Supply Points has increased by 11% from 24,542 in 2022-23 monthly to 27,207 in monthly 2023-24. This increase is the result of new gap sites brought into charge as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

#### **P2.16 – P2.19 25mm - 80mm assessed meter sizes**

Following a change to the Wholesale Charges Scheme in 2020-21, all assessed supply points are now assigned an assessed meter size of 20mm. Therefore, Lines P2.16-P2.19 are no longer applicable.

#### **P2.20 Total**

This is a calculated line, which is the sum of Lines P2.15 – P2.19

The year-on-year increase is the result of new gap sites being brought into charge as detailed in Line P2.15 above.

#### **P2.20B Assessed meter sizes related to gap sites**

The number of assessed meters at occupied gap sites increased by 72% from 3,299 in 2021-22 RF to 5,665 in 2022-23 RF. This increase is the result of new gap sites processed, where a meter could not be fitted, as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

The number of assessed meters at occupied gap sites has increased from 6,203 in 2022-23 monthly to 7,920 in 2023-24 monthly. This increase is the result of high numbers of gap sites processed during 2022-23 which attracted a full annual charge for the first time in 2023-24, as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

The impact of this increase can also be seen in the increase in lines revenue Lines P2.1, P2.3 and P2.10c, along with an increase in assessed water and foul sewerage volume in Lines P2.11 and P2.14.

#### **P2.20C Assessed meter sizes related to vacant properties**

The number of assessed meters related to vacant properties has decreased slightly from 3,492 in 2021-22 RF to 3,412 in 2022-23 RF. This is not a material change.

The number of assessed meters related to vacant properties has increased from 3,368 in monthly 2022-23 to 3,491 in monthly 2022-23. These movements are the result of properties becoming occupied.

#### **P2.20D Assessed meter sizes related to vacant gap sites**

The number of assessed meters related to vacant gap sites has increased from 423 in 2021-22 RF to 714 in 2022-23 RF and increased from 443 in 2022-23 monthly to 984 in 2022-23 monthly.

These movements are the result of new additions to the market.

### **P2.20E Total volume at unmeasured supply points related to gap sites**

The total volume at occupied gap sites has increased by 54% from 435,403m<sup>3</sup> in 2021-22 RF to 669,310m<sup>3</sup> in 2022-23 RF. The additional volume comes from the new gap sites brought into charge.

The total volume at occupied gap sites has increased by 45% from 713,024 in 2022-23 monthly to 1,035,920 in 2023-24 monthly. The additional volume is the result of high numbers of gap sites processed during 2022-23 which attracted a full annual charge for the first time in 2023-24, as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

### **P2.20F Total volume at unmeasured supply points related to vacant gap sites**

There is no volume at unmeasured supply points related to vacant gap sites.

### **P2.20G Average volume**

The average assessed volume at unmeasured occupied gap sites has decreased by 10% from 131.97m<sup>3</sup> in 2021-22 RF to 118.16 m<sup>3</sup> in 2022-23 RF. Volume at assessed supply points is based on Rateable Value (RV). New gap sites being processed into the market now typically have a low RV relative to the existing base, bringing down the overall average volume and visible in the long-term downward trend in this line. Properties with higher RVs are also incentivised to install a meter or enter the reassessment process, as this is likely to be a more cost-effective option for them.

The average assessed volume at unmeasured occupied gap sites increased by 14% from 114.95m<sup>3</sup> in 2022-23 monthly to 130.80m<sup>3</sup> in 2023-24 monthly. Volume at assessed supply points is based on Rateable Value (RV) and all RVs increased from April 2023 because of the Scottish Assessors revaluation of all business premises. The average RV per Supply Point in 2022-23 month was £5,471 whereas the average RV in 2023-24 raised to £6,360 for Supply Points in charge in both periods.

### **Tariff multipliers: licensed provider: assessed capacity volume P2.21 20mm**

The assessed capacity volume between 20m<sup>3</sup> and (up to and including) 100m<sup>3</sup> at unmeasured supply points has increased from 881,099 in 2021-22 RF to 958,585 in 2022-23 RF and increased by 18% from 990,337 in 2022-23 monthly to 1,166,083 in 2023-24 monthly. This mirrors the increase in Line P2.20.

### **P2.22 Total all other meter sizes**

Following a change to the Wholesale Charges Scheme in 2020-21, all assessed supply points are now assigned an assessed meter size of 20mm. Therefore, there is no assessed capacity volume at other meter sizes.

### **P2.23 Total**

This is a calculated line, which is the sum of lines P2.21 and P2.22. The movement in this line is explained in Line P2.21 above.

### **Tariff multipliers: licensed provider: assessed standard volumes**

### **P2.24 20mm meters: volume between 20m<sup>3</sup> and up to and including 100m<sup>3</sup>**

The assessed standard consumption of between 20m<sup>3</sup> and (up to and including) 100m<sup>3</sup> for assessed 20mm meters has increased from 881,099 in 2021-22 RF to 958,585 in 2022-23 RF and has increased by 18% from 990,337 in 2022-23 monthly to 1,166,083 in 2023-24 monthly. These movements match the assessed capacity volumes in Line P2.21.

**P2.25 20mm meters: volume greater than 100m<sup>3</sup>**

The assessed standard consumption greater than 100 m<sup>3</sup> has increased slightly from 3,221,003 in 2021-22 RF to 3,260,902 in 2022-23 RF. This is not a material change.

The assessed standard consumption greater than 100 m<sup>3</sup> has increased by 8% from 3,325,633 in 2022-23 monthly to 3,590,559 in 2023-24 monthly. The increase in Line P2.25 is less than that observed in P2.24 over the same period because new gap sites being brought into charge typically have low RVs relative to the existing base. Consequently, the assessed volume for the Supply Point is lower and less volume exceeds the 100m<sup>3</sup> threshold.

**P2.26 > 20mm meters: volume between 20m<sup>3</sup> and (up to and including) 250,000m<sup>3</sup>**

Following a change to the Wholesale Charges Scheme in 2020-21, all assessed supply points are now assigned an assessed meter size of 20mm. There is therefore no assessed standard consumption of greater than 20m<sup>3</sup> and (up to and including) 250,000m<sup>3</sup> for assessed meters greater than 20mm.

**P2.27 > 20mm meters: volume between 250,000m<sup>3</sup> and (up to and including) 1,000,000m<sup>3</sup>**

Following a change to the Wholesale Charges Scheme in 2020-21, all assessed supply points are now assigned an assessed meter size of 20mm. There is therefore no assessed standard consumption of greater than 250,000m<sup>3</sup> and (up to and including) 1,000,000m<sup>3</sup> for assessed meters greater than 20mm.

**P2.28 > 20mm meters: volume greater than 1,000,000m<sup>3</sup>**

Following a change to the Wholesale Charges Scheme in 2020-21, all assessed supply points are now assigned an assessed meter size of 20mm. There is therefore no assessed standard consumption (using RV-conversion formula) of greater than 1,000,000m<sup>3</sup> for assessed meters greater than 20mm.

**P2.29 Total standard volumes**

This is a calculated line which is the sum of lines P2.24 – P2.28. The movement in this line is explained in lines P2.24 and P2.25 above.

**Tariffs - Lines P2.30 – P2.41**

All tariff values are taken from the Wholesale Charges Scheme for the relevant year.

**Exempt supply points****P2.42 Number of exempt supply points**

The total number of premises attracting a negative wholesale charge due to their exempt status has stayed broadly consistent, moving from 6,257 in 2021-22 RF to 6,274 in 2022-23 RF.

The number of exempt supply points has decreased by 18% and from 6,084 in 2022-23 monthly to 5,006 in 2023-24 monthly. As noted above for Line P1.33, the 2023-24 monthly exempt properties number is lower than usual due to systems issues at one large Licenced Provider resulting in a large proportion of applications being submitted to Scottish Water later in the financial year than usual and therefore not being reflected across all the monthly settlement reports used to populate AR24.

**P2.43 Charge per supply point**

The tariffs are taken from the Wholesale Charges Scheme for the relevant year.

**Revenue – Lines P2.44 – P2.52C**

The revenues reported in Lines P2.44-P2.52C are calculated from the tariff values taken

from the Wholesale Charges Scheme and the tariff multipliers. The movements in Lines P2.44-P2.52C are therefore the result of annual tariff increases and of the movements in the tariff multipliers in Lines P2.15 – P2.43 which are explained above.

**Water volumetric charges – Lines P2.53 – P2.112C Tariff multipliers: licensed provider: tariff meters**

The number of meters at measured supply points varies between years due to the net impact of new properties registered into charge, existing properties disconnected or deregistered, previously unmeasured properties having a meter installed or existing measured properties being reverted to unmeasured charges (typically due to the identification that a metered supply serves multiple properties). There may also be some movement between size bands where meters are replaced with a different sized meter more suitable for the needs of a particular property. The net movements in meter counts reported in lines P2.53 – P2.63 from 2021-22 RF to 2022-23 RF and from 2022-23 monthly to 2023-24 monthly are not material except where specifically mentioned below.

**P2.63B Number of meters at measured supply points related to gap sites**

The number of meters at occupied gap sites has increased from 9,877 in 2021-22 RF to 10,615 in 2022-23 RF. This increase is attributable to new metered gap sites being brought into charge.

The number of meters at occupied gap sites has increased from 10,843 in 2022-23 monthly to 11,235 in 2022-23 monthly. This is not a substantial change.

**P2.63C Number of meters at measured supply points related to vacant properties**

The number of meters has decreased from 9,289 in 2021-22 RF to 8,717 in 2022-23 RF. This decrease is attributable to properties being flagged as vacant during COVID (2021-22 RF) and returning to occupied in 2022-23 RF as the WCDS reversed and COVID restrictions lifted.

The number of meters has decreased from 9,201 in 2022-23 monthly to 8,615 in 2023-24 monthly. This decrease is attributable to properties returning to occupied.

**P2.63D Number of meters at measured supply points related to vacant gap sites**

The number of meters at vacant gap sites has decreased from 581 in 2021-22 RF to 512 in 2022-23 RF. This decrease is attributable to properties being flagged as vacant during COVID (2021-22 RF) and returning to occupied in 2022-23 RF as the WCDS reversed and COVID restrictions lifted.

The number of meters has decreased from 564 in 2022-23 monthly to 520 in 2023-24 monthly. This decrease is attributable to properties returning to occupied.

**P2.63E Total volume at measured supply points related to gap sites**

The total volume at occupied gap sites has increased by 17% from 1,929,821 in 2021-22 RF to 2,267,378 in 2022-23 RF. The increased volume is the result of a combination between COVID restrictions lifting and businesses returning to a more normal way of operating and new processed gap sites.

The total volume at occupied gap sites has increased by 24% from 2,307,776 in 2022-23 monthly to 2,850,525 in 2023-24 monthly. The increase relates to new gap sites brought into charge, especially SSE Thermal Plant at Boddam which accounts for 305,543 of the new volume and Fire Hydrants at Argyll and Bute Council which account for 40,000.

The SSE Thermal Plant at Boddam Power Station in Peterhead had already been in charge but it had been identified that both the thermal plant and a separate sub-station were combined

onto a single Supply Point and these were therefore disaggregated onto separate Supply Points, including a new SPID created via the gap site process.

The fire hydrants in Argyll and Bute are located at Oban and Campbeltown harbours and were brought into charge after it was identified that they were being used to fill boats and ships rather than for firefighting purposes alone.

#### **P2.63F Total volume at measured supply points related to vacant gap sites**

The total volume at vacant gap sites has decreased from 42,819 in 2021-22 RF to 32,469 in 2022-23 RF. This decrease is attributable to properties being flagged as vacant during COVID (2021-22 RF) and returning to occupied in 2022-23 RF as the WCDS reversed and COVID restrictions lifted.

The total volume at vacant gap sites has decreased from 18,244 in 2022-23 monthly to 12,972 in 2023- 24 monthly. This decrease is attributable to properties returning to occupied.

The values in the monthly settlement reports are significantly lower than in the RF runs as the RF reports are based on actual volume captured by meter reads. The monthly reports are run earlier, when not as many meter readings are available, and the CMA's estimation rules assume no consumption since the last meter reading at vacant properties.

#### **P2.63G Average volume**

The average volume has increased from 195.4m<sup>3</sup> in 2021-22 RF to 213.6m<sup>3</sup> in 2022-23 RF. This is a consequence of the increase in P2.63E, a combination between COVID restrictions lifting and businesses returning to a more normal way of operating and new processed gap sites.

The average volume in 2021-22 RF was lower than previous levels pre COVID as lockdowns impacted day to day operations of many businesses. 2022-23 RF average volumes are back to normal as businesses returned to a normal way of operating.

The average volume has increased by 19% from 212.8 in 2022-23 monthly to 253.7 in 2023-24 monthly. This is a consequence of the increase in P2.63E, where new processed gap sites, mostly SSE Thermal Plant at Boddam and Fire Hydrants at Argyll and Bute Council, are bringing a substantial amount of new volume increasing average volume.

### **Tariff multipliers: licensed provider: capacity volume**

#### **P2.64 20mm (non-former LUVA)**

The standard consumption of between 20m<sup>3</sup> and (up to and including) 100m<sup>3</sup> for 20mm meters has increased from 4,898,680m<sup>3</sup> in 2021-22 RF to 5,006,507m<sup>3</sup> in 2022-23 RF and from 4,945,064m<sup>3</sup> in 2022-23 monthly to 5,000,368m<sup>3</sup> in 2023-24 monthly. This is not a material change.

#### **P2.65 Total all other meter sizes**

The consumption between 20m<sup>3</sup> and (up to and including) the capacity volume for all other meter sizes excluding 20mm has increased from 10,846,638m<sup>3</sup> in 2021-22 RF to 11,004,074m<sup>3</sup> in 2022-23 RF and from 10,895,980m<sup>3</sup> in 2022-23 monthly to 11,009,594m<sup>3</sup> in 2023-24 monthly. This is not a material change.

#### **P2.66 Total**

This is a calculated line, which is the sum of Lines P2.64 and P2.65.

## Tariff multipliers: licensed provider: standard volumes

### **P2.67 20mm meters (non-former LUVA): volume between 20m<sup>3</sup> and up to and including 100m<sup>3</sup>**

The volume has increased from 4,898,680m<sup>3</sup> to 5,006,507m<sup>3</sup> in 2022-23 RF and from 4,945,064m<sup>3</sup> in 2022-23 monthly to 5,000,368m<sup>3</sup> in 2023-24 monthly. This is not a material change.

### **P2.68 20mm meters (non-former LUVA): volume greater than 100m<sup>3</sup>**

The volume has increased by 5% from 33,201,084m<sup>3</sup> in 2020-21 RF to 35,014,554m<sup>3</sup> in 2022-23 RF. The increased volume is a combination between the result of COVID restrictions lifting and businesses returning to a more normal way of operating and new 20mm meters being brought into charge.

The volume has increased minimally by 1% from 34,572,491m<sup>3</sup> in 2022-23 monthly to 34,927,103 m<sup>3</sup> in 2023-24 monthly.

### **P2.69 > 20mm meters (non-former LUVA): volume between 20m<sup>3</sup> and (up to and including) 250,000m<sup>3</sup>**

The standard consumption of between 20m<sup>3</sup> and (up to and including) 250,000m<sup>3</sup> increased by 5% from 52,708,017m<sup>3</sup> in 2021-22 RF to 55,526,201m<sup>3</sup> in 2022-23 RF. The increased volume is the result of COVID restrictions lifting and businesses returning to a more normal way of operating.

There was a smaller increase from 2022-23 to 2023-24 monthly (55,030,622m<sup>3</sup> to 56,321,834m<sup>3</sup>). This is not a material change.

### **P2.70 > 20mm meters (non-former LUVA): volume between 250,000m<sup>3</sup> and (up to and including) 1,000,000m<sup>3</sup>**

The standard consumption of greater than 250,000m<sup>3</sup> and (up to and including) 1,000,000m<sup>3</sup> decreased by 3% from 7,362,441 in 2021-22 RF to 7,177,139 in 2022-23 RF. This is not a material change.

The volume decreased by 11% from 7,253,593 in 2022-23 monthly to 6,420,614 in 2023-24 monthly. This is mainly driven by EDF Energy Nuclear Gen Ltd (Hunterston Power Station) which has had consistently low volumes since mid-2023, causing a drop of 772,189.47 between 2022-23 and 2023-24 monthly.

### **P2.71 > 20mm meters (non-former LUVA): volume greater than 1,000,000m<sup>3</sup>**

The standard consumption has increased by 8% from 7,442,368 in 2021- 22 RF to 8,045,310 in 2022- 23 RF. There are very few meters with volumes in this band. The increase is driven by Exxon Mobil Chemical Ltd at Mossmorran as the site returned to normal operation after shutdown during 2021-22 RF.

The volume decreased by 9% from 8,170,666 in 2022-23 monthly to 7,396,598 in 2023-24 monthly. There are very few meters with volumes in this band. The decreased is driven by DSM Nutritional Products (UK) Ltd at Dalry where a turbine shutdown had a negative impact of 343,661.22 between 2022-23 and 2023-24 monthly and by UPM-Kymmene (UK) Ltd, Paper Mill at Irvine which had lower volumes during 2023-24 and had a negative impact of 306,980.87 between 2022-23 and 2023-24

### **P2.72-P2.77 Standard volumes from former-LUVA Supply Points**

During 2021-22 the CMA carried out an update to remove redundant charge components in the Central Systems. As charges for LUVA and non-LUVA sites were harmonised from April 2015 (as set out in the 2015-16 Wholesale Charges Scheme), the large user volume agreement (LUVA) indicator has been redundant ever since. The indicator has now been removed from the settlement reports issued by the CMA.



Lines 2.72 -2.77 (volumes from former-LUVA Supply Points) are no longer separately reportable, and this volume is now included in the volumes reported in corresponding Lines P2.67-2.71 from 2020-21 RF onwards.

### **P2.78 Total**

This is a calculated line, which is the sum of the values in rows P2.68 - P2.77.

### **Tariffs - Line P2.79 – P2.101**

All tariff values are taken from the relevant Wholesale Charges Scheme for the relevant year.

## **Schedule 3 agreements**

### **P2.102 Water volumes from Schedule 3 agreements**

The water volumes relating to Schedule 3 agreements have increased by 6% from 16,681,779 in 2021-22 RF to 17,704,384 in 2022-23 RF. This increase is driven by INEOS at Grangemouth with a positive movement of 908,521.54 between 2021-22 and 2022-23 RF due to a shutdown in 2021.

The water volumes relating to Schedule 3 agreements have decreased by 6% from 16,848,756m<sup>3</sup> in 2022-23 monthly to 15,798,129 m<sup>3</sup> in 2021-22 monthly. The decrease is driven by INEOS at Grangemouth with consistently lower volumes in 2023-24 monthly following the announcement of the potential closure of oil refinery operations at the site in Q1 of 2025.

### **P2.103 Water revenue from Schedule 3 agreements**

There are relatively few Supply Points with Schedule 3 agreements with each agreement specifying a different discount off standard Wholesale Charges Scheme tariffs. The movement in revenue between years relates to the movements in volumes mentioned above in P2.102.

### **Revenue - Lines P2.104 – P2.112C**

The revenues reported in Lines P2.104-P2.112C are calculated from the tariff values taken from the Wholesale Charges Scheme and the tariff multipliers. The movements in Lines P2.104-P2.112C are therefore the result of annual tariff increases and of the movements in the tariff multipliers in Lines P2.53 – P2.78 which are explained above.

## **Foul sewerage assessed charges**

### **Tariff multipliers: licensed provider: assessed tariff meters P2.113 20mm**

The number of unmeasured Supply Points has increased from 17,989 in 2021-22 RF to 20,192 in 2022-23 RF.

The number of unmeasured Supply Points has increased by 10% from 20,635 in 2021-22 monthly to 22,695 in 2022-23 monthly. Both increases are the result of high numbers of gap sites processed during 2022-23 which attracted a full annual charge for the first time in 2023-24, as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties.'

### **P2.114 – P2.118 25mm – 80mm**

Following a change to the Wholesale Charges Scheme in 2020-21, all assessed supply points are now assigned an assessed meter size of 20mm. Therefore, lines P2.114-P2.118 are no longer applicable.

### **P2.118 Total**

This is a calculated which is the sum of Lines P2.113-P2.118.

### **P2.118B Assessed meter sizes related to gap sites**

The number of assessed meters at occupied gap sites has increased from 2,594 in 2021-22 RF to 4,311 in 2022-23 RF. This substantial increase is the result of new gap sites brought into charge.

The number of assessed meters at occupied gap sites has increased from 4,732 in 2022-23 monthly to 5,954 in 2023-24 monthly. Both increases are the result of high numbers of gap sites processed during 2022-23 which attracted a full annual charge for the first time in 2023-24, as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

### **P2.118C Assessed meter sizes related to vacant properties**

The number of assessed meters related to vacant properties is broadly in line year-on-year. These movements are the net result of properties becoming occupied or vacant for being deregistered and of additions to and removals from the market and mirror the movement in the equivalent water Line P2.20C.

### **P2.118D Assessed meter sizes related to vacant gap sites**

The number of assessed meters related to vacant properties has increased from 405 in 2022-22 RF to 645 in 2022-23 RF.

The number of assessed meters related to vacant properties has increased by 104% from 422 in 2022-23 monthly to 863 in 2023-24 monthly.

Both increases are the result of high numbers of gap sites processed during 2022-23 which attracted a full annual charge for the first time in 2023-24, as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

### **P2.118E Total volume at unmeasured supply points related to gap sites**

The total volume at occupied gap sites has increased by 48% 370,155m<sup>3</sup> in 2021-22 RF to 547,077m<sup>3</sup> in 2022-23 RF. The substantial increase is the result of new gap sites brought into charge.

The total volume also increased from 582,756m<sup>3</sup> in 2022-23 monthly to 816,709m<sup>3</sup> in 2023-24 monthly, an increase of 40%. Both increases are the result of high numbers of gap sites processed during 2022-23 which attracted a full annual charge for the first time in 2023-24, as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

### **P2.118F Total volume at unmeasured supply points related to vacant gap sites**

There is no volume at unmeasured supply points related to vacant gap sites

### **P2.118G Average volume**

The average assessed volume at unmeasured occupied gap sites on has decreased by 11% from 142.69m<sup>3</sup> in 2021-22 RF to 126.89m<sup>3</sup> in 2022-23 RF. Volume at assessed supply points is based on Rateable Value (RV). New gap sites being processed into the market now typically have a low RV relative to the existing base, bringing down the overall average volume and visible in the long-term downward trend in this line. Properties with higher RVs are also incentivised to install a meter or enter the reassessment process, as this is likely to be a more cost-effective option for them.

The average assessed volume at unmeasured occupied gap sites on has increased by 11% from 123.14m<sup>3</sup> in 2022-23 monthly to 137.16m<sup>3</sup> in 2023-24 monthly. Volume at assessed supply points is based on Rateable Value (RV) and all RVs increased from April 2023 as a result of the Scottish Assessors revaluation of all business premises. This is consistent with the movement in Line P2.20G.

## Volumes

### **P2.119 Assessed capacity volumes**

The assessed discharge between 20m<sup>3</sup> and (up to and including) the capacity volume threshold at unmeasured supply points has increased between 2021-22 RF and 2022-23 RF from 343,423m<sup>3</sup> to 374,301m<sup>3</sup> respectively. This is directly linked to the new gap sites brought into charge.

The assessed discharge between 20m<sup>3</sup> and (up to and including) the capacity volume threshold at unmeasured supply points has increased 16% from 387,679m<sup>3</sup> in 2022-23 monthly to 449,666m<sup>3</sup> in 2023-24 monthly and is linked to the new gap sites brought into charge and assessed volume changes in the existing base resulting from the RV revaluation in April 2023 by the Scottish Assessors. This is consistent with the corresponding water Line P2.21 and reflects the increase in the number of assessed sewerage Supply Points as reported in Line P2.118 above.

### **P2.120 Assessed standard volumes**

The assessed discharge greater than 20m<sup>3</sup> has increased between 2021-22 RF and 2022-23 RF. This is not a material change.

The increase of 9% from 3,740,366 m<sup>3</sup> in 2022-23 monthly to 4,061,208m<sup>3</sup> in 2023-24 monthly is directly linked to the increase in assessed meters in P2.113 due to new gap sites brought into charge.

### **Tariffs – Lines P2.121 – P2.127**

All tariff values are taken from the Wholesale Charges Scheme for the relevant year.

## Exempt supply points

### **P2.128 Number of exempt supply points**

The total number of premises attracting a negative wholesale charge due to their exempt status has stayed broadly consistent, moving from 6,251 in 2021-22 RF to 6,277 in 2022-23 RF. This is not a material change.

The total number of premises attracting a negative wholesale charge due to their exempt status has decreased from and from 6,074 in 2022-23 monthly to 4,985 in 2023-24 monthly.

The number of exempt supply points is always slightly higher in the RF numbers because the window for applications has not yet closed at the time that the monthly settlement runs take place. Successful applications are back dated to the start of the financial year. As noted above for Line P1.33, the 2023-24 monthly exempt properties number is lower than usual due to systems issues at one large Licenced Provider resulting in a large proportion of applications being submitted to Scottish Water later in the financial year than usual and therefore not being reflected across all of the monthly settlement reports used to populate AR24.

### **P2.129 Charge per supply point**

The tariffs are taken from the Wholesale Charges Scheme for the relevant year.

## Revenue

The revenues reported in Lines P2.130-P2.138C are calculated from the tariff values taken from the Wholesale Charges Scheme and the tariff multipliers. The movements in Lines P2.130-P2.138C are therefore the result of annual tariff increases and of the movements in the tariff multipliers in Lines P2.113 – P2.127 which are explained above.

## **Foul sewerage measured charges – Lines P2.139-P2.169C**

### **Tariff multipliers: licensed provider: tariff meters**

The number of meters at measured supply points varies between years due to the net impact of new properties registered into charge, existing properties disconnected or deregistered, previously unmeasured properties having a meter installed or existing measured properties being reverted to unmeasured charges (typically due to the identification that a metered supply serves multiple properties). There may also be some movement between size bands where meters are replaced with a different sized meter more suitable for the needs of a particular property. The net movements in meter counts reported in lines P2.139 – P2.146 from 2021-22 RF to 2022-23 RF and from 2022-23 monthly to 2023-24 monthly are not material except where specifically mentioned below.

### **P2.146B Number of meters at measured supply points related to gap sites**

The number of meters at occupied gap sites has increased by 7% from 8,075 in 2021-22 RF to 8,656 in 2022-23 RF. This increase is attributable to new metered gap sites being brought into charge.

The number of meters at occupied gap sites has increased from 8,800 in 2022-23 monthly to 9,076 in 2023-24 monthly. This is not a material change.

### **P2.146C Number of meters at measured supply points related to vacant properties**

The number of meters has decreased from 8,216 in 2021-22 RF to 7,631 in 2022-23 RF. This decrease is attributable to properties being flagged as vacant during COVID (2021-22 RF) and returning to occupied in 2022-23 RF as the WCDS reversed and COVID restrictions lifted.

The number of meters has decreased from 8,093 in 2022-23 monthly to 7,489 in 2023-24 monthly. This decrease is attributable to properties returning to occupied.

### **P2.146D Number of meters at measured supply points related to vacant gap sites**

The number of meters has decreased from 568 in 2021-22 RF to 511 in 2022-23 RF. This decrease is attributable to properties being flagged as vacant during COVID (2021-22 RF) and returning to occupied in 2022-23 RF as the WCDS reversed and COVID restrictions lifted.

The numbers of meters at measured supply points related to vacant gap sites has decreased from 554 in 2022-23 monthly to 515 in 2023-24 monthly, mirroring the movement in the corresponding water Line P2.63D.

### **P2.146E Total volume at measured supply points related to gap sites**

The total volume at occupied gap sites has increased by 16% from 1,709,865m<sup>3</sup> in 2021-22 RF to 1,987,347m<sup>3</sup> in 2022-23 RF. The increased volume is the result of a combination between COVID restrictions lifting and businesses returning to a more normal way of operating and new processed gap sites.

The total volume at occupied gap sites has increased by 8% from 2,014,843m<sup>3</sup> in 2022-23 monthly to 2,167,766m<sup>3</sup> in 2023-24 monthly. The increase is related to new processed gap sites; however, the increase is not as big as P2.63E since SSE Thermal Plant at Boddam and Fire Hydrants at Argyll and Bute council do not have an associated Sewerage Supply Point.

### **P2.146F Total volume at measured supply points related to vacant gap sites**

The total volume has decreased by 14% from 39,891m<sup>3</sup> in 2021-22 RF to 34,308m<sup>3</sup> in 2022-23 RF. This decrease in consumption is the result of properties returning to occupied. The total volume at vacant gap sites has decreased by 25% from 18,180m<sup>3</sup> in 2022-23 monthly to 13,644m<sup>3</sup> in 2023-24 monthly. The values in the monthly settlement reports are significantly lower than in the RF runs as the RF reports are based on actual volume captured by meter

reads. The monthly reports are run earlier, when not as many meter readings are available, and the CMA's estimation rules assume no consumption since the last meter reading at vacant properties.

#### **P2.146G Average volume**

The average volume at occupied gap sites has increased by 8% from 211.76m<sup>3</sup> in 2021-22 RF to 229.59m<sup>3</sup> in 2022-23 RF. This is a consequence of the increase in P2.146E, a combination between COVID restrictions lifting and businesses returning to a more normal way of operating and new processed gap sites. The average volume in 2021-22 RF was lower than previous levels pre COVID as lockdowns impacted day to day operations of many businesses. 2022-23 RF average volume is in line with years pre COVID as businesses returned to a normal way of operating.

The average volume has increased from to 228.97 in 2022-23 monthly to 238.84 in 2023-24 monthly. This is not a material change.

### **Volumes**

#### **P2.147 Total capacity volumes**

The discharge between 20m<sup>3</sup> and (up to and including) the capacity volume threshold at measured supply points has increased 3% from 4,656,209m<sup>3</sup> in 2021-22 RF to 4,774,557m<sup>3</sup> in 2022-23 RF and from 4,729,926m<sup>3</sup> in 2022-23 monthly to 4,780,816m<sup>3</sup> in 2022-23 monthly. This is not a material change.

#### **P2.148 Total standard volumes**

The sum of all discharges of greater than 20m<sup>3</sup> at all measured supply points has increased by 8% from 43,234,908m<sup>3</sup> in 2021-22 RF to 46,709,929m<sup>3</sup> in 2022-23 RF. The increased volume is the result of COVID restrictions lifting and businesses returning to a more normal way of operating.

The sum of all discharges of greater than 20m<sup>3</sup> at all measured supply points has increased from 46,610,590m<sup>3</sup> in 2022-23 monthly to 47,644,050m<sup>3</sup> in 2023-24. This is not a material change.

#### **Tariffs – Lines P2.149 – P2.157**

All tariff values are taken from the relevant Wholesale Charges Scheme for the relevant year.

### **Schedule 3 agreements**

#### **P2.158 Foul sewage volumes from Schedule 3 agreements**

The sum of all foul sewage volumes at sites subject to Schedule 3 agreements has decreased to 3,275m<sup>3</sup> in 2022-23 RF due to the end of the glide path for the Schedule 3 agreement with Ineos at Grangemouth.

The sum of all foul sewage volumes at sites subject to Schedule 3 agreements has increase from zero to 872m<sup>3</sup> in 2023-24 monthly. This increase is attributable mainly to TARBOLTON LANDFILL LIMITED (+845m<sup>3</sup>). There is only 3 SPIDs within this category with 100% Schedule 3 applied, which are property of the Crown, therefore no liability for charges.

#### **P2.159 Foul sewage revenue from Schedule 3 agreements**

As above, the total revenue from foul sewerage at sites subject to Schedule 3 agreements has decreased to zero in 2022-23 RF and 2023-24 monthly following to the end of the glide

path for the wastewater Schedule 3 agreement with Ineos at Grangemouth.

### Revenue – Lines P2.160 – P2.169C

The revenues reported in Lines P2.160-P2.169C are calculated from the tariff values taken from the Wholesale Charges Scheme and the tariff multipliers. The movements in Lines P2.160-P2.169C are therefore the result of annual tariff increases and of the movements in the tariff multipliers in Lines P2.139 – P2.148 which are explained above.

### Surface water drainage

#### Tariff multipliers

#### P2.170 RV for property drainage

This line reports the aggregated Rateable Value (RV) for all Supply Points which are in charge for Property Drainage based on RV. The total has decreased from £4,855,415,661 in 2021-22 RF to £4,851,172,787 in 2022-23 RF. This is not a material change and is broken down as follows:

Driver	LRV Movement
Property Drainage Added	50,117,942
Property Drainage removed	-49,634,773
Change RV	-2,919,230
Moved to Surface Area	-1,806,814
<b>Total Movement</b>	<b>-4,242,875</b>

Total RV has increased from £4,894,168,968 in 2022-23 monthly to £5,014,328,275 in 2023-24 monthly, mainly due to the revaluation of all RVs by the Scottish Assessors from April 2023. This movement is broken down as follows:

Driver	LRV Movement
Property Drainage Added	101,064,298
Property Drainage removed	-104,046,312
Change RV	-19,397,831
Moved to Surface Area	-14,708,414
April 2023 RV Revaluation	157,247,565
<b>Total Movement</b>	<b>120,159,306</b>

'Property Drainage Added' reflects new connections and gap sites. 'Property Drainage Removed' reflects deregistrations and reconfiguration of properties by customers to divert their surface water away from the Public Sewerage System. 'Property Added' and 'Property Removed' will also include the reconfiguration of premises resulting in a new rating by the

Scottish Assessors (e.g., split or merged premises) where the net effect of the additions to and removals from the Scottish Assessor's registers can be relatively neutral. The April 2023 RV revaluation also resulted in larger volumes of entries being added and removed to the Scottish Assessor's registers than in previous years.

'Moved to Surface Area based charges' reflects customers who have opted to change to surface area- based charging because the only part of their premises that drains to the Public Sewerage System is connected for environmental protection reasons, as permitted since 2020-21 by section 4.1.5 of the Wholesale Charges Scheme.

'RV Updated' reflects premises whose RV has been changed by the Scottish Assessors.

### **P2.171 RV for roads drainage**

Since 2021-22, the Wholesale Charges Scheme has included a single drainage charge, still called the property drainage charge, which replaced the separate roads and property drainage charges that had previously applied. There is therefore no value of RV for roads drainage reported in Line P2.171 from 2021-22 onwards.

### **P2.172 Area of supply points charged an area-based tariff**

The area of supply points charged in accordance with the charges scheme has increased by 9% from 58,171m<sup>2</sup> in 2021-22 RF to 63,222m<sup>2</sup> in 2022-23 RF. This is the result of customers who have opted to change to surface area-based charging because the only part of their premises that drains to the Public Sewerage System is connected for environmental protection reasons, as permitted since 2020-21 by section 4.1.5 of the Wholesale Charges Scheme. This is the result of a combination of an increased in the registered days at existing customers within this category like SCOTRAIL TRAINS LIMITED (+2,840m<sup>2</sup> increase between 2021-22 RF and 2022-23 RF), and new customer that have opted to change to surface area-based like BORDERS HEALTH BOARD at Melrose (+1,107m<sup>2</sup>).

The area of supply points charged in accordance with the charges scheme has increased from 63,045m<sup>2</sup> in 2022-23 monthly to 64,396m<sup>2</sup> in 2023-24 monthly. This is not a substantial change.

### **P2.172B RV for property drainage related to gap sites**

The Rateable Value for property drainage related to gap sites has increased from £326,507,516 in 2021-22 RF to £348,477,997 in 2021-22 RF and has increased from £353,183,891 in 2022-23 monthly to £400,065,250 in 2023-24 monthly. Both increases are the result of high numbers of gap sites processed during 2022-23 which attracted a full annual charge for the first time in 2023-24, as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties'.

### **P2.172C RV for property drainage related to vacant properties**

The Rateable Value for property drainage related to vacant sites has decreased from £299,311,941 in 2021-22 RF to £274,849,465 in 2022-23 RF. The movement is driven by properties moving back occupied, such as University of Edinburgh (-£1.00m), SIREO IMMOBILIENFONDS in Edinburgh (-£0.95m) and CALA HOMES (WEST) LIMITED at Glasgow (-£0.74m).

The Rateable Value for property drainage related to vacant sites has decreased from £287,092,201 in 2022-23 monthly to £269,746,451 in 2023-24 monthly as properties return to occupied, are deregistered or the RV is updated to reflect changes on the site.

### **P2.172D RV for property drainage related to vacant gap sites**

The Rateable Value for property drainage related to vacant gap sites has decreased from £35,265,675 in 2021-22 RF to £34,993,252 in 2022-23 RF. This is not a material change.

The increase from 35,731,808 in 2022-23 monthly to 37,957,637 in 2023-24 monthly is the result of high numbers of gap sites processed during 2022-23 which attracted a full annual

charge for the first time in 2023-24 (as explained in more detail at the start of Section 2.2 of this document under the heading 'Gap Sites and Vacant Properties), offset by gap properties moving back to occupied as observed in Line P2.172C.

#### **RV for roads drainage related to gap sites and vacant sites – Lines P2.173B, P2.173C and P2.173D**

Since 2021-22, the Wholesale Charges Scheme has included a single drainage charge, still called the property drainage charge, which replaced the separate roads and property drainage charges that had previously applied. There is therefore no value of RV for roads drainage reported in Lines P2.173B, P2.173C and P2.173C from 2021-22 onwards.

#### **P2.174B Area of supply points charged an area-based tariff related to gap sites**

The surface area has increased from 2,720m<sup>2</sup> in 2021-22 RF to 5,095m<sup>2</sup> in 2022-23 RF. This is the result of the four customers at gap sites who opted to change to surface area-based charging during 2021-22 (because the only part of their premises that drains to the Public Sewerage System is connected for environmental protection reasons, as permitted since 2020-21 by section 4.1.5 of the Wholesale Charges Scheme) being included in the counts for a full year in 2022-23.

Prior to the change to the Wholesale Charges Scheme in 2020-21, area-based property drainage charges only applied to Supply Points which were included in a pilot exercise in 2005/6, none of which were gap sites.

There is no movement between 2022-23 and 2023-24 monthly.

#### **P2.174C Area of supply points charged an area-based tariff related to vacant properties**

The area of supply points charged an area-based tariff related to vacant properties has increased from 658m<sup>2</sup> in 2021-22 RF to 886m<sup>2</sup> in 2022-23 RF. This is the result of an increase in the registered days of the existing customers within this category.

The area of supply points charged an area-based tariff related to vacant properties has decreased from 886m<sup>2</sup> in 2022-23 monthly to 581m<sup>2</sup> in 2023-24 monthly. The decreased is the result of Golftee Nom C Limited at Dumfries changing back to occupied.

#### **P2.174D Area of supply points charged an area-based tariff related to vacant gap sites**

There are no vacant gap sites charged for property drainage on the basis of surface area.

#### **Tariffs – Lines P2.175 – P.2177**

All tariffs are taken from the Wholesale Charges Scheme for the relevant year.

#### **Revenue – Lines P2.178 – P2.185C**

The revenues reported in Lines P2.178-P2.185C are calculated from the tariff values taken from the Wholesale Charges Scheme and the tariff multipliers. The movements in Lines P2.178-P2.185C are therefore the result of annual tariff increases and of the movements in the tariff multipliers in Lines P2.170 – P2.174D which are explained above.

#### **Trade effluent**

#### **Tariff multipliers: availability charging parameters**

#### **P2.186 Chargeable daily volume**

This is the Volume of trade effluent liable for availability charge.



The CDV value has dropped by 1,999m<sup>3</sup> to 115,615m<sup>3</sup> in 2022-23 RF, which is not a material movement over the year, and which is consistent with the slight year-on-year decline over the last few years.

There has been an increase of 333m<sup>3</sup> from 2022-23 to a CDV of 115,822m<sup>3</sup> for 2023-24 monthly volumes. This is also a relatively small movement, consistent with the range of variation in recent years.

### **P2.187 Settled biological oxygen demand (sBODI)**

This is the Total Settled biological oxygen demand load (sBODI) of trade effluent. It includes discharge points whose water supplies are from sources other than Scottish Water.

The sBODI volumes have decreased by 1,891 to 52,922 in 2022-23 RF. It has dropped 439 from 2022- 23 to a value of 52,463 for 2023-24 monthly volumes. These are relatively small movements (3% and 1% respectively) and are consistent with the range of variation in recent years.

### **P2.188 Suspended solids (TSSI)**

This is the Total Suspended Solids load (TSSI) of trade effluent receiving secondary treatment (or better). It includes discharge points whose water supplies are from sources other than Scottish Water.

The TSSI has dropped by 852 to 27,965 in 2022-23 RF. It has dropped by 309 from 2022-23 to a value of 27,631 for 2023-24 monthly volumes. These are small movements (3% and 1% respectively) and are consistent with the range of variation in recent years.

## **Tariff multipliers: annual volumes and strength adjusted volumes**

### **P2.189 Actual volume discharged (AVD) - site discharge**

This is the Volume of trade effluent discharges subject to charges for Ro and Vo at the Wholesale Charges Scheme rates. It includes discharge points whose water supplies are from sources other than Scottish Water.

The AVD increased by 259,955m<sup>3</sup> to 23,023,440m<sup>3</sup> in 2022-23 RF, an increase of 1% and within normal ranges.

There has been an increase of 2,170,812 m<sup>3</sup> (10%) in AVD to 24,893,542m<sup>3</sup> in 2023-24 monthly volumes. This is due to a reported increase in discharge volume of 2,359,843 m<sup>3</sup> at DPID 15137A, caused by the LP submitting an incorrect meter read, giving volumes approximately 250% higher than expected. This has since been corrected and the volumes will return to normal levels in the 2023/24 RF next year.

### **P2.190 Strength adjusted volume for settled COD - site strength adjusted volume**

This is the Annual volume of trade effluent that is receiving secondary treatment (or better) adjusted for relative strength compared to SW average (Ot/Os) where Ot is the fixed strength of settled Chemical Oxygen Demand of the trade effluent and Os is the standard strength of settled Chemical Oxygen Demand of the foul sewage. The strength adjusted volume for settled COD is calculated as the sum of AVD x Ot/Os for all dischargers.

This has increased by 2,176,811 to 48,149,667 in 2022-23 RF due to the cumulative effect of increasing volumes being multiplied up by higher Ot parameters, with particularly large movements at DPIDs 1219A (Grahams Dairies), 0092B (North British Distilleries), 3503A (Pauls Malt) and 10791A (North Ayrshire Council Waste site).

The opposite movement is seen in the monthly volumes, with the 2023-24 volume of 43,532,090 being 4,455,734 lower than the 2022-23 volume. This is due to the cumulative

effect of decreasing volumes being multiplied by lower Ot parameters, particularly at DPIDs 10050A (Chivas) and 0742A (Elementis Specialties).

### **P2.191 Strength adjusted volume for suspended solids**

This is the Annual volume of trade effluent for sludge treatment adjusted for relative strength compared to Scottish Water average St/Ss (the fixed strength divided by the standard strength of suspended solids in the foul sewage). It is calculated as sum of AVD x St/Ss for all dischargers. The value includes discharge points whose water supplies are from sources other than Scottish Water.

There has been an increase of 487,377 to 15,217,425 for 2022-23 RF, a relatively small percentage movement (3%) and with the value remaining at a similar level as recent years.

The 2022-23 monthly volumes have dropped by 508,000 to 14,372,785 in 2023-24. Again, this is a small percentage movement (3%) and is within the normal range of variation.

### **Tariffs – Lines P2.192 – P2.199**

All tariff values are taken from the Wholesale Charges Scheme for the relevant year.

### **Schedule 3 agreements**

#### **P2.200 Trade effluent revenue from Schedule 3 agreements**

There have been no Discharge Points with Schedule 3 agreements since 2018-19.

### **Revenue**

#### **P2.201 Availability charge**

The availability charge is derived from the number of calendar days in the year for which the availability is provided and is calculated according to the charging components for daily volume, suspended solids load and oxygen demand load.

This has increased by £238,844 to £15,311,758 in 2022-23 RF, an increase of 2%. The increase in wholesale charges (4.2%) has been offset by the drop in the Availability charging parameters as described in lines P2.186 – P2.188.

The 2023-24 monthly charges have increased by £757,756 to £16,057,056, in line with the increase in wholesale charges (5%).

#### **P2.202 Operating charge**

The operating charge is calculated according to the nature, composition, and volume of the effluent discharged in the respective period at a rate per cubic metre (m<sup>3</sup>).

This has increased by £1,070,987 to £15,616,676 in 2022-23 RF, an increase of 7%. This is the combined effect of the higher volumes (as noted in lines P2.189 and P2.190) and wholesale charges increasing by 4.2%.

Similarly, the 2023-24 monthly charges have increased by £658,361 to £16,130,531, an increase of 4%. The increase in wholesale charges (5%) has been slightly offset by the small net drop in volumes described in lines P2.189 and P2.190.

#### **P2.203 Revenue from schedule 3 agreements**

There is no Trade Effluent revenue from Schedule 3 agreements.

#### **P2.204 Total revenue**

This is a calculated line, being the total of lines P2.201 to P2.203.

## **Memo lines: revenue from gap sites and vacant properties (trade effluent)**

### **P2.205 Total revenue from trade effluent related to gap sites**

An error has been identified in the AR23 figures where revenue from new gaps sites was missed. The 2021-22 RF gap site charges should have been £54,033 (not £53,114) due to one additional DPID (£919) not having been included. The 2022/23 monthly gap site charges should have been £101,333 (not £50,976) due to 4 additional DPIDs with combined charges of £50,357 not having been included. The bulk of the increase (£45K) relates to former gas-holder site in Glasgow.

There has been an increase of £62,321 from £54,033 in 2021-22 RF to £116,354 in 2022-23 RF, an increase of 115%. This is due to 7 new gap sites in the year with combined charges of £58k, with the majority relating to a former gas-holder site in Galashiels. The remainder of the movement is due to changes in volumes at existing gap sites (+£5k) and one DPID being discontinued before 2022/23 RF (-£1k).

The 2023-24 monthly charges are now £145,647, an increase of £44,314 (+44%) from £101,333 in 2022-23 monthly. There are 13 new gap sites with combined charges of £85k, offset by 5 DPIDs being discontinued before 2023/24 (-£51k). The remainder of the movement is due to changes in volumes at existing gap sites (+£10k).

### **P2.206 Percentage of total revenue from trade effluent related to gap sites**

This is a calculated line, being P2.205 divided by P2.204.

### **P2.207 Total revenue from trade effluent related to vacant properties**

The total revenue from vacant properties has dropped from £132,118 in 2021-22 RF to £108,820 in 2022-23 RF, a decrease of £23,298 (18%). The number of vacant Discharge Points has increased by 1 to 42 in 2022-23 RF with an average charge of £2.4k/year compared to 41 vacant Discharge Points in 2021- 21 RF with an average charge of £3.1k/year.

There is also a drop in total revenue from vacant properties of £23,524 from £125,768 to £102,244 for 2023-24 monthly charges. While there are a similar number of vacant DPIDs in the year (37 in 2023-24 compared to 35 in 2022-23), the average charge per Discharge Point is lower in 2023-24 (£2.8k/year in 2023-24 against £3.6k/year in 2022-23).

### **P2.208 Percentage of total revenue from trade effluent related to vacant properties**

This is a calculated line, being P2.207 divided by P2.204.

### **P2.208B Total revenue related to both gap sites and vacant properties**

There are no vacant gap DPIDs in either the 2022-23 RF or the 2023-24 Monthly figures.

### **P2.208C Percentage of total revenue related to both gap sites and vacant properties**

This is a calculated line, being P2.208B divided by P2.204.

## **Field troughs and drinking bowls**

### **Tariff multipliers**

#### **P2.209 Number of farms**

The number of unmeasured field troughs and drinking bowls situated at Supply Points registered as farms has decreased from 9,391 in 2021-22 RF to 9,312 in 2022-23 RF and decreased from 9,360 in 2022-23 monthly to 9,248 in 2023-24 monthly. These are relatively small movements and are consistent with the range of variation in recent years.

### **P2.210 Number of crofts and registered small holdings**

The number of unmeasured field troughs and drinking bowls situated at Supply Points registered as crofts or registered small holdings has increased from 1,175 in 2021-22 RF to 1,176 in 2022-23 RF and decreased from 1,179 in 2022-23 monthly to 1,173 in 2023-24 monthly. These are relatively small movements and are consistent with the range of variation in recent years.

## **Tariffs**

### **P2.211 Farms & P2.212 Crofts and registered small holdings**

These are the annual charges are taken from the Wholesale Charges Scheme for the relevant years.

### **Revenue - Lines P2.213 – P2.215**

The revenues reported in Lines P2.213-P2.215 are calculated from the tariff values taken from the Wholesale Charges Scheme and the tariff multipliers. The movements in Lines P2.213-P2.215 are therefore the result of annual tariff increases and of the movements in the tariff multipliers in Lines P2.209 – P2.210 which are explained above.

### **Memo lines: revenue from gap sites and vacant properties (field troughs and drinking bowls)**

### **P2.216 Total revenue from field troughs and drinking bowls related to gap sites**

Field troughs and drinking bowls revenue from sites that were originally identified as gap sites has increased by 750 from 1,322 in 2021-22 RF to 2,071 in 2022-23 RF and increased by 179% from 1,888 in 2022-23 monthly to 5,259 in 2023-24 monthly. This is the consequence of new gap sites brought into charge.

### **P2.217 Percentage of total revenue from field troughs and drinking bowls related to gap sites**

This is a calculated line, being P2.216 divided by P2.215.

### **P2.218 Total revenue from field troughs and drinking bowls related to vacant properties**

Field troughs and drinking bowls revenue from vacant premises has increased from 52,706 in 2021-22 RF to 55,185 in 2022-23 RF and from 56,208 in 2021-22 monthly to 62,519 in 2023-24 monthly. The movements come from more Troughs and Drinking bowls are flagged as vacant and the year-on-year prices increases.

### **P2.219 Percentage of total revenue from field troughs and drinking bowls related to vacant properties**

This is a calculated line, being P2.218 divided by P2.215.

### **P2.219B Total revenue related to both gap sites and vacant properties**

There is no revenue related to both gap sites and vacant properties.

### **P2.219C Percentage of total revenue related to both gap sites and vacant properties**

This is a calculated line, being P2.219B divided by P2.215.

## **2a Table P2a: Workings for 2018/19 and 2019/20 to cater for transition period to Live RV for rateable value-based charges**

### **2a.1 Overview**

Table 2a contains additional revenue driver data for 2018-19 and 2019-20 for the period of transitional phasing from historic to live Rateable Values. For any Rateable Value based driver, three rows are included: based on Live RV for those SPIDs which are not subject to transitional phasing and based on both historic and Live RV for those SPIDs which are subject to transitional phasing. Aggregated values, with the appropriate phasing proportions applied, are then displayed in the corresponding lines of Table 2.

The revenue drivers fully transitioned to live RV in 2020-21 after transitional phasing completed in 2019-20. Table 2a is therefore no longer required from 2020-21 onwards.

## **3 Table P3 - Water retail charges from unmeasured households**

### **3.1 Overview**

The P Tables (P3 – P6) provide a snapshot of the household customer base at the end of September. This is consistent with basis of the data previously provided in the Annual Return and reported in the Household Tariff Basket models. Tables P3 & P5 show the numbers of unmeasured households in each band and their charging status (discounts, exemptions and reductions applied), while Tables P4 & P6 show the numbers of houses that were being charged metered water and sewerage services at the end of September. The revenue figures in all of these tables therefore show the revenue that would be generated if the customer base was static at the end of September level throughout the entire year. However, the number of houses changes during the year as new houses are added, some houses are demolished, some switch between being dwellings and non-household premises, or move to meters, while the extent of discounts, exemptions and reduction varies throughout the year with changes in the number of occupants in the house, the characteristics of the occupants and the financial circumstances of the household.

The M Tables show the actual revenue reported through the accounts, which does take into account properties added/removed during the year and discounts, exemptions and reductions applied for all or part of the year. The M table figures also include revenue not shown on the P tables, primarily being Credit Note Provision, which takes account of changes to billing for prior years.

### **3.2 Introduction**

#### **3.2.1 Data sources and confidence grades**

Unmeasured household property numbers are taken from the 30 September 2023 WIC4 Returns submitted to Scottish Water by local authorities.

The confidence grade for Household Properties is B2 for AR24, consistent with household property counts reported in the A Tables. The unmeasured household data is sourced from local authority corporate systems in multiple formats and once received by Scottish Water it is held on spreadsheets with some minor derivation required to achieve a consistent format across all local authority areas. This derivation is required due to reporting constraints with some local authority billing systems.

The exception is lines P3.4-P3.5 and P3.7-P3.10 which have a confidence grade of B3. This is because an additional degree of derivation is required for these lines to split between the various combinations of CTR and WCRS.

#### **3.2.2 Data Improvement Programs**

There have been no Data improvement programs in the last year.

#### **3.2.3 Assumptions used for forecasted data**

The forecast growth for Unmeasured Households in 2024-25 is based on the assumptions within the SR21 Final Determination. For AR24 growth in the forecast year of 2024-25 is assumed to be 0.75% on the current year Billed Properties for Water, giving an increase of 19,455 for 2024/25, this is in line with the forecast used in line A1.6.

### 3.3 Commentary

#### **P3.1 – P3.18 Tariff multipliers: Number of dwellings with an unmetered Water connection**

This table is a detailed breakdown by Council Tax Band, by discount and by property type of the total reported in A1.6 Unmeasured household connected properties - Water.

#### **P3.19 – P3.20 Tariff multipliers: Band D equivalent multipliers**

This table shows the Band D coefficients and equivalent multipliers for each band. These are fixed values and remain the same each year.

#### **P3.21 – P3.36 Tariff multipliers: Number of Band D equivalent dwellings - before the application of discounts, exemptions and WCRS - with an unmetered water connection**

This is a calculated table, applying the Band D equivalent multipliers to the equivalent entry in lines P3.1 – P3.16 to give the Band D equivalent dwellings. This is not reported on the A tables.

#### **P3.37 – P3.51 Tariff multipliers: Inputs for discounts and Council Tax Reduction / Water Charges Reduction Scheme**

These lines are the current year's discounts and Council Tax Reduction applying to Line P3.1 – P3.18. The calculated columns then derive the Water Charges Reduction scheme discount that will be applied to each line.

#### **P3.52 – P3.67 Tariff multipliers: Number of Band D equivalent dwellings (net of discounts, exemptions and WCRS) with an unmetered water connection**

This is a calculated table, applying the discounts to the Band D equivalents in lines P3.21 – P3.36.

#### **P3.68 Tariffs**

These are the current year's Water charges by Council Tax band.

#### **P3.69 – P3.85 Annualised revenue from dwellings (at 30 September in the report year) with an unmetered water connection**

This is a calculated table, applying the Band D charge to the Band D equivalents (net of discounts etc.) from lines P3.52 – P3.65.

The table calculates the total revenue from properties with Unmeasured Water as £495,973,021 for AR24.

## 4 Table P4 - Water retail charges from measured households

### 4.1 Introduction

#### 4.1.1 Data sources and confidence grades

Measured Household numbers have been sourced from Scottish Water's billing system as at 30 September 2023. The confidence grade is B2 for AR24.

#### 4.1.2 Data Improvement Programs

There have been no Data improvement programs in the last year.

#### 4.1.3 Assumptions used for forecasted data

The Measured Households forecast is based on average movement over the last two years. This is consistent with previous years and as reported in table A1.

### 4.2 Commentary

#### **P4.1 – P4.5 Tariff multipliers: household properties - billed on measured basis: tariff meters**

These lines give the number of measured properties connected by meter size. The total (P4.5) is reported in A1.2 Measured Household billed properties. It has increased from 321 in AR23 to 334 in AR24, reversing the previous downward trend.

There have been 14 properties move from non-household to household for measured water, mainly due to a tightening of the rules for rating self-catering properties as businesses arising from the Scottish Government's Barclay review of non-domestic rates. The changes, effective from 2022/23 but applied retrospectively from April 2023 onwards, mean that self-catering properties which cannot provide evidence of actual letting for at least 70 days in the previous year and intention to let for at least 140 days, cannot retain their business rating and are instead council tax banded as households. Excluding these 14 properties, the underlying movement is a reduction of 1 (7 new properties offset by 8 moving to council tax based unmeasured charges).

#### **P4.6 – P4.9 Tariff multipliers: volumes - measured household properties**

These lines show the volumes at measured households, split to show the first 25m<sup>3</sup> per annum (P4.6) and volumes over 25m<sup>3</sup> per annum (P4.7). All measured households have 20mm meters. In line with property numbers reported in Lines P4.1, the first 25m<sup>3</sup> per annum has increased from 7,349m<sup>3</sup> in AR23 to 7,396m<sup>3</sup> in AR24. The volume over 25m<sup>3</sup> per annum has increased from 79,442m<sup>3</sup> in AR23 to 86,478m<sup>3</sup> in AR24.

The difference between P4.9 and A2.8 (Measured household volume of water delivered (including losses)) is the inclusion of volume for Underground Supply Pipe Losses (UGSPL) in the A2.8 volumes.

To clarify, the table below shows a reconciliation of P4.9 to A2.8 values. Note that the 23/24 volumes have been divided by 366 days as 2024 is a leap year.



Line Ref	Description	Units	2023-24
P4.9	Total - Tariff multipliers: volumes - measured household properties	m3	93,874
P4.9	<i>Divide by 366 days and 1,000m3/MI</i>	MI/day	0.256
	Add in Meter Error (4.1% of P4.9 vol)	MI/day	0.011
	Total incl meter error	MI/day	0.267
A2.8	Measured household volume of water delivered (including losses)	MI/day	0.267

**P4.10 – P4.13 Tariffs: fixed charge measured household properties**

These lines contain the fixed charges by meter size applied during the year as per the 2023-24 Charges Scheme.

**P4.14 – P4.16 Tariffs: volumetric charge measured household properties**

These lines contain the volumetric unit rate applied during the year as per the 2023-24 Charges Scheme.

**P4.17 – P4.21 Revenue - measured household properties**

These are calculated lines giving the revenue for the year, based on the September 2023 data. The total charges have increased from £147,669 in AR23 to £164,438 in AR24, a change of +11.4%. This is a result of the increase in property numbers and volumes in addition to the increase in the tariffs.

## **5 Table P5 - Wastewater retail charges from unmeasured households**

### **5.1 Introduction**

#### **5.1.1 Data sources and confidence grades**

As for Water, Unmeasured household property numbers are taken from the 30 September 2023 WIC4 Returns submitted to Scottish Water by local authorities.

The confidence grade for Household Properties is B2 for AR24, consistent with household property counts reported in the A Tables. The unmeasured household data is sourced from local authority corporate systems in multiple formats and once received by Scottish Water it is held on spreadsheets with some minor derivation required to achieve a consistent format across all local authority areas. This derivation is required due to reporting constraints with some local authority billing systems.

The exception is lines P5.4-P5.5 and P5.7-P5.10 which have a confidence grade of B3. This is because an additional degree of derivation is required for these lines to split between the various combinations of CTR and WCRS.

#### **5.1.2 Data Improvement Programs**

There have been no Data improvement programs in the last year.

#### **5.1.3 Assumptions used for forecasted data**

The forecast growth for Unmeasured Households is based on the assumptions within the SR21 Final Determination. For AR24 growth is assumed to be 0.75% on the current year Billed Properties for Water, giving an increase of 20,210 for AR24, this is consistent with the assumptions made in AR24 Table A1.

## **5.2 Commentary**

### **P5.1 – P5.18 Tariff multipliers: Number of dwellings with an unmetered Wastewater connection**

This table is a detailed breakdown by Council Tax Band, by discount and by property type of the total reported in A1.16 Unmeasured household connected properties - Wastewater.

### **P5.19 – P5.20 Tariff multipliers: Band D equivalent multipliers**

This table shows the Band D coefficients and equivalent multipliers for each band. These are fixed values and remain the same each year.

### **P5.21 – P5.36 Tariff multipliers: Number of Band D equivalent dwellings - before the application of discounts, exemptions and WCRS - with an unmetered wastewater connection**

This is a calculated table, applying the Band D equivalent multipliers to the equivalent entry in lines P5.1 – P5.16 to give the Band D equivalent dwellings. This is not reported on the A tables.

### **P5.37 – P5.51 Tariff multipliers: Inputs for discounts and Council Tax Reduction / Water Charges Reduction Scheme**

These lines are the current year's discounts and Council Tax Reduction given to Line P5.1 –

P5.16. The calculated columns then derive the Water Charges Reduction scheme discount that will be applied to each line.

**P5.52 – P5.67 Tariff multipliers: Number of Band D equivalent dwellings (net of discounts, exemptions and WCRS) with an unmetered wastewater connection**

This is a calculated table, applying the discounts to the Band D equivalents in lines P5.21 – P5.36.

**P5.68 Tariffs**

These are the current year's Wastewater charges by Council Tax band.

**P5.69 – P5.85 Annualised revenue from dwellings (at 30 September in the report year) with an unmetered wastewater connection**

This is a calculated table, applying the Band D charge to the Band D equivalents (net of discounts etc.) from lines P5.52 – P5.65.

The table calculates the total revenue from properties with Unmeasured Wastewater as £544,404,947 for AR24.

## 6 Table P6 - Wastewater retail charges from measured households

### 6.1 Introduction

#### 6.1.1 Data sources and confidence grades

Measured Household numbers have been sourced from Scottish Water's billing system as at 30 September 2023. The confidence grade is B2 for AR24.

#### 6.1.2 Data Improvement Programs

There have been no Data improvement programs in the last year.

#### 6.1.3 Assumptions used for forecasted data

The Measured Households forecast is based on average movement over the last two years. This is consistent with previous years and the assumptions made in AR24 Table A1.

### 6.2 Commentary

#### **P6.1 – P6.5 Tariff multipliers: household properties - billed on measured basis: tariff meters**

These lines give the number of measured properties connected by meter size. The total (P6.5) is reported in A1.12 Measured Household billed properties. It has increased from 62 in AR23 to 67 in AR24, against a previous decreasing trend.

There have been 5 properties move from non-household to household for measured wastewater due to changes in legislation for rating self-catering properties (explained further in relation to line P4.5 above). There is no net underlying movement (3 new properties are offset by 3 moving to council tax based unmeasured charges).

#### **P6.6 – P6.9 Tariff multipliers: volumes - measured household properties**

These lines show the waste volumes at measured households, split between the first 23.75m<sup>3</sup> per annum (P6.6) and volumes over 23.75m<sup>3</sup> per annum (P6.7). All measured households have 20mm meters. In line with property numbers reported in Line P6.1, the first 23.75m<sup>3</sup> per annum has increased from 1,314m<sup>3</sup> in AR23 to 1,425m<sup>3</sup> in AR24. The volume over 23.75m<sup>3</sup> per annum has also increased from 9,145m<sup>3</sup> in AR23 to 10,972m<sup>3</sup> in AR24.

There is a small difference between lines P6.9 and A3.5. The wastewater volumes reported in line A3.5 are for households which can be associated with a Drainage Operational Area (DOA). There is one household property that has been excluded as it is not linked to a DOA, as shown in the reconciliation below. Note, the 23/24 volumes have been divided by 366 days as 2024 is a leap year.

Line Ref	Description	Units	2023-24
P6.9	Total - Tariff multipliers: volumes - measured household properties	m3	12,397
P6.9	Divide by 366 days and 1,000m3/MI	MI/day	0.034
	Excluded volume for property not in DOA	MI/day	-0.003
	Total after excluded volume	MI/day	0.031
A3.5	Measured household volume of water delivered (including losses)	MI/day	0.031

#### **P6.10 – P6.13 Tariffs: fixed charge measured household properties**

These are the fixed charges applied during the year as per the 2023-24 Charges Scheme.

#### **P6.14 – P6.16 Tariffs: volumetric charge measured household properties**

These are the volumetric charges applied during the year as per the 2023-24 Charges Scheme.

#### **P6.17 – P6.21 Revenue - measured household properties**

These are calculated lines giving the revenue for the year, based on the September 2023 data. The total charges have increased from £29,613 in AR23 to £35,445 in AR24, a change of +19.7%. This is a result of the increase in property numbers and volumes in addition to the increase in the tariffs

#### **P6.22 – P6.32 Tariff multipliers: property drainage for household properties billed measured**

These are the number of measured households billed for property drainage by council tax band. The total (P6.31) is the same as A1.29 Measured Household connected properties – surface drainage. This increased by 24 from 415 in AR23 to 439 in AR24. Half of this change is due to the addition of 12 properties for Kyle of Bute Lodges.

This value is then converted to provide the total number of properties in each band weighted by the ratio of the charge for the band relative to Band D and the applicable discounts (P6.32).

#### **P6.33 Tariffs: property drainage for household properties billed measured**

This is the Band D charge applied during the year.

#### **P6.34 Revenue: property drainage for household properties billed measured**

This is a calculated field, which multiplies the number of band D equivalent properties (P6.32) by the Band D charge to calculate revenue for the year, based on the September 2023 data. The total charges have increased from £40,050 in AR23 to £44,483 in AR24. This is the combined effect of additional properties and the increase in tariffs.

#### **P6.35 – P6.45 Tariff multipliers: roads drainage for household properties billed measured**

The 2021-22 Charges Scheme saw the creation of a single drainage charge, still called the Property Drainage Charge, which replaced the separate roads and property drainage charges that had previously applied. Therefore, there are no longer any households charged for Roads Drainage and this line is not used from 2021-22 onwards.

#### **P6.46 Tariffs: roads drainage for household properties billed measured**

Following the introduction of a single combined drainage charge in April 2021, there is no separate Roads drainage tariff.

**P6.47 Revenue: roads drainage for household properties billed measured**

Following the introduction of a single combined drainage charge in April 2021, this line is no longer used.