

UUWR26-02R

Cost Change Draft Determination: UUW Representation

Area of representation: Enabling data centre growth

September 2026

This case sets out UUW's response to Ofwat's draft determination on enabling data centre growth in Greater Manchester, proposing a revised funding approach that for customer-specific infrastructure. It presents additional evidence, revised funding and delivery arrangements, and the changes requested at final determination to enable growth while protecting existing customers. It proposes a staged process for the strategic investment, approval of the [✂----] treatment capacity upgrade, and assurance that developer-funded costs can be appropriately recovered through the third-party reconciliation model.

Reference to Draft Determination documents:

'Notification of the PR24 cost change process draft determination for United Utilities'

'PR24 cost change process - Price control deliverables appendix'

'CCP 2026 DD Cost Change models'

'CCP 2026 DD Price Control Deliverable models'

1. Key points

- **We have revised our proposals following the draft determination.** We believe that our revised proposals address Ofwat's concerns and support the outcomes on industrial growth that we need to deliver and stakeholders want to see.
- **Recognising the concerns raised by Ofwat in the draft determination we have revised our proposals for funding developer-specific infrastructure by proposing that £58.0 million of direct connections and £19.5 million of downstream network reinforcement would be paid upfront by the relevant developers.**
- The recovery of these costs would require the effective operation of the new (and yet untested) third-party reconciliation model. **Given the scale of these costs, we request that Ofwat provides additional and specific assurances that they will be appropriately recoverable via reconciliation adjustments at PR29.**
- **We ask that Ofwat confirms £53.5 million for [X] treatment capacity and £2.3 million development funding for Stages 2A-2E.** [X] is required to meet peak demand on the [X] and is therefore outside the staged process. For Stages 2A-2E, development funding allows design and consenting to progress while demand is confirmed. This provides clear decision points before material delivery expenditure is committed, reducing customer exposure to uncertain demand while preserving the ability to deliver infrastructure in time.
- **To ensure there is no impact on customer bills in the short term we have proposed not to request any revenue adjustment in AMP8.** As a result of our proposals, any third-party investment delivered in AMP8 would result in lower customer bills in the short term than if that investment were not undertaken.
- **We ask that Ofwat confirms £53.5 million of investment to support treatment capacity at [X].** This is an integrated asset within the existing Strategic Resource Zone that will provide the required treatment capacity to meet peak demand on the [X]. This investment will be required in all circumstances and hence would not be included in the proposed staged / gated process.
- **Our revised proposals strengthen customer protection.** Developers will fund Stage 1B and Stages 2F-2G upfront, with third-party treatment potentially reducing revenue recovered from general customers. Combined with staged funding for Stages 2A-2E and no AMP8 in-period revenue request, this materially reduces the financial risk borne by customers.
- **We have provided additional evidence to explain why customer support is already demonstrated and that additional customer research to support our WRMP24 commitment to existing 1-in-40 Temporary Use Ban (TUB) level of service is not required.** We also ask that Ofwat confirms that there is no additional requirement to carry out customer research in view of our revised proposals set out in this document.
- **Overall, we ask that Ofwat allows £55.8 million to cover the gated development costs for Stages 2A-2E and the investment to support increased treatment capacity at [X]. We ask that Ofwat reviews and confirms our proposed timetable for a process that supports a timely and effective delivery of the required infrastructure.**

2. UUW's Cost Change proposal

2.1 Original Cost Change proposal

In April 2026, we requested £178.9 million of investment to meet additional data centre demand in Greater Manchester. Approximately £175.0 million was expected to be incurred in AMP8 and £3.9 million in AMP9. This demand had emerged after WRMP24 and PR24 and was therefore not reflected in the PR24 Final Determination.

The demand profile used in the submission increased from approximately 3.5 MI/d in 2027 to 28.4 MI/d by 2032.

This comprised approximately 21.9 MI/d associated with the Stage 1 developments and 6.5 MI/d at [REDACTED]

]. Table 1 below summarises the scope and costs of our original submission.

Table 1: Scope and value of the original Data Centre Cost Change submission (£million, 2022-23 CPIH)¹

Component	Purpose	AMP8	AMP9	Original value
Stage 1A – [REDACTED]	New clarification process to increase treatment throughput during periods of peak demand. The intervention did not create a new raw water resource.	53.504	-	53.504
Stage 1B – [REDACTED] connections	Pipeline infrastructure connecting the strategic treated-water network to individual data centre developments.	67.889	-	67.889
Stages 2A-2E	Water resource, storage and treatment interventions including Lancaster process-loss recovery, [REDACTED], [REDACTED] Reservoir, [REDACTED] Boreholes and [REDACTED] JWTW.	35.431	2.579	38.011
Stages 2F-2G	Downstream pipeline reinforcement and booster pumping infrastructure required to serve [REDACTED]	18.212	1.326	19.538
Total		175.037	3.905	178.942

Source: UUW analysis

Our original submission identified Stage 1A and Stages 2A-2E as strategic investment ordinarily funded through the RCV, and Stage 1B and Stages 2F-2G as infrastructure ordinarily rechargeable to developers. We were concerned that requiring the full cost to be paid upfront could be a barrier to development and growth in the region. We therefore proposed that all of the investment, including the developer-rechargeable elements, should initially be financed through the RCV. The relevant costs would then be recovered over time from data centre customers through their wholesale water charges, using Special Agreements where appropriate.

¹ Values for individual programme components are shown rounded as presented in the original proposal.

3. Draft determination position

In the draft determination Ofwat assessed £111.1 million of the £178.9 million as within scope comprising of:

- £91.5 million of strategic source, storage and treatment investment; and,
- £19.5 million of shared-developer network reinforcement.

Ofwat excluded £67.9 million of direct connections as third-party costs. Table 2 summarises Ofwat's assessment.

Table 2: Summary of Ofwat's draft determination assessment for the Data Centre Cost Change proposal

Assessment area	Draft determination position
Need for a step change in investment	Conditional Partial Pass
Best option for customers	Pass – no challenge
Robust and efficient costs	Pass – no challenge
Customer protection	Some gaps
Investment delivery	Adequate
Strategic source, storage and treatment	£91.5 million assessed through Cost Change
Shared-developer network reinforcement	£19.5 million assessed within the Cost Change process
Direct data centre connections	£67.9 million excluded as third-party services

Source: Ofwat, Cost Change Draft Determination 2026, Data Centres assessment, p.56–66.

In light of these assessments, Table 3 below summarises Ofwat's draft determination decisions.

Table 3: Totex allowance for data centres including restated allowance following query response 'CCP26-UUW-IBQ-003' (£million, 2022-2023 CPIH)

	AMP8	AMP9	Total
UUW's cost change proposal	175.037	3.905	178.942
<i>Adjustments:</i>			
Shared-developer network reinforcement	-18.212	-1.326	-19.538
Third party funded schemes	-67.307	-0.582	-67.889
Draft determination allowance per cost model⁽¹⁾	89.518	1.997	91.515
Profiling adjustment confirmed in query response	-0.582	0.582	-
Draft determination allowance as confirmed in query response⁽²⁾	88.936	2.579	91.515

Source: (1) CCPCA 2026 DD Growth WR model and (2) CCP26-UUW-IBQ-003

3.1 Need and scope

Ofwat recognised that material data centre demand has emerged in Greater Manchester since WRMP24 and PR24 and that additional investment may be required to accommodate this demand while maintaining supplies to existing customers.

Ofwat assessed the need with a Conditional Partial Pass:

- The partial element reflects the exclusion of the £67.9 million of direct connections from the Cost Change process; and,
- The conditional element concerns regulatory acceptance of the re-baselined WRMP24 position through the statutory annual review process and evidence of customer acceptance of the financial risk.

For final determination, Ofwat has asked for:

- Evidence that customers have been informed of the potential bill impacts in the context of the re-baselined WRMP and planned Temporary Use Ban level of service;
- Evidence that customers accept the financial risk associated with the investment; and
- Assurance that developers are aware of alternative provision where relevant.

3.2 Funding and customer protection

In the draft determination Ofwat explained its concerns and explained that:

- General customers should not bear the financial risk of infrastructure if developments do not proceed, are delayed or the associated costs are not recovered from the relevant third parties;
- Expenditure classified as third-party services should be ring-fenced. For 2025-30, Ofwat proposed that UUW should be able to retain relevant additional third-party revenues through the PR24 third-party services reconciliation mechanism; and,
- An appropriate mechanism would be established from 2030 onwards to allow for costs already incurred to be recovered from the relevant third parties.

For the £91.5 million strategic source, storage and treatment investment, Ofwat applied no efficiency challenge but expected the associated costs to be recouped from the data centre customers.

Ofwat also proposed a two-stage Price Control Deliverable (PCD) for the strategic investment, tracking delivery of the funded output and recovery of third-party revenue.

4. Issues and implications

This section covers:

- Our revised funding and cost recovery approach (section 4.1);
- The proposed ring-fencing of our investment through a staged approval or gated process (section 4.2);
- Investment in the treatment capacity at [REDACTED] (section 4.3);
- Customer evidence and engagement (section 4.4); and,
- Our approach to Price Control Deliverables (section 4.5).

4.1 Revised proposals

We have revised our proposal in response to Ofwat's concerns about demand uncertainty, customer financial risk and regulatory treatment of costs. This has resulted in two main changes:

- Infrastructure with the sole purpose of serving the data centre developments would now be paid for upfront by the relevant developers, the costs of which will then be recovered through the third-party reconciliation model removing the asset stranding risk from the generality of customers; and,
- Stages 2A-2E of the investment would be ring-fenced and staged entering staged approval or gated process akin to Ofwat's PR24 gated process of large schemes. We are therefore requesting development costs at final determination to be able to progress the development of projects with the final delivery allowance determined through the various stages of the staged approval or gated process. This will allow us to manage uncertainty and further reduce risk to customers whilst ensuring that our solutions reflect the most up-to-date demand requirements.

We have also taken steps to ensure that developers are aware of alternative provision where relevant and have provided evidence in section 4.2 and Appendix D of our discussions with the [REDACTED] developer and our written follow-up seeking confirmation of its position. Appendix B illustrates the proposed investments within the existing water supply system and summarises their function and funding treatment.

Table 4 below summarises how our proposals address the key concerns raised in the draft determination.

Table 4: Addressing the key issues

Issues raised	How our proposals address the issue
Stranded asset risk	Stranding risk has been materially reduced. • All non-shared infrastructure will be funded directly by developers and progress on investing in shared infrastructure in stages 2A-2E will be subject to a gated/staged mechanism with Ofwat approvals, at times of sufficient certainty. This provides meaningful protection opposite any perceived risk of the generality of customers funding stranded assets. • For this case, developers would fund £58.0 million of investment for Stage 1B direct connections and £19.5 million of Stages 2F-2G downstream reinforcement sole-use infrastructure upfront. • Only the infrastructure treated as enhancement costs (stage 1A and stages 2A-2E) would provide a shared system-wide benefit, providing potential use for general customers if industrial demand changes.
Long term impact on customers	The proposed shared infrastructure provides benefits to the generality of customers but their contribution to it is expected to be minimal. • Industrial customers will ultimately fund the costs of the investment. • General customers would only temporarily contribute to the shared infrastructure in AMP9 until we commence recovering costs from industrial customers. • Once we commence recovering costs from industrial customers, general customers' contributions would be reversed in full.

Issues raised	How our proposals address the issue
Short term impact on customers	- Where third-party investment is delivered in AMP8, then this will also contribute to the single till immediately, resulting in lower customer bills in the short-term compared to a no-investment scenario. - In any event, we are not requesting an in-period revenue adjustment for AMP8. This ensures no upward pressure on customer bills from our industrial growth investment in AMP8.

Source: UUW analysis

We discussed the risk to customer bills with Consumer Council for Water (CCW). CCW made it clear that its intention is to ensure that customers are, as far as possible, protected from any avoidable risk of funding stranded assets or providing excessive upfront funding for uncertain costs.

Following our discussion, it was agreed that, whilst there was some risk that customer bills may be impacted by this investment, in the event of any delay or cancellation of any of the expected industrial developments, that this was sufficiently mitigated by our proposals:

- To collect all local connection costs from the developers up front, such that these costs then should not be a risk to wider customer bills;
- That the remainder of the investment was re-usable for other further developments, such that none of it would likely form a permanently stranded asset to be funded by wider customers;
- To put the majority of costs into a form of gated mechanism, meaning that Ofwat can ensure that decisions about cost allowances can be deferred to the latest feasible opportunity, prior to proceeding; and
- That we will not seek to recover any additional revenue related to these cases in AMP8.

It was also recognised that this risk (i.e. that growth investment was made, but that the expected development may not then proceed) was a wider risk faced by all customers, for all new developments (not just for industrial developments), and hence this was a normal risk related to the funding of new growth investment.

Given all of these considerations, and in view of the additional customer protection measures in our revised proposal we believe that the £53.5 million of investment in stage 1A treatment capacity at [REDACTED] should be funded directly (as it required in all circumstances), and that £38.0 million of investment in stage 2A-2E shared infrastructure should be treated as enhancement expenditure and determined through a staged or gated process and funded via the RCV. Non-shared infrastructure will be funded, appropriately, through the third-party mechanism.

4.2 Funding and cost recovery

Our original funding proposal sought to avoid large upfront charges becoming a barrier to growth. We now propose that £58.0 million of investment for Stage 1B direct connections and £19.5 million of Stages 2F-2G downstream reinforcement are paid for upfront by the relevant developers before the associated construction expenditure is committed. This places greater upfront funding pressure on developers but addresses the risk of unrecovered connection costs highlighted by Ofwat in the draft determination.

In addition, [REDACTED] has been removed because the latest planning evidence indicates industrial/logistics use rather than a data centre, removing £9.9 million of connection costs from our original cost change submission. Its removal does not change the need for Stages 2A-2E, which are driven by [REDACTED] demand.

Our proposals focus only on the most mature data centre demand, in which we have high confidence. This limits the risk of committing investment against less certain demand.

UUW maintains a live geospatial industrial growth register called FutureView to track major developments identified through connection applications, direct developer engagement and planning and commercial intelligence. For each development we capture expected demand, timing and maturity, so that potential demand can be distinguished from higher-confidence requirements. This evidence shows approximately 178.2 MI/d of potential average demand, including 111.2 MI/d outside data centres. This spans hydrogen, power generation,

sustainable aviation fuel, recycling, industrial developments and leisure, with differing levels of confidence and maturity. Growth across our Strategic Resource Zone provides potential alternative uses for the capacity at [X] and Stages 2A-2E if individual data centres are delayed, reduced or cancelled.

It is important that the strategic investment is assessed against four points:

1. **Integrated system use.** The investment at [X] and Stages 2A-2E provides treatment, water-resource or storage capacity within the Strategic Resource Zone. This capacity can be deployed across the wider integrated system serving around 8.0 million people and is not restricted to individual data centres;
2. **Future asset use.** Strategic water infrastructure has a long operating life. Wider growth and the future WRMP deficit projected from 2053², provide a basis for these assets to offset future investment. Delayed utilisation should therefore be distinguished from permanent stranding risk. These options are expected to form part of the next WRMP's preferred programme, with data centre demand bringing forward investment otherwise needed for wider growth;
3. **Regulatory precedent and consistent treatment of residual risk.** Some uncertainty remains over the timing of utilisation and cost recovery. Forecast uncertainty also arises when providing any of the other shared water and wastewater infrastructure for household and other non-household growth. We consider that the same approach to assessing and allocating that risk should apply to these integrated assets; and,
4. **Additional customer protection measures.** The initial Stage 2 allowance would be limited to £2.3 million, with delivery funding determined through a staged decision-making or gated process. This gives Ofwat confidence that material delivery expenditure will only be committed once demand, scope and efficient cost have been further evidenced; protects customers by limiting their exposure while uncertainty remains; and gives UW sufficient funding to progress design, consenting and other development activity needed to preserve deliverability. We also propose to defer short-term revenue adjustments to PR29 and not request in-period adjustments. Any resulting reduction in allowed revenue would neutralise the relative impact on customer charges; the timing change should remain neutral over the full recovery period. In addition, our revised proposals now mean that any developer-funded third-party investment delivered in AMP8 would result in lower customer bills during AMP8 than if that investment were not undertaken. This would happen due to the third party (rechargeable works) revenue for the connection costs (Stage 1B and 2F-2G) being part of the "single till" revenue control, such that any revenue recovered from the developers for making these connections would naturally reduce the remaining revenue that would be recoverable from general customer bills.

Taken together, these points support enhancement funding for the treatment capacity at [X] and progression of Stages 2A-2E through the proposed staged process. The assets' wider-system role and potential future use mitigate the risk of permanent stranding, while the staged decision-making through "gates" limit expenditure committed before demand is sufficiently evidenced. These proposals would therefore reduce general customers' exposure to financial risk. Some uncertainty over utilisation and cost recovery would remain, but this should be assessed and allocated consistently with other shared infrastructure provided for household and non-household growth. The single-till treatment of the developer-funded elements (Stage 1B and 2F-2G) also has the potential to reduce the revenue recovered from general customers, creating a downward pressure on customer bills.

We continue to propose recovery of the relevant strategic costs, including treatment capacity at [X], from data centre customers through wholesale charges, whereby we would use the "Special Agreement" regime to allocate these costs to the water supply prices of the specific developments.

We recognise that there might be timing delays between completion of assets (and including of related RCV returns within allowed revenues) prior to some of the data centres coming into service. This revenue would therefore form part of normal customer charges, until we can commence recovery of the specific costs from the data centre customers once they are receiving water supplies. Our intent would be that the special agreement price for these data centres would also include any early financing revenues received from general customers, prior to the data centre coming into supply. This timing delay is a normal part of all growth investment, whereby

² UW response to Ofwat query OFW-UW-CCP-013, page 4

investment is made ahead of demand from new developments coming online (and therefore being able to bill those new customers). Customer risk is therefore not being increased in this regard. We have also sought to further mitigate the impact on bills by agreeing to not recover any in-period AMP8 revenues relating to this proposed investment.

Where a development does not proceed and its connection is not built, the associated construction cost is not incurred. The third-party reconciliation should reflect both the avoided expenditure and the absence of developer revenue, leaving general customers financially unaffected.

Representation 1: We ask that Ofwat confirms the reconciliation arrangements for £77.5 million of developer-funded infrastructure, comprising £58.0 million of investment for Stage 1B direct connections and £19.5 million of investment for Stages 2F-2G downstream reinforcement, which will be paid up-front by the relevant developers.

4.3 Stage 2A-2E development through a staged or gated mechanism

As discussed above we are proposing to develop a staged decision process akin to the gated mechanism which would involve:

- Providing an update on options appraisal, outline design and feasibility, draft costs and key delivery risks in Submission 1.
- Providing the updated demand, Strategic Resource Zone assessment, scope, efficient costs and delivery programme for the delivery funding decision, including any proposed additional options or changes to scope in Submission 2.

We would welcome further engagement with Ofwat ahead of the final determination to agree the final timescales, future decision points and evidential requirements to support this approach.

In terms of our investment proposals, stages 2A-2E have been developed for [REDACTED]

[REDACTED] immediate average requirement of 6.5 MI/d. The separate assessment in Appendix C, Table 11, shows that this investment accommodates [REDACTED] immediate average demand of 6.5 MI/d with no modelled reduction in the Strategic Resource Zone supply-demand balance at the planned 1-in-40 TUB criterion. This supports progressing the investment's development while demand, timing and delivery requirements are validated through the gated process. This immediate requirement represents 37 per cent of the 17.46 MI/d assessed in Appendix A. The remaining 10.96 MI/d comprises estimated demand from future phases and other developments, demonstrating the further resource requirements that may emerge beyond the current Stage 2 package.

We have also held discussions with developers at other sites, several of which have passed through the planning process, as shown in Appendix A. We have received some pre-development enquiries for these sites, which provide an indicator of potential demand, although commercial sensitivities within the sector limit some of the detailed demand information available. We have therefore estimated their water requirements using available IT load information and UUW models. Appendix A sets out those estimates.

We propose to develop a staged or gated process akin to the existing PR24 large schemes gated process for Stages 2A-2E. This would allow development of the [REDACTED] options to continue while demand is confirmed and any additional water-resource options are assessed. The initial development allowance would be £2.3 million which is equivalent to 6 per cent of the current £38.0 million programme of investment. This would fund design, feasibility, environmental assessment, consenting and cost development.

The proposed staged approach would allow us to update these estimates as developer information becomes available and assess any additional water resource options. Any investment beyond the current Stages 2A-2E package would be presented at Submission 2, supported by updated demand evidence and costed options, for Ofwat's delivery funding decision.

The estimated £35.7 million of investment would therefore not be pre-approved at final determination; the allowance would reflect the evidence at that point. Our proposed outline regulatory timetable is set out in Table 5 below.

Table 5: Proposed Stage 2 large schemes timetable

Regulatory point	Timing
Entry and development allowance	Final determination, December 2026
Submission 1	October 2027
Submission 2	March-May 2028
Ofwat draft decision	July 2028
Ofwat final decision	December 2028

Source: UUW proposed timeline based on large scheme gated processes

From a process standpoint it is important that:

- Gated decisions align with contract award, construction and commissioning dates so that the process support timely investment that can meet the demand requirements; and,
- We retain the flexibility to discuss with Ofwat how we can bring decisions forward where the delivery programme requires it. We would welcome further engagement with Ofwat to finalise an effective timeline.

We have received a signed letter dated 22 September 2026 from a major data centre developer confirming that UUW has made it aware that other parties with access to raw water could provide the required supply. The developer also confirms that we have explained Ofwat’s position that general or household customers are not expected to fund or bear financial risk for activities those parties could deliver. This provides direct developer evidence addressing Ofwat’s specific requirements on awareness of alternative provision and funding expectations.

The letter confirms that the development is actively progressing and that the developer has discussed potential direct abstraction with the Environment Agency. Although its assessment continues and no final supply decision has been made, the solution being developed with UUW is currently its preferred option. The developer also identifies timely water infrastructure as critical to successful delivery. This strengthens the evidence of development progress and informed customer choice, while supporting continued validation of demand and timing through the proposed staged process. Further detail is provided in Appendix D, subject to commercial confidentiality.

Representation 2: We ask that Ofwat confirms entry of Stages 2A-2E of investment into a staged or a “gated” process, allows £2.3 million of development cost at final determination to progress with the development of the gated investment and agrees a timetable that supports a timely and effective delivery of the required infrastructure.

4.4 Investment in the treatment capacity at [REDACTED]

We believe that the investment in treatment capacity at [REDACTED] should be approved at final determination and not progressed through the proposed staged process. There are four main reasons for this:

1. **Urgency of need** – The treatment capacity at [REDACTED] is required to support any or all of the new data centre developments, and it needs to be commenced as soon as practicable, to be in place for when any of the new resources come online.
2. **Independence of need** – [REDACTED] additional treatment capacity is required even if [REDACTED] is the only data centre development to proceed, to meet its approximately 11 MI/d peak-day requirement. Its need therefore does not depend on the full development portfolio materialising, and approval should proceed independently of the later funding decision for Stages 2A-2E. Our submitted programme starts delivery on 1 April 2027 and plans to bring treatment capacity at [REDACTED] into use on 31 December 2029 (UUW26-03, Table

20). Deferring delivery approval until the proposed Stage 2 funding decision in December 2028 would put the programme at risk.

3. **Asset integration** – The clarification stage will form part of an existing operational treatment works supplying the [REDACTED] Its additional treatment capacity will be available to serve the wider customer base and future growth, even if individual data centres are delayed or do not proceed. This means that the asset's use is not dependent on individual developments and essentially eliminates any risk of long term asset stranding.
4. **No regrets investment** – [REDACTED] has a confirmed peak-day requirement of approximately 11 MI/d³. This represents a very high confidence development as set out in Appendix A. Meeting this requirement needs [REDACTED] additional treatment capacity within the wider Strategic Resource Zone. [REDACTED] is therefore required even if [REDACTED] is the only data centre development to proceed. Its need does not depend on the full development portfolio materialising. The [REDACTED] also supplies our area of highest underlying growth in the North West. Any spare capacity arising if individual data centres do not proceed is therefore inevitably going to be taken up by wider growth across the region.

Both [REDACTED] and Stages 2A-2E provide complementary capabilities within the wider supply system, and are all therefore capable of providing wider benefits to the growth in the region (if any of the data centre developments were to drop out). [REDACTED] provides the treatment throughput needed during peak demand. Stages 2A-2E provide additional water resource, storage and associated treatment capability. There is a clear benefit, in terms of building customer confidence, in stages 2A-2E being refined through the proposed staged process. However, the treatment capacity at [REDACTED] is needed regardless of the scale of the demand, and hence we are not proposing to include it within our proposed staged approach.

We also note that the process must keep pace with the developments. It is important that early funding must allow design, investigations and consenting to progress while demand evidence matures. Timely gate decisions are essential to meet delivery dates and give developers confidence that the water infrastructure will be available.

Representation 3: We ask that Ofwat confirms allowances of £53.5 million of investment at [REDACTED] at final determination.

4.5 Customer evidence

4.5.1 Customer engagement on Temporary Use Bans service levels

In the draft determination, Ofwat raised concern that our re-based Strategic Resource Zone forecast included in our updated WRMP had not been assessed through the statutory annual review. Updated WRMP24 data tables were submitted to Defra on 31 May 2026, as recorded in our response to query OFW-UUW-CCP-013. The forecast remains the latest and most up-to-date planning evidence available to us.

Appendix C demonstrates the impact of growth, the contribution of the proposed investment and its value if growth does not proceed.

- **Scenario B** – Growth without investment. From 2031-32, data centre demand reduces the Strategic Resource Zone supply demand balance by 22.70 MI/d relative to the baseline.
- **Scenario C** – Growth with investment. The separate [REDACTED] assessment shows that Stages 2A-2E accommodate its immediate average requirement of 6.5 MI/d with no modelled reduction in the supply-demand balance at the planned 1-in-40 TUB criterion. Under the wider Appendix A demand profile, the investment improves the balance by 3.80 MI/d from 2031-32, leaving it 18.90 MI/d below baseline. That wider assessment includes estimated demand from [REDACTED] future phase and other sites, for which

³ UUW response to Ofwat query OFW-UUW-CCP-013, Table 2, page 5. The four [REDACTED] buildings have a combined average demand of 6.50 MI/d and a confirmed peak demand of 10.93 MI/d, rounded here to approximately 11 MI/d.

further water-resource options will be developed as requirements become more certain. Appendix C presents both assessments.

- **Scenario F** – Investment without growth. Even if data centre growth does not proceed, Stages 2A-2E provide a modelled improvement of 3.60 Ml/d from 2030-31. This demonstrates potential use within the wider system and mitigates the risk of permanent stranding

For Stages 2A-2E, we will update the demand forecast and water resources assessment through a staged process. Ofwat would then determine the delivery allowance using the latest evidence, including the relevant WRMP position.

There is an important distinction in relation to TUBs. In the draft determination Ofwat expressed concern that the investment associated with maintaining the proposed 1-in-40 TUBs may no longer be supported by our WRMP customer research, given the rebaselining of our WRMP. This is because the additional deficit identified would undermine our claim to customers that 1-in-40 TUBs would be achieved at no additional cost to customers, and hence it may no longer be legitimate to plan the expenditure for this growth case on the basis of maintaining 1-in-40 TUBs.

However, we are confirming that under the rebaselined position we will still achieve 1-in-40 TUBs service levels at no additional cost to customers. This is because the deficit was caused by an unexpected high level of demand, and not a loss of supply capacity. Had it been a loss of supply capacity, we may have needed to invest to restore our supply demand balance, and potentially achieve a 1-in-40 service level. However, as it was due to an increase in demand, what that has meant is that we have had to increase our demand management activities in order to meet our required service targets (PCC, leakage, etc.), and it is meeting these targets that enables us to (organically) achieve 1-in-40. Whilst this has meant harder work and higher cost for the company, it is not a matter of customer choice – i.e. there are no investment options that are supporting the achievement of 1-in-40 – it is merely happening naturally as part of us complying with our demand related service targets.

Therefore, the planned move to a 1-in-40 TUB level of service is not a benefit created by additional investment or additional customer funding through this Cost Change proposal. The investment set out in this case does not contribute towards the move from 1-in-20 to 1-in-40 and we have explained that this improvement is not an incremental benefit of this investment. There are also no alternative options to propose to customers whereby we could invest less in supply capacity, or spend less on discretionary demand management (over and above our targets) in order to remain at 1-in-20 or defer such spend – the only way to do so would be to fail to meet our demand related service targets resulting in draft determination Outcome Delivery Incentive (ODI) penalties and failure to meet our commitments.

This is also why available Strategic Resource Zone headroom cannot simply be treated as spare capacity available for industrial growth. That headroom forms part of the wider planning position needed to meet existing demand – it has not been increased (at a cost to customers) in order to achieve a higher level of service.

In this respect, we believe that our underlying WRMP position - in terms of cost to customer and the expected (organic) improvement in TUBs service level – has remained the same, despite the rebaselining of our plan, and hence our WRMP customer research remains valid. Given this, it should be clearer that the investment proposed to meet the data centre demand is purely required to meet that demand, and not related to the achievement of improved TUBs service level.

Repeating research on the planned TUB service level would not present customers with a new choice between service and cost. The planned move to 1-in-40 follows from delivery of our existing demand-management commitments, without additional customer funding. Even if customers expressed a preference for retaining a 1-in-20 service level, this would not remove those commitments or provide a basis for reducing the expenditure needed to meet them. Further research would therefore duplicate existing engagement without identifying an alternative course of action under the current plan.

We discussed this position with CCW, which agreed with our view that the prior WRMP customer research results remained valid.

The separate question of customers' exposure to financial risk from industrial growth is addressed through our revised funding and delivery proposals and the CCW engagement described below.

4.5.2 Customer engagement on customer bill risk

In the draft determination Ofwat also raised concerns about customers bearing the financial risk, in the event that any of the developments do not proceed, or if one of the data centres closed before costs were recovered in full. Ofwat also raised concerns about customers paying up front for investment funded through the RCV, prior to any of the developments completing.

We have addressed this concern in the following ways:

- **Evidence of asset integration and system use** – Only investment that can deliver wider benefits to customers is proposed to be recovered from the RCV and the cost recovery of the third-party connection costs would be upfront from the individual developers.
- **The strategic assets form part of the Strategic Resource Zone, which supplies around 8.0 million people.** Within this zone, the [] serves eight demand management zones with a combined demand of approximately 664 Ml/d in 2034/35, after allowing for planned demand-management measures⁴. These figures illustrate the scale of the interconnected system within which Stages 1A ([]) and Stages 2A-2E would operate, and the scope to serve wider demand if individual data centre developments do not proceed or are delayed.
- **Reduced demand risk** – We are proposing a staged / gated process to progress strategic investment in order to provide greater confidence that only confirmed requirements will proceed whilst allowing the necessary development activity to advance as the demand requirements are confirmed.
- **No short-term impact on customer bills** – We are proposing not to seek recovery of any AMP8 revenues for [] and the proposed staged / gated investment. This will ensure that there is no consequential negative impact on customer bills in AMP8.
- **Customer bills could be even lower in AMP8** – Recovering third-party costs from developers will actually reduce customer bills in AMP8 – this is because third-party costs are rechargeable works and part of the single till and will be funded only in AMP9 through the third-party reconciliation model. As a result, customer bills in AMP8 will actually be lower.

We also note that pre-funding of growth investment before new developments are completed is the established funding model for all growth investment, within Ofwat's regulatory price control model. It would be inconsistent to be required to seek customer support for this proposal, on the basis that this is an industrial growth case. To require it would serve to substantially complicate the process for further growth investment beyond what has historically been allowed. It is also important to recognise that household customers have benefited significantly over the past few decades from industrial customers – either from significantly reduced levels of required growth investment (around a 40 per cent decline in non-household water consumption⁵), and also due to the contributions made from non-household customers to any pre-funding of growth expenditure, which would have been almost entirely due to household growth.

Therefore, in light of the additional evidence provided above, and that the net impact on customer bills in AMP8 will be zero or negative, we do not consider it necessary to require further customer research on this point.

4.5.3 Engagement with CCW on customer bill risk

We discussed the risk to customer bills with Consumer Council for Water (CCW). CCW made it clear that its intention is to ensure that customers are, as far as possible, protected from any avoidable risk of funding stranded assets or providing excessive upfront funding for uncertain costs.

⁴ Source: UW estimates of DMZ demand, using regional DYAA demand values from the WRMP24 rebased demand tables

⁵ United Utilities Water Limited (2019), [Final WRMP19 Technical Report – Demand for water](#), section 3.4, Figure 23, "Reported and forecast non-household consumption", p. 40; accompanying figures in Table 19, p. 41.

Following our discussion, it was agreed that, whilst there was some risk that customer bills may be impacted by this investment, in the event of any delay or cancellation of any of the expected industrial developments, that this was sufficiently mitigated by our proposals:

- To collect all local connection costs from the developers up front, such that these costs then should not be a risk to wider customer bills;
- That the remainder of the investment was re-usable for other further developments, such that none of it would likely form a permanently stranded asset to be funded by wider customers;
- To put the majority of costs into a form of gated mechanism, to ensure that Ofwat can ensure that decisions about cost allowances can be deferred to the latest feasible opportunity, prior to proceeding; and
- That we will not seek to recover any additional revenue related to these cases in AMP8.

It was also recognised that this risk (i.e. that growth investment was made, but that the expected development may not then proceed) was a wider risk faced by all customers, for all new developments (not just for industrial developments), and hence this was a normal risk related to the funding of new growth investment.

Representation 4: We ask that, in view of the evidence provided, Ofwat confirms that the existing WRMP customer evidence supporting the planned 1-in-40 TUB level of service remains valid and that further research on support for this level of service is not required. We also ask that Ofwat confirms that there is no additional requirement to carry out customer research in view of our revised proposals set out in this document.

4.6 PCDs should reflect the outputs funded

We support a PCD that protects customers where regulatory funding is provided for the delivery of an identified output. We include the proposed PCD in the accompanying PCD workbook, 'UUWR26-15 Cost change DD response – PCDs', alongside our draft determination response.

Under our revised proposal, we consider that one element of the PCD should remain, linked to delivery of the new clarification treatment stage at [REDACTED] water treatment works. We reiterate our output measurement proposal for this element of the PCD, which we included in the 2026 cost change proposal. This is to measure delivery of the PCD based on delivery of the new clarification treatment stage at [REDACTED] water treatment works.

The investment proposed at [REDACTED] is to deliver treatment capacity throughput, enabling available water to be transferred into the [REDACTED] during periods of peak demand. It does not create a new raw water resource. We made the same distinction in our response to Ofwat's query OFW-UUW-CCP-014 and in the cost change tables commentary document 'UUW26-22' section 6.1.5. The resource schemes that we have proposed to enter a "gated" process will deliver a WAFU benefit, whereas the investment proposed at [REDACTED] delivers treatment capacity required to meet peak demand.

The PCD included in this cost change proposal should therefore not measure the output in terms of WAFU.

As we propose to use the large schemes gated process for Stages 2A-2E, we have removed the associated proposed delivery cost allowance and outputs from the PCD in our draft determination response and associated tables. The cost allowance and outputs should instead be monitored through the gated scheme process, similar to the process used for our Windermere large gated schemes. We therefore propose to develop a final set of PCDs at Submission 2 through the gated process.

We do not consider that the second stage of PCDW11d set out in the draft determination, which tracks recovery of third-party revenues, is required under our proposal. Developer-specific infrastructure will be paid for upfront by the relevant developers, and funding of this will be managed through Ofwat's third-party reconciliation model (and hence no Cost Change related allowance has been included in our draft determination response for that expenditure).

Representation 5: We ask that Ofwat retains a single PCD linked to delivery of the new clarification treatment stage at [REDACTED] water treatment works, remove the outputs proposed for the gated scheme (stages 2A to 2E) as this will be finalised through the gated process and remove the third-party revenue element of PCDW11d.

5. Approach for Final Determination

We request that Ofwat allows the investment required to support additional treatment capacity at the [REDACTED] water treatment works and development funding for the investment for Stages 2A-2E that would progress through a gated process. We also ask that Ofwat retains the strategic classification and confirms there is no additional efficiency challenge for these schemes; this is consistent with the draft determination position. On this basis, we ask that Ofwat allows for £55.8 million of investment at final determination. This comprises the draft determination allowance of £91.5 million together with the adjustments set out in Table 6 below.

Table 6: UUW's totex final determination request for data centres split between AMP8 and AMP9 (£million, 2022-2023 CPIH)

	AMP8	AMP9	Total
Draft determination allowance confirmed in light of additional evidence (as per Table 3)	88.936	2.579	91.515
<i>Adjustments:</i>			
Strategic water resources stages 2A-2E – removed full scheme cost as proposed through gated mechanism	-35.431	-2.579	-38.011
6% development allowance for proposed gated scheme	2.281	-	2.281
Final determination request	55.785	-0.000	55.785

Source: UUW estimates

The investment to support the required treatment capacity at [REDACTED] would proceed outside the staged / gated process consistently with the published draft determination. The Stage 2 delivery scope and allowance would be determined through Submission 2 of the proposed staged process and the associated Cost Change assessment.

We also ask that Ofwat:

- Confirms the cost-recovery and PR29 reconciliation arrangements set out in section 4.1, including the treatment of financing costs;
- Recognises the significant additional third-party costs to be reconciled through Ofwat's third-party reconciliation model, which has not yet been used for a full end-of-AMP reconciliation, and provides assurance that these costs will be appropriately recoverable through the PR29 reconciliation process;
- Recognises that the existing WRMP customer evidence remains valid and, recognising the explanation provided in this representation, provides sufficient evidence of customer support for the planned 1-in-40 TUB level of service. We also ask that Ofwat confirms that there is no additional requirement to carry out customer research in view of our revised proposals set out in this document; and,
- Adopts the PCD proposals set out in Section 4.5 which includes a delivery measure for [REDACTED] clarification stage, Stage 2 delivery PCDs to be determined through the gated process, and removal of the revenue element subject to confirmation of the reconciliation arrangements.

Appendix A Data centre demand evidence

A.1 Updated site-by-site evidence maturity assessment

[REDACTED] immediate average requirement of 6.5 MI/d has been identified through developer engagement. All other demand figures, including [REDACTED] future phase, are UW estimates based on IT load and internal models.

Historic water requirements received for the other sites have expired. Updated developer confirmation is needed to establish current volumes, phasing and connection dates. Planning progress provides evidence that developments are advancing, but does not confirm their water requirements.

The register below records the demand volumes and calendar-year assumptions used in the September 2026 modelling. The dates are modelling assumptions and remain subject to confirmation.

Table 7: Detailed demand register

Development	Recorded planning status	Average demand (MI/d)	Demand assumed from	Basis of demand figure
[REDACTED]	Application submitted	6.50	2028	Identified through developer engagement
[REDACTED]	Application submitted	6.68	2032	UW estimate
[REDACTED]	Permission granted	1.25	2030	UW estimate
[REDACTED]	Permission granted	1.74	2030	UW estimate
[REDACTED]	Permission granted	1.15	2028	UW estimate
[REDACTED]	Permission granted	0.07	2030	UW estimate
[REDACTED]	Permission granted	0.07	2030	UW estimate
Total	—	17.46	2032	6.50 MI/d identified through developer engagement; 10.96 MI/d estimated by UW

Source: UW developer engagement, planning records and internal demand estimates; Data Centre Growth Modelling — Impact Assessment Summary, 11 September 2026

A.2 Assessing the likelihood of demand materialising

We have assessed each development against five tests: planning status, development progress, infrastructure commitment, water demand evidence and timing. Each test is scored from 0 (limited evidence) to 2 (strong evidence), giving an evidence maturity score out of 10.

The assessment provides a consistent basis for judging the likelihood of demand materialising and identifying what remains uncertain. The score measures the strength of supporting evidence; it is not a statistical probability or confirmation that the full modelled demand will arise on the assumed date.

The evidence maturity classifications are structured as follows:

- **High:** strong evidence of development progress and water requirements, providing a clear basis for progressing investment development.
- **Medium:** a credible development with evidence of progress, but water requirements, delivery dependencies or timing require further validation.
- **Low:** limited current evidence supporting the forecast water demand, even where planning permission or a wider development proposal exists.

Table 8 Site-by-site evidence maturity assessment

Development	Planning	Development progress	Infrastructure	Water evidence	Timing	Score /10	Evidence maturity
[X]]	1	2	2	2	2	9	High (90%)
[X]]	2	1	0	1	1	5	Medium (50%)
[X]]	2	1	0	1	1	5	Medium (50%)
[X]]	2	1	0	1	1	5	Medium (50%)
[X]]	2	1	0	0	1	4	Low (40%)
[X]]	2	1	0	0	1	4	Low (40%)
[X]]	1	1	0	0	1	3	Low (30%)

UUW site-by-site evidence assessment, September 2026.

[X]] immediate phase has the strongest evidence, reflecting the defined scheme, infrastructure programme (Stages 2A-2E) and substantive developer engagement on water requirements

[X]] have planning permission and defined development proposals. Historic water enquiries support continued engagement, but current demand volumes and connection dates require renewed developer confirmation. [X]] have planning permission but limited current engagement and unvalidated water requirements.

Of the 17.46 MI/d included in the modelling, 6.50 MI/d relates to high-maturity evidence, 4.14 MI/d to medium-maturity evidence and 6.82 MI/d to low-maturity evidence.

A.3 Using the assessment to control investment

The inclusion of lower-confidence demand in the modelling allows its potential system impact to be tested. It does not, on its own, justify committing to infrastructure delivery.

Under the proposed staged / gated approach, we will refresh the assessment at each investment gate, recording changes in evidence, demand and timing. Medium-maturity developments will remain under active review to validate their requirements. Low-maturity developments will be monitored, with investment decisions dependent on stronger evidence.

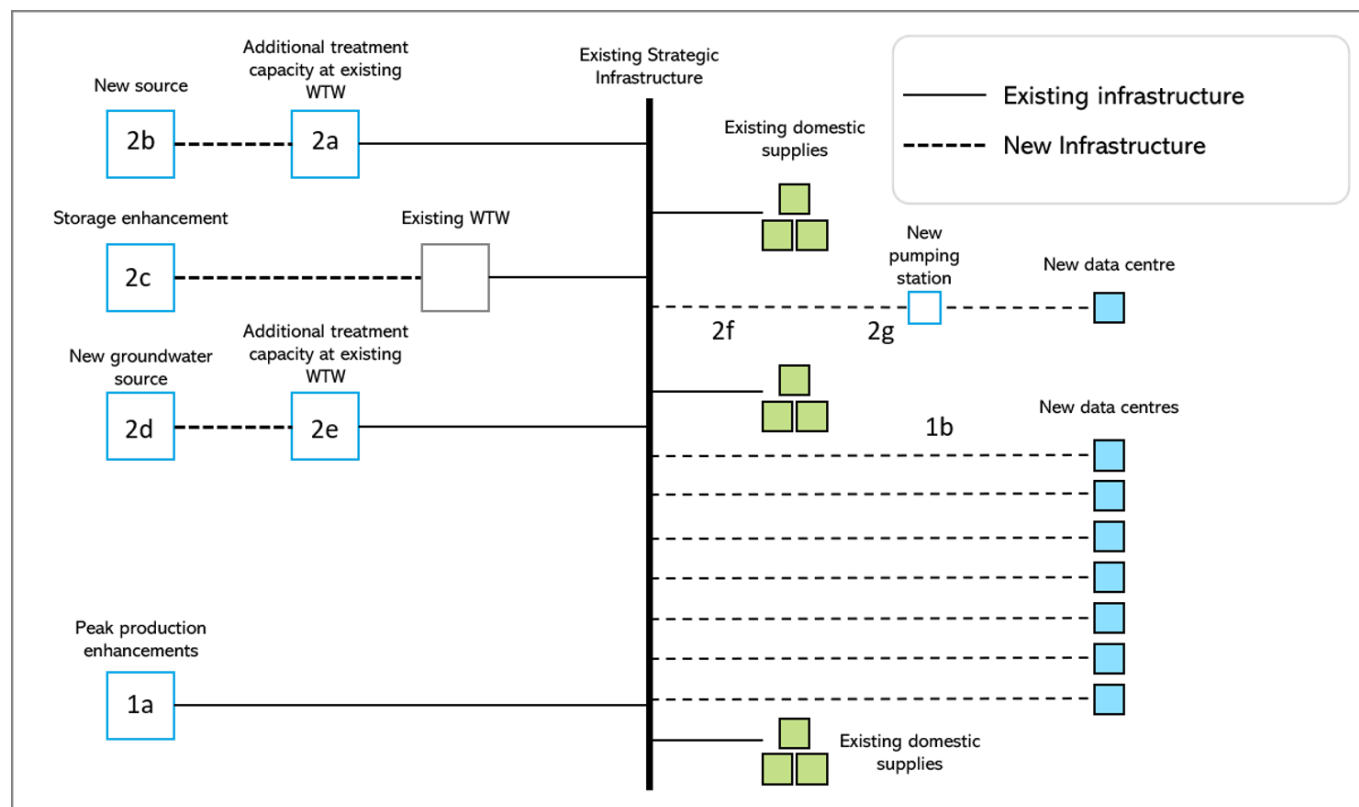
For Stages 2A-2E, updated evidence of [X]] immediate demand, phasing and commissioning dates will support the delivery allowance request. This allows development work to progress now while ensuring that the scope and timing of delivery reflect the best available evidence.

Appendix B Strategic asset function and classification

The proposed classification reflects each asset's function and its use within the wider water supply system.

Figure 1 illustrates the proposed investments and their relationships with the existing water supply system. Table 9 explains the function and proposed regulatory treatment of each intervention.

Figure 1: Proposed data centre investments within the existing water supply system.



Source: UUW analysis

Table 9: Asset function and proposed treatment

Intervention	Function and wider system use	Proposed treatment
Stage 1A — [X]]	Adds clarification capacity within an existing operational treatment works, serving the [X]] and wider Strategic Resource Zone.	Strategic regulated investment — proceed to delivery
Stage 2A — [X]]	Recovers water currently lost through treatment, increasing water available from [X]] WTW within the Strategic Resource Zone.	Strategic regulated investment — gated
[X]]	Reinstates a previously decommissioned catchment and transfers water to [X]] WTW, adding water resources within the Strategic Resource Zone.	Strategic regulated investment — gated
Stage 2C — [X]]	Restores reservoir storage for use within the Strategic Resource Zone.	Strategic regulated investment — gated
Stage 2D — [X]]	Develops additional groundwater resources for use within the Strategic Resource Zone through [X]] WTW.	Strategic regulated investment — gated
Stage 2E — [X]]	Provides the treatment capability required to use the Stage 2D groundwater resource.	Strategic regulated investment — gated

Intervention	Function and wider system use	Proposed treatment
Stage 1B — [X] connections	Connects the strategic treated-water network to individual data centre developments. No wider system use has been identified.	Funded upfront by the relevant developers
Stages 2F-2G — Downstream reinforcement	Provides network reinforcement and pumping to serve [X]. No wider system use has been identified.	Funded upfront by the relevant developer

Source: UUW proposed funding and delivery treatment as set out in sections 4.1 to 4.3

The funding proposals and delivery arrangements are set out in Sections 4.1–4.3.

Appendix C Strategic Resource Zone and stranded-asset assessment

This appendix assesses whether Stages 2A-2E accommodate [X] immediate demand, how they contribute under the wider data centre demand scenario, and whether they retain value if growth does not materialise.

Two assessments are presented:

- Combined data centre demand: the September 2026 assessment tests Stages 2A-2E against the demand profile in Appendix A. This includes [X] immediate requirement and UUW estimates for its future phase and other sites.
- [X] immediate demand: the [X] assessment tests the immediate average requirement of 6.5 MI/d with Portfolio A (plus production), equivalent to Stages 2A-2E.

Stages 2A-2E were developed to address [X] immediate requirement. Further water-resource options for the additional estimated demand will be developed as those requirements become more certain.

C.1 Scenario assumptions

The combined-demand assessment considers four scenarios.

Table 10: Strategic asset utilisation scenarios

Scenario	Additional data centre demand	Stage 2A-2E investment	Purpose
A — Baseline	None	No	Establish the comparison baseline
B — Growth without investment	Appendix A demand profile	No	Assess the impact of additional demand
C — Growth with investment	Appendix A demand profile	Yes	Assess the contribution of the investment
F — Investment without growth	None	Yes	Test whether the investment retains a wider system benefit without data centre growth

Source: UUW, Data Centre Growth Modelling

The assessment uses the rebased WRMP24 planning assumptions. Demand is represented as an annual average, without seasonal variation or an additional utilisation factor.

The modelling assesses how the interconnected Strategic Resource Zone performs under dry conditions at the stated service-level criterion. The benefit of additional supply depends on constraints across the system, including water availability, abstraction limits, transfers and treatment capacity. The modelled system benefit can therefore differ from the capacity of individual schemes.

Stages 2A-2E are assumed to be available from 2030–31.

A separate [REDACTED] assessment provides a Scenario C comparison for immediate demand with investment against that study's baseline. The result is presented at the planned 1-in-40 TUB criterion. Equivalent Scenario B and F results are not available from the supplied assessment.

C.2 Results

Combined data centre demand

Table 11 shows annual changes in supply–demand balance relative to Scenario A.

Table 11: Annual changes in Strategic Resource Zone supply–demand balance relative to Scenario A — Scenarios B, C and F (MI/d)

Period	B — Growth without investment (MI/d)	C — Growth with investment (MI/d)	F — Investment without growth (MI/d)
2026-27	0.00	0.00	0.00
2027-28	–9.95*	–9.95*	0.00
2028-29	–9.95*	–9.95*	0.00
2029-30	–14.02*	–14.02*	0.00
2030-31	–14.02*	–10.22*	+3.60
2031-32	–22.70	–18.90	+3.60

Source: UUW, *Data Centre Growth Modelling — Impact Assessment Summary*, 11 September 2026, pp. 3-6.

Values apply in each year shown and are not cumulative. Figures marked * were inferred from the modelled results; those time periods were not separately modelled.

[REDACTED] 6.5 MI/d represents its immediate average demand. Scenario F's 3.60 MI/d represents the modelled improvement in the wider system's supply–demand balance without additional data centre demand.

In 2031–32, the combined demand reduces the supply–demand balance by 22.70 MI/d without investment. Stages 2A-2E improve this position by 3.80 MI/d, leaving the balance 18.90 MI/d below baseline. This scenario includes additional estimated demand beyond the [REDACTED] immediate requirement for which the investment was developed

[REDACTED] immediate demand

Table 12 isolates [REDACTED] immediate average requirement of 6.5 MI/d with the proposed investment. It excludes [REDACTED] future phase and the other data centre demands included in Table 10.

Table 12: Scenario C — [REDACTED] immediate demand with Stages 2A-2E

TUB assessment criterion	Baseline deployable output (MI/d)	Scenario C deployable output (MI/d)	Change in supply–demand balance relative to baseline (MI/d)
1-in-40	1,778.7	1,778.7	0.00

Source: UUW, [REDACTED] modelling, “Level of Service Impact Summary”

At the planned 1-in-40 TUB criterion, the investment accommodates [REDACTED] immediate demand with no modelled reduction in the supply–demand balance relative to baseline. This supports the investment's role in maintaining the planned service level as that demand enters the system.

C.3 Conclusions

The modelling supports three conclusions.

- **[X] immediate requirement is accommodated.** The separate assessment shows no modelled reduction in the supply–demand balance with the immediate 6.5 Ml/d demand and Stages 2A-2E at the planned 1-in-40 TUB criterion.
- **Wider growth requires further resource development.** The remaining reduction in Table 10 arises under the combined demand scenario. Demand and resource requirements will be reassessed through the gated process, with further options developed as those requirements become more certain.
- **The investment retains value without data centre growth.** Scenario F shows a 3.60 Ml/d improvement in the supply–demand balance from 2030–31. This demonstrates a wider system benefit if the forecast growth does not materialise and mitigates the risk of permanent stranding.

These findings support development of Stages 2A-2E through the proposed gated process, with delivery funding determined against updated demand evidence, scope and costs.

Appendix D Alternative provision and developer choice

Following our engagement with the developer for [REDACTED], we have received a signed letter dated 22 September 2026 confirming that UW has explained that other parties with access to raw water could provide the development's water supply. The developer also acknowledges that we have explained Ofwat's position that general or household customers are not expected to fund or bear financial risk for activities those parties could deliver. These confirmations directly address Ofwat's request for evidence of developer awareness in respect of this⁶.

The letter confirms that the development is actively progressing, with strong commitment from the parties involved, and that timely water infrastructure is critical to its successful delivery. The developer has considered alternative sources, including discussions with the Environment Agency about sourcing water directly from the environment. Although its options assessment continues and no final decision has been made, the solution being developed with UW is currently its preferred option.

This provides additional evidence of development progress, the importance of water availability and informed consideration of alternative provision. The letter does not quantify demand or confirm commissioning dates or funding commitments; these remain subject to separate evidence and commercial arrangements. Commercial confidentiality prevents disclosure of the site, operator and detailed development information.

We have submitted "*UUWR26-17 Data Centre Growth – Confidential Supporting Evidence*" in confidence as part of this representation. It contains commercially sensitive information, and we have been asked not to publish it. We therefore ask Ofwat to treat the document as confidential and exclude it from publication.

We will continue to provide Ofwat with relevant additional evidence as it becomes available. We would welcome further discussion with Ofwat to clarify any outstanding evidential requirements and how these can be addressed while respecting commercial confidentiality.

⁶ Ofwat, Cost Change Draft Determination 2026 – United Utilities, pages 61–62

Appendix E Changes from the May 2026 submission

The revised proposal changes how infrastructure is funded, when Stage 2 delivery expenditure is committed and how demand uncertainty is assessed.

Table 13: Changes from the May 2026 submission

May 2026 submission	Revised position	Supporting detail
Developer-specific infrastructure was included in the proposed RCV financing approach, with costs recovered from developers over time.	£58.0 million of Stage 1B connections and £19.5 million of Stages 2F-2G reinforcement will be funded upfront by the relevant developers. Construction expenditure will follow secured developer funding. We seek confirmation of the PR29 reconciliation treatment.	Section 4.1
[REDACTED] was included in the Stage 1 development portfolio.	[REDACTED] and its associated connection costs have been removed because the latest planning evidence indicates industrial/logistics use rather than a data centre.	Section 4.1; Appendix A
The full Stage 2 strategic programme was included in the investment requested.	We propose £2.3 million of development costs which is equivalent to 6% of the £38.0 million programme. The delivery scope and allowance would be determined through the gated process using updated evidence.	Section 4.2
Demand was presented using the information and confidence assessment available at submission.	The revised register distinguishes [REDACTED] immediate requirement from UW estimates requiring updated developer confirmation.	Appendix A
The water resources assessment used the demand and option assumptions available at submission.	The modelling assesses the combined demand profile, separately tests [REDACTED] immediate requirement with Stages 2A-2E, and demonstrates the package's wider system benefit without additional data centre growth.	Appendix C
The investment was presented as maintaining the wider supply-demand position, including the planned level of service.	The planned move to a 1-in-40 TUB level of service remains part of the WRMP24 baseline. It is not claimed as an incremental benefit of this investment. We ask Ofwat to confirm that the existing customer evidence remains valid.	Section 4.4

Source: UW26-03 and UW26-04; revised proposals and supporting evidence in this representation

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