



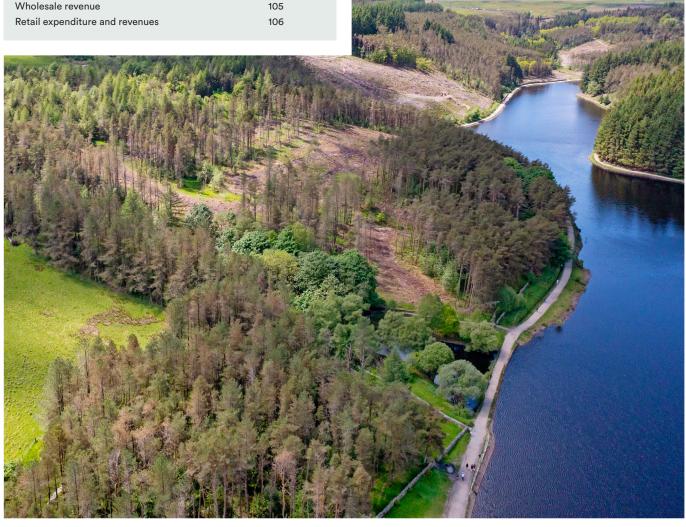
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### Introduction

#### A regulated water and wastewater company

United Utilities Water Limited (UUW) provides water and wastewater services in the North West of England, serving around eight million people and businesses. Its ultimate parent company is United Utilities Group PLC, a publicly listed company on the London Stock Exchange. We are regulated by Ofwat – the economic regulator of the water sector in England and Wales; the Drinking Water Inspectorate – the regulator for drinking water quality standards in England and Wales; the Consumer Council for Water – the independent voice for water consumers in England and Wales; the Environment Agency – the environmental regulator for England; Natural England – which is responsible for ensuring that England's natural environment is protected and improved; and the Department for Environment, Food and Rural Affairs (Defra), being the primary government department in relation to the water and wastewater industry.

### Our purpose

We are a purpose led organisation. As a provider of an essential service in our region, our purpose is providing great water for a stronger, greener and healthier North West. This is the reason we exist and is what drives us to continually improve our performance. Our purpose highlights how environmental, social and governance considerations are integral to everything we do.

### Our strategic priorities

Our strategy is broken down into six strategic priorities, which form the framework that enables us to deliver our purpose:

- Provide a safe and great place to work;
- Deliver great service for all customers;
- Improve our rivers;
- Create a greener future;
- Spend customers' money wisely; and
- Contribute to our communities.

### Our core values

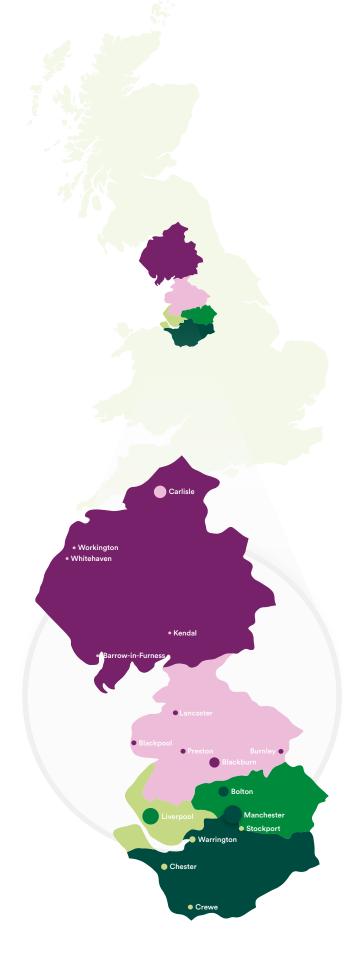
Our core values provide the cultural framework within which we operate.

- Do the right thing First and foremost, as a responsible business, we want our people to always focus on doing the right thing. This means always putting safety first, delivering for the benefit of our stakeholders, championing fairness, acting with courage and speaking up if they come across anything that doesn't feel right. This is vital for building and maintaining trust with the public and all our stakeholders and for delivering our purpose: doing the right thing for the natural environment helps us to create a greener North West; and doing the right thing for customers, communities, colleagues and suppliers helps us to build a stronger and healthier North West.
- Make it happen We are focused on supporting each other and working
  as a team to make things happen, taking accountability and putting
  progress over perfection. We want to celebrate successes, for individuals
  and for the company, and learn when we don't get things right first time.
- Be better Ultimately, everything we do is about improving things and creating a better tomorrow for everyone. We want to be better as a company, and this means encouraging our colleagues to live this value as well. We want our people to be curious, ambitious and solution-focused, seeking out new and innovative ways to deliver our services more efficiently and effectively. We want to ensure we are learning from the best people that are available to us, which is why we embrace diversity and inclusion, collaboration and partnership opportunities, innovation and best practice ideas from other companies, other industries and the wider world.

### Performance reporting

Like all large water and wastewater companies in England and Wales, we report performance against a price and service package for customers and the environment. This package was determined through a price review process. The business plan we proposed for the current period was subject to scrutiny and changes following an extensive review by the economic regulator, Ofwat. This resulted in a final determination (FD), which set benchmarks for the services we should deliver and the cost for delivering them. We report annually against targets set in the FD.

The current FD covers the five-year period running from April 2020 to March 2025. This five-year period is often referred to as AMP7, and this report has been produced to reflect performance up to the end of year five of AMP7.



### Introduction

### The Annual Performance Report

This Annual Performance Report (APR) tracks annual performance against the AMP7 FD. This year's APR is concerned with the delivery of our performance commitments at the end of year five. It includes information about our financial performance, our assurance approach and the board's approach to leadership, transparency and governance.

We publish a suite of documents that support the APR. This helps to provide a wide range of information for a variety of different stakeholders, regulators and customers in formats that help them access the data they want. We actively seek and act on feedback we receive on our publications and this helps us to support engagement with our reporting. Any comments about this or any other of our publications can be sent to: myview@uuplc.co.uk.

The summary below outlines the key information that we publish:

### **The Annual Performance Report**

### **Annual Performance Report:**

A comprehensive, detailed and assured account of our performance (this document)

#### Customer focused summary:

An overview of our performance structured around seven key outcomes. This customer focused document is presented in an accessible format in order to achieve a Crystal Mark for plain English

#### Performance infographic:

A graphic that highlights our key deliverables and is published on our website and on social media platforms

#### Summary animation:

A short, narrated animation describing our performance highlights

#### Accounting methodology statement:

An overview of the process used to prepare the upstream services tables in the APR, with commentary on significant movements

### YourVoice independent challenge group reflections:

Independent reflections and feedback on UUW's performance during year five from the YourVoice group

United Utilities Water Limited's ultimate parent company is United Utilities Group PLC, a company listed on the London Stock Exchange. Additional information about UUW and the group and how we deliver water and more for the North West can be found in the United Utilities Group PLC Annual Report and Financial Statements. This is an integrated strategic, governance and financial report which is available at:

unitedutilities.com/corporate/investors/results-and-presentations/ annual-reports

The report is designed to provide detailed information on the strategy, performance and governance of the group from a financial and non-financial position. It provides extensive disclosure on the performance metrics we use to measure how we are creating value for communities, customers, employees, the environment, investors and suppliers. It contains useful information for anyone wanting to understand more about UUW, its work and how it is governed and should be read in conjunction with this report.

We publish other key performance information on our corporate responsibility website, which can be found at: unitedutilities.com/corporate/responsibility

This website is designed to describe the way that the group has fulfilled its purpose and demonstrate the extent to which we have upheld the highest standards of performance with respect to the way we work.

Together, the reports and our website provide a clear and comprehensive view of our purpose, performance, delivery and governance, which is reliable, accurate and transparent.

#### Price review

In October 2023, we published our proposed business plan for the next five-year period, running from April 2025 to March 2030. This five-year period is often referred to as 'AMP8'. The plan outlined our future ambition to safeguard water supplies and the environment for generations to come, improve services, provide more help to those that need it and how this will affect customers' bills.

Ofwat considered our proposals and, in December 2024, set out its final determination of our plans. This can be found at www.ofwat. gov.uk/regulated-companies/price-review/2024-price-review/ final-determinations/ United Utilities is now working to deliver the requirements set out in the final determination.

More details about our PR24 business plan proposals can be found on the microsite at: pr24.unitedutilities.com

More details on Ofwat's approach to the price review process and its determinations can be found on its website at: ofwat.gov.uk/ regulated-companies/price-review/2024-price-review/

In AMP8 we will be reporting our performance against an updated set of Performance Commitments (PCs) and for the first time against Price Control Deliverables (PCDs – a regulatory tool that will encourage companies to deliver the funded improvements in a timely manner).

A comprehensive list of both PCs and PCDs with an explanation of how the PCDs ensure that customers' interests are protected, can be found on pages 107 to 108.

### Transparent reporting

The provision of reliable, accurate and transparent information and data is an essential part of building and maintaining trust with customers and other stakeholders who rely on the services we provide.

Given our position as a provider of essential public services, we have a responsibility to provide accurate and easily accessible information about performance. We pride ourselves on publishing trusted information and have a proven track record of providing open, transparent and high quality information about our performance to customers, stakeholders and regulators.

We have a sound approach to assurance, which is a key enabler to high quality data provision. We intend to maintain and, where appropriate, evolve our approach to assurance throughout AMP7 to build further on the trust we have earned, make improvements where shortcomings are identified and to enhance the confidence that customers, regulators and other stakeholders can have in United Utilities' performance reporting.

We have applied our assurance approach to the data and information that is within this document and the supporting APR publications. This helps to ensure that the information we provide receives the appropriate level of challenge, review and approvals.

We have published details of our final assurance plan for year five of AMP7 and a description of our assurance framework, which can be found at: unitedutilities.com/corporate/about-us/performance/assuring-our-performance-2020-25

### Open data

We continue to develop our approach to open data and we have recently reviewed our open data strategy in readiness for the new AMP period. We are preparing to publish the updated strategy on our corporate website. We have continued our participation in the water sector open data initiative - Stream, and we have refreshed our strategy to align our plans and our approach to the commitments set out in the Stream Sector Strategy which was published in March 2025. (Water Open Data Strategy 2025 | Stream - Portal). Our strategy will reflect the progress we have made to ensure we are focused on delivering the priorities of our customers and stakeholders. We have set out a plan of actions and activities for the next 12 months in our open data roadmap. Our approach to open data follows best practice and adheres to the FAIROE principles (findable, accessible, interoperable, reusable, open and ethical), which have been developed and adopted by the water sector through Stream. The ambition for United Utilities is to be a data-driven, open data company. That means not just using open data provided by others but also publishing open data with a purpose and sharing data where there are clear benefits, led by what our customers and stakeholders need. We recognise that water companies hold a large amount of data and information which, if made available in the right way, could support work to help address climatic, environmental, economic and societal challenges.

### Introduction

We fully understand the importance of open data in promoting transparency and trust in the water sector and we can see the clear benefits of working closely with other water companies and sectors to deliver national priorities, sharing data and collaborating to deliver innovative solutions. We know that doing this will generate value for United Utilities, the water sector, customers and others by:

- Improving efficiency and service to customers.
- Improving openness, transparency and trust in our operations from customers and stakeholders.
- Improving how we work with partners, including other utilities.
- Demonstrating the value of open data as an agent to drive innovation and economic value.
- Delivering improvements and benefits for the environment and society as a whole.

#### This year, we have:

- Continued to publish the APR tables as CSV files that are machine readable along with additional APR related datasets such as our biosolids market information, and we are about to publish data relating to greenhouse gas emissions.
- Published a range of environmental related datasets with an open data licence, including data on storm overflows, tanker operations and flow at treatment works in response to stakeholder requests.
- Published metadata to help users understand the data and provided contextual information to support the datasets.

- Provided the facility for users to submit feedback on our datasets and suggest any improvements we could make.
- Published open data on the Stream platform, collaborating with other water companies to create specific industry wide datasets to support the delivery of customer and community priorities.
- Shared data through the Stream platform to support environmental projects and to enable academia and citizen data scientists to collaboratively address challenges and drive innovation.
- Produced our annual open data roadmap, which provides a high level summary of the actions that support the delivery of our strategy.
- APR open data can be found at: unitedutilities.com/corporate/about-us/ performance/annual-performance-report/APR-open-data

### **YourVoice**

The YourVoice independent challenge group plays an important role in monitoring, challenging and reporting on the delivery of our AMP7 business plan commitments. As an independent panel of individuals from different sectors and backgrounds and with a variety of different areas of expertise, YourVoice looks at how the company can continue to capture and strengthen the views and engagement of customers in our activities.

You can read more about the work of the panel at: yourvoiceicg.co.uk

### **Structure of the Annual Performance Report**

We have structured our report so that we can meet Ofwat's reporting requirements and provide a comprehensive overview of financial and non-financial performance. The main sections of the document are outlined below.

### Introduction

Overview and navigation of the document

### **Board statement**

Board confirmation that UUW has met the Board Leadership Governance and Transparency objectives during 2024/25

### **Executive summary**

Sets out the key messages of this report

# Risk and compliance statement

Board confirmation that UUW has complied with its relevant obligations in year five

### Performance summary

Summary of our year five performance structured around our seven outcomes

### Regulatory accounts

Detailed regulatory accounting data and disclosures, including copies of the pro forma data tables

### Appendix 1

A summary of the assurance undertaken to support this report, including a summary of the assurance findings

### Appendix 2

Certificate to demonstrate the delegated authority to sign off Condition I (ring fencing)

### Appendix 3

Non-standard performance commitments calculations



Annual Performance Report 2024/25

unitedutilities.com/corporate

### 2024/25 United Utilities Water Board statement

Ofwat's board leadership, transparency and governance (BLTG) principles came into effect on 1 April 2019 and were embedded into the licence on 1 August 2019. These require United Utilities Water Limited to meet the objectives of the principles and to explain in an effective, accessible and clear manner how this has been achieved.

This statement demonstrates how United Utilities Water Limited's board of directors 'the board' has met the BLTG objectives during 2024/25. It references the provisions set out within the guidance when explaining how we are delivering against these objectives.

This statement briefly summarises how, by implementing this approach, the company is delivering for its customers and other stakeholders. Further detail to support this statement is set out in the UUW Annual Performance Report, the United Utilities Water Limited Annual Report and Financial Statements, and the United Utilities Group PLC Annual Report and Financial Statements. We provide references to this material below.

A) The regulated company board establishes the company's purpose, strategy and values, and is satisfied that these and its culture reflect the needs of all those it serves.

The board, supported by the executive team, is committed to achieving the very best results for the company, the customers it serves and its wider stakeholders.

We believe our purpose, strategy and values promote the long-term sustainable success of the company, further customers' interests and create value for all stakeholders, including shareholders. Our intention is to hand over the business to our successors in a better and more resilient position for the future. Our purpose, strategy and values are set out on page 28 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements. As individual directors, we are mindful of our statutory duty to act in the way each of us considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to S172 (1) (a–f) of the Companies Act 2006.

### **Provisions:**

 The board develops and promotes the company's purpose in consultation with a wide range of stakeholders and reflecting its role as a provider of an essential public service.

We have set our purpose, strategic priorities and core values to ensure these clearly reflect key areas of focus and our ongoing commitment to environment, social and governance matters. As a provider of an essential service in our region, our purpose is providing great water for a stronger, greener, healthier North West.

- Stronger: we deliver an essential service, help customers in vulnerable situations, invest in local communities across the region, and support thousands of jobs and the economy, giving the North West resilience in a changing world.
- Greener: we protect and enhance urban and rural environments, and adapt to the challenges of climate change, allowing people, wildlife and nature to thrive, making the North West a better place to live now and for the future.
- Healthier: we provide great quality drinking water and safely remove and recycle used water for more than seven million people in the North West, while taking care of beautiful landscapes across the region every day.

Our three core values – do the right thing, make it happen and be better – provide the cultural framework through which we operate. Behaving responsibly has been part of the United Utilities ethos for many years and aligns with our purpose.

The ESG (environment, social and governance) committee has a principal role in the group's governance structure. It leads, on behalf of the board, in the review and challenge process to ensure management's activities in the increasingly broad area of environment, social and governance matters, are consistent with that of a business behaving in a responsible manner. The report of this committee, which

includes a look forward in to the next year, can be found on pages 144 to 145 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements.

We work to deliver our purpose through six strategic priorities:

- Provide a safe and great place to work;
- Deliver great service for all customers;
- Improve our rivers;
- · Create a greener future;
- · Spend customers' money wisely; and
- Contribute to our communities.

In defining the company's purpose, the board took into account information and views from stakeholders utilising research and engagement – including that which informed our AMP7 and AMP8 business plans and the other feedback and insight gained from customers through both programmatic research and day-to-day interactions. It is a standing item for the board's ESG committee to discuss engagement with national and regional stakeholders each time it meets. For the year ended 31 March 2025, the board is satisfied that the formulation of our aspirations in terms of our purpose, values and culture have been informed by our stakeholders and we operate our business in such a way that will create long-term value for all. We believe the company has played its part in contributing to the region and has demonstrated its commitment to providing great water for a stronger, greener, healthier North West.

 The board makes sure that the company's strategy, values and culture are consistent with its purpose.

Our purpose is providing great water for a stronger, greener and healthier North West. To ensure that we deliver our purpose, we have six strategic priorities, which define the way we work, and three core values, which provide the cultural framework within which we operate. These inform both our work in the current period and our future plans, such as our proposed business plan for AMP8.

- Provide a safe and great place to work: We are committed to maintaining high levels of health, safety and wellbeing. We invest in our colleagues' training and development, helping us to attract, develop and engage great talent across the organisation, now and for the long term. We support and encourage a diverse and inclusive culture, helping to ensure our colleagues represent the communities we serve. This brings a diverse range of views and ideas, and we want colleagues to feel empowered to contribute to making things better. Our 'Call it Out' inbox enables everyone to raise any topic or suggestion for improvement directly with the CEO.
- Deliver great service for all customers: We strive to continually improve our service for customers. We conducted extensive engagement in the development of our AMP8 business plan to help us understand what matters most to customers, and we have ambitious targets to further improve water quality, reduce supply interruptions, fix leaks and reduce the risk of sewer flooding. Great service means helping customers with affordability and vulnerability, where we are already sector leading and will double our support in AMP8, and keeping their data secure, which continues to be an ongoing priority.
- Improving our rivers: We have a strong track record in minimising pollution and continue to protect bathing waters across the North West. River health in the UK has grown in public interest in recent years. The industrial legacy and high rainfall in our region means we have a bigger task than many to deliver the significant reduction in spills from storm overflows required by the Environment Act 2021. To address this, we have the largest investment programme in AMP8 to deliver an industry-leading 60 per cent reduction in the decade to 2030. We have already accelerated work in key locations and made strong early progress, having achieved a 39 per cent reduction in average spills per overflow since 2020.

### 2024/25 United Utilities Water Board statement

- Create a greener future: We are committed to protecting nature
  and biodiversity, and reducing water consumption. We have a net
  zero transition plan underpinned by carbon pledges and ambitious
  science-based targets. We generate clean energy both from our
  own bioresources and through partners. We are looking at how we
  can further make the best use of our land to deliver clean energy,
  be that through our pledges to create woodland and restore
  peatland or increasing our renewable energy generation capacity.
- Spend customers' money wisely: We continuously challenge ourselves to improve cost efficiency in a sustainable way, so we can keep customer bills as low as possible in the long term without compromising on service or resilience. We look to minimise whole-life cost, using adaptive planning to deliver the best value solutions in the long term. We exploit innovation to find better ways of working, capitalising on digital and automation opportunities. We continue to raise efficient financing and manage risk prudently. We also leverage partnerships and drive value in our supply chain our runway approach in AMP8 will help us to maximise our capital programme efficiency.
- Contribute to our communities: We work closely with communities across the North West and we invest in those communities as well as opening our land for access and recreation. We actively engage and make use of partnerships to drive value for communities, such as our participation in the Love Windermere initiative. We produced individual business plans for each of the North West's five counties, recognising their unique and diverse needs and challenges, and we have mobilised our teams into county delivery squads to help manage these relationships and ensure we can deliver our planned improvements for each county with minimal disruption.

Our culture and core values are:

**Culture:** Our culture drives the interactions we have with our stakeholders, and reflects our commitment to responsible business.

Our culture is underpinned by three core values, which cascade down the business from the board to every one of our colleagues. They focus on responsible behaviour, delivery for customers and other stakeholders, continuous improvement and sustainable practices. These values reflect the things we believe are most important to help us deliver our purpose, and drive a high performing and innovative culture. When assessing culture, we look at the following categories – our core values (set out below), our purpose, our strategic priorities, and our people. Metrics are monitored and targets set for the greener, stronger and healthier ambitions within our purpose, which are closely aligned to our strategic priorities and to ESG matters. We monitor a number of key metrics relating to our people, including engagement, health and wellbeing, diversity and development.

Our core values are:

Do the right thing: First and foremost, we are committed to responsible business practices, and we want our people to always focus on doing the right thing. This means always putting safety first, delivering for the benefit of our stakeholders, championing fairness, acting with courage and integrity, and speaking up if they come across anything that doesn't feel right. This is vital for building and maintaining trust with the public and our stakeholders, and for delivering our purpose: doing the right thing for the natural environment helps us to create a greener North West; and doing the right thing for customers, communities, colleagues and suppliers helps us to build a stronger and healthier North West.

Make it happen: We are focused on supporting each other and working as a team to make things happen, taking accountability and putting progress over perfection. We want to celebrate successes, for individuals and for the company, and learn when we don't get things right first time. We enable and foster new ways of working, from both internal and external sources, through initiatives, such as our graduate CEO Challenge and our Innovation Lab process. We are able to act quickly and capitalise on pockets of efficient financing opportunity, and we have a track record of accelerating investment where we can deliver improvements for customers and the environment faster.

Be better: Ultimately, everything we do is about improving things and creating a better tomorrow for everyone. We want to be better as a company, and this means encouraging our colleagues to live this value as well – being curious, ambitious and solution-focused, seeking out new and innovative ways to deliver our services more efficiently and effectively. We want to ensure we are learning from the best people that are available to us, which is why we embrace equity, diversity and inclusion, collaboration and partnership opportunities, nature-based solutions, and innovation and best practice ideas from other companies, other industries and the wider world.

The United Utilities Group PLC Annual Report and Financial Statement sets out additional information about these strategic themes and how they run through everything we do. For further information and explanation of our approach, we would refer in particular to the 2024/25 Strategic Report (pages 2 to 104).

iii. The board monitors and assesses values and culture to satisfy itself that behaviour throughout the business is aligned with the company's purpose. Where it finds misalignment it takes corrective action.

Our values demonstrate how we behave, individually and collectively, as the board and how we ask our employees to behave. Our employees are fundamental to delivering our strategy and achieving our purpose.

Our core values of 'do the right thing, make it happen and be better' underpin our culture of behaving as a responsible business in the way we interact with the stakeholders we serve. We must continually reinforce these values so that the right behaviours cascade throughout the organisation, ensuring our culture of behaving responsibly drives what we do.

As part of monitoring and assessing culture and behaviour in the company, management has developed a dashboard of cultural metrics to provide a comprehensive overview to support the board in fulfilling its role in monitoring and assessing culture. The dashboard comprises relevant metrics derived from the annual colleague engagement survey; survey including scores on 'listen and act', wellbeing, reward and inclusion along with other key performance indicators (KPIs). A number of KPIs are reviewed on a monthly basis by the executive team and presented at scheduled board meetings.

During 2024/25, Alison Goligher continued to be designated as the non-executive director for engagement with the workforce. A key element of the role is chairing the Colleague Voice panel, facilitating the opportunity for two-way dialogue between the board and the wider workforce. The activities and findings of the panel are shared with the ESG committee and the board on a regular basis. Representatives from colleague groups and networks from across the business and region attend meetings, with the membership being refreshed at regular intervals. Meetings alternate between in-person and virtual, to provide greater flexibility and ease of attendance, with in-person meetings often being held at operational sites. There is an open invitation to board members to attend panel meetings, as most of the non-executive directors have done on previous occasions.

Three meetings of the panel were held during the year. Minutes are recorded and made available on the company's intranet for all colleagues to access. A summary of the items discussed during panel meetings is set out below:

- Board updates Information shared on key areas of focus of board discussions
- Updates on the activities of the colleague networks
- Discussions on colleague engagement activities
- Regular updates on health and safety performance from the health and safety director
- Updates on progress with the AMP8 process and final determination from the strategic and regulatory programmes director
- Update from the Better Rivers programme director on the ongoing roll out of 'River Rangers' to improve the health of the rivers and waterways in our region

### 2024/25 United Utilities Water Board statement

- Results of the annual Colleague Opinion Survey shared by the head of people engagement and culture
- Launch of the 'Opportunity for All' ED&I plans by the equity, diversity and inclusion manager
- Technical training update by the head of training, and celebration of the 10-year anniversary of the company's bespoke training facilities in Bolton

Alison holds regular meetings with senior trade union representatives immediately following each panel meeting. Furthermore, alongside the employee relations team, the CEO holds regular face-to-face meetings with senior trade union representatives to ensure direct two-way communication. The group has a commercial agreement in place with a third party for the provision of agency staff and contractors. Engagement and communication in relation to these members of the wider workforce is managed directly by the third party via a dedicated third-party account manager who liaises directly with the company's human resources team. Should there be significant change activity, a representative of the third party would join the project team to ensure consistency when communicating information to colleagues, agency staff and contractors.

As part of our two-way communication, the board has responsibility for reviewing the group's arrangements for individuals to raise matters of concern and the arrangements for the investigation of such matters. The group's whistleblowing policy (the policy) supports a culture within the group where genuine concerns may be reported and investigated without reprisals. A confidential telephone helpline and a web portal are available to enable colleagues (including agency workers and contractors) to raise matters of concern in relation to possible incidents of fraud, dishonesty, corruption, theft, security and bribery. Furthermore, colleagues are encouraged to raise any matters relating to health and safety and any activities of the business that have caused or may cause damage to the environment, such as pollution or other contamination. Both the helpline and web portal are operated by a third party, enabling any concerns to be reported anonymously. The policy makes it clear that no colleague will be victimised for raising a matter in accordance with the policy. Matters raised with the helpline/portal are in the first instance reported to the whistleblowing committee and investigated by senior managers independent of any involvement of the issues being considered. Details of the findings of the investigation and proposed solution are then considered by the whistleblowing committee (whose membership comprises the company secretary, the people director, the regulation and compliance director, the head of internal audit and the commercial, engineering and capital delivery director), which meets quarterly. The board routinely reviews matters considered by the whistleblowing committee, the outcome of the investigation and the ways in which the matters were brought to a conclusion, thus ensuring that the core value of integrity is upheld and fostering an environment where colleagues feel it is 'safe to speak up' and to do so without fear of reprisal.

Culture is routinely monitored and assessed by management to ensure behaving responsibly drives what we do, and action is taken where there is misalignment. Qualitative and quantitative metrics are regularly made visible to the board via a number of mechanisms, including in the CEO's monthly performance report and reports presented from time to time the board, and the ESG and remuneration committees. The people director presents an annual update on corporate culture to the board and the ESG committee. A number of quantitative measures of culture are derived from the annual colleague opinion survey including scores on leadership, wellbeing, values, communication and 'my voice is heard'. A number of key performance indicators are reviewed on a monthly basis by the executive team and presented at scheduled board meetings. The board was satisfied that the policies, practices and behaviours within the business were aligned with the company's purpose, values and strategy.

The CEO regularly engages with colleagues throughout the business. Engagement champion sessions provide those colleagues who act as 'engagement champions' for their teams/departments with the

opportunity to interact with our CEO and be kept up to date with our engagement approach. During the year, the CEO has visited a number of operational sites across the business as part of an ongoing programme enabling her to spend time chatting with colleagues, face-to-face, in an informal setting, enabling them to raise any issues and providing an opportunity to ask her questions and give feedback. In March 2025, around 4,200 colleagues attended a session in Blackpool to learn about the outcome of the final determination, AMP8 capital programme and the refreshed 'Home, Safe and Well' strategy.

Taken together, the board is satisfied that policies, practices and behaviours in the business are aligned with the company's purpose, values and strategy. Further information about how the board monitors culture and employee engagement are set out on pages 115–116 of the 2024/25 United Utilities Group PLC Annual Report and Financial statements.

B) The regulated company has an effective board with full responsibility for all aspects of the regulated company's business for the long term.

The group operates a structure that allows directors to be members of the boards of both UUW and its ultimate holding company, United Utilities Group PLC (UUG). These arrangements have been in place since March 2011 and were in place throughout the year ended 31 March 2025.

As a listed company, United Utilities Group PLC has applied the principles and reported against the provisions of the 2018 UK Corporate Governance Code (the code) for the year ended 31 March 2025.

Further detail on the reporting on the application of the principles, and against the provisions of the 2018 UK Corporate Governance Code, is provided on pages 104 to 177 of the 2024/25 United Utilities Group PLC Annual Report and Financial statements.

The boards of both UUG and UUW fully support Ofwat's drive for the highest standards of board leadership, transparency and governance in the industry. We are satisfied that current practices and the application of the code at both holding company and regulated company levels are entirely consistent with the Ofwat principles.

On pages 20 to 23 of the 2024/25 United Utilities Group PLC Annual Report and Financial statements, we set out our planning for the short, medium and long term. The board has full visibility as plans are presented to the board throughout the year.

#### **Provisions:**

i. The regulated company sets out any matters that are reserved for shareholders or parent companies (where applicable); and explains how these are consistent with the board of the regulated company having full responsibility for all aspects of the regulated company's business, including the freedom to set, and accountability for, all aspects of the regulated company's strategy.

The UUW board has full responsibility for all aspects of its business as an appointee. Furthermore, there are no items/topics relating to the regulated activities of UUW contained within UUG board's schedule of matters reserved for its own decision.

UUW and UUG are distinct legal entities and are operated as such. Notwithstanding that the same individuals are directors for both companies and scheduled board meetings of each company are held on the same day, they are held as separate meetings with board packs and agendas being prepared for each company's meeting, thereby creating distinction between meetings. Given that UUW represents approximately 99 per cent of UUG's revenues, decisions taken for UUW are unlikely to be in conflict with those of UUG. Were that to be the case, the directors would be responsible for taking decisions on behalf of each entity in accordance with S172 of the Companies Act 2006, and acting in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. The company secretary would advise on any potential conflict of interest, and the board would seek independent advice on any matter if thought necessary.

### 2024/25 United Utilities Water Board statement

- Matters that have been reserved for decision by the UUG board can be found on our website: unitedutilities.com/globalassets/documents/ pdf/03---schedule-of-matters-reserved-for-decision-by-the-board.pdf
- ii. Board committees, including but not limited to audit, remuneration and nomination committees, report into the board of the regulated company, with final decisions made at the level of the regulated company.

The UUW board has delegated specific powers, subject to certain limits, relating to the capital investment programme, to the UUW capital investment committee and in relation to financing, by way of power of attorney, to the Chief Financial Officer and/or the Treasurer. UUW does not duplicate board committees already in operation at the UUG level (the board committees). The activities of the board committees, as required in accordance with the code, whose members are made up entirely of independent non-executive directors (in accordance with provisions 9 and 10 of the code who are directors of the company) are necessarily targeted towards UUW matters, given that UUW represents approximately 99 per cent of UUG's revenues. The alignment of the interests of UUW and UUG ensures that the interests of UUW and its customers are safeguarded, and avoids unnecessary duplication. The group has operated in this manner since 2011.

Further information about the UUG committees and approach to board governance can be found in the 2024/25 United Utilities Group PLC Annual Report and Financial Statements on pages 104 to 177. This includes reports from the Nomination committee (pages 119 to 123), the Treasury committee (page 142), the Audit committee (pages 128 to 141), the Compliance committee (page 143), the Environment, Social and Governance committee (pages 144 to 145) as well as the Annual Statement from the Remuneration committee chair (pages 146 to 148).

iii. The board of the regulated company is fully focused on the activities of the regulated company; takes action to identify and manage conflicts of interest, including those resulting from significant shareholdings; and ensures that the influence of third parties does not compromise or override independent judgement.

Meetings of the board are fully focused on the company's regulated obligations and activities as an appointee in accordance with its licence as a provider of water and wastewater services. The Company Secretary attends all board meetings and the board receives regular updates on matters of a regulatory nature. Reporting to the board includes a summary of performance presented at each board meeting by the CEO, encompassing all directorates and key areas of the business and incorporating the monitoring of comprehensive KPIs, reporting of operational activities and incidents, and regulatory and customer updates and activities.

The board, whose directors' biographies can be found on pages 103 to 109 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements, includes a strong independent non-executive representation with a diverse range of backgrounds, skills and experience. As part of the director recruitment process, potential conflicts of interest would be assessed to ensure the suitability of the candidate in this respect (amongst others). A register of directors' interests is maintained and directors are asked to identify any potential conflicts of interest on any subject matter on the board's agenda at each meeting.

C) The board's leadership and approach to transparency and governance engenders trust in the regulated company and ensures accountability for their actions.

Excellent governance is part of who we are and United Utilities was delighted to be accredited with the Fair Tax Mark for the past six years. We participate in a range of global Environment, Social and Governance (ESG) ratings and indices to benchmark our approach against best practice and emerging sustainability challenges. We target being 'upper quartile across a suite of investor indices' to demonstrate our performance, measured through an operational KPI. We adhere to the highest levels of corporate governance. Fairness and transparency are key to the way we report, the way we operate and the way we interact with our stakeholders.

In recent years, the UK water sector has faced significant reputational challenges, including challenges about ownership structures within the sector. We have been open and transparent in reporting our equity and debt financing arrangements and do not use offshore financing vehicles. We have a sound approach to assurance, which is a key enabler to providing high quality data. We have maintained and, where appropriate, evolved our approach to assurance throughout AMP7 to build further on the trust we have earned, making improvements where shortcomings are identified and to enhance the confidence that customers, regulators and other stakeholders can have in our performance reporting. We will continue to do this in to AMP8.

Each year, the board reviews and discusses the evaluation of the board, its committees and individual directors and conflicts of interest. Once every three years, this process is undertaken by an external organisation and in the intervening years the evaluation is facilitated by the Company Secretary. The last external review was conducted in 2023/24 by Independent Audit Limited (IAL). This year, the review was internally facilitated by the Company Secretary and his team. This process identified a small number of action points and assessed the action taken against the previous 2023/24 recommendations. Further details can be found on pages 122 to 123 of the 2024/25 United Utilities Group Annual Report and Financial Statements.

As part of its annual governance processes, the terms of reference for the audit, remuneration, treasury and ESG committees were reviewed by each committee and the board received post-meeting reports from the chairs of each committee summarising discussions and actions. It implemented matters arising from its biannual updates on changes and developments in corporate governance as thought fit. Further details of the company's approach to transparency and governance can be found in the corporate governance report contained within pages 104 to 177 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements.

In 2023, a new board committee was established with delegated responsibility to oversee compliance with regulatory and statutory reporting requirements, to be kept abreast of any changes to the requirements and to oversee the structure and processes of interactions with UUW's regulators. Over the past year, the Committee has overseen the creation of a new environmental regulation and compliance capability. This team supports the Committee to meet a significant elevation in regulatory, stakeholder and customer expectations around assurance and compliance. Through additional scrutiny, support and challenge, the team's activities are focused to identify and reduce risks whilst identifying actions to improve regulatory performance. The Committee has reviewed several compliance updates and made recommendations to further enhance the assurance approach around key environmental regulation submissions and has reviewed key regulatory submission including the Annual Performance Report. More information about the work of this committee can be found on page 143 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements.

### Provisions:

- A detailed explanation of the structure of the United Utilities group is set out on page 122 of the 2024/25 United Utilities Water Limited Annual Report and Financial Statements.
- An explanation of dividend policies and dividends paid, and how these take account of delivery for customers and other obligations (including to employees).

The board considers that there is substantial evidence that the company's overall performance is at least in line with the final determination, including the commitments embedded within our business plan and set out in the final determination for AMP7, and wider obligations from different stakeholder perspectives. Evidence supporting this view, and of the company's delivery for customers and the environment, includes the following:

 Across AMP7, around 80 per cent of performance commitments were met or exceeded. This results in a net reward of £11 million in 2024/25 and £112m across 2020–25.

### 2024/25 United Utilities Water Board statement

- The company is continuing to deliver improvements and additional investment in areas where performance is not achieving the Ofwat FD targets, including flooding and pollution incidents, water quality performance and interruptions to water supply. More details on this activity are included in the APR Section 1.1.
- The company was one of only three companies to achieve the highest 4-star rating from the Environment Agency's most recent Environmental Performance Assessment. UUW is the only company to have achieved 'green' status on serious pollution incidents every year since it began.
- The company expects to achieve eighth position for C-MeX in 2024/25, earning a reward for every year of this AMP. The company expects to achieve fourth position in the D-MeX survey for developer customers in 2024/25.
- UUW is the only UK water and sewage company to earn the ServiceMark with Distinction from the Institute of Customer Service, the Chartered Institute of Credit Management excellence in credit management and the BSI kitemark for inclusive service.
- Table 1F of the APR shows that return on regulated equity a
  key measure of performance versus the final determination is
  6.06 per cent across 2020–25 compared to an assumed level of
  3.97 per cent in the final determination. These returns are stated after
  taking account of our substantial voluntary reinvestment programme
  to deliver environmental improvements and to improve service for
  customers.
- The company is committed to ensuring continued compliance with the relevant regulatory and environmental obligations in operating our storm overflows. Between the additional AMP7 investment, accelerating delivery of our Better Rivers programme and AMP8 investment, we have brought forward targeting some of the highest spilling sites, making big strides.
- UUW is expected to continue to maintain a robust set of investment grade credit ratings with current credit ratings of A-, Baa1 and BBB+ with Fitch, Moody's and Standard and Poor's respectively.
- The long-term viability assessment concluded that UUW had significant headroom and effective mitigating actions available to withstand any risks facing the business in severe but plausible scenarios.
- Taking all the above into account, the board considers that the
  payment of dividends in respect of performance in AMP7 is
  appropriate. Further detail on the dividend policies and dividends paid
  is provided on pages 136 to 140 of this Annual Performance Report.
- iii. An explanation of the principal risks to the future success of the business, and how these risks have been considered and addressed.

The principal risks and uncertainties to the success of the business and the ways in which these risks are managed, monitored and mitigated are set out on pages 61 to 65 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements.

iv. The annual report includes details of board and committee membership, number of times met, attendance at each meeting and where relevant, the outcome of votes cast.

The table below sets out, for the year ended 31 March 2025, the number of scheduled meetings of the United Utilities Water Limited board that were attended and the maximum number of scheduled meetings that could have been attended.

Sir David Higgins	9/9
Louise Beardmore	9/9
Phil Aspin	9/9
Alison Goligher	9/9
Liam Butterworth	9/9
Kath Cates	9/9
Clare Hayward	8/8
Michael Lewis (1)	7/9
Paulette Rowe	4/4
Doug Webb ②	8/9

- (1) Michael Lewis was unable to attend two board meetings due to pre-existing diary commitments.
- (2) Doug Webb was unable to attend one board meeting due to a prior commitment.

Memberships of board committees and attendance at these is set out in the Governance section of the 2024/25 United Utilities Group PLC Annual Report (page 114).

v. An explanation of the company's executive pay policy and how the criteria for awarding short and long-term performance related elements are substantially linked to stretching delivery for customers and are rigorously applied. Where directors' responsibilities are substantially focused on the regulated company and they receive remuneration for these responsibilities from elsewhere in the group, policies relating to this pay are fully disclosed at the regulated company level.

A detailed explanation of the group's directors' remuneration policy and its application during 2024/25 is set out on pages 149 to 172 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements. Details of remuneration for the directors of UUW is set on pages 155 to 163 of this Annual Performance Report and on pages 123 to 126 of the United Utilities Water Limited Annual Report and Financial Statements. The criteria for awarding short and long-term performance related elements are substantially linked to stretching delivery for customers and are rigorously applied, with executive pay arrangements aligned to our purpose, values and strategy, thereby incentivising great customer service and the creation of long-term value for all.

D) Boards and their committees are competent, well run, and have sufficient independent membership, ensuring they can make high quality decisions that address diverse customer and stakeholder needs. As detailed above, the group operates a structure with the same directors sitting on the boards of both UUW and UUG, thereby, increasing the efficiency and effectiveness of the corporate governance structure. As a result, and given that UUW represents approximately 99 per cent of UUG's revenues, the company does not duplicate the board committees already operating at the UUG level. Full details of the UUG board and board committees are set out within the Governance section of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements (pages 104 to 177).

### **Provisions:**

 Boards and board committees have the appropriate balance of skills, experience, independence and knowledge of the company. Boards identify which customer and stakeholder expertise is needed in the boardroom and how this need is addressed.

The board and the board committees have an appropriate combination of skills, experience and knowledge. The biographies of the directors are set out on pages 106 to 109 and the skills matrix of directors is set out on page 121 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements. Consideration is given to the length of service of the board as a whole and membership is regularly refreshed. Non-executive directors would, normally, only serve a term of up to nine years in accordance with the code (the tenure of board directors is set out on page 120 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements). Appointments to the board are subject to a formal, rigorous and transparent procedure.

### 2024/25 United Utilities Water Board statement

The board diversity policy (see page 121 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements) is taken into account during the recruitment process. The policy incorporates targets for gender and ethnic diversity, which are to maintain at least 40 per cent female representation and to have at least one director from a minority ethnic background\* and to have at least one of the positions of: chair, CEO, senior independent director or CFO held by a female. At 31 March 2025, the company met two of the board diversity targets set out in UKLR 6.6.6(9) the third target that at least one individual on the board is from a minority ethnic background was not met at the reporting date on a temporary basis. The board is cognisant of the benefits that diversity, in its broadest sense, among its membership brings to board discussions and in its role in overseeing and challenging management. The board recognises the benefits of equity, diversity and inclusion across the business, and there are initiatives in place to support women in the workplace and considerable progress has been made during the year to address the ethnic imbalance of the workforce and align with our strategic priority to provide a safe and great place to work. An effective succession plan is maintained for board and senior management. Improving diversity and inclusion within the group has been high on the board agenda. Further detail is set out on page 121 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements.

- \* Defined by reference to categories recommended by the Office for National Statistics (ONS), excluding those listed by ONS as coming from a white ethnic background.
- Independent non-executive directors are the largest single group on the board.

Throughout the year, independent non-executive directors made up the majority of the board. Clare Hayward was appointed as a non-executive director from 16 April 2024 and Ian El-Mokadem from 1 June 2025.

The biographies of the full board can be found on pages 106 to 109 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements. Independence is tested against the criteria set out in the code.

iii. The Chair is independent of management and investors on appointment and demonstrates objective judgement throughout their tenure. There is an explicit division of responsibilities between running the board and executive responsibility for running the business.

Sir David Higgins was appointed to the board in May 2019 as chair designate and in line with the BLTG provisions, he was independent on appointment when assessed against the circumstances set out in the code. He was appointed as Chair of the board on 1 January 2020. The roles and responsibilities of the Chair are set out as part of the group's governance framework.

iv. There is an annual evaluation of the performance of the board. This considers the balance of skills, experience, independence and knowledge, its diversity, how stakeholder needs are addressed and how the overarching objectives are met. The approach is reported in the annual report and any weaknesses are acted on and explained.

A board evaluation is conducted annually, with an independent assessment every third year, as has been the case for a number of years. This year, the review was internally facilitated by the Company Secretary and his team. This process identified a small number of action points and assessed the action taken against the previous 2023/24 recommendations. Full details of the outcomes of this assessment can be found on pages 122 to 123 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements.

 There is a formal, rigorous and transparent procedure for new appointments which is led by the nomination committee and supports the overarching objective.

Details of the approach to board succession can be found on pages 121 to 122 of the 2024/25 United Utilities Group PLC Annual Report and Financial Statements.

vi. To ensure there is a clear understanding of the responsibilities attached to being a non-executive director in this sector, companies arrange for the proposed, final candidate for new non-executive appointments to the regulated company board to meet Ofwat ahead of a formal appointment being made.

All non-executive directors appointed since April 2016 have met with Ofwat prior to appointment to the board. Clare Hayward met a representative of Ofwat in February 2024, and Ian El-Mokadem in January 2025, prior to their appointment to the board.

vii. There is a majority of independent members on the audit, nomination and remuneration committees and the audit and remuneration committees are independently led.

Independent non-executive directors form the members of the board committees and chair the audit, compliance, ESG, remuneration and treasury committees.

#### E) Delivering for customers and stakeholders.

In this final year of AMP7, we have continued to deliver another strong performance for customers and stakeholders delivering or outperforming 77 per cent of our performance commitments. A full description of this, as well as our plans to improve performance in performance commitments we did not achieve, are set out both in Section 1.1 of this Annual Performance Report and in the strategic report on pages 35 to 91 of the 2024/25 United Utilities Group PLC Annual Report.

We continue to focus on delivering environmental improvements and we have achieved the upper ratings (3-star 'good' and 4-star 'industry leading') in the EA's Environmental Performance Assessment in every year since it began in 2011. We have been given a green assessment by the EA for serious pollution incidents for 13 consecutive years; we are the only company to achieve this, and we expect to achieve this again when 2024 performance is announced.

Reducing spills from storm overflows remains a top priority for UUW. We are seeing the benefits of our accelerated programme to reduce spills through our Better Rivers Programme and the Environmental Improvement Programme. These programmes are helping us to reduce spills from storm overflows as quickly as possible, employing a range of traditional and nature based solutions. We have reduced spills by 39 per cent across AMP7, with a 24 per cent reduction in year five (which is around 20,000 fewer spills in 2024 when compared to the 2023 performance).

We have continued to focus on delivering great service for customers, expecting to achieve eighth position for C-MeX and fourth position for D-MeX, respectively, in 2024/25. This would be our best ever result for D-MeX. The number of customers benefiting from our affordability support has grown again. Over AMP7, we have supported around 414,000 customers through our affordability packages and we have now helped to lift over 84,000 customers out of water poverty. The number of customers registered for priority services has grown to around 540,000 households.

We are half way through our eight year project to upgrade the Vyrnwy Aqueduct, which is improving water quality for millions of customers in Cheshire and Merseyside and, in year five, have cleaned or relined over 60 kilometres of aqueduct. Although we did not pass our performance commitment for reducing complaints about taste, smell and appearance, we have seen a significant reduction of 29 per cent over AMP7, achieving our best ever performance in year five.

We have continued to improve in-sewer sensor capability and applied the outputs of this with AI to understand how the sewer network is performing. This system, known as Dynamic Network Management, has allowed us to predict and prevent network problems before they fully occur, improving operational performance for customers. This has helped us in delivering our best ever blockage performance and meeting the target for limiting sewer collapses.

### 2024/25 United Utilities Water Board statement

We have delivered additional treatment capacity at eight key treatment works so that we are able to treat flows from new housing developments in the North West providing capacity for over 70,000 additional people. We have safely recycled 100 per cent of our biosolids and have continued to reduce harmful emissions from our sludge treatment processes through our fleet of combined heat and power (CHP) engines.

Our balance sheet continues to demonstrate our financial strength, with gearing at 60 percent. We maintain a track record of responsible financing policies, and we benefit from a fully funded pension scheme so we are not subject to unfunded costs in the future. Having fully funded our programme for AMP7, throughout 2024/25, we have been funding our AMP8 programme and have raised £1.8 billion this financial year, providing liquidity, which extends out to 2027.

#### **Executive performance pay**

When setting the remuneration arrangements for executive directors, we have always adopted a prudent and responsible approach that aligns to company strategy, thereby incentivising delivery for customers and the environment, and the creation of long-term value for all our stakeholders. There are extensive disclosures in relation to executive remuneration on pages 155 to 163 of this Annual Performance Report including how our overall remuneration arrangements were implemented in 2024/25, how our incentive arrangements aligned with our business strategy, our performance against the stretching targets we set for our incentive arrangements, and our intended approach in 2025/26. Additional information and context is available in the UUG remuneration committee (committee) report on pages 146 to 148 of the United Utilities Group PLC Annual Report and Financial Statements.

We received significant shareholder support at the 2022 UUG AGM for our current remuneration policy, having carefully considered then how we should align our pay arrangements (and the incentive elements in particular) with the business plan for the remainder of the five-year regulatory period 2020–2025, including demonstrating a strong link to delivery for customers and the environment, along with our other stakeholders. We have continued to receive strong support for the annual implementation of our policy since then.

On 1 April 2025, we embarked on the latest regulatory period (AMP8), which will see us deliver what will be the largest investment in water and wastewater infrastructure in over 100 years and build a stronger, greener and healthier North West. It is therefore essential that while demonstrating transparency and legitimacy, the committee retains the flexibility to operate our remuneration policy as intended, to enable us to motivate and retain our talented and experienced leadership team to deliver on our challenging AMP8 plan and align outcomes for executives with the performance delivered for customers, the environment and other stakeholders.

Following a detailed review during 2024 and concluding in May 2025, based on what was known then the committee determined that the current policy was broadly fit for purpose, remaining well-aligned to providing high standards of services for customers, protecting and enhancing the environment and continuing to support and uphold best practice corporate governance standards. As such, only minor changes to the policy have been proposed as summarised on page 155, and if approved by UUG shareholders the new policy will take effect from the July 2025 AGM and details will be provided in the 2025/26 report.

We constantly look for opportunities to evolve and improve our remuneration disclosures, so on pages 155 to 163, we have provided details to help stakeholders understand how the targets set for our customer and environmental measures are stretching. The water sector has remained subject to significant scrutiny during the year, with continued interest from customers and wider society on pollution and spills from storm overflows in particular. It is understandable why executive pay, and performance-related pay in particular, has formed part of the discourse. Everyone, including those working in the water sector, wants to see environmental performance improve and we recognise that this is key to restoring public confidence and trust.

The committee, and indeed the whole board, agree that incentive outcomes for executives should be strongly aligned with performance to demonstrate legitimacy to all stakeholders and believe that companies should provide clear and accessible explanations about pay arrangements to enable stakeholders to understand how they operate and how incentive outcomes are determined. This is something that we have consistently sought to do in our reporting, and we remain as committed as ever to driving strong standards both within the water sector and across the FTSE more broadly.

In February 2025, the UK Government passed the Water (Special Measures) Act, requiring Ofwat to implement rules that will prohibit water companies from paying performance-related pay to board-level executives if certain standards that it sets are not met. The committee understands the overall aims of the Act and our responses to the initial and follow-up consultations therefore focussed on the eventual rules being proportionate, fair and transparent. Ofwat published its performance related executive pay prohibition rule in June 2025, confirming that the four standards are: Consumer Matters; Environment; Financial Resilience; and Criminal Liability. Ofwat also provided guidance on how each of the standards would be implemented.

Following the publication of Ofwat's new PRP prohibition rule in June the committee has now reviewed its application in respect of our two executive directors. While United Utilities has not experienced a category 1 pollution incident in the year, regrettably, fish were harmed during the routine operation of a mandatory health and safety inspection at one of our water reservoirs in December 2024. These inspections necessitate the operation of valves to demonstrate that the reservoir can be drawn down in the event of emergency scenarios. At the time, we were unaware that fish were nesting in the underwater pipe leading to the valves and, regrettably, this operation resulted in them being transported into a river and consequently they were harmed or perished. The EA has confirmed that, irrespective of the cause, this incident has been classified as a category 1 fisheries mortality incident, and that whilst it is not a pollution incident it will nevertheless be reported within the 'serious pollution incidents' category of its EPA report. Ofwat has separately confirmed that any category one incident (whether a pollution incident or a non-pollution incident) that is recorded in any pollution metric within the EPA report will trigger the new pay prohibition rule.

Whilst noting that the EPA report has not yet been published, based on the information available the committee has decided that the annual bonuses that the executive directors would otherwise have been due to receive in relation to 2024/25 and which are provisionally set out in the 2024/25 United Utilities Group PLC Annual Report and Financial satatements, will not be paid.

Signed on behalf of the board

Sir David Higgins

L. L. Bedrun

### Louise Beardmore

Chief Executive Officer

This statement was approved at a meeting of the United Utilities Water Limited board on 17 June 2025 and signed off on its behalf by Sir David Higgins, Chair, and Louise Beardmore, Chief Executive Officer.



### **Executive summary**

This is our fifth Annual Performance Report of AMP7, the five-year price control period running from April 2020 to March 2025. In this document, we set out information about both our financial and non-financial performance against the targets and commitments set for the period. This report covers year five of the AMP, running from April 2024 to March 2025.

In October 2023 we published our proposed business plan for the next five-year period, running from April 2025 to March 2030. The plan outlined our ambition to safeguard water supplies and the environment for generations to come, improve services, provide more help to those that need it and how this will affect customers' bills. Ofwat considered our proposals and in December 2024 set out its final determination of our plans. This can be found at ofwat.gov.uk/regulated-companies/price-review/2024-price-review/final-determinations

Our AMP8 journey has already begun and we are working with suppliers across the North West to provide the capability and capacity we need to deliver our ambitious and stretching £13 billion AMP8 programme. This will play an important role investing in local communities and supporting economic growth and development throughout the region.

For more information about our plan, please visit our microsite at: pr24.unitedutilities.com

This year we sustained strong operational and financial performance. We have met or exceeded over 77 per cent of our performance commitments; delivering great performance on important measures to customers including per capita consumption (PCC), the number of properties with leak risk reduced, collapses, blockages and reducing voids.

Our programme to accelerate the delivery on spill reduction ahead on AMP8 is progressing well. Across AMP7 we have reduced spills by 39 per cent, with a 24 per cent reduction in year five. This great start puts us well on track to deliver our spill reduction target of 60 per cent by 2030. We are publishing case studies on our website about some of the projects which are contributing toward this reduction from around the North West region.

More details of our plan for Better Rivers can be found on our website at: unitedutilities.com/better-rivers/what-we-are-doing/case-studies

We know that a great quality, reliable supply of water remains a high priority area for customers. To help deliver further improvements in service for customers we have continued to embed our Water Quality First Programme which focuses on a number of key areas to reduce the risk of discolouration as well as a comprehensive 'people' plan to ensure everyone understands their role with regards to water quality. Our major programme of cleaning and re-lining the Vyrnwy Aqueduct is progressing well and is now half way through. This year, we have completed work on over 60 kilometres in length, reinforcing our strong commitment to water quality improvements. We have achieved our PCC on target for the year, supported by our enhanced metering programme and targeted customer communications that encourage customers to make informed choices about the efficient use of water.

We continue to see the benefits of our Dynamic Network Management (DNM) monitoring. This 'in-sewer' sensor capability uses artificial intelligence (Al) and machine learning to help us to understand when problems are occurring on the network. This means we can make proactive interventions, often before any deterioration in service impacts customers or stakeholders. We have seen a steady reduction in collapses across AMP7 and in year five have reported our lowest ever level of blockages. The information and intelligence gathered from this monitoring is also helping us to reduce the risk of flooding at customers' homes.

# Ten highlights from this year's performance:

01

We met or exceeded over 77 per cent of all of our performance commitments 02

We reduced spills from overflows by 24 per cent in year five

03

We have supported over 411,000 households through our extensive range of affordability schemes during AMP7 04

We achieved our best ever performance for blockages

05

We achieved our best ever D-MeX score

06

Over AMP7 we have provided additional wastewater treatment capacity for over 128,000 people

07

We increased the number of customers signed up to our Priority Services Register to over 540,000 08

Over 84,700 customers lifted out of water poverty

09

Awarded the ServiceMark with Distinction by the Institute of Customer Service <u>10</u>

We maintained our Fair Tax Mark accreditation

### **Executive summary**

Supporting customers with affordability and vulnerability issues continues to be an area of important focus, particularly against a backdrop of rising household costs. We have helped around 411,000 customers with affordability support so far this AMP. In AMP8 we will draw on our industry leading affordability package worth £525 million, which will see us support around one in six customers. The numbers of customers registered for priority services has grown in year five, we now provide tailored support for over 540,000 vulnerable customers on the Priority Service Register.

We have delivered another strong set of financial results this year. Our balance sheet is one of the strongest in the sector, and we are fully equity funded for AMP8. With gearing at the UUW level 65.8 per cent, alongside robust credit ratings and liquidity out to 2027, we have significant financial flexibility and resilience. Return on Regulated Equity (RoRE) was 6.1 per cent on average over AMP7, on a real RPI/CPIH blended basis. In addition to the return of 4.0 per cent (including our 11 basis point fast track reward), we delivered 2.1 per cent of outperformance mainly comprising of financing outperformance, as well as some positive contributions from tax and ountcome delivery incentives (ODIs), partially offset by totex largely reflecting previously announced investments.

### **Delivering our promised outcomes**

Over AMP7 we committed to delivering across seven different outcomes. Each outcome consists of a number of different performance commitments. In section 1.1 of this document we have provided further narrative around each of these outcomes, explaining why each is important to customers. This section details each of the 47 different performance commitments which sit within the outcomes, describing the actions we have taken in delivering our performance and targets for year five. The table below outlines each of the seven outcomes, the number of performance commitments in the outcome, how many performance commitments we have successfully delivered in year five and the net ODI position, including under and outperformance payments for end of AMP performance commitments.

In Appendix 1 we outline our approach to assuring our data and information. We also provide details on those areas where we are not fully compliant with reporting methodologies, including the reason for non-compliance, its impact and the actions we are taking to address the issue.

Outcome description	Number of performance commitments passed per outcome	Net ODI position (£m)*
Your drinking water is safe and clean	3/5	26.526
You have a reliable supply of water now and in the future	9/11	-1.116
The natural environment is protected and improved in the way we deliver our services	7/9	-23.342
You're highly satisfied with our service and find us easy to do business with us	4/5	2.678
We will improve the way we work to keep bills down and improve services	8/9	18.119
We collect and recycle wastewater	2/2	2.101
The risk of flooding for homes and businesses is reduced	3/6	-14.252
Total	36/47	10.714

<sup>\*</sup>net positions include end of AMP under or overperformnce payments



### Our expenditure and revenues

### Introduction

The PR19 price review process was structured around four wholesale price controls and two retail price controls.

The wholesale business undertakes the operational activities of collecting, treating and distributing water to customers and then collecting and treating wastewater and managing the resources produced by the wastewater treatment process. At PR19, the two previous wholesale price controls (water and wastewater) were further split out to create four distinct price controls: water resources, water network plus, wastewater network plus and bioresources.

The retail business undertakes the customer contact and billing activities and this continues to be split into two separate price controls. One of these is for retail services for residential customers, which we continue to operate. The other retail services is for business and other non-household customers.

The non-household retail market, opened to competition in April 2017, following which UUW exited the non-household retail market, and non-household customers have been able to obtain their retail services from a number of retailers. Further details of the non-household retail market can be found on the Open Water website.

The remainder of this section of the APR sets out how we have performed against the PR19 expenditure and revenue assumptions for wholesale price controls and the residential retail price control.

### Wholesale

## Overview of the wholesale price controls (assumed expenditure and allowed revenue)

In Section 1.1 of this document, we set out that the performance expectations of the wholesale services are captured by performance commitments with associated outcome delivery incentives. The PR19 process determined the assumed levels of total expenditure (totex) that were required to deliver these performance levels and to continue to meet our other regulatory and statutory obligations.

These expenditure assumptions across the four wholesale price controls were then used to determine the amount of revenue that would need to be recovered from customers to allow the business to finance the delivery of the operational and capital expenditure programmes for AMP7, to provide ongoing finance for the previous investment programmes and to pay tax on our operations.

### Totex incentivisation

The totex investment regime takes a holistic view of capital and operating expenditure (capex and opex) to generate a total expenditure level (totex).

Any variance between the initial totex assumptions and actual expenditure over the full five-year period will be assessed through the cost reconciliation mechanism at the end of the regulatory period. This mechanism ensures that if we have been able to make greater efficiencies than assumed in the final determination, then, for the majority of spend, half of the saving would be retained by the company and half would be returned to customers. Similarly, if our expenditure is higher than the determined allowance, half of the increased expenditure would be recovered from customers and half would be paid for by the company.

Additional detail on the totex allowances and incentive mechanism can be found in Section 1.4 Wholesale totex.

The impact of any net variance was assessed as part of the PR24 price review process (based on forecast 2024/25 financial information), and is reflected in customer bills during subsequent periods. A true-up for the differences between forecast and actual 2024/25 financial information will be made as part of the PR29 process (concluding in 2030).

#### Interaction of operational and financial incentives

The totex incentive regime is designed to work alongside the outcome delivery incentive regime to ensure that companies are incentivised to strike the right balance between expenditure and performance. This approach is designed to encourage companies to innovate and to achieve efficiencies or improved service levels, rather than simply setting fixed (or capped) expenditure allowances and performance requirements.

### Wholesale expenditure

Our wholesale totex expenditure across the AMP, as compared with the totex expenditure levels set out in the PR19 final determination, is shown in the table below.

### Wholesale expenditure in 2020-25 (out-turn)

	Spend	2020-25 (AMP7	7)
inancial measure	FD assumption <sup>(1)</sup> (£m)	Actual <sup>(2)</sup> (£m)	Variance (£m)
Water resources totex	511	447	-64
Water network plus totex	2,439	3,157	718
Wastewater network plus totex	2,956	3,637	681
Bioresources totex	416	420	4
Total totex	6,322	7,661	1,339

- (1) Totex numbers inflated from FD allowances (presented in 2017/18 prices) to out-turn applying average CPIH for each financial year. Includes allowance for Green Recovery schemes.
- (2) Actual totex excludes AMP8 accelerated programme expenditure and transitional expenditure, which will be funded through the PR24 process. Information from APR table 4C and 4U.

### Our expenditure and revenues

### Net regulatory totex

Total expenditure in 2024/25 was higher than assumed within the PR19 FD, with total actual totex spend of £1,853 million (excluding AMP8 accelerated programme and transitional expenditure) compared to £1,430 million assumed in the FD. Total expenditure across the 5 year period to 2024/25 was higher than assumed within the PR19 FD, with total actual totex spend of £7,660 million (excluding AMP8 accelerated programme and transitional expenditure) compared to £6,321 million assumed in the FD.

The rate of expenditure across the 5 year period to 2024/25 is higher than the FD allowance, due to the combined impact of previously announced investment programmes, and further accelerated investment brought forward from AMP8. This includes delivering sustainable improvements for customers through Dynamic Network Management and drinking water quality improvements, investing outperformance to deliver our 'Better Rivers: Better North West' programme and making an early start on aspects of the new Environment Act 2021 requirements, and improving the quality and aesthetics of the water supply from the Vyrnwy aqueduct. This has been further increased due to the impact of inflation with costs rising above average CPIH, most notable on energy and chemicals, and the impact of isolated events across AMP7, such as the freeze-thaw incident in 2022/23 and the fractured outlet pipe at our Fleetwood Wastewater Treatment Works in 2023/24.

Additional detail is provided within Section 1.4 Wholesale totex.

Our capital programme performance is measured through our capital delivery programme incentive (CDPi) KPI, which places strong emphasis on efficiency as well as reducing the carbon impact of our enhancement projects. We have improved our performance, delivering a strong score of 98 per cent this year, demonstrating that we are spending money wisely. This has been achieved, in part, through the application of value engineering techniques, innovation and supply chain opportunities.

### Household retail

## Overview of the retail price control and incentives 2024/25 performance – household retail

The PR19 process determined an allowed 'cost to serve', plus an assumed margin that could be recovered for providing retail services to household customers. The allowed cost reduces through the AMP7 period in real terms, as no direct allowance is made for inflation.

The initial cost to serve allowance was based upon assumed numbers of customers through the period. Total allowed cost to serve levels for each year, therefore, vary depending upon actual customer numbers.

Measure	All b Ofwat FD co ire assumption n		2024/25 actual	Variance
Cost to serve excluding				
margin	£96.6m	£100.0m	£129.8m	£29.8m

Actual household customer numbers at 3.25 million (table 2F) were 110,000 higher than assumed in the PR19 FD. This change has, primarily, been driven by a reduction in void premises. Taking account of an increase in customer numbers, allowed operating costs for 2024/25 were £100.0 million.

Actual operating costs in the year (as set out within APR table 2C) were £129.8 million, which is £29.8 million higher than the retail cost allowance. The increase in cost above the original FD assumption is attributable to the impact of cost of living pressures on cash collection and the resulting higher levels of bad debt. Costs have been driven higher by increases in general cost inflation that were not factored into the original FD assumption. The costs are £10.3 million higher than in 2023/24, as detailed in the retail expenditure chapter Section 1.6.

### Our expenditure and revenues

### Our financial performance

### Overview of the PR19 determination

Consistent with prior regulatory periods, Ofwat developed the PR19 determinations for all companies based upon a notional capital structure (rather than basing them on company specific capital structures). It applied a common weighted average cost of capital (WACC) for all companies of 2.96 per cent real (CPIH), inclusive of 0.04 per cent retail allowance. This excludes the 'fast-track' reward given to some companies.

To demonstrate that the plan was financeable, the anticipated performance against a key suite of equity and debt financial indicators was set out as part of each company's determination. In addition, Ofwat set out the assumed notional base case return against the company's regulatory equity (RoRE). For UUW, this value was 3.86 per cent (real, RPI/CPIH blended), on average, across AMP7.

UUW was one of only three companies across the industry fast-tracked through the PR19 process during 2019/20. As well as allowing us to achieve a flying start on our investment programme for this AMP, our fast-track status provided a reward equivalent to an annual 0.11 per cent of regulated equity, worth around £25 million across the 2020–25 period.

The overall determination and incentive package was, therefore, positioned to be sufficiently broad and challenging in that companies needed to manage diverse risks and utilise available opportunities in order to earn a balanced return for investors, while delivering the best possible package of price and service to customers and the environment.

### 2024/25 performance – UUW financial performance

We have delivered strong financial performance for the year ended 31 March 2025. Operating profit increased by £156m to £627 million, driven by revenue increasing by 10 per cent, due to regulatory adjustments, partly offset by higher costs as a result of growth in the underlying asset base and inflationary pressures.

We continue to maintain a strong balance sheet providing us with future flexibility. The latest actuarial funding valuation on our pension schemes were carried out during the year, as at 31 March 2024, and determined that the schemes were fully funded on a low-dependency basis without any funding deficits. This demonstrates the success of our de-risking journey for the benefit of the pensions schemes, their members, and the company, by working as a near-perfect economic hedge, removing interest rate, inflation and longevity risks for the portion of liabilities secured. Our AMP7 investment requirements are fully pre-funded, and with gearing of 66 per cent and solid credit ratings, we approach AMP8 in a strong position.

In the year to March 2025, we raised c.£1.4 billion of term funding, comprising of a 27-year £350 million sustainable public bond in May, a EUR175 million tap of a 9.8 year green bond in August, a £150 million tap of a 21.4-year public bond in September, a £75 million tap of a 13.4 year public bond in September, an 11-year NOK1.5 billion bond in October, and an 8 year EUR650 million green public bond in February. In addition, in the year to March 2025, we entered into £65 million of new relationship bank revolving credit facilities, entered into £250 million of new liquidity facilities, increased the amount of existing facilities by £75 million and extended the maturity date on £115 million of existing facilities by a further year.

Our treasury management secured a low cost of debt compared with industry wide regulatory assumptions for AMP7, with an appropriate mix of index-linked and nominal debt. Our hedging policy means we are well placed to manage future financing costs. We have a robust liquidity position with £2,391 million of available liquidity as at 31 March 2025, giving us flexibility in terms of when and how further debt finance is raised to help refinance maturing debt and support the delivery of our ongoing capital investment programme. We have published a seven year long-term viability statement.

We have a responsible and sustainable dividend policy, with consideration given to a broad range of stakeholders who have interests in the performance of the company. For 2024/25, UUW dividend payments totalled £197 million, which comprised of £193.2 million reflecting a 4 per cent return on the actual equity portion of the Shadow RCV, £4.0 million in respect to the non-appointed activities of UUW, and £(0.2) million true up from 2023/24. Further details on the dividend policy can be found on pages 136 to 140 of the APR.

The following pages provide commentary on our financial performance through an overview of our income statement, our financial position and a range of key financial metrics. The overall impact of this performance upon return is assessed through our return on regulatory equity (RoRE) and financial flows.

Additional detail is provided within the UUW Regulatory accounts in Section 2.

#### Income statement

Our income statements for the years ending 31 March 2025 and 31 March 2024 are summarised in the table below. This should be read in conjunction with the high level commentary following the table and the detailed information provided within Section 2: Regulatory accounts.

## Income statement measures for the years ending 31 March 2025 and 31 March 2024

#### Income statement 2024/25 measure (£m) 2023/24 Movement Revenue 1,940.1 2,142.3 202.2 Operating profit 627.2 470.8 156.4 196.6 Profit before tax 275.3 78.8

205.6

60.0

145.6

Information from APR table 1A.

Profit after tax

Regulated revenue increased by £202 million to £2.14 billion, largely attributable to regulatory adjustments. Adjustments include a 4.2 per cent CPIH-linked increase to the revenue cap as well as reconciliation adjustments for under-recovery in prior years, partially offset by a 1.5 per cent real reduction in allowed wholesale revenues as set out in our PR19 final determination. Other revenue impacts largely reflect favourable consumption.

Operating profit of £627 million was £156 million higher than last year, largely reflecting the increase in revenue, partly offset by an increase in operating costs of £46m associated with growth in the underlying asset base and inflationary pressures, as well as additional investment in performance ahead of AMP8.

Profit before tax of £275 million was £197 million higher than last year. This largely reflects the £156 million increase in operating profit plus a £62 million decrease in net interest expense, partly offset by a reduction in other income of £20 million. The decrease in net interest expense is mainly due to lower non-cash indexation applied to our index-linked debt, as inflation rates fell during the year.

UUW has a reported profit after tax of £206 million this year, compared with a £60 million reported last year. The £146 million difference largely reflects the £197 million increase in reported profit before tax, partly offset by a £43 million increase in deferred tax, on higher 2024/25 profit before tax, and a £8 million increase in corporation tax.

### Our expenditure and revenues

### Financial position

Our financial position for the years ending 31 March 2025 and 31 March 2024 is summarised in the table below. This should be read in conjunction with the high level commentary following the table and the detailed information provided within Section 2: Regulatory accounts.

### Financial position for the years ending 31 March 2025 and 31 March 2024

Financial position	2024/25	2023/24	Movement
Total assets (£m)	15,933	14,908	1,025
Total liabilities (£m)	14,882	13,893	989
Net asset value and total equity (£m)	1,051	1,015	36
Increase in net cash (£m)	246	1,011	-765
Net debt (£m)	9,889	9,357	532
Ofwat RCV (£m)	15,020	13,969	1,051
'Shadow' Regulatory Capital Value (£m)	15,020	14,089	931
Gearing (%)	65.8	67.0	-1

Information from APR tables 1C, 1D, 1E and 4C.

Net cash generated from operating activities for the year to 31 March 2025 was £898 million, £164 million higher than £734 million last year, principally due to higher operating profits. The net cash generated from continuing operating activities supports the dividends paid of £197 million and partially funds some of the net capital expenditure of £988 million, with the balance being funded by net borrowings and cash and cash equivalents. Year on year movements are principally due to the timing of finance raised. The statement of cash flows can be found on page 118 of the APR.

Reported net debt (APR table 1E) was up by £532 million, largely as a result of net operating cash inflows offset by our net capital expenditure, dividends, indexation and cash interest.

Note that the 'Shadow' regulatory capital value is equal to the Ofwat RCV for 2024/25, since Ofwat published their March 2025 RCV, including all end-of-AMP midnight adjustments. Ofwat's RCV increased by £1,051 million, due to an end-of-AMP true-up of £764 million, driven by accelerated spend beyond the FD scope, plus inflationary increases.

Reported gearing (which uses the RCV published by Ofwat) reduced to 66 per cent, resulting primarily from the inclusion of the end-of-AMP midnight adjustments. Alternatively, applying an adjusted shadow RCV of £15,357 million, which reflects the full expected value (i.e. including revenue true-ups) of our AMP7 ex-post adjustment mechanisms, gearing would be lower at 64 per cent. UUW's capital structure continues to support a Baa1 credit rating with Moody's.

### Financial metrics

Our performance against the key financial measures set out in the FD for the years ending 31 March 2025 and 2024 is summarised in the table below. This should be read in conjunction with the high level commentary following the table and the detailed information provided within Section 2:

Regulatory accounts.

### Financial metrics for the years ending 31 March 2025 and 31 March 2024

Financial ratios	Notes	Ofwat PR19 FD assumption	2024/25 actual	2023/24 actual
Interest cover ratio (ICR) (cash)	1	4.58	4.44	5.66
Adjusted cash interest cover ratio (ACICR)	1	1.52	1.56	1.30
Funds from operations (FFO)/debt	1	10.83%	9%	8%
Gearing (net debt/RCV)	1	56.98%	65.8%	67.0%
Dividend cover	1	1.56	1.07	0.32
Retained cash flow (RCF)/Net debt	1	8.58%	7%	6%
Return on capital employed (ROCE)	1	4.32%	4.50%	3.80%
Credit ratings (long-term issuer default ratings)	2	Investment grade	Baa1; BBB+; BBB+	A3; BBB+; BBB+

Information from PR19 final determination: United Utilities and APR table 4H.

### Notes

(1) Ofwat FD ratios are derived on a notional capital structure with a notional cost of debt and reflect 100 per cent of IRE expensed in the income statement.

(2) Minimum credit ratings, from two credit rating agencies, as required in UUW licence.

The interest cover ratios illustrate a company's ability to pay interest on its outstanding debt. The Interest cover ratio (cash) looks at the ratio of funds from operations (FFO) before the payment of interest, to cash interest paid, which is slightly below the assumption made in the PR19 final determination. This is predominantly due to the high level of cash being held and the interest receivable on this being excluded from the interest cover calculation. The adjusted cash interest cover adjusts the numerator by subtracting regulatory depreciation, which is an approximation of the capital cost that would be incurred if companies were to maintain the RCV at the same level, which is broadly inline with the FD assumption.

### Our expenditure and revenues

The FFO/Debt ratio is calculated by taking the net cash generated from operating activities, adjusting for changes in working capital and dividing by net debt. This ratio is often used by credit rating agencies to look at the ability of companies to repay their debt and to fund their capital expenditure requirements. It should be noted, however, that each credit rating agency has its own approach to the calculation of these ratios. which may differ from the Ofwat calculation method used here. For example, applying Standard & Poor's (S&P's) usual methodology, which deducts all interest to derive FFO compared to Ofwat's method, which deducts cash interest only, S&P's FFO/Debt for 2024/25 would be lower at around 7 per cent due to higher inflation increasing the indexation charges on our index linked debt. Whilst the 9 per cent reported under Ofwat's method is below Ofwat's PR19 FD assumption, this has been caused by additional investments above the AMP7 FD scope, which increase the amount of debt but the associated P&L benefit (uplift to revenues) will only be realised at PR24.

The debt to RCV gearing ratio measures the proportion of debt in a company's capital structure relative to its regulatory capital value. This ratio is often used by credit rating agencies to assess a company's level of leverage and capital strength. The movement on this metric is explained on the previous page.

Our credit ratings with Fitch (BBB+) and S&P (BBB+) remain unchanged from the prior year (long-term issuer default ratings). However, Moody's (Baa1) has reduced from the prior year (A3). These all remain well above the minimum investment grade and PR19 business plan targets for Moody's (BAA1) and S&P (BBB+) on a notional basis. No PR19 business plan target was provided for Fitch.

Dividend cover shows the number of times the dividend can be paid from the distributable profits earned in each year. This is slightly below the FD assumption. However, to more accurately reflect company performance each year, the impact of deferred tax should be excluded. The regulatory model allows for cash tax to be recovered through revenues, with future revenues allowing for cash tax including the unwinding of any deferred tax balance as it becomes current. By making this adjustment, the underlying tax charge does not include tax that will be recovered through revenues in future periods, thus reducing the impact of timing differences. Based on this alternative view, dividend cover would significantly improve to be broadly in line with the FD assumption for 2024/25.

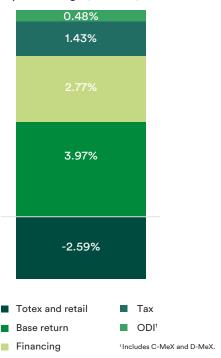
RCF/Net debt shows FFO retained by the business post dividend payments as a percentage of net debt. Similarly, RCF/net debt of 7 per cent reported in 2024/25 is below the PR19 FD assumption, largely as a result of additional investments above the AMP7 FD scope, which increase the amount of debt as described above.

ROCE measures profit before interest less current tax divided by RCV. ROCE of 4.50 per cent in 2024/25 is above the FD assumption.

### Return on Regulatory Equity (RoRE)

The UUW final determination set out the theoretical range of returns that UUW could expect to earn, dependent on its actual performance in the period, with this return being expressed as a return on the regulated equity of the business (RoRE).

5-year average (FY21-25) 6.06% real



The RoRE value reported in our APR is designed to measure the returns (after tax and interest) that a company has earned by reference to the notional regulated equity, where regulatory equity is calculated from the RCV and notional net debt (60 per cent of RCV).

The notional base case RoRE that was assumed in the FD was 3.86 per cent (real, CPIH/RPI blended) and was assumed to be able to vary between -0.1 per cent and 8.0 per cent, depending upon actual performance in the period.

Average RoRE for AMP7 was 6.1 per cent on a real, RPI/CPIH blended basis. In addition to the base return of 4.0 per cent (enhanced by a 0.11 per cent uplift as a result of UUW successfully securing fast-track status at PR19), we delivered 2.1 per cent of outperformance comprising:

Financing – We earned financing outperformance of 2.8 per cent, mainly attributable to the embedded cost of debt UUW has locked in at lower rates than Ofwat's PR19 FD assumed cost of debt. Ofwat's assumed cost of debt was based on a water industry average and, under the regulatory model companies with below average debt can expect to outperform on financing. In addition, we have consistently issued debt at efficient rates that compare favourably with the industry average, due to our leading treasury management, clear and transparent financial risk management policies, and ability to act swiftly to access pockets of opportunity as they arise

Tax – Outperformance of 1.4 per cent largely reflects the deferred capital allowances due to full expensing introduced in 2023 and higher capital allowances driven by substantial reinvestment and accelerated investment brought forward from AMP8. Prior year adjustments in relation to optimising the available research and development allowances on our innovation-related expenditure, and other variances driven by movements in taxable profits.

In accordance with the information notice 'IN 25/02 Expectations for monopoly company annual performance reporting 2024–25', tax performance has been updated to reflect the recalculated tax allowances. taking into account the tax true-up mechanism, which adjusts for material changes to corporation tax or capital allowance rates to those used in the final determination.

### Our expenditure and revenues

Outcome delivery incentives (including C-MeX and D-MeX) – Outperformance of 0.5 per cent reflects a net reward in each year of AMP7, with around 80% of performance commitments met or exceeded across the five years. Significant rainfall from 2023 to 2025, naturally, had an impact on our weather responsive wastewater measures, but we have performed well in water, customer and bioresources, achieving net rewards in each of these areas. We are continuing to deliver improvements and additional investment in areas where performance is not achieving the Ofwat FD targets, including flooding and pollution incidents, water quality performance and interruptions to water supply. More details on this activity are included in the APR Section 1.1

In accordance with the information notice 'IN 25/02 Expectations for monopoly company annual performance reporting 2024–25', we have reported the post intervention values, adjusted to take into account the impact of the COVID-19 pandemic, for per capita consumption (PCC) performance.

We have outperformed peers on C-MeX and D-MeX, receiving outperformance payments across AMP7.

Totex – The totex impact of -2.3 per cent reflects the combined impact of previously announced investment programmes, and further accelerated investment brought forward from AMP8, to deliver environmental improvements (including "Better Rivers: Better North West") and to improve service for customers (including Dynamic Network Management and Drinking water quality improvements). This has been further increased by inflationary pressures on costs, most notably on power and chemicals and the impact of isolated events across AMP7, such as the freeze-thaw incident in 2022/23 and the fractured pipe outlet in Fleetwood last year.

Retail – The retail impact of -0.4 per cent reflects a small underperformance in household retail resulting from the impacts of cost of living and inflationary cost pressures.

#### **Financial flows**

RoRE represents the real return for each water company assuming a notional capital structure (i.e. 60 per cent PR19 notional gearing level). Financial flows expands on reported RoRE by presenting the actual return on the actual capital structure of the company. It includes the inflationary return to derive total shareholder returns as well as presenting retained value, net of dividend distributions.

A summary of our AMP7 performance is provided below. Table 1F of this APR provides more detail.

Financial measure (Average 2020–25)	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity
Base return on regulatory equity	3.97%	3.34%	3.97%
Financing	0.00%	4.82%	5.62%
Operational performance	0.00%	-2.10%	-2.51%
RoRE	3.97%	6.06%(1)	7.08%
Total shareholder return	9.30%	11.17%	12.15%
Net dividend	-3.00%	-4.41%	-5.25%
Retained value	6.30%	6.76%	6.90%

<sup>(1)</sup> Equals reported RoRE as presented in table 4H.

On a notional equity basis, actual RoRE at 6.06 per cent is consistent with the reported RoRE metric described in the RoRE section above. On an actual equity basis, reported RoRE is higher at 7.08 per cent, reflecting the impact of slightly higher actual gearing than the assumed 60 per cent notional level. Total shareholder return includes the inflationary return on RCV of 5.33 per cent (not reflected in RoRE, which is on a real return basis) and voluntary sharing arrangements (-0.27 per cent), which reflect the amount of revenue forgone by the company to fund social tariff discounts for retail customers. Actual retained value of 6.76 per cent on a notional equity basis, and 6.90 per cent on an actual equity basis, is consistent with total shareholder return and dividends paid. Please see pages 143 to 146 of the Annual Performance Report for more narrative on reported financial flows.



### Risk and compliance statement

## UUW board's risk and compliance statement 2024/25

This statement is made by the board of United Utilities Water Limited (the company or UUW, where the context requires) and confirms the company's compliance with the relevant statutory, licence and regulatory obligations for the provision of services to its customers. This statement reflects the reporting year 2024/25 and is complementary to other statutory board statements.

### The Statement

The board considers that the company has applied its processes and internal systems of control in a manner that has enabled it to satisfy itself, to the extent that it is able to do so from the facts and matters available to it, that the company:

- has a full understanding of and has complied with its relevant statutory, licence and regulatory obligations in all material respects in 2024/25:
- has taken appropriate steps to understand and meet customer expectations;
- has sufficient processes and internal systems of control to fully meet its obligations;
- has appropriate systems and processes in place to identify, manage, mitigate and review its risks; and
- has confidence that the data and information provided to Ofwat and published in the reporting of 2024/25 performance was accurate and complete.

Where there are known material departures from this statement – for example, if there are ongoing significant identified legislative or licence breaches or where systemic issues arose with management controls or processes – then these exceptions are set out and explained in the Table of Departures, which immediately follows this Risk and Compliance Statement. In addition, at any given time there may be matters under ongoing discussion or investigation with regulators or others to determine whether a material departure occurred. Where relevant, departures noted as a result of these matters will generally be disclosed following the conclusion of such processes.

### Managing compliance with our obligations

The primary statutory and regulatory obligations relevant to our functions as a Water and Sewerage Undertaker are set out in either the Water Industry Act 1991 or in our Instrument of Appointment – the 'licence'. The licence requires us to meet the requirements imposed under any other statutory and regulatory obligations as necessary to fully discharge our duties as a Water and Sewerage Undertaker.

The company has an established compliance working group, chaired by the company's Principal Regulatory Solicitor, with representation from relevant business areas. The group formed in 2015 in order to formally determine how the company's diverse obligations are identified and discharged. The group maintains a log of the company's key obligations, together with a list of the internal policies, associated risk assessment and assurance activities for each obligation. Each obligation also has an owner who is a member of the working group and a named owner of each obligation's linked policy, who usually is more senior and often at executive or board level. The group carries out horizon scanning to identify new legislation and identifies any areas of potential non-compliance against obligations.

The board manages the effective and efficient delivery of its obligations and operation of everyday activities within the business by the interaction of:

- Authorisations, approvals and procedures: These are set out in the
  United Utilities Group PLC Internal Control Manual (ICM) to provide
  employees with a clear system of internal controls that they must
  follow when acting on behalf of United Utilities Water and United
  Utilities Group PLC as a whole. The ICM sets out a framework within
  which underlying detailed procedures and policies operate.
- Policies: A range of underlying policies provide guidance to employees as to how they should conduct themselves when acting on behalf of United Utilities Water and United Utilities Group PLC as a whole. Everybody working for, or on behalf of, UUW must comply with the policies (to the extent they are applicable to their roles). Failure to do so may result in disciplinary action being taken. This could lead to dismissal and possible civil or criminal proceedings in serious cases.
- Governance and control: The board delegates responsibility for specific matters to a number of committees and working groups. This provides a framework that employees are expected to be aware of and comply with, where relevant to their role, to ensure business decisions are taken with sufficient governance and oversight.

To oversee and take decisions affecting the execution of its obligations, the UUW board:

- receives and reviews performance reports from the Chief Executive Officer:
- receives and reviews reports and presentations from the Asset Management, Bioresources and Green Energy, Commercial, Engineering and Capital Delivery, Corporate Affairs, Customer and Technology, Finance, Health and Safety, Legal, People, Regulation and Compliance, Transformation and Strategic Projects, Water Services and Wastewater Services directorates;
- receives and reviews reports and presentations from the UU Corporate Audit, the financial and technical auditors; and
- has access to executive and senior managers in the company to verify information.

Should a significant regulatory risk or issue materialise during the year, then UUW will update Ofwat, accordingly, to demonstrate that the company is aware of and is responding appropriately to manage that risk or issue.

### Risk and compliance statement

### Understanding and meeting customer expectations

Our investment priorities and performance targets for the 2020–25 period were shaped by listening to customers and stakeholders and understanding their priorities for the years ahead. This work informed a series of outcomes, which represent what we are aiming to achieve in the areas that customers and stakeholders told us were most important to them.

Each outcome is underpinned by specific performance commitments that allow customers and stakeholders to judge our performance. The performance commitments are an important mechanism that allows us to demonstrate to customers whether the performance they have received from us has met, or not met, expectations. Some of these measures contain outcome delivery incentives (ODIs), with performance against these measures potentially resulting in financial incentives for outperformance or underperformance.

The performance commitment and outcome delivery incentive framework is designed to reflect customer priorities and provide strong incentives for companies to become more innovative and effective, both protecting customers against under-delivery and where merited, rewarding companies for outperformance in areas specified by the regulator as part of a customer focused price review process.

The independent challenge group for the North West, YourVoice, has continued to play a valuable role in scrutinising our customer engagement, improving the transparency of our reporting and challenging on the development of our AMP8 business plan. Throughout the year, we have continued to work with YourVoice to demonstrate how we are delivering on our performance commitments during year five of AMP7. YourVoice's comments on our performance during the year are published on its dedicated website as well as its assessment of our customer research and engagement for our PR24 submission. The YourVoice website can be found at:

### yourvoiceicg.co.uk

We believe that it is important to be transparent and to provide information to customers and stakeholders that they can trust and that enables them to understand how the company is performing. The summary of the assurance that has been undertaken and the findings from that assurance are set out in Appendix 1 of this Annual Performance Report.

#### Processes and systems

The directors have a reasonable expectation that the processes and systems of control the company uses are adequate for it to meet its obligations.

This statement takes into account the relatively stable and regulated nature of the business, and is based on, amongst other matters, a review of the company's performance for 2024/25, the results of the annual management control self-assessment, the work of Corporate Audit and a review of the company's risk management process and register.

In respect of this statement, assurance is provided by:

- Using UUW's established processes and methodologies for reporting performance. This requires data providers, their managers and business unit directors to produce and approve Performance and Compliance Statements that set out the evidence to support the reported performance and control checks that have been applied. Operational performance data is collected at month six, month nine and at year end.
- Comparing the reported outturn performance with our company business plan targets, regulatory targets and predicted future performance. This exercise allows variances to be identified and explored. Where required, explanatory statements are sought from business managers. These statements are analysed and assessed by the Regulatory Reporting and Assurance team (within Regulation and Compliance) and findings are reported to the relevant executive directors, with any material issues highlighted to the UUW board.

- Requiring Business Unit Directors and Senior Managers to complete an annual management control self-assessment questionnaire. The self-assessment is overseen by UU Corporate Audit and serves as one of many inputs to the board's annual review of the effectiveness of risk management and internal control systems in accordance with good governance principles. The self-assessment questions are intended to assess the awareness and application of key internal controls, highlighting the incidence of significant weaknesses or failures in controls during the period that have had, or could have, a material impact on the company's performance or condition. The questionnaire covers compliance with both Licence and Water Industry Act obligations, along with key business policies, procedures and controls.
  - Reviews are undertaken by the UU Corporate Audit team and technical auditor of the company's processes, risks and controls. In 2024/25, Corporate Audit continued to review the company's risks, processes and controls, covering operational areas and support functions (such as finance, digital services and health and safety). The team reviewed regulatory reporting information and submissions, the disclosures made in the Corporate Governance section, and elements of the non-financial information disclosed within the Strategic Report and Directors' Report sections of the Annual Report and Financial Statements. The scope of the audit work is consistent with the company's published assurance framework. Findings are reported to aid the board's decision to approve these reports. The team reviewed UUW's compliance with Ofwat's board leadership, transparency and governance principles as part of their annual review of corporate governance. Their findings are reported to the board to aid the board's decision to approve the annual Risk and Compliance Statement. The effectiveness of the Corporate Audit team is reviewed annually by the Audit Committee, taking into account the team's performance against the quality assurance and improvement plan, the outcome of an annual stakeholder survey and periodic external assessment (the last external assessment was during 2023/24). The technical auditor provides a summary report about year end reporting to the board each June. A copy of this can be found in Appendix 1.
- The Group Audit and Risk Board (GARB) reviews and monitors compliance with governance processes, risk management and the internal control framework to identify emerging themes and trends. GARB provides an executive review of governance processes, risk management and internal control, their adequacy, effectiveness and performance. GARB monitors compliance as part of the governance framework, identifying emerging themes and trends. Meeting on a quarterly basis, GARB regularly reviews issues and summary level reporting (typically by exception) arising in relation to:
  - Corporate Audit activities;
  - management control self-assessment activities;
  - risk management framework, process and reporting, and effectiveness thereof;
  - fraud and whistleblowing framework, process and incident reporting, and effectiveness thereof;
  - data protection, competition, environmental information regulations and Bribery Act compliance;
  - security, including IT, cyber and operational security;
  - operational resilience, including asset resilience; and
  - operational compliance and assurance activities.

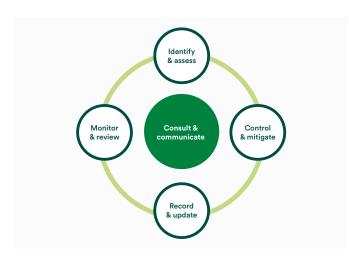
Where material issues are identified and/or the board considers it is unable to support the expectations of the Statement, then exceptions are set out in a table following the compliance statement.

### Risk management

Successful management of risks and uncertainties enables us to deliver on our purpose to provide great water for a stronger, greener and healthier

Our emphasis is on our capacity and capability to manage risk and uncertainty and to build and maintain long-term resilience across our corporate, financial and operational structures.

### Risk and compliance statement



#### Key components of the framework include:

- An embedded enterprise-wide risk management process that is aligned to ISO 31000:2018;
- A board-led approach to the company's risk appetite and tolerance framework;
- A strong and well-established governance structure giving the board oversight of the nature and extent of risks the group faces, as well as the effectiveness of risk management processes; and
- A portfolio of policies, procedures, guidance and training to enable consistent, group-wide participation by our people.

As an enterprise wide approach, the accountability for the assessment and management of risk is across the entire organisation, taking account of interdependencies and interrelationships of both internal and external factors and stakeholders. The identified risks cover a wide range of potential events relating to our objectives and obligations, including regulatory, legal, core operations, service and hazard risks. Horizon scanning is an inherent part of our risk assessment processes and a key focus of multiple cross-business forums, which take a holistic view of the organisation, system or production line. This enables a forward-looking consideration of new and emerging areas of concern, the long-term impact of risks (including knock on and cascading impacts), and either specific or integrated cross business control/mitigation as appropriate.

The process involves group level evaluation, benchmarking and calibration to enable a consistent approach, an appreciation of the most significant risks from a financial and reputational context, together with an evaluation relative to our risk appetite and tolerance.

### Oversight and governance process

The board ensures that its oversight of risk remains effective through a number of established reporting routes. Twice yearly, the board receives a full update on the risk profile as part of the full and half-year reporting cycle. This provides an overview of the nature and extent of risk exposure in the context of the group's principal risks and emphasises the most significant risks in both their current state and the target state of acceptable exposure.

This practice is in compliance with the UK Corporate Governance Code (2018), and enables reports to be provided to the board for each full and half-year statutory accounting period. The board is, therefore, able to:

- Make decisions on the level of risk it is prepared to manage in order to deliver on its strategy;
- Engage with the business to put appropriate controls in place, and to ask questions and test the appropriateness of plans;
- Report externally on the long-term viability of the company in an informed manner; and
- Monitor and review the effectiveness of procedures, systems and risk management thinking.

Our approach to corporate risk management and principal risks and uncertainties are set out on pages 61 to 64 of the United Utilities Group PLC 2024/25 Annual Report and Financial Statements.

### unitedutilities.com/corporate/investors/results-and-presentations/

In respect of regulatory reporting, UUW has maintained its tailored risk management and assurance approach that has been used in our previous regulatory reporting periods.

This process identifies high-risk elements of our reporting and ensures that action plans are established to manage or mitigate the risks and appropriate governance and assurance is in place.

The regulatory reporting risk assessment process and assurance plan for our 2024/25 regulatory reporting are set out on the United Utilities website:

unitedutilities.com/corporate/about-us/performance/ assuring-our-performance-2020-25

Appendix 1 of the Annual Performance Report provides confirmation that this assurance plan has been implemented and sets out the findings of that assurance.

### Data and information provision

The accountability for operational performance and regulatory reporting sits within the relevant business units responsible for the day-to-day management of the associated processes. The data that underpins the reporting of performance commitments and other operational performance has an executive sponsor, with their team being responsible and accountable for the end-to-end process from delivery to performance reporting.

The AMP7 assurance framework has been reviewed and challenged by the board and has been published on the company website at:

unitedutilities.com/corporate/about-us/performance/ assuring-our-performance-2020-25

#### Data reporting

The accountability for operational performance and regulatory reporting sits within the relevant business units responsible for the day-to-day management of the associated processes. The data that underpins the reporting of performance commitments and other operational performance has an executive sponsor, with their team being responsible and accountable for the end-to-end process from delivery to performance reporting.

### Data assurance

The process by which we capture and report data is defined in a suite of methodology statements, which are developed by subject matter experts. The methodology outlines how we comply with reporting requirements and sets out the systems used to capture and report data, role accountabilities and the processes used to analyse and calculate the resultant performance levels. Additionally, the methodology statements include key process controls and checks that assure the resulting data. Each of the methodology statements is reviewed during the year and signed off appropriately by the relevant senior manager or member of the executive, dependent on the associated level of risk. All data relating to our performance commitments is signed off by an executive owner. In addition to these methodology statements, Performance and Compliance Statements are compiled that evidence the reported performance and control checks that have been applied. Operational performance data is collected and reported in this way at month six, month nine and at year-end as part of our regulatory reporting process. This informs management actions to address in-year performance issues. The Performance and Compliance Statements are signed off appropriately based upon the risk level assessed. An electronic sign off process has been established, which provides a robust audit trail of all interactions in the approvals process.

### Risk and compliance statement

#### Risk assessment

Reported information is risk assessed to determine the minimum level of assurance applied. This is based on the significance of the data (both financial and reputation) and the materiality of potential risks or issues. The risk assessment ensures that issues are escalated to, and signed off by, the appropriate accountable manager or executive. This risk assessment is usually undertaken at least twice annually in order to ensure emerging risks are taken into account during the year.

### Targeted assurance

The process for capturing and assuring our regulatory data is underpinned by a 'three lines of assurance' approach to the analysis, review and assurance of the reporting of regulatory information. In the first line of assurance, management has accountability for developing and maintaining sound processes, systems and controls in the normal course of its operations. In the second line of assurance, the Regulation and Compliance team or Finance team has accountability for providing the framework and governance for regulatory reporting and ensure that methodologies have been complied with. The UU Corporate Audit team provides an independent review of the effectiveness and application of the assurance framework and undertake a number of targeted reviews. A report is presented to the board outlining its findings and any areas of non-compliance. The third line of assurance provides independent audit and assurance activity through independent technical auditors and in some cases specially appointed third-party providers. A report is presented to the board outlining its findings and any areas of non-compliance.

### Data review

Performance data is used to report performance throughout the business up to board level. Performance data produced either monthly for scorecards or the regular reporting processes outlined above is compared against regulatory targets and predicted future performance. Monthly scorecards are shared widely throughout the business as part of the monthly briefing process. This exercise allows variances to be identified and explored. Following reviews at month six and month nine, where required, explanatory statements are sought from business managers. These statements are analysed and assessed by the Regulation and Compliance team and findings are reported to the relevant executive directors, with any material issues highlighted to the UUW board. This scrutiny supports understanding of our performance so that it can be explained and challenged. Where necessary, corrective action can be taken to try to bring performance back on track.

### Board engagement and challenge

The board has considered and challenged our published assurance approach which supports the publication of its performance data; and the risk and assurance processes, governance structures and individual accountabilities which support the provision of information to the board and other stakeholders. The board is also fully engaged with understanding – and where appropriate, challenging – how we perform against our performance commitments, receiving detailed regular performance reports at board meetings, with particular focus at half-year and year-end.

In 2023, we established a new board Compliance Committee to ensure the board has an even greater opportunity to provide early and in-depth scrutiny of regulatory submissions and to help ensure the accuracy of information presented to regulators and customers and to oversee the structure and processes of interactions with UUW's regulators. In the reporting year 2024/25, the committee is made up of three directors, two of whom are independent non-executive directors, one of whom is appointed as chair. The Chief Operating Officer and Regulation and Compliance director are members of the committee and the Company Secretary attends the committee meetings. This year, the Committee has reviewed several compliance updates and made recommendations to further enhance the assurance approach around key regulation submissions, including those that contribute towards the Environment Agency's Environmental Performance Assessment.

Other key regulatory submissions are approved by the board during the year. These are subject to a clearly defined assurance process including risk-based assessment, prior to being submitted to the board for consideration. This process includes detailed scrutiny from senior management, first and second line risk and assurance teams, as well as independent experts for third line assurance where required. Exceptions and issues identified from the assurance process and the actions taken to resolve or mitigate them are raised with the board for consideration. At year-end Corporate Audit and the independent technical assurer separately present the results of their assurance findings and any areas of non-compliance.

### Independent challenge and review

We regularly discuss our performance against targets with the YourVoice panel. Actions and plans to deliver against our targets are reviewed and discussed together with the impacts that these actions have on customers, performance and financial incentives. As part of the year-end process, the YourVoice Chair reports the panel's findings directly to the board. We work with the panel to ensure that performance outcomes are communicated clearly and transparently to customers alongside the main Annual Performance Report in a customer focused summary.

### Confirmation of key reporting requirements Corporate governance (Licence condition P3)

United Utilities continues to fully support Ofwat's drive for the highest standards of board leadership, transparency and governance in the industry. United Utilities Group PLC applies the principles and reports against the provisions of the UK Corporate Governance Code (2018) as disclosed most recently on pages 104 to 177 in the United Utilities Group PLC 2024/25 Annual Report and Financial Statements.

Ofwat's board leadership, transparency and governance (BLTG) principles require UUW to meet the objectives of the principles and to explain in an effective, accessible and clear manner how they have done so. The board is satisfied that its current practices and application of the BLTG objectives at regulated company level are entirely consistent with the principles published by Ofwat.

In addition, and as required by licence condition P3, the board has developed a board statement that aims to explain how it is meeting the BLTG objectives in a manner that is effective, accessible and clear. This statement is published on pages 7 to 13 of this year's Annual Performance Report.

## Links between directors' pay and standards of performance (Water Industry Act Section 35A)

As required by Section 35A of the Water Industry Act 1991 UUW has published a statement of directors' remuneration and standards of performance, which can be found on pages 155 to 163 of our Annual Performance Report. Included within this statement are details of the arrangements and the remuneration that have been paid or become due during 2024/25 to the directors of the company as a result of arrangements for linking the remuneration of the directors of the company to standards of performance in connection with the carrying out, by the company, of the functions of a relevant undertaker.

### Dividends (Licence condition P30)

Appointees are required by licence condition P30 to declare or pay dividends only in accordance with a dividend policy that has been approved by the board and which complies with the following principles:

- That dividends declared or paid will not impair the ability of the appointee to finance the appointed business, taking account of current and future investment needs and financial resilience over the longer term:
- That dividends declared or paid take account of service delivery for customers and the environment over time, including performance levels, and other obligations; and
- That dividends declared or paid reward efficiency and the effective management of risks to the appointed business.

### Risk and compliance statement

We have an established dividend policy with robust and well-evidenced principles, which complies with the licence condition P requirements. Further details on the dividend policy and dividends paid, and how these take account of obligations under the licence (alongside other key principles committed to by the board), is provided on pages 136 to 140 of the Annual Performance Report.

### Ring-Fencing Certificate (Licence condition P31)

The directors have issued a 'Ring-Fencing Certificate' (RFC) under paragraph P31 of licence condition P, stating that the company will have available to it: i) sufficient financial resources and facilities; ii) sufficient management resources and systems of planning; and iii) sufficient rights and resources other than financial resources, to enable it to carry out the regulated activities for at least the next 12 months. This certificate confirms that all contracts entered into between UUW and any associated company include the necessary provisions and requirements in respect of the standard of service to be supplied to UUW, to ensure that it is able to carry out the regulated activities. The RFC can be found on pages 164 to 166 of our 2024/25 Annual Performance Report. An extract from the board minutes, evidencing that the board approved the RFC and delegated authority to sign the certificate to any one director, can be found in Appendix 2 on page 273.

## Transactions with associated company (Licence condition P19)

The directors of UUW have declared, to the best of their knowledge that: i) every transaction between the appointed business and any associated company is at arm's length, so that neither the appointed business nor the associated company gives a cross-subsidy to the other; and ii) that the appointed business neither gives nor receives any cross-subsidy from any other business or activity of the appointee. Information in respect of transactions between UUW and any other business or activity of the appointee or associated company is set out on pages 152 to 154 of our 2024/25 Annual Performance Report.

## Maintaining investment grade credit rating (Licence condition P26)

UUW currently has long-term issuer credit ratings of Baa1/BBB+ with Moody's and S&P, respectively, and a long-term issuer default rating of BBB+ with Fitch, all on stable outlook. Additionally, UUW's current senior unsecured debt ratings are Baa1/BBB+/A- with Moody's, S&P and Fitch, respectively, all on stable outlook. UUW aims to maintain long-term issuer credit ratings of at least Baa1/BBB+ with Moody's and S&P, respectively, and an issuer default rating of at least BBB+ with Fitch (senior unsecured debt rating). This assumes that each ratings agency maintains current published ratio thresholds/guidance for United Utilities' ratings and no further changes to sector risk assessments or ratings methodologies, UUW's credit rating targets are subject to periodic review.

#### Long-term viability statement

As set out in the long-term viability statement on pages 149 to 151 of this Annual Performance Report, the directors have assessed the viability of UUW, taking account of UUW's current position, the potential impact of the principal risks facing the business in severe, but reasonable, scenarios, and the effectiveness of any mitigating actions. This assessment has been performed in the context of UUW's prospects as considered over the longer term. Based on this viability assessment, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the seven-year period to March 2032.

### Outcome delivery

Performance against the outcomes and performance commitment targets, set out in the PR19 final determination, has been monitored on a monthly basis throughout the business as part of internal company scorecard reporting. Annual and longer-term performance summaries are reported on a regular basis through the year to the UUW board and to the customer challenge group YourVoice.

Full details of the 2024/25 performance against these outcomes is included within Section 1.1 of our 2024/25 Annual Performance Report. Actions that are being undertaken to address any measures where we have not met the target are set out within the report.

### Principles of customer care (condition G)

On 12 February 2024, a revised Condition G was introduced to the UUW licence, and condition J was formally removed. This new package of customer-focused licence conditions clarifies the company's responsibilities to keep customers informed, put things right when they go wrong and ensure that the full diversity of customer needs are understood and supported. Further details of our approach to condition G can be found in section 1.3 of our 2024/25 Annual Performance Report on pages 99 to 100. This section sets out how we can demonstrate compliance with the condition and the assurance activities that support this. Within this summary, we describe our future plans and aspirations to improve compliance and to deliver more.

## Compliance with sanctions against Russia and Belarus related to the conflict in Ukraine

Our obligations with regard to the sanctions against Russia and Belarus related to the conflict in Ukraine have been reviewed by the Legal, Corporate Audit, Supply Chain and Customer teams. We undertook a series of checks to ensure that we are compliant with sanctions. No material issues or concerns have been identified to date and we will continue to monitor and check against sanctions.

Signed on behalf of the board

Sir David Higgins

S. L. Redun

Chair

**Louise Beardmore** 

Chief Executive Officer

This statement was approved at a meeting of the board of directors of United Utilities Water Limited on 17 June 2025 and signed off on its behalf by Sir David Higgins, Chair and Louise Beardmore, Chief Executive Officer.

### Risk and compliance statement

### 2024/25 departures from the risk and compliance statement

The board considers that the company has applied its processes and internal systems of control in a manner that has enabled it, to the extent that it is able to do so from the facts and matters available to it, to identify material departures from the obligations or exceptions in data accuracy or completeness as set out below:

Description of duty/ obligation	Purpose of duty/ obligation	Reason for departure	Disclosure
Environmental	Compliance with	Breach of obligation and	Environmental permit conditions
Permitting (England and Wales) Regulations	environmental permits	compliance with flow to full treatment permit conditions across the water industry is under investigation by Ofwat and the EA.	Monitoring compliance with environmental permits is an ongoing process which is embedded in our operating activities. Approaches to monitoring and assessment of compliance risks are subject to continuous improvement through – for example – investments in monitoring and telemetry technologic and enhancements to data analysis. Each failure is thoroughly investigated and a robust route cause identified and managed appropriately to ensure that corrective actions are applied. We continue to work with regulators on an ongoing basis to ensure that identified exceptions to existing and evolving methodologies and requirements are understood, investigated and progresse towards resolution on a timely basis.
			Environmental permit conditions relating to quality standards
			For the year ending December 2024, seven treatment works (out of a population of 388 with relevant permits) have been classified as failing their environmental permit due to not achieving the quality standards required from their discharges. The failing works are associated with Operator Self-Monitoring (OSM) and UWWTD sample failures during 2024. This element of compliance is reported within the Environment Agency's Environment Performance Assessment (EPA) % discharge compliance and this performance will result in an overall discharge permit compliance score of 98.2 %, which is classed as amber (achieving standard).
			Environmental permit conditions relating to flow to full treatment (FFT) standards
			As part of the National Environment Plan, a programme of work is underway across the industry to improve measurement of flow to full treatment compliance through use of U_MON3 (spill to storm) and U_MON4 (instantaneous flow) monitors. This rollout is ongoing and is part of the wate industry national environment programme (WINEP) requirements and will almonitoring to take place in line with a new compliance methodology for FFT issued by the Environment Agency. UUW is on track to install these monitors in line with the delivery plan agreed with the EA and as the monitors are brought into service, they are issued a certificate of conformance, and we armonitoring flow using the new equipment in line with the EA's methodology.
			Monitors also require a certificate of accuracy from an independent, accred company (under the Environment Agency's MCERT scheme). As this type of monitoring is so new, the certification standards were only issued by the Environment Agency during 2022 leading to a national backlog of certification activity for the MCERT companies. We anticipate that all UUW devices will lable to receive certification and we are working with the MCERT companies progress the certification process.
			To date, we have installed U_MON4 and U_MON3 devices at 168 out of 250 sites and these sites also have pass forward flow (PFF) MCERTS certificates for U_MON4. Of these 168 sites, 106 were reportable in the last calendar yea annual regulatory return. A further 82 installations will need to be delivered in AMP8 by 31 December 2026. During AMP8, all 250 U_MON4 devices will also be upgraded to record two minute flow monitoring intervals and U_MON3 devices will become subject to MCERTS certification during AMP8. As the report of U_MON3 and U_MON4 devices progresses into AMP8 and the monitoring certified as accurate, sites with available data from the new devices are assessed for FFT compliance using the new Environment Agency methodological contents.
			We are working with the Environment Agency to develop performance reporting mechanisms and other processes before FFT compliance formally becomes part of the Environmental Performance Assessment in 2025. In the absence of these monitors across all sites, our historic approach to assessing flow to full treatment seeks to identify risks of non-compliance at our treatment works and then to undertake investigations and actions to remove or reduce the risk of non-compliance. In 2024, we reported a total of 28 non-compliant sites. 17 of these sites have now been resolved. Of the remaining of

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compliant sites, 17 of these sites have now been resolved. Of the remaining 11, three have action plans in place to be resolved by mid-2025 and eight have action plans developed and are expected to be resolved by December 2025.

## Risk and compliance statement

Description of duty/	Purpose of duty/				
UUW Instrument of	Condition L (Underground asset management plans) creates obligations regarding the preparation, review and revision of underground asset management plans	Reason for departure  Legacy licence condition does not reflect current practice	Disclosure  Changes to the regulatory approach mean that these legacy licence requirements are no longer active. Our plans for wastewater underground assets are now developed through Drainage and Wastewater Management Plans (DWMP) and for water through Water Resources Management Plans (WRMP).		
Appointment (licence)  Condition L					
			Due to the size and inaccessibility of our underground asset base, we use operational data and modelling tools, such as Pioneer, to estimate asset condition and future deterioration. This data is then used to underpin our long-term 25-year adaptive plans and our regulatory submissions, such as the DWI Long Term Plan.		
			Our DWMP sets out our long-term approach for delivering sustainable drainage and wastewater management across the North West. Details of our DWMP can be found on our corporate website at:		
			unitedutilities.com/corporate/about-us/our-future-plans/our-long-term-plans		
			Details of our WRMP can be found on our corporate website at:		
			unitedutilities.com/corporate/about-us/our-future-plans/ water-resources/water-resources-management-plan		
Water Industry Act 1991 Information provisions	Water Industry Act Section 199 places an obligation on wastewater companies to maintain maps of its sewers	Legacy licence condition does not reflect current practice	Although a high proportion of our sewers are mapped, in common with all other wastewater companies in England and Wales, not all sewers were mapped at the time of privatisation and the transfer of private sewers. Full sewer records were not always available and connections can be made into the network without the permission of UUW or without providing full records. We actively and regularly update our sewer records to reflect any changes found in sewer location or attributes. We remain committed to working to continually enhance the quality of our records and where we find inaccuracies or omissions, we will continue to quickly update our sewer maps.		
Environmental Information Regulations (2004)	Environmental Information Regulations allows the public to ask for environmental information held by public authorities in the UK	Receipt of Practice Recommendation relation to our handling of requests under EIR	In October 2024, the Information Commissioner's Office (ICO) issued UUW with a Practice Recommendation relating to our handling of EIRs. The ICO recommended that we take a number of steps to improve transparency and the handling of EIR requests. In response to the practice recommendation, we implemented several key improvements to enhance transparency and compliance. We created a dedicated, specially trained team to manage EIR requests and introduced a real-time workflow management system and an 'information inventory' tool to streamline our processes. We began publishing monthly storm overflow data and launched an online disclosure log to reduce repeat requests. Compliance statistics are now publicly available, and we have enhanced our website to improve accessibility to information and making requests. Additional efforts include gathering requestor feedback via short surveys and collaborating with local stakeholders, in the Windermere area, to improve the openness and usability of environmental data. In 2023/24, we disclosed over 16 million rows of data in response to EIRs and more than 17 million rows of data in 2024/25.		



### 1.0 Year five performance

### Introduction and coverage

This section of the Annual Performance Report sets out how we have performed in year five of AMP7 against the service, expenditure and revenue expectations set in the 2019 price review. Year five is the period from 1 April 2024 to 31 March 2025. This year we present this in seven segments, including a look ahead to performance reporting in AMP8:

- 1.1 Outcome delivery how we have performed against the performance commitments set in our AMP7 final determination
- 1.2 Greenhouse gas emissions our 2024/25 greenhouse gas (GHG) performance
- 1.3 Principles of Customer Care our approach to licence condition G
- 1.4 Wholesale totex how our actual spend compares to the totex allowances set out in our AMP7 final determination
- 1.5 Wholesale revenue and current cost financial performance how our actual revenues compare to the level of wholesale revenue assumed in our AMP7 final determination
- 1.6 Retail expenditure and revenues how our actual retail revenues compare to the allowances set out in our AMP7 final determination
- 1.7 AMP8 performance reporting a short summary of how we will report our performance in AMP8

Section 2 of this document comprises the UUW Regulatory accounts for 2024/25. This contains financial and operating information required by Ofwat through both the accounting document and a series of pro forma tables.

A document that sets out our Green Recovery programme is available on our website at: unitedutilities.com/globalassets/documents/pdf/ green-recovery-2025

## 1.1 Outcome delivery – Introduction to performance commitments and ODIs

The outcome of a price review is a defined price and service package that companies are tasked to deliver for customers, the environment and other stakeholders. Delivery of service is described through a series of customer focused outcomes, which, in turn, are supported by more granular performance commitments.

We routinely report performance against these outcomes and performance commitments to customers, stakeholders and regulators, including to the YourVoice customer and stakeholder panel.

Having performance information that is easy to understand and navigate allows customers and other stakeholders to challenge water and sewerage companies on their performance and encourages delivery of better levels of service. This helps everyone build trust and confidence.

We have committed to seven outcomes for the AMP7 period (2020–2025):

- Your drinking water is safe and clean;
- You have a reliable supply of water now and in the future;
- The natural environment is protected and improved in the way we deliver our services;
- You're highly satisfied with our service and find it easy to do business with us:
- We will improve the way we work to keep bills down and improve services for you and future customers;
- We collect and recycle your wastewater; and
- The risk of sewer flooding for homes and businesses is reduced.

The outcomes segment of this document (1.1) sets out our performance against each of the seven outcomes and provides a summary of each of the individual component performance commitments detailing the definition, targets and commentary on the performance for year five of the AMP and the financial implications of the performance that we have achieved.

#### Performance commitments

Underpinning each outcome is a set of performance commitments. These are service targets for specific types of activities that we are tasked with delivering. If we achieve or outperform against these targets, then this supports the delivery of outcomes for customers, the environment and other stakeholders. Performance commitments are designed to be stretching and deliver an improved level of performance for customers and stakeholders compared to the levels achieved in the past.

There are 15 performance commitments that are being applied to all water and sewerage companies during AMP7. These are 'common measures' and each has a standard definition set by Ofwat. These common measures are then supplemented by 'bespoke' performance commitments, which reflect additional levels of service or focus for investment that are specific to each company's customers.

We need to deliver against the performance commitments set out in the AMP7 final determination, comprising the 15 common measures and 32 bespoke measures that are specific to United Utilities. During year four, it was agreed with Ofwat to introduce an additional performance commitment relating to the provision of the Haweswater Aqueduct Resilience Programme (HARP) by way of direct procurement for customers. This is described in more detail on page 80.

We have published a suite of definition documents. These are technical documents that outline each of our performance commitments explaining our method, detailing targets and explaining any assumptions and calculations.

Further details can be found on our website at: unitedutilities.com/
globalassets/z\_corporate-site/about-us-pdfs/business-plan/
amp7-performance-commitments-and-outcome-delivery-incentives--definition-document.pdf

These technical documents outline each of our performance commitments explaining our method, detailing targets and explaining any assumptions and calculations.

Further details on our performance commitments can be found in Section 1.1. We have published a high level summary of our performance, which can be found on our website at: unitedutilities.com/globalassets/ documents/pdf/apr-2024-25-customer-summary

Customers can quickly and easily see how this performance compares to other water companies using the industry's comparison dashboard called 'Discover Water' at the following website www.discoverwater.co.uk

### Outcome delivery incentives (ODIs)

Outcome delivery incentives or 'ODIs', are incentives that apply to performance commitments. There are four types of outcome delivery incentive that can apply to performance commitments. These are:

**Underperformance only** – This is a financially driven incentive. When performance is worse than the target or deadband level, this results in an underperformance payment.

**Outperformance only** – This is a financially driven incentive. When performance is better than the target or deadband level, this results in an outperformance payment.

Underperformance and outperformance – This is a financially driven set of incentives. Underperformance payments are incurred when performance is worse than the target or deadband level, whereas outperformance payments apply when performance is better than the target or deadband level.

Non-financial – This is an incentive driven by reputation only. Poor performance could cause reputational damage but good performance could enhance our reputation, but no direct financial incentives are applied. Of our 47 performance commitments, 40 have a financial incentive. The other seven performance commitments do not have a financial incentive and are therefore driven by reputation only.

Some ODIs have an outperformance cap or underperformance collar. Beyond this point, no further incentive is applied.

### 1.0 Year five performance

Some performance commitments include a deadband. This is a narrow range of performance above and/or below the target level within which the company can operate without being subject to financial incentives. For measures without a deadband, any incentive applies as soon as our performance is above or below the target level for the performance commitment.

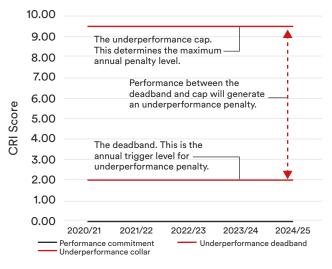
Most ODIs are applied on an annual basis during the AMP. These are referred to as 'in-period' incentives. Some ODIs, however, are applied only at the end of the AMP. These are known as 'end of period' incentives.

## Examples of how performance commitments and ODIs work

### Example one - water quality compliance (CRI)

Water quality compliance is a common industry measure, which supports our 'Your drinking water is safe and clean' outcome. This measure is subject to a financial incentive, which means we incur a financial penalty if we underperform against the target beyond a deadband. There is no outperformance incentive so it is not possible for us to earn an outperformance payment for meeting or beating the target. The lower our score is on CRI, the better our performance is against this measure and we are incentivised to deliver a CRI score as low as possible.

As you can see in the diagram below, this measure has a performance commitment, a deadband and an underperformance collar. If the annual company performance is between the performance commitment and deadband level, no financial incentive is applied. However, for any annual performance in between the deadband and the collar, the financial incentive rate will be applied.

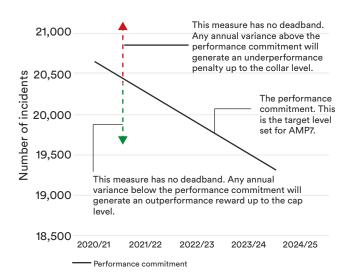


#### Example two - sewer blockages

Sewer blockages is a bespoke measure that supports our 'We collect and recycle your wastewater' outcome. This measure is subject to financial incentives for either underperformance or outperformance of the target. The lower the number of blockages recorded, the better our performance is against this measure and we are incentivised to deliver as low a number as possible.

As you can see in the following diagram, this measure has a performance commitment, outperformance cap, underperformance collar but no deadhand

If the annual company performance is better than the performance commitment level, a set financial incentive rate would be applied and the company would earn a financial incentive for outperforming the target. If the annual company performance is worse than the performance commitment level, then a set financial incentive rate would be applied and the company would be subject to an underperformance payment.



### Models

We have calculated our outperformance and underperformance incentive payments using Ofwat's ODI model and input these values into the in-period adjustments model. For year five, we have input our values in to the ODI differences model, and have submitted copies of all three models to Ofwat. A summary of the model outputs can be found on page 92 along with a description of the impact that this will have on customer bills. We have three non standard calculations for abstraction incentive mechanism (C03), Recycling Biosolids (C09) and better air quality (C10). The calculations to derive any outperformance or underperformance payments for these non standard performance commitments are outlined in Appendix 3.

### Assurance

We have a well established assurance framework that we apply to our regulatory reporting submissions. We have followed this framework in assuring the data and information that supports the Annual Performance Report, supporting information and our submission.

Any specific assurance requirements identified in the PR19 final determination outcomes performance index are outlined in Appendix 1 in this document. This section identifies any areas of deviation from the common methodologies.

Further details of our AMP7 assurance framework can be found on our corporate website at: unitedutilities.com/corporate/about-us/ performance/assuring-our-performance-2020-25 and in Appendix 1 of our 2024/25 APR.

### Performance summary

A summary of our net performance for year five can be found on pages 35 to 91 of the outcomes section.

### Bill impacts

The overall bill impact of this performance can be found on page 93 of the outcomes section.

### 1.1 Outcome delivery



### Your drinking water is safe and clean

Customers want a reliable supply of high-quality water that they trust. To deliver this outcome we will continue to ensure water quality is at the heart of our decision making, achieving a significant reduction in water quality events and an improvement in the aesthetic parameters that impact customers' perceptions of water quality. Our water quality vision is 100 per cent compliance with current and future drinking water quality standards, providing a reliable supply of safe, clean drinking water for future generations.

### How have we done?

We have passed three out of five performance commitments which support this outcome. In year five, we have earned a net outperformance payment of £26.526 million.

Based on the provisional score calculated by the Drinking Water Inspectorate (DWI), we have not met our performance commitment for water quality compliance (CRI), achieving 10.29 against a target of 0.00. In 2024, there has remained a low number of infringements at Water Treatment Works (WTW). However, three of these infringements were at strategic WTWs with existing Notices. Based on the volume of water produced by these WTWs, alongside the existing Notices, these three infringements have had a significant impact on the CRI score.

We have not met our performance commitment for reducing water quality contacts due to taste, smell and appearance this year. The Water Quality First programme continues to have a measurable benefit and we have continued to see reductions in the number of customer contacts for taste, smell and appearance of drinking water when compared to last year.

Our programme of lead service pipe replacements has reduced lead risk at 3,263 properties during the year. This exceeded our performance commitment of 750 properties.

We have been successful in increasing customer awareness of how they can look after water in the home. We are using a multi-channel approach with a particular emphasis on radio advertising, sponsorship and direct communications (email and text) underpinned by the consistent use of local TV weather sponsorship.

Work has continued to reduce the risk of discolouration of water from the Vyrnwy treated water aqueduct. Over the past year, we have cleaned or relined 60.27 kilometres of the aqueduct.

	Actual performance		
Performance commitment	Year five	Impact	Value (£m)
A01 – Water quality compliance (CRI)	10.29	Underperformance payment	-8.438
A02 – Contacts for taste, smell and appearance	12.8	Underperformance payment	-1.495
A03 – Number of properties with lead risk reduced	3,263	Outperformance payment	2.796
A04 – Helping customers look after water in their home	28.3	Outperformance payment	1.336
A05 – Discolouration from the Vyrnwy Aqueduct	60.27	Outperformance payment	32.327
Your drinking water is safe and clean net position	3/5 achieved		26.526

### 1.1 Outcome delivery



### **Water Quality Compliance (CRI)**

### Performance commitment description

The compliance risk index (CRI) is an industry common measure of drinking water quality that has been defined by the water quality regulator, the Drinking Water Inspectorate (DWI). Performance against this measure is calculated by the DWI and reported on a calendar year basis. The performance reported below therefore relates to the calendar year 2024 and is based on the provisional score calculated by the DWI. A score is calculated for every water quality compliance failure at a water treatment works (WTW), supply point (SP), service reservoir (SR) and in a water supply zone (WSZ).

When assessing and scoring the compliance failure, the DWI considers the water quality standard that has failed, the impact on customers and the response by the company. If a compliance failure occurs at an asset, or within a WSZ, that has an existing DWI Notice or Undertaking in place for improvement, the CRI score will automatically be increased. Notices can be issued to a company following a water quality failure if the Inspectorate considers there is a risk of further failure and specifies improvement actions that need to be undertaken. The annual CRI score is the sum of the individual component CRI scores for every compliance failure reported during the calendar year.

### Performance commentary

We have not met the performance commitment this year. CRI is heavily influenced by failures at larger assets and those with existing Notices. In 2024, there has remained a low number of compliance failures at WTWs. However, three of these failures were at strategic WTWs with existing Notices. Based on the volume of water produced by these WTWs, alongside the existing Notices; these three failures have had a significant impact on the CRI score contributing a combined score of 7.76 to our overall score of 10.29. For this measure, the target score is zero with a penalty deadband of two points. The DWI will confirm the final CRI score in July 2025. The performance published in this report is based on the provisional figure provided by the DWI.

Although we have not met the target level this year, we have continued efforts to deliver a good performance against the stretching CRI target. Our Water Quality First programme, launched in 2021 and delivered throughout AMP7, has helped to drive improvements in water quality through addressing processes, assets and culture. The Water Quality First programme focuses on a number of key areas, including our source to tap strategy to reduce the risk of discolouration and a comprehensive 'people' plan to ensure everyone understands their role with regards to water quality and are adequately trained and competent.

We have continued to complete significant flushing activities during 2024, which we will continue throughout AMP8. We are confident that this approach will help reduce the number of consumer contacts received and metals infringement in WSZs for aluminium, iron and manganese. We have completed a range of water quality foundation talks involving our network field teams to raise water quality awareness, which has driven a reduction in the risk of discolouration, and we expect to see this materialise in a reduced number of network infringements in subsequent years.

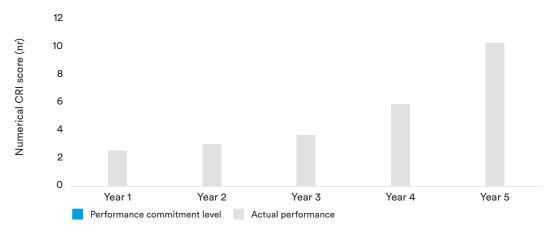
### Financial implications

This performance commitment is subject to an outcome delivery incentive for underperformance only. In year five, we have failed our target and incur an underperformance payment of £8.438 million.

### Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Water quality compliance' performance commitment – lower is better



AMP7 Year	Performance period	Performance commitment		Pass/Fail
One	2020	0.00	2.58	Fail
Two	2021	0.00	3.02	Fail
Three	2022	0.00	3.67	Fail
Four	2023	0.00	5.92	Fail
Five	2024	0.00	10.29(1)	Fail

(1) The DWI will confirm the final CRI score in July.

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## 1.1 Outcome delivery



## Reducing water quality contacts due to taste, smell and appearance

## Performance commitment description

The definition for this measure is set by the Drinking Water Inspectorate and reported on a calendar year basis. The performance reported below therefore relates to the calendar year 2024. This measure counts the number of times customers contact us due to the taste, smell or appearance of their drinking water. Customer contacts include those made by phone, letter, email, in person, completion of web forms, social media or messages left on a helpline. The number is reported as the number of contacts per 10,000 population.

## Performance commentary

We have not met our performance commitment target for year five. The target this year was 12.2 contacts per 10,000 population and we achieved 12.8. Whilst we have not achieved the target for year five, our performance has continued to improve year-on-year with an overall reduction in the number of taste, smell and appearance contacts received during 2024 when compared to 2023.

We continue to see benefit from our mains flushing programme and have carried out flushing activities in district metered areas (DMA) within 80 per cent of our water supply zones (WSZ) during 2024. As the programme has progressed, we have been able to obtain more information about delivery and performance to improve the programme going forward. As part of these improvements, we are implementing new techniques to target our flushing activities and further drive down discolouration contacts. We ensure that our water teams have the right technical knowledge to effectively fulfil their role. Consistent and high standards across all teams are achieved by competency reviews, assessment of existing knowledge and targeted training.

Our Taste, Smell and Appearance Board continues to provide benefit and oversight as we deliver a comprehensive programme of improvement activities across the water 'end to end system' to reduce the number of water quality related contacts. The programme includes short, medium and long-term actions to help us improve the way we run our water treatment works (WTWs) and network to better serve customers and provide them with more proactive and targeted information through our website or directly via their preferred channel. Focus also remains on back to basics, training and knowledge checks, planned work risk assessments and the embedment of root cause failure analysis to drive improvements.

We have embedded our taste and odour management plans at all high-risk WTWs to reduce the potential for taste and odour contacts. 2 Methylisoborneal (2MIB) and geosmin are naturally occurring substances produced by algae found in lakes, rivers, streams and reservoirs that can sometimes cause an earthy or musty taste or smell. Implementing our management plans has enabled better optimisation of treatment or proactive outages of our WTWs during periods of elevated 2MIB or geosmin in the raw water, reducing the likelihood of future customer contacts.

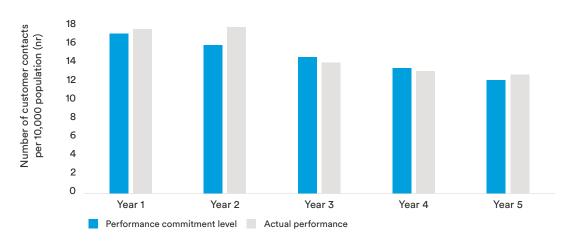
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we have not achieved our target. Our performance means that we incur an underperformance payment of £1.495 million.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details

# Actual performance for the 'Reducing water quality contacts due to taste, smell and appearance' performance – lower is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020	17.2	17.7	Fail
Two	2021	16.0	17.9	Fail
Three	2022	14.7	14.1	Pass
Four	2023	13.5	13.2	Pass
Five	2024	12.2	12.8	Fail



## Number of properties with lead risk reduced

## Performance commitment description

This measure incentivises complete lead service pipe replacements in order to reduce the level of customer exposure to lead. The measure is defined as the number of complete lead service pipe replacements delivered in the year. We are reporting this measure in line with the performance commitment definition and no replacements completed under the previous replacing lead and common supply pipe (LCSP) scheme have been counted in our reporting for this performance commitment. To qualify the replacement must fall into one of three categories:

- any property that has a full service pipe replacement from the water main to the first incoming tap;
- any property that has either its communication pipe or supply pipe replaced where the remainder of the service pipe is confirmed to already not be lead (excluding those funded through the LCSP scheme<sup>1</sup>); or
- pipes for which the long-term lead health risk is removed through the
  use of innovative techniques developed in the future and approved by
  the Drinking Water Inspectorate (DWI).

#### Performance commentary

Delivery for this measure commenced in year two. In year five, we reduced lead risk at 3,263 properties which was better than our target of 750. We continue to provide information about lead pipes and promote lead replacement on our website. Uptake from customers for lead replacement remains high.

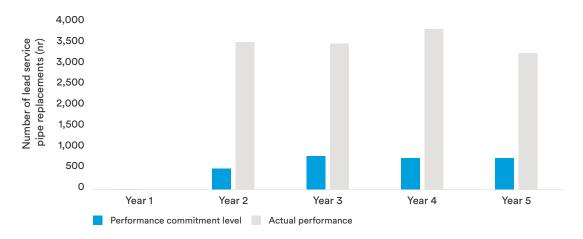
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we exceeded our target. Our performance means that we earn an outperformance payment of £2.796 million. In 2022 we agreed with Ofwat that the annual cap on performance would change to a cumulative cap to make the delivery of this performance commitment smoother and provide more flexibility to manage customer demand throughout the AMP. As we have exceeded the cumulative cap by 17 replacements, we have adjusted the outperformance payment accordingly.

## Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Number of properties with lead risk reduced' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	0	0	Pass
Two	2021/22	500	3,525	Pass
Three	2022/23	800	3,487	Pass
Four	2023/24	750	3,842	Pass
Five	2024/25	750	3,263	Pass

(1) In April 2021 the LCSP scheme was replaced by the Lead Replacement Scheme. The new scheme provides a grant to the customer which helps towards the cost of replacing the lead pipe in their ownership. We include these replacements towards our target.



## Helping customers look after water in their home

## Performance commitment description

This measure incentivises us to raise customer awareness of the actions that they can take to be more water efficient and prevent water quality deterioration in their home. We measure performance against a baseline level awareness of 19.5 per cent, based on a survey of customers in 2018. Targeted communication on water quality and water efficiency within homes is used in order to improve awareness on these issues. Repeat surveys, using a consistent question set, will measure performance through to 2025.

### Performance summary

We have exceeded our performance commitment this year, achieving an overall level of awareness of 47.8 per cent, which is 28.3 per cent above the baseline position. Our target for year five was to be 10.0 per cent above the baseline.

We have used a multi-channel approach with a particular emphasis on radio advertising, social and digital media and direct communications (email and text) underpinned by the consistent use of ITV weather sponsorship in both the Granada and Border regions. This means we can reach a large proportion of adults across the North West with targeted messaging relating to water efficiency and use. This multi-media approach allows us to reach a wide range of our customers across the North West. We can tailor our messaging throughout the year to match seasonal changes that may impact on the services we provide.

For water efficiency, our activities are complimented by those for per capita consumption. Meter data analysis has helped us target direct communication to high consumers with the aim of encouraging efficient water use behaviours. Meter data analysis has also helped us identify customers who may have a leak on their property, providing them with possible reasons and advice on fixes. In addition, we've delivered a water efficiency home-audit programme which provides water efficiency advice, opportunity to fit devices and identification of leak locations for remedial action.

For water quality in the home, our focus has remained on increasing customer awareness of potential discolouration events (e.g. due to planned maintenance) and how these can be managed in the home. We use a number of channels to raise awareness, including carding properties, emails, text alerts and voice blasts. We continue to provide water in the home hygiene advice and guidance associated with tap cleanliness and the type of taps installed around the home. Water Quality Officers and Water Network teams are equipped with leaflets to give to customers covering water quality, discoloured water, tap hygiene and water efficiency.

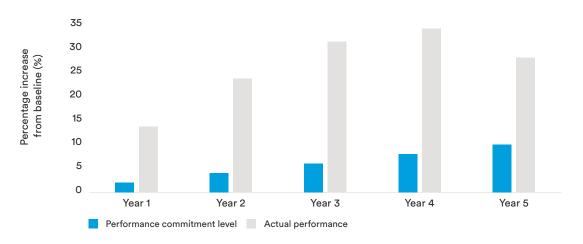
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we exceeded our target. Our performance means that we earn an outperformance payment of £1.336 million.

## Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination; this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Helping customers look after water in their home' performance commitment – higher is better



AMP7 Year	Performance period		Actual performance	Pass/Fail
One	2020/21	2.0%	13.8%	Pass
Two	2021/22	4.0%	23.8%	Pass
Three	2022/23	6.0%	31.6%	Pass
Four	2023/24	8.0%	34.3%	Pass
Five	2024/25	10.0%	28.3%	Pass



## Reducing discolouration from the Vyrnwy treated water aqueduct

## Performance commitment description

This measure records the length of the Vyrnwy treated water aqueduct cleaned or relined, if required by the Drinking Water Inspectorate (DWI) to meet the target for reduction in water discolouration. It is measured by the number of kilometres where work is delivered.

The performance commitment is set at zero on the basis that there was no requirement at the outset of AMP7 to undertake cleaning/relining of the aqueduct. The performance commitment was put in place to facilitate the cleaning/relining work if it became a DWI requirement.

## Performance summary

Since 1892, the aqueduct has transported water from Lake Vyrnwy in Wales to customers across Cheshire, Merseyside and the North West. It is made up of three parallel pipelines, one metre in diameter, with a combined length of 110 kilometres.

In September 2020, the DWI confirmed that work on cleaning/relining the aqueduct would need to occur by 31 December 2028. Over the past year, we have cleaned or relined 60.27 kilometres of the aqueduct improving water quality and helping to contribute to a reduction in the overall number of taste, smell and appearance contacts received during 2024 when compared to 2023. This work is continuing with completion of the cleaning/relining of the aqueduct forecast for 2028.

## Financial implications

This performance commitment is subject to outcome delivery incentives for outperformance only. In year five, we exceeded our target. Our performance means that we earn an outperformance payment of £32.327 million.

#### Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Reducing discolouration from the Vyrnwy treated water aqueduct' performance commitment

AMP7 Year	Performance period		Actual performance	Pass/Fail
One	2020/21	0.00	0.00	Pass
Two	2021/22	0.00	0.00	Pass
Three	2022/23	0.00	0.00	Pass
Four	2023/24	0.00	35.19	Pass
Five	2024/25	0.00	60.27	Pass





## You have a reliable supply of water now and in the future

Customers want to rely on us to provide enough water resources to meet our current and future needs. We want to improve supply reliability, reducing both short-term interruptions and the risk of longer-term interruptions. We are targeting a reduction in leakage and encouraging water efficiency, which research has shown to be key priorities for customers.

#### How have we done?

We have passed or are on track to deliver nine out of 11 performance commitments, which support this outcome. In year five, we have incurred a net underperformance payment of £1.116 million.

We have outperformed our mains repair performance commitment and continue to optimise pressure across the water network as this helps to support leakage reduction, an associated reduction in mains repairs, and reduce interruptions to supply. Whilst we have failed to meet our leakage target in year five, we continue to see improvements in this measure and can confirm the amount of water lost from our network is at the lowest ever three-year average reported in the North West. We are working with our teams and suppliers to ensure we are appropriately targeting leak detection and implementing leak size prioritisation to ensure the highest priority leaks are addressed first and more leaks are fixed overall.

We have met or exceeded the performance commitments for our four resilience measures – Drought risk resilience, Water service resilience, Manchester and Pennine resilience and Keeping our reservoirs resilient. We have outperformed our year five target for reducing the number of properties experiencing low pressure, delivering a performance of 0.336 customers receiving low pressure/poor supply per 10,000 connected properties. In addition, for the fifth year running we have outperformed our target on unplanned outages, by prioritising interventions before assets fail to minimise outage duration.

We have failed to meet our target on our water supply interruptions measure. To improve performance, we are optimising pressure across our water network, have put significant focus on minimising interruptions to supply through faster incident response, made more effective use of our alternative supply fleet and enhanced our collaboration with network partners to minimise the impact on customers.

We have achieved our target per capita consumption reduction this year. Our three-year average performance is lower than the baseline position set in 2019/20. Our new water demand team has brought increased focus on helping customers to reduce demand. The team work with customers to help them understand how to use water efficiently and make informed choices where possible.

The Thirlmere transfer to West Cumbria project has been completed, securing long-term water supply for the West Cumbria area.

	Actual performance		
Performance commitment	Year five	Impact	Value (£m)
B01 – Leakage	7.3	Underperformance payment	-2.713
B02 – Mains repair	103.5	Outperformance payment	1.294
B03 – Reducing interruptions to water supply	00:14:17	Underperformance payment	-8.687
B04 – Unplanned outage	1.85	-	_
B05 – Per capita consumption <sup>(1)</sup>	6.7	-	-0.317
B06 – Drought risk resilience	0.0	Reputational	_
B07 – Reducing areas of low water pressure	0.336	Outperformance payment	0.083
B08 – Water service resilience	4,006	Outperformance payment	8.970
B09 – Manchester and Pennine resilience	Pass	-	-1.914
B10 – Keeping reservoirs resilient	8.66885	-	2.168
B11 – Thirlmere transfer into West Cumbria (AMP7)	100	-	_
You have a reliable water supply now and in the future net position	9/11 achieved		-1.116

(1) PCC is now an 'end of period' incentive arrangement.



## Leakage

## Performance commitment description

This is an industry common measure based on the percentage reduction in water lost to leakage compared to our 447.1 MI/d baseline. The measure is calculated based on three-year averages and the baseline is the three-year average of the leakage performance reported in 2017/18, 2018/19 and 2019/20. This year's leakage performance has been calculated using the average performance from 2022/23, 2023/24 and 2024/25. This is in line with Ofwat's AMP7 methodology.

#### Performance summary

We have not met the performance commitment this year. Annual leakage was 411.2 Ml/d and the three-year average leakage was 414.3 Ml/d which equates to a 7.3% reduction against the baseline. Whilst we have not achieved the target for 2024/25, we have achieved the lowest level three year average leakage on record in the North West.

Weather has been challenging in 2024/25, including a significant freeze-thaw event in January 2025. We responded to minimise the impact by ensuring effective planning and resourcing were in place to respond to events and swiftly carry out repairs.

Following the freeze-thaw event, we saw increases in night flows (an indication of leakage) across a significant proportion of our district metered areas (DMAs), many of which returned to normal without UUW intervention. This points to the potential for additional customer-side/private leakage. We continue to work with our water efficiency team to better understand and resolve these issues.

Our leakage programme focuses on activities such as leak prevention through optimised pressure management and leak prediction using advanced analytics to maximise leakage performance improvements. We have increased our find and fix resources by 70 per cent in 2024/25, supported by campaign management to improve leakage targeting and visibility to drive leakage reductions. We continue to fix more leaks per week than we have previously and recorded leak promotion and repairs of over 700 per week on some occasions.

We have worked with our Network teams and suppliers to ensure appropriate targeted leak detection, supported by leak size prioritisation. Additionally, we are using satellite leak detection and Artificial Intelligence (AI) capability to generate points of interest (POI) in operational areas, with a POI to leak conversion rate of 65 per cent. We are trialling in-pipe repairs and lining technologies to reduce leak repair times and reduce customer disruption. In 2024/25, we have also ramped up our proactive pressure management valve (PMV) inspection and maintenance programme. These actions will continue in the future as we work towards meeting our stretching AMP8 targets.

By combining strategic focus and operational readiness, we are confident we will make progress in reducing leakage in 2025/26. Moving into the first years of AMP8, we plan to:

- add resource to our new Water Demand team, committed to tacking and driving down leakage and demand;
- replace approximately 128 kilometres of poor condition mains;
- continue improving our effective management of freeze-thaw events (including preparation, organisation and decision making with appropriate governance).

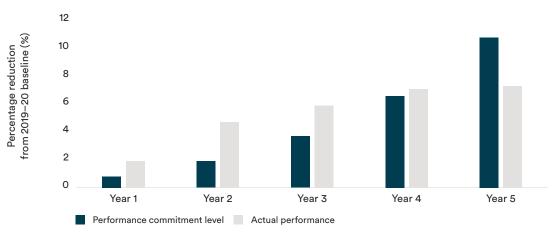
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we have failed our target. Our performance means that we incur an underperformance payment of £2.713 million.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

## Actual performance for the 'Leakage' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment		Pass/Fail
One	2020/21	0.8%	1.9%	Pass
Two	2021/22	1.9%	4.7%	Pass
Three	2022/23	3.7%	5.9%	Pass
Four	2023/24	6.6%	7.1 %	Pass
Five	2024/25	10.8%	7.3%	Fail



## Mains repair

### Performance commitment description

This is an industry common measure reported as the number of physical mains repairs completed per 1,000 kilometres of total length of mains. The total length of mains includes all pipes conveying treated water except communication pipes and supply pipes. We revised our reporting rules regarding repairs on repairs in line with the clarification provided by Ofwat in the 2020/21 in-period determination.

## Performance summary

We have outperformed our performance commitment for the fifth year running. In year five, we recorded a total of 4,473 mains repairs, which when normalised by 1,000 kilometres mains length, equates to a performance level of 103.5. This is below our performance commitment of 113.3 per 1,000 kilometres of mains. We have seen a two per cent reduction in the number of mains repairs compared to the previous year. Our focus remains on optimising pressure across the water network, in addition to improving resilience, to reduce the number of mains repairs. This approach will continue to support our leakage reduction programme.

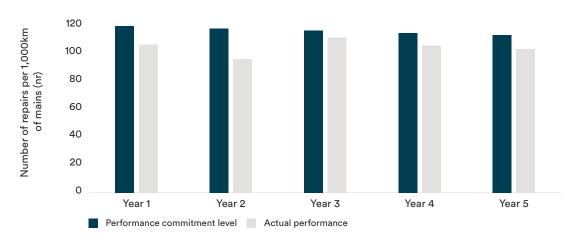
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we exceeded our target. Our performance means that we earn an outperformance payment of £1.294 million.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details

## Actual performance for the 'Mains repair' performance commitment - lower is better



AMP7 Year	Performance period		Actual performance	Pass/Fail
One	2020/21	119.9	106.6	Pass
Two	2021/22	118.2	96.0	Pass
Three	2022/23	116.6	111.6	Pass
Four	2023/24	114.9	105.7	Pass
Five	2024/25	113.3	103.5	Pass



## Reducing interruptions to your water supply

## Performance commitment description

This is an industry common measure and an evolution of our AMP6 measure for 'average minutes supply lost'. An interruption is classed as a water supply with pressure that is lower than three metres in the adjacent water main lasting for more than three hours. This measure incentivises companies to minimise interruptions to customers' water supply.

## Performance summary

Our performance was such that, on average, properties lost supply for 14 minutes and 17 seconds in year five. This meant that we did not meet our supply interruption performance commitment of 5 minutes and 0 seconds for the average time that customers were without a water supply this year. Performance for this measure is highly volatile, which can be seen in the performance across the industry year-on-year.

Our performance in 2024/25 was materially impacted by two large scale events on our water network. Both events were on assets supplying densely populated parts of the region.

We manage our water network to optimise pressure across the water network as this helps to support leakage reduction, an associated reduction in mains repairs, and reduce interruptions to supply. In 2024, we moved to an operational county based structure. This has helped provide additional focus and insight into performance within each county. Our five county teams have been working with our network partners to ensure a targeted and more effective response to events.

We continue to improve our supply interruptions approach, being more proactive and predictive, underpinned by our Integrated Control Centre (ICC). We have continued to enhance our event management process, as well as upskilling our teams and supply chain on supply interruptions ways of working.

When events do happen, we minimise disruption to water supplies through our focus on the four Rs (respond, restore, repair and return to supply), aiming to reduce the duration of the average water supply interruption. This approach is based on high quality situational awareness, with live granular data marshalled within the ICC and coordinated with our county teams, so that issues can be quickly identified and resolved. We operate an alternative supply vehicle (ASV) support fleet which provides 24/7 coverage, to mitigate and minimise loss of supply.

To support continuous improvement, following large events we carry out post event reviews to understand where our response has helped to minimise customer impact and identify areas for improvement. This process helps us understand why events have occurred so that we can take action to prevent similar events in the future and share experience to help reduce the impact on customers. This approach has helped us to optimise the use of our ASV fleet.

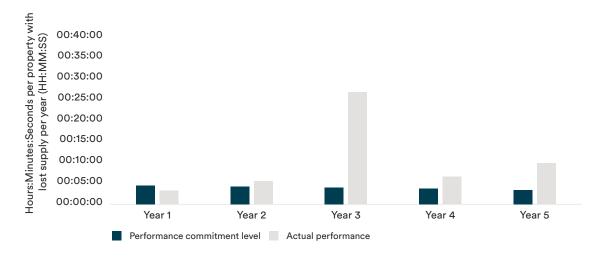
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we failed our target. Our performance means that we incur an underperformance payment of £8.687 million.

## Reporting and assurance requirements

Whilst there are no specific assurance requirements identified within the final determination; this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Reducing interruptions to your water supply' performance commitment – lower is better



AMP7 Year	Performance period	Performance commitment		
One	2020/21	00:06:30	00:04:46	Pass
Two	2021/22	00:06:08	00:08:01	Fail
Three	2022/23	00:05:45	00:38:45	Fail
Four	2023/24	00:05:23	00:09:39	Fail
Five	2024/25	00:05:00	00:14:17	Fail



## **Unplanned outage**

## Performance commitment description

This is an industry common measure reflecting the asset health of water abstraction and water treatment activities. Activity is calculated at a site level and summed over the reporting year to give a total unplanned outage figure. This measure records the total unplanned outage in megalitres per day, normalised based on the overall company peak week production capacity and reported as a percentage. The outage duration is recorded to the nearest whole working day. An outage is considered to be unplanned if it occurs as a result of asset failure. Planned outages are not included in this measure.

#### Performance summary

We have outperformed the year five target with performance of 1.85 per cent of production capacity subject to an unplanned outage. This compares to a target of 2.34 per cent. This continued performance remains due to positive effort and engagement from operational teams and continued success in using our outage systems and processes. We continue to prioritise interventions before assets fail to minimise outage duration.

We undertake root cause failure analysis of outages and further develop operational best practice.

Our successfully established Unplanned Outage Steering Group continues to focus on managing performance, engaging with key stakeholders and providing internal and external performance reporting. In year five of the AMP, with a tougher target to achieve, the group supported specific activities to evaluate, engage and take action on outages and communicate with key stakeholders to sustain a strong performance.

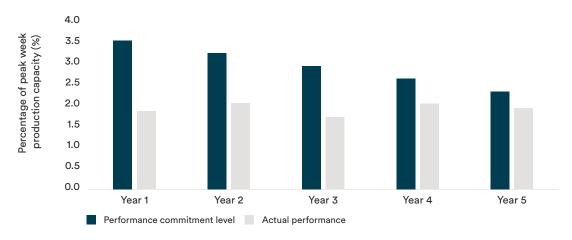
## Financial implications

This performance commitment is subject to an outcome delivery incentive for underperformance only. In year five, we exceeded our performance commitment and therefore we incur no underperformance payments.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

## Actual performance for the 'Unplanned outage' performance commitment – lower is better



AMP7 Year	Performance period			Pass/Fail
One	2020/21	3.56%	1.88%	Pass
Two	2021/22	3.26%	2.07%	Pass
Three	2022/23	2.95%	1.73%	Pass
Four	2023/24	2.65%	2.05%	Pass
Five	2024/25	2.34%	1.85%	Pass



## Per capita consumption

## Performance commitment description

This is an industry common measure recording the average volume of water used per person per day. This performance commitment is intended to incentivise us to help customers reduce their water consumption. The benefit of reduced per capita consumption (PCC) is to reduce the need for water abstraction from the environment and to improve the long-term water resources supply-demand balance. Performance is measured as a reduction from the baseline position set in 2019/20 and uses the three-year average PCC.

## Performance summary

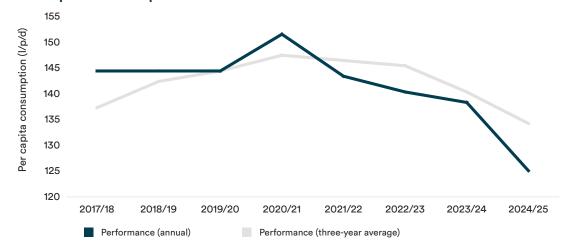
We have outperformed the PCC target in year five, with a three-year average PCC of 134.3 l/p/d. This is a decrease in water used per person of 6.7 per cent against the 2019/20 three-year average baseline, and an outperformance of the 6.3 per cent reduction target.

The chart below shows PCC performance since 2017/18.

- Year one of AMP7 (2020/21) saw a substantial increase in household consumption during the COVID-19 lockdown with more customers working from home, increased popularity of holidaying in the UK as well as the impact derived from increased hygiene and cleaning requirements.
- Year two of AMP7 (2021/22) saw household consumption reduce, as restrictions eased and people returned to school and the workplace.
- Years three, four and five of AMP7 saw the pattern of reduced consumption continue, supported by a focus on helping customers reduce their consumption through our enhanced metering programme, our 'always on' customer communications campaign and focus on reducing leaks identified by our Automated Meter Read (AMR) meters.

From year one of AMP7, three year average PCC has reduced from 146.5 l/p/d to 134.3 l/p/d in year five. Over the same time-period we have seen a c.22 per cent increase in awareness of water efficiency messaging.

## Per capita consumption



# Customer communication and engagement strategy

We continue to give customers the knowledge, tools and motivation to save water. An 'always-on', integrated approach focuses on the link between energy and water with around 16 per cent of household energy bills being related to water, fixing leaks, installing a meter and avoiding unnecessary waste can all help save money on water and energy bills (for both measured and unmeasured properties). For the last five years we have maintained our favourable customer awareness scores across the AMP (see page 39 for more information about "Helping customers look after water in their home").

We use TV weather sponsorship and radio campaigns to promote water efficiency, alongside other digital media campaigns. This enables us to deliver cost-effective, year-round awareness of water efficiency messages.

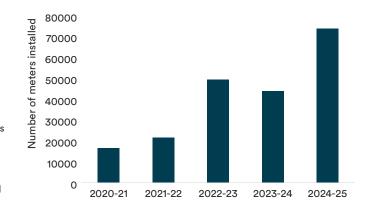
#### Cheaper on a meter

We use data to identify unmeasured customers (those who do not have a meter) who would potentially benefit from the installation of a water meter with targeted communications illustrating the personalised savings that individual households could make.

The offering ensures that customers can try a meter and be protected by a price promise 'Lowest Bill Guarantee Scheme', meaning they will be charged the lower of their metered bill or rateable value. This has helped drive customer meter applications to increase by 20 per cent between 2023/24 and 2024/25. Our enhanced metering programme, which began in 2021, consists of proactive targeted external meter installations. This programme provides customers with measured usage to compare against their unmeasured usage to help them make an informed decision about whether to move from rateable value to a meter.

During AMP7, we have seen the number of meter installations increase. In 2024/25, we installed c.70,000 meters through our Enhanced Metering and Free Meter Option programmes. The graph below shows meter installation rates across the AMP.

#### Meter installation rates in AMP7





## Using data to drive action

In year five, we have increased our communications and engagement activity to drive further reductions in PCC, using a combination of approaches focusing on increased meter penetration and leak detection, prevention and resolution. The following sections provide more detail regarding our approach.

## Using data to help change behaviour

Meter data analysis underpins our strategy and the insight it provides has helped identify several opportunities to engage with customers regarding their consumption. For example, the data enables us to identify high users, or those that have a continuous flow of water through their meter which can indicate a leak.

We engage in the first instance through email (or letter if email is not available) explaining to the customer what we are seeing through the meter consumption data and offering advice on how to save water and/or locate and fix leaks. Included in the communications is the offer of further support; should the customer need it, by offering a water audit.

Following the initial communication, if the meter consumption data highlights that the continuous flow is persistent, we will re-engage the customer to advise that a potential leak is still present and refer them to our website which has information, videos and suggested activities to locate the leak and steps to take to resolve. We advise the customer that if the leak is resolved then they may be eligible for a leak allowance, which we will apply for them proactively.

We have found that early engagement with a customer regarding a leak, providing advice and guidance on how to locate and fix a leak, has led to c.70 per cent of these customers fixing the leak themselves.

We also use meter consumption data to identify those customers where a leak has been persistent for some time or where the data indicates that the leak could be substantial (e.g. potential volume of water lost). A newly formed dedicated customer demand reduction team consisting of a total of 21 members of staff, proactively contacts those customers (by phone, email or SMS) to provide personalised support for the customer to determine the correct action to resolve the leak. This activity includes engaging with their landlord e.g. housing providers, talking the customer through the leak identification steps or arranging for a visit to the property to assist with leak identification and in some instances, we will fix the leak on their behalf.

We have developed alternative leak/high consumption letters tailored to engage customers based on their personal circumstances e.g. debt, landlord/tenant/priority service and we have also developed a leak resolution policy aimed to support those customers who are most in need with a free leak repair.

During AMP7, smart metering through AMR has provided the consumption insight that has enabled us to drive more effective demand reduction through targeted solutions, for example the identification of high consumption users who may have private leaks. In AMP8 our smart metering programme is five times bigger than AMP7 and will see us install more Advanced Metering Infrastructure (AMI); allowing us to scale service offerings to more customers and identify high consumption or continuous flow more quickly, and with greater confidence, improving the effectiveness of these existing processes.

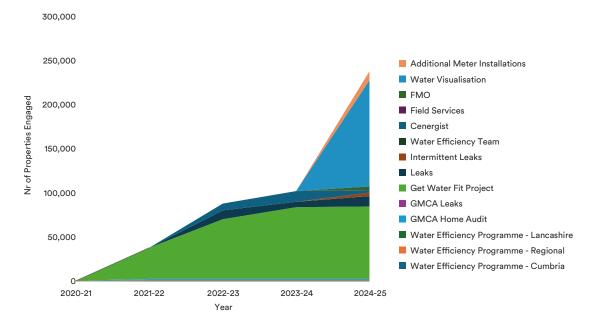
# Understanding usage to drive down consumption

In addition, when a customer opts to have a meter, we offer information on their water usage through our Customer Visualisation Service which uses insights from AMR meters. This is a monthly email which allows metered customers to compare their past consumption over time, and where appropriate we will offer hints and tips on how to save water in the home. In 2024/25 we added 300,000 customers to this service. The average per property savings for this service offering is c.45 litre per property per day.

# Physical intervention drives down consumption

We have delivered a water efficiency home-audit programme, which provides free water efficiency advice to customers and an opportunity to fit free water saving devices to their home. This service also looks for leaks within the property and provides remedial action. In 2024/25 we delivered 14,610 audits which is c.800 per cent more than in 2020/21, providing significant water and bill savings for our customers. To help with delivering this service offering to more customers, in addition to our framework suppliers, we have developed our own in-house team capable of delivering water efficiency audits and leak fixes. We have distributed c.156,000 water saving assets, including the fitting of flow regulators which provide the customer with an 'out of sight out of mind' long-term saving opportunity.

### Household Customer Demand Reduction Activiety – AMP7



# Scaling our programme over the course of AMP7

The impact of this integrated approach - utilising data, communication and interventions at scale - has led to our highest in year water saving reduction. For example, in 2024/25 we have engaged with c.1.3 million customers through direct messages providing tailored communications to drive down demand, compared to c.144k customers in 2020/21.

From 2020/21 to 2024/25 we have continually refined our service offering and looked for ways to scale. In year five, we have seen the biggest scale of delivery and highest level of water savings across AMP7, providing a platform as we transition into AMP8. A graph showing our household customer demand reduction activities across AMP7 can be seen below.

# Developing a business retail (non-household) water efficiency programme

During 2024/25 we have continued to work collaboratively with retailers to explore business customer propositions, to develop a non-household water efficiency programme which will drive water efficiency in the water retail market throughout AMP8. This work includes:

- Delivery of 4,795 school, leisure centre, care homes, health care establishments water efficiency visits, identifying and fixing leaks and fitting water savings products.
- Engagement with customers with a continuous flow alert (indicating a leak) to develop a communication nudge process to encourage over 5,000 customers to fix their own leak; with 569 resolving the leak.

## Schools' activity

In addition to the water efficiency visits, we continued to offer educational activities through several partners, providing parents and teachers with engaging content bringing water to life for children across the North West. This service has provided water educational material to over 24,000 pupils and a downloadable guidance pack, available on the UUW website, for caretakers to become water efficient.

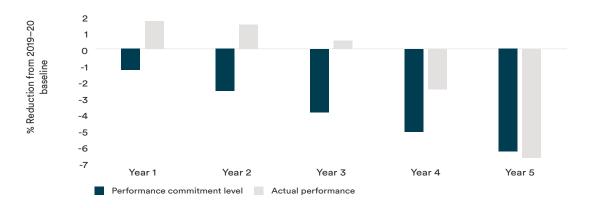
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance, which are reconciled at the end of AMP7. As a result of COVID-19, a review was undertaken by Ofwat to assess whether the PR19 targets should be adjusted to take into account the impact of the pandemic. This review produced revised levels of performance for companies across each year of AMP7. When our performance is adjusted by the 'PR24 intervention for the impact of COVID-19', we have incurred an underperformance payment of £0.317 million over AMP7. See Appendix 3 for further details.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Per capita consumption' performance commitment – lower is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	1.3% (reduction)	1.7% (increase)	Fail
Two	2021/22	2.6% (reduction)	1.5% (increase)	Fail
Three	2022/23	3.9% (reduction)	0.5% (increase)	Fail
Four	2023/24	5.1% (reduction)	2.5 % (reduction)	Fail
Five	2024/25	6.3% (reduction)	6.7% (reduction)	Pass



## **Drought risk resilience**

## Performance commitment description

This is an industry common measure of the percentage of customers at risk of experiencing severe supply restrictions in a 1-in-200 year drought. The population is considered to be at risk if the supply-demand balance calculation in each water resource zone for the 1-in-200 year drought event results in a shortfall. This will occur when the modelled deployable output minus outage allowance (available supply) is less than the dry year demand plus base year target headroom (demand plus uncertainty). This measure does not carry a financial incentive.

## Performance summary

We have met our performance commitment for year five. The percentage of customers at risk of experiencing a severe supply restriction in a 1-in-200 year drought is zero.

This performance commitment is linked to the schemes planned in the 2019 Water Resource Management Plan (WRMP19), and the risk of severe restrictions during the period 2020–45. For year five the reported risk of 0 per cent is based on our estimate that the risk of severe restrictions faced by customers is much less than 1-in-200 years (i.e. much less than a 0.5 per cent annual chance). This estimate is based on sophisticated in-depth analysis outlined in our WRMP19 submission.

## Financial implications

This is a reputational performance commitment with no associated financial incentives for underperformance or outperformance. In year five, we have met our target.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Drought risk resilience' performance commitment – lower is better

AMP7 Year	Performance period			Pass/Fail
One	2020/21	0.0%	0.0%	Pass
Two	2021/22	0.0%	0.0%	Pass
Three	2022/23	0.0%	0.0%	Pass
Four	2023/24	0.0%	0.0%	Pass
Five	2024/25	0.0%	0.0%	Pass



## Reducing areas of low water pressure

## Performance commitment description

This performance commitment is both an asset health and customer service measure tracking the number of properties receiving water pressure below the guaranteed standard. This level of service is defined as a flow of nine litres per minute at a pressure of ten metres head on the customer's side of the main stop tap. Performance is measured at 31 March in the reporting year.

## Performance summary

The number of properties experiencing low pressure below reference level at the start of the year was 125. At year-end the number of properties below the reference level was 117. This was better than the 200 properties that would have been required to meet our target. This resulted in reported performance of 0.336, outperforming the year five target of 0.580 when normalised per 10,000 properties.

This further improvement in performance reduces the areas of low water pressure to the lowest level over the last ten years. We have maintained strong focus and evaluation of properties experiencing low pressure, enabling us to identify appropriate solutions in a timely manner; whilst improvements in technology have enabled us to have improved control over our pressure management valves.

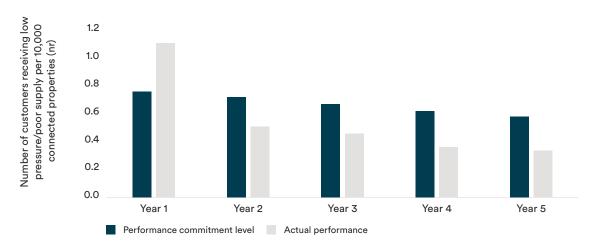
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we exceeded our target. Our performance means that we earn an outperformance payment of £0.083 million.

## Reporting and assurance requirements

Whilst there are no specific assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Reducing areas of low water pressure' performance commitment – lower is better



AMP7 Year	Performance period		Actual performance	Pass/Fail
One	2020/21	0.760	1.114	Fail
Two	2021/22	0.720	0.513	Pass
Three	2022/23	0.670	0.462	Pass
Four	2023/24	0.620	0.361	Pass
Five	2024/25	0.580	0.336	Pass

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## 1.1 Outcome delivery



## Water service resilience

## Performance commitment description

This measure tracks the reduction in the risk to customers of major water supply interruptions caused by failures of trunk mains or water treatment works(WTW). It is measured as the reduction in risk of lost customer service days per year (csd/yr). To set our target, we assessed the probability of failure at key water WTWs and trunk mains, the potential duration before service is restored and the number of customers at risk. Our targeted performance takes into account work planned until 2025. An assessment of risk is carried out annually and is subject to independent audit.

## Performance summary

The water service resilience baseline risk was the risk from WTWs and trunk mains that serve customers who could not be supplied by alternatives. The water service resilience baseline risk assessment includes 361 critical trunk mains identified as being at risk of losing more than two customer service days per year. The AMP7 performance commitment was to deliver reductions in risk from year two of the AMP.

We have outperformed this year, reducing the number of customer service days at risk per year by 4,006. This was better than our target of 1,526 and was achieved through work to enhance the WELM (West East Link Main). The WELM is a key strategic asset enabling significant transfer of flow in either direction across our main resource zone. During AMP7 we have invested to significantly enhance this asset operating in either mode. This investment helps to protect customers served by

either of our two largest WTWs as well as providing significant additional drought resilience. The enhancements to the asset were commissioned during the final year of AMP7 with tests carried out during June 2024 and March 2025. We aim to carry out some further work during AMP8 to maximise the capability of the new assets and controls delivered during AMP7.

The audit report is published in Appendix 1. An independent assurance report for this performance commitment can be found using the following link:

unitedutilities.com/globalassets/documents/pdf/ apr-2024-25-external-assurance-reports

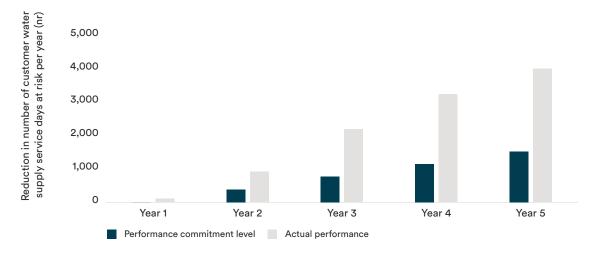
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we exceeded our target. Our performance means that we earn an outperformance payment of £8.970 million.

## Reporting and assurance requirements

This performance commitment has specific assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details

# Actual performance for the 'Water service resilience' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment		Pass/Fail
One	2020/21	0	106	Pass
Two	2021/22	382	915	Pass
Three	2022/23	764	2,198	Pass
Four	2023/24	1,145	3,249	Pass
Five	2024/25	1,526	4,006	Pass



## Manchester and Pennine resilience

## Performance commitment description

This is a measure that tracks our progress in implementing the Direct Procurement for Customers (DPC) process to appoint a competitively appointed provider (CAP) to design, build, finance and maintain the solution identified for the Haweswater Aqueduct Resilience Programme (HARP), previously known as the Manchester and Pennines Resilience scheme. Progress is measured against the satisfactory delivery of three key DPC control points to defined milestone dates. These are the Strategic Outline Case (SOC), the Outline Business Case (OBC) and the Full Business Case (FBC). These need to be successfully delivered to allow the scheme to progress to the point where a CAP can be appointed. The underperformance payment is capped at £5.740 million. This measure is subject to an end of AMP reconciliation.

## Performance summary

The HARP will be a pathfinder scheme for the DPC process. This process is both novel and untested in the water sector, and the HARP scheme itself is extremely complex and sizeable. An underperformance payment was incurred in year four of the AMP because the FBC was not completed by the target date. However, the FBC submission was completed in December 2024 and in January 2025 we announced the preferred bidder to deliver the programme. The procurement process is currently in its final stage of financial close.

## Financial implications

This performance commitment is subject to outcome delivery incentives for underperformance only. Performance is reconciled in year five and we achieved our target in all but one year of AMP7 having failed the target in year four. As a result, we have incurred an underperformance payment of £1.914m across the AMP. See Appendix 3 for further details.

## Reporting and assurance requirements

Whilst there are no specific assurance requirements identified within the final determination; this performance commitment has been subject to external assurance in line with our published assurance framework.

## Actual performance for the 'Manchester and Pennine resilience' performance commitment

AMP7 Year	Performance period		Actual performance	Pass/Fail
One	2020/21	1 (Strategic Outline Case)	Achieved	Pass
Two	2021/22	0	Achieved	Pass
Three	2022/23	1 (Outline Business Case)	Achieved	Pass
Four	2023/24	1 (Full Business Case)	Not achieved	Fail
Five	2024/25	0	Achieved	Pass



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## 1.1 Outcome delivery



## Keeping reservoirs resilient

## Performance commitment description

This measure assesses the reduction in risk delivered by our planned risk reduction activities at dams, reducing the risk of individual dam failure to a tolerable level as defined by the Health and Safety Executive. A tolerable risk will have an annual probability below 1 in 10,000 or 1 in 1,000,000, depending upon the population at risk; the probability should be as low as reasonably practicable. Proactive risk reduction is achieved through our portfolio risk assessment methodology, which assesses the probability of failure at dams on an ongoing basis.

We prioritise and deliver work to lower the risk of failure at dams, lowering the probability of their failure until the dam is no longer in either the Health and Safety Executive's 'unacceptable individual risk' or 'unacceptable societal risk' category. Beyond this, we seek to reduce the probability of risk to a level as low as reasonably practicable.

## Performance summary

The performance commitment assesses the risk reduction of dam failures to tolerable levels. We have outperformed this year, reducing risk by 8.66885. This was better than our target of 7.99180 and was achieved through the completion of three projects. The incentive payments for this performance commitment will be reconciled at the end of AMP7 when the final performance is known.

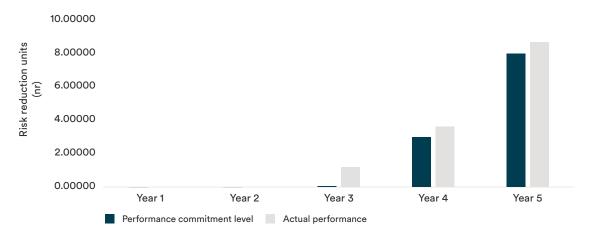
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance, this will only be reconciled at the end of the AMP when our final performance level for the five-year period will be known. In year five, we exceeded our target. Our performance means we earn an end of AMP outperformance payment of £2.168 million.

## Reporting and assurance requirements

This performance commitment has specific assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Keeping reservoirs resilient' performance commitment – higher is better



AMP7 Year	Performance period		Actual performance	Pass/Fail
One	2020/21	0.00000	0.00000	Pass
Two	2021/22	0.00000	0.00000	Pass
Three	2022/23	0.04439	1.20000	Pass
Four	2023/24	2.99149	3.61895	Pass
Five	2024/25	7.99180	8.66885	Pass



## Thirlmere transfer into West Cumbria (AMP7)

## Performance commitment description

This measure is a continuation of our AMP6 performance commitment tracking the completion of the Thirlmere transfer project in West Cumbria. The aim of the project is to secure a long-term water supply for the West Cumbria area, whilst continuing to meet our environmental obligations. Our target was to deliver this demanding project by 31 March 2022. The performance commitment would see us gain a financial payment if we manage to outperform the already stretching delivery targets for the project, or incur penalties if we fail to hit our deadlines. Progress is measured as a percentage of the earned value of the project, with a value of 100 indicating that the project has been completed. This measure has an underperformance collar, set at 99 per cent.

#### Performance summary

The project finished ahead of schedule with the target for year one achieved in year five of AMP6. Progress in AMP7 was impacted by COVID-19 restrictions, with availability of contractors and restricted working practices causing delays. This meant that we failed to achieve the final milestone in year two. In year three, we completed the commissioning of the new Williamsgate water treatment works and supplied water from Thirlmere to customers in West Cumbria achieving 100 per cent project completion ahead of the revocation date of the abstraction permit at Ennerdale. This concluded the requirement of this performance commitment.

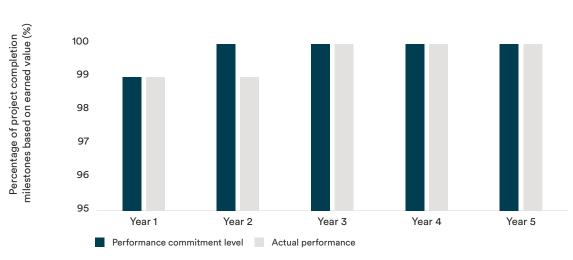
## Financial implications

We have completed the final project milestone and are delivering water into supply and have achieved our performance commitment. Therefore, no underperformance or outperformance payment is applicable.

#### Reporting and assurance requirements

Whilst there are no specific assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Thirlmere transfer into West Cumbria (AMP7)' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment		Pass/Fail
One	2020/21	99%	99%	Pass
Two	2021/22	100%	99%	Fail
Three	2022/23	100%	100%	Pass
Four	2023/24	100%	100%	Pass
Five	2024/25	100%	100%	Pass



## The natural environment is protected and improved in the way we deliver our services

Our customers, stakeholders and regulators expect us to improve the quality of the environment. We will deliver a programme of environmental improvements and, where possible, achieve this in a more sustainable way. This will enable us to maintain the environmental quality over the long term and protect resources for future generations. We will effectively operate and maintain our assets so that we can accommodate external factors such as climate change, population growth and changing customer behaviour. We will also reduce our abstraction from sensitive sites during periods of low flow.

#### How have we done?

We have successfully passed seven out of the nine performance commitments which support this outcome. Overall, this has generated a net underperformance penalty of £23.342 million.

In year five, our pollution performance was 348 category 1–3 incidents (45.00 incidents per 10,000 kilometres of sewer). This performance includes one category 2 incident and zero category 1 incidents, which are regarded as the most serious in terms of environmental impact. A proportion of these incidents are linked to nine Met Office named storms, with rain, snow and wind all contributing to the increase from the previous year. To help combat these risks, we have delivered or are on track to deliver all projects within our Pollution Incident Reduction Plan (PIRP) to improve our performance.

We achieved 98.20 per cent treatment works compliance, which equates to seven treatment works in breach of their discharge permit out of a total of 388. We continue to use operational best practice, implement our overall improvement plan for discharge compliance in AMP7 and deliver intensive care plans for those works at high risk.

This year, we produced 205,856 tonnes dry solids (TDS) of biosolids. This volume of biosolids was then treated and successfully recycled to either agriculture or restoration outlets, delivering a 100 per cent compliance score for the fourth year running. In 2024, we implemented several measures to improve our processes and procedures to further reduce the potential risk of single point failures occurring.

Under our better air quality measure, we have modified seven of our Combined Heat and Power (CHP) engines, continued to undertake proactive maintenance of our remaining CHP fleet and increased the throughput through our strategic sludge treatment centre in Manchester. This has enabled us to increase our renewable energy generation whilst minimising the impact of emissions on air quality. This has resulted in a year on year improvement in performance in the Nitrogen Oxide (NOx) emitted per GWh of renewable electricity generated, avoiding 180 tonnes of NOx emissions over AMP7.

Two of the nine performance commitments are based on the delivery of named Water Industry National Environment Programme (WINEP) schemes. Under our 'improving the water environment' measure, 26 of 29 water schemes were delivered in year five. Despite the late or partial-delivery of three schemes, the net aggregate position for AMP7 is estimated as 206 days early, when we add the 104 days early from year five to the 102 cumulative days early from year four. This will be finalised at the end of year six. Under our 'improving river water quality' measure 75 wastewater schemes were successfully delivered in year five, with all 99 schemes completed on time in AMP7.

	Actual performance		
Performance commitment	Year five	Impact	Value (£m)
C01 – Pollution incidents	45.00	Underperformance payment	-25.323
C02 – Treatment works compliance	98.20	Underperformance payment	-1.220
C03 – Abstraction incentive mechanism	0.0	_	_
C04 – Improving the water environment	206	-	_
C05 – Improving river water quality	0	-	_
C06 – Protecting the environment from growth and new development	128,515	-	1.514
C08 – Enhancing natural capital value for customers	2.664	Outperformance payment	0.207
C09 – Recycling biosolids	100.00	Outperformance payment	0.000
C10 – Better air quality	0.87	Outperformance payment	1.480
The natural environment is protected and improved in the way we deliver our service net position	7/9 achieved		-23.342



## **Pollution incidents**

## Performance commitment description

This is an industry common measure that tracks the number of category 1-3 pollution incidents recorded in a calendar year per 10,000 kilometres of sewer network. Pollution incidents are categorised according to their severity; the most serious pollution incidents are in category 1 or 2. The methodology is aligned with the Environment Agency's (EA) Environmental Performance Assessment (EPA) methodology version 9. This measure is an evolution of our historic AMP6 performance metrics. It includes incidents from wastewater transferred assets, those recorded through the installation of event duration monitors (EDM) and discharges with environmental permits.

## Performance summary

This measure utilises a calendar year assessment. In 2024, our performance was 348 category 1–3 incidents. When this performance is normalised by sewer length, this equates to an outturn of 45.00 incidents per 10,000km sewer. There were no category 1 pollution incidents recorded in the year. There was one category 2 pollution incident. There are three main factors which explain the increase in pollution incidents that we have seen this year, each of these is set out below.

#### 1. Impact of severe weather

Severe weather can cause assets to become overloaded and unable to cope with the volume of storm water that they are processing resulting in pollution incidents and the wet and windy weather seen in 2024 was a major factor in the number of incidents that were reported. At times in the year rainfall was intense in the North West with some of the wettest on record with several months recording 200 per cent of average monthly rainfall. Through the year there were nine Met Office named storm events (a weather event that is expected to cause significant disruption or damage), three more than in 2021 and 2022 and we saw a spike in pollution incidents associated with these named and significant storms.

#### 2. Power outages

We are increasingly seeing poor energy resilience impacting on the performance of our assets, with power outages materially increasing the risk of pollution incidents. In 2024, around one third of all our pollution incidents were caused by or linked to power outages. Severe weather can also cause disruptions to power supply either through intermittent interruptions or total loss of supply to our assets. This is particularly a problem in rural areas of Cumbria and Cheshire that are served by overhead power cables which are suspectable to storm damage. Damage and flooding from storm events can also restrict safe access to assets, limiting our ability to prevent or reduce the impact of an incident until it is safe to do so. In the past these types of incidents were considered beyond the control of wastewater companies and therefore excluded from the total number of pollution (when confirmed with the Environment Agency). However, from 2024 these incidents are included and have therefore contributed to the increase in pollution incidents.

#### 3. Situational awareness

Situational awareness has significantly increased through complete monitoring of storm overflows and the progressive installation of new technology for accurate flow and network monitoring, meaning even the shortest duration, low impact incidents being detected and reported. This is reflected in the level of self-reporting of pollutions at 93 per cent self-reported and one of the highest self reporting levels in the industry.

## Improving performance

In 2023, we provided an update to our Pollution Incident Reduction Plan (PIRP). In this document we set out 18 different projects covering topics such as culture, systems thinking, training and maintenance, all aimed at reducing pollution incidents. We have delivered or are on track to deliver all of the projects within this plan. You can read more about this plan by following this URL:

#### unitedutilities.com/corporate/responsibility/environment/ reducing-pollution

Although we are disappointed not to have met our target for the year, we have made a number of underlying improvements that should help deliver better performance in future. These include:

- Investing to improve power resilience at 62 sites with a high risk of power failure. This helps to reduce the time the site is without power and therefore reduces the risk of a pollution incident.
- Deploying mitigation vehicles which respond promptly to overland pollution incidents, to prevent wastewater entering a watercourse and reducing the environmental impact. In 2024 this vehicle attended 21 overland incidents.
- Helping customers understand what not to flush or pour down drains, and so helping to prevent blockages. We achieve this through a targeted communication campaign (see the risk of sewer flooding for homes and businesses is reduced on page 85 for more information).
- Our DNM programme has helped locate problems on the sewer such as blockages and collapses before they have a pollution or flooding impact (see Collect and recycle rainwater, page 82 for more information).

We are always looking to do more and have recently launched an environmental events management team. This team is available 24 hours a day, seven days a week to end to end manage potential pollution incidents. It acts as a single point of contact with the Environment Agency and provides support to field teams so that events are managed effectively and efficiently.

## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we have failed our target and incur an underperformance payment of £25.323 million.

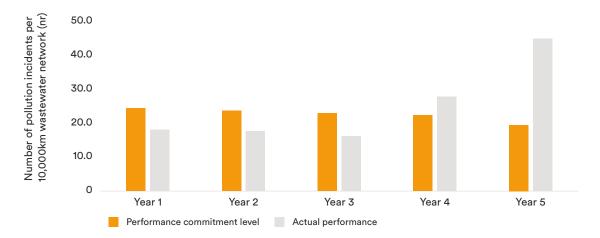
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## 1.1 Outcome delivery

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

## Actual performance for the 'Pollution incidents' performance commitment – lower is better



AMP7 Year	Performance period			Pass/Fail
One	2020	24.50	18.10	Pass
Two	2021	23.70	17.71	Pass
Three	2022	23.00	16.29	Pass
Four	2023	22.40	27.93	Fail
Five	2024	19.50	45.00	Fail



## **Treatment works compliance**

## Performance commitment description

This is an industry common measure that assesses the percentage of water and wastewater treatment works that are compliant with their discharge permits on a calendar year basis. The measure definition is the same as that used by the Environment Agency (EA) in its annual Environmental Performance Assessment (EPA). The performance commitment is set at 100 per cent compliance, which is equivalent to zero failing works. The deadband level is set at 99 per cent compliance and is the level required for 'green' status when assessed against the EPA.

### Performance summary

This measure utilises a calendar year assessment. In 2024, our performance was 98.20 per cent compliance, which equates to seven treatment works in breach of their discharge consent out of a total of 388. There are six non-compliant wastewater treatment works and one non-compliant water treatment works.

We continue to use operational best practice, implement our overall improvement plan for discharge compliance into AMP8 and deliver intensive care plans for those works at high risk.

Details of the failures experienced this year are an Aluminium absolute failure at Middlewich WwTW, COD/BOD upper tier limit (UTL) failures at Preston WwTW and Ellesmere Port WwTW, BOD UTL failures at Mossley WwTW and Braystones WwTW and an ammonia UTL failure at Partington WwTW. There was also a pH UTL failure at Paddy End water treatment works. For each of these, a detailed investigation has been undertaken to ensure we understand the root cause of the failure. We have implemented action plans to ensure any outstanding issues are resolved and the correct processes are in place to minimise the risk of any similar failures occurring again in the future.

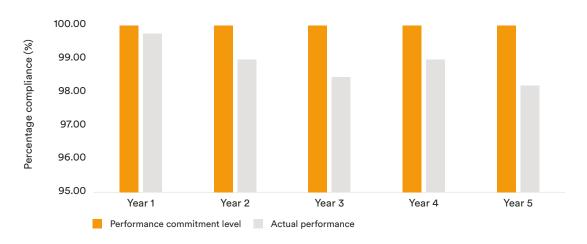
## Financial implications

This performance commitment is subject to an outcome delivery incentive for underperformance only. In year five, we have failed our target and incur an underperformance payment of £1.220 million.

## Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Treatment works compliance' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment		Pass/Fail
One	2020	100.00%	99.75%	Fail
Two	2021	100.00%	98.98%	Fail
Three	2022	100.00%	98.45%	Fail
Four	2023	100.00%	98.97%	Fail
Five	2024	100.00%	98.20%	Fail



## Abstraction incentive mechanism

## Performance commitment description

This is a bespoke measure that assesses how well we manage abstraction at environmentally sensitive sites. For each abstraction site covered by the abstraction incentive mechanism (AIM), there is a trigger that identifies when the downstream river flows are running low. Once the trigger is reached, we seek to reduce the level of abstraction at the site and, therefore, minimise our environmental impact. The AIM flow trigger is site specific. At the beginning of AMP7, we had two AIM sites: Old Water on the River Gelt and Ennerdale. The abstraction licence for Ennerdale was revoked on the 22 March 2023 and an alternative supply of water from Thirlmere reservoir is in place to supply West Cumbria.

A decrease in the volume abstracted – as measured in megalitres (MI) – signifies an improvement in performance.

#### Performance summary

We have one site covered by AIM in year five: Old Water. The target for this AIM site for each year of AMP7 is zero MI AIM performance. River flows at Hynam Bridge (the gauging station associated with the Old Water AIM site) did not drop low enough to reach its AIM river flow trigger; resulting in a 0 MI AIM performance overall, achieving the year five target.

We proactively monitor river flows at the AIM sites and seek to reduce abstraction at times of low river flow. However, alternative abstraction options are very limited. The alternative supply for Old Water is New Water; however, New Water has a prescribed flow requirement and so at times of low river flow, abstraction is limited at this site as well. See Appendix 3 for further details of the incentive calculation.

## Financial implications

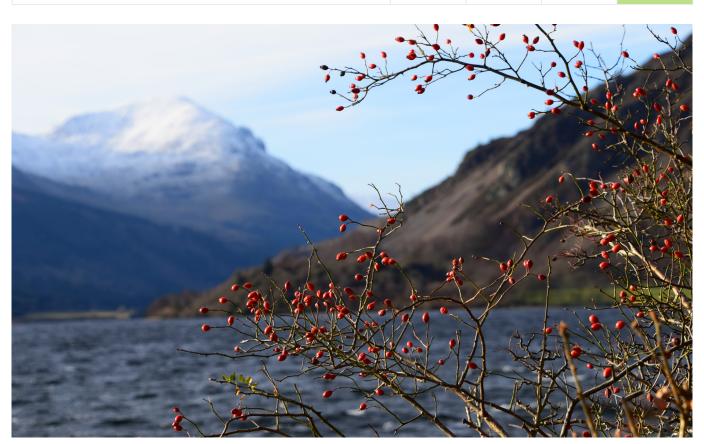
This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, the river flow at Hynam Bridge (the gauging station associated with the Old Water AIM site) did not reach the AIM trigger; therefore, there was no opportunity to earn an outperformance payment.

## Reporting and assurance requirements

Whilst there are no specific assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Abstraction incentive mechanism' performance commitment – lower is better

AMP7 Year	Performance period			Pass/Fail
One	2020/21	0.0 MI	-695.9 MI	Pass
Two	2021/22	0.0 MI	-134.4 MI	Pass
Three	2022/23	0.0 MI	0.0 MI	Pass
Four	2023/24	0.0 MI	0.0 MI	Pass
Five	2024/25	0.0 MI	0.0MI	Pass





## Improving the water environment

## Performance commitment description

This measure aims to protect customers from late delivery of our environmental improvement programme. Prior to the start of the AMP, we agreed the programme of work with the Environment Agency (EA) and this was published through its Water Industry National Environment Programme (WINEP). The scope of this performance commitment is limited to schemes under the FBG (fisheries, biodiversity and groundwater), WR (water resources) and WQ (water quality) functions on the WINEP. We assess the number of days each scheme is delivered early or late and the cumulative view of this is reported annually.

There are currently 58 schemes covered by this performance commitment. This has decreased from the 69 schemes in the original programme. Nine schemes have been removed from the WINEP, three have been deferred and one has been added with approval from the EA. Within the 58 schemes, there are 15 catchment schemes where partial delivery is possible, depending on different elements of the scheme being completed. The number of days late for catchment schemes is calculated as the number of days that the incomplete elements are late by the proportion of overall scheme benefits.

There may be instances where it is necessary to follow the change approval process with the EA during the five-year period and adjust the programme of work. Once agreed the measured programme is amended to reflect the changes.

## Performance summary

Each scheme specified under this performance commitment has a specific regulatory delivery date, as outlined in the WINEP. There were 32 schemes scheduled for delivery in year five of the AMP. Following agreed delivery date alterations with the EA, the total number of schemes to be delivered in year five was revised to 29.

We have delivered 26 of these schemes ahead of schedule or on time. Two schemes are complete but were delayed, and one further scheme is partially complete. We have provided information to the EA to support the final sign off of these three schemes. In addition to this, one scheme is pending EA sign off. This results in a total 104 days early for projects delivered in year five.

When the impact of these schemes is considered alongside early delivery of a number of schemes across AMP7 the net aggregate position is 206 days early.

In making this assessment we have assumed delivery dates for the delayed projects that correspond with the new permits. Where the output is partially delivered, we have applied days late from the WINEP delivery date until the end of AMP8 year one and where the output is defined as pending by the EA, assumed it has been delivered on time.

## Financial implications

This performance commitment is subject to an outcome delivery incentive for underperformance only. In year five, we have exceeded our performance commitment and therefore incur no underperformance payments. See Appendix 3 for further details.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Improving the water environment' performance commitment – higher is better

AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	0	0	Pass
Two	2021/22	0	62	Pass
Three	2022/23	0	80	Pass
Four	2023/24	0	102	Pass
Five	2024/25	0	206	Pass



## Improving river water quality

## Performance commitment description

This measure focuses on the timely delivery of wastewater network plus schemes that have an Environment Agency (EA) primary or secondary water quality improvement driver. We have focused this measure on the Water Framework Directive (WFD) as this work should deliver measurable environmental improvements whereas the statutory programme is more likely to just maintain a stable level of river or bathing water quality.

This measure is reported as the net position in number of days early or late across the region versus the target. In order to obtain the aggregate performance position we calculate the net position in number of days early or late that schemes have been delivered by catchment. This is assessed annually. There may be instances where it is necessary to follow the change process with the EA during the five-year period and adjust the programme of work. Agreed changes with the EA as defined by the sign off of an amendment form will update and re-baseline the schemes to be delivered in the programme.

#### Performance summary

There are currently 99 WFD schemes covered by this performance commitment. This has increased from the 96 schemes in the original programme, via the application of the EA's change control process. Each of these schemes has a specific regulatory delivery date, as outlined in the water industry national environment programme (WINEP).

These schemes are then grouped into 15 catchments. The performance assessment to determine the number of days early or late for each catchment is only undertaken when the last scheme in a catchment is delivered.

In year five, 75 schemes were successfully delivered against their agreed delivery date, giving a total of 99 schemes completed and claimed in AMP7. As described above, this performance commitment is assessed when schemes within a catchment are complete. All schemes have been completed on time and therefore all 15 catchments have been fully completed. This means that the overall net days early or late for year five is zero, meeting the performance commitment target. This performance commitment has been achieved consistently for every year in AMP7.

## Financial implications

This performance commitment is subject to an outcome delivery incentive for underperformance only. In year five, we met our performance commitment and, therefore, we incur no underperformance payments. See Appendix 3 for further details.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Improving river water quality' performance commitment – lower is better

AMP7 Year	Performance period		Actual performance	Pass/Fail
One	2020/21	0	0	Pass
Two	2021/22	0	0	Pass
Three	2022/23	0	0	Pass
Four	2023/24	0	0	Pass
Five	2024/25	0	0	Pass



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## 1.1 Outcome delivery



## Protecting the environment from growth and development

## Performance commitment description

This is a bespoke measure that reports the total additional population equivalent that will be served as a result of investment to increase wastewater treatment works (WwTW) capacity or remove/redirect flows from areas with a shortfall in WwTW capacity, thus protecting the environment from decline. The measure reflects the level of protection we are providing at WwTW and will be measured as a cumulative total for each year, commencing with the first completed project in 2021/22.

The scope and location for individual projects is flexible to enable us to accommodate changes in forecast development and to manage risk. The performance commitment is defined by the additional population equivalent accommodated at wastewater treatment works that are at risk from new development or growth. The baseline population equivalent is that from which the design is developed for each works.

## Performance summary

The performance commitment for this metric was defined through a proposal of delivering 21 projects over the AMP at specific locations to accommodate growth with the agreed delivery dates in either year two or year five.

This year, we have delivered eight projects at Bolton WwTW, Burnley WwTW, Castleton WwTW, Chipping WwTW, Congleton WwTW, Forton WwTW, Leyland WwTW and Macclesfield WwTW. The total additional

population accommodated through these projects is 73,380, meaning the reported cumulative position for AMP7 is the equivalent of 128,515 people through increased capacity at 13 WwTWs.

The programme is designed to be flexible as growth can slow down or accelerate across the region and the location of new developments included in local authority plans can change in response to demand. Three of the projects delivered this year were not identified in the final business plan but included as the risk was identified, and others delivered a revised scope to respond to changes in development needs.

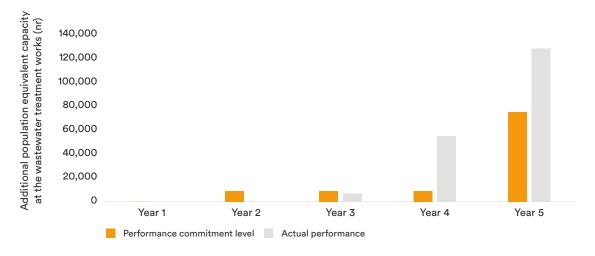
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance, and is reconciled at the end of the AMP with our final performance level. In year five, we have exceeded our target and therefore the cumulative target for AMP7. Our performance means that we earn an outperformance payment of £1.514m. See Appendix 3 for further details.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Protecting the environment from growth and development' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	0	0	Pass
Two	2021/22	8,848	94	Fail
Three	2022/23	8,848	6,979	Fail
Four	2023/24	8,848	55,135	Pass
Five	2024/25	75,113	128,515	Pass

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## 1.1 Outcome delivery



## **Enhancing natural capital for customers**

## Performance commitment description

This performance commitment incentivises us to use catchment systems thinking to deliver water quality improvements through the delivery of catchment and nature-based solutions. This will measure the added natural capital value delivered through a scheme focusing on the six Ecosystem Services (ESS) valued by customers: water quality, climate regulation, flooding, biodiversity, amenity and recreation and health and wellbeing. The added natural capital value is defined as the increase in natural capital value delivered beyond that which would have been achieved by a conventional engineering led approach. We calculate the added value of these benefits using the B£ST Natural Capital Accounting tool in line with a methodology developed by United Utilities in conjunction with Vivid Economics which quantifies a monetary value for the services enhanced. In year five, this methodology was assured independently by Subject Matter Experts at Mode Economics (previously of Vivid Economics).

Our target profile is based on the opportunity we identified to deliver added natural capital value at PR19 and we have an outperformance cap to incentivise the identification and delivery of further opportunities.

## Performance summary

This performance commitment is based on the proposed delivery of projects over the duration of AMP7. In year five, we have completed seven schemes. These schemes include delivery of the Chipping Brook Integrated Catchment Solution, Bowscar Safeguard Zone, Poaka Beck Safeguard Zone, Thirlmere Safeguard Zone, Bowland Fells Site of Specific Scientific Interest (SSSI), Haweswater Catchment SSSI and West Pennine Moors SSSI projects.

In delivering these projects, we have planted over 35 hectares (ha) of trees, herbal ley and hedges, and restored more than 800ha of peatland across the region. As a result of these activities, we have added to our natural capital value and therefore outperformed against our target.

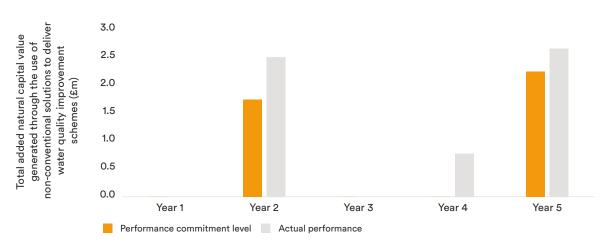
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five we have exceeded our target. Our performance means that we earn an outperformance payment of £0.207 million.

## Reporting and assurance requirements

This performance commitment has specific assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Enhancing natural capital value for customers' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	0.000	0.000	Pass
Two	2021/22	1.750	2.508	Pass
Three	2022/23	0.000	0.000	Pass
Four	2023/24	0.000	0.778	Pass
Five	2024/25	2.250	2.664	Pass



## **Recycling biosolids**

## Performance commitment description

This is a bespoke measure that assesses the successful use and disposal of treated sewage sludge, known as biosolids. All biosolids need to be compliant with regulatory requirements that apply to each end use in line with the water industry and Environment Agency agreed definition of satisfactory sludge use and disposal. As a further requirement, biosolids that are recycled to agriculture must conform to the Biosolids Assurance Scheme (a voluntary scheme under the governance of Assured Biosolids Ltd). The scheme incorporates best practice guidance and is independently audited. The total quantity of non-compliant biosolids is divided by the total quantity of sludge that required treatment and disposal subtracted from 100 per cent to calculate the score.

## Performance summary

This measure utilises a calendar year assessment. In 2024, we produced 205,856 tonnes dry solids (tds) of biosolids. This volume of biosolids was then treated and successfully recycled to either agriculture or restoration outlets, delivering a 100 per cent compliance score for the year.

In order to sustain this good performance, we continue to implement several processes and procedures to reduce the potential risk of single point failures occurring in the future.

#### These include:

- All colleagues who are involved with Biosolids treatment and recycling operations are required to attend a training course that covers the whole process of the Biosolids Assurance Scheme (BAS).
- All of our Agriculture advisors who liaise with our farming customers have received their BAS Nutrient management training. Further to this,

- the vast majority of the UUW Agriculture Advisory team are qualified with an agriculture industry recognised qualification (BASIS FACTS), which gives them the competency to advise farmers on Biosolids products, nutrient management and relevant regulations.
- Additional site specific training/induction for all our operational staff to ensure all compliance aspects are covered and understood at each of the sludge treatment centres.
- Regular review and update of the site specific hazard analysis critical control point (HACCP) plans, including an assessment of the process critical control points (CCP) and contingency procedures.
- Additional governance introduced into our HACCP process. This
  includes Post Incident Reviews (PIR) following every Maximum
  Allowable Concentrations (MAC) sampling failure, establishment of a
  HACCP governance group, among others.
- A continued focus on sampling practices, in order to reduce any unnecessary failures caused by human error.

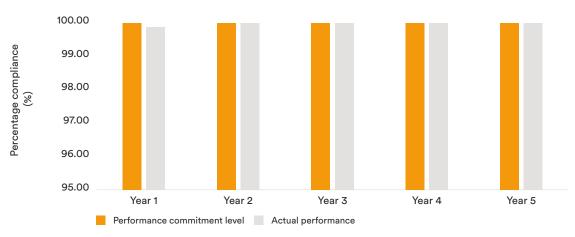
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we have met our target. Performance earlier in the AMP means there was no opportunity to earn an outperformance payment on this metric.

## Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

## Actual performance for the 'Recycling biosolids' performance commitment - higher is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020	100.00%	99.87%	Fail
Two	2021	100.00%	100.00%	Pass
Three	2022	100.00%	100.00%	Pass
Four	2023	100.00%	100.00%	Pass
Five	2024	100.00%	100.00%	Pass

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## 1.1 Outcome delivery



## **Better air quality**

## Performance commitment description

This is a bespoke measure that aligns to customers' ambition for us to improve air quality. Measured on a three-year rolling average basis, the performance commitment is focused on reducing the Nitrogen Oxide (NOx) emissions per unit of renewable electricity generated from bioresources. Sewage sludge from wastewater treatment is treated through digestion processes to a standard suitable for use in agriculture. This process produces biogas which is burned to generate renewable energy in Combined Heat and Power (CHP) engines. When the fuel is burned, waste gases including NOx are emitted. The measure includes emissions from CHP engines and sewage sludge incineration. If biogas is upgraded to biomethane and supplied to the national gas grid, the electricity that could have been generated by burning the biogas is included in the measure.

#### Performance summary

Our two largest CHP facilities at Manchester and Liverpool have been at the forefront of an improvement programme to roll out cleaner engine technology. This technology reduces the amount of NOx in the combustion gas being emitted from our engines by 50 per cent per cubic metre of gas produced (from 500mg down to 250mg NOx per m³), thereby reducing the tonnes of NOx emissions per GWh of electricity generation. In year one of the AMP, we installed this cleaner technology on both of the engines at Liverpool and one of the five engines at Manchester. Continuing the programme of work into year two, we completed the conversion of the remaining four engines at Manchester to low NOx emission operation. As all seven engines have now been

successfully converted, we were able to see the benefit of the low NOx emission operation in the remainder of the AMP. The benefit has been further optimised by maximising the amount of sludge treated at these more efficient sites at Manchester and Liverpool.

These seven engine modifications, along with the continued proactive maintenance of our remaining CHP fleet and the increased throughput through our strategic sludge treatment centre in Manchester, have enabled us to increase our renewable energy generation whilst minimising the impact of emissions on air quality. This has resulted in a year-on-year reduction in the NOx emitted per GWh of renewable electricity generated performance commitment unit. We calculate that, as a result of our actions, we have avoided 180 tonnes of NOx emissions over AMP7 compared to how we operated in 2019/20 (the end of AMP6).

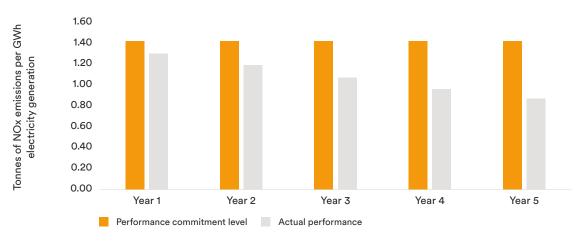
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we outperformed our target. Our performance means that we earn an outperformance payment of £1.480 million. See Appendix 3 for further details of the incentive calculation.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

## Actual performance for the 'Better air quality' performance commitment – lower is better



AMP7 Year	Performance period		Actual performance	Pass/Fail
One	2020/21	1.42	1.30	Pass
Two	2021/22	1.42	1.19	Pass
Three	2022/23	1.42	1.07	Pass
Four	2023/24	1.42	0.96	Pass
Five	2024/25	1.42	0.87	Pass



# You're highly satisfied with our service and find it easy to do business with us

We are committed to delivering the best possible service for customers. We seek to offer customers the services that they want and value. We actively promote support for customers in vulnerable circumstances. We provide assurance that the quality of support for customers in vulnerable circumstances is of a leading standard by achieving and maintaining certification under ISO 22458:2022 Consumer Vulnerability – Requirements and guidelines for the design and delivery of inclusive services. This standard has evolved from the British Standards Institution (BSI) accreditation for inclusive service provision.

#### How have we done?

We have made five commitments about customer satisfaction and being easy to do business with. We have achieved four of these in year five and generated a net outperformance payment of £2.678 million.

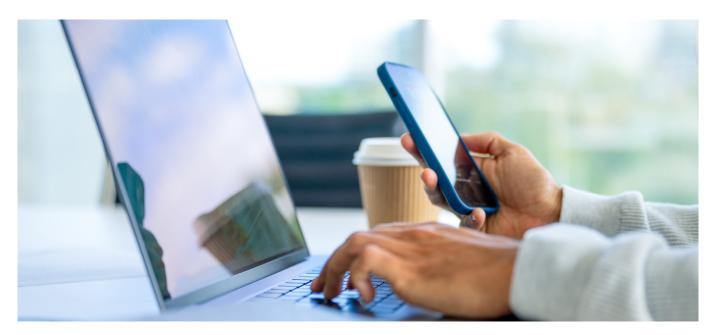
We have continued to perform well in C-MeX, which is the measure used across the water industry to assess customer service and experience. We now have ten ways that customers can make contact with us, including traditional contact methods such as phone or post as well as email, social media and live chat. In year five we have seen a higher volume of complaints. We expect to achieve eighth place out of 17 water companies.

D-MeX is the measure of service and experience that we provide to developers (e.g. housebuilders). We expect to achieve fourth place out of 17 water companies.

We are really pleased to have retained the newly introduced ISO standard 22458:2022 Consumer Vulnerability – Requirements and guidelines for the design and delivery of inclusive service, which replaced the original BSI standard. We continued to increase the number of customers registered for our Priority Services. Over 400,000 customers are now registered with us

We did not achieve our target for street works performance, which measures the quality and standard of our roadworks and reinstatements. We are continuing to work with our partners to try and improve this position.

Performance commitment	Actual performance	la manda	V-1 (0)
1 erformance communicati	Year five	Impact	Value (£m)
D01 – Customer experience (C-MeX)	76.36	Outperformance payment	1.832
D02 – Developer experience (D-MeX)	91.51	Outperformance	0.846
Botolopol experience (5 Mercy	31.01	payment	0.0.0
D03 – Priority Services for customers in vulnerable circumstances	16.5	Reputational	-
D04 – Improving street works performance	12.32	Reputational	_
D05 – Priority Services – BSI accreditation	Maintained	Reputational	-
You're highly satisfied with our service and find it easy to do business with us net position	4/5 achieved		2.678





## **Customer experience (C-MeX)**

## Performance commitment description

This industry common measure is a measure of residential customer satisfaction. It is designed to incentivise companies to improve customer satisfaction by delivering a better overall customer experience and improving companies' handling of customer contacts. Each company receives a C-MeX score based on the results from two surveys:

- A customer service survey, which samples residential customers who
  have contacted their company asking them how satisfied they are with
  how the company has handled their issue.
- A customer experience survey which samples randomly selected customers and asks them how satisfied they are with their company.

Incentive payments are calculated on the points of variance of UUW's score from the industry leader and industry median.

### Performance summary

At the end of year five, we expect to be eighth out of 17 companies. Our focus continues to be on being easy to contact and our speed of response with helpful and friendly support from our North West based contact centres and field teams.

Customers can contact us using ten different channels. As well as more traditional contact channels such as phone, post, automated telephony and by a visit to one of our main contact centre sites, we offer five online channels for customers to contact us.

#### These include:

- email incoming contact via email;
- social media such as Facebook and X (formally Twitter);
- webform via our website;
- live chat;
- WhatsApp (introduced in 2025); and
- the UUW app, which provides a direct channel for contacting the company, rather than only signposting other contact channels.

We have increased our priority services sign-ups by over 138,000 customers this year and have maintained accreditation to the ISO Kitemark for vulnerability with zero non-conformances. We have also been reaccredited with ServiceMark with Distinction from the institute of customer service.

We track customer satisfaction daily and received nearly 19,000 complimentary messages from customers in year five through the WOW awards scheme, which solicits customer feedback following a contact. Since the scheme began, we've had over 138,000 WOW messages. We use our customer satisfaction trackers and customer complaints to develop action plans to continuously learn and put in place improvement activities to meet customer's needs. We continue to promote our wide ranging affordability schemes (see page 71 for more information).

## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. Our performance this year earns an expected outperformance payment of £1.832 million.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Customer experience (C-MeX)' performance commitment – higher is better

AMP7 Year	Performance period			
One	2020/21	n/a	83.59	Pass
Two	2021/22	n/a	82.01	Pass
Three	2022/23	n/a	81.26	Pass
Four	2023/24	n/a	78.30	Pass
Five	2024/25	n/a	76.36	Pass



## **Developer experience (D-MeX)**

## Performance commitment description

D-MeX is a mechanism to incentivise water companies to provide an excellent customer experience for developer services customers. These customers include small and large property developers, self lay providers, new appointees and some residential customers that have new mains connections installed. Each company receives a D-MeX score based on two components:

- A qualitative component a score summarising the performance of the company in a satisfaction survey of developer services customers: and
- A quantitative component a score summarising the performance of the company across selected Water UK developer services performance data metrics.

Incentive payments are calculated based on the points of variance of UUW's score from the industry leader and the industry median.

#### Performance summary

Quantitative performance measures how well we perform against the common industry metrics. We expect to be eighth out of 17 companies achieving an average over the year of 99.90 per cent. The qualitative component involves a satisfaction survey of developer services customers. We expect to be fourth out of 17 companies achieving a score of 83.13. When averaged, our resulting performance is expected to be fourth out of 17 companies with an overall score of 91.51.

This year has seen an improvement in performance supported by the continued embedment of our operating model, business processes and the introduction of dedicated case managers and field support teams. Our new systems provide full visibility and control of the customer journey from application through to connection, as well as providing self-service options through a mobile app. We will be further investing in our online portal in 2025/26 and continue to invest in greater training and development of our team.

We continue to offer significant sustainability discounts to developer customers who build water efficient homes and drain sustainably. For 2024/25, we have introduced a new 3 tier incentive scheme that encourages property level SuDS, flow regulators, leak checks and water re-use on top of our exiting requirements.

We have continued with technical forums (for both water and wastewater disciplines) and held our 'Developer Day' 2024/25. These events give us an opportunity to engage with and demonstrate our service improvements and upcoming regulatory changes such as the removal of income offset to developers. Held in October 2024, the 'Developer Day' discussed and shared our thoughts on:

- Charging: Looking ahead Supporting the environment
- Smart metering It's cheaper on a meter
- Water Quality & Design Water without worry
- Operational Delivery Providing a service that is right first time, let's make it happen
- Customer Room Service you can expect and rely on
- Wastewater Tailoring our service to you

### Financial implications

This performance commitment has both underperformance and outperformance outcome delivery incentives. Our performance this year earns an expected outperformance payment of 4.02 per cent of our 2024/25 developer services revenue, resulting in an expected outperformance payment of £0.846 million.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Developer experience (D-MeX)' performance commitment – higher is better

AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	n/a	88.44	Pass
Two	2021/22	n/a	88.40	Pass
Three	2022/23	n/a	87.43	Pass
Four	2023/24	n/a	90.44	Pass
Five	2024/25	n/a	91.51	Pass



## Priority Services for customers in vulnerable circumstances

## Performance commitment description

This industry common measure is designed to ensure a minimum standard across all companies for the number of households registered on the Priority Services Register (PSR) and verification of PSR data.

This performance commitment helps to increase the number of customers living in vulnerable circumstances that receive the most appropriate service to their needs. It helps ensure that we are incentivised to keep the register up to date.

This performance commitment consists of the following criteria with targets for each area:

- PSR reach: percentage of households that the company supplies with water and/or wastewater services that are registered on the company's register.
- Attempted contact: percentage of distinct households on the PSR that the company has attempted to contact over a two-year period.
- Actual contact: percentage of distinct households on the PSR that the company has actually contacted over a two year period.

To achieve compliance with this performance commitment target for reach, attempted contacts and actual contacts all need to be achieved.

## Performance summary

We have performed well across all three criteria, achieving the year five targets for each element and, therefore, passing this performance commitment. This is made up of 185,489 new registrations and 47,096 de-registrations.

We have continued to train and develop our customer facing colleagues to spot the signs of vulnerability when interacting with customers, allowing them to take every opportunity to promote the scheme and register those who would benefit.

We have continued to work closely with our existing partners while also expanding our network. To broaden and enhance the support available we have strengthened our ongoing partnership with Kidney Care UK and established new collaborations with The Big Food Project and STAMMA.org, a charity who supports those with stammers.

We have also continued our data sharing agreements with Electricity North West, SP Energy, Northern Powergrid and Lancashire Fire and Rescue. In addition to this, our collaboration through the North West Utilities Together group remains a vital platform for sharing best practices and improving services across the region.

In year five, we have maintained a strong presence in local communities through events and outreach activities, while also increasing visibility of the PSR through both digital and non-digital campaigns. A key development this year was the introduction of our 'Train the Trainer' programme, which enables us to deliver PSR awareness sessions to industry leaders and professionals in the vulnerability sector. This ensures their teams are equipped to raise awareness and support customers effectively.

To improve accessibility, we've introduced new contact channels:

- An on-demand access to a registered British Sign Language (BSL) interpreters via our website. This enables direct communication with Priority Services through a BSL interpreter, improving accessibility and independence
- An online bereavement form to provide customers with an alternative to calling when notifying us of a bereavement. This offers a more accessible and sensitive option for those who may find phone conversations difficult during a difficult time.
- WhatsApp has been launched as a digital contact option, offering greater convenience for customers.

Below is a table of households registered for the various activities. As a household can register for more than one service, the number of services provided is greater than the number of PSR customers registered. All PSR customers are routinely provided with additional support during supply interruptions. In June 2025, we published the final version of our vulnerability strategy. A copy of this can be found on our website at:

unitedutilities.com/help-and-support/priority-services/about-priority-services/our-priority-services-strategy

This sets out the services we provide and our approach to delivering them to those customers who need additional support. It provides information of how we meet, and, in many cases, exceed the minimum expectations set out in Ofwat's 'Service for all' vulnerability guidance.

#### Financial implications

This is a reputational performance commitment with no associated financial incentives for underperformance or outperformance. We have met our target for year five.

### Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

Service	Number of households
PSR households receiving support with Communication	17,428
PSR households receiving support with Mobility and Access restrictions	107,128
PSR households receiving support with Supply Interruptions	540,380
PSR households receiving support with Security	33,953
PSR households receiving support with Other Needs	148

# Actual performance for the 'Priority Services for customers in vulnerable circumstances' performance commitment – higher is better

AMP7 Year	Performance period	Performance commitment		Pass/Fail
One	2020/21	4.0	4.1	Pass
Two	2021/22	4.8	5.9	Pass
Three	2022/23	5.5	9.1	Pass
Four	2023/24	6.3	12.4	Pass
Five	2024/25	7.0	16.5	Pass



# Improving street works performance Performance commitment description

This performance commitment measures the safety, quality and compliance of our street works activities in the public highway against the standard set out in the New Roads and Street Works Act (NRSWA) 1991. It seeks to drive improvements in the quality of our company's activities in the public highway from roadworks and traffic management setup through to the quality of our reinstatements. Compliance with the Act is made by our ISO accredited street works compliance team performing assessments on in-progress roadworks as well as reviewing the quality of reinstatements. The performance commitment definition is based on the number of instances of non-compliance.

## Performance summary

Performance is measured on a monthly basis, helping us to identify trends and problematic areas quickly and put in place improvement measures with our contract partners. We aim to deliver a high standard of performance in this area to help avoid additional costs, such as having to complete rework on unsatisfactory reinstatements. Completing street works quickly and to a high standard reduces the impact on our customers in the North West.

Our year five target was to have less than 9.0 per cent non compliance in our assessments. We have failed to achieve our target and having made over 16,800 assessments, we ended the year with 12.32 per cent non-compliance. Assessments are made by the compliance team covering our contractor street works activity across the entire region. We will continue to work with our contract partners to look at ways to improve our street works activity compliance.

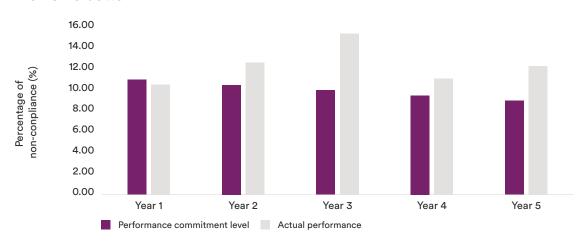
## Financial implications

This is a reputational performance commitment with no associated financial incentives for underperformance or outperformance. We failed our target for year five.

## Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Improving street works performance' performance commitment – lower is better



AMP7 Year	Performance period	Performance commitment		Pass/Fail
One	2020/21	11.00%	10.56%	Pass
Two	2021/22	10.50%	12.67%	Fail
Three	2022/23	10.00%	15.44%	Fail
Four	2023/24	9.50%	11.11%	Fail
Five	2024/25	9.00%	12.32%	Fail



## **Priority Services – BSI accreditation**

## Performance commitment description

This performance commitment measures United Utilities' support for customers in vulnerable circumstances. It does this based on whether the company meets standards set by external accreditation providers. Securing this accreditation provides confidence that we are providing a fair, flexible and transparent service that can be used by all customers equally, regardless of their health, age or personal circumstances. The accreditation provides an independent assessment of this.

In years one and two of the AMP, UUW achieved certification for BS18477 from the BS Group. The BS standard has now evolved into ISO 22458:2022 Customer Vulnerability – Requirements and guidelines for the design and delivery of inclusive services. This is the standard adopted for years three to five of AMP7.

#### Performance summary

We achieved accreditation to the original BSI standard in March 2020 and maintained the accreditation during year one and year two of the AMP. In year three, we successfully gained accreditation to the new ISO standard, providing United Utilities with the Inclusive Service Kitemark certification and have maintained this standard for year four and year five.

The standard continues to reach across the organisation and the assessment process looks at how we demonstrate our commitment to customer inclusion across:

- senior leadership;
- Priority Services;
- billing;
- income:
- service delivery;
- network enquiries;
- network field teams;
- training;
- communications;
- sustainability;
- · legal; and
- external partners.

#### Financial implications

This is a reputational performance commitment with no associated financial incentives for underperformance or outperformance. We have met our target for year five.

## Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

## Actual performance for the 'Priority Services – BSI accreditation' performance commitment

AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	Achieved	Achieved	Pass
Two	2021/22	Maintained	Maintained	Pass
Three	2022/23	Maintained	Maintained	Pass
Four	2023/24	Maintained	Maintained	Pass
Five	2024/25	Maintained	Maintained	Pass



# We will improve the way we work to keep bills down and improve services

We aim to keep future bills down for customers by helping more people to pay and seeking to ensure that all those receiving our services are being billed. We will continue to support customers who have affordability issues by ensuring that they are on the most suitable tariff and payment plan for their circumstances and employing other non-financial assistance schemes.

#### How have we done?

There are nine performance commitments that support this outcome. In year five we passed eight and generated a net outperformance payment of £18.119 million. We continue to lead the water industry in affordability and vulnerability assistance with a wide range of support schemes for customers. The continued use of data and analytics allows us to target campaigns towards those customer segments most at financial risk, promoting the support available and encouraging customers to contact us if they were struggling to pay their bill. We've increased our efforts to support customers impacted by cost of living increases with management of their bills by highlighting the support we have available. There are currently around 210,000 customers benefiting from affordability support, representing around six per cent of our household customer base.

We strive to improve our customer data in order to ensure that all those who use our services are correctly billed, which in turn ensures fairer bills for everyone. We have a number of performance commitments that support this. Our performance on voids has achieved its target this year, whilst we have outperformed our internal targets on gap sites for both households and non-households. We have utilised our non-household vacancy incentives scheme, which incentivises retailers to identify occupied non-household premises that are showing as vacant and therefore should be billed.

We have achieved our year five target for our systems thinking reputational performance commitment. This capability will deliver significant future benefits for customers across many areas of service. For example, the advancements in both proactive and reactive customer responses and deliver quicker, better and cheaper responses to customer service disruption. This will allow us to be more resilient, minimise service disruption and will improve our capability in response and recovery. In year four, Ofwat introduced a new commitment that incentivises United Utilities to deliver a competitive procurement of the Haweswater Aqueduct Resilience Programme (HARP) scheme that maximises value for money to customers through the procurement process. We are pleased to have fully completed this performance commitment in year five.

We have not achieved the reputational performance commitment of customers saying we offer value for money. Continued cost of living pressures, inflation and high energy bills has impacted consumer perception.

Performance commitment	Actual performance Year five	Impact	Value (£m)
E01 – Number of customers lifted out of water poverty	84,726	Outperformance payment	2.924
E03 – Non-household vacancy incentive scheme	3,635	Outperformance payment	0.494
E04 – Gap sites (wholesale)	7,395	Outperformance payment	2.263
E05 – Gap sites (retail)	6,137	Outperformance payment	0.080
E06 – Systems Thinking capability	2	Reputational	-
E07 – Successful delivery of direct procurement of Manchester and Pennine resilience	Pass	-	_
E09 – Customers say that we offer value for money	73	Reputational	-
E10 – Voids	3.9	Outperformance payment	7.038
HWDPC - Pre-procurement incentive for HARP	Complete	Outperformance payment	5.320
We will improve the way we work to keep bills down and improve services net position	8/9 achieved		18.119

# 1.1 Outcome delivery



## Number of customers lifted out of water poverty

## Performance commitment description

This measure commits us to providing additional support to customers in water poverty, primarily through the effective promotion of discounted social and support tariffs. In addition, it ensures support is effectively targeted at those most in need by only recognising this support where it acts to lift a customer out of water poverty, which we define as spending more than three per cent of income on their water bill. We are targeting 66,500 customers being lifted out of water poverty by 2024/25, which represents a 45 per cent increase compared to support levels in 2017/18.

#### Performance summary

Actual performance for this commitment in 2024/25 was 84,726 customers lifted out of water poverty. This consisted of customers benefiting from our Help to Pay (34,370), Back on Track tariff (45,979) and our WaterSure Scheme (4,377).

We continue to be a leader in the water industry in affordability and vulnerability assistance, with a wide range of support schemes for customers, many of which are firsts for the industry. Over the last five years, we've won a number of industry awards recognising our approach to supporting vulnerable customers and our innovative use of technology. Using advanced data and analytic capabilities, we have been able to focus our efforts on supporting the customer segments at greatest financial risk, promoting the support available and encouraging customers to contact us if they are struggling to pay their bill. These schemes have helped over 410,000 customers since the beginning of the AMP, with c.210,000 customers currently benefiting from United Utilities' affordability support, representing around six per cent of our household customer base.

We have continued to host our annual Affordability Summit, bringing together organisations including councils, charities, housing associations and others that interact with vulnerable customers and those experiencing financial difficulty. The summits give attendees the chance to share experiences and discuss ways for their organisations to be more joined up when it comes to helping people across the region. At this year's event, guest speakers included the credit reference agency, Equifax, and the Money and Mental Health Institute. Attendees also heard from

the Department for Work and Pensions on how they support customers with disabilities return to the workforce and the upcoming changes to Universal Credit.

The launch of our low income water discount has enabled us to provide affordability support proactively through auto enrolment. Being able to flag customers as eligible ahead of our annual main billing period has meant that the discount could be applied to 2025/26 bills as they are generated. This helps to offset the increased charges that are being applied from AMP8.

To enhance the affordability assessment journey for customers we have introduced a new affordability assessment solution with IE Hub, building on our existing partnership with them. The solution utilises IE Hubs award winning platform using it to undertake our in-house affordability assessments and enabling more holistic offerings to be incorporated into the customer journey, such as income maximisation with benefit checks and debt advice referrals.

We have continued to promote the additional support available during customer conversations, on our website/social media, via money advisers and in mailings to targeted customer segments. We have monitored customer payment behaviour to proactively identify customers showing signs of struggling to pay and over the past 12 months have sent over 280,000 early intervention emails with tailored messaging designed to increase awareness of the support we and third-party organisations can offer.

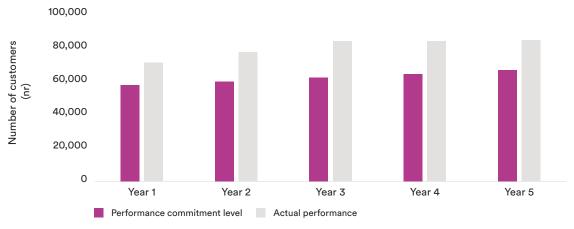
#### Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we exceeded our target. Our performance means that we earn an outperformance payment of £2.924 million.

#### Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Number of customers lifted out of water poverty' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	57,600	71,057	Pass
Two	2021/22	59,800	77,312	Pass
Three	2022/23	62,100	84,002	Pass
Four	2023/24	64,300	84,060	Pass
Five	2024/25	66,500	84,726	Pass



## Non-household vacancy incentive scheme

### Performance commitment description

This measure incentivises business retailers who work in our region to identify occupied properties that are showing as 'vacant' within the Central Market Operator System and register them as 'occupied'. For charges to be correct, it is essential that the occupancy status of each property is marked correctly within the market, i.e. whether the property is 'occupied' or 'vacant'. We recognise the importance of ensuring that all customers are billed appropriately and, therefore, we have introduced a financial incentive. The incentive payments will provide for costs of administering the incentive and payments to retailers, while still providing a net benefit to customers from the additional revenue gained from billing previously unbilled properties.

#### Performance summary

In year five, we recognised 3,635 vacancy resolutions by retailers. As we expected our performance for the final year of the AMP has reduced as the occupancy status of more vacant premises have been verified in previous years.

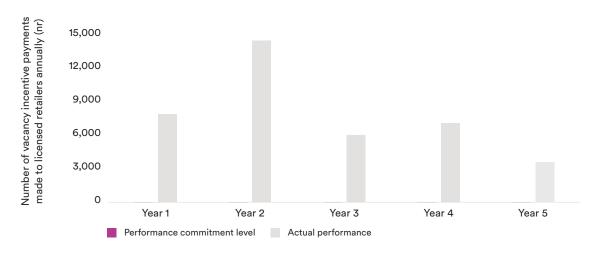
#### Financial implications

This performance commitment is subject to outcome delivery incentives for outperformance only. In year five, we achieved 3,635 resulting in a total outperformance payment of £0.494 million.

### Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Non-household vacancy inventive scheme performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	0	7,940	Pass
Two	2021/22	0	14,519	Pass
Three	2022/23	0	6,022	Pass
Four	2023/24	0	7,109	Pass
Five	2024/25	0	3,635	Pass



## Gap sites (wholesale)

#### Performance commitment description

This measure is designed to encourage retailers to identify non-household properties where water and/or wastewater services are being used, but where the property is not being billed ('gap sites'). Identifying these sites will recover new revenue from those customers, so keeping bills down for customers overall. The measure will facilitate incentive payments to retailers who identify customers who are not being billed or are only being partially billed. The performance commitment records the number of incentive payments made by UUW to business retailers who identify non-household premises using water or wastewater services that are not registered within the Central Market Operator System (CMOS). The CMOS system records all business customers and connects wholesalers and retailers in the market.

## Performance summary

In year five, we have experienced a sharp increase in performance and have registered 7,395 gap sites following successful retailer applications. In this final year of the scheme, the high volumes reflect retailers taking full advantage of the incentive available before the scheme closed at the end AMP. Formal targets are not set in advance for this performance commitment; performance reflects the number of sites identified in any period

As retailers identify potential gap sites to us, we check and verify this information to make sure each is a valid gap site. Once confirmed, we register the premises in the CMOS. Our reported performance therefore reflects the number of additional sites registered in the market. Incentive payments to business retailers are made following the receipt of invoices.

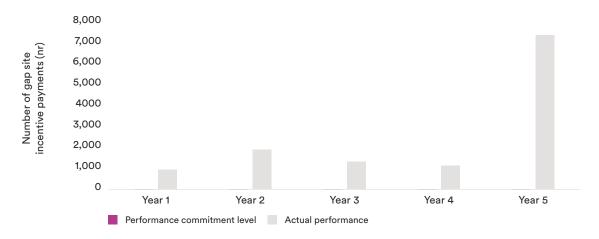
### Financial implications

This performance commitment is subject to outcome delivery incentives for outperformance. In year five, we achieved 7,395 gap site resolutions, resulting in a total outperformance payment of £2.263 million.

#### Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Gap sites (wholesale)' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	0	949	Pass
Two	2021/22	0	1,912	Pass
Three	2022/23	0	1,339	Pass
Four	2023/24	0	1,144	Pass
Five	2024/25	0	7,395	Pass



## Gap sites (retail)

## Performance commitment description

This performance commitment measures the number of household properties in our area that we identify where water and/or wastewater services are being used, but the property is not known to the company ('gap sites'). Identifying and billing all properties will result in a fairer distribution of water charges across all customers. This measure has been designed to provide a cost recovery mechanism so that we carry out activities to maintain and enhance data quality for all the properties we serve.

### Performance summary

In year five, we recognised the identification of 6,137 gap sites in total which is small reduction on our previous year's performance. Variance to the previous year performance is due to continued data cleanse activities and on-going review of older properties. As we expected our performance level in the final year of the AMP is lower as the volume of gap sites available has been reduced.

Formal targets are not set in advance for this performance commitment; performance reflects the number of sites identified in any given year.

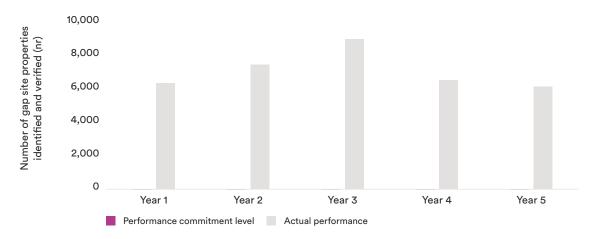
### Financial implications

This performance commitment is subject to outcome delivery incentives for outperformance. In year five, we achieved 6,137 in total, resulting in an outperformance payment of £0.080 million

### Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

## Actual performance for the 'Gap sites (retail)' performance commitment - higher is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	0	6,349	Pass
Two	2021/22	0	7,455	Pass
Three	2022/23	0	8,986	Pass
Four	2023/24	0	6,528	Pass
Five	2024/25	0	6,137	Pass



## **Systems Thinking capability**

#### Performance commitment description

Systems Thinking involves learning about the interaction of the individual components of a system, understanding the system as a whole, and using this to identify patterns and predict performance. For a water and wastewater company, this means, rather than operating an asset or treatment works in isolation, we use telemetry data from our assets, along with knowledge about the wider environment in which we work and digital advances, such as artificial intelligence, to understand the broader systems perspective, predict where issues may arise and make decisions. Techniques such as machine learning are enabling us to automate some of these decision making processes.

This performance commitment measures delivery of our corporate strategy to embed a systems thinking approach through innovations and improvements in capabilities such as production planning, operational monitoring and control and asset lifecycle management.

The methodology for assessing capability maturity has been developed with external leaders in systems thinking and has been assured and benchmarked against companies outside the water sector.

#### Performance summary

This measure is based upon an assessment of a suite of capabilities, undertaken by external experts Accenture. In February 2020, prior to year one, we were baselined at maturity level one and aimed to reach level two by the end of the AMP7 period. Maturity level two was achieved against all capabilities in February 2022. Following the latest assurance review completed in February 2025, this validated that we have maintained our 2023 position with three of our core capabilities (Asset Lifecycle Management, Customer Experience and Scheduling) being assessed at Level 3 maturity. The remaining five capabilities (Operational Monitoring, Operational Control, Production Planning and Optimisation and Process Excellence) being assessed at Level 2.

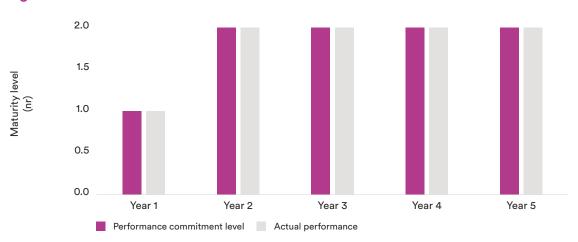
#### Financial implications

This is a reputational performance commitment with no associated financial incentives for underperformance or outperformance. We have met our target for year five.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Systems Thinking capability' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	1	1	Pass
Two	2021/22	2	2	Pass
Three	2022/23	2	2	Pass
Four	2023/24	2	2	Pass
Five	2024/25	2	2	Pass



# Successful delivery of direct procurement of Manchester and Pennine resilience

#### Performance commitment description

The Haweswater Aqueduct Resilience Programme (HARP) scheme will represent one of the largest infrastructure projects in the UK, improving resilience of water supplies to customers in Manchester, Cumbria and Lancashire. This measure focuses on advancement of the HARP scheme via the Direct Procurement for Customers (DPC) process in a way that demonstrates value for money to customers, whilst providing an example for the industry and building capability for DPC activities across the sector. Achievement will be assessed following the appointment of a competitively appointed provider (CAP) to design, build, finance and maintain the scheme at such time the contract between United Utilities and the CAP has been signed and its terms are fully effective. The performance commitment is set so that, if a contract was awarded before 1 May 2023, meeting Ofwat's qualifying criteria, we would receive an outperformance payment of £5.740 million.

#### Performance summary

HARP is a pathfinder scheme for the DPC process. This process is both novel and untested in the water sector, and the HARP scheme itself is

complex and sizeable. The scheme has been impacted initially by the COVID-19 pandemic in addition to the challenge of developing the detailed framework to support this procurement model. When coupled with the size and complexity of the programme we failed to award a contract by the 1 May 2023 deadline. In January 2025, we announced the preferred bidder for the CAP and expect to formally award the contact in summer 2025, subject to successful finalisation of the contract and consent by Ofwat.

## Financial implications

This performance commitment is subject to an outcome delivery incentive for outperformance only. See Appendix 3 for further details.

#### Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'Successful delivery of direct procurement of Manchester and Pennine resilience' performance commitment

AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	In progress	On track	Pass
Two	2021/22	In progress	On track	Pass
Three	2022/23	In progress	On track	Pass
Four	2023/24	1 May 2023 contract award	Delivery date delayed	Fail
Five	2024/25	Pass	Pass	Pass





## Customers say that we offer value for money

## Performance commitment description

Assessing customers' views on the overall value for money provided by UUW for provision of water and wastewater services is an important factor in understanding drivers of legitimacy with customers. Alongside other measures of household customer service, such as C-MeX, a value for money measure can give insight into customers' perception of UUW service levels and corresponding bills. Value for money performance is assessed based on the results of customer surveys asking United Utilities household customers: 'How satisfied are you with value for money of water and sewerage services in your area?'

#### Performance summary

We have achieved a score of 72.5 per cent against a target of 75 per cent in year five, having implemented a coordinated and visible engagement plan. This score is taken from the annual Consumer Council for Water (CCW) report 'Water Matters'. The CCW research is undertaken in the form of an annual telephone survey conducted across a representative sample of household water bill-payers in England and Wales. The purpose of this is to measure and track customers' views in respect of a range of services supplied to them by their water and sewerage service provider(s).

Communication is critical if we are to maintain a high value for money rating as this helps to improve customers' understanding of what we do.

Households continue to be impacted by cost of living pressures. High inflation, coupled with high energy bills, continues to impact customers in terms of household incomes and is affecting their ability to pay. As consumers are struggling with all bills, there is increased dissatisfaction with water charges, reducing the perception around value for money. This has been further impacted by increased media coverage regarding the sector's environmental performance, the use of combined sewer overflows and the higher bills anticipated during AMP8. Throughout 2024 and into 2025, we have continued to amplify the ways we can support customers with targeted promotion of our financial assistance schemes, initiatives such as lowest bill guarantee for those who could save by

switching to a meter and how customers can manage their accounts through services like the App and My Account.

We have continued to undertake a series of campaigns throughout the year to raise awareness of a range of initiatives, including messages on 'Stop the Block!', water efficiency, 'Winterwise' and leakage. We work to promote our app and online account services alongside other activities. These campaigns help to engage customers in the services that we provide, illustrating a wide range of initiatives of interest to our customers.

We are continuing to send a regular newsletter to those customers who have registered for our My Account service, providing help and support on a broad range of topics including bill support, money saving advice, environmental performance, priority services register and career opportunities. We continue to engage with and utilise best practice in customer insight, using all aspects of research from business as usual activities and input from our online customer panels. We know that the best approach to engaging customers is through the use of specific, targeted messages with timely and relevant information. All our communication campaigns aim to engage customers in the North West, enhancing their awareness of what we do as a service provider so they have a better understanding of what their bill pays for.

### Financial implications

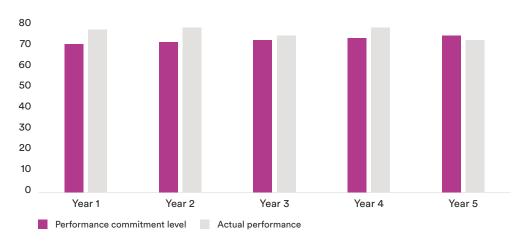
This is a reputational performance commitment with no associated financial incentives for underperformance or outperformance. We have failed to meet our target for year five.

## Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Customers say that we offer value for money' performance commitment – higher is better





AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	71%	78%	Pass
Two	2021/22	72%	79%	Pass
Three	2022/23	73%	75%	Pass
Four	2023/24	74%	79%	Pass
Five	2024/25	75%	73%	Fail



#### **Voids**

### Performance commitment description

This measures the number of household properties classified as void as a percentage of the total number of household properties served by the company. Void properties are defined as properties which are connected for either a water service only, a wastewater service only or both services but do not receive a charge, as there are no known occupants. The proportion of void properties is measured as an average over the year.

This performance commitment is designed to incentivise the company to reduce the number of household void properties. The reduction in void properties, which are occupied but not billed, will lead to fairer charges between customers and lower bills for customers already being billed.

#### Performance summary

In year five, we have reduced the number of voids to 3.90 per cent of household properties, outperforming our target of 5.15 per cent. We continued to drive performance through established systems and processes, developed to manage our void process, this is part of a robust void management strategy in place including:

 a portal that allows information on our full void property base to be refreshed on a monthly basis, allowing updated information to be reviewed and scored for confidence, enabling us to engage with a wide number of households;

- our process that provides sale alerts on void properties. This
  enables earlier identification of new occupants and ensures that
  communications can be sent to named occupiers, ensuring a better
  engagement rate, and, ultimately, leading to more occupants being
  moved in quicker; and
- our void App. This enables field and office based employees to identify
  and submit feedback on void properties that they come across as part
  of their normal duties to the Property Management team, who are
  then able to contact and successfully move in occupants of properties
  where indications of occupancy were observed.

The combination of these initiatives has enabled the continued reduction in void properties across AMP7.

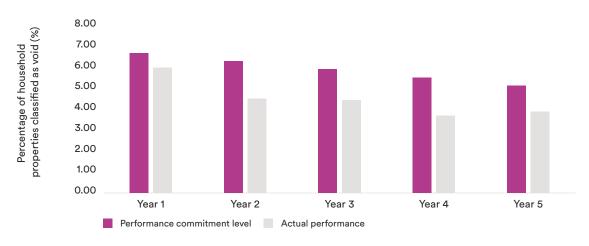
#### Financial implications

This performance commitment is subject to outcome delivery incentives for outperformance. In year five, we exceeded our target resulting in an outperformance payment of £7.038 million.

#### Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

## Actual performance for the 'Retail voids' performance commitment - lower is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	6.70%	6.01%	Pass
Two	2021/22	6.31%	4.51%	Pass
Three	2022/23	5.92%	4.45%	Pass
Four	2023/24	5.53%	3.70%	Pass
Five	2024/25	5.15%	3.90%	Pass



## **Pre-procurement incentive for HARP**

#### Performance commitment description

The Haweswater Aqueduct Resilience Programme (HARP) scheme will represent one of the largest infrastructure projects in the UK, improving resilience of water supplies to customers in Manchester, Cumbria and Lancashire. Provision of the Haweswater Aqueduct Resilience Programme by way of Direct Procurement for Customers (DPC) is expected to deliver financial savings and promote innovation. The purpose of this performance commitment was to incentivise United Utilities to deliver a competitive procurement that maximised value for money to customers through the procurement process itself.

This performance commitment was introduced during the procurement process in recognition of the scale and complexity of the programme. The performance commitment sought to maximise the value from the appointment of the Competitively Appointed Provider through a DPC procurement and obtain the most efficient cost for the delivery of the project; and was put in place for the duration of the procurement stage only. The procurement process resulted in the announcement of a preferred bidder in January 2025. The outperformance payment is determined by applying the incentive rate to the Value for Money achieved (reviewed by Ofwat) up to a maximum payment of £14 million.

#### Performance summary

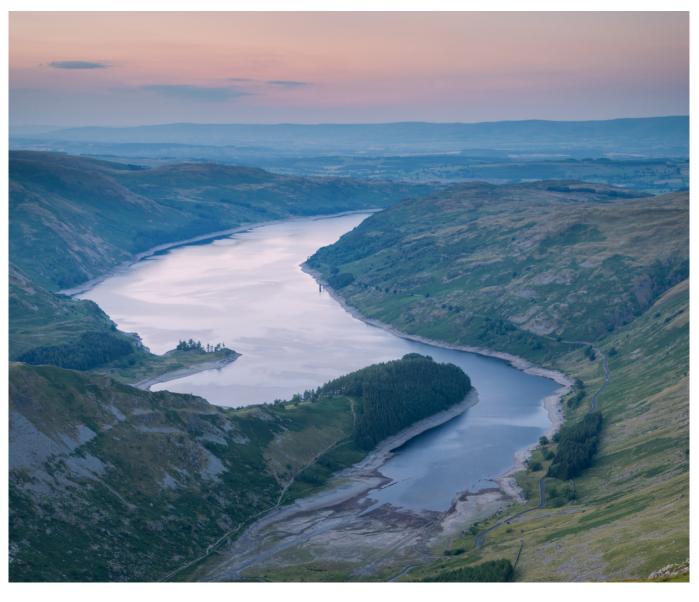
The Full Business Case submission was made in December 2024 and in January 2025 we announced the preferred bidder for delivery of the HARP scheme. This was an important milestone in the procurement of the HARP scheme and allowed us to calculate the pre-procurement incentive. The achievement of this milestone meant that the year five target associated with this performance commitment has been met. The outcome of this performance commitment is subject to the contract subsequently being awarded. The procurement process is currently in its final stage of financial close.

#### Financial implications

This performance commitment is subject to outcome delivery incentives for outperformance only. The outcome of the Value for Money assessment results in an outperformance payment of £5.320m. See Appendix 3 for further details.

### Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.





## Collect and recycle wastewater

Customers rightly prioritise the removal of wastewater as a discreet service which should not interfere with their day-to-day lives. Operational issues such as blockages are the principal cause of incidents of surcharging drainage systems, which can lead to flooding and pollution incidents. There is strong customer and stakeholder support for reducing both flooding and pollution incidents which we will achieve through innovative technologies and planned programmes to proactively manage our risks.

#### How have we done?

We passed both of the two performance commitments that support this outcome. This resulted in a net outperformance payment of £2.106 million. We recorded a total of 1,025 sewer collapses, which, when normalised per 1,000km of sewer length, equates to a performance level of 12.93. This is better than our performance commitment of 13.07 per 1.000km of sewer.

This positive performance is supported by the proactive approach we have embedded through new technology, our operating model and increased technical verification of each individual incident.

For sewer blockages, we recorded 17,819 incidents. This is our best ever performance and beats our performance commitment of no more than 19,320 incidents. When our performance over AMP7 is normalised, to date we estimate that we are industry leading in this measure.

For both measures, we continue to develop and implement a wide variety of schemes and initiatives to improve our performance.

Performance commitment	Actual performance Year five	Impact	Value (£m)
F01 – Sewer collapses	12.93	-	-
F02 – Sewer blockages	17,819	Outperformance payment	2.101
Collect and recycle wastewater net position	2/2 achieved		2.101





## Sewer collapses

### Performance commitment description

This common performance commitment measures the number of sewer collapses per 1,000 kilometres of sewer. This measure seeks to reflect failure due to structural weakness in our assets, which cause an impact on service to customers or the environment. The measure discounts proactively identified collapses, collapses caused by third-party damage, manhole damage and internal backdrops. Displaced joints, cracked or fractured pipes, open joints, intruding connections, minor pipe breaks and hard blockages do not reflect significant structural failure, hence are excluded from the measure.

#### Performance summary

In year five, we recorded a total of 1,025 sewer collapses, which, when normalised per 1,000 kilometres of sewer length, equates to a performance level of 12.93. This is better than our performance commitment of 13.07 per 1,000 kilometres of sewer. We have passed this performance commitment throughout AMP7.

We continue to realise the benefit of our Dynamic Network Management (DNM) operating model. Through our innovative use of monitors, and a dedicated offline team reviewing information, this model enables us to understand where there is deviation from the standard operation of the network. This allows us to identify and proactively prevent potential collapses before they have an impact on customers, and, in turn, benefits the overall performance improvement we have seen in AMP7.

We have enhanced our incident guidance for our operational teams and have robust processes in place to ensure each incident is separately verified by our drainage engineers and internally audited to improve the quality of information. This enables us to better understand asset performance, the potential causes of collapses and inform future strategies.

Where collapse incidents do occur, we promote 'no-dig' techniques for repairing sewers, minimising disruption to our customers. We have implemented a wide variety of schemes and initiatives to improve our collapse incident performance, and improving collapse performance remains a significant area of innovation for United Utilities.

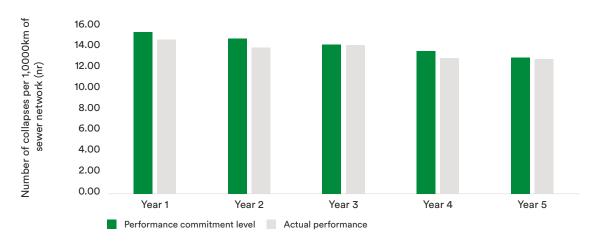
#### Financial implications

This performance commitment is subject to an outcome delivery incentive for underperformance only. In year five, we outperformed our performance commitment and, therefore, we incur no underperformance payment.

#### Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

## Actual performance for the 'Sewer collapses' performance commitment - lower is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	15.51	14.77	Pass
Two	2021/22	14.90	14.01	Pass
Three	2022/23	14.29	14.27	Pass
Four	2023/24	13.68	13.01	Pass
Five	2024/25	13.07	12.93	Pass



## Sewer blockages

#### Performance commitment description

This is a bespoke measure adopted from Ofwat's asset health list. Sewer blockages in AMP6 were a sub-measure of our network performance index, but are now a standalone measure in AMP7. A blockage is defined as an obstruction in the sewer that has been reported and cleared. Blockages resulting from third-party interference are included. This measure does not include proactively cleaned silt or other blockages that are removed which are not reported to us by customers or stakeholders and have no customer impact.

#### Performance summary

Our blockages performance of 17,819 incidents is a continuation of our year-on-year improvement and beats our performance commitment of no more than 19,320 incidents. This is our best ever performance and when normalised, we estimate we are industry leading to date in this measure with a reduction in blockages of over 21 per cent over AMP7.

In year five, we have seen the benefits of investment in our Dynamic Network Management (DNM) model, with our in-sewer monitors telling us when blockages are forming, allowing our dedicated blockage teams to proactively attend site to resolve the issue before a customer experiences a service interruption and needs to contact us. During 2024/25, more than 60 per cent of proactively identified blockages were from our DNM outputs, allowing our teams to target c.1,500 potential blockages.

We continued with a wide variety of schemes and initiatives to improve our performance including the implementation of a regional blockage plan focusing on increased customer engagement. We used the impactful 'Stop the Block!' identifier to badge our communications campaign activities in raising awareness of 'what not to flush/pour', and worked closely with c.240 food service establishments (FSEs) to install grease removal equipment to remove fats, oils and grease at the source and reduce the risk of blockages.

The impact of our awareness campaigns and blockage reduction is difficult to quantify. The proportion of blockages caused by customer misuse remains at 63 per cent for 2023/24 and 2024/25, indicating that campaigns delivered earlier in AMP7 have had a continued impact on customer behaviour since they were delivered.

Overall blockages in our existing assets have reduced over the long term and the proportion of blockages from transferred assets remains stable. Transferred assets were in varying degrees of asset condition when transferred to us from private ownership in 2011; they are, typically, smaller in diameter, meaning that they are more prone to blockages, and are subject to a higher percentage of blockage incidents due to customer misuse.

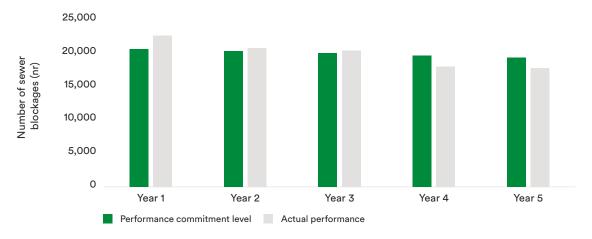
#### Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we passed our target. Our performance means that we generate an outperformance payment of £2.106 million.

## Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

## Actual performance for the 'Sewer blockages' performance commitment – lower is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	20,664	22,674	Fail
Two	2021/22	20,328	20,765	Fail
Three	2022/23	19,992	20,318	Fail
Four	2023/24	19,656	17,986	Pass
Five	2024/25	19,320	17,819	Pass



## The risk of sewer flooding for homes and businesses is reduced

Sewer flooding is one of the worst service failures that customers can experience and we understand the significant long-term impact flooding can have on customers in the North West. Customers want us to reduce flooding incidents and our long-term aspiration is to eliminate internal flooding incidents.

#### How have we done?

We have successfully achieved three out of the six performance commitments that support this outcome, resulting in a net underperformance payment of £14.252 million.

We recorded a total of 1,218 internal sewer flooding incidents, which, when normalised per 10,000 connections, equates to a performance level of 3.48. We recorded a total of 7,365 external sewer flooding incidents against our performance commitment of 6,106. Both of these outcomes were worse than the level targeted in the relevant performance commitments.

In year five, there has been a high number of Met Office named storms that have impacted the flooding performance. Despite these challenges, we have achieved almost a 20 per cent reduction in internal flooding from the previous year.

To reduce the number of flooding incidents, we have implemented a wide variety of schemes. These include the deployment and development of our Dynamic Network Management (DNM) operating model, our successful customer engagement campaigns, enhanced incident targeting and management of surface water and new development.

We have seen another year of positive performance in raising customer awareness, due to our continued promotion of impactful messaging to customers. This includes our 'Stop the Block!' campaign and our sponsorship of ITV Granada/Border weather bulletins, with adverts illustrating preferred customer behaviour of putting wet wipes and used cooking oils/fats in the bin. The result of these campaigns is a 76.7 per cent customer awareness score, which is 51.5 per cent above our baseline and 41.5 per cent above the level required by the performance commitment.

Under our two hydraulic flood risk resilience measures, we delivered a range of projects. These include major capital schemes, smaller hydraulic projects and cellar disconnections. These projects contributed to a reduction in the hydraulic internal risk score, which means that, in real terms, fewer customers will experience flooding at their properties as a result of hydraulic inadequacy.

	Actual performance		
Performance commitment	Year five	Impact	Value (£m)
G01 – Risk of sewer flooding in a storm	14.36	Reputational	-
G02 – Internal flooding incidents	3.48	Underperformance payment	-14.447
G03 – External flooding incidents	7,365	Underperformance payment	-9.699
G04 – Customer awareness of the risk of flooding	51.5	Outperformance payment	3.569
G05 – Hydraulic internal flood risk resilience	39.24	Outperformance payment	6.972
G06 – Hydraulic external flood risk resilience	181.13	Underperformance payment	-0.647
The risk of sewer flooding for homes and businesses is reduced net position	3/6 achieved		-14.252



## Risk of sewer flooding in a storm

## Performance commitment summary

This is an industry common measure to understand the percentage of the population at risk of internal flooding resulting from hydraulic sewer flooding in a 1-in-50 year storm, based on modelled predictions. We use 2D models to calculate performance. A property is considered affected if modelled flooding from a manhole or gully reaches the actual property building. An occupancy rate is then applied to the affected property to determine the population equivalent. A reduction in the percentage of population at risk signifies an improvement in performance. This measure is not incentivised through outperformance or underperformance payments and so is a reputational only measure.

### Performance summary

This year, we have seen the percentage of population at risk of hydraulic internal sewer flooding in a 1-in-50 year storm decrease to 14.36 per cent. This performance is 0.66 per cent better than our performance commitment level of 15.02 per cent.

Performance under this measure is a function of both changes in population and modelled flood risk, together with the underlying accuracy of our models. Any new development built on areas that are already prone to flooding may impact this modelled performance. We continue to invest in and improve our modelling capability to increase our understanding of the population at risk of flooding.

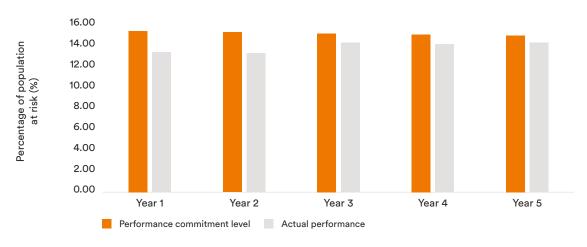
#### Financial implications

This performance commitment is only subject to a reputational based incentive and there are no financial implications associated with either underperformance or outperformance.

### Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Risk of sewer flooding in a storm' performance commitment – lower is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	15.44%	13.42%	Pass
Two	2021/22	15.33%	13.35%	Pass
Three	2022/23	15.22%	14.33%	Pass
Four	2023/24	15.12%	14.20%	Pass
Five	2024/25	15.02%	14.36%	Pass



## Internal flooding incidents

#### Performance commitment description

This is an industry common measure that measures the number of internal flooding incidents per 10,000 connections per year. Internal flooding is defined as flooding that enters a building or passes below a suspended floor. In this context, buildings are defined as those, normally, used for residential, public, community, commercial, business or industrial purposes. Severe weather incidents are included in this measure. Performance improvements are shown by reductions in the number of incidents. As a common measure, the reporting methodology is consistent with the industry definition at the time of reporting. Damp patches caused by seepage through walls or floors, or those due to surface water run off that has not originated from a public sewer, but which inundates the wastewater network, are excluded from the measure.

#### Performance summary

In year five, we recorded a total of 1,218 internal flooding incidents, which, when normalised per 10,000 connections, equates to a performance level of 3.48. This is worse than our performance commitment of 1.34 per 10,000 connections (equivalent to 500 incidents).

Whilst it is disappointing not to achieve the performance commitment, we continue to develop and implement a wide variety of schemes and initiatives to improve our internal flooding performance. These include our successful customer engagement campaigns, enhanced incident targeting, increased mitigation and protection of properties, management of surface water and development, and dedicated blockage teams to respond to incidents faster.

These initiatives are supported by enhancements in the way we operate, most notably the continued deployment and development of our Dynamic Network Management (DNM) operating model. Under DNM, our in-sewer monitors tell us when issues are forming, allowing our teams to proactively attend site to resolve the issue before a customer experiences a service interruption and needs to contact us. We estimate that this has prevented c.140 internal flooding incidents.

In addition, we acknowledge that year five has been impacted by wet weather concentrated over areas susceptible to flooding, particularly in

Greater Manchester. This year there were significant Met Office named storm events during May and again at the very end of December. On New Year's day a major incident was declared in Manchester. These peak rainfall events have meant our hydraulic flooding incidents have been higher than usual with 22 per cent of total incidents attributed to three days of rainfall. In the North West, we recognise that we remain disproportionately, susceptible to severe weather. The region has a combination of exogenous factors, including c.40 per cent higher than average urban rainfall and the highest proportion of combined sewers in the industry. These factors increase internal flooding risk relative to other operating regions.

As described later in this section, our 'Hydraulic Flood Risk Resilience' measure (G05), focuses on reducing hydraulic flooding. Since the start of AMP7, we have completed a mix of capital and small project work across our region, ranging from upsizing of sewers and the construction of storm tanks to disconnecting low level property drainage to our sewer network and installing pumped solutions. In doing so, we have reduced or removed risk of internal flooding to c.100 customer properties, many of which flooded multiple times. These properties, combined with removed or reduced risk at properties with external flooding collectively, accounted for c.14 per cent of the hydraulic flooding incidents seen by UUW over the past ten years.

We have actively managed first-time flooded properties to reduce risk of repeat incidents. Over AMP7 we have installed c.1,300 flood mitigation devices, such as flood barriers or non-return valves. These devices help to reduce the risk of future flooding

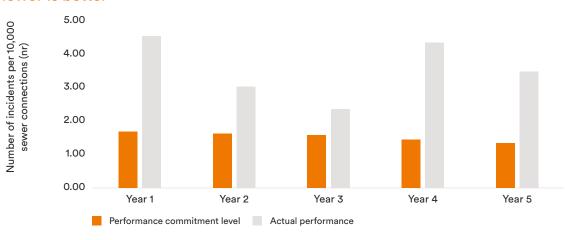
#### Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we failed our target. Our performance means that we incur an underperformance payment of £14.447 million.

### Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Internal flooding incidents' performance commitment – lower is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	1.68	4.55	Fail
Two	2021/22	1.63	3.03	Fail
Three	2022/23	1.58	2.36	Fail
Four	2023/24	1.44	4.35	Fail
Five	2024/25	1.34	3.48	Fail



## **External flooding incidents**

#### Performance commitment description

This bespoke performance commitment was selected from Ofwat's list of asset health metrics and measures the number of external flooding incidents. An external flooding incident is defined as flooding within the curtilage of a building normally used for residential, public, community or business purposes. It includes any buildings in those curtilages that do not comply with the definition used for internal flooding. Performance improvements are shown by reductions in the number of incidents. The measure discounts flooding that does not affect the curtilage of a property (e.g. roads and fields). Flooding due to surface water run-off, which has not originated from a public sewer, but which inundates the wastewater network, is also excluded from the measure.

#### Performance summary

In year five, we recorded a total of 7,365 external flooding incidents. This was worse than our performance commitment target for the year of 5,859 incidents.

We are seeing the benefits of our Dynamic Network Management (DNM) operating model, we estimate in year five that this proactive early warning system alerted us to around 2,500 potential blockages. In investigating and clearing the blockages that we found, we estimate that we have prevented around 550 external flooding incidents.

We have continued the implementation of our flood mitigation programme, protecting more properties against flooding (mostly flooding caused by hydraulic factors). We have installed over 1,300 flood mitigation devices over AMP7, such as flood barriers and non-return valves significantly reducing the risk of repeat flooding.

In addition to this we are actively engaging with customers to reduce blockages and are working in partnership with other stakeholders to manage surface water in a more sustainable way to reduce the risk of flooding.

We have reduced the risk of external flooding at c.53 customer properties as part of the hydraulic external flood risk resilience measure, many of which were at risk of flooding multiple times. See page 90 for more information

In year five we experienced multiple Met office named storm events over urban areas susceptible to flooding which has led to a challenging year for our wastewater network. Our hydraulic flooding incidents have inevitably been higher than usual, and our overall performance has been detrimentally affected, when compared with previous years.

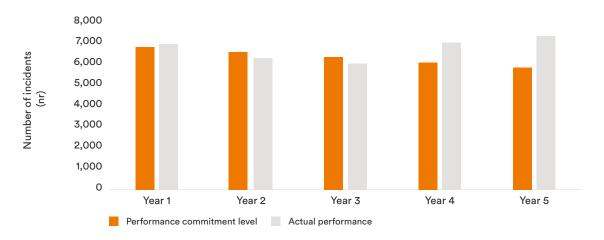
#### Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we failed our target. Our performance means that we incur an underperformance payment of £9.699million.

### Reporting and assurance requirements

Whilst there are no specific reporting and assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

# Actual performance for the 'External flooding incidents' performance commitment – lower is better



AMP7 Year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2020/21	6,845	6,990	Fail
Two	2021/22	6,599	6,320	Pass
Three	2022/23	6,352	6,057	Pass
Four	2023/24	6,106	7,063	Fail
Five	2024/25	5,859	7,365	Fail



## Customer awareness of the risk of flooding

#### Performance commitment description

This bespoke measure assesses the delivery of a change in customer awareness and aims to change behaviour with regard to items that should not be flushed down the toilet or poured down the drain. We measure performance against a baseline of 25.2 per cent set in 2019/20.

Awareness is scored using three questions:

- Have you seen or heard any information about what you should not flush?
- Have you seen or heard any information about what you should not pour?
- Do you recall seeing the following advertising? (Examples provided at time of survey.)

Performance through the period 2020 to 2025 is tracked using an independent customer research organisation to conduct the survey three times a year, to monitor changes in customer awareness. Performance improvements are shown by an increase in the awareness measured from the baseline.

### Performance summary

We ended the year with 76.7 per cent awareness, which is 51.5 per cent over our baseline and 41.5 per cent over the year five performance commitment level.

Over the course of AMP7, we have developed and refined our communications campaign activities to raise awareness of 'what not to flush/pour'. We have used the impactful 'Stop the Block!' identifier to badge our campaign collateral to drive consistency and memorability.

We use a range of media channels to reach customers across the North West. Campaigns tend to comprise:

- radio adverts focusing on blockages caused by wet wipes and by fats, oils and greases (FOG);
- press adverts focusing on blockages caused by wet wipes and by FOG;

- social media posts highlighting the impact of blockages caused by wipes and FOG;
- digital adverts focusing on blockages caused by wet wipes and by FOG on YouTube, Google Display Network and In App;
- media streaming adverts focusing on blockages caused by wet wipes and FOG; and
- video content on the digital display screens on United Utilities vehicles.

To support our regional campaigns, we continue to sponsor the ITV Granada/Border weather bulletins, where we have adverts illustrating preferred customer behaviour to reduce the risk of blockages.

In addition to regional activities, we carry out targeted 'hotspot' campaigns in locations with a high incidence of customer-behaviour related blockages. These local campaigns aim to reach customers in the community through a variety of channels, for example, social media, leaflet drops, educational sessions at primary schools, customer events, engagement with the local council and housing associations.

We are confident that these campaigns are effective and we have experienced a reduction in blockages related to customer misuse by more than 25 per cent since 2020/21. This equates to an overall incident reduction of more than 4,000.

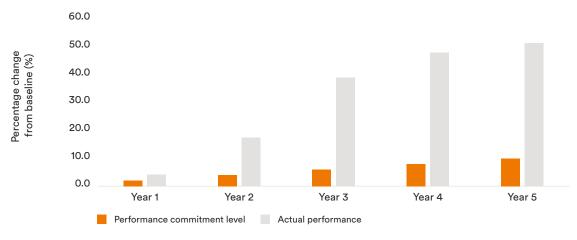
#### Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we exceeded our target. Our performance means that we earn an outperformance payment of £3.569 million.

#### Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Customer awareness of the risk of flooding' performance commitment – higher is better



AMP7 Year	Performance period	Performance commitment		Pass/Fail
One	2020/21	2.0%	4.1%	Pass
Two	2021/22	4.0%	17.4%	Pass
Three	2022/23	6.0%	39.0%	Pass
Four	2023/24	8.0%	48.1%	Pass
Five	2024/25	10.0%	51.5%	Pass



## Hydraulic internal flood risk resilience

#### Performance commitment description

The aim of this bespoke measure is to reduce the flood risk to customers from internal hydraulic flooding and, particularly, those who are impacted by repeat incidents. It will measure the modelled flooding incident reduction at known flooding properties following the construction of permanent solutions that will improve the resilience of the drainage system serving the customers in the North West. Performance improvements are shown by reductions in the number of modelled incidents.

Interventions to provide, or free up, additional hydraulic capacity include sewer upsizing, online or offline storage, flow transfer, surface water removal (including green infrastructure solutions) and physical disconnection from a surcharging sewer.

#### Performance summary

The original baseline level of modelled risk at the end of AMP6 was calculated as 61.04. Since then, additional risk has been added to the underlying position, as further properties that are subject to repeat hydraulic flooding are verified following an incident. These additional properties are known as 'arisals'. These arisals increased the risk by a score of 9.89 to an overall position of 70.92.

To combat the baseline risk and increased risk from arisals, a range of projects have been completed over the AMP. These include major capital schemes, smaller hydraulic projects and cellar disconnections. In year five, these projects positively impacted c.100 customer properties and reduced the risk score by 31.69, taking it down from 70.93 to 39.24. against our performance commitment of 56.04. This level of risk reduction means that, in real terms, fewer customers will experience internal flooding at their properties as a result of hydraulic inadequacy.

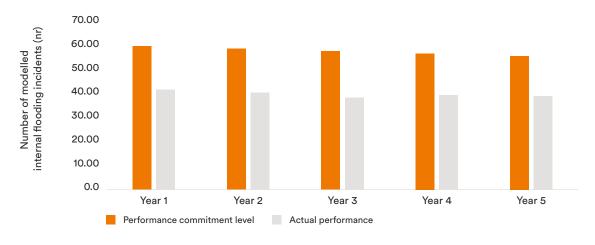
### Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we exceeded our target. Our performance means that we earn an outperformance payment of £6.972 million.

#### Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Hydraulic internal flood risk resilience' performance commitment – lower is better



AMP7 Year	Performance period	Performance commitment		Pass/Fail
One	2020/21	60.04	41.84	Pass
Two	2021/22	59.04	40.61	Pass
Three	2022/23	58.04	38.49	Pass
Four	2023/24	57.04	39.57	Pass
Five	2024/25	56.04	39.24	Pass



## Hydraulic external flood risk resilience

#### Performance commitment description

The aim of this bespoke measure is to reduce the flood risk to customers from external hydraulic flooding, particularly those who are impacted by repeat incidents. It measures modelled flooding incident reduction at known flooding properties following the construction of permanent solutions that will improve the resilience of the drainage system serving customers in the North West. Performance improvements are shown by reductions in the number of modelled incidents.

Interventions to provide, or free up, additional hydraulic capacity include sewer upsizing, online or offline storage, flow transfer, surface water removal (including green infrastructure solutions) and physical disconnection from a surcharging sewer.

### Performance summary

The original baseline level of modelled risk at the end of AMP6 was calculated as 276.06. Since then, additional risk has been added to the underlying position, as further properties that are subject to repeat hydraulic flooding are verified following an incident. These additional properties are known as 'arisals'. These arisals increased the risk by a score of 29.57 to an overall position of 305.6

To combat the baseline risk and increased risk from arisals, a range of projects have been delivered over the AMP. These include major capital schemes and smaller hydraulic projects. These projects have positively impacted 53 customer properties and reduced the risk score by a total of 124.50, taking it down to 181.13.

Despite the delivery of these projects and the positive benefits, hydraulic external flood risk in year five was worse than the performance commitment level for the first time in AMP7.

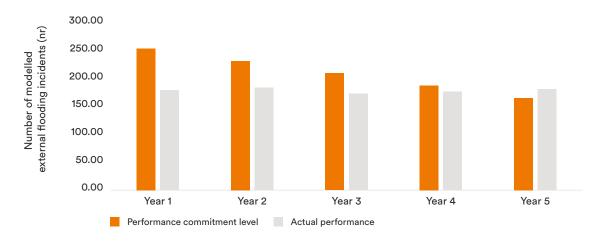
## Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year five, we failed our target. Our performance means that we incur an underperformance payment of £0.647 million.

#### Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR19 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

# Actual performance for the 'Hydraulic external flood' performance commitment – lower is better

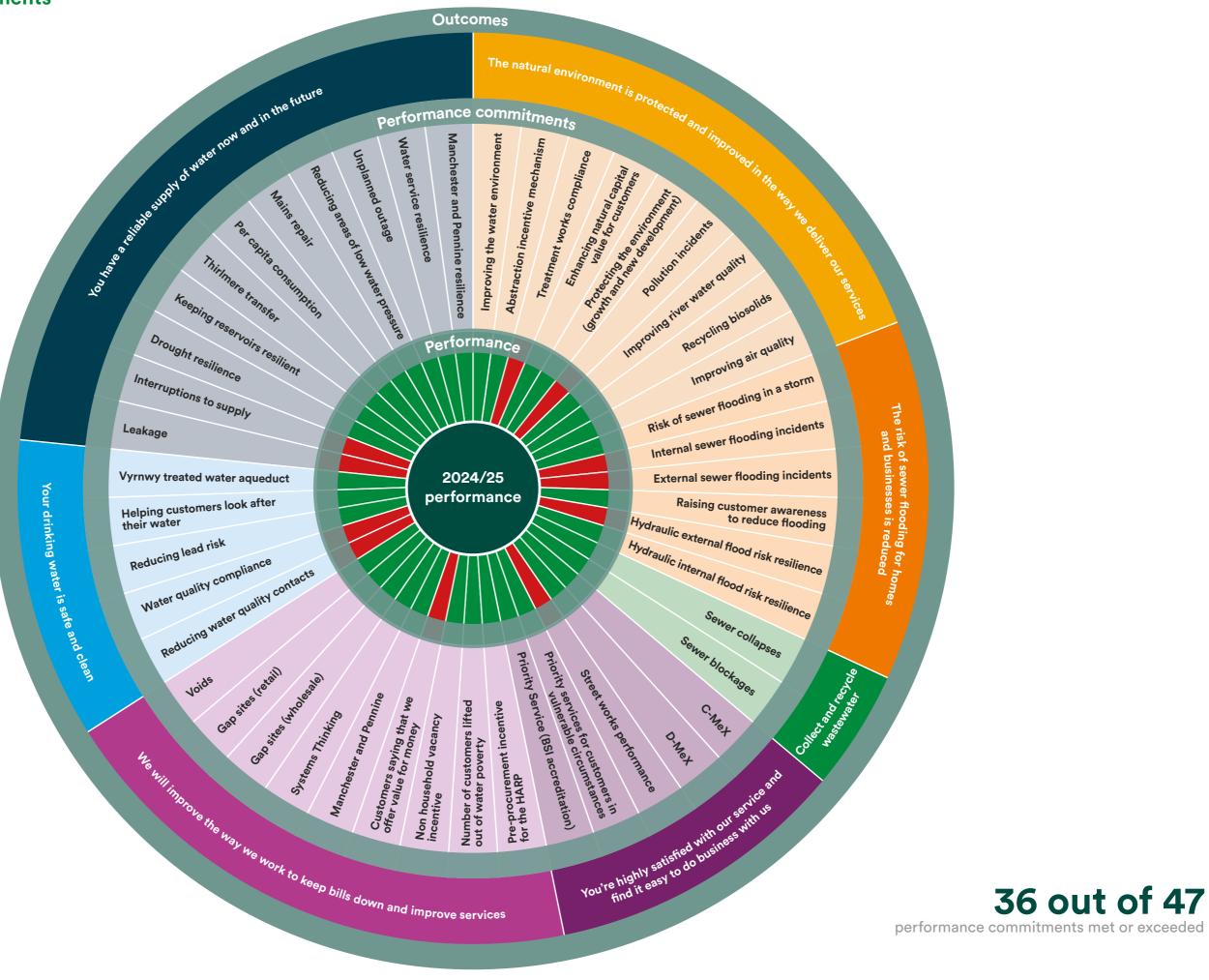


AMP7 Year	Performance period			Pass/Fail
One	2020/21	254.53	179.84	Pass
Two	2021/22	232.33	184.04	Pass
Three	2022/23	210.13	173.30	Pass
Four	2023/24	187.93	177.47	Pass
Five	2024/25	165.73	181.13	Fail

# **Delivering our commitments**

## Year five performance

This diagram shows our seven outcomes and the 47 performance commitments that underpin them. We have met or outperformed 36 of these performance commitments in year five (77 per cent). This earns an overall net outperformance payment of £10.714 million. This strong performance demonstrates our commitment to delivering what matters to customers and communities, both now and into the future.



Key:

Performance commitment not met

Met or exceeded performance commitment

# 1.1 Outcome delivery

#### Reconciliation models

For each price control period, Ofwat provides a series of reconciliation models. The outputs from these models are used to inform adjustments required to allowed revenue for each price control across the 2020–25 period. These adjustments reflect company performance, costs and revenue over the period and the differences compared to the price control assumptions made prior to the period.

The PR19 reconciliation mechanisms for AMP7 are used to cover the following:

- In-period revenue adjustments;
- End-of-period revenue adjustments and;
- Regulatory Capital Value (RCV) adjustments applied prior to the start
  of the next control period.

In year five of AMP7, as seen in the above graphic, we have met or outperformed 77 per cent of our performance commitments. Many of these performance commitments have a financial incentive attached. These are reconciled either at the end of each year (in-period) or at the end of the AMP (end-of-period). This reconciliation then informs whether an in-period or end-of-period adjustment is required:

In-period adjustment – For most of our performance commitments the outperformance and underperformance payments generated as a result of our performance will be added up at the end of each financial year. This year if we are in an overall outperformance position there will be a corresponding increase to customer bills in AMP8. If we are in an overall underperformance position, customer bills will be reduced in AMP8. The level of these adjustments are reviewed and the company can propose to amend the profile if this would provide a more acceptable bill trajectory for customers.

End-of-period adjustment – For a small number of our performance commitments, we will measure and report our performance across the full five years of AMP7 and calculate if we have beat or failed our targets at the end of the AMP. Any underperformance and outperformance payments generated from these performance commitments will be adjusted in customer bills in AMP8.

The in-period determination process for outperformance and under performance payments relating to 2024/25 is different from that used in previous years. Adjustments to revenue for performance have already been made through the PR24 process, based on predicted performance for 2024/25. Financial incentive payments were included in final determination price controls and reflected in customer bills in AMP8.

Where there is variation between our actual performance in 2024/25, relative to the predicted performance previously assumed, an adjustment is applied through a separate mechanism known as a 'blind year adjustment'. This adjusts revenues in 2026/27 so that they correct for any variation between expected and actual performance. The information needed for the blind year adjustment has been provided to Ofwat alongside this APR

## ODI performance reconciliation model

We input our actual performance for each performance commitment for year five into the ODI performance reconciliation model. This model then assesses whether our performance is above or below the performance commitment level (and/or deadband where applicable) and applies the relevant outperformance or underperformance incentive rate attached to that performance commitment.

The ODI calculation for the majority of these performance commitments follows the standard format (as seen below):

(A - B) \* C

Where A represents actual performance, B is the performance commitment level and C is the incentive rate.

The outperformance or underperformance payment calculated for each performance commitment is then allocated to the relevant price control (as per the updated Outcomes Performance Commitment Appendix from the final determination, which can be found at:

ofwat.gov.uk/wp-content/uploads/2023/02/Consolidated\_PR19\_ final\_determinations\_Outcomes\_performance\_commitment\_ United Utilities-1.pdf

Some outperformance and underperformance payments are calculated by a non-standard approach to the ODI calculation. Please see Appendix 3 for more information.

A copy of this model has been submitted to Ofwat for review. Based on our calculations, the model output outperformance payment for ODIs for the 2024/25 reporting period is £1.957 million in 2017/18 prices. At PR24 we predicted an outperformance payment of £58.733 that has already been included in allowed revenues for AMP8. Therefore, an adjustment of £56.778 million equal to the difference between actual and predicted performance will be applied to 2026/27 revenues via the 'blind year adjustment' process.

#### C-MeX Reconciliation Model

We expect to achieve eight in the C-MeX table for water companies so are, therefore, eligible for a standard outperformance payment. The incentive rate is calculated as:

(UU's C-MeX score – median)\* (6 per cent/top C-MeX score of all companies in the reporting year – median)

This is then multiplied by our allowed revenue for the Residential Retail price control in the 2024/25 period to calculate the overall ODI.

The outperformance payment for our C-MeX performance for the 2024/25 reporting period is £1.832 million in 2017/18 prices. A predicted C-MeX outperformance payment for 2024/25 was not included in PR24, therefore the full amount of £1.832 will be applied to 2026/27 revenues via the 'blind year adjustment' process.

#### **D-MeX Reconciliation Model**

We expect to achieve fourth in the D-MeX table for water companies so are therefore eligible for a standard outperformance payment. The incentive rate is calculated as:

(UU's D-MeX score – median)\* (6 per cent/top D-MeX score of all companies in the reporting year – median)

This is then multiplied by our actual Developer Services revenue for both Water Network Plus and Wastewater Network Plus price controls in the 2024/25 period to calculate the overall ODI.

The outperformance payment for our D-MeX performance for the 2024/25 reporting period is £0.847 million in 2017/18 prices. A predicted D-MeX outperformance payment for 2024/25 was not included in PR24, therefore the full amount of £0.847 will be applied to 2026/27 revenues via the 'blind year adjustment' process.

#### **Net incentives**

After these reconciliation models are completed, the net incentive for 2024/25 to be applied to 2026/27 revenues is a £2.679 million outperformance payment in 2017/18 prices.

## In-period Adjustments Reconciliation Model

This model is used to calculate adjustments to allowed revenues to reflect net ODI outperformance with a two year lag, for example allowed revenues for 2024/25 reflect net ODI outperformance for 2022/23 and allowed revenues for 2026/27 will reflect net ODI outperformance for 2024/25.

## Revenue Forecasting Incentive Model

This model applies an additional revenue adjustment to take into account any revenue under or over-recovery for the Water Resources, Water Network Plus and Wastewater Network Plus price controls with a two-year lag. For example, allowed revenues for 2024/25 reflect revenue variances from 2022/23 and allowed revenues for 2026/27 will reflect revenue variances from 2024/25. The model also applies a financial penalty if the difference between actual and allowed revenues is greater than 2 per cent.

#### Bioresources Revenue Reconciliation model

This model applies an additional revenue adjustment to take into account any revenue under or over-recovery for the Bioresources price control with a two-year lag. For example, allowed revenues for 2024/25 reflect revenue variances from 2022/23 and allowed revenues for 2026/27 will reflect revenue variances from 2024/25. The model also adjusts allowed revenues to take into account that actual volume of sludge treated relative to volumes forecast at the previous price review. A financial penalty is applied if the difference between actual and forecast sludge volumes over the AMP is greater than 6 per cent.

respectively in 2017/18 prices. However, at PR24 we predicted an outperformance payment of £58.733 million for ODIs that has already been included in allowed revenues for AMP8. Therefore, a total net reduction of £54.099 million, in 2017/18 prices, is to be applied to 2026/27 revenues via the 'blind year adjustment' process.

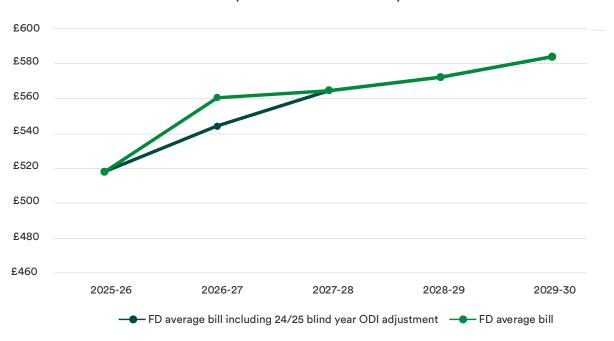
We anticipate that this net reduction in revenues will result in a reduction in average household bills of approximately three per cent (£20 in nominal terms) relative to the forecast average bill of £597 for 2025/26.

The chart below shows the bill profile as per the final determination (FD) with an additional line showing the impact of the 2024/25 blind year adjustment for ODI performance on bills.

#### **Bill impact**

Outperformance payments for ODIs, C-MeX and D-MeX for the 2024/25 reporting period are £1.957million, £1.832 million and £0.846 million

# AMP8 FD average bills including 2024/25 blind year ODI adjustment (2022/23 CPIH deflated)



#### Introduction and performance summary

This section provides information about our greenhouse gas (GHG) emissions and our performance in managing them. In 2024/25 we have reduced our overall emissions across scopes 1, 2 and 3. It continues to be challenging for us to reduce emissions with a rapidly increasing population in the North West and investment in new infrastructure and technologies to further treat water and address other environmental concerns.

#### Improvements in 2025

We continue to develop our approach for estimating emissions from our supply chain, including our capital programmes. For example, this year we have made a step change in our estimation methodology for emissions from chemicals. Last year we moved to a volume-based approach to estimate emissions from chemicals, using product-specific emission factors, and this year we have begun to allocate to water and wastewater areas rather than assuming an equal split between each service.

Industry leadership: We co-chair the Water UK carbon network and are part of a team who lead net zero research across the industry. For instance exploring and testing what operational interventions can be made to reduce process emissions. Having initiated and led a water industry 'task and finish' project in 2024 to understand and quantify the GHG emissions related to chemicals, we delivered additional training to less experienced carbon accounting colleagues in other companies.

We were also key participants in the development of the latest version (v19) of the Carbon Accounting Workbook (CAW) and have been involved from specification of the requirements, through selection of the company and tool, to being a super user in the user acceptance testing.

## Transparent and robust reporting disclosures

Since 2006, we have estimated, measured and reported our GHG accounts in the United Utilities Group PLC Annual Reports and Financial Statements.

We were an early adopter of the guidance published by the Taskforce on Climate-related Financial Disclosures (TCFD) and our climate-related disclosures can be found in our United Utilities Group PLC Annual Report and Financial Statements (ARFS) each year. Our report includes the implications of climate change for governance, strategy, risk and metrics and targets. It covers risks, performance and plans on reducing emissions (climate mitigation) and preparing for climate change (adaptation).

#### Understanding our GHG emissions

Our emissions footprint is calculated by estimating the individual GHG that result from all United Utilities' activities, converted into a carbon dioxide equivalent  $tCO_2e$ .

- Direct emissions, known as scope 1 emissions, are those from activities we own or control, including those from our treatment processes, company vehicles, and burning of fossil fuels for heating.
- Indirect emissions, known as scope 2 and 3 emissions, result from
  operational activities we do not own or control, but which we can influence
  to varying degrees. These include emissions produced as a consequence of
  electricity we purchase to power our activities (scope 2) and other indirect
  emissions such as those from the products and services we buy (scope 3).
- We avoid emissions by purchasing and exporting renewable energy.

## Best practice standards and framework

Our GHG accounting is aligned to the 2015 GHG Protocol Corporate Accounting and Reporting Standard and the 2019 UK Government Environmental Reporting Guidelines, including the requirements for Streamlined Energy and Carbon Reporting (SECR). We comply with the international carbon reporting standard ISO 14064, Part 1:2018. Since 2019/20 we have reported all relevant(1) emissions from scopes 1, 2 and 3 of the GHG Protocol, including a comprehensive scope 3 inventory.

(1) Categories deemed relevant as per the five principles of scope 3 GHG accounting and reporting as per GHG Protocol Corporate Value Chain Accounting Reporting Standard which can be found at the following link www.ghgprotocol.org/sites/default/files/standards/Corporate-Valu e-Chain-Accounting-Reporing-Standard\_041613\_2.pdf

## Third party verification and assurance

Our GHG inventory, including all the underlying energy data, has had independent third party verification by Achilles Group and is certified to the requirements of the Toitu carbon reduce programme. Our latest assurance certificate and report can be found on our website.

#### unitedutilities.com/corporate/responsibility/environment/ climate-change

Table 11A and all the underlying data has been audited by Jacobs, our independent technical auditor.

KPMG have included the climate related emissions in their assurance of our integrated annual report and accounts including consistency with the TCFD recommendations, the UK Listing Rules, section 414CA of the Companies Act and latest Financial Reporting Council (FRC) guidance.

## Independent comparison

We consistently perform strongly in a range of sustainability related benchmarks. For example, CDP, which runs an established global environmental disclosure system and sets the standard for environmental transparency and action. In 2024 we achieved CDP leadership scores in both climate change (A list) and water security (A minus) assessments.

We performed strongly in the S&P Global Corporate Sustainability Assessment (previously known as the Dow Jones Sustainability Index) achieving world class on the overall assessment and scored highly in the climate strategy for many years.

#### A 'science-based' approach

We are committed to a science-based approach to tackling climate change. Our modelling for adaptation actions is based on Met Office climate projections and now provides a risk assessment at county rather than just regional basis.

United Utilities was the first UK water company to have mitigation targets approved by the Science Based Targets initiative (SBTi). SBTi is a collaboration that defines and promotes global best practice in science-based target setting. SBTi has assessed and verified our four near-term science-based targets and long-term and net zero science-based targets as aligned to the SBTi Net Zero Corporate Standard.

Our net zero transition plan, first published in our 2023 United Utilities Group PLC Integrated Annual Report, sets out how we will contribute to and prepare for a rapid global transition towards a low emission economy. The plan has four pillars; 'vision and visibility', 'ambition and commitment', 'demonstrating action' and 'beyond here and now', which define our principles, priorities and approach.

#### **Emissions tables**

Scope 1, 2 and 3 GHG emissions resulting from our operations for the financial year 2024/25 are shown in the tables below. We have used the CAW v19 v02.1. This uses Global Warming Potential values for a 100 year time horizon from the IPCC Fifth Assessment Report AR5 throughout and its use ensures consistency with the 2024 UK Government GHG conversion factors for company reporting.

For scope 3 emissions that are not available from the CAW we have used alternative tools and methods. For estimating emissions from capital projects and purchased goods and services (excluding chemicals), we have used an Extended-Environmental Input-Output (EEIO) (CEDA v7). For homeworking and commuting we have used EcoAct models and for the remainder we have used activity data and applied the UK Government conversion factors for company reporting of GHG emissions.

For chemicals and related products, where no publicly available emissions factor exists, we have used either supplier's factors, the emissions factor of a similar product, or omitted from the inventory. We have accounted for in excess of 90 per cent of the weight of chemicals but cannot know if the emissions omitted constitute greater than 10 per cent of the chemicals.

For reporting, we have made best endeavours to provide complete and transparent values. However, we advise caution when comparing the emissions figures published by different companies as approaches may not be consistent. There are different and evolving methodologies, scope boundaries and emission factors. This applies to all areas of reporting but is most apparent in scope 3 emissions where estimating and reporting is comparatively immature. It should be noted that the values reported here cannot be used as an indication of performance against the proposed AMP8 Operational GHGs Performance commitments as both the reporting boundaries and the reference data (emission factors) are different.

Scope 1 emissions	Water (tCO <sub>2</sub> e)	Wastewater (tCO₂e)	Total (tCO₂e)
Burning of fossil fuels	1,235	14,687	15,922
Process and fugitive emissions	35	90,598	90,633
Vehicle transport	4,833	12,952	17,785
Total scope 1 emissions	6,103	118,237	124,340
Scope 1 emissions by GHG: Carbon dioxide (CO <sub>2</sub> )	5,997	27,246	32,243
Scope 1 emissions by GHG: Methane (CH <sub>4</sub> )	2	51,845	51,847
Scope 1 emissions by GHG: Nitrous oxide (N <sub>2</sub> O)	69	38,931	39,000
Scope 1 emissions by GHG: Other types	35	215	250

Scope 2 emissions	Water (tCO₂e)	Wastewater (tCO₂e)	Total (tCO₂e)
Purchased electricity (location-based)	63,974	76,874	140,847
Purchased electricity (market-based)	0	47	47
Electricity for vehicles	14	18	31
Total scope 2 emissions (location-based)	63,987	76,891	140,879
Total scope 2 emissions (market-based)	14	65	78
Scope 2 (location based) Carbon dioxide (CO₂)	62,332	76,104	139,436
Scope 2 (location based) Methane (CH4)	278	334	612
Scope 2 (location based) Nitrous oxide (N <sub>2</sub> O)	377	453	830
Scope 2 (location based) Other types	0	0	0

Water

Wastowator

Total

	Water	Wastewater	lotal
Scope 3 emissions	(tCO <sub>2</sub> e)	(tCO <sub>2</sub> e)	(tCO <sub>2</sub> e)
Category 1: Purchased goods and services			
Excluding chemicals and gases	100,305	100,305	200,609
Chemicals and gases only	23,369	15,779	39,148
Category 2: Capital goods (capital delivery projects – cradle to build)	53,125	53,125	106,250
Category 3: Fuel and energy-related emissions			
Purchased electricity: extraction, production and distribution	21,067	25,316	46,383
Purchased fuels: extraction, production and distribution	1,422	6,398	7,820
Category 4: Upstream transportation and distribution (outsourced sludge transport)	0	8	8
Category 5: Waste generated in operations			
Associated with wastewater treatment and sludge disposal to land)	0	20,080	28,080
Other (not reported in Table 11A)	138.4	138.4	277
Category 6: Business travel			
Public transport, private vehicles	743	751	1,494
Hotel accommodation, (not reported in Table 11A)	4.7	4.7	9.4
Category 7: Employee commuting and home working (not reported in Table 11A)	2,624	2,624	5,248
Total scope 3 emissions	202,798	232,528	435,326

Emissions reductions (location-based)	Water (tCO₂e)	Wastewater (tCO <sub>2</sub> e)	Total (tCO₂e)
Exported renewables	491	2,234	2,726
Exported biomethane	0	8,479	8,479
Other emissions reductions	0	0	0
Green tariff electricity	61,568	70,559	132,127

Note all figures are rounded from data tables, which were presented to 3 decimal places. Any discrepancies in the add up is due to this rounding

### SWOT analysis of operational and embedded emissions

#### Accounting and reporting

Below, we highlight good practice, challenges and areas for innovation through an analysis of the strengths, weaknesses, opportunities and threats (SWOT) relating to the accounting and reporting of our operational, infrastructure and supply chain GHG emissions and on the next page relating to our performance and impact.

#### Strengths

Leadership in GHG reporting and disclosure: We have a strong and long track record of using established frameworks and best practice, evidenced by our 2023 CDP 'A' rating for climate change and 'A-' in water security.

Industry leadership: We co-chair the Water UK carbon network and are part of a team who lead net zero research across the industry. For instance UUW has initiated a water industry 'task and finish' project to understand and quantify the GHG emissions related to chemicals, leading the development of the CAW and delivering training and support to ensure consistent reporting across all UK water companies.

Early adopter of best practice accounting and reporting: For example, dual reporting of market and location-based emissions, SECR, compliance with TCFD recommendations and publishing a company transition plan.

Full scope 3 inventory: We have, annually, reported scope 3 emissions for all relevant categories of the GHG Protocol since 2019/20.

External third-party verification and assurance: Our GHG inventory (including all the underlying energy data) has had independent third-party verification by Achilles Group and has been certified to the requirements of the Toitu CarbonReduce programme (previously the CEMARS programme) since 2012.

Ambitious and verified targets: Our near-term science-based targets have been verified by the globally recognised SBTi to be in line with the global goal for emissions reduction to limit global warming to 1.5°C or well below 2°C. We are the only UK water company to have SBTi verified near-term, long-term and net zero targets.

#### Weaknesses

Global uncertainty: exists in the scientific understanding of how to measure and manage material areas of water industry emissions. For example, in the quantification of treatment process emissions, and in the relatively less mature area of scope 3 emissions, emission factors for chemicals used in treatment and materials used in construction.

Process emissions: are highly variable by process and over time even in the same works and it has become clear that the current standard water sector reporting method is underestimating them. However, this remains the most consistent method available in the short term. Detailed monitoring data of different process types and operating conditions is underway to facilitate improvements of estimation, reporting and control of process emissions. Our net zero enhancement on process emissions will contribute to this work.

Spend-based method: Approximately two thirds of our scope 3 emissions are estimated using annual spend by category and an EEIO inventory (CEDA Global v7). This method is an accepted approach (GHG Protocol) and means we have a completed inventory but it also means less precise and restricts our ability to reflect the impact of management interventions.

#### **Opportunities**

Chemicals: Estimating emissions from chemicals using purchase records and specific emission factors from published life-cycle carbon assessments means we can now target the chemicals with the highest emissions and influence operational and purchasing decisions and research and development investment accordingly.

Water sector collaboration: including companies, regulators, suppliers and investors, could further mature the alignment, accuracy and completeness of measurement and reporting, and its application to shape effective policy and decisions.

Multi-capital value framework: Can enrich decision making, risk understanding and management, and therefore protect and grow value. They provide opportunity for GHG emissions to be quantified and managed with other priorities to secure the most sustainable approaches in the round.

Applying whole-life carbon management frameworks: We are integrating the use of the best practice Publicly Available Specification 2080 (PAS 2080) to help further improve our estimation, reporting and valuation of GHG emissions throughout our decision making.

Industry research: As research projects are published, the CAW methodology could be updated to better reflect the emissions impact of current operational practices. For example, biosolids to land and process emissions monitoring.

#### **Threats**

Regulatory reporting requirements: There has been considerable change regarding the content and definitions of Table 11A and the expectations for annual company reporting over the last three years. As Ofwat continue to look to better understand the industry greenhouse gas emissions and performance of individual companies we expect further change. Consultations on reporting guidance are typically issued in the February of the reporting year with final guidance in early April. This is too late to incorporate any new requirements in the industry estimating and reporting tool, the CAW. We would appreciate the opportunity to work with Ofwat to develop future reporting requirements.

Complexity and influence: Reporting and management of scope 3 emissions is much more complex than for scope 1 and 2 emissions Companies have different influence over different categories of scope 3 emissions but no outright control.

Communication: Effective stakeholder engagement will be essential to aid understanding of changes to reportable emissions as we, and others, further mature the accuracy of accounting and estimation methods. Providing like for like comparisons will be important to be clear on improvements in reporting, compared to genuine change in emissions.

#### Performance and impact

#### **Strengths**

Strong track record: We have reduced scope 1 and 2 GHG emissions by over 70% since 2005/06. In 2024/25, we have reduced our overall emissions across scopes 1, and 2, from both our 2019/20 SBT baseline year and our last reporting year.

**Sludge digestion:** Over half of our wastewater sludge is treated by advanced anaerobic digestion. This results in fewer GHG emissions than traditional approaches, both in the digestion process and from the resultant biosolids when they are recycled to agricultural land.

Action on all main sources of emissions: We are well underway with programmes to green our fleet, improve our land, collaborate with the supply chain and monitor and mitigate our process emissions.

**GHG emissions within decision making:** We are developing and integrating tools and processes which value GHG emissions throughout our planning and decision making.

#### Weaknesses

Spend-based methodology is used to estimate 65 per cent of our scope 3 emissions, meaning that our reports do not fully reflect our management interventions and instead fluctuate with the scale and costs of our investment programme which traditionally follows a five-year cycle of increase and decrease. In AMP8 we are facing large growth pressures associated with delivering environmental commitments for the WINEP and Environment Act. Technology and market developments: are needed to open up more ways to capture, reduce or offset GHGs.

Reducing opportunities for further reductions: Having delivered many of the most financially and technically viable options, identifying and delivering further emission reduction actions becomes increasingly difficult. This year we have seen growth in scope 1 and 2 emissions for the first time in years.

#### **Opportunities**

Water sector collaboration: between companies, regulators, suppliers and investors is needed to enable the effective valuation of GHG emissions throughout planning and decision making to tackle competing policies and drivers, introduce effective incentives, and, thereby, accelerate and sustain emissions reduction alongside other priorities.

Improved estimation methodologies: More primary data and direct measures will enable procurement decisions and management interventions to help minimise the impact of investments within the constraints of growth, demand, resources and cost. For example, our progress this year with chemicals.

Whole life GHG assessments and multi-capital frameworks: enrich decision making and capture more of the benefits from behavioural and nature-based solutions to support the move from capital intensive solutions to those which help address issues at source and offer wider benefits.

Landowners: like United Utilities have potential to inset emissions while also delivering wider benefits, for example by restoring peatland and planting woodland for long-term benefits to GHG emissions, water quality and storage, recreation, and nature.

Collaboration with customers, suppliers and others: can drive innovation, efficiency and answers to complex challenges such as emissions from treating wastewater.

**Net zero enhancement programme:** can help UUW to drive major emissions reductions in our key challenge areas and support our smooth transition to becoming a net zero organisation.

#### **Threats**

Growth pressures and unintended consequences from national policy choices: We face ongoing and substantial new emissions growth pressures outside our control that threaten our ability to achieve net zero and SBTs. New legal and regulatory requirements such as the Environment Act, Industrial Emissions Directive and Farming Rules for Water have unintended consequences in the way they are being enacted through rapid, fixed point and inflexible permitting. This is restricting innovation and forcing large scale capital investment and therefore GHG emissions, both one-off capital emissions and ongoing operational emissions for the life of the new assets and processes. There are further capital and operational growth pressures from extending services to the growing population and adapting assets and services to climate change.

Cost pressures: We have already deployed many of the most commercially attractive options to reduce emissions and further action is therefore increasingly costly.

The stability of peatlands: is threatened by the changing climate. These huge stores of carbon could be released, with peat degradation threatening water quality.

#### Traffic light assessment on reporting of embedded emissions

We have assessed our performance using the guidance provided in RAG 4.13 – Guideline for the table definitions in the annual performance report. We categorise our reporting as Green as we meet 6 out of 7 of Ofwat's reporting criteria.

	Met or	
Ofwat criteria	not met	Supporting evidence
Provision of embedded emissions data as it relates to capital projects (cradle-to-build).  We anticipate good practice in this area being for	Met	We have provided a cradle-to-build estimate of the emissions based on the annual spend for capital projects with our construction services partners and using an Extended-Environmental Input-Output (EEIO) model.
companies to provide cradle-to-gate as well as cradle-to-build based data.		We also estimate our cradle to gate emissions as 75% of the cradle to build.
Clear evidence of external verification and accreditation as it relates to the use of standards and frameworks, and quality of data.	Met	Our GHG inventory (including all the underlying energy data) has had an independent third party verification by the Achilles Group, to the requirements of the CarbonReduce programme including compliance with ISO14064 Part 1. Achilles Group offers CarbonReduce certification under license from Enviro-Mark Solutions Limited (trading as Toitu Envirocare) through the Achilles CarbonReduce programme.
Engagement with more than one recognised standards, frameworks or approach for managing and reporting on embedded emissions.	Met	Our GHG inventory (including all the underlying energy data) meets the requirements of the CarbonReduce programme including compliance with ISO14064 Part 1. Our inventory includes all 'relevant' scope 3 emissions and is certified as complying with the GHG Protocol corporate value chain (scope 3) accounting standard.
		SBTi has assessed and verified our four near-term science-based targets, and our long-term and net zero science-based targets as aligned to the SBTi Net Zero Corporate Standard.
		We have contributed to and applied the four objectives and 12 principles in the UKWIR Framework for Wholelife Carbon Management in the Water Sector as set out in the Calculating Whole Life/Totex Carbon, 2022.
Provision of insights into embedded emissions as they relate to construction and maintenance activities.	Not met	In our scope 3 inventory, the emissions are estimated using spend and therefore reflect the scale of construction and maintenance activities rather than how those activities are being carried out and the materials used.  We are developing asset-specific emissions factors based on previous capital projects and will apply these initially to the 57 projects in our bespoke embodied performance commitment and later will apply across the capital delivery programme. As insight is currently immature, we therefore mark this as 'not met'.
Complete and detailed SWOT analysis as it relates to embedded emissions.	Met	We provide in this report a SWOT analysis, including for scope 3 emissions. We have provided this each year since Ofwat first suggested the approach.
Provision of embedded emissions data as it relates to purchased goods and services (in addition to chemicals).	Met	We have provided an estimate of the emissions based on the annual spend on products and services (excluding chemicals and gases) using an EEIO model. For chemicals, we have used the outputs of water industry Chemicals and GHG Task and Finish group to enable estimation of emissions. This is a significant improvement as it means the estimate is based on the amount and type of chemicals used rather than a generic "chemical" emissions factor and annual spend.
Evidence of clear stakeholder engagement and education on its GHG emissions management and reporting approach.	Met	Annually, since 2005/06, we have openly and extensively disclosed our GHG emissions, progress and plans in the United Utilities Group ARFS. Our GHG reporting uses best practice standards and independent assurance, including of scope 3 emissions. We have shown early adoption of evolving and expanding reporting expectations, and always complied with latest formal requirements.
		Our climate change strategy, GHG emissions management and reporting approach are included within the remit of both the S&P Global Corporate Sustainability Assessment (previously known as the Dow Jones Sustainability Index) and the CDP climate change questionnaire, both of which we have participated in for over 12 years, and score strongly. We regularly explore our GHG strategy and emissions performance with a wide range of stakeholders, including through investor engagement and at our AGM, for example.

# 1.3 Condition G Principles for Customer Care

## Compliance with customer-focused licence condition (Condition G)

In February 2024, Ofwat introduced a new customer-focused licence condition, replacing the previous Condition G and removing Condition J. The new condition takes a principles-based approach to ensuring companies are focused on providing high quality customer service and effective support, particularly to those customers in vulnerable circumstances and during incidents. We welcome Ofwat's focus on this area. We are passionate about providing excellent customer service and consider that this update to the regulatory framework will contribute to customers receiving the high levels of service and support that they deserve.

Over the course of this, we have continued to promote and embed a 'Think Customer' culture throughout our customer-facing teams. This empowers our colleagues to deliver great customer care and put the customer at the heart of every interaction. This culture was recognised this year as we achieved the International Organisation for Standardisation (ISO) Vulnerability Kitemark accreditation. We have been reaccredited for BSI ISO consumer inclusion for the third consecutive year and have also been re-awarded the Institute of Customer Service's 'ServiceMark with Distinction'. Finally, we achieved the Chartered Institute of Credit Management's 'Excellence in Credit Management' award.

We continued to expand our service offering to cater for a wider range of customer needs, including creating two social worker roles that are due to start early in the 2025–26 financial year, introducing sign language translation services and adding Safe Spaces to our website. 'Online Safe Spaces' is a discreet portal that opens in a pop-up window, which can be installed on both internal and external websites. The service provides support, advice and helpful contact numbers for those at risk of domestic abuse. It leaves no internet history trace, and provides guick exit options for the person seeking information.

#### We are compliant with Condition G

Ofwat added two documents<sup>(1)</sup> to its table of guidance in 2024/25:

- Customers' experiences of sewer flooding an update report by Ofwat and CCW
- Improving customer service and support during incidents

We have carried out a thorough internal review, identifying and cross-checking the full table of guidance supporting Condition G against our approach to customer service and care. We consider that our policies and procedures are well aligned with the principles for good customer service. In a small number of cases, we have chosen a different approach to that recommended in the guidance. We consider these differences to be reasonable as they deliver against core customer care objectives, while achieving comparable or better customer outcomes than recommended approaches. The table below summarises this review.



(1) A third additional document (Priority services registers – standards for water companies in England and Wales from 1 April 2025) will form part of the table of guidance when it goes live on 1 April 2025 and we will include that within our assessment as part of the 2025/26 Annual Performance Report.

G3	The principles for customer care are:	RAG	Justification for Red Amber Green (RAG) rating
G3.1	The Appointee is proactive in its communications so that its customers receive the right information at the right time, including during incidents.		Overall approach to proactive communication is aligned well to principle. We operate a variety of communication channels, including social media, webchat, emails, letters and the Windermere information centre. Our field staff receive training to help identify where a customer may need extra help. Our incident response process contains checkpoints that prompt revisions to the communication strategy where needed. We have added a QR code to all our water tankers to signpost local communities to more information on the incident.
G3.2	The Appointee makes it easy for its customers to contact it and provides easy to access contact information.		We align well with this principle through our core customer information offering, which ensures our customers know how to get in touch with us. We have accreditation from the Shaw Trust and the Plain English Campaign. We have added a WhatsApp communication channel. We have introduced sign language translation services, which can be accessed through our website. We carried out research that tested how well our website provided the right information for customers experiencing a service disruption. We carry out weekly research that asks customers for feedback on our response to a drinking water incident, including those customers on the Priority Services Register.
G3.3	The Appointee provides appropriate support for its customers when things go wrong and helps to put things right.		Our capabilities align well with this principle overall. We have robust measures in place to provide emergency bottled water to our customers. We shape our response to incidents around the needs of the affected customer e.g. our 'bump it up' process allows agents to escalate responses where needed. We ask customers for feedback following a contact and follow up all poor responses to test if our processes need to be improved.
G3.4	The Appointee learns from its own past experiences, and shares these with relevant stakeholders. The Appointee also learns from relevant stakeholders' experiences and demonstrates continual improvement to prevent foreseeable harm to its customers.		We seek customer feedback following interactions through our 'Rant and Rave' process. We follow up every poor score to understand the cause of the negative experience. We have robust debrief processes following every incident, with high-level activity reported to the Executive. Where an incident involves several agencies, we take part in a multiagency debrief. We actively share learning and experience with other companies. We take part in the WOW awards, which reinforces good practice amongst our staff.
G3.5	The Appointee understands the needs of its customers and provides appropriate support, including appropriate support for customers in vulnerable circumstances, and including during and following incidents.		Our agents are trained to detect signs of customer vulnerability and provide support accordingly. Our incident response can be tailored around the needs of vulnerable customers. We have defined processes to ensure vulnerable customers (i.e. Priority Services) are supported during incidents with bottled water. Contact information is easy to find, and we ensure support is easily accessible (e.g. via a single application form). We have finalised our vulnerability strategy and will publish it in June. We increased the number of customers on our Priority Services Register by 34 per cent between 2023–24 and 2024–25.
G3.6	As part of meeting principle G3.5 above, the Appointee provides support for its customers who are struggling to pay, and for customers in debt.		We are well aligned with this principle, as recognised by Ofwat in its Paying Fair publication. We promoted our lowest bill guarantee to customers affected by bill increases. This means that customers can try a metered tariff and switch back to an unmetered tariff at any point in the next two years.

## 1.3 Condition G Principles for Customer Care

# We have fulfilled the commitments made during last year's APR

In last year's APR, we committed to:

1. Publish a comprehensive policy that sets out UUW's policy on private-side leaks during major incidents.

2. Put in place an action plan to move towards CCW's ambition to respond to cases of external sewer flooding in four hours.

We have now published a webpage that sets out the responsibilities of the property owner for supply-side leakage. This contains useful information for property owners to better understand the action they need to take in the event of a supply-side leak, including the contact details for WaterSafe approved plumbers. You can find more information on our website:

#### unitedutilities.com/emergencies/leakage-information

We have put in place an action plan to move towards CCW's ambition for external sewer flooding response times. This includes:

- Undertaking a large-scale regional enhanced targeting programme of focused investigations and remedials in postcodes with the highest annualised Flooding other Causes (FoC) flooding risk;
- Transitioning to a more proactive operating model, underpinned by bespoke plans for sewer flooding reduction in each of our five counties and the introduction of a new Operational Intelligence function; and
- Working with others in the industry to define a minimum standard for the management of internal sewer flooding across all WaSCs, including the standardisation of service expectations and the post-flooding support available to customers.

We have established a £1 million emergency fund for low income households experiencing sewer flooding that may not have household insurance to ensure they receive the long-term support they need.

#### Optimising first time resolution and speed of response

These operational changes and improvements should help us reduce our response times to external sewer flooding going forward. However, our engagement with customers consistently demonstrates a strong preference for first time resolution, relative to one that provides a speedy but more cursory first response and a delayed resolution over multiple visits. Here is an example of customer feedback that shows the value placed on quick resolution:

"Called before arrival and inspected the issue despite the property being new. They were able to resolve the issue in less than 15 minutes and kept me completely informed throughout. Really happy with the service and amazing customer service provided."

We will maintain our first-time resolution model for sewer flooding incidents, meaning that the customer's immediate issue is resolved on our first visit (in the vast majority of cases). However, at times of peak demand, our approach will prioritise resources towards first-time resolution rather a superficial first response. As such, it is more challenging for us to achieve CCW's ambition to attend internal and external sewer flooding incidents in two and four hours, respectively.

While we will continue to target quicker response times to flooding incidents, we consider that our first-time resolution operational model is best aligned with customer preferences when there are trade-offs between speed and resolution.

Figure 1 below shows that we have the second lowest number of sewerage service customer complaints amongst the large water and sewerage companies in England and Wales.

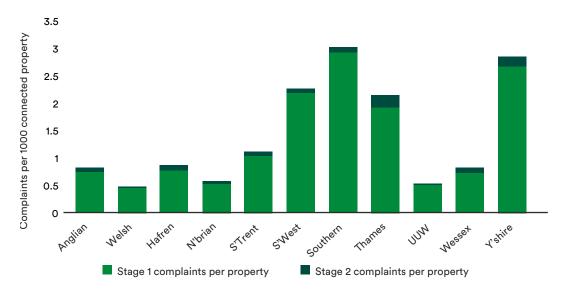


Figure 1 – Stage 1 and stage 2 sewerage service complaints by company (normalised per 1000 properties) show UUW has the second lowest number of complaints for a company of its size (data relates to 2023/24 – the latest year for which comparative data exists).

# How we ensure appropriate internal governance is in place to support the customer-focused Licence condition

Our internal governance is informed by external benchmarking. We have been recertified for BSI's 22458 for consumer inclusion and hold the Institute of Customer Service's ServiceMark with Distinction. We have achieved the ISO Vulnerability Kitemark accreditation and are working towards the Mental Health Accessible accreditation.

Our continued strong customer service offering is supported by both culture and controls, that mean we have confidence we are meeting obligations and responsibilities. The Board has been engaged in understanding the implications of Condition G and the company's operational and governance response. The Executive Team is fully briefed on UUW's responsibilities under the customer-focused licence condition

and is committed to ensuring we operate in a way that aligns with the underlying principles of good customer service and care. Our compliance with this licence condition is examined and affirmed at an Executive level and we have carried out an extensive assessment of UUW's internal processes and policies to assess our compliance.

The Corporate Audit team has carried out internal checks and investigations that help to ensure our processes and procedures are aligned with the principles set out in the customer-focused licence condition. Related activity has included an investigation into UUW's approach to meter reading, to help ensure that customers' bills are up to date and accurate. The audit found: "...The key processes and controls over meter reading operations in support of accurate and complete billing for UU customers to be robust."

## 1.4 Wholesale totex

# Background: totex allowances and incentive mechanism

The PR19 FD set total expenditure (totex) assumptions for the 2020–25 period across the four wholesale price controls. If the company overspends or underspends, compared to the FD assumptions, then incentives are applied that determine the sharing of the additional spending or additional saving between customers and the company. Overspend and underspend allocated to customers are reflected in future bills. Overspend and underspend allocated to the company must be borne by investors. The incentives are different for four different categories of spend.

- Totex subject to standard sharing rates This comprises the majority
  of totex. UUW's sharing rate was set at an equal 50/50 share between
  customers and the company for both overspend and underspend.
  This is with the exception of the bioresources price control, which
  has no standard customer sharing (i.e. zero per cent customer share,
  100 per cent company share for both overspend and underspend).
- Business rates and abstraction licence fees Companies can only
  exercise limited control over these costs and so the cost variance to
  the company's PR19 cost allowance will be subject to a 75 (customer
  share):25 (company share) sharing rate.

- Totex not subject to cost sharing Some spend is set to have zero customer sharing through the cost reconciliation model. This includes spend:
  - where it would not be appropriate to share costs with customers,
     e.g. disallowable costs, such as fines or certain compensation
     payments for service failures;
  - that is subject to different funding/sharing mechanisms,
     e.g. strategic water resources development schemes, innovation fund; or
  - that has been set outside of price control, e.g. non-s185 diversion costs and income.
- Green Recovery –Additional funding has been granted, on top of our five-year FD totex allowance to invest in schemes that will help the green economic recovery, as well as benefiting the environment. Given the uncertainty over the true costs of the innovative schemes, underspend will be subject to a 90 (customer share):10 (company share) sharing rate, to ensure underspend variances are weighted heavily in customers' favour, while still providing companies with an incentive to act efficiently. Overspend is subject to an equal 50/50 share between customers and the company.

FD allowed totex by price control April 2020 to March 2025 (2017/18 prices)

Customer share category	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Totex subject to standard sharing	220	1,734	2,341	328	4,623
Rates and abstraction licence fees	166	225	99	29	519
Totex not subject to cost sharing	44	134	3	_	181
Green Recovery	3	_	61	_	64
Total totex	433	2,093	2,504	357	5,387

As part of the PR24 price review process, we reconcile how our actual expenditure compared against these allowances for each category of spend for AMP7. With the exception of totex not subject to cost sharing – which is out of scope for customer sharing – variances against the initial assumptions are accounted for through a cost reconciliation mechanism. This mechanism splits out the reported totex over/underspend per category, with the resulting customer share element being recovered through a mixture of opening adjustment to AMP8 RCV and through AMP8 revenues (with the RCV/ revenue split consistent PR19 assumptions on PAYG).

# Defra's accelerated infrastructure delivery project and AMP8 transition expenditure

The Department for Environment Food and Rural Affairs asked English water companies to propose schemes for accelerated infrastructure delivery in 2023–24 and 2024–25, to tackle challenges in three areas: water resilience (supply and demand), storm overflows and nutrient neutrality. Ofwat allowed companies to undertake work in this price control period on the approved schemes and approved schemes with allowances to be determined through the PR24 processes to deliver earlier benefits for customers, communities and the environment.

Expenditure on accelerated programme schemes is subject to a separate reconciliation. APR table 10H captures the progress made in delivering each accelerated programme scheme at component level. This table (based on forecast 2024/25 information) was used to provide information to apply Ofwat's midnight adjustment to the RCV on 31 March 2025 and will be used again to reconcile against companies' price control deliverables at the end of the 2025–30 period.

# Comparison of 2024/25 actual totex to FD assumed totex

APR Pro forma Tables 4D and 4E (see Section 3) are the key tables that set out the build-up of 2024/25 totex expenditure within the four wholesale price controls. Variance analysis of 2024/25 costs compared to the prior year can be found within the accounting methodology statement available at:

 unitedutilities.com/globalassets/documents/pdf/ rr25-accounting-methodology-statement The expenditure within these tables is then summarised within Pro forma Table 2B (see Section 2.3).

APR Pro forma Table 4C (consolidates the total totex expenditure from Table 2B per price control and then breaks this out into the different customer sharing categories of spend described above. These amounts are then compared to the allowed totex in the PR19 final determination (inflated to out-turn prices).

APR Pro forma Table 4U (see Section 3) compares Green Recovery expenditure, as reported in Tables 4S and 4T, which provide the breakdown of expenditure by each Green Recovery scheme, against the allowance as per the Green Recovery final decision document (inflated to out-turn prices).

# Variance between allowed totex and actual totex from Table 4C (out-turn)

During 2024/25, we incurred £1,852 million of totex (excluding AMP8 accelerated programme and transitional expenditure), which was higher than assumed in the PR19 FD (£1,430 million including allowance for Green Recovery schemes). Across 2020–25 as a whole, we incurred £7,661 million of totex (excluding AMP8 accelerated programme and transitional expenditure), which was higher than assumed in the PR19 FD (£6,321 million including allowance for Green Recovery schemes). As explained in the executive summary on page 19, this was largely a result of the additional investment we are making outside the scope of our FD to deliver further improvements for customers and the environment and inflationary pressures, consistent with presentation in APR Table 4C. This has been further analysed below per customer sharing category.

## 1.4 Wholesale totex

### Totex subject to standard sharing

_					
Totex subject to standard sharing (All 50% company: 50% customer except Bioresources – 100% company: 0% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Allowed totex subject to standard sharing	260.2	2,018.8	2,760.0	382.3	5,421.3
Actual totex subject to standard sharing	223.1	2,802.0	3,465.4	387.4	6,877.8
Variance total	-37.1	783.2	705.4	5.1	1,456.5
Variance due to timing	_	_	70.5	_	70.5
Variance due to efficiency and scope	-37.1	783.2	634.9	5.1	1,386.0

Total reported overspend of £1,456.5 million is split between variances due to timing and variances due to efficiency and scope.

#### Variance due to timing - £70.5 million

Bolton wastewater enhancement scheme was not yet approved by the EA at the time of the final determination and, thus, was not included in FD allowed totex. However, this scheme has, subsequently, been approved with a resultant increase of circa £70 million in our actual AMP7 totex. Unlike the other additional investment projects, this has been remunerated under the WINEP mechanism with an uplift to March 2025 RCV. However, this adjustment is not captured in Table 4C and, as such, the spend incurred to date is still classified as timing, not efficiency.

All other timing spend differences have unwound to zero, as would be expected at the end of the AMP.

# Variance due to efficiency and scope – £1,386.0 million

In addition to Green Recovery and Bolton WINEP - which are being recovered under Ofwat's reconciliation mechanisms - the rate of expenditure across 2020-25 is higher than the FD allowance. This is due to the combined impact of previously announced investment programmes, and further accelerated investment brought forward from AMP8. This includes delivering sustainable improvements for customers through Dynamic Network Management and drinking water quality improvements, investing outperformance to deliver our 'Better Rivers: Better North West' programme and making an early start on aspects of the new Environment Act 2021 requirements, and improving the quality and aesthetics of the water supply from the Vyrnwy aqueduct. This has been further increased due to the impact of inflation with costs rising above average CPIH, most notably on energy and chemicals, and the impact of isolated events across AMP7, such as the freeze-thaw incident in 2022/23 and the fractured outlet pipe at our Fleetwood Wastewater Treatment Works in 2023/24. This is further analysed below.

#### Investing to improve service for customers - c.£290 million

Helping us deliver further improvements to service for customers and better performance against our customer ODIs, this investment was mainly targeted at delivering sustainable improvements for customers in two specific areas where we want to do better:

- Dynamic Network Management (DNM), an advancement of Systems Thinking in our wastewater network that will continue to help us reduce sewer flooding and pollution incidents using real-time performance data from a network of sensors able to enable predictive and preventative organisation; and
- Drinking water quality improvements (specifically discolouration).

We invested in a number of other projects, including hydraulic capacity, lead risk, use of alternative supply vehicles and water service resilience, where additional spend is expected to drive further improvements in customer service with resultant improvements in performance.

# Investing outperformance for environmental improvements – c.£460 million

Totex by price control 2020-25

Additional investment has been targeted to drive better environmental outcomes. This includes additional investment to deliver our 'Better Rivers: Better North West' programme and to make an early start on aspects of the new Environment Act 2021 requirements, which were not decided at the time of the final determination and are, thus, not included in FD allowed totex.

The Environment Act 2021 introduced several new challenges for the sector, including a requirement for water companies to secure a progressive but very substantial reduction in the average number of spills from storm overflows, and controlling nutrient pollution by reducing phosphate release from wastewater treatment works. Our expenditure includes the establishment a pollution reduction taskforce and greater use of aesthetic screens. The Industrial Emissions Directive (IED) broadens the scope of activities covered by compliance requirements, and the Environment Agency's recent interpretation of Farming Rules for Water (FRfW) restricts the application of biosolids to land in certain areas at certain times, requiring more storage capacity or alternative means of disposal.

#### Vyrnwy Aqueduct - £127 million

The requirement for the Vyrnwy treated water aqueduct scheme was not set at the time of the final determination and is, therefore, not included in our FD allowed totex. However, following a DWI enforcement order issued in September 2020, we are, subsequently, going ahead with this scheme, which will improve the quality and aesthetics of the water supply via a programme of cleaning and relining. Part of these costs will be reflected in outperformance payments earned on reducing discolouration from the Vyrnwy treated water aqueduct performance commitment, which measures the length of aqueduct cleaned or relined. Spend on this scheme has totalled £127 million across 2020–25.

### Inflationary impact – c.£450 million

Several cost types have increased in price by more than the CPIH inflationary allowance. This is most prevalent in energy (where prices have almost doubled across AMP7) and chemicals (where prices have risen significantly above CPIH inflation, with certain key chemicals such as phosphates (roughly trebled) and caustic (roughly doubled)), as well as construction prices. This compares to the CPIH inflation increase from 2019/20 to 2024/25 of c.24 per cent. We estimate real price increases have contributed around £450 million to our total totex overspend.

#### Isolated events – £62 million

There have been a number of one-off events across 2020–25 which have contributed to our total totex overspend. The two largest are:

A freeze thaw incident in December 2022, with freezing temperatures lasting long enough to cause water mains and exposed pipes in properties to freeze. This gave rise to £22 million additional costs.

A fractured outlet pipe buried 9.5 metres below ground at our Fleetwood Wastewater treatment works in June 2023. We invested £40 million across 2023/24 and 2024/25 to successfully repair the pipe and return the site to full service.

For the purposes of this assessment, we have categorised the additional investment as efficiency (since spend has resulted in an increase in AMP7 totex versus PR19 allowance).

## 1.4 Wholesale totex

#### Rate and abstraction licence fees

	Totex by price control 2020–25					
Rates and abstraction licence fees (25% company: 75% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex	
Allowed rates and abstraction licence fees	193.9	262.8	115.8	33.9	606.4	
Actual rates and abstraction licence fees	189.5	219.2	105.3	32.3	546.3	
Variance	-4.4	-43.6	-10.5	-1.6	-60.1	

Actual totex costs of £546.3 million are below FD allowed costs of £606.4 million, with business rates of £436.2 million being £74.2 million below FD allowance, mainly due to a reduction in rateable value and a freeze on inflationary increases for a number of years, partially offset by abstraction charges of £110.1 million being £14.1 million above the FD allowance, primarily due to changes to the EA charging scheme.

## Totex not subject to cost sharing

	Totex by price control 2020–25				
Totex not subject to cost sharing (100% company: 0% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Allowed totex not subject to cost sharing	53.1	157.2	3.4	0.0	213.6
Actual totex not subject to cost sharing	31.2	136.2	23.8	0.4	191.6
Variance	-21.8	-21.0	20.4	0.4	22.0

Overall totex not subject to cost sharing of £191.6 million was slightly below the FD allowance of £213.6 million. The main components of this are set out below:

- Non-price control grants and contributions, inclusive of income offset (£89.7 million) £58.3 million below the FD allowance mainly due to
  significant changes to the HS2 project, including scaling back the railway to a high speed line between London and Birmingham. This is more than
  offset by Non Section 185 diversions expenditure (£16.0 million) being £105.1 million lower than the allowance consistent with the changes to HS2;
- Strategic water resource development schemes costs (£21.6 million) £31.4 million below the FD allowance of £53.0 million due to changes in
  deliverables since the PR19 FD;
- Innovation competition fund costs (£20.0 million); however, this is not a genuine overspend as it is funded directly through customer revenues;
- Third-party costs (£18.0 million) £10.0 million above FD allowance of £8.0 million; and
- Disallowable costs comprising compensation, fines, investigation payments totalling £26.2 million (vs. zero FD allowance).

### **Green Recovery (Table 4U)**

	Totex by price control 2020-25				
Green Recovery (Underspend 10% company: 90% customer; Overspend 50% company: 50% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Allowed totex not subject to cost sharing	3.5	0.0	76.6	_	80.1
Actual totex not subject to cost sharing	2.7	0.0	42.4	_	45.1
Variance due to timing	-0.8	0.0	-34.2	_	-35.0

Across AMP7, Green Recovery spend of £45.1 million is below the allowed funding of £80.1 million, as the current spend profile is different to the original planned spend proposals, predominately due to the delayed completion of WINEP investments at Bury, as explained within the Green Recovery annual progress report, which can be found at:

unitedutilities.com/globalassets/documents/pdf/green-recovery-2025

#### Impact of expenditure on the RCV

APR Pro forma Table 4C sets out the 2024/25 RCV determined at the PR19 FD and shows the implied revisions to this position as a result of the impact of totex over or underspend. For 2024/25 reporting, RCV was fully re-assessed as part of the PR24 process and Ofwat subsequently published March 2025 RCVs including all the end-of-AMP midnight adjustments. As such, Shadow RCV was set to equal Actual RCV as at March 2025, as set out in the below table.

Financial measure £m	Water resources	Water network plus	Wastewater network plus	Bioresources	Total RCV
4C.31 RCV determined at FD at 31 March /					
4C.32 Projected 'shadow' RCV	792.7	4,269.9	9,427.9	529.8	15,020.3

#### Year five performance

## 1.5 Wholesale revenue

APR pro forma table 2I, (see section 2.3) sets out the actual build-up of the wholesale revenue for 2024/25 by price control. Table 2M then compares this with the level of revenue allowed.

The total revenue set by the wholesale price controls for recovery in 2024/25 was £2,007.2 million. This was made up of £1,925.6 million wholesale revenue, plus £18.0 million in grants and contributions and £63.5 million of other revenue adjustments. The level of income recovered in the year was £3.9 million higher than the £2,007.2 million allowed, with a £18.2 million increase in revenues and an £14.2 million reduction in grants and contributions income collected.

The £18.2 million increase in revenues comprised the following main components:

- £19.9m increase in Household revenue as a result of higher measured consumption than assumed in tariff setting.
- This is partially offset by £(1.7)m decrease in other revenues, mostly due to lower non-household revenues attributable to a higher number of vacant commercial premises than assumed in tariff setting.

The £14.2m reduction in grants and contributions income is attributable to a reduction in diversions activity, which can be associated with a general slowdown in developer activity and reduction in connection volumes.

The revenue imbalances will be corrected for in AMP8 using the Revenue Forecasting Incentive (RFI) mechanism and Bioresources Revenue Reconciliation models. In line with the RAGs, we have reported rechargeable works income (£0.8 million) as price control revenue, but this income was not included in the revenue control set at PR19 and, therefore, we will be excluding it from the RFI mechanism for the purposes of setting charges. This approach means that we will be both compliant with the change in regulatory reporting and able to continue to recover revenue under the revenue control in line with the approach that underpinned the PR19 final determination. We intend to treat rechargeable works income in the same way for each year of the AMP.

## 1.6 Retail expenditure and revenues

## Household retail

#### **Background**

The household retail price control is designed to allow companies to recover sufficient revenue from household customers to fund the efficient costs of providing retail services. This allowance is sometimes referred to as the allowed 'cost to serve'.

For companies whose historic and forecast costs were above the industry upper quartile, allowed costs were set to projected upper quartile levels to reduce allowed costs to levels that Ofwat judged to be efficient.

Cost allowances considered the impact of a range of retail cost drivers, such as levels of metering, household credit defaults, average water bill size and regional levels of deprivation.

Separate annual revenue allowances and costs to serve per customer were defined in the PR19 FD for household retail services. Total revenue allowances were determined by multiplying underlying cost to serve allowances by the assumed customer numbers and applying a margin defined as part of the price review.

The cost to serve incentive mechanism has three main principles:

- Initial cost to serve allowances per customer per year are fixed and do not increase year-on-year in line with inflation;
- The allowances are assumed to cover all retail operating costs, including depreciation on capital expenditure. Expenditure for demand side water efficiency and customer side leak repairs is included where the activity is not for wholesale purposes; and
- Any over or underspend against the cost to serve allowed is paid for, or retained wholly by, the company and will not affect future customer bills.

#### 2024/25 performance

We have continued to challenge the efficiency of the services offered in a number of areas, but our exposure to higher than forecast inflation has resulted in retail operating costs as reported in Table 2C increasing by £10.2 million from £119.6 million in 2023/24 to £129.8 million in 2024/25.

The main cost increases in 2024/25 can be attributed to:

- £7.1 million increase in bad debt costs. Amidst a challenging economic backdrop, cash collection fell slightly below levels achieved in 2023/24. Our reported bad debt charge increased from £53.7 million to £60.8 million and from 3.8 per cent to 3.9 per cent of regulated revenue.
- £2.6 million increase in customer service costs attributable to an increase in resource levels required to handle increased contact volumes.

Retail operating costs were £29.8 million higher than the expenditure allowance of £100.0 million. Our costs are running higher than assumed in the PR19 FD as we are incurring higher bad debt costs due to the negative impact of increased cost of living pressures on cash collection levels, which remain below our original expectations. Inflation has exceeded the rate of inflation forecast at PR19, leading to higher costs than were forecast at PR19, whilst cost allowances do not increase with inflation.

During the year, we billed additional properties that were previously identified as void. Using credit reference and land registry data, we were able to identify properties for which the occupant could be identified. At 31 March 2025, void properties were 3.9 per cent of billable properties, slightly raised from the level of 3.5 per cent at 31 March 2024.

#### Improving operating costs and efficiency

We have continued to refine our capabilities in a number of areas to reduce our underlying operating costs during the year. These include:

- Continuing to challenge overheads;
- Seeking to improve underlying operational performance;
- Increasing digital penetration;

- Process automation through use of Artificial Intelligence and robotics;
- Continuing to support our most vulnerable customers through our affordability schemes to manage bad debt; and
- Promoting water efficiency to reduce household consumption and, therefore, bad debt.

#### Improving debt management

UUW has a higher bad debt cost than the majority of the industry. Deprivation levels are the principal driver of our higher than average bad debt, with the North West having a substantially higher proportion of customers impacted by welfare reform and claiming universal credit. These challenges are, to some degree, recognised and reflected in setting the allowed retail costs through the price review process.

Our collection performance through 2024/25 was broadly consistent with collection in 2023/24, but bad debt will remain a challenge in our region where there are significant numbers of communities that are subject to high levels of deprivation. The current cost of living pressures and increases to water bills are expected to impact on our customers' ability to pay their water bill in the future. As a result, debt management will be an area of continued focus as we drive for further improvement.

We are a leader in the water industry in affordability and vulnerability assistance, with a wide range of support schemes for customers, many of which are industry firsts. Using advanced data and analytic capabilities, we have been able to focus our efforts on supporting the customer segments at greatest financial risk, promoting the support available and encouraging customers to contact us if they are struggling to pay their bill. These schemes have helped over 400,000 customers since the beginning of the AMP, with over 200,000 customers currently benefiting from United Utilities' affordability support, representing around 6 per cent of our household customer base.

Providing assistance to those customers who need our help most continues to be an area of focus. We take a proactive approach to help customers back into making regular payments by assessing them for a lower bill and offering support in clearing their arrears. To enhance the affordability assessment journey for customers, we have introduced a new affordability assessment solution with IE Hub. The solution utilises IE Hubs award winning platform being used to undertake our in-house affordability assessments and enables more holistic offerings to be incorporated into the customer journey, such as income maximisation with benefit checks and debt advice referrals.

Our PayAsUGo plan continues to provide customers with the option to pay at whatever frequency suits their personal circumstances, as long as they meet the agreed payment milestones. This has supplemented the extensive range of existing payment plan options available to our customers, which include Direct Debit, payment cards and schedule only plans. Customers are able to choose what date and frequency they make their payment. This flexibility enables customers to pay in a way that aligns to their personal circumstances. This year, we have seen a net growth of circa 25,000 customers opting to pay by Direct Debit and our overall payment plan penetration is over 82 per cent.

Introducing Open Banking into our affordability assessment process has simplified the application process for customers, and has improved the accuracy of the data captured, ensuring customers benefit from the lowest tariff and improved first time completion rates meaning customers are given a decision on tariff eligibility there and then, rather than after a longer application process.

The North West Hardship Hub continues to be a valuable resource for members of the advice community to access support quickly and easily for their clients. The one stop shop provides a consolidated view of a wide range of support schemes from a range of sources and sectors across the North West of England.

# 1.6 Retail expenditure and revenues

In 2014/15, household bad debt costs were running at 6.3 per cent of regulated revenue. Since this time, we have maintained a clear focus on improving our bad debt and cash collection performance. This has included the establishment of a number of new initiatives, such as our 'better billing' initiative and has involved working with Credit Reference Agencies to identify which customers are likely to be in a financially challenging situation and which customers are able to pay their water bill but need further encouragement and engagement in order to prompt them to do so. At the end of 2024/25, household bad debt costs had reduced to 3.9 per cent of regulated revenue.

We continue to use credit reference agency data and predictive analytics to monitor customer payment behaviour and proactively identify customers showing signs of struggling to pay. We send early intervention emails with tailored messaging designed to increase customers' awareness of the support we, and third-party organisations, can offer. Additionally, we continue to run supplementary campaigns triggered by a change in behaviour; for example, customers who were previously good/excellent payers who have fallen behind with their payments. We are reaching out and highlighting ways we can help manage their payments, including metering, water efficiency advice and flexible payment plans to spread their payments into more manageable amounts.

We continued to use our range of financial assistance schemes effectively to support those customers that can't pay and provided support to circa 203,000 customers during the year as illustrated in the following table:

	2024/25 Full Year Actual				
	Customers supported (No.)	Company funded (£m)	Customer funded social tariff (£m)		
Watersure	28,375		11.8		
Help to Pay Social Tariff	37,877	2.3	7.1		
Back on Track Support Tariff	111,272	12.6	17.9		
Sub-total – tariff support	177,524	14.9	36.8		
UU Trust Fund	3,413	3.5			
Payment matching	22,547	16.6			
Sub-total – grants and allowances	25,960	20.1			
Total Support	203,484	35.0	36.8		

£11.8 million of support, cross subsidised by other customers, was provided for the national Watersure tariff. There was £39.9 million of support in the form of a bill discount for over 149,000 households, via our social tariffs 'Help to Pay' and 'Back on Track'. £14.9 million of support for the social tariff schemes was provided by the company and £25.0 million was cross-subsidised by other residential customers.

While the penetration and conversion of customers onto affordability solutions does impact in year revenues, it is a key factor in helping customers avoid falling into arrears, recovery from positions of debt, reducing the amount of bad debt, recovery costs and the retail cost to serve.

United Utilities PLC provided £3.5 million to the independent United Utilities Trust Fund, which can support residents in the United Utilities' region through grants that can be used towards clearing water bill arrears or other household costs.

In addition, a further 22,547 customers received £16.6 million in support through our payment matching scheme. The scheme is an arrears clearance scheme funded through write-off and is a cost to the company through the bad debt charge as opposed to revenue sacrifice.

#### Revenue

APR pro forma table 2F (see Section 2.3) shows that retail revenue recovered in 2024/25 was £129.8 million.

However, as reported in table 2N, approximately, 151,000 customers received a discounted fixed price bill under a social tariff during the year. In total, these customers received a £39.8 million discount to their underlying full price bill, of which £14.9 million was funded by the company and £25.0 million was cross-subsidised by other residential customers.

The revenue forgone by the company of £14.9 million is added to the £129.8 million of retail revenue recovered, such that the total net retail revenue for 2024/25 was £144.6 million. This is £8.4 million higher than the 2023/24 retail revenue. The increase in revenue is mainly due to recovery of the 2022/23 ODI outperformance payment in the year.

The in-year revenue allowance of £139.2 million was based on actual customer numbers of £3.25 million. This was circa 110,000 higher than assumed in the PR19 FD, mainly due to new connections and a reduction in void properties across the region.

## **Operating profit**

APR pro forma Table 2A (see Section 2.3) shows the operating profit for UUW's price controls. For the household retail price control, operating profit in 2024/25 was £(0.1) million.

The 2024/25 retail revenue allowance of £139.2 million is based on an expenditure allowance of £100.0 million and a £39.2 million retail operating profit, in respect of the allowed margin and adjustments.

The reported operating profit for 2024/25 is £39.3 million lower than expected due to the following:

- Retail revenues collected (£129.8 million) were £9.4 million lower than
  the revenue allowance. £14.9 million was attributable to the company
  funded element of the discount provided to the 151,000 customers that
  were billed under a social tariff during the year offset by an increase
  in retail revenues recovered due to household consumption running
  higher than assumed when setting tariffs for the year.
- Retail costs were £29.9 million higher than the expenditure allowance. The increase in cost above the original FD assumption is attributable to the impact of cost of living pressures on cash collection and the resulting higher levels of bad debt. Costs have been driven higher by increases in general cost inflation, which were not factored into the original FD assumption.

#### Table 2C – Cost analysis retail

Variance analysis of retail costs compared to the prior year can be found in our 2024/25 accounting methodology statement, published on our website alongside the APR.

# 1.7 AMP8 performance reporting

# Evolving performance commitments for the 2025–2030 period

As we move in to AMP8 (1 April 2025–31 March 2030), there will be some changes to the suite of performance measures that we report performance against. The overall framework has changes so that there is more commonality between companies, which will make it easier for Ofwat, stakeholders and customers to compare performance between each of the different companies. For water and wastewater companies, there are 23 common performance commitments, and at UUW we have two bespoke commitments (these are allocated where there are local circumstances that do not apply to most other companies and there is compelling evidence that a commitment is required to drive additional benefits to the customer and the environment).

Common performance commitments have been selected by Ofwat to address three outcomes:

- Outcome A: Customers receiving excellent service every day
- Outcome B: Reducing the Environmental Impact
- Outcome C: Improving Asset Health and operational resilience

All three categories are required to protect the interests of customers and secure the resilience of companies both in the short and long term. The categories are aligned with UUW's healthier, greener and stronger values. The table below sets out how the AMP8 PCs compare to AMP7 PCs and identifies the areas of change for each of the three outcomes.

# Outcome A: Customers receiving excellent service everyday

Common Outcome	AMP7 measure	Change
Customer Experience (C-MeX)	Customer Experience (C-MeX)	Continuation of AMP7 measure
Developer experience (D-MeX)	Developer Experience (D-MeX)	Continuation of AMP7 measure
Business Experience (BR-MeX)	N/A	New measure of business customer experience
Water Supply Interruptions HH:MM:SS per property per year	Water Supply Interruptions HH:MM:SS per property per year	Continuation of AMP7 measure
Water Quality Compliance (CRI) numerical score	Water Quality Compliance (CRI) numerical score	Continuation of AMP7 measure
Customer contacts about Water Quality Contacts per 1,000 population	Customer contacts about Water Quality Contacts per 1,000 population	Continuation of AMP7 measure
Number of internal flooding incidents per 10,000 sewer connections	Internal flooding incidents Number of internal flooding incidents	Continuation of AMP7 measure
Number of external flooding incidents per 10,000 sewer connections	Number of external flooding incidents Number of external flooding incidents	Continuation of AMP7 measure

# Outcome B: Reducing the environmental impact

_		-
Common Outcome	AMP7 measure	Change
Biodiversity Biodiversity units per 100km² of land in the company's area	N/A	New measure
Operational greenhouse gases (Water) Percentage reduction from baseline (tCO <sub>2</sub> e)	N/A	New measure
Operational greenhouse gases (Wastewater) percentage reduction from baseline (tCO <sub>2</sub> e)	N/A	New measure
Leakage percentage reduction from 2019/20 baseline	Leakage percentage reduction from 2019/20 baseline	Continuation of AMP7 measure
Per Capita Consumption percentage reduction from 2019/20 baseline	Per Capita Consumption Percentage reduction from 2019/20 baseline	Continuation of AMP7 measure
Non-household Business demand Percentage reduction from 2019/20 baseline	N/A	New measure
Total pollution incidents Number of category 1, 2 and 3 pollution incidents per 10,000km sewer length	Pollution incidents Number of category 1, 2 and 3 incidents	Continuation of AMP7 measure
Serious pollution incidents Number of category 1 and 2 pollution incidents	N/A	New measure
Discharge permit compliance Percentage compliance	N/A	Continuation of AMP7 measure
Bathing water quality percentage score	N/A	New measure
River water quality (Phosphorus) Percentage reduction in phosphorus	N/A	New measure
Storm overflows Annual average number of spills (regional)	N/A	New measure
Bespoke Outcome	AMP7 measure	Change
Embodied greenhouse	N/A	New measure

Bespoke Outcome	AMP7 measure	Change
Embodied greenhouse	N/A	New measure
gas emissions		
Tonnes CO₂e		
Wonderful Windermere	N/A	New measure
Kg of phosphorus		
equivalent removed		

## Outcome C: Reducing the environmental impact

Common Outcome	AMP7 measure	Change
Mains Repairs Number of repairs per 1,000km of mains	Mains Repairs Number of repairs per 1,000km of mains	Continuation of AMP7 measure
Unplanned Outage Percentage of peak week production capacity	Unplanned Outage Percentage of peak week production capacity	Continuation of AMP7 measure
Sewer collapses Number of collapses per 1,000km of sewer network	Sewer collapses Number of collapses per 1,000km of sewer network	Continuation of AMP7 measure

# 1.7 AMP8 performance reporting

#### **Price Control Deliverables (PCDs)**

In addition to performance commitments, Price Control Deliverables (PCDs) will be implemented to ensure funding is fully returned where defined outputs are not delivered. This is when the investment is material but the delivery of benefits cannot be easily or directly linked by a performance commitment and outcome delivery incentive.

PCDs are designed to provide additional assurance on what companies are delivering, encourage companies to deliver on time by applying time based incentives and protect customers where companies do not deliver funded improvements. This customer protection is achieved by returning funding to customers when delivery is not achieved.

Alongside this annual performance report, we are publishing our first Delivery Plan. This sets out what we expect to deliver for each PCD, when we expect to deliver and how much we forecast this to cost. Following this, we will be reporting our progress against this plan to Ofwat every six months in November and May of each year. Each July, we will publish an update, which will include an assessment of whether we are on track to deliver against each PCD made by the Independent Technical Auditor. Alongside this, we will provide a change log, which will explain the reason why we may be delivering something different, to a different timescale or for at a different cost. The Delivery plan will contain details of projects that are large gated schemes, projects that are enhanced engagement schemes and any other high-profile projects we identify that are of importance to our major stakeholders.

Further details of PCDs can be found on Ofwat's website at: ofwat.gov.uk/publication/pr24-draft-determinations-price-controldeliverables-appendix The table below sets out each of the 30 PCDs, the Gated mechanism and Enhanced engagement projects that we will report progress against in our Delivery Plan each year in line with Ofwat's submission timetable.

When published, our first Delivery Plan can be found at: unitedutilities.com/globalassets/documents/pdf/ amp8-delivery-plan-2025

Area	PCD
Base	Mains renewals (water)
	Sewage pumping mains renewals
	Network reinforcement (water and wastewater)
Ww Scheme level	Storm overflows
	Phosphorus removal
	Growth at STWs
	Sanitary parameters
	Flow to full treatment
Water – WINEP	Biodiversity and conservation
	Peatland restoration
	Water investigations
Water – supply and demand balance	Metering
Water quality	Lead
	Raw water deterioration and taste, odour and colour
Water – resilience and	Reservoir safety
security	Security (SEMD)
	Cyber
Ww – flow and	Continuous river water quality monitoring
monitoring	MCerts monitoring of emergency overflows at network pumping stations
Ww – other WINEP	Wastewater investigations
	Advanced WINEP
Ww – Net zero	Net zero
	Process emissions
Ww – bioresources	Industrial emissions directive (IED)
W/Ww – other	Climate change uplift – Water
	Climate change uplift – Wastewater
	Rainwater management wastewater
	Coastal erosion
Ww – PR19 carryover	PR19 WINEP carryover
	PR19 – Green economic recovery carryover
Gated mechanism	Windermere storm overflows
projects	Windermere Final effluent
Enhanced Engagement (EECSS)	Davyhulme, Wigan, Eccles, Salford, Pennington and Vyrnwy



#### Regulatory accounts for the 12 months ended 31 March 2025

# Statement of directors' responsibilities for regulatory information

#### Introduction

The Regulatory Accounts have been prepared in accordance with the requirements of Regulatory Accounting Guidelines (RAGs) 1.09, 2.08, 3.15, 4.13 and 5.07 issued by the Water Services Regulation Authority (WSRA or Ofwat). These are separate from the statutory financial statements, which have been prepared under the basis of International Financial Reporting Standards as adopted by the UK.

# Statement of directors' responsibilities for regulatory information

Further to the requirements of company law, the directors are required to prepare accounting statements which comply with the requirements of Condition F 'Regulatory Accounting Statements' of the Instrument of Appointment of the company as a water and sewerage undertaker under the Water Industry Act 1991 and Regulatory Accounting Guidelines issued by Ofwat:

 Condition F also requires the directors to keep appropriate accounting records, which are consistent with guidelines published by Ofwat.

The directors of the company hereby confirm that the company has kept appropriate accounting records, which comply with the guidelines published by Ofwat.

Condition P 'Regulatory ring-fence' of United Utilities Water Limited's (UUW's) Licence requires directors to submit a 'Ring-fencing certificate' to Ofwat no later than the date on which the Company is required to deliver a copy of each set of regulatory accounting statements prepared under Condition F.

The Ring-fencing certificate requires directors to confirm that, in their opinion:

- a. The company has sufficient financial resources and facilities to enable it to carry out the Regulatory Activities, for at least the twelve month period following the date on which the certificate is submitted.
- b. The company will have available sufficient management resources and systems of planning and internal control to enable it to carry out the Regulatory Activities, for at least twelve months.
- c. The company has available to it sufficient rights and resources other than financial resources, as required by paragraph P14 of the company's instrument of appointment.
- d. All contracts entered into between United Utilities Water Limited and any Associated Company include the necessary provisions and requirements in respect of the standard of service to be supplied to United Utilities Water Limited, to ensure that it is able to carry out the Regulated Activities.

The directors have issued a 'Ring-Fencing certificate' under Condition P31 of the Licence – see pages 164 to 166.

Condition P also requires directors to:

 Report to Ofwat changes in the company's activities, which may be material in relation to the company's ability to finance its regulated activities.

The directors hereby confirm that there were no changes in the company's activities, which may be material in relation to the company's ability to finance its regulated activities, during the year ended 31 March 2025.

f. Ensure every transaction between the Appointed Business and any Associated Company is at arm's length, so that neither the Appointed Business nor the Associated Company gives a cross-subsidy to the other.

This has been confirmed within 'Information in respect of transactions with any other business or activity of the appointee or any associated company' on pages 152 to 154.

g. Declare or pay dividends only in accordance with a dividend policy which has been approved by the Board of the company and which complies with the principles under Condition P30.

This has been confirmed within 'Dividend policy' on pages 136 to 140.

The above responsibilities are additional to those already set out in the United Utilities Water Limited statutory financial statements.

#### Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act 2006.

Approved by the board and signed on its behalf by:

Philip As

Phil Aspin

Chief Financial Officer

09 July 2025

Regulatory accounts for the 12 months ended 31 March 2025

# Independent Auditor's report to the Water Services Regulation Authority (the WSRA) and United Utilities Water Limited ("the Company")

#### **Opinion**

We have audited the sections of/tables within the Company's Annual Performance Report for the year ended 31 March 2025 ("the Regulatory Accounting Statements") which comprise:

- the regulatory financial reporting tables comprising the income statement (table 1A), the statement of comprehensive income (table 1B), the statement of financial position (table 1C), the statement of cash flows (table 1D), the net debt analysis (table 1E), the financial flows (table 1F) and the related notes; and
- the regulatory price review and other segmental reporting tables, comprising the segmental income statement (table 2A), the totex analysis for wholesale water and wastewater (table 2B), the cost analysis for retail (table 2C), the historical cost analysis of tangible fixed assets for wholesale and retail (table 2D), the analysis of 'grants and contributions' for wholesale (table 2E), the residential retail revenues (table 2F), the non-household water revenues by tariff type (table 2G not completed, in line with RAG 4.13), the non-household wastewater revenues by tariff type (table 2H not completed, in line with RAG 4.13), the revenue analysis (table 2I), the infrastructure network reinforcement costs (table 2J), the infrastructure charges reconciliation (table 2K), the analysis of land sales (table 2L), the revenue reconciliation for wholesale (table 2M), household affordability support (table 2N) and historical cost analysis of intangible assets (table 2O) and the related notes.

We have not audited the Outcome performance tables (3A to 3I) and the additional regulatory information in tables 4A to 4Z, 5A to 5B, 6A to 6F, 7A to 7F, 8A to 8D, 9A, 10A to 10H and 11A.

In our opinion, the Company's Regulatory Accounting Statements have been properly prepared, in all material respects, in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA (RAG 1.09, RAG 2.08, RAG 3.15, RAG 4.13 and RAG 5.07) ("the Regulatory Accounting Guidelines") and the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.15, appendix 2), set out on pages 133 to 140.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 except as stated in the section on Auditor's responsibilities for the audit of the Regulatory Accounting Statements within the Annual Performance Report below, and having regard to the guidance contained in ICAEW Technical Release Tech 02/16 AAF (Revised) 'Reporting to Regulators on Regulatory Accounts' issued by the Institute of Chartered Accountants in England & Wales.

Our responsibilities under ISAs (UK) are further described in the Auditor's responsibilities for the audit of the Regulatory Accounting Statements within the Annual Performance Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit, including the Financial Reporting Council's (FRC's) Ethical Standard as applied to other entities of public interest, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Emphasis of matter – special purpose basis of preparation

We draw attention to the fact that the Regulatory Accounting Statements have been prepared in accordance with a special purpose framework, Condition F, the Regulatory Accounting Guidelines, the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.15, appendix 2) set out in the statement of accounting policies and under the historical cost convention. The nature, form and content of the Regulatory Accounting Statements are determined by the WSRA. As a result, the Regulatory Accounting Statements may not be suitable for another purpose. It is not appropriate for us to assess whether the nature of the information being reported

upon is suitable or appropriate for the WSRA's purposes. Accordingly, we make no such assessment. In addition, we are not required to assess whether the methods of cost allocation set out in the accounting methodology statement are appropriate to the circumstances of the Company or whether they meet the requirements of the WSRA.

The Regulatory Accounting Statements are separate from the statutory financial statements of the Company and have not been prepared under the basis of United Kingdom adopted international accounting standards ("UK IASs"). Financial information other than that prepared on the basis of UK IASs does not necessarily represent a true and fair view of the financial performance or financial position of a Company as shown in statutory financial statements prepared in accordance with the Companies Act 2006.

The Regulatory Accounting Statements on pages 115 to 132 have been drawn up in accordance with Regulatory Accounting Guidelines with a number of departures from UK IASs. A summary of the effect of these departures in the Company's statutory financial statements is included in the tables within section 1.

Our opinion is not modified in respect of these matters.

#### Conclusions relating to going concern

The directors have prepared the Regulatory Accounting Statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Regulatory Accounting Statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the Regulatory Accounting Statements is appropriate; and
- we have not identified, and concur with the directors' assessment that
  there is not, a material uncertainty related to events or conditions
  that, individually or collectively, may cast significant doubt on the
  Company's ability to continue as a going concern for the going
  concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

# Fraud and breaches of laws and regulations – ability to detect

# Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Inquiring of directors, the audit committee, internal audit and
inspection of policy documentation relating to the ultimate parent,
United Utilities Group PLC, as to the Group's high level policies and
procedures to prevent and detect fraud, including the internal audit
function, and the Group's channel for "whistleblowing", as well as
whether they have knowledge of any actual, suspected or alleged
fraud:

#### Regulatory accounts for the 12 months ended 31 March 2025

# Independent Auditor's report to the Water Services Regulation Authority (the WSRA) and United Utilities Water Limited ("the Company")

- Using analytical procedures to identify any unusual or unexpected relationships:
- Reading Board and Audit Committee minutes relating to the ultimate parent, United Utilities Group PLC; and
- Considering remuneration incentive schemes and performance targets for directors including Long Term Plan awards.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular: the risk that Group management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as provisions for household customer debt and capitalisation of costs relating to the capital programme.

On this audit we do not believe there is a fraud risk related to revenue recognition streams because the low value, high volume nature of transactions reduces the opportunities for fraudulent activity.

Further detail in respect of the provisions for household customer debt and capitalisation of costs relating to the capital programme are set out in section 2 of this report.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing
  the identified entries to supporting documentation. These included
  journals relating to revenue, cash and borrowings posted to
  unexpected or unrelated accounts, and journals posted between
  operating costs and property, plant and equipment by users we would
  not expect; and
- Assessing significant accounting estimates and judgements for bias.

# Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the regulatory accounting statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Compliance with regulations imposed by Ofwat, Environment Agency, Competition law, Drinking Water Inspectorate, GDPR compliance, health and safety,

anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

# Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### Other information

The other information comprises all of the information in the Annual Performance Report other than the Regulatory Accounting Statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the Regulatory Accounting Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Regulatory Accounting Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Regulatory Accounting Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Regulatory Accounting Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report based on these responsibilities.

# Responsibilities of the Directors for the Annual Performance Report

As explained more fully in the Statement of Directors' Responsibilities set out on page 111, the directors are responsible for the preparation of the Annual Performance Report in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA and the Company's accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.15, appendix 2).

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Annual Performance Report that is free from material misstatement, whether due to fraud or error.

In preparing the Annual Performance Report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Regulatory accounts for the 12 months ended 31 March 2025

# Independent Auditor's report to the Water Services Regulation Authority (the WSRA) and United Utilities Water Limited ("the Company")

# Auditors' responsibilities for the Audit of the Regulatory Accounting Statements within the Annual Performance Report

Our objectives are to obtain reasonable assurance about whether the Regulatory Accounting Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Regulatory Accounting Statements.

A further description of our responsibilities for the audit of the Regulatory Accounting Statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report, except for the following:

The nature, form and content of the Regulatory Accounting Statements are determined by the WSRA. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for the WSRA's purposes.

Accordingly we make no such assessment. In addition, the Company has presented the allocation of operating costs and assets in accordance with the accounting policy for price control segments set out on page 133 and its accounting methodology statement. We are not required to assess whether the methods of cost allocation set out in the accounting methodology statement are appropriate to the circumstances of the Company or whether they meet the requirements of the WSRA, which would have been required if we were to express an audit opinion under ISAs (UK).

We have not assessed whether the accounting policies are appropriate to the circumstances of the Company where these are laid down by Condition F. Where Condition F does not give specific guidance on the accounting policies to be followed, our audit includes an assessment of whether the accounting policies adopted in respect of the transactions and balances required to be included in the Regulatory Accounting Statements are consistent with those used in the preparation of the statutory financial statements of the Company.

### Use of this report

This report is made, on terms that have been agreed, solely to the Company and the WSRA in order to meet the requirements of Condition F of the Instrument of Appointment granted by the Secretary of State for the Environment to the Company as a water and sewage undertaker under the Water Industry Act 1991 ("Condition F"). Our audit work has been undertaken so that we might state to the Company and the WSRA those matters that we have agreed to state to them in our report, in order (a) to assist the Company to meet its obligation under Condition F to procure such a report and (b) to facilitate the carrying out by the WSRA of its regulatory functions, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the WSRA, for our audit work, for this report or for the opinions we have formed.

Our opinion on the Regulatory Accounting Statements is separate from our opinion on the statutory financial statements of the Company for the year ended 31 March 2025 on which we reported on 09 July 2025, which are prepared for a different purpose. Our audit report in relation to the statutory financial statements of the Company (our "Statutory audit") was made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Statutory audit report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Ian Griffiths

For and on behalf of KPMG LLP
Chartered Accountants

1 St Peter's Square Manchester

M2 3AE

10 July 2025

# Pro forma tables subject to audit opinion

# **Section 1 Regulatory financial reporting**

Additional commentary on the Section 1 pro forma tables is provided on pages 141 to 146.

### Pro forma 1A

### Income statement for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

				A	Adjustments			
Line description	Units	DPs	Statutory	Differences between statutory and RAG definitions	Non- appointed	Total adjustments	Total appointed activities	RAG 4 reference
Revenue	£m	3	2,138.758	14.448	10.896	3.552	2,142.310	1A.1
Operating costs	£m	3	-1,503.694	-16.906	-9.461	-7.444	-1,511.138	1A.2
Other operating income	£m	3	0.000	-3.976	0.000	-3.976	-3.976	1A.3
Operating profit	£m	3	635.064	-6.434	1.435	-7.869	627.195	1A.4
Other income	£m	3	0.000	23.559	3.881	19.678	19.678	1A.5
Interest income	£m	3	87.595	-9.400	0.000	-9.400	78.195	1A.6
Interest expense	£m	3	-391.064	-68.472	0.000	-68.472	-459.537	1A.7
Other interest expense	£m	3	0.000	9.400	0.000	9.400	9.400	1A.8
Profit before tax and fair value movements	£m	3	331.594	-51.348	5.316	-56.663	274.931	1A.9
Fair value gains/(losses) on financial instruments	£m	3	0.411	0.000	0.000	0.000	0.411	1A.10
Profit before tax	£m	3	332.005	-51.348	5.316	-56.663	275.342	1A.11
UK Corporation tax	£m	3	5.200	0.000	-1.329	1.329	6.529	1A.12
Deferred tax	£m	3	-89.100	12.837	0.000	12.837	-76.263	1A.13
Profit for the year	£m	3	248.105	-38.511	3.987	-42.498	205.608	1A.14
Dividends	£m	3	-197.000	0.000	-3.987	3.987	-193.013	1A.15
Tax analysis								
Current year	£m	3	-7.200	0.000	1.329	-1.329	-8.529	1A.16
Adjustment in respect of prior years	£m	3	2.000	0.000	0.000	0.000	2.000	1A.17
UK Corporation tax	£m	3	-5.200	0.000	1.329	-1.329	-6.529	1A.18
Analysis of non-appointed revenue								
Imported sludge	£m	3			0.000			1A.19
Tankered waste	£m	3			5.357			1A.20
Other non-appointed revenue	£m	3			5.539			1A.21
Revenue	£m	3			10.896			1A.22

# Pro forma tables subject to audit opinion

# **Section 1 Regulatory financial reporting**

# Pro forma 1B

# Statement of comprehensive income for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

					Adjustments			
Line description	Units	DPs	Statutory	Differences between statutory and RAG definitions	Non- appointed	Total adjustments	Total appointed activities	RAG 4 reference
Profit for the year	£m	3	248.105	-38.511	3.987	-42.498	205.608	1B.1
Actuarial gains/(losses) on post-employment plans	£m	3	18.300	0.000	0.000	0.000	18.300	1B.2
Other comprehensive income	£m	3	5.200	0.000	0.000	0.000	5.200	1B.3
Total Comprehensive income for the year	£m	3	271.605	-38.511	3.987	-42.498	229.108	1B.4

# Pro forma tables subject to audit opinion

# **Section 1 Regulatory financial reporting**

# Pro forma 1C

# Statement of financial position for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

					Adjustments			
Line description	Units	DPs	Statutory	Differences between statutory and RAG definitions	Non- appointed	Total adjustments	Total appointed activities	RAG 4 reference
Non-current assets								
Fixed assets	£m	3	13,872.480	-520.265	9.834	-530.100	13,342.380	1C.1
Intangible assets	£m	3	105.751	-4.945	0.242	-5.186	100.564	1C.2
Investments - loans to group companies	£m	3	0.000	0.000	0.000	0.000	0.000	1C.3
Investments - other	£m	3	0.044	0.000	0.000	0.000	0.044	1C.4
Financial instruments	£m	3	329.324	0.000	0.000	0.000	329.324	1C.5
Retirement benefit assets	£m	3	226.422	0.000	0.000	0.000	226.422	1C.6
Total non-current assets	£m	3	14,534.020	-525.210	10.076	-535.286	13,998.734	1C.7
Current assets								
Inventories	£m	3	21.947	0.000	14.158	-14.158	7.789	1C.8
Trade & other receivables	£m	3	388.607	39.983	-0.668	40.651	429.258	1C.9
Financial instruments	£m	3	11.362	0.000	0.000	0.000	11.362	1C.10
Cash & cash equivalents	£m	3	1,485.870	0.000	0.000	0.000	1,485.870	1C.11
Total current assets	£m	3	1,907.786	39.983	13.489	26.493	1,934.280	1C.12
Current liabilities								
Trade & other payables	£m	3	-571.318	26.249	-23.415	49.664	-521.654	1C.13
Capex creditor	£m	3	0.000	0.000	0.000	0.000	0.000	1C.14
Borrowings	£m	3	-608.604	3.598	0.000	3.598	-605.006	1C.15
Financial instruments	£m	3	-17.569	0.000	0.000	0.000	-17.569	1C.16
Current tax liabilities	£m	3	0.000	0.000	0.000	0.000	0.000	1C.17
Provisions	£m	3	-19.015	-19.700	0.000	-19.700	-38.714	1C.18
Total current liabilities	£m	3	-1,216.506	10.148	-23.415	33.563	-1,182.943	1C.19
Net Current assets/(liabilities)	£m	3	691.280	50.131	-9.926	60.056	751.336	1C.20
Non-current liabilities								
Trade & other payables	£m	3	-1,063.831	1,045.836	0.000	1,045.836	-17.995	1C.21
Borrowings	£m	3	-10,469.480	0.000	0.000	0.000	-10,469.480	1C.22
Financial instruments	£m	3	-275.045	0.000	0.000	0.000	-275.045	1C.23
Retirement benefit obligations	£m	3	0.000	0.000	0.000	0.000	0.000	1C.24
Provisions	£m	3	0.000	0.000	0.000	0.000	0.000	1C.25
Deferred income – grants & contributions	£m	3	0.000	-288.369	-0.150	-288.218	-288.218	1C.26
Deferred income - adopted assets	£m	3	0.000	-728.350	0.000	-728.350	-728.350	1C.27
Preference share capital	£m	3	0.000	0.000	0.000	0.000	0.000	1C.28
Deferred tax	£m	3	-2,002.354	82.648	0.000	82.648	-1,919.706	1C.29
Total non-current liabilities	£m	3	-13,810.709	111.765	-0.150	111.916	-13,698.794	1C.30
Net assets	£m	3	1414.591	-363.314	-0.000	-363.314	1051.276	1C.31
Equity								
Called up share capital	£m	3	-230.000	0.000	0.000	0.000	-230.000	1C.32
Retained earnings & other reserves	£m	3	-1,184.591	363.314	0.000	363.314	-821.276	1C.33
Total Equity	£m	3	-1,414.591	363.314	0.000	363.314	-1,051.276	1C.34

# Pro forma tables subject to audit opinion

# **Section 1 Regulatory financial reporting**

# Pro forma 1D

### Statement of cash flows for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
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				1	Adjustments			
Line description	Units	DPs	Statutory	Differences between statutory and RAG definitions	Non- appointed	Total adjustments	Total appointed activities	RAG 4 reference
Operating activities								
Operating profit	£m	3	635.064	-6.434	1.435	-7.869	627.195	1D.1
Other income	£m	3	0.000	3.749	3.881	-0.133	-0.133	1D.2
Depreciation	£m	3	464.776	-13.606	0.756	-14.363	450.414	1D.3
Amortisation – Grants & contributions	£m	3	-19.810	19.810	0.000	19.810	0.000	1D.4
Changes in working capital	£m	3	-4.000	-3.518	-0.992	-2.527	-6.527	1D.5
Pension contributions	£m	3	-3.477	0.000	0.000	0.000	-3.477	1D.6
Movement in provisions	£m	3	5.500	0.000	0.000	0.000	5.500	1D.7
Profit on sale of fixed assets	£m	3	4.000	0.000	0.000	0.000	4.000	1D.8
Cash generated from operations	£m	3	1,082.053	0.000	5.080	-5.080	1,076.973	1D.9
Net interest paid	£m	3	-186.400	0.000	0.000	0.000	-186.400	1D.10
Tax paid	£m	3	8.000	0.000	0.710	-0.710	7.290	1D.11
Net cash generated from operating activities	£m	3	903.653	0.000	5.790	-5.790	897.863	1D.12
Investing activities								
Capital expenditure	£m	3	-997.300	0.000	-1.803	1.803	-995.497	1D.13
Grants & Contributions	£m	3	9.200	0.000	0.000	0.000	9.200	1D.14
Disposal of fixed assets	£m	3	0.400	0.000	0.000	0.000	0.400	1D.15
Other	£m	3	0.000	0.000	0.000	0.000	0.000	1D.16
Net cash used in investing activities	£m	3	-987.700	0.000	-1.803	1.803	-985.897	1D.17
Net cash generated before financing activities	£m	3	-84.047	0.000	3.987	-3.987	-88.034	1D.18
Cashflows from financing activities								
Equity dividends paid	£m	3	-197.000	0.000	-3.987	3.987	-193.013	1D.19
Net loans received	£m	3	526.700	0.000	0.000	0.000	526.700	1D.20
Cash inflow from equity financing	£m	3	0.000	0.000	0.000	0.000	0.000	1D.21
Net cash generated from financing activities	£m	3	329.700	0.000	-3.987	3.987	333.687	1D.22
Increase (decrease) in net cash	£m	3	245.653	0.000	0.000	0.000	245.653	1D.23

# Pro forma tables subject to audit opinion

# **Section 1 Regulatory financial reporting**

# Pro forma 1E

# Net debt analysis (appointed activities) at 31 March 2025

Keys to cells
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Calculation cell
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				Floating	Index	linked		RAG 4
Line description	Units	DPs	Fixed rate	rate	RPI	CPI/CPIH	Total	reference
Interest rate risk profile								
Borrowings (excluding preference shares)	£m	3	5,029.376	1,671.346	3,328.741	1,345.875	11,375.338	1E.1
Preference share capital	£m	3	0.000				0.000	1E.2
Total borrowings	£m	3	5,029.376	1,671.346	3,328.741	1,345.875	11,375.338	1E.3
Cash	£m	3					-3.337	1E.4
Short term deposits	£m	3					-1,482.533	1E.5
Net Debt	£m	3					9,889.468	1E.6
Gearing								
Gearing	%	3					65.841%	1E.7
Adjusted Gearing	%	3					65.841%	1E.8
Interest								
Full year equivalent nominal interest cost	£m	3	207.374	74.435	156.505	27.915	466.229	1E.9
Full year equivalent cash interest payment	£m	3	207.374	74.435	48.060	-7.310	322.558	1E.10
Indicative interest rates								
Indicative weighted average nominal interest rate	%	3	4.123%	4.454%	4.702%	2.074%	4.099%	1E.11
Indicative weighted average cash interest rate	%	3	4.123%	4.454%	1.444%	-0.543%	2.836%	1E.12
Time to maturity								
Weighted average years to maturity	nr	3	11.554	0.000	18.778	8.913	13.147	1E.13

# Pro forma tables subject to audit opinion

# **Section 1 Regulatory financial reporting**

# Pro forma 1F

Financial flows for the 12 months ended 31 March 2025 and for the price review to date

Keys to cells
Input cell
Calculation cell
Copy cell

			12	months ende	ed 31 March 20	025				Average	2020-25			
Line description		Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	RAG 4
	Units		%	. ,	. ,	£m			%			£m		
Regulatory equity	DPs		2			3			2			3		
Regulatory equity	£m 3	4630.702	4630.702	3795.053				4488.270	4488.270	3776.356				1F.1
Return on regulatory equity	]													
Return on regulatory equity	See Column Heading	4.03%	3.30%	4.03%	186.444	152.799	152.799	3.97%	3.34%	3.97%	178.199	149.933	149.933	1F.2
Financing	]													
Impact of movement from notional gearing	See Column Heading		0.73%	0.33%		33.645	12.433		0.63%	0.30%		28.265	11.303	1F.3
Gearing benefits sharing	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.4
Variance in corporation tax	See Column Heading		2.00%	2.44%		92.729	92.729		1.44%	1.72%		64.795	64.795	1F.5
Group relief	See Column Heading		0.00%	0.00%		0.000	0.000		-0.01%	-0.01%		-0.330	-0.330	1F.6
Cost of debt	See Column Heading		2.10%	2.82%		97.040	107.146		2.42%	3.20%		108.583	121.012	1F.7
Hedging instruments	See Column Heading		-0.05%	-0.07%		-2.488	-2.488		0.35%	0.41%		15.587	15.587	1F.8
Return on regulatory equity including Financing adjustments	See Column Heading	4.03%	8.07%	9.56%	186.444	373.725	362.619	3.97%	8.17%	9.59%	178.199	366.833	362.300	1F.9
Operational Performance														
Totex out / (under) performance	See Column Heading		-6.75%	-8.24%		-312.596	-312.596		-2.27%	-2.70%		-101.979	-101.979	1F.10
ODI out / (under) performance	See Column Heading		0.20%	0.25%		9.480	9.480		0.43%	0.51%		19.374	19.374	1F.11
C-Mex out / (under) performance	See Column Heading		0.04%	0.05%		1.731	1.731		0.04%	0.05%		1.803	1.803	1F.12
D-Mex out / (under) performance	See Column Heading		0.01%	0.02%		0.683	0.683		0.01%	0.01%		0.520	0.520	1F.13
Retail out / (under) performance	See Column Heading		-0.56%	-0.68%		-25.799	-25.799		-0.35%	-0.42%		-15.839	-15.839	1F.14
Other exceptional items	See Column Heading		0.03%	0.03%		1.224	1.224		0.03%	0.04%		1.355	1.355	1F.15
Operational performance total	See Column Heading		-7.02%	-8.57%		-325.277	-325.277		-2.11%	-2.51%		-94.766	-94.766	1F.16
RoRE (return on regulatory equity)	See Column Heading	4.03%	1.05%	0.98%	186.444	48.448	37.342	3.97%	6.06%	7.08%	178.199	272.067	267.534	1F.17
RCV growth	See Column Heading	3.46%	3.46%	3.46%	160.222	160.222	131.309	5.33%	5.33%	5.33%	239.417	239.417	201.441	1F.18
Voluntary sharing arrangements	See Column Heading		-0.25%	-0.30%		-11.562	-11.562		-0.23%	-0.27%		-10.139	-10.139	1F.19
Total shareholder return	See Column Heading	7.49%	4.26%	4.14%	346.666	197.109	157.089	9.30%	11.17%	12.15%	417.615	501.345	458.837	1F.20
Dividends	]													
Gross Dividend	See Column Heading	3.00%	3.24%	3.95%	138.921	150.067	150.067	3.00%	4.41%	5.25%	134.648	198.086	198.086	1F.21
Interest Receivable on Intercompany loans	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.22
Retained Value	See Column Heading	4.49%	1.02%	0.19%	207.745	47.042	7.023	6.30%	6.76%	6.90%	282.967	303.260	260.751	1F.23
Cash impact of 2015-20 performance adjustments														
Totex out / under performance	See Column Heading		0.28%	0.34%		12.871	12.871		0.29%	0.34%		12.871	12.871	1F.24
ODI out / under performance	See Column Heading		-0.01%	-0.02%		-0.686	-0.686		-0.02%	-0.02%		-0.686	-0.686	1F.25
Total out / under performance	See Column Heading		0.26%	0.32%		12.186	12.186		0.27%	0.32%		12.186	12.186	1F.26

# Pro forma tables subject to audit opinion

# Section 2 Price review and other segmental reporting

Additional commentary on the Section 2 pro forma tables is provided on page 146 to 147.

### Pro forma 2A

# Segmental income statement for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Residential retail	Business retail	Water resources	Water Network+	Wastewater Network+	Bioresources	Total	RAG 4 reference
Revenue - price control	£m	3	129.752	0.000	141.259	752.263	980.845	132.944	2,137.063	2A.1
Revenue - non price control	£m	3	0.000	0.000	0.978	2.913	1.242	0.113	5.247	2A.2
Operating expenditure - excluding PU recharge impact	£m	3	-121.360	0.000	-80.952	-389.043	-397.310	-72.058	-1,060.724	2A.3
PU opex recharge	£m	3	-1.833	0.000	0.666	-8.553	11.775	-2.055	0.000	2A.4
Operating expenditure - including PU recharge impact	£m	3	-123.193	0.000	-80.287	-397.596	-385.535	-74.114	-1,060.724	2A.5
Depreciation - tangible fixed assets	£m	3	-1.164	0.000	-18.298	-140.088	-219.000	-44.553	-423.103	2A.6
Amortisation - intangible fixed assets	£m	3	-5.472	0.000	-0.087	-4.890	-16.273	-0.590	-27.312	2A.7
Other operating income	£m	3	0.000	0.000	0.166	-0.609	-2.539	-0.994	-3.976	2A.8
Operating profit	£m	3	-0.077	0.000	43.731	211.993	358.741	12.807	627.195	2A.9
Surface water drainage rebates										
Surface water drainage rebates	£m	3							0.490	2A.10

# Pro forma tables subject to audit opinion

# Section 2 Price review and other segmental reporting

# Pro forma 2B

Totex analysis for the 12 months ended 31 March 2025 – wholesale

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Water resources	Water Network+	Wastewater Network+	Bioresources	Total	RAG 4 reference
Base operating expenditure								
Power	£m	3	9.661	52.236	98.828	-10.225	150.499	2B.1
Income treated as negative expenditure	£m	3	0.000	-0.235	0.001	-11.900	-12.135	2B.2
Service charges/ discharge consents	£m	3	24.954	0.326	12.772	0.232	38.284	2B.3
Bulk Supply/Bulk discharge	£m	3	0.143	0.181	0.000	0.000	0.324	2B.4
Renewals expensed in year (Infrastructure)	£m	3	16.173	108.652	56.563	2.070	183.457	2B.5
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	2B.6
Other operating expenditure (including Location specific costs & obligations)	£m	3	12.375	186.358	164.996	84.883	448.612	2B.7
Local authority and Cumulo rates	£m	3	14.671	39.661	27.377	7.882	89.591	2B.8
Total base operating expenditure	£m	3	77.977	387.178	360.535	72.942	898.632	2B.9
Other operating expenditure								
Enhancement operating expenditure	£m	3	1.765	2.474	23.384	1.100	28.723	2B.10
Developer services operating expenditure	£m	3	0.000	5.211	1.129	0.000	6.340	2B.11
Total operating expenditure excluding third party services	£m	3	79.742	394.864	385.048	74.042	933.695	2B.12
Third party services	£m	3	0.545	2.732	0.487	0.072	3.836	2B.13
Total operating expenditure	£m	3	80.287	397.596	385.535	74.114	937.531	2B.14
Grants and contributions								
Grants and contributions - operating expenditure	£m	3	0.000	4.074	0.947	0.000	5.021	2B.15
Capital expenditure								
Base capital expenditure	£m	3	7.855	173.619	203.577	39.717	424.768	2B.16
Enhancement capital expenditure	£m	3	12.043	159.167	428.735	7.724	607.668	2B.17
Developer services capital expenditure	£m	3	0.000	23.861	24.539	0.000	48.400	2B.18
Total gross capital expenditure excluding third party services	£m	3	19.898	356.647	656.851	47.441	1,080.836	2B.19
Third party services	£m	3	0.000	4.602	0.000	0.000	4.602	2B.20
Total gross capital expenditure	£m	3	19.898	361.248	656.851	47.441	1,085.438	2B.21
Grants and contributions								
Grants and contributions - capital expenditure	£m	3	0.000	-1.618	7.732	0.000	6.115	2B.22
Net totex	£m	3	100.185	756.388	1,033.707	121.554	2,011.834	2B.23
Cash expenditure								
Pension deficit recovery payments	£m	3	0.000	0.000	0.000	0.000	0.000	2B.24
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	2B.25
Totex including cash items	£m	3	100.185	756.388	1,033.707	121.554	2,011.834	2B.26

# Pro forma tables subject to audit opinion

# Section 2 Price review and other segmental reporting

# Pro forma 2C

# Cost analysis for the 12 months ended 31 March 2025 - retail

Keys to cells
Input cell
Calculation cell
Copy cell

						17
Line description	Units	DPs	Residential	Business	Total	RAG 4 reference
Operating expenditure						
Customer services	£m	3	26.234	0.000	26.234	2C.1
Debt management	£m	3	13.807	0.000	13.807	2C.2
Doubtful debts	£m	3	60.816	0.000	60.816	2C.3
Meter reading	£m	3	3.803	0.000	3.803	2C.4
Other operating expenditure	£m	3	16.699	0.000	16.699	2C.5
Local authority and Cumulo rates	£m	3	0.000	0.000	0.000	2C.6
Total operating expenditure excluding third party services	£m	3	121.360	0.000	121.360	2C.7
Depreciation						
Depreciation (tangible fixed assets) on assets existing at 31 March 2015	£m	3	0.000	0.000	0.000	2C.8
Depreciation (tangible fixed assets) on assets acquired after 1 April 2015	£m	3	1.164	0.000	1.164	2C.9
Amortisation (intangible fixed assets) on assets existing at 31 March 2015	£m	3	0.000	0.000	0.000	2C.10
Amortisation (intangible fixed assets) on assets acquired after 1 April 2015	£m	3	5.472	0.000	5.472	2C.11
Recharges	]					
Recharge from wholesale for legacy assets principally used by wholesale (assets existing at 31 March 2015)	£m	3	0.200	0.000	0.200	2C.12
Income from wholesale for legacy assets principally used by retail (assets existing at 31 March 2015)	£m	3	0.000	0.000	0.000	2C.13
Recharge from wholesale assets acquired after 1 April 2015 principally used by wholesale	£m	3	1.989	0.000	1.989	2C.14
Income from wholesale assets acquired after 1 April 2015 principally used by retail	£m	3	0.356	0.000	0.356	2C.15
Net recharges costs	£m	3	1.833	0.000	1.833	2C.16
Total retail costs excluding third party and pension deficit repair costs	£m	3	129.828	0.000	129.828	2C.17
Third party services operating expenditure	£m	3	0.000	0.000	0.000	2C.18
Pension deficit repair costs	£m	3	0.000	0.000	0.000	2C.19
Total retail costs including third party and pension deficit repair costs	£m	3	129.828	0.000	129.828	2C.20
Debt written off	]					
Debt written off	£m	3	46.867	0.000	46.867	2C.21
Capital expenditure	]					
Capital expenditure	£m	3	1.810	0.000	1.810	2C.22
Comparison of actual and allowed expenditure						
Cumulative actual retail expenditure to reporting year end	£m	3	617.169			2C.23
Cumulative allowed expenditure to reporting year end	£m	3	541.031			2C.24
Total allowed expenditure 2020-25	£m	3	541.031			2C.25

# Pro forma tables subject to audit opinion

# Section 2 Price review and other segmental reporting

# Pro forma 2D

# Historic cost analysis of tangible fixed assets at 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Residential Retail	Business Retail	Water resources	Water Network+	Wastewater Network+	Bioresources	Total	RAG 4 reference
Cost										
At 1 April 2024	£m	3	44.363	0.000	345.323	6,444.267	9,824.115	1,181.329	17,839.397	2D.1
Disposals	£m	3	-0.028	0.000	-0.959	-30.195	-40.605	-10.025	-81.812	2D.2
Additions	£m	3	1.122	0.000	19.897	367.169	642.426	47.441	1,078.055	2D.3
Adjustments	£m	3	0.000	0.000	0.050	0.034	0.000	0.000	0.084	2D.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	48.153	73.218	0.000	121.371	2D.5
At 31 March 2025	£m	3	45.458	0.000	364.311	6,829.428	10,499.154	1,218.745	18,957.096	2D.6
Depreciation										
At 1 April 2024	£m	3	-40.394	0.000	-138.661	-1,833.539	-2,586.676	-669.777	-5,269.047	2D.7
Disposals	£m	3	0.028	0.000	0.906	29.686	37.849	8.968	77.437	2D.8
Adjustments	£m	3	0.000	0.000	-0.002	-0.002	0.000	0.000	-0.004	2D.9
Charge for year	£m	3	-1.164	0.000	-18.298	-140.088	-219.000	-44.553	-423.103	2D.10
At 31 March 2025	£m	3	-41.530	0.000	-156.055	-1,943.943	-2,767.826	-705.362	-5,614.716	2D.11
Net book amount at 31 March 2025	£m	3	3.928	0.000	208.256	4,885.485	7,731.328	513.383	13,342.379	2D.12
Net book amount at 1 April 2024	£m	3	3.970	0.000	206.662	4,610.728	7,237.439	511.552	12,570.351	2D.13
Depreciation charge for year										
Principal services	£m	3	-1.164	0.000	-18.075	-139.665	-219.000	-44.553	-422.457	2D.14
Third party services	£m	3	0.000	0.000	-0.223	-0.423	0.000	0.000	-0.646	2D.15
Total	£m	3	-1.164	0.000	-18.298	-140.088	-219.000	-44.553	-423.103	2D.16

The net book value includes £1,663.1 million in respect of assets in the course of construction.

# Pro forma tables subject to audit opinion

# Section 2 Price review and other segmental reporting

### Pro forma 2E

Analysis of 'grants and contributions' for the 12 months ended 31 March 2025 - water resources, water network+ and wastewater network+

Input cell
Calculation cell
Copy cell

Diversions - s185	2E.1 2E.2 2E.3 2E.4 2E.5 2E.6 2E.7 2E.8
Diversions - s185	2E.2 2E.3 2E.4 2E.5 2E.6 2E.7 2E.8 2E.9 2E.10 2E.11
Other contributions (price control)         £m         3         0.000         0.000         0.000         0.000           Price control grants and contributions         £m         3         0.000         0.000         0.000         0.000           Diversions - NRSWA         £m         3         0.000         0.000         0.000         0.000           Diversions - other non-price control         £m         3         0.000         0.000         0.000           Other contributions (non-price control)         £m         3         0.000         0.000         0.000           Total grants and contributions         £m         3         0.000         0.000         0.000           Value of adopted assets         £m         3         0.000         0.000         0.000           Grants and contributions - water network+           Connection charges           £m         3         0.005         7.871         0.000         7.877           Infrastructure charge receipts – new connections         £m         3         0.000         5.278         0.000         5.278           Requisitioned mains         £m         3         0.000         3.743         0.000         3.743           Diversions	2E.2 2E.3 2E.4 2E.5 2E.6 2E.7 2E.8 2E.9 2E.10 2E.11
Other contributions (price control)         £m         3         0.000         0.000         0.000         0.000           Price control grants and contributions         £m         3         0.000         0.000         0.000         0.000           Diversions - NRSWA         £m         3         0.000         0.000         0.000         0.000           Diversions - other non-price control         £m         3         0.000         0.000         0.000           Other contributions (non-price control)         £m         3         0.000         0.000         0.000           Total grants and contributions         £m         3         0.000         0.000         0.000           Value of adopted assets         £m         3         0.000         0.000         0.000           Grants and contributions - water network+           Connection charges           £m         3         0.005         7.871         0.000         7.877           Infrastructure charge receipts – new connections         £m         3         0.000         5.278         0.000         5.278           Requisitioned mains         £m         3         0.000         3.743         0.000         3.743           Diversions	2E.3 2E.4 2E.5 2E.6 2E.7 2E.8 2E.9 2E.10 2E.11
Price control grants and contributions         £m         3         0.000         0.000         0.000           Diversions - NRSWA         £m         3         0.000         0.000         0.000         0.000           Diversions - other non-price control         £m         3         0.000         0.000         0.000         0.000           Other contributions (non-price control)         £m         3         0.000         0.000         0.000         0.000           Total grants and contributions         £m         3         0.000         0.000         0.000         0.000           Value of adopted assets         £m         3         0.000         0.000         0.000           Grants and contributions - water network+           Connection charges         £m         3         0.005         7.871         0.000         7.877           Infrastructure charge receipts – new connections         £m         3         0.000         5.278         0.000         5.278           Requisitioned mains         £m         3         0.000         3.743         0.000         3.743           Diversions - s185         £m         3         1.823         0.000         0.000         1.823           Other contrib	2E.4 2E.5 2E.6 2E.7 2E.8 2E.9 2E.10 2E.11
Diversions - other non-price control   £m   3   0.000   0.000   0.000   0.000	2E.5 2E.6 2E.7 2E.8 2E.9 2E.10 2E.11
Other contributions (non-price control)         £m         3         0.000         0.000         0.000           Total grants and contributions         £m         3         0.000         0.000         0.000           Value of adopted assets         £m         3         0.000         0.000         0.000           Grants and contributions - water network+           Connection charges         £m         3         0.005         7.871         0.000         7.877           Infrastructure charge receipts - new connections         £m         3         0.000         5.278         0.000         5.278           Requisitioned mains         £m         3         0.000         3.743         0.000         3.743           Diversions - s185         £m         3         1.823         0.000         0.000         1.823           Other contributions (price control)         £m         3         0.045         0.000         0.0045	2E.6 2E.7 2E.8 2E.9 2E.10 2E.11
Total grants and contributions         £m         3         0.000         0.000         0.000           Value of adopted assets         £m         3         0.000         0.000         0.000           Grants and contributions - water network+           Connection charges         £m         3         0.005         7.871         0.000         7.877           Infrastructure charge receipts – new connections         £m         3         0.000         5.278         0.000         5.278           Requisitioned mains         £m         3         0.000         3.743         0.000         3.743           Diversions - s185         £m         3         1.823         0.000         0.000         1.823           Other contributions (price control)         £m         3         0.045         0.000         0.045	2E.7 2E.8 2E.9 2E.10 2E.11
Value of adopted assets         £m         3         0.000         0.000         0.000           Grants and contributions - water network+         Em         3         0.005         7.871         0.000         7.877           Infrastructure charge receipts - new connections         £m         3         0.000         5.278         0.000         5.278           Requisitioned mains         £m         3         0.000         3.743         0.000         3.743           Diversions - s185         £m         3         1.823         0.000         0.000         1.823           Other contributions (price control)         £m         3         0.045         0.000         0.005	2E.8 2E.9 2E.10 2E.11
Grants and contributions - water network+         £m         3         0.005         7.871         0.000         7.877           Infrastructure charge receipts - new connections         £m         3         0.000         5.278         0.000         5.278           Requisitioned mains         £m         3         0.000         3.743         0.000         3.743           Diversions - s185         £m         3         1.823         0.000         0.000         1.823           Other contributions (price control)         £m         3         0.045         0.000         0.0045	2E.9 2E.10 2E.11
Connection charges         £m         3         0.005         7.871         0.000         7.877           Infrastructure charge receipts – new connections         £m         3         0.000         5.278         0.000         5.278           Requisitioned mains         £m         3         0.000         3.743         0.000         3.743           Diversions - s185         £m         3         1.823         0.000         0.000         1.823           Other contributions (price control)         £m         3         0.045         0.000         0.0045	2E.10 2E.11
Connection charges         £m         3         0.005         7.871         0.000         7.877           Infrastructure charge receipts – new connections         £m         3         0.000         5.278         0.000         5.278           Requisitioned mains         £m         3         0.000         3.743         0.000         3.743           Diversions - s185         £m         3         1.823         0.000         0.000         1.823           Other contributions (price control)         £m         3         0.045         0.000         0.0045	2E.10 2E.11
Infrastructure charge receipts – new connections   £m   3   0.000   5.278   0.000   5.278	2E.10 2E.11
Requisitioned mains         £m         3         0.000         3.743         0.000         3.743           Diversions - s185         £m         3         1.823         0.000         0.000         1.823           Other contributions (price control)         £m         3         0.045         0.000         0.000           Price control grants and contributions before deduction of         0.000         0.000         0.045	2E.11
Diversions - s185         £m         3         1.823         0.000         0.000         1.823           Other contributions (price control)         £m         3         0.045         0.000         0.000         0.045	
Other contributions (price control)  £m 3 0.045 0.000 0.000  Price control grants and contributions before deduction of	2E.12
Price control grants and contributions before deduction of	2E.13
£m 3 1.873 16.892 0.000 18.765	2E.14
Income offset £m 3 0.000 23.139 0.000 23.139	2E.15
Price control grants and contributions after deduction of	2E.16
income offset	OF 17
	2E.17
Diversions - other non-price control         £m         3         0.003         0.000         0.000           Other contributions (non-price control)         £m         3         0.000         4.629         0.000         4.629	2E.18 2E.19
Total grants and contributions £m 3 4.074 -1.618 0.000 2.456	2E.20
Value of adopted assets         £m         3         0.000         48.153         48.153	2E.21
Grants and contributions - wastewater network+	
Receipts for on-site work £m 3 0.000 0.393 0.000 0.393	2E.22
Infrastructure charge receipts – new connections £m 3 0.000 5.987 0.000 5.987	2E.23
Diversions - s185 £m 3 0.432 0.000 0.000 0.432	2E.24
Other contributions (price control) £m 3 0.000 1.352 0.000 1.352	2E.25
Price control grants and contributions before deduction of income offset 3 0.432 7.732 0.000 8.165	2E.26
Income offset £m 3 0.000 0.000 0.000 0.000	2E.27
Price control grants and contributions after deduction of income offset 3 0.432 7.732 0.000 8.165	2E.28
Diversions - NRSWA £m 3 0.508 0.000 0.000 0.508	2E.29
Diversions - other non-price control £m 3 0.007 0.000 0.000 0.007	2E.30
Other Contributions (non-price control)         £m         3         0.000         0.000         0.000	2E.31
Total grants and contributions £m 3 0.947 7.732 0.000 8.679	2E.32
Value of adopted assets £m 3 0.000 73.218 73.218	2E.33
Line description Units DPs Water resources network+ Total	
Movements in capitalised grants and contributions	
b/f £m 3 0.023 144.947 146.675 291.645	2E.34
Capitalised in year         £m         3         0.000         -1.618         7.732         6.115	2E.35
Amortisation (in income statement) £m 3 0.000 -2.375 -3.248 -5.623	2E.36
c/f £m 3 0.022 140.955 151.159 292.137	2E.37

### Pro forma tables subject to audit opinion

# Section 2 Price review and other segmental reporting

### Pro forma 2F

### Residential retail for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Revenue	Number of customers	Average residential revenues	
Units	£m	000s	£	RAG 4
DPs	3	3	3	reference
Residential revenue				
Wholesale revenue	1,420.740			2F.1
Retail revenue	129.752			2F.2
Total residential revenue	1,550.492			2F.3
Retail revenue				
Revenue Recovered ("RR")	129.752			2F.4
Revenue sacrifice	14.870			2F.5
Actual revenue (net)	144.623			2F.6
Customer information				
Actual customers ("AC" )		3,249.559		2F.7
Reforecast customers		3,253.192		2F.8
Adjustment				
Allowed revenue ("R")	139.192			2F.9
Net adjustment	-5.431			2F.10
Other residential information				
Average household retail revenue per customer			44.505	2F.11

# Pro forma 2G and 2H

Non-household water and wastewater – revenues by tariff type

As per RAG 4.13, Tables 2G & 2H should only be completed by Welsh companies. Please refer to Table 2I, page 127, for the corresponding wholesale revenue.

Annual Performance Report 2024/25

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# Section 2 Price review and other segmental reporting

# Pro forma 2I

# Revenue analysis for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

	1			N					210.
Line description	Units	DPs	Household	Non- household	Total	Water resources	Water network+	Total	RAG 4 reference
	1								
Wholesale charge - water Unmeasured	0	-	365.649	4 477	369.826	59.242	740 504	369.826	014
Measured	£m £m	3	302.608	4.177 217.466	520.073	79.696	310.584 440.378	520.073	2l.1 2l.2
		3	0.000	3.622	3.622			3.622	
Third party revenue  Total wholesale water revenue	£m £m	3	668.256	225.265	893.521	2.321	1.301 752.263	893.521	2l.3 2l.4
Total Wilolesale Water revenue	EIII		008.230	223.203	093.321	141.209	732.203	093.321	21.4
Line description	Units	DPs	Household	Non- household	Total	Wastewater network+	Bioresources	Total	
Wholesale charge - wastewater	]								
Unmeasured - foul charges	£m	3	246.634	3.150	249.784	190.667	59.118	249.784	21.5
Unmeasured - surface water charges	£m	3	107.291	1.958	109.249	109.206	0.043	109.249	21.6
Unmeasured - highway drainage charges	£m	3	46.188	0.880	47.068	47.046	0.022	47.068	21.7
Measured - foul charges	£m	3	188.448	140.465	328.913	255.301	73.612	328.913	21.8
Measured - surface water charges	£m	3	112.550	133.071	245.620	245.531	0.089	245.620	21.9
Measured - highway drainage charges	£m	3	51.372	81.644	133.016	132.955	0.061	133.016	21.10
Third party revenue	£m	3	0.000	0.138	0.138	0.138	0.000	0.138	21.11
Total wholesale wastewater revenue	£m	3	752.484	361.306	1,113.789	980.845	132.944	1,113.789	21.12
Wholesale charge - Additional Control	1								
Unmeasured	£m	3	0.000	0.000	0.000	1			21.13
Measured	£m	3	0.000	0.000	0.000	1			21.14
Total wholesale additional control revenue	£m	3	0.000	0.000	0.000				21.15
Wholesale Total	£m	3	1,420.740	586.571	2,007.311	]			21.16
Wildlesale Total		] 3	1,420.740	360.371	2,007.311				21.10
Retail revenue			1	ſ	1				
Unmeasured	£m	3	58.558	0.000	58.558				21.17
Measured	£m	3	71.194	0.000	71.194				21.18
Retail third party revenue	£m	3	0.000	0.000	0.000	_			21.19
Total retail revenue	£m	3	129.752	0.000	129.752				21.20
Third party revenue - non-price control									
Bulk supplies - water	£m	3			2.564				21.21
Bulk supplies - wastewater	£m	3			1.355				21.22
Other third-party revenue - non price control	£m	3			1.254				21.23
Principal services - non-price control	]								
Other appointed revenue	£m	3			0.073				21.24
Total appointed revenue	£m	3			2,142.310	]			21.25

# Section 2 Price review and other segmental reporting

# Pro forma 2J

### Infrastructure network reinforcement costs for the 12 months ended 31 March 2025

Keys to cells Input cell Calculation cell Copy cell

Line description	Units	DPs	Network reinforcement capex	On site / site specific capex (memo only)	RAG 4 reference
Wholesale water network+ (treated water distribution)	]				
Distribution and trunk mains	£m	3	6.116	0.041	2J.1
Pumping and storage facilities	£m	3	0.000	0.000	2J.2
Other	£m	3	0.000	0.000	2J.3
Total	£m	3	6.116	0.041	2J.4
Wholesale wastewater network+ (sewage collection)	1				
Foul and combined systems	£m	3	13.161	0.000	2J.5
Surface water only systems	£m	3	8.480	0.000	2J.6
Pumping and storage facilities	£m	3	0.000	0.000	2J.7
Other	£m	3	0.000	0.000	2J.8
Total	£m	3	21.641	0.000	2J.9

### Pro forma tables subject to audit opinion

# Section 2 Price review and other segmental reporting

### Pro forma 2K

Infrastructure charges reconciliation for the 12 months ended 31 March 2025

Keys to cells					
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Line description	Units	DPs	Water	Wastewater	Total	RAG 4 reference
Impact of infrastructure charge discounts						
Infrastructure charges	£m	3	5.278	5.987	11.265	2K.1
Discounts applied to infrastructure charges	£m	3	0.000	0.000	0.000	2K.2
Gross Infrastructure charges	£m	3	5.278	5.987	11.265	2K.3
Comparison of revenue and costs						
Variance brought forward	£m	3	8.031	10.965	18.996	2K.4
Revenue	£m	3	5.278	5.987	11.265	2K.5
Costs	£m	3	-6.116	-21.641	-27.757	2K.6
Variance carried forward	£m	3	7.193	-4.689	2.504	2K.7

### Pro forma 2L

Analysis of land sales for the 12 months ended 31 March 2025

Keys to cells



Line description	Units	DPs	Water resources	Water Network+	Wastewater Network+	Total	RAG 4 reference
Land sales – proceeds from disposals of protected land	£m	3	2.262	0.261	0.627	3.150	2L.1

# Pro forma tables subject to audit opinion

# Section 2 Price review and other segmental reporting

# Pro forma 2M

### Revenue reconciliation for the 12 months ended 31 March 2025 – wholesale

Keys to cells
Input cell
Calculation cell
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Line description	Units	DPs	Water resources	Water network+	Wastewater network+	Bioresources	Total	RAG 4 reference
Revenue recognised	1							
Wholesale revenue governed by price control	£m	3	141.259	752.263	980.845	132.944	2,007.311	2M.1
Grants & contributions (price control)	£m	3	0.000	-4.374	8.165	0.000	3.791	2M.2
Total revenue governed by wholesale price control	£m	3	141.259	747.889	989.010	132.944	2,011.101	2M.3
Calculation of the revenue cap	1							
Allowed wholesale revenue before adjustments (or modified by CMA)	£m	3	138.378	717.362	944.275	125.563	1,925.578	2M.4
Allowed grants & contributions before adjustments (or modified by CMA)	£m	3	0.000	6.036	11.997	0.000	18.032	2M.5
Revenue adjustment	£m	3	3.022	30.860	25.579	4.082	63.543	2M.6
Other adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	2M.7
Revenue cap	£m	3	141.400	754.258	981.850	129.646	2,007.153	2M.8
Calculation of the revenue imbalance	1							
Revenue cap	£m	3	141.400	754.258	981.850	129.646	2,007.153	2M.9
Revenue Recovered	£m	3	141.259	747.889	989.010	132.944	2,011.101	2M.10
Revenue imbalance	£m	3	0.141	6.370	-7.160	-3.299	-3.948	2M.11

# Pro forma tables subject to audit opinion

# Section 2 Price review and other segmental reporting

# Pro forma 2N

# Household affordability support

Average reduction in bills for WaterSure customers

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Calculation cell
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414.481

2N.26

131

Line description	Revenue	Number of customers	Average amount per customer	
Units	£'000	number	£	
DPs .	3	Humber	3	RAG 4 reference
Section A - social tariffs	J 3			reference
Number of residential customers on social tariffs				
Residential water only social tariffs customers		0.418		2N.1
Residential wastewater only social tariffs customers		1.137		2N.2
Residential dual service social tariffs customers		149.152		2N.3
Number of residential customers not on social tariffs				
Residential water only no social tariffs customers		76.317		2N.4
Residential wastewater only no social tariffs customers		84.671		2N.5
Residential dual service no social tariffs customers		2,937.864		2N.6
Social tariff discount				
Average discount per water only social tariffs customer			223.407	2N.7
Average discount per wastewater only social tariffs customer			163.558	2N.8
Average discount per dual service social tariffs customer			265.181	2N.9
Social tariff cross-subsidy - residential customers				
Total customer funded cross-subsidies for water only social tariffs customers	0.058			2N.10
Total customer funded cross-subsidies for wastewater only social tariffs customers	0.110			2N.11
Total customer funded cross-subsidies for dual service social tariffs customers	24.793			2N.12
Average customer funded cross-subsidy per water only social tariffs customer			0.761	2N.13
Average customer funded cross-subsidy per wastewater only social tariffs customer			1.277	2N.14
Average customer funded cross-subsidy per dual service social tariffs customer			8.031	2N.15
Social tariff cross-subsidy - company				
Total revenue forgone by company to fund cross-subsidies for water only social tariffs customers	0.035			2N.16
Total revenue forgone by company to fund cross-subsidies for wastewater only social tariffs customers	0.076			2N.17
Total revenue forgone by company to fund cross-subsidies for dual service social tariffs customers	14.759			2N.18
Average revenue forgone by company to fund cross-subsidy per water only social tariffs customer			83.597	2N.19
Average revenue forgone by company to fund cross-subsidy per wastewater only social tariffs customer			67.254	2N.20
Average revenue forgone by company to fund cross-subsidy per dual service social tariffs customer			98.953	2N.21
Social tariff support - willingness to pay				
Level of support for social tariff customers reflected in business plan			2.346	2N.22
Maximum contribution to social tariffs supported by customer engagement			8.337	2N.23
Section B - Water Sure tariffs				
WaterSure tariffs				
Number of unique customers on WaterSure		28.375		2N.24
Total reduction in bills for WaterSure customers	11.761			2N.25

# Pro forma tables subject to audit opinion

# Section 2 Price review and other segmental reporting

# Pro forma 20

# Historic cost analysis of intangible fixed assets

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Line description	Units	DPs	Residential Retail	Business Retail	Water Resources	Water Network+	Wastewater Network+	Bioresources	Total	RAG 4 reference
Cost							1			
At 1 April 2024	£m	3	73.695	0.000	0.593	57.847	232.459	5.442	370.036	20.1
Disposals	£m	3	0.000	0.000	0.000	0.000	-0.247	0.000	-0.247	20.2
Additions	£m	3	0.688	0.000	0.001	-5.921	14.425	0.000	9.193	20.3
Adjustments	£m	3	0.000	0.000	-0.050	-0.034	0.000	0.000	-0.084	20.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.5
At 31 March 2025	£m	3	74.383	0.000	0.544	51.892	246.637	5.442	378.898	20.6
Amortisation										
At 1 April 2024	£m	3	-56.602	0.000	-0.395	-24.117	-165.298	-4.814	-251.226	20.7
Disposals	£m	3	0.000	0.000	0.000	0.000	0.200	0.000	0.200	20.8
Adjustments	£m	3	0.000	0.000	0.002	0.002	0.000	0.000	0.004	20.9
Charge for year	£m	3	-5.472	0.000	-0.087	-4.890	-16.273	-0.590	-27.312	20.10
At 31 March 2025	£m	3	-62.074	0.000	-0.480	-29.005	-181.371	-5.404	-278.334	20.11
Net book amount at 31 March 2025	£m	3	12.309	0.000	0.064	22.887	65.267	0.038	100.564	20.12
Net book amount at 1 April 2024	£m	3	17.093	0.000	0.198	33.730	67.161	0.628	118.810	20.13
Amortisation for year										
Principal services	£m	3	-5.472	0.000	-0.087	-4.890	-16.273	-0.590	-27.312	20.14
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.15
Total	£m	3	-5.472	0.000	-0.087	-4.890	-16.273	-0.590	-27.312	20.16

The net book value includes £16.4m in respect of assets in the course of construction.

### Regulatory accounts for the 12 months ended 31 March 2025

# **Accounting policies**

The Regulatory Accounts have been prepared in accordance with IFRS, except for deviations required by Ofwat. Areas of deviation include revenue recognition, capitalisation of interest, grants and contributions and adopted assets, direct procurement for customers (DPC) and innovation fund costs reporting. Details of all significant accounting policies applied under IFRS are detailed in the United Utilities Water Limited statutory accounts. In addition, the RAGs require certain presentational differences within the income statement and statement of financial position between the statutory and the regulatory accounts.

The financial statements have been prepared on the going concern basis as the directors have a reasonable expectation that the company has adequate resources for a period of at least 12 months from the date of the approval of the financial statements and that there are no material uncertainties to disclose.

In assessing the appropriateness of the going concern basis of accounting, the directors have reviewed the resources available to the group in the form of cash and committed facilities as well as consideration of the company's capital adequacy, along with a baseline plan that incorporates latest views of the current economic climate. The directors have considered the magnitude of potential impacts resulting from uncertain future events or changes in conditions, and the likely effectiveness of mitigating actions that the directors would consider undertaking. The baseline position has been subjected to a number of severe, but plausible, downside scenarios in order to assess the group's ability to operate within the amounts and terms (including relevant covenants) of existing facilities in the event that adverse factors materialise. These scenarios consider: the potential impacts of increased totex costs, including a significant one-off totex impact of £400 million arising in the assessment period; debt being refinanced as it matures at 1 per cent above the forward projections of interest rates; outcome delivery incentive penalties equivalent to 1.0 per cent of RoRE per annum; and the impact of these factors materialising on a combined basis. Mitigating actions were considered to include deferral of capital expenditure; a reduction in other discretionary totex spend; the close out of derivative asset balances; and the deferral or suspension of dividend payments.

Consequently, the directors are satisfied that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and that stress testing a number of severe but plausible downside scenarios indicates that the company will be able to operate within the amounts and terms (including relevant covenants) of existing facilities in the event that adverse factors materialise. The financial statements have therefore been prepared on a going concern basis.

#### Capitalisation policy

The company recognises property, plant and equipment (PPE) expenditure on its water and wastewater infrastructure assets where such expenditure enhances or increases the capacity and/or resilience of the network, whereas any expenditure classed as maintenance is expensed in the period it is incurred. Determining enhancement from maintenance expenditure is a subjective area, particularly when projects have both elements within them.

For non-infrastructure assets, expenditure that is directly attributable to the acquisition of the items of PPE and intangible assets is capitalised. Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. The company applies a minimum capital limit per project of £500, any expenditure below this limit is expensed. The only exception to IFRS, as required by RAG 1.09 'Principles and guidelines for regulatory reporting under the 'new UK GAAP' regime', is that the company does not capitalise interest in the Regulatory Accounts.

#### Price control segments policy

The accounts have been drawn up in accordance with RAG 2.08 'Guideline for classification of costs across the price controls'. Following our formal exit of the non-household market in 2016, we continue to exclude Tables 2G and 2H from the Regulatory Accounts, which previously provided breakdowns of our non-household revenues by tariff type.

As noted in our Accounting Policies note to the UUW statutory accounts, management capitalises time and resources incurred by the company's support functions on capital programmes. In accordance with RAG 1.09 our historic cost accounting statements are in line with IFRS, except for deviations as specifically required by Ofwat (see 'Differences between statutory and RAG definitions' on pages 141 to 142). As such, any attribution or allocation of support costs between price controls is performed on the net cost balance after capitalisation. This approach is consistent with prior years and with our price review submission.

All notable methodology changes from the prior year, as well as details of cost allocations used per cost line, can be found in our 2024/25 accounting methodology statement, published on our website alongside the APR. (unitedutilities.com/globalassets/documents/pdf/rr25-accounting-methodology-statement)

#### Allocation of costs to principal services

Direct costs are charged to the sub-service areas to which they are attributable, as defined in RAG 4.13. Business activities and indirect costs are allocated on an activity basis using quantitative measures such as full time equivalent employee numbers and other methods reflecting consumption of service.

#### Appointed and non-appointed activities

The company has used the guidance in RAG 4.13 Appendix 1 in determining which of its activities are appointed or non-appointed. In summary, the appointed business is defined as the regulated activities of the Appointee, i.e. those necessary to fulfil the functions and duties of a water and sewerage undertaker. The non-appointed business encompasses those activities for which the company is not a monopoly supplier or those activities which involve the optional use of an asset owned by the appointed business.

#### Regulatory accounts for the 12 months ended 31 March 2025

# Revenue recognition policy

Revenue represents the income receivable in the ordinary course of business from the regulated activities of the business in the year exclusive of value added tax. Charges billed to customers for water and sewerage services are recognised in the period in which they are earned. An accrual is estimated for measured consumption that has not yet been billed.

Where an invoice has been raised for services not provided in the year, this will not be recognised within the current year's revenue, and any payment received against that invoice will be recognised within creditors.

Charges on income arising from court, solicitors and debt recovery agency fees are credited to operating costs and added to the relevant customer account. They are not recognised within revenue.

### Charging policy

Water and sewerage charges fall into the following three categories:

- Charges which are payable in full;
- Charges which are payable in part; and
- Not chargeable (void properties).

The circumstances in which each of the above applies are set out below.

#### Charges payable in full

Water (and sewerage) charges are payable in full in the following circumstances:

**Unmeasured household supply** – when premises benefit from a supply of water, until notice is given by the customer that the supply should be disconnected.

**Measured household supply** – premises with a measured water supply are charged until either:

- The customer leaves the premises having given an up to date meter reading; or
- The customer requests that the supply is disconnected.

Charges are applied to each connected supply point where a service is received, except where the water supply to the premises is permanently disconnected or the premises is vacant.

This includes premises where renovation, redecoration or building work is being undertaken.

Exceptions to this, where water (and sewerage) charges are not payable, include:

- Where the occupier is a sole occupier in a care home for three months or more:
- Where the occupier is a sole occupier in long-term hospitalisation for three months or more:
- Where the occupier is a sole occupier in prison for three months or more; or
- In the event of the death of a sole occupier.

#### Charges payable in part

The following charges are only payable in certain circumstances:

#### Metered standing charges

Payable on metered properties without evidence of consumption which remain connected.

#### Surface water drainage and highway drainage charges

Payable where there is evidence of consumption for metered premises or an unmeasured water supply.

#### Not chargeable

Properties which are identified as vacant are not chargeable for water (and sewerage) and therefore no bill is raised and no revenue recognised in respect of these properties.

# Definition and treatment of properties

#### Occupied properties

The occupier is any person in actual occupation of premises, or any person who:

- Owns the premises; or
- Has sufficient control over premises to put them under a duty of care towards lawful visitors; or
- Maintains premises for occupation (including multiple occupation)
  with shared facilities or as holiday or household accommodation for
  short term occupation (whether let wholly or in part), usually less than
  12 months.

No bills are raised in the name of 'the occupier'.

The property management process is followed to identify whether the property is occupied or not and, if occupied, to identify the chargeable person and raise a bill.

The property management process may comprise some or all of the following:

- Physical inspection;
- Mailings;
- Customer contacts;
- Searches using third-party electronic data;
- Meter readings for metered properties; and
- Land registry checks.

When a new customer is identified, they may be required to provide documentary evidence to establish the date that they became responsible for water (and sewerage) charges at the property. This is normally the date at which they moved into the property. The new customer will be charged from the date at which they became responsible for water (and sewerage) charges of the premises.

For non-household customers, the Wholesale Settlement team use Central Market Operating System (CMOS) meter read data to identify vacant Supply Point Identifications (SPIDs) with consumption. Where consumption exists, we will engage with the relevant retailer, and follow the market process to ensure the SPID is recorded correctly as either vacant, or occupied in the market.

#### **Unoccupied properties**

A property is deemed to be unoccupied when the company has completed the property management process and not identified the property as occupied. To be classified as unoccupied, a property must meet at least one of the following criteria:

- A new property has been connected but is empty and there is no consumption on the meter;
- The company has been informed that the customer has left the property; and not expected to be reoccupied immediately;
- It has been disconnected following a customer request;
- The property management process has not identified an occupier; or
- The company has been informed that for three months or more, the sole occupier is in a care home, in long-term hospitalisation, or in prison.

If the property management process confirms that the property is unoccupied, the property will be declared void and the supply may be turned off.

#### **New properties**

All new properties are metered. Until the new occupier has been identified, the property is treated as unoccupied and is not billed.

#### Regulatory accounts for the 12 months ended 31 March 2025

# Revenue recognition policy

#### Measured income accrual

The household measured income accrual is an estimation of the amount of mains water and sewerage charges unbilled at the year end. The accrual is estimated using a defined methodology based on weighted average water consumption by tariff, which is calculated based on historical information. The measured income accrual is recognised within turnover.

An estimation of the non-household mains water and sewerage charges unbilled at the year end is calculated and a measured income accrual recognised within turnover. The accrual is estimated using a defined methodology based on historical water consumption of individual customers or based on meter size where individual consumption is not available for use.

There has been no change to the methodology in calculating the measured income accrual since the prior year.

### Bad debt policy Household

At each reporting date, the company evaluates the estimated recoverability of trade receivables and records an allowance for expected credit losses (ECL) based on experience. Estimates associated with these allowances are based on, among other things, a consideration of how actual collection history might inform expected future recovery. The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

At 31 March 2025, an allowance for expected credit losses relating to household customer debt of £210.9 million (2024: £195.3 million) was supported by a six year cash collection projection.

In determining the allowance for expected credit losses in respect of household customers, we have applied provisioning rates that are derived from historic experience of the recoverability of receivables, to the aged debt bandings to calculate the bad debt charge and the resultant ECL allowance. The adequacy of the ECL allowance is then evaluated using analysis against the average collection over the last three years, which is considered to give a reasonable forecast of cash collection for use in the forward looking ECL assessment.

We have also considered the high level of uncertainty as to how economic conditions may impact the recoverability of household receivables for a significant proportion of the group's customer base. A range of scenarios have been used to inform a probability based assessment of the allowance for expected credit losses. These take account of cash collection rates in the current year as well as recent years, incorporating the current economic uncertainty to provide a range of views as to how recoverability of household receivables may be impacted. The impact of cost of living pressures on the recoverability of household receivables, and the adequacy of our ECL allowance, will continue to be kept under review.

The provisioning rates support a charge equivalent to around 3.9 per cent of household revenue recorded during the period, which is slightly higher than the position at 31 March 2024.

Had future cash collection been assessed based on the average cash collection rates for the current year only, the allowance for expected credit losses charged to the income statement would have increased to 4.5 per cent of household revenue with similar results based on using average cash collection from the last two years.

At 31 March 2025, a charge of 3.9 per cent is considered to be appropriate given prevailing levels of uncertainty and recognising the level of estimation uncertainty associated with the assumptions made in forecasting the year end debt position upon which the allowance for expected credit losses is based.

The bad debt provision has increased by £15.7 million from 31 March 2024 to 31 March 2025 and the net household trade debtor balance has increased by £13.4 million from the level reported in the previous year. The increase in bad debt provision and net household trade debtor is a result of higher gross receivables. During the year we have continued to bill a number of properties that were previously identified as void. Collection from these customers has proven more challenging than from customers who proactively inform us that they have moved into a property. The increased collections risk associated with these customers has been considered together with the increased collection risk associated with ongoing cost of living pressures in our assessment of future cash collection and sufficiency of our bad debt provision.

#### Regulatory accounts for the 12 months ended 31 March 2025

# **Dividend policy**

We have an established dividend policy with robust and well-evidenced principles, which complies with the updated licence condition P30 requirements.

UUW's dividend policy for the 2020–25 (AMP7) regulatory period has been set as follows:

- i. a 4% (nominal) return on the actual equity portion of the shadow RCV, paid in relation to the appointed activities of UUW;
- ii. a further dividend comprising the profit after tax in relation to the non-appointed activities of UUW; and
- iii. an amount no greater than demonstrable outperformance versus the final determination.

All dividend payments are reviewed annually by UUW Board (the "Board"). A decision to declare or pay a dividend is subject to a number of key principles committed to by the Board in our business plan submissions for the PR19 price review, and obligations under its licence. This approach seeks to ensure a considered, fair and balanced approach to dividend payments, and takes into account the full range of stakeholder interests and the environment.

#### Dividends paid during 2024/25

For 2024/25, the Board has authorised the payment of dividends of £197.0 million from UUW to its parent comprising:

- £193.2 million reflecting a 4% return on the actual equity portion of the shadow RCV:
- £4.0 million reflecting the profit after tax in relation to the non-appointed activities of UUW; and
- iii. £(0.2) million reflecting a true-up from 2023/24 due to differences in forecast and actual RCV and non-appointed profits.

#### Base dividend approach

The base dividend policy of 4% of the equity portion of the shadow RCV is broadly aligned to the allowed cost of equity. This is consistent with the expectations set out in Ofwat's Final Determination for 2020-25, when applied to companies that are performing in line with the determination in 2020-25, with little real RCV growth, and no particular financial resilience concerns.

The Board has reviewed the company's position in view of these assumptions, having fully considered both statutory obligations and the licence conditions, and has concluded that the approach to the base dividend remains reasonable within the context of the company's operational performance and financial position, as set out below.

#### Performance in the round

The Board considers that the company's overall performance is at least in line with the final determination. This includes delivery against commitments embedded within our business plan and set out in the final determination for AMP7, and wider obligations from different stakeholder perspectives. Areas of underperformance have also been considered in the context of our overall performance, recognising that the company has taken action to deliver improvements and additional investment, to ensure delivery for customers and the environment. Evidence supporting this view includes:

- Across AMP7, around 80 per cent of performance commitments met or exceeded. Details of this performance are set out in section 1.1 of the APR.
- Across the whole of AMP7, UUW has earned net positive financial incentives reflecting delivery of its package of performance commitments and customer ODIs. We have again achieved a reward for 2024/25 (£11 million) and a substantial reward across the AMP (c£112 million). More details on how this performance has been calculated and the steps the company has taken to deliver this performance are provided in the APR Section 1.1 Outcome Delivery.

- The company expects to achieve 8th position out of 17 companies in Ofwat's customer satisfaction measure C-MeX in 2024/25. The company also expects to achieve 4th position in the D-MeX survey for developer customers in 2024/25. These results mean that we expect to be earning a net financial reward for every year in the AMP, reflecting our consistently strong performance.
- Table 1F of the APR shows the return on regulated equity a key measure of performance versus the final determination. Our 6.1% 5-year average return compared to a base level of 3.97% in the final determination. These returns are stated after taking account of our substantial voluntary reinvestment programme to deliver environmental improvements and to improve service for customers.
- The company is continuing to deliver improvements and additional investment in areas where performance is not achieving the Ofwat FD targets, including flooding and pollution incidents, water quality performance and interruptions to water supply. A particular focus is investment in our Dynamic Network Management to target incidents before they impact on customers. We also have a targeted customer focused programme to improve customer awareness about what not to flush, which should help to reduce flooding and pollution incidents, although weather is a significant factor. We are continuing to embed our water quality first approach across the company, together with additional investment across our network including cleaning and relining the Vyrnwy aqueduct, delivering benefits in water quality and the taste, smell and appearance of water. More details on this activity is included in the APR Section 1.1 – Outcome Delivery. The Board does not consider that the dividend payment comprises our ability to invest in line with our commitments in these areas and deliver the forecast improvements.
- The company was one of only three companies to achieve the highest 4-star rating from the Environment Agency's most recent Environmental Performance Assessment (2023). UUW has achieved 4-star or 3-star ('industry leading' or 'good') ratings in the Environment Agency's Environmental Performance Assessment every year since its inception, being 4-star in seven of the last ten years. UUW is also the only company to have achieved 'green' status on serious pollution incidents every year since it began.
- The industry continues to receive considerable public scrutiny, particularly around its role in protecting rivers and the use of storm overflows. We are committed to ensuring continued compliance with the relevant regulatory and environmental obligations in operating our storm overflows. Early investment we are making as part of Defra's Accelerated Infrastructure Delivery project, alongside our ongoing AMP7 Better Rivers programme, is already driving our improvement plan. Across 2020-25 we reduced the use of overflows by 39 per cent. making significant strides in priority locations using agile solutions. This was despite the challenging operating environment, with significantly higher than average rainfall impacting the last two years of the AMP. As part of our AMP8 programme, UUW expects to invest £2.4 billion in 2025-30 to deliver the further significant reduction in spills from storm overflows required by the Environment Act 2021, and progress further towards meeting our targeted 60 per cent reduction in spills (from the 2020 baseline) by 2030. The Board does not consider that dividend payment compromises our ability to continue with the investment we have committed to in AMP8. There is considerable further detail in Section 1.0 - Year Five Performance on pages 33 to 34 of this report about the company's performance and how this compares to the performance commitments and other targets we are targeting in the current regulatory period. Overall, the Board considers that the company's "in the round" performance is at least in line with the final determination and that this is being sustained over time.

#### Regulatory accounts for the 12 months ended 31 March 2025

# **Dividend policy**

- In June 2023, we experienced a fractured outlet pipe buried 9.5 metres below ground at our Fleetwood Wastewater Treatment Works, which resulted in precautionary advice being issued by the Environment Agency in relation to the bathing waters along the Fylde Coast. The company made significant effort and commitment to recover services to the area, communicate clearly with those affected, and minimise the impact of the incident. The immediate solution was the construction of a two-kilometre five-lane bypass around the damaged pipe in 2 weeks, installation of pumping equipment, and considerable volumes of wastewater transported to other treatment works in the Fylde area, to minimise the environmental impact and enable the continued operation of the wastewater treatment works. We invested £37.6 million in 2023/24 to successfully repair the pipe and return the site to full service. We continue to co-operate with the Environment Agency's investigation into this matter and have incurred an additional £2.3 million costs in 2024/25. In 2024/25 we have not had any further operational incidents of this magnitude. Our Fleetwood incident response is an example of operational incidents that can impact the company and demonstrates our commitment to recover services and minimise the impact when such incidents do occur. The board does not consider that the dividend payment compromises our ability to respond.
- Collective proceedings in the Competition Appeal Tribunal (CAT) were issued on 8 December 2023 against UUW and United Utilities Group PLC on behalf of approximately 5.6 million domestic customers following an application by the Proposed Class Representative (PCR), Professor Carolyn Roberts. The PCR alleges that customers have collectively paid an overcharge for sewerage services during the claim period (which runs from 1 April 2020 and may continue into the early years of the PR24 period) as a result of UUW allegedly abusing a dominant position by providing misleading information to regulatory bodies. The estimated total aggregate amount the PCR is claiming against UUW (including interest) for household customers is at least £141 million. On 7 March 2025, the CAT unanimously concluded that claims could not proceed on the basis that the claims brought forward are excluded by section 18(8) of the Water Industry Act 1991. Subsequently, the PCR has been granted permission by the Court of Appeal to challenge the CAT's certification decision, which could result in an appeal towards the end of 2025 or in 2026. UUW believes the claim is without merit and will robustly defend it, should the certification decision be overturned on appeal. Separate letters before action were issued on 20 December 2024 in relation to similar claims in respect of non-household customers, however it is not clear how these will proceed following the CAT's decision not to certify the claims brought in respect of domestic customers and any subsequent appeal decision. The board does not consider that the dividend payment compromises our ability to respond.
- In November 2021, Ofwat and the Environment Agency launched separate industry-wide investigations into how companies manage their wastewater assets. In July 2024 Ofwat announced that it is opening an enforcement case under which it will investigate UUW following detailed analysis of the company's environmental performance and data about the frequency of spills from storm overflows. At the same time, Ofwat opened similar enforcement cases investigating three other companies in the sector. Having already opened enforcement cases against the other seven companies, all 11 water and wastewater companies in England and Wales are now formally within the scope of Ofwat's enforcement activities. If a company is found to have breached its legal obligations this could result in a financial penalty of up to 10 per cent of relevant wastewater turnover (which in UUW's case would be around £100 million), and/ or a requirement to rectify any obligations deemed to be required as a consequence of those findings. Ofwat has proposed penalties for three companies to date, ranging from 5 per cent to 9 per cent of relevant wastewater turnover, of which one company has agreed an enforcement package worth 6 per cent of its relevant wastewater turnover. UUW has received and responded to notices under s203 of the Water Industry Act 1991 requesting information relating to the

- performance and operation of its wastewater assets, and continues to fully co-operate with Ofwat through the investigation process. Ofwat stated that while it has concerns with the sector that it must investigate, the opening of enforcement cases does not automatically imply that companies have breached their legal obligations or that a financial penalty will necessarily follow. Although enforcement action undertaken against certain other companies has progressed, and in one case concluded during the year, to date Ofwat has not given a firm indication of the expected timeframe for its ongoing investigation, or any subsequent action, in respect of UUW. The board does not consider that the dividend payment compromises our ability to respond appropriately to the outcome of the investigation.
- Similarly, the Environment Agency has made a number of data requests and undertaken site visits as part of its ongoing industry-wide investigation, with which the group continues to fully comply. This investigation is focused on environmental permit compliance at wastewater treatment works and wastewater networks, with the Environment Agency having a number of enforcement options open to it if it concludes that companies have breached their permit conditions and/or illegally polluted the environment. These include the potential for criminal prosecution and unlimited fines. As with the Ofwat investigation, this remains ongoing. It is currently unclear when this matter will be resolved.

There is considerable further detail in Section 1.0 – Year Five Performance on pages 33 to 34 of this report about the company's performance and how this compares to the performance commitments and other targets we are targeting in the current regulatory period. Overall, the Board considers that the company's "in the round" performance is at least in line with the final determination and that this is being sustained over time.

#### **RCV** growth

Little real terms RCV growth of 0.2% on average over the AMP, supporting the base dividend yield of 4%, as shown in the table below.

Real RCV Growth (2017/18 prices)	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Forecast
Opening RCV	11,188	11,145	11,124	11,165	11,258
Closing shadow RCV	11,145	11,124	11,165	11,258	11,328
RCV growth	-0.4%	-0.2%	0.4%	0.8%	0.6%

#### Investment needs and financial resilience

It is important that we are able to provide listed equity investors with a reasonable and sufficient dividend, in order to maintain the health of the equity base and in order to support the funding of substantial new investment. This equity base underpins our robust financial resilience and our ongoing ability to raise new debt and equity to fund our investment programme and do this at efficient cost.

Long term financial resilience is supported by:

- A long-term viability assessment has been carried out for UUW. This
  assumed dividend distributions in line with the policy (including
  the distribution of non-appointed profit) and concluded that UUW
  had significant headroom and effective mitigating actions available
  to withstand any risks facing the business in severe but plausible
  downside scenarios at March 2025. Further details on the long-term
  viability assessment can be found on pages 149 to 151.
- UUW has a robust set of investment grade credit ratings with current unsecured senior debt credit ratings of A-, Baa1 and BBB+ with Fitch, Moody's and Standard and Poor's, respectively, demonstrating significant headroom.
- Following payment of the 2024/25 dividends, reported gearing is forecast to remain below the 70% threshold for high gearing.

The level of growth in the asset base and measures of long-term financial resilience are therefore consistent with the base dividend assumptions.

### Regulatory accounts for the 12 months ended 31 March 2025

# **Dividend policy**

#### Other additional considerations in determining dividend payments

UUW's dividend policy is also subject to a number of additional considerations which were committed to by the UUW Board in our business plan submissions for the PR19 price review. These principles apply to all dividend payments (including the distribution of profit relating to non-appointed activities) and act to ensure that dividend payments are made subject to consideration of a broad range of stakeholders who have interests in the performance of the company. This approach seeks to ensure that payment of the dividend takes into account consideration of business performance, performance for customers and performance for employees.

We have provided a summary of the key principles and how they have been applied to all dividend payments in respect of 2024/25:

UUW Dividend considerations	2024/25 commentary
Financial assistance schemes:	
We committed that over AMP7 the company would fund £71m dedicated to	The Board considers this condition has been satisfied.
supporting customers in need of financial support and that dividend payments would not be made if they meant such funding would be put at risk.	In 2024/25, UUW funded a further £31.5m in financial assistance schemes,
	exceeding our £71m commitment across AMP7.
Gearing safeguards:	T. S. J
In the event that the company adopted a high level of gearing, we committed to sharing the financial benefits of this with customers, before consideration of	The Board considers this condition has been satisfied.
any dividend payment. The sharing of financial benefits would commence once	Following payment of the 2024/25 dividends, reported gearing is forecast to below the 70% threshold for high gearing and no additional action is required.
gearing exceeded 70%.	below the 70% threshold for high gearing and no additional action is required.
We committed that if gearing exceeded 70% then the level of base dividend	
might be restricted in order to help lower gearing and that, if a base dividend were paid, then the Board would explain its plan to restore gearing below the	
70% threshold.	
We also said that if gearing fell below 60% then the base dividend distribution	
may be increased in order to efficiently manage the gearing position.	
Sharing of outperformance:	
We have committed that, where the distribution of outperformance through	The Board considers this condition has been satisfied.
dividends exceeds 3% of the equity portion of the RCV, amounts in excess of this threshold would be matched with a benefit sharing payment to	No outperformance dividends have been declared or paid in 2024/25.
customers through our 'Community Share' scheme. This could then facilitate	In 2022/23, outperformance dividend distribution of £250m represented 1.6%
bill reductions, additional targeted financial assistance and other initiatives	of the average equity portion of the RCV based on a 60% notionally geared
to support the resilience of communities in the North West, depending on	company, which was below the 3% threshold. Cumulative outperformance available for distribution was considered after the substantial reinvestment
customer preferences.	of outperformance for future customer service and resilience benefits the
This is additional to any reinvestment of outperformance or other benefit sharing that might be undertaken during AMP7 through normal regulatory	company has already committed to undertake. This includes the previously
mechanisms or on the same voluntary basis as was taken by the company	announced voluntary reinvestment programmes, and further accelerated investment brought forward from AMP8, to deliver environmental
in AMP5 and AMP6. It provides an upfront guarantee that, when dividend	improvements (including "Better Rivers: Better North West") and to improve
distributions reflecting outperformance are much higher than anticipated in	service for customers (including Dynamic Network Management and Drinking
the business plan, customers and other stakeholders will share in the benefits alongside investors.	water quality improvements).
	The financial flows assessment clearly demonstrates total returns in excess
	of dividends paid across 2020-25. We have prudently not distributed outperformance in 2024/25 to provide greater resilience to any unforeseen or
	exceptional circumstances.
Impact of financial resilience of UUW:	
Before payment of any dividend, the Board committed to considering whether	The Board considers this condition has been satisfied.
the dividend payments would cause significant harm to the company's financial	A long-term viability assessment has been carried out for UUW. This assumed
resilience and the potential impact such distributions may have on customers and employees. This included consideration of the company's pension deficit –	dividend distributions in line with the policy and concluded that UUW had
were it to have one – which would, for these purposes, be considered as debt.	significant headroom and effective mitigating actions available to withstand any risks facing the business in severe but plausible scenarios at March 2025.
	UUW had a reported pension surplus of £226m at March 2025.
Delivery of statutory obligations:	oor had a rope to a policies of page of page of
The Board has committed that it would not pay outperformance dividends	The Board considers this condition has been satisfied.
in circumstances where the company was known to be in material breach of	
statutory obligations.	
Delivery of performance targets:	
The Board has committed that it would not pay outperformance dividends in	The Board considers this condition has been satisfied.
excess of the equivalent of 3% of the equity portion of RCV where the company was materially failing to meet its performance targets, unless the dividend was	No outperformance dividends have been declared or paid in 2024/25.
accompanied by investment aimed at improving that position.	
Exceptional and unforeseen circumstances:	
In truly exceptional and unforeseen circumstances, the Board has stated that	There have been no exceptional or unforeseen circumstances that would
it may have to deviate from these principles – for example to meet changing	trigger a deviation from these principles.
statutory requirements or during unexpected and exceptional events. The Board committed that if it were to do so, it would explain its reasoning to	
customers and other stakeholders so that the company could be judged on the	
autont to which it cought to most those commitments and the receipt why	

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extent to which it sought to meet these commitments and the reasons why a

deviation was justified.

#### Regulatory accounts for the 12 months ended 31 March 2025

# **Dividend policy**

#### **UUW Dividend considerations**

#### 2024/25 commentary

#### Transparency

We also committed to providing increased transparency through our APR about the dividends paid and how these relate to our dividend policy. This is in addition to the existing statutory and regulatory requirements that we already disclose.

We committed to provide an explanation of how the allowed equity return relates to that achieved under the actual company structure and how the dividend policy relates to the actual equity returns during the AMP.

We also committed to provide transparency of how payments from the Community Share have contributed towards the resilience of communities in the North West.

We have explained how dividend payments have been determined and how these relate to our performance, providing stakeholders with transparency about our dividend policy and the broader considerations taken into account by the Board in making its determination.

The Financial Flows table 1F in the APR demonstrates that the total shareholder return is greater than the dividends paid for the whole AMP (to 2024/25) on both a notional company basis and an actual company basis.

To date, no payments have been triggered into the Community Share scheme proposed in our business plan, although a number of other voluntary initiatives during AMP7 have contributed towards the resilience of communities in the North West.

#### Calculation of base dividend as 4% of the equity portion of shadow RCV

Taking all the above into account, it is the Board's view that the conditions have been met and authorised a base dividend of £193.2 million in respect of 2024/25, reflecting 4% of the forecast equity portion of shadow RCV, of £4,830.0 million for that year.

A base dividend of £194.3 million had been calculated in respect of 2023/24 reflecting 4% of the equity portion of shadow RCV, of £4,858.2 million for that year. This compares to the payment of £192.7 million made in the prior year based on the forecast equity portion of shadow RCV and therefore a true up of £1.6 million was made during 2024/25.

The calculation of the equity portion of shadow RCV is set out in the table below:

UUW Dividends (£m)	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Forecast
Reported RCV	11,681.3	12,335.8	13,414.1	13,969.1	14,194.2
Customer share of totex overspend	49.8	99.2	165.5	204.1	237.6
Green recovery and WINEP	-	0.5	4.5	17.4	128.6
AMP8 accelerated programme and transitional expenditure	_	_	_	25.1	167.5
Shadow RCV	11,731.1	12,435.5	13,584.1	14,215.7	14,727.9
Net debt	7,628.3	7,987.5	8,885.9	9,357.3	9,897.9
Equity portion of shadow RCV	4,102.8	4,448.0	4,698.3	4,858.4	4,830.0
4% base dividend	164.1	177.9	188.0	194.3	193.2

Note that the payment of the 2024/25 base dividend was based on a forecast shadow RCV and net debt at the time of the payment. As disclosed in our AMP7 dividend policy, there will be a true-up in the following year for differences arising between the forecast and actual components used to determine the value of dividend paid. With Ofwat bringing forward its end-of AMP midnight adjustments to the RCV from 1 April to 31 March 2025, this has resulted in our shadow RCV being c£292 million higher than previously forecast at the time of paying its dividends. The resultant c£12 million true-up will be made during 2025/26.

The shadow RCV used in this calculation reflects accelerated or deferred spend in any given year in line with the PR19 cost reconciliation model and consistent with net debt which takes account of the timing of totex, plus AMP8 accelerated infrastructure delivery programme expenditure and AMP8 transitional investment.

The distributable reserves position (excluding the retirement benefit surplus) as at 31 March 2024 was £914.732 million, significantly greater than the dividends paid.

#### Profit after tax from non-appointed activities

Dividend payments also reflected profit after tax from non-appointed activities of £4.0 million in respect of 2024/25 as shown in Table 1A of the APR. These profits result from commercial activities that are identified as being outside the definition of the appointed water and wastewater service.

All dividend payments, including the distribution of non-appointed profit, are subject to the key principles committed to by the Board (as described above). The financial resilience assessment assumed distribution of non-appointed profit and concluded that the appointee as a whole has significant headroom and effective mitigating actions available to withstand any risks facing the business in severe but plausible downside scenarios at March 2025.

#### Linking the policy to APR table 1F financial flows

Our capital structure and dividend policy maps across to the financial flows APR table 1F, presenting our returns earned and how much of this was either distributed as dividends or retained in the company.

Table 1F shows that for the five years to March 2025, we earned a nominal total shareholder return of 12.2% p.a. on average, based on actual returns and actual regulatory equity. This comprised a real base equity return of 3.97%, financing outperformance of 5.6% and RCV growth (inflation uplift) of 5.3%, partly offset by operational underperformance of 2.5% (largely driven by totex reinvestment) and voluntary sharing arrangements of 0.3%. Of the 12.2% nominal return earned, we have paid 5.3% (43%) as dividends and retained 6.8% (57%) to support the ongoing business and maintain overall financial resilience in line with our credit rating and gearing policy.

### Regulatory accounts for the 12 months ended 31 March 2025

# **Dividend policy**

The table below summarises our reported cumulative performance across the five years of AMP7.

						Cumulative
RoRE performance (2017/18 prices)	2020/21	2021/22	2022/23	2023/24	2024/25	5 years
Base returns	175.0	175.4	176.7	177.5	186.4	891.0
Financing	51.9	74.4	210.3	189.8	94.6	621.0
Tax	(28.4)	89.2	92.6	76.2	92.7	322.3
Totex	(8.5)	(35.8)	(30.1)	(122.9)	(312.6)	(509.9)
ODIs (incl. C-MeX, D-MeX & PCC)	16.0	24.1	24.0	32.4	11.9	108.4
Retail	(13.6)	(10.8)	(9.7)	(19.3)	(25.8)	(79.2)
Other	1.3	1.5	1.9	0.9	1.2	6.8
Outperformance earned	18.7	142.6	289.0	157.1	(138.0)	469.4
Total returns	193.7	318.0	465.7	334.6	48.4	1,360.4
Dividends paid	0.0*	(307.5)	(382.7)	(150.2)	(150.1)	(990.5)
Returns retained	193.7	10.5	83.0	184.4	(101.7)	369.9

<sup>\*</sup> In 2020/21, the Board made the responsible decision to defer paying dividends to reinforce our financial resilience during the onset of the COVID-19 pandemic, recognising the heightened uncertainty at that time. The 2020/21 base dividend was subsequently paid in 2021/22.

The financial flows assessment clearly demonstrates total returns in excess of dividends paid. We have prudently not distributed outperformance in 2024/25, retaining returns from 2020–25 of £370 million (in 2017/18 prices), approximately 79% of the outperformance earned to date, to provide greater resilience to any unforeseen or exceptional circumstances.

The majority of outperformance has been earned as follows:

- £621 million financing outperformance we have maintained strong credit ratings enabling us to raise debt at a rate lower than the industry average. While the high inflationary environment has resulted in higher than-anticipated financing outperformance, it has had an adverse effect on our totex performance due to rising costs and we have responsibly shared the benefits of financing outperformance through additional and accelerated investment for the benefit of customers and the environment.
- £322 million tax outperformance inflationary cost pressures on our operating cost-base and index linked debt interest charges have adversely impacted our profit before tax. This, together with additional capital allowances earned through efficient investment on research and development to drive our innovation agenda, has resulted in tax outperformance.
- £108 million net ODI rewards mainly due to strong performance for customers and the environment including flood risk resilience, water services resilience and the majority of the household retail ODI measures.

We have, however, seen some areas of underperformance as follows:

- £510 million totex underperformance this represents the combined impact of previously announced investment programmes, and further accelerated investment brought forward from AMP8, to deliver environmental improvements (including "Better Rivers: Better North West") and to improve service for customers (including Dynamic Network Management and drinking water quality improvements).
- £79 million retail cost to serve we have seen some significant cost pressure in retail, in particular higher bad debt costs due to the impact of cost of living and with the high inflationary cost pressures.

These areas of underperformance have been taken into account in the context of our overall performance, recognising that the company has taken action to deliver improvements and additional investment, to ensure delivery for customers and the environment.

#### Regulatory accounts for the 12 months ended 31 March 2025

# Additional unaudited regulatory information

# Differences between statutory and RAG definitions

#### Revenue recognition

The following difference exists between the revenue recognition policies in the statutory accounts and in the regulatory accounts:

IFRS 15 has been applied to the statutory accounts and requires
revenue to be recognised only when it is probable that economic
benefits associated with the transactions will flow to the company. The
regulatory accounts, however, require revenue to be recognised in full
unless properties have been confirmed as being void.

#### Capitalisation of borrowing costs

For statutory reporting, interest costs under IAS23 are capitalised and subsequently depreciated, whereas interest is charged immediately as an expense in the regulatory accounts.

#### Grants and contributions

All grants and contributions (G&Cs) recognised in the income statement under IFRS have been reclassified as other income in the regulatory accounts. More specifically, this comprises the following two main reclassifications:

- Diversion income from revenue to other income; and
- The amortisation of capitalised grants and contributions from revenue and operating costs to other income.

#### **Adopted Assets**

Under IFRS 15, we recognise adopted assets from customers or developers on the balance sheet and amortise the income over the life of the asset through revenue. The amortisation of this income has been reclassified from revenue to other income in the regulatory accounts.

#### Direct procurement for customers

In accordance with RAG 1.09, lease accounting under IFRS 16, associated with assets procured through a direct procurement for customer process, are to be excluded from the regulatory accounts. For 2024/25 no assets were leased to United Utilities by a competitively appointed provider (CAP).

As part of the Haweswater Aqueduct Resilience Programme (DPC project), UUW made advance purchases of land of £1.8 million and other assets (e.g. power connections) of £5.0 million supporting this project in 2024/25, totalling £23.1 million across the AMP. UUW will be reimbursed for these items by the CAP (not yet appointed as at 31 March 2025) and this will ultimately be funded by customers through the unitary charge mechanism. As such, in order to ensure this spend is not inadvertently also captured within appointee totex, which feeds the cost sharing mechanism, it was agreed with Ofwat that this spend would be classified as non-appointed within the regulatory accounts. This has been reported as non-appointed in tables 1C and 1D.

#### Innovation fund costs reporting

For statutory reporting, costs are accrued on receipt of revenue from customers or income from other water companies in relation to the innovation competition fund. This is to provide for costs that will be incurred on future projects for which we are successful bidders, or for which we will be required to transfer funds to other successful companies.

In accordance with the information notice 'IN 22/01 Expectations for monopoly company annual performance reporting 2021-22', we are required to reverse this provision in the regulatory accounts. Only costs incurred on actual innovation projects should be reported in totex within tables 4D and 4E, therefore, there is a reclassification of intra-company payment and receipts (facilitated by MOSL) and the administration charge from operating costs to other income. This ensures that the intra-company payments remain within the income statement and offset with the revenue collected from customers.

The differences within the income statement (Table 1A) and the statement of financial position (Table 1C) have been summarised on page 142.

#### Regulatory accounts for the 12 months ended 31 March 2025

### Additional table narrative

#### Table 1A - Income statement

Differences between statutory & RAG definitions 2024/25	Revenue Recognition £m	Innovation Fund <sup>(1)</sup> £m	G&Cs Diversion Income £m	Amortisation of G&Cs	Adopted Assets £m	Capitalisation of borrowing costs	Reclass from opex to other income <sup>(2)</sup> £m	Reclass of pension interest to other interest expense	Other £m	Total £m
Revenue	39.274		(4.971)	(5.724)	(14.082)				(0.050)	14.448
Operating costs	(37.981)	8.210		(0.005)		13.606	(4.713)		3.976	(16,906)
Other operating income									(3.976)	(3.976)
Operating profit	1.293	8.210	(4.971)	(5.729)	(14.082)	13.606	(4.713)	0.000	(0.050)	(6.434)
Other income		(5.985)	4.971	5.729	14.082		4.713		0.050	23.559
Interest income								(9.400)		(9.400)
Interest expense						(68.472)				(68.472)
Other interest										
expense								9.400		9.400
Profit before tax										
(Table 1A line 11)	1.293	2.225	0.000	0.000	0.000	(54.866)	0.000	0.000	0.000	(51.348)

<sup>(1)</sup> Reversal of the 2024/25 provision in the statutory accounts (£8.2m). The net of intra-company transfers and the administration charge has been reclassified from operating costs to other income (£6.0 million).

### Table 1C - Statement of financial position

Differences between statutory & RAG definitions 2024/25	Revenue Recognition £m	Innovation Fund <sup>(3)</sup> £m	Capitalisation of borrowing costs £m	Deferred tax adjustment £m	Other £m	Total £m
Total non-current assets			(524.502)		(0.708)	(525.210)
Total current assets	39.779				0.204	39.983
Total current liabilities		9.879			0.269	10.148
Total non-current liabilities		29.386		82.648	(0.269)	111.765
Net Assets						
(Table 1C line 31)	39.779	39.265	(524.502)	82.648	(0.504)	(363.314)

<sup>(3)</sup> Reversal of the innovation fund provision.

#### **Additional Table Narrative**

#### Table 1A - Income Statement

#### **Analysis of Interest Expense**

The interest expense (line 1A.7) and other interest expense (line 1A.8) incurred by the appointed business is broken down into the following components:

Interest component 2024/25 £m	1A.7 £m	1A.8 £m
Interest charged on external borrowings	(432.191)	-
Interest payable on intra-group borrowings	(19.384)	-
Amortisation of debt premiums and discounts	(1.911)	-
Interest payable on leases under IFRS 16	(1.949)	_
Interest on net pension scheme assets	_	9.400
Other financing costs	(4.102)	-
Interest and other interest expense	(459.537)	9.400

#### Table 1C - Statement of financial position

Consistent with 2023/24 reporting, we have continued to report capex creditors (line 14) within current liabilities in Table 1C as zero, and have included a capital accruals liability within trade and other payables (line 13) of £162.274 million. This capital accrual represents work-in-progress not yet invoiced for 2024/25. We believe this classification is better aligned to the line definitions in RAG 4.13.

For 2024/25, UUW reports a statutory current tax asset of £106.7 million. We have included the current tax asset in Table 1C line 9 (trade and other receivables), as there is no equivalent current tax asset line within current assets in this table. We believe this to be aligned to the line definitions in RAG 4.13.

Included within the non-appointed column of Table 1C is a double entry for £23.095 million between trade and other payables (line 1C.13) and £8.938 million fixed assets in relation to advance purchases of land (line 1C.1) and £14.158 million inventories related to assets held for sale e.g. power connections (line 1C.8) for the Haweswater Aqueduct Resilience Programme DPC project.

<sup>(2)</sup> Other income in the statutory accounts is included within operating costs, this is disclosed separately in the regulatory accounts.

#### Regulatory accounts for the 12 months ended 31 March 2025

### Additional table narrative

#### Table 1E - Net debt analysis

All figures in the table have been calculated by reference to 'RAG 4.13 - Guideline for the table definitions in the annual performance report'.

Net debt excludes fair value accounting adjustments which do not impact on the principal sum outstanding on the debt. The interest rate risk profile does not take account of the impact on interest of derivative instruments.

Adjusted gearing represents the consolidated net debt of United Utilities Water as a proportion of the company's RCV (per the final determination, in outturn prices), calculated based on the methodology published by Moody's Investor Services. This is the gearing measure most commonly used by management and is a key ratio used by Moody's Investor Services in determining the credit rating of the company.

Indicative weighted average interest rates are based on the effective interest rates as at the balance sheet date, which includes the impact of derivative instruments but excludes those with a forward start date, weighted by the notional principal amount.

Due to the nature of the company's interest rate hedging policy, it has some forward starting interest rate swaps which are not included in the indicative weighted average interest rates as they are not effective at the balance sheet date. As a result, the indicative weighted average interest rates are only representative of our economic cost of borrowing as at the balance sheet date and are not representative of our economic cost of borrowing over the duration of the fixed interest rate hedge.

The indicative weighted average nominal/cash interest rates (lines 1E.11/1E.12) for floating interest rate debt are unrepresentative of the cost of these borrowings. We hedge most of our floating interest rate exposure through 'floating to fixed' interest rate swaps, which results in a degree of net floating interest rate exposure. As a consequence, the interest costs end up as an interest expense once we strip out the fixed margin on the debt, due to the basis and timing differences on the floating rate legs of the debt and derivative contracts. The calculated rate was 4.46% as at 31 March 2025 based on a £59.7 million net interest payable on £1,339 million of net floating rate debt (after the impact of swaps).

Weighted average years to maturity takes account of all applicable contractual commitments, which includes derivative instruments with a forward start date, weighted by notional amount and duration.

The calculation of the weighted average years to maturity on floating rate borrowings provides an unrepresentative figure and, as such, has not been disclosed in the tables. Typically, we raise debt in fixed rate form, swap it to floating rate for the duration of the debt instrument and then swap it back to fixed rate on a ten-year reducing balance basis. This hedged position makes it difficult to calculate the weighted average duration in a meaningful way.

Annual RPI increase of 3.2 per cent at March 2025 has been applied.

Annual CPI increase of 2.6 per cent at March 2025 has been applied.

Following the adoption of IFRS 16, lease liabilities of £81.3 million have been included within fixed rate borrowings. The inclusion of lease liabilities into borrowings has resulted in an increased average time to maturity as a large proportion of the group's leases are very long dated (many high value leases, typically related to land e.g. easements, have at least 150 years' term). If leases had not been included, the weighted average would have been 9.5 years.

#### **Borrowings Reconciliation**

The below table shows the reconciliation from borrowings within Table 1C to borrowings in Table 1E.

	2024/25	
	£m	Notes
Borrowings – current	(605.006)	Table 1C Line 15
Borrowings – non-current	(10,469.480)	Table 1C Line 22
Borrowings (Table 1C)	(11,074.486)	IFRS
Remove fair value movements	(238.218)	measurement basis
Remove bond discount	(65.360)	
Remove interest accrued on		
FVO debt	2.726	
		Table 1E Line 1
Borrowings (Table 1E)	(11,375.338)	notional value basis

Financial derivatives within Table 1C reconcile to the mark to market valuation of derivatives in Table 4I.

#### **Analysis of Debt**

The table below shows the reconciliation between Table 1E 'Net debt analysis' and 4B 'Analysis of debt'.

	Total borrowings £m	Indicative weighted average nominal interest %	Nominal interest cost £m	Indicative weighted average cash interest %
Table 1E	11,375.338	4.099%	466.229	2.836%
Book overdrafts	(3.598)	_	_	_
Committed facilities	_	0.415%	47.086	0.415%
Table 4B	11,371.740	4.514%	513.315	3.251%

Table 1E includes book overdrafts within borrowings - these form part of cash and cash equivalents figure and do not impact our cost of debt, as they represent the value of cheques issued and payments initiated that had not cleared as at the reporting date.

Table 4B includes the cost of revolving credit facilities. Table 1E does not disclose these facilities as they are not drawn down at year end and have nil impact on the total borrowings at March 2025. Disclosing these facilities in Table 4B increases the weighted average nominal and cash interest rates by 0.415%.

# Table 1F – Financial flows and Return on Regulatory Equity (RoRE)

#### Introduction

Table 1F presents financial flows for 2024/25 and the cumulative average over the 2020–25 period. The figures are presented both as a percentage of notional regulatory equity and as a percentage of actual regulatory equity. The table also shows the £ million equivalents and these values are all presented in 2017/18 prices.

The following narrative focuses on the actual return percentage on the actual regulatory equity - being most aligned to actual shareholder returns. There will be differences as actual equity is different from Ofwat's assumed regulatory equity of 40% (or assumed gearing of 60%). Since UUW's actual average gearing across the five years (66.0%) and for 2024/25 (66.4%) are both higher than Ofwat's assumed notional gearing (60.0%), the actual return percentage on each sub-measure will be slightly higher than the notional return.

#### Regulatory accounts for the 12 months ended 31 March 2025

### Additional table narrative

#### Line 2 - Return on regulatory equity

#### 2024/25 Actual equity: 4.03%; Cumulative Actual equity: 3.97%

The base return on regulatory equity assumed in the PR19 (Price Review) final determination (FD) was 4.03%. In accordance with Ofwat line definitions, on a notional equity basis, this base return is split over line 2 (3.30%) and line 3 (0.73%).

#### Line 3 - Impact of movement from notional gearing

#### 2024/25 Actual equity: +0.33%; Cumulative Actual equity: +0.30%

This line represents the impact on the base return (i.e. line 2 above) due to a company's actual gearing structure. As mentioned in the introduction above, UUW's average actual gearing of 66.4% is higher than Ofwat's assumed notional gearing of 60.0%. Since Ofwat's allowed cost of debt (2.31% real) is less than the allowed cost of equity (as per line 2), this results in an increase in actual return compared to notional.

The average gearing has been calculated using the opening and closing balances for the reporting period.

#### Line 4 - Gearing benefits sharing

#### 2024/25 Actual equity: nil; Cumulative Actual equity: nil

Under the gearing outperformance sharing mechanism, this line reduces the return where a company has gearing of more than 70% for 2024/25. Since UUW's actual average gearing for 2024/25 was well below this threshold at 66.4%, there is no impact from this mechanism.

#### Line 5 - Variance in corporation tax

#### 2024/25 Actual equity: +2.44%; Cumulative Actual equity: +1.72%

In accordance with the information notice 'IN 25/02 Expectations for monopoly company annual performance reporting 2024-25', the recalculated tax allowances (as published in the Financial Flows Data Source) have been used to report corporation tax performance for 2024/25 and AMP to date. The recalculated tax allowances take into account the tax true-up mechanism which adjusts for material changes to corporation tax or capital allowance rates to those used in the final determination.

	2024/25 Actuals £m	2020/21 – 2024/25 Average £m
Recalculated tax allowance to reflect		
the tax true up mechanism (17/18		
prices)	11.8	19.7
Appointed profit before tax and fair value movements (out-turn)	274.9	178.5
Tax payable at standard rate of corporation tax (out-turn) (25%)	68.7	38.3
Plus or minus accelerated or deferred capital allowances except in relation to Green Recovery expenditure (out-turn)	(174.8)	(76.1)
Plus or minus prior year adjustments		
(out-turn)	2.0	(18.6)
Adjusted tax payable (out-turn)	(104.1)	(56.4)
Adjusted tax payable (17/18 prices)	(80.9)	(45.1)
Variance (17/18 prices)	92.7	64.8
% of actual regulatory equity	2.44%	1.72%
% of notional regulatory equity	2.00%	1.44%

Tax outperformance reflects:

- Deferred capital allowances (excluding green recovery) due to full expensing introduced in 2023, and higher capital allowances driven by substantial reinvestment outside the scope of our FD and accelerated investment brought forward from AMP8.
- Prior year adjustments in relation to optimising the available research and development allowances on our innovation-related expenditure.
- Other variances, driven by movements in taxable profits versus the FD largely due to the inflationary impact on operating costs and non-cash interest payment due on index-linked debt.

In accordance with RAG 4.13 guidance, tax performance does not adjust for unutilised tax losses carried forward.

A further breakdown of significant variations between the appointed current tax credit reported in line 1A.12 to the tax charge allowed in price limits can be found within the tax strategy on pages 147 to 148.

#### Line 6 - Group relief

#### 2024/25 Actual equity: nil; Cumulative Actual equity: -0.01%

No group relief was claimed as UUW is in a loss position this year. If UUW had utilised losses surrendered from other group companies it would pay for these at the mainstream rate of corporation tax and there would be no financial benefit.

#### Line 7 - Cost of debt

#### 2024/25 Actual equity: +2.82%; Cumulative Actual equity: +3.20%

The actual real interest paid used to calculate overall financing outperformance (i.e. sum of lines 7 and 8) has been calculated using UUW's net interest expense plus interest paid/received on swaps. As the table below shows, this is then divided by actual net debt to derive a net interest rate. This rate is then compared to Ofwat's allowed cost of debt (2.31% CPIH real) plus average CPIH in the year, to derive a debt outperformance number (shown as 'c') in the table below. This is then multiplied by UUW's actual gearing position to derive a cost of debt outperformance number, also presented as a percentage of actual regulatory. This has been calculated as 2.76% for 2024/25 and 3.62% for the cumulative five-year position.

		2020/21- 2024/25
	2024/25	Average
	Actual equity	Actual equity
	£m	£m
Interest income (Line 1A.6)	78.2	26.7
Interest expense (Line 1A.7)	-459.5	-434.4
Net interest income on derivatives and		
Fair Value Option debt	-18.4	-2.9
a) Net interest paid including		
derivatives (£m)	399.7	410.5
b) Average net debt (£m)	9,623.3	8,549.8
Net interest rate (%)	4.15%	4.78%
Average CPIH (%)	3.21%	4.40%
Allowed cost of debt (% CPIH real)	2.31%	2.27%
c) Debt outperformance (%) (applying		
Fisher equation)	1.40%	1.88%
d) x Average RCV (£m 17/18 prices)	11,277.2	11,086.8
e) x Average actual gearing rate (%)	66.4%	66.0%
Cost of debt outperformance		
(£m 17/18 prices)	104.7	136.6
Cost of debt outperformance		
(% of regulatory equity)	2.76%	3.62%
Split by:		
Net interest excluding swaps		
(Line 7)	2.82%	3.20%
Interest of swaps (Line 8)	(0.07%)	0.41%

Financing outperformance is mainly attributable to the embedded cost of debt UUW has locked in at lower rates than Ofwat's PR19 FD assumed cost of debt. Ofwat's assumed cost of debt was based on a water industry average and, under the regulatory model, companies with a below average cost of debt, can expect to outperform on financing. In addition, we have consistently issued debt at efficient rates that compare favourably with the industry average, due to our leading treasury management, clear and transparent financial risk management policies, and ability to act swiftly to access pockets of opportunity as they arise.

#### Regulatory accounts for the 12 months ended 31 March 2025

#### Additional table narrative

UUW's debt predominantly comprises a mix of index-linked debt (RPI and CPI/CPIH linked) and fixed rate debt. UUW's RPI index-linked debt is locked-in at an average real rate of 1.4%, and CPI/CPIH at -0.6%, locking in outperformance versus the allowed cost of debt of 2.31%. Inclusive of all hedging derivatives, UUW's fixed rate debt is locked-in at a rate of 3.5% nominal. The level of outperformance fluctuates depending on out-turn CPIH – this year we have seen lower levels of inflation (compared to prior year) with average CPIH at 3.21% over the year.

The total outperformance relating to hedging instruments (see line 8 below) is deducted from total cost of debt outperformance to derive a cost of debt outperformance excluding swaps of 2.82% for 2024/25.

#### Line 8 - Hedging instruments

#### 2024/25 Actual equity: -0.07%; Cumulative Actual equity: +0.41%

This line shows the impact on financing outperformance of our interest rate and cross-currency swap derivatives. Net interest expense for the year 2024/25 is driven by interest rate swaps transacted during the year, alongside indexation impacting the inflation swaps.

#### Line 10 - Totex out / (under) performance

#### 2024/25 Actual equity: -8.24%; Cumulative Actual equity: -2.70%

This line shows totex out/(under) performance versus the amount allowed in the PR19 FD and presented net of the customer sharing ratio.

Totex underperformance is £312.6 million (in 2017/18 prices, post customer share) in 2024/25, totalling £509.9 million (in 2017/18 prices, post customer share) for the five-year period to 2024/25.

The rate of expenditure across the 5 year period to 2024/25 is higher than the FD allowance, due to the combined impact of previously announced investment programmes, and further accelerated investment brought forward from AMP8. This includes delivering sustainable improvements for customers through Dynamic Network Management and drinking water quality improvements, investing outperformance to deliver our 'Better Rivers: Better North West' programme and making an early start on aspects of the new Environment Act 2021 requirements, and improving the quality and aesthetics of the water supply from the Vyrnwy aqueduct. This has been further increased due to the impact of inflation with costs rising above average CPIH, most notable on power and chemicals, and the impact of isolated events across AMP7 such as the freeze-thaw incident in 2022/23 and the fractured outlet pipe at our Fleetwood Wastewater Treatment Works in 2023/24.

#### Line 11 – ODI out / (under) performance 2024/25 Actual equity: +0.25%; Cumulative Actual equity: +0.51%

This line shows the actual out/(under) performance of outcome delivery incentives (ODIs).

Average ODI outperformance of 0.51% reflects a net reward in each year of AMP7, with around 80% of performance commitments met or exceeded across the 5 years.

The net reward of £9.5 million<sup>(i)</sup> in 2024/25 has been calculated in accordance with the information notice 'IN 25/02 Expectations for monopoly company annual performance reporting 2024-25' and RAG 4.13 guidance, as follows:

- Outperformance as reported in table 3A and table 3B for the in-period ODIs (£1.3 million reward in 2024/25).
- Payments for end of period ODIs relating to the reporting period only (£8.2 million reward for the 2024/25 reporting period, including keeping reservoirs resilient, protecting the environment from growth and new development, and Manchester and Pennine resilience).
- Post intervention values, adjusted to take into account the impact of the COVID-19 pandemic, for per capita consumption (PCC) performance (£nil in 2024/25, £0.3 million penalty AMP to date).

Significant rainfall from 2023 to 2025 naturally had an impact on our weather responsive wastewater measures, but we have performed well in water, customer and bioresources, achieving net rewards in each of these areas. We are continuing to deliver improvements and additional

investment in areas where performance is not achieving the Ofwat FD targets, including flooding and pollution incidents, water quality performance and interruptions to water supply. More details on this activity are included in the APR Section 1.1

#### Line 12 - C-MeX out / (under) performance

#### 2024/25 Actual equity: +0.05%; Cumulative Actual equity: +0.05%

Under PR19, the Service Incentive Mechanism (SIM) was replaced with two new common performance commitments to incentivise companies to provide an excellent experience for residential customers (C-MeX) and developer services customers (D-MeX). This line shows the C-MeX out/ (under) performance.

In 2023/24, we outperformed our peers on C-MeX and received a reward of £1.7 million based on our strong performance. The final C-MeX position is confirmed by Ofwat following the publication of companies' APRs and is thus reported in the APR one year in arrears and so our final C-MeX reward for 2023/24 is included within this year's RoRE.

#### Line 13 - D-MeX out / (under) performance

#### 2024/25 Actual equity: +0.02%; Cumulative Actual equity: +0.01%

This line shows the D-MeX out/(under) performance. In 2023/24, we outperformed our peers on D-MeX and received a reward of £0.7 million based on our strong performance. As with C-MeX, Ofwat publishes the values to be reported in the APR one year in arrears.

#### Line 14 - Retail out / (under) performance

#### 2024/25 Actual equity: -0.68%; Cumulative Actual equity: -0.42%

Line 14 represents the difference between PR19 FD allowed retail costs for household customers (based on FD assumed customer numbers) and actual costs incurred. Overall, costs incurred in retail have been higher than the FD allowance predominantly due to higher bad debt costs due to the impact of cost of living on levels of cash collection, which remain below our original expectations. Inflation has exceeded the rate of inflation forecast at PR19, placing an inherent efficiency challenge on the retail price control as the cost allowances do not increase with inflation.

#### Line 15 – Other exceptional items

#### 2024/25 Actual equity: +0.03%; Cumulative Actual equity: +0.04%

This line is defined as exceptional items that are outside normal operating activities. In accordance with the line definition, the 2024/25 return relates to proceeds from land sales of £1.2 million net of the customer share and deflated to 2017/18 prices.

#### Line 17 - RoRE

#### 2024/25 Actual equity: 0.98%; Cumulative Actual equity: 7.08%

This line represents the return on regulatory equity after the base return assumed in the PR19 FD has been adjusted for all items highlighted above.

RoRE is 1.05%, on a notional equity basis, which is the key RoRE metric disclosed within Table 4H Financial Metrics. On an actual equity basis, reported RoRE at 0.98% is most aligned to actual shareholders' return.

#### Line 18 – RCV growth from inflation

#### 2024/25 Actual equity: +3.46%; Cumulative Actual equity: +5.33%

This line shows the inflationary uplift to RCV for the period, representing a blended RPI/CPIH basis, as published by Ofwat.

#### Line 19 – Voluntary sharing arrangements

#### 2024/25 Actual equity: -0.30%; Cumulative Actual equity: -0.27%

This line shows the amount of revenue forgone by the company to fund social tariff discounts for retail customers, as reported in table 2N, deflated to 2017/18 prices.

There were approximately 151,000 customers that received a discounted fixed price bill under a social tariff during the year. In total, these customers received a £39.8 million discount to their underlying full price bill, of which £14.9 million was funded by shareholders and £24.9 million was cross-subsidised by other residential customers. This reduces the actual retail revenue compared to the allowed retail revenue, as reported in Table 2F Residential Retail.

(1) The net reward has reduced from ODI performance disclosed in the United Utilities Group PLC Annual Report. This primarily relates to a significant number of pollution incidents in the year that were linked to severe weather events and, at the time of approval of the United Utilities Group PLC annual report, were still subject to the ongoing regulatory appeals process. That process has subsequently concluded, and this is now reflected in the updated ODI performance reported in table 1F.

#### Regulatory accounts for the 12 months ended 31 March 2025

#### Additional table narrative

#### Line 20 - Total shareholder return

#### 2024/25 Actual equity: 4.14%; Cumulative Actual equity: 12.15%

This line adds average inflation in the year (line 18) and the voluntary sharing arrangements in year (line 19) to RoRE (line 17) to represent the actual nominal return.

#### Lines 21 and 22 - Net dividend

#### 2024/25 Actual equity: 3.95%; Cumulative Actual equity: 5.25%

This is the net of gross dividends and interest received on intercompany loans. The amount of dividends paid during the period for the appointee business totalled £193.0 million, as reported in Table 1A, in line with the dividend policy on pages 136 to 140.

#### Line 23 - Retained value

#### 2024/25 Actual equity: 0.19%; Cumulative Actual equity: 6.90%

This line shows the nominal return (line 20) less the gross dividends paid (line 21) and interest received on intercompany loans (line 22) to represent the value retained in the business post-dividend. Retained value should be considered on a cumulative basis.

# Lines 24 to 26 - Cash impact of 2015-20 performance adjustments 2024/25 Actual equity: +0.32%; Cumulative Actual equity: +0.32%

Per the line definition, this represents out/(under) performance adjustments in relation to the 2015-20 regulatory period. The adjustment is published by Ofwat, and the value is divided by regulatory equity to derive the percentage impact on shareholder returns.

#### Table 2C – Cost analysis retail

Variance analysis of retail costs compared to the prior year can be found in our 2024/25 accounting methodology statement, published on our website alongside the APR. (unitedutilities.com/globalassets/documents/pdf/rr25-accounting-methodology-statement)

# Tables 2D and 2O – Historic cost analysis of tangible fixed assets and Historic cost analysis of intangible fixed assets

Lines 3 and 10 of Tables 2D and 2O 'Additions' and 'Charge for the year' include reclassifications of assets between price controls and between tangible and intangible fixed assets, for capital expenditure and depreciation respectively. These reclassifications have resulted in a negative additions balance being reported within intangible assets on table 2O.

# Table 2E – Analysis of 'grants and contributions' – water resources, water network+ and wastewater

Grants and contributions associated with water network+ (before deduction of the income offset) have increased in the year due to an increase in connection charges to better align them to the costs incurred. There has also been an increase in income associated with s185 diversions. Income offset payments have increased by approximately £1.69 million, reflecting increased payments from the transitionary period between AMP7 and the payments being stopped in AMP8. The value of Water Network+ adopted assets has reduced due to both a reduction in volume and value of connections adopted in the year compared to the prior period.

Grants associated with wastewater network+ have marginally increased in 2024/25 with an increase in infrastructure charges levied for wastewater, and higher income recovery on S98 requisition projects. This has been offset narrowly by reduced diversion activity within the year, resulting in lower wastewater diversions income.

#### Table 2K - Infrastructure charges reconciliation

The purpose of Table 2K is to reconcile the infrastructure charges with the infrastructure network reinforcement costs over a six-year rolling period. This is to ensure that the money we receive from developers, due to the impact of new connections increasing the demand on our existing water mains and sewers, is spent accordingly.

Our infrastructure charges are set to be reflective of the service we provide, therefore we have differing levels of charges to reflect the demand placed on our network.

For example, for schemes signed up to prior to 2024/25, a lower rate infrastructure charge is applied for developments in relation to water efficient homes or properties built with no surface water connection to the existing public sewer. For schemes signed up to in 2024/25, an environmental incentive is awarded depending on whether a development meets qualifying criteria of different tiers of sustainability. Where developers implement these sustainable developments, it places less demand on our network which reduces our spend on infrastructure network reinforcement. Likewise, where developers do not adopt the sustainable solutions, it places greater demand on our network, which means we have to spend more on infrastructure network reinforcement. The overall aim is for our developer charges to recover our expected infrastructure network reinforcement costs and hence nil Totex impact.

This aims to ensure that existing customers do not fund infrastructure network reinforcement due to new developments.

At the end of the 2024/25 the cumulative position is shown in the table below:

Comparison of revenue and costs	Water £m	Wastewater £m	2024/25 Total £m
Variance brought forward	8.031	10.965	18.996
Revenue (net of discounts applied)	5.278	5.987	11.265
Costs	(6.116)	(21.641)	(27.757)
Variance carried forward	7.193	(4.689)	2.504

The variance between cost and revenue for Water is £7.2 million and £(4.7) million for Wastewater. This is mainly due to:

- £2.8 million higher revenue due to higher than expected volumes of properties connected (£1.1 million higher in water and £1.7 million higher in wastewater); circa 6,050 more properties were connected in the last seven years than forecast, driven by some significant apartment developments in and around major cities; and
- £6.1 million lower water infrastructure network reinforcement spend compared with forecast, offset with £6.4 million higher wastewater infrastructure network reinforcement spend.

Although we are currently in a circa £2.5 million surplus position, this has been significantly reduced from the circa £19.0 million brought forward position, due to the high levels of expenditure in 2024/25. The remaining surplus position is due to project delays moving expenditure into AMP8.

#### Table 2L - Analysis of land sales

There have been six disposals in 2024/25, seven deeds of variation, one freehold reversion and one grant of rights. We can confirm that no property disposals were above the materiality threshold set out in Condition K of UUW's licence. In addition, the rental portfolio managed by an external agent is made up of 689 individual income streams.

# Table 2N – Household affordability support – social tariffs

As reported in Table 2N, there were approximately 151,000 customers that received a discounted fixed price bill under a social tariff during the year. In total, these customers received a £39.8 million discount to their underlying full price bill, of which £14.9 million was funded by shareholders and £24.9 million was funded by other residential customers.

#### Regulatory accounts for the 12 months ended 31 March 2025

## Tax strategy

Consistent with our wider business objectives, we are committed to acting in a responsible manner in relation to our tax affairs.

Our tax policies and objectives, which are approved by the board on an annual basis, ensure that we:

- Only engage in reasonable tax planning aligned with our commercial activities and we always comply with what we believe to be both the letter and the spirit of the law;
- Adopt a low risk approach to tax;
- Do not engage in marketed, artificial or abusive tax avoidance;
- Do not use tax havens for tax avoidance purposes, including not taking advantage of any related secrecy rules that can apply to tax havens;
- Are committed to an open, transparent and professional relationship with HMRC based on mutual trust and collaborative working; and
- Maintain a robust governance and risk management framework to ensure that these policies and objectives are fully complied with and applied at all levels.

We expect to fully adhere to the HMRC framework for co-operative compliance.

Our Chief Financial Officer (CFO) has responsibility for tax governance with oversight from the board. The CFO is supported by a specialist team of tax professionals with many years of tax experience within the water sector and led by the Head of Tax. The Head of Tax has day-to-day responsibility for managing the company's tax affairs and engages regularly with key stakeholders from around the company in ensuring that tax risk is proactively managed. Where appropriate, they will also engage with both external advisers and HMRC to provide additional required certainty with the aim of ensuring that any residual risk is typically low. All significant tax issues are reported to the board regularly.

Consistent with the company's general risk management framework, all tax risks are assessed for the likelihood of occurrence and the negative financial or reputational impact on the company and its objectives, should the event occur. In any given period, the key tax risk is likely to be the introduction of unexpected legislative or tax practice changes, which lead to increased cash outflow which has not been reflected in the current regulatory settlement. The company is committed to actively engaging with relevant authorities in order to actively manage any such risk.

In any given year, the company's effective cash tax rate on underlying profits may fluctuate from the standard UK rate mainly due to the available tax deductions on capital investment. These deductions are achieved as a result of utilising tax incentives, which have been explicitly put in place by successive governments precisely to encourage such investment. This reflects responsible corporate behaviour in relation to tax.

Under the regulatory framework the company operates within, the majority of any benefit from reduced tax payments will typically not be retained by the company but will pass to customers; reducing their bills. For 2024/25, the impact of tax deductions on capital investment alone reduced average household bills by around £20.

United Utilities Water Limited operates solely in the UK and its customers are based here and all of the company's profits are taxable in the UK.

Every year, the company pays significant contributions to the public finances on its own behalf as well as collecting and paying further amounts for its 6,181 strong workforce. Details of the total payments for 2024/25 of around £257 million are set out below:

- Business rates £91m
- Corporation tax £0m
- Employment taxes: company £34m
- Employment taxes: employees £69m
- Environmental taxes and other duties £14m
- Regulatory services fees (e.g. water extraction charges) £49m

There has been no corporation tax paid from 2022 onwards due to the introduction of the superdeduction, and the availability of full expensing (made permanent at Autumn Statement 23).

The above tax policy disclosure meets the company's statutory requirement under Paragraph 16(2) of Schedule 19 of Finance Act 2016 to publish its UK tax strategy for the year ended 31 March 2025.

See our website for our latest separate annual tax report, which includes further details in relation to the following key areas:

- How much tax we pay:
- How we ensure that we pay the right tax at the right time; and
- How we ensure that our tax affairs are transparent for all our stakeholders.

Recognising the company's ongoing commitment to paying its fair share of tax and acting in an open and transparent manner in relation to its tax affairs, we were delighted to have retained the Fair Tax Mark independent certification for a sixth year.

#### Current tax reconciliation

	2024/25 £m
Profit on appointed ordinary activities before tax and fair	
value movements as per Table 1A line 9	275.0
Multiplied at the standard rate of corporation tax	
of 25%	68.7
Capital allowances in excess of depreciation	(178.4)
Adjustment in respect of prior years	2.0
Net non-deductible expenses	1.2
Pension deductions	(3.0)
Fair value movements	(2.4)
Other timing differences	(0.6)
Tax loss carried forward	106.0
Appointed current tax credit per Table 1A line 12	(6.5)

#### Regulatory accounts for the 12 months ended 31 March 2025

# Tax strategy

#### Details of factors affecting future tax charges:

The headline rate of corporation tax is expected to remain at 25% for the foreseeable future.

Enhanced capital allowance rates will continue to apply to spend on plant and machinery (P&M) assets as follows:

- a. A 100% first year allowance for standard life P&M
- b. Expenditure on special rate P&M will continue to attract 50% first year allowance (FYA)

In PR19, Ofwat introduced a tax reconciliation mechanism to reflect legislative changes to either the headline corporation tax rate or to the capital allowances rates available on capital expenditure, recognising that these matters were outside of managements' control:

- To do this, Ofwat will rerun the PR19 financial model using the totex allowances, PAYG and RCV run-off rates (set out in the final determination).
- The resulting difference to the tax allowed at PR19 is then added/ deducted to PR24 revenue requirements.
- In order to ensure that the incentive for companies to manage their liabilities in the most efficient manner is retained, this reconciliation will purely affect the agreed FD scope and profile, not the actual performance of the company.
- Accordingly, this reconciliation will mitigate some of the above additional tax that has been incurred as a result of the increase to corporation tax from 17 to 25 per cent but only on the FD scope and profile, not the actual performance of the company.

# Reconciliation of significant variations between the appointed current tax charge or credit reported in line 1A.12 to the total current tax charge allowed in price limits

	2024/25 £m	Commentary
Current tax charge allowed in price limits in 2017/18 prices	39.6	Amount allowed in the Final Determination for corporation tax as published in Ofwat's Financial Flows data reference document. In accordance with the information notice 'IN 25/02 Expectations for monopoly company annual performance reporting 2024-25', the recalculated tax allowances (as published in the Financial Flows Data Source) have been used to report corporation tax performance in table 1F financial flows. The recalculated tax allowance of £11.8m (2017/18 prices) for 2024/25 takes into account the tax true-up mechanism which adjusts for material changes to corporation tax or capital allowance rates to those used in the final determination.  Note that this reconciliation is based on the tax charge allowed in the FD, prior to the tax true up adjustments.
Indexation	11.4	Inflated using the average CPIH figure for the reporting year.
Current tax charge allowed in price limits in 2024/25 prices	51.0	
Adjustment in respect of prior years	2.0	The adjustments in respect of prior years mainly relates to claims for research and development UK tax allowances on our innovation-related expenditure, in respect of multiple years. It reflects an additional claim submitted during the year, along with adjustments relating to ongoing enquiries from the tax authorities in relation to these claims.
Pension deductions	(2.7)	The tax impact of the increase in pension deductions compared to the figures in the FD.
Net decrease in profit before tax and depreciation	6.3	The tax impact of the decrease in profit before tax and depreciation compared to the figures per the FD, including the actual interest charge which is higher than the notional amount assumed in the FD.
Fair value movements	(2.1)	Non-taxable interest, currency and inflation swaps.
Decrease in capital allowances/other	(9.4)	The decrease in capital allowances is mainly due to the impact of super-deductions and 50% FYA in 2021/22 and 2022/23 and the Research & Development Allowance claims made in 2018/19 to 2021/22, which has reduced the opening pool balances as compared to the FD. This has been partially offset by the increase in capital expenditure compared to the FD due to our significant additional totex reinvestment.
First year allowances	(179.3)	The UK Government announced in March 2023 that enhanced capital allowances would continue to apply to qualifying plant & machinery (P&M) assets post cessation of the previous 'superdeduction' regime. It was subsequently announced in November 2023 that this new regime would be permanent. These enhanced rates are a 100% allowance for standard life P&M and a 50% allowance on special rate P&M. The extension of this enhanced relief means that the company is eligible to continue to claim more capital allowances than anticipated in the FD. This has been claimed in full and includes additional tax relief on the increased capital expenditure noted above. No disclaimers have as yet been made.
Increase in tax rate from 17% to 25%	21.7	Impact of the corporation tax rate change.
Tax loss carried forward	106.0	Tax losses have arisen in the period which are being carried forward to utilise in future periods. These have arisen predominantly as a result of enhanced capital allowances above and a reduction in profit before tax as compared to FD.
Appointed current tax credit per Table 1A line 12	(6.5)	

#### Regulatory accounts for the 12 months ended 31 March 2025

# Long term viability statement

The directors have assessed the viability of UUW, taking account of UUW's current position, the potential impact of the principal risks facing the business in severe but plausible scenarios, and the effectiveness of any mitigating actions. This assessment has been performed in the context of UUW's prospects as considered over the longer term. Based on this viability assessment, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the seven-year period to March 2032.

#### **Basis of assessment**

This viability statement is based on the fundamental assumption that the current regulatory and statutory framework, and interpretation thereof, does not substantively change. The long-term planning detailed on pages 20 to 21 of the UUW statutory accounts assesses the company's prospects and establishes its strategy over a 25-year time horizon consistent with its rolling 25-year licence and its published long-term strategy. This provides a framework for the company's strategic planning process, and underpins our business model set out on pages 16 to 17 of the UUW statutory accounts.

In order to achieve this aim and promote the sustainability and resilience of the business, due consideration is given to the management of risks over the long term that could impact on the business model, future performance, credit ratings, solvency and liquidity of the company. Specifically, risks associated with current levels of economic uncertainty and climate change have been incorporated into the baseline position and factored into the various scenarios modelled as part of the company's assessment. An overview of our risk management approach that supports the company's long-term planning and prospects, together with the principal risks and uncertainties facing the business, can be found on pages 61 to 65 of the UUW statutory accounts. This approach considers the full range of categories of risk that could impact the company, such as financial, operational and regulatory risks. In addition, consideration is given to the adequacy of workforce policies and practices, all liabilities including pension liabilities, any exposure to revenue variations, and expectations of future performance taking account of past performance in delivering for customers.

The viability assessment is performed on a standalone basis in relation to UUW. UUW is part of the United Utilities group<sup>(1)</sup>. The regulated activities of UUW represent 98 per cent of the total assets of the United Utilities group as a whole, which, taken together with the financial resources and interests of the regulated business being robustly ring-fenced, means there is minimal risk from the non regulated activities.

Within the context of this long-term planning and management of risks, the company's principal business operates within five year regulatory price control cycles. Medium-term planning considers the current price control period, over which there is typically a high degree of certainty, and looks beyond this in order to facilitate smooth transitions between price control periods. This results in the board concluding that a recurring period of seven years is an appropriate period over which to perform a robust assessment of the company's long-term viability.

# Viability assessment: resilience of the company

The viability assessment is based upon the company's medium-term business planning process, which sits within the overarching strategic planning process and considers:

- UUG's policy of maintaining debt to regulatory capital value (RCV)
   of between 55 per cent and 65 per cent, which is consistent with a
   robust capital structure and strong solvency position, and which in
   turn supports current credit ratings for its principal subsidiary United
   Utilities Water Limited of Baa1 with Moody's, A- (senior unsecured
   debt) and BBB+ (long-term issuer default) with Fitch, and BBB+
   with S&P;
- the company's pension schemes being fully funded on a low dependency basis, with around 70 per cent of the liabilities hedged

- through buy-in contracts and the remaining liabilities fully hedged for interest rate and inflation risk;
- the company's policy of maintaining a robust liquidity position, with liquidity to cover expected cash outflows for the next 15 – 24 months, and flexibility to exceed the upper end of the liquidity range in periods of greater uncertainty. At March 2025, UUW had £2,391 million of available liquidity covering expected cash outflows through to January 2027 and providing a significant buffer to absorb short-term cash flow impacts; and
- the current regulatory framework within which UUW operates which provides a high degree of cash flow certainty over the regulatory period and the broader regulatory protections outlined below.

From a regulatory perspective, the company benefits from a rolling 25-year licence and a regulatory regime in which regulators – including the economic regulator, Ofwat – are required to have regard to the principles of best regulatory practice. These include that regulation should be carried out in a way that is transparent, accountable, proportionate, consistent and targeted. Ofwat's primary duties provide that it should protect consumers' interests, by promoting effective competition wherever appropriate; secure that the company properly carries out its statutory functions; secure that the company can finance the proper carrying out of these functions – in particular through securing reasonable returns on capital; and secure that water and wastewater supply systems have long term resilience and that the company takes steps to meet long-term demands for water supplies and wastewater services.

In addition, from an economic perspective, given the market structure of water and wastewater services, threats to the company's viability from risks such as reduced market share, substitution of services and reduced demand are low compared to those faced by many other industries.

The factors set out in this section underpin the expectation of the company's ability to maintain access to equity and debt capital to the extent necessary to maintain the company's capital structure and liquidity policies, which in turn provide the capital buffer and cash liquidity considered appropriate to mitigate the potential realisation of the principal risks facing the business.

# Viability assessment: resilience to principal risks facing the business

The directors have assessed the company's viability based on the resilience of UUW and its ability to absorb a number of 'severe but plausible' scenarios, derived from the principal risks facing the company, as set out on pages 61 to 65 of the UUW statutory accounts. The baseline plan against which the viability assessment has been performed is aligned to the company business plan. This baseline plan is then subject to further stress scenarios and reverse stress testing that takes into account the potential impact of the UUW's principal risks. Such risks include: environmental risks such as the occurrence of extreme weather events and other impacts of climate change, further details of which are included in the company's TCFD disclosures on pages 31 to 40 of the UUW statutory accounts; political and regulatory risks; the risk of critical asset failure; significant cybersecurity breaches; current economic uncertainties including levels of inflation and a squeeze on the cost of living impacting the company's customer base; and the potential for a restriction to the availability of financing resulting from a capital markets

The scenarios considered are underpinned by the company's established risk management processes, taking into account the highest ranking significant long term risks and the material impact risks, focusing on those with a greater than 10% (1 in 10) cumulative likelihood of occurrence. Risks associated with current economic conditions are reflected within the baseline position, with potential downside risks (most notably in relation to bad debt and inflation volatility) covered by the individual scenarios modelled, and collectively within a combined scenario.

(1) United Utilities Group PLC and its subsidiary undertakings.

#### Regulatory accounts for the 12 months ended 31 March 2025

# Long term viability statement

Based on these risks, the following seven largest impacting scenarios were identified and applied as downside stress scenarios to UUW's baseline plan:

				Viability assessme	nt
Scenario modelled	Level of stretch applied	Link to risk factors	Pass / Fail (without mitigation) <sup>1</sup>	Projected lowest credit rating (investment grade retained) <sup>2</sup>	Financial debt covenants breached?
Scenario 1 Totex one-off impact	£400m one-off impact in 2025/26. Assumed to be operating costs.	Broadly representing the largest 'severe but plausible' risk which is a critical asset failure.	Pass	Baa1/BBB	No
Scenario 2 Totex under- performance	An increase in totex by 10% (c£260m- £335m) per annum across the 7 year assessment period 2025/26–2031/32 (c£2.1bn cumulative).	Broadly representing the cumulative total expected NPV totex impact of the remaining top 10 'severe but plausible' risks (including environmental, cybersecurity and network failure risks).	Pass	Baa2/BBB-	No
Scenario 3 Lower inflation	CPIH inflation of 1.0% below baseline plan over 5 years 2025/26–2029/30.	Broadly consistent with quantum of inflation impacts modelled within top 10 'severe but plausible' risks.	Pass	Baa1/BBB	No
Scenario 4 Increased bad debt	An increase in bad debt of £20m per annum across the 7 year assessment period 2025/26–2031/32.	Aligned to internal risk factor on debt collection.	Pass	Baa1/BBB+	No
Scenario 5 ODI penalty	Additional ODI penalty of c£90m per annum across the 7 year assessment period 2025/26–2031/32.	Assumes mid-point of UUW's baseline and PR24 final determination P90 ODI position.	Pass	Baa1/BBB	No
Scenario 6 Higher interest rates	Debt refinanced as it matures, with new debt financed at 1% above the forward projections of interest rates 2025/26–2031/32.	Representing more than top 10 'severe but plausible' risk on financial outperformance.	Pass	Baa1/BBB+	No
Scenario 7 Combined scenario	<ul> <li>CPIH inflation of 0.5% below baselii</li> <li>Increase in bad debt of £10m per an</li> <li>ODI penalty of c£45m in each year</li> </ul>		Pass	Baa2/BBB-	No

<sup>(1)</sup> See below for examples of mitigating actions available, none of which are required to remain viable under each of the scenarios modelled.

(2) Assessment against current credit ratings of Baa1 with Moody's, BBB+ (long-term issuer default) with Fitch, and BBB+ with S&P.

The assessment has considered the impact of these scenarios on the company's business model, future performance, credit ratings, solvency and liquidity over the course of the viability assessment period. This assessment has demonstrated UUW's ability to absorb the impact of all severe but plausible scenarios modelled.

The most extreme of the severe but plausible scenarios modelled, without any mitigating action, resulted in UUW retaining investment grade credit ratings and liquidity of more than one year. In addition, there were no projected breaches of financial debt covenants.

#### Viability assessment: reverse stress testing

As part of the assessment, reverse stress testing of two extreme theoretical scenarios focusing on totex overspend and persisting low inflation have been performed to understand the extent to which the company could further absorb financial stress before it reaches a sub-investment grade credit rating. This reverse stress testing demonstrated that these extreme conditions would have to be significantly outside what would be considered 'severe but plausible' scenarios before the company's long-term viability would be at risk.

#### Viability assessment: key mitigating actions

In the event of more extreme but low likelihood scenarios occurring, there are a number of key mitigations available to the company, the effectiveness of which are underpinned by the strength of UUW's capital solvency position. Use of these mitigating actions could be either in isolation or in combination, and would be dependent on the specific circumstances of the scenarios that may arise. All could potentially be applicable to each of the scenarios set out in the above table, although none are required to remain viable under the scenarios modelled.

#### Example mitigations:

- Reduction in discretionary totex spend discretionary spend could be suspended to improve liquidity in the short term.
- Capital programme deferral in the event that any adverse factors
  were to materialise that significantly impact the financial position of
  the company, temporary deferral of the capital investment programme
  whilst considering other mitigating actions could ensure ongoing
  viability.
- Closing out of derivative asset position management could closeout 'in the money' swap contracts relatively quickly, realising the value on these as a one-off opportunity.
- Restriction of dividend if extreme circumstances merited it then the company could restrict dividend payments to conserve liquidity and improve capital solvency.

All of which are considered to be within the control of management. In addition to these, it is considered that the following mitigating actions could also be implemented across the UUG group and which could be further utilitised by UUW as required:

- Issuing of new finance a robust capital structure should support new debt financing being raised to meet liquidity requirements in the event of adverse one-off shocks.
- Raising of additional equity as a listed group, UUG has access to
  a deep and liquid equity market, and raising new equity could be a
  course of action to improve both its liquidity and capital solvency
  position.
- Sale and leaseback of fleet and property assets the sale and leaseback of Head office and Estate property or Fleet vehicles could generate sale proceeds, realising the value on these as a one-off opportunity.

### Regulatory accounts for the 12 months ended 31 March 2025

# Long term viability statement

As well as the protections that exist from the regulatory environment within which the company operates, a number of actions are available to mitigate more severe scenarios, including those outlined above.

#### Governance:

The analysis underpinning this assessment has been through a robust internal review process, which has included scrutiny and challenge from the audit committee and board, and has been reviewed by the company's external auditor, KPMG, as part of their normal audit procedures.

#### Going concern:

The directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the basis of preparation paragraph in the accounting policies on page 133.

#### Regulatory accounts for the 12 months ended 31 March 2025

# Information in respect of transactions with any other business or activity of the appointee or any associated company

To the best of their knowledge, the directors of the company declare that all appropriate transactions with associated companies have been disclosed and material transactions with associated companies are at arm's length and no cross-subsidy has occurred. The materiality level of transactions used for reporting is 0.5 per cent of turnover.

#### **Borrowings and loans**

The following loans from associated companies existed at 31 March 2025:

	£m	Interest rate	Repayment date
United Utilities PLC: overdraft facility	8.469	0.173%+BoE Base Rate	On demand
United Utilities PLC: £250.0 million loan	91.358	0.155%+BoE Base Rate	Amortising until August 2025
United Utilities PLC: £191.5 million loan	191.500	0.155%+BoE Base Rate	Amortising until August 2027
United Utilities Water Finance PLC: GBP 0.013% RPI Bond 2025	38.200	0.013%+RPI	April 2025
United Utilities Water Finance PLC: HKD Notes 2.867% 2026	31.879	2.867%	January 2026
United Utilities Water Finance PLC: HKD Notes 2.90% 2026	73.593	2.920%	February 2026
United Utilities Water Finance PLC: EUR Notes 1.129% 2027	42.434	1.129%	April 2027
United Utilities Water Finance PLC: HKD Notes 2.370% 2027	81.548	2.370%	October 2027
United Utilities PLC: \$400.0 million bond	330.216	6.875%	August 2028
United Utilities Water Finance PLC: GBP 0.010% RPI Bond 2028	30.372	0.010% +RPI	September 2028
United Utilities Water Finance PLC: GBP Notes 1.43% 2028	89.858	1.430%	October 2028
United Utilities Water Finance PLC: GBP Notes 0.875% 2029	256.878	0.875%	October 2029
United Utilities Water Finance PLC: GBP 0.178% RPI Bond 2030	53.463	0.178%+RPI	April 2030
United Utilities Water Finance PLC: JPY Notes 0.175% 2030	53.556	0.175%	August 2030
United Utilities Water Finance PLC: EUR Notes 2.058% 2030	23.449	2.058%	October 2030
United Utilities Water Finance PLC: GBP Notes 2.625% 2031	362.437	2.625%	February 2031
United Utilities Water Finance PLC: HKD Notes 2.900% 2031	55.754	2.900%	June 2031
United Utilities Water Finance PLC: EUR Notes 1.641% 2031	22.455	1.641%	June 2031
United Utilities Water Finance PLC: USD Notes 1.474% 2031	22.117	1.474%	August 2031
United Utilities Water Finance PLC: GBP 0.245% CPI Bond 2031	26.753	0.245% +CPI	December 2031
United Utilities Water Finance PLC: GBP 0.010% RPI Bond 2031	57.609	0.010% +RPI	December 2031
United Utilities Water Finance PLC: EUR Notes 1.707% 2032	21.377	1.707%	October 2032
United Utilities Water Finance PLC: EUR Notes 1.653% 2032	19.483	1.653%	December 2032
United Utilities Water Finance PLC: EUR Notes 1.700% 2033	22.871	1.700%	January 2033
United Utilities Water Finance PLC: GBP Notes 3.500% 2033	529.394	3.500%	February 2033
United Utilities Water Finance PLC: GBP Notes 2.000% 2033	324.176	2.000%	July 2033
United Utilities Water Finance PLC: GBP Notes 3.750% 2034	681.283	3.750%	May 2034
United Utilities Water Finance PLC: NOK Notes 4.950% 2035	104.839	4.950%	October 2035
United Utilities Water Finance PLC: GBP Notes 5.750% 2036	394.880	5.750%	June 2036
United Utilities Water Finance PLC: GBP 0.010% RPI Bond 2036	41.841	0.010% +RPI	September 2036
United Utilities Water Finance PLC: GBP 0.379% CPI Bond 2036	26.734	0.379% +CPI	December 2036
United Utilities Water Finance PLC: GBP 0.010% RPI Bond 2036	44.315	0.010% +RPI	December 2036
United Utilities Water Finance PLC: GBP 0.093% CPI Bond 2037	79.785	0.093% +CPI	February 2037
United Utilities Water Finance PLC: JPY Notes 1.450% 2037	40.868	1.450%	December 2037
United Utilities Water Finance PLC: GBP Notes 1.750% 2038	353.272	1.750%	February 2038
United Utilities Water Finance PLC: GBP Notes 5.125% 2038	297.546	5.125%	October 2038
United Utilities Water Finance PLC: GBP 0.010% CPI Bond 2040	171.641	0.010% +CPI	July 2040
United Utilities Water Finance PLC: GBP Notes 1.875% 2042	296.025	1.875%	June 2042
United Utilities Water Finance PLC: GBP Notes 5.250% 2046	375.441	5.250%	January 2046
United Utilities Water Finance PLC: GBP 0.359% CPI Bond 2048	41.955	0.359% +CPI	October 2048
United Utilities Water Finance PLC: GBP Notes 5.75% 2051	336.138	5.750%	May 2051
United Utilities Water Finance PLC: GBP 0.387% CPI Bond 2057	41.716	0.387% +CPI	October 2057

### Loans to associated companies at 31 March 2025

There were no loans to associated companies as at 31 March 2025.

#### Regulatory accounts for the 12 months ended 31 March 2025

# Information in respect of transactions with any other business or activity of the appointee or any associated company

#### Dividends paid to associated undertakings

During 2024/25, interim dividends were paid to the parent company, United Utilities North West Limited, totalling £197.0 million (2023/24: £189.0 million).

In line with the dividend policy on pages 136 to 140, dividends paid of £197.0 million comprised:

- £193.2 million reflecting a 4% return of the equity portion of the shadow RCV;
- £4.0 million reflecting the profit after tax in relation to the non-appointed activities of UUW;
- £(0.2) million reflecting a true-up from 2023/24 due to differences in forecast and actual RCV and non-appointed profits.

#### Guarantee by the appointee

A financing subsidiary of United Utilities Water Limited (UUW), United Utilities Water Finance PLC (UUWF), was set up in 2014/15 to issue new listed debt on behalf of UUW, following UUW's re-registration as a private limited company. Debt instruments issued by UUWF (as listed in borrowing and loans above) have been guaranteed by UUW.

#### Transfer of assets by or to the appointee

There were no transfers of assets or liabilities by or to the company in 2024/25.

#### Services supplied to the company by associated companies in 2024/25

Nature of transaction	Company	Turnover of associate £m	Terms of supply	Total value of goods, work or services 2024/25 £m
Functions	UU PLC		Employment costs	14.981
Share-based payments recharge	UU Group PLC	_	Employment costs	3.524
Estates charges	LM Man Co Ltd	_	Contract price	0.571
				19,076

#### Services supplied by the company to associated companies in 2024/25

		Turnover of associate		Total value of goods, work or services 2024/25
Nature of transaction	Company	£m	Terms of supply	£m
Employment costs and travel costs	UU Property Services	6.445	Recharge of costs	0.429
Employment costs and travel costs	UU PLC	_	Recharge of costs	1.239
Employment costs and travel costs	UU International Ltd	_	Recharge of costs	0.010
Employment costs and travel costs	UU US (Industrial) Ltd	_	Recharge of costs	0.016
Wholesale water/wastewater recharge	Water Plus Ltd	779.712	Contract price	338.839
Central services including IT	<b>UU Property Services</b>	6.445	Recharge of costs	0.071
				340.604

#### Regulatory accounts for the 12 months ended 31 March 2025

# Information in respect of transactions with any other business or activity of the appointee or any associated company

#### Corporation tax group relief received/surrendered by the regulated business in 2024/25

Losses surrendered to other group companies totalled £7.2 million, however, these will be settled at the mainstream rate of corporation tax, so overall there is no financial impact. The company has until 31 March 2027 to finalise the group relief surrendered under UK tax legislation, as a result these figures are draft and subject to change.

Service	Company	Turnover of associate	Terms of supply	Value
Corporation tax group relief	United Utilities PLC	Nil	The losses surrendered by United Utilities	£7.2m
surrendered by regulated business Water Limited will be paid for at the		Water Limited will be paid for at the		
mainstream rate of corporation tax		mainstream rate of corporation tax		

#### Services supplied to the non-appointed business in 2024/25

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Value of recharge made by the appointed business 2024/25

Service Basis of recharge made by the appointed business		£M
Treatment of imported sludge	Nil	Nil
Treatment of tankered waste	The appointed business recharges the non-appointed business for treating tankered waste at wastewater treatment works. The recharge is calculated using the Mogden formula based on tankered waste volumes and, as per RAG 2.08 (2.21), the income is recorded as negative expenditure, reducing appointed operating expenditure.	2.591
Property searches	The appointed business recharges the non-appointed business for the use of operating systems consumed directly in the performance of non-appointed activities. This is calculated based on the frequency and proportion of system use.	1.259
Meter reading services	The appointed business recharges the non-appointed business in respect of meter reading services provided to retailers in the non-household market. The operating cost recharge is calculated using a cost allocation model that apportions cost based on the volume and type of activity completed for retailers. Amortisation associated with systems used to deliver the meter reading service is calculated based on a split of activity volumes between those performed for domestic customers and those completed for retailers or the wholesaler.	1.797

#### Regulatory accounts for the 12 months ended 31 March 2025

# Statement of directors' remuneration and standards of performance

#### Statement of directors' remuneration and standards of performance

All directors of United Utilities Water Limited 'UUW' are also directors of United Utilities Group PLC 'UUG'. Our current UUG remuneration policy (policy) was approved by shareholders at the 2022 UUG AGM, and so a new policy will be put to UUG shareholders for approval at the 2025 UUG AGM. Additional details about this are provided on page 163.

Further details about our remuneration approach, including the current and proposed policy, are available on pages 146 to 172 in the annual report and accounts of UUG. (unitedutilities.annualreport2025.com/)

For the purposes of this disclosure, the company's directors can be split into two categories:

- executive directors of UUW; and
- non-executive directors of UUW.

In respect of the year ended 31 March 2025, the executive directors were eligible for remuneration linked to levels of performance against service standards in connection with activities subject to price regulation, which if due, would be paid by United Utilities PLC (UU PLC) not UUW.

As outlined in the annual report and accounts of UUG, the non-executive Chairman and non-executive directors are not eligible to participate in the company's performance-related pay arrangements (i.e. annual bonus or long-term incentive schemes) and were paid no remuneration linked to water service standards.

#### The year in focus

The water sector has remained subject to significant scrutiny during the year, with continued interest from customers and wider society on pollution and spills from storm overflows in particular. It is understandable why executive pay, and performance-related pay in particular, has formed part of the discourse. Everyone, including those working in the water sector, wants to see environmental performance improve and we recognise that this is key to restoring public confidence and trust.

The UUG remuneration committee (committee), and indeed the whole UUG board, agree that incentive outcomes for executives should be strongly aligned with performance to demonstrate legitimacy to all stakeholders and believe that companies should provide clear and accessible explanations about pay arrangements to enable stakeholders to understand how they operate and how incentive outcomes are determined. This is something that we have consistently sought to do in our reporting, and we remain as committed as ever to driving strong standards both within the water sector and across the FTSE more broadly.

In February 2025, the UK Government passed the Water (Special Measures) Act, requiring Ofwat to implement rules that will prohibit water companies from paying performance-related pay to board-level executives if certain standards that it sets are not met.

The committee understands the overall aims of the Act and our responses to the initial and follow-up consultations therefore focused on the eventual rules being proportionate, fair and transparent. Ofwat published its performance related executive pay prohibition rule in June 2025, confirming that the four standards are: Consumer Matters; Environment; Financial Resilience; and Criminal Liability. Ofwat also provided guidance on how each of the standards would be implemented.

Following the publication of Ofwat's new rule in June the committee has now reviewed its application in respect of our two executive directors. While United Utilities has not experienced a category 1 pollution incident in the year, regrettably, fish were harmed during the routine operation of a mandatory health and safety inspection at one of our water reservoirs in December 2024. These inspections necessitate the operation of valves to demonstrate that the reservoir can be drawn down in the event of emergency scenarios. At the time, we were unaware that fish were nesting in the underwater pipe leading to the valves and, regrettably, this operation resulted in them being transported into a river and consequently they were harmed or perished. The EA has confirmed that, irrespective of the cause, this incident has been classified as a category 1 fisheries mortality incident, and that whilst it is not a pollution incident it will nevertheless be reported within the 'serious pollution incidents' category of its EPA report. Ofwat has separately confirmed that any category one incident (whether a pollution incident or a non-pollution incident) that is recorded in any pollution metric within the EPA report will trigger the new pay prohibition rule.

Whilst noting that the EPA report has not yet been published, based on the information available the committee has decided that the annual bonuses that the executive directors would otherwise have been due to receive in relation to 2024/25 and which are provisionally set out in our UUG annual report, will not be paid.

#### Remuneration policy review

When setting the remuneration arrangements for executive directors, the committee has always adopted a prudent and responsible approach, which aligns to company strategy. We received significant shareholder support in 2022 for our current remuneration policy, having carefully considered then how we should align our pay arrangements (and the incentive elements in particular) with the business plan for the remainder of the five-year regulatory period 2020–2025. We have continued to receive strong support for the annual implementation of our policy since then.

On 1 April 2025 we embarked on the latest regulatory period (AMP8), which will see us deliver what will be the largest investment in water and wastewater infrastructure in over 100 years and build a stronger, greener and healthier North West. It is therefore essential that while demonstrating transparency and legitimacy, the committee retains the flexibility to operate our remuneration policy as intended, to enable us to motivate and retain our talented and experienced leadership team to deliver on our challenging AMP8 plan and align outcomes for executives with the performance delivered for customers, the environment and other stakeholders.

The committee has determined that the current policy remains broadly fit-for-purpose, remaining well-aligned to providing high standards of services for customers, protecting and enhancing the environment and continuing to support and uphold best practice corporate governance standards. As such, only minor changes to the policy are proposed as shown on page 156 and, if approved by UUG shareholders, the new policy will take effect from the July 2025 AGM.

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#### Regulatory accounts for the 12 months ended 31 March 2025

# Statement of directors' remuneration and standards of performance

Element of policy	Focus/rationale for review	Position following consultation
Include explicit reference to variable incentives being subject to customer and environmental measures, in addition to financial and operational performance (in the annual bonus) and Return on Regulated Equity (in the LTP).	We are committed to delivering major improvements for customers and the environment, and the new regulatory period is a significant opportunity for us to do so. This change reinforces this commitment within the Policy by explicitly linking variable pay, in part, to customer and environmental outcomes.	Stakeholders consulted raised no concerns about the proposed change, and so it is reflected in the new Policy.
Reduce the level of mandatory deferral from at least 50 per cent to at least 25 per cent of any bonus earned once an executive director has met their shareholding guideline.	We recognise the need for there to be long-term alignment between the interests of shareholders and those of executives, which is achieved using our shareholding guidelines. This change provides greater flexibility for the executive directors only once they have reached their shareholding guideline, and still allows the committee to apply malus or clawback provisions if ever necessary.	The significant majority of stakeholders consulted raised no concerns about the proposed change, and so it is reflected in the new Policy.

#### A continued focus on setting stretching targets in our incentives

The committee has consistently sought to ensure that performance pay outcomes are well-aligned with delivering value for customers, communities and the environment, and pages 158-159 provides explanations about why the measures used were chosen, and how they link to our strategic priorities and stakeholders. Importantly, the committee takes steps to make sure that outcomes are based on stretching targets. A number of factors are considered when setting stretching targets, including our business plan, our historic performance and improvements required, relative sector performance, and regulatory requirements and determinations. We also recognise that performance pay measures and targets need to be set dynamically in order to calibrate performance and act as strong incentives, so the level of stretch applied will necessarily take account of the context of the specific measure selected. The Stretch targets used for the incentives schemes ending this year were set at an ambitious level of performance, in the context of current, past and forward-looking performance trends. We constantly look for opportunities to evolve and improve our remuneration disclosures, so on page 162, where we summarise our incentive schemes for 2024/25, we have included a key to help stakeholders understand how the targets set for our customer and environmental measures are stretching.

#### Key

Flammank of mallion

- (BP) Exceed or match the company's best performance level
- (CC) Exceed or meet our ambitious carbon commitments
- (FD) Exceed or meet the level set by Ofwat in our AMP7 final determination
- (IL) Represent industry leading performance
- (IP) Represent full or substantial delivery of our challenging internal plans
- (MI) Represent a material improvement compared to the prior period

Overall, 20 customer and environmental metrics featured in either the 2024/25 annual bonus or the 2022 LTP, demonstrating a substantial link to delivery for customers and the environment. Noting that a target for a measure could meet more than one of the statements shown in the key above, for the Stretch targets used in our 2024/25 performance related pay schemes:

15 Exceed or match the company's best performance level (BP)

- 4 Exceed or meet our ambitious carbon commitments (CC)
- 4 Exceed or meet the level set by Ofwat in our AMP7 final determination (FD)
- 6 Represent industry leading performance (IL)
- 12 Represent full or substantial delivery of our challenging internal plans (IP)
- 10 Represent a material improvement compared to the prior period (MI)

The stretching nature of the targets set is evidenced by the fact that they have not all been achieved, and so the executives would not receive elements of the remuneration that they were potentially eligible for.

Further details about our approach to executive remuneration in 2024/25, including our performance-related pay schemes, and our plans for 2025/26 are provided on pages 157 to 163.

#### Looking ahead

The performance measures used in our performance-related pay schemes during 2025/26 will remain closely aligned with our strategic priorities and will be focused on delivery for our stakeholders. As in recent years, across both of our incentive schemes there will be a material weighting linked to delivery for customers and on measures that relate to our environmental performance.

As always, the committee has the discretion to override formulaic incentive outcomes by exercising discretion on outcomes if deemed necessary, including by taking account of overall performance through our various stakeholder lenses. Any performance-related pay outcomes that the executive directors receive in respect of the year will not be paid for by customers.

#### Regulatory accounts for the 12 months ended 31 March 2025

# Statement of directors' remuneration and standards of performance

#### Overview of remuneration policy implemented in 2024/25

Element: purpose and		Opportunity 2024/25	
link to strategy	Operation	(1 April 2024-31 March 2025)	Performance measures
Base salary			
To attract and retain executives of the experience and quality	Reviewed annually.  Executive directors will normally receive a salary increase that is generally no greater	Louise Beardmore: 1 April 2024 – 30 June 2024: £690,000.	None.
required to deliver the company's strategy.	than the increase awarded to the general workforce. Significant increases only awarded	1 July 2024 increased by 5.0 per cent to £724,500.	
	infrequently, for example, where there has been a material increase in:  the size of the individual's role;	Phil Aspin: 1 April 2024 – 30 June 2024: £445,000.	
	<ul> <li>the size of the company (through mergers and acquisitions); or</li> <li>the pay market for directly comparable companies (for example, companies of a similar size and complexity).</li> </ul>	1 July 2024 increased by 5.0 per cent to £467,300.	
Benefits			
To provide market competitive benefits to help recruit and retain high-calibre executives.	Provision of benefits such as health benefits, green travel allowance, relocation assistance, life assurance, group income protection, opportunity to join the ShareBuy scheme, travel and communication costs.	See table on executive directors' remuneration 2024/25 on page 160.	None.
Pension			
To provide a level of benefits that allow for personal retirement planning.	Executive directors are offered the choice of:  a company contribution into a defined contribution pension scheme; or  a cash allowance in lieu of pension; or  a combination of a company contribution into a defined contribution pension scheme and a cash allowance.	Aligned to the approach available to the wider workforce, currently:  up to 14 per cent of salary into a defined contribution scheme;  cash allowance of broadly equivalent cost to the company (i.e. up to 12 per cent of base salary for 2024/25); or  a combination of both such that the cost to the company is broadly the same.	None.
Annual bonus			

To incentivise performance against selected financial and operational KPIs that are directly linked to business strategy.

Deferral of part of bonus into shares aligns the interests of executive directors and shareholders. Executive directors:

- Maximum of 50 per cent paid as cash.
- A minimum of 50 per cent of bonus awarded deferred into UUG shares under the deferred bonus plan (DBP) for a period of at least three years.
- Dividends or dividend equivalents accrue during the DBP deferral period and are paid upon vesting.
- Not pensionable.

Bonuses and shares under the DBP are subject to withholding and recovery provisions in cases of: material misstatement of audited financial results; an error in the calculation; gross misconduct; serious reputational damage; serious failure of risk management; corporate failure; or other circumstances that the committee may determine.

Maximum 130 per cent of salary.

Details of the measures, targets and outcome of the 2024/25 annual bonus are shown on pages 160 to 161. Outcomes based predominantly on customer and environmental performance, with a minority on financial performance.

Measures, targets and weightings set by reference closely aligned with our strategic priorities and with delivery for stakeholders.

Bonus outcomes are subject to the committee being satisfied that the company's performance on the measures is consistent with underlying business performance and individual contributions.

The committee will exercise discretion on bonus outcomes if it deems necessary.

100 per cent of maximum bonus potential for stretch performance; up to 50 per cent of maximum for target performance; and up to 25 per cent of maximum for threshold performance.

No payout for below-threshold performance.

#### Regulatory accounts for the 12 months ended 31 March 2025

# Statement of directors' remuneration and standards of performance

Element: purpose and

Operation

Opportunity 2024/25

(1 April 2024-31 March 2025) Performance measures

# Long Term Plan

To incentivise longterm value creation and alignment with the long-term interests of shareholders, customers, and other stakeholders. Awards under the Long Term Plan (LTP) are rights to receive UUG shares, subject to certain performance conditions. Each award is measured over at least a three-year performance period.

An additional holding period applies after the end of the three-year performance period so that the total vesting and holding period is at least five years.

Dividends or dividend equivalents accrue until awards are released to participants, to the extent that such awards vest for performance.

Shares under the LTP are subject to withholding and recovery provisions in cases of: material misstatement of audited financial results; an error in the calculation; gross misconduct; serious reputational damage; serious failure of risk management; corporate failure; or other circumstances that the committee may determine.

The normal maximum award level will be up to 130 per cent of salary per annum.

The overall policy limit is 200 per cent of salary. It is not anticipated that awards above the normal level will be made to current executive directors and any such increase on an ongoing basis will be subject to prior consultation with major shareholders.

Details of the measures, targets and expected outcome of the 2022 LTP are shown on page 162. The two performance conditions are a basket of customer and environmental measures, and Return on Regulated Equity. The weighting of each of these two components is 50 per cent.

Any vesting is subject to the delivery of the dividend policy during the respective performance period, and the committee being satisfied that the company's performance on these measures is consistent with underlying business performance. The committee will exercise discretion on LTP outcomes if it deems it necessary.

The committee has discretion to set alternative performance measures and/or weightings for future awards but will consult with major shareholders before making any changes to the currently applied measures and/or weightings.

100 per cent of awards vest for stretch performance; and up to 25 per cent of awards vest for threshold performance. No awards vest for below-threshold performance.

#### Shareholding requirements

The committee believes that it is important for each executive director to build and maintain a significant investment in shares of UUG to provide alignment with shareholder interests during and after employment.

Executive directors are expected to reach a shareholding requirement of 200 per cent of salary, normally within five years of appointment.

The following post-employment shareholding requirements apply in the event of an executive director leaving the company:

- Executive directors must continue to hold the lower of 200 per cent of salary in shares or their shareholding on departure, for two years after ceasing employment with the group.
- Executive directors must retain shares vesting (net of tax) from all share awards (including in-flight awards) if not doing so would take their shareholding below the requirement.

Nominee accounts are used to enable the post-employment shareholding requirements to be robustly enforced.

None.

None.

#### Non-executive directors' fees and benefits

To attract non-executive directors with a broad range of experience and skills to oversee the development and implementation of our strategy.

The remuneration policy for the non-executive directors (with the exception of the Chairman) is set by a separate committee of the board. The policy for the Chairman is determined by the remuneration committee (of which the Chairman is not a member).

Fees are reviewed annually taking into account the salary increase for the general workforce and the levels of fees paid by companies of a similar size and complexity. Additional fees are paid in relation to extra responsibilities undertaken, such as chairing certain board subcommittees, and to the senior independent non-executive director.

In exceptional circumstances, if there is a temporary yet material increase in the time commitments for non-executive directors, the board may pay extra fees on a pro rata basis to recognise the additional workload.

No eligibility for bonuses, long-term incentive plans, pension schemes, healthcare arrangements or colleague share schemes.

Base fees for the nonexecutives including the Chairman were increased by 5.0 per cent in 2024/25. The additional fees for the senior independent nonexecutive director and the chairs of committees were not increased.

The value of benefits may vary from year to year according to the cost to the company.

Non-executive directors are not eligible to participate in any performance-related arrangements.

## Why the standards of performance impacting incentives are set and how they are assessed

Our remuneration approach is aligned to our purpose, values and strategy, thereby incentivising delivery for customers and the environment, and the creation of long-term value for all our stakeholders. Through the annual bonus and long-term incentive schemes, the executive directors receive remuneration linked to the achievement of performance measures which relate to water service standards in order to provide an incentive for them to deliver improvements in those standards.

The following table provides a summary of how our performance-related pay framework in 2024/25 was closely aligned to our strategic priorities and with delivery for our stakeholders. Many of the performance measures are key performance indicators (KPIs) for the regulatory period 2020–25 and a significant proportion of the outcomes available (62.5 per cent overall) are linked to stretching delivery for customers and the environment.

Any performance-related pay outcomes that the executive directors receive are not paid for by customers.

Link to

Link to

159

# Regulatory accounts for the 12 months ended 31 March 2025

# Statement of directors' remuneration and standards of performance

		Link to strategic	Link to different
Element	Why it's important to our remuneration approach	priorities	stakeholders
2024/25 annual bonus			
Underlying operating profit	Underlying operating profit is a key measure of shareholder value.		<b>a</b>
Reducing pollution and enhancing outcomes for customers and the environment  Outcome delivery incentives (environmental, water and customer)  Serious pollution incidents  Storm overflows: reduction of reported activations  Storm overflows: delivery of Accelerated Solution programme milestones  Capital programme delivery incentive (CPDi)	The outcome delivery incentive measure includes a range of environmental, water and customer commitments. It is based on the outperformance payments earned and financial penalties incurred by the company based on its delivery of the performance targets embedded in the AMP7 final determination. The performance targets and the financial incentives associated with them are determined by Ofwat in the expectation that achieving them means that stretching outcomes have been delivered for customers and the environment. Bonus awards are only made where the value of these payments exceeds a predetermined level, which the committee sets relative to the AMP7 determination. Non-delivery of our performance commitments can result in financial penalties being applied, which reduces the likelihood of this target being achieved.  Protecting and improving the environment is a priority for the company, and minimising the extent to which our operations might cause a pollution is a crucial part of this.  Improving river health continues to be a key area of focus and we have an ambitious plan to reduce storm overflows across our region. The use of bonus measures relating to the reduction of storm overflows means our executive directors are incentivised to deliver these plans.  The CPDi measure incentivises the executive directors to keep tight control of our capital programmes to ensure we can provide a reliable and environmentally conscious service to our customers.		
Improving customer service and water quality  C-MeX ranking  Water quality contacts (due to appearance)	By using Ofwat's measure of customer experience executive directors are incentivised to deliver the best service to customers. Ofwat can apply financial incentives or penalties depending on our customer service performance.  Customers expect the water that comes out of their tap to be clear, and when it is discoloured it can affect public confidence in the water supply. This measure helps drive	<u></u>	
Looking after our people  Delivery of health and safety improvement programme	improvements in this aspect of our performance.  We are committed to improving health and safety performance, and driving a safety and a more caring culture to ensure our people get home safe and well. This measure is based on the delivery of our health and safety improvement programme, which is comprised of three key pillars: personal safety; process safety; and occupational health and wellbeing.	<b>Y</b>	
Compulsory deferral of bonus	Requiring executive directors to defer part of their bonus into shares provides reassurance that the company is being run in the longer-term interests of shareholders, customers and the environment, including beyond the annual bonus period. It reassures shareholders and customers that some/all of the deferred bonus could ultimately be withheld if, during the deferral period, this is deemed necessary.		
2022 Long Term Plan (LTI			
Return on Regulated Equity (RoRE)	RoRE is a key regulatory measure of performance against the final determination.  Outperformance will result in an increase to RoRE, which should translate into higher returns for shareholders through share price performance. Outperformance also benefits customers and the environment through strong delivery against stretching performance commitments, efficiencies in the capital investment programme and lower long-term financing costs.		
Basket of customer and environmental measures	The basket is made up of specific performance commitments embedded in the AMP7 final determination, focusing on areas that customers have identified via our research as being most important to them. It also includes carbon measures linked to our efforts to continually strengthen the sustainability and resilience of our business. Strong delivery of the commitments benefits our customers, communities and the environment, and can result in outperformance payments from Ofwat, which is positive for shareholders.		
Additional holding period (so the overall vesting and holding period is at least five years)	Requiring the executive directors to wait a further period after the performance outcome of their award is known ensures continued longer-term alignment with shareholder interests and delivery for stakeholders, including customers and the environment. It reassures shareholders and customers that some/all of the LTP outcome could ultimately be withheld if, during the holding period, this is deemed necessary.		
Key governance mechani	isms		
Discretion over outcomes	The committee retains discretion to override formulaic outcomes (including reducing down to zero) in both schemes to ensure that they are appropriate and reflective of overall performance, over the life of the policy (taking into account any evolution of the strategic goals for the company and to reflect customer and regulatory priorities).		
Withholding and recovery provisions	Bonuses and shares under the DBP and LTP are subject to withholding (malus) and recovery (clawback) provisions in cases of: material misstatement of audited financial results; an error in the calculation; gross misconduct; serious reputational damage; serious failure of risk management; corporate failure; or other circumstances that the committee may determine.		
Shareholding guidelines	It is important that each executive director builds and maintains a significant shareholding in shares of the company to provide alignment with shareholder interests (during and after employment) and as a demonstration that the company is being run for the long-term benefit of all its stakeholders, including customers and the environment.		靈

#### Regulatory accounts for the 12 months ended 31 March 2025

# Statement of directors' remuneration and standards of performance

#### Executive directors' fixed remuneration 2024/25

	Base salary £'000	Pension £'000	Benefits £'000	2024/25 Total £'000
Louise Beardmore	716	89	34	839
Phil Aspin	462	55	23	540

A recharge of £192,000 during the year ended 31 March 2025 (2024: £243,000) was charged to other companies in the United Utilities group in relation to the provision of executive director services (£126,000 (2024: £184,000)) and non-executive director services (£66,000 (2024: £59,000)).

#### Aligning performance-related pay with delivery for customers, the environment, and other stakeholders

When determining performance-related pay outcomes for the executive directors, standards of performance are assessed by the committee to ascertain whether targets have been achieved. The committee looks beyond formulaic scorecard outcomes as part of its thorough decision-making process, including an assessment to determine whether the formulaic outcomes are aligned with overall performance and the experience of stakeholders, including customers and the environment. This involves the consideration of performance across a range of stakeholder lenses which are not necessarily captured in the incentive scorecards, many of which are covered as proof-points on pages 68 to 103 of the UUG annual report where we demonstrate how we're delivering our purpose (stronger; greener; healthier) using a wide array of metrics and case studies. In addition, the committee also considers relevant reports from Ofwat and other stakeholders in assessing the achievement of standards of performance. Any performance-related pay outcomes that the executive directors receive are not paid for by customers.

The data required to report on the delivery of our performance commitments and other commitments has been developed to be a subset of our routine, and often long-standing, operational and management information that is directly used to support and direct key business activities. We have also established a centralised reporting function, which has accountability for both assuring the quality of the data and for providing a central source of management information, which can be used by many areas of the business.

#### Performance-related pay in 2024/25

As outlined on page 156, this year we are seeking to help stakeholders better understand how the targets set for our customer and environmental measures are stretching. If achieved, the Stretch targets would:

#### Kev:

- (BP) Exceed or match the company's best performance level
- (CC) Exceed or meet our ambitious carbon commitments
- (FD) Exceed or meet the level set by Ofwat in our AMP7 final determination
- (IL) Represent industry leading performance
- (IP) Represent full or substantial delivery of our challenging internal plans
- (MI) Represent a material improvement compared to the prior period

#### 2024/25 annual bonus

Annual bonuses are earned by reference to performance in the financial year, and the cash bonus elements are subject to recovery provisions for two years. At least 50 per cent of any bonus is deferred, typically into shares under the Deferred Bonus Plan. These awards vest after three years and are subject to withholding provisions during the deferral period.

The measures and targets used for the executive directors' annual bonuses for the year ended 31 March 2025 are set out below and again reflected our commitment to improving environmental performance by tackling storm overflow activations and improving river quality, and through the introduction of a new serious pollutions measure. We also included a new measure relating to the delivery of our health and safety improvement plan demonstrating our commitment to looking after our people. The table on page 159 summarises how the performance measures are linked to our business strategy, including delivery for customers and the environment.

We are pleased with the progress we have made during the year on our Better Rivers commitments, with full delivery of our Accelerated Solution programme milestones and a significant reduction in the number of reported storm overflow activations, materially exceeding our stretch target. Reducing storm overflow spills remains a key area of focus and further improvements in this area will continue to be targeted in the 2025/26 annual bonus plan. Strong performance was also achieved in the delivery of our capital programme and in the full delivery of our health and safety improvement plan for the year. However, persistent rainfall and frequent named storms throughout the year along with unprecedented heavy rainfall over the New Year naturally impacted our weather-responsive wastewater performance measures and contributed to the company not achieving the challenging targets set by the committee in respect of the outcome delivery incentives measure, so no bonus will be payable in relation to that. Whilst we maintained our position as the leading listed company on Ofwat's C-MeX measure of customer satisfaction with our above median ranking position of 8th earning an ODI reward, the stretching nature of our targets meant that this was not sufficient for any bonus to be payable for that measure.

As detailed on page 155, following the publication in June of Ofwat's new executive performance pay prohibition rule and subsequent confirmation from Ofwat and the EA relating to the application of the Environment standard within the new rule, based on the information available the committee has decided that the annual bonuses that the executive directors would otherwise have been due to receive in relation to 2024/25, will not be paid.

Whilst no bonuses have been paid to the executive directors, for transparency we have included the table on the next page to show performance against the measures and stretching targets.

## Regulatory accounts for the 12 months ended 31 March 2025

# Statement of directors' remuneration and standards of performance

		Threshold (25%	Target (50%	Stretch (100%	Stretch target (see key on Page		Actual as a
Measure	Max. %	vesting)	vesting)	vesting)	160)	Actual	% of max
Underlying operating profit <sup>(1)</sup>	25.0%	£791.5m	£816.5m	£841.5m	n/a	£812.7m	46.2%
Reducing pollution and enhancing outcomes for customers and the environment:							
Outcome delivery incentives (environmental, water and customer) <sup>(2)</sup>	25.0%	£34.0m	£44.2m	£54.5m	BP/IP	£24.1m	0.0%
Serious pollution incidents	10.0%	2	1	0	BP/IL/ IP/MI	tbc	tbc
Better Rivers commitments (storm overflows):							
<ul> <li>Reduction of reported storm overflow activations</li> </ul>	7.5%	2,000	6,000	10,000	BP/IP/MI	20,064	100%
<ul> <li>Delivery of Accelerated Solution programme milestones</li> </ul>	7.5%	90.0%	95.0%	100%	BP/IP	100%	100%
Capital programme delivery incentive (CPDi)(3)	10.0%	90.0%	93.0%	96.0%	IP	99.6%	100%
Improving customer service and water quality:							
C-MeX ranking out of the 17 water companies	5.0%	n/a	7th position	6th position	BP/IP/MI	8th position	0.0%
Water quality contacts (appearance)	5.0%	5,400	5,200	5,000	BP/IP/MI	5,146	63.5%
Looking after our people:							
Delivery of health and safety improvement programme	5.0%	90.0%	95.0%	100%	IP	100%	100%

<sup>(1)</sup> Underlying operating profit for bonus purposes excludes infrastructure renewals expenditure and property trading.

For each of these bonus measures there was a threshold level of performance which would trigger a partial payment of bonus with a sliding scale providing for achievement of up to 100 per cent of the relevant element of bonus.

<sup>(2)</sup> The outcome of the ODI composite measure has been subject to independent external assurance.

<sup>(3)</sup> CPDi is an internal measure which measures the extent to which we deliver our capital projects on time, to budget and to the required quality standard. It is expressed as a percentage, with a higher percentage representing better performance.

#### Regulatory accounts for the 12 months ended 31 March 2025

# Statement of directors' remuneration and standards of performance

#### 2022 Long Term Plan (LTP) awards vesting in relation to 2024/25

The 2022 LTP awards were granted in July 2022 and performance was measured over the three-year period from 1 April 2022 to 31 March 2025. The awards were based 50 per cent on a basket of customer and environmental measures and 50 per cent on return on regulated equity (RoRE). The basket comprised 12 metrics – including four directly linked to our carbon pledges – selected to reflect customer priorities, demonstrate our focus on customer delivery and environmental performance, and recognise stakeholder expectations with regard to ESG matters.

Ofwat's new performance related executive pay prohibition rule applies to schemes that started on or after 1 April 2024, so payments in relation to the 2022 LTP are permitted in line with the rule. The final outcome for some of the measures in the basket will only be known when all relevant information is available in 2025, including our 2024 EPA rating which is currently undetermined. The committee believes that the overall LTP outcome fairly reflects the underlying performance of the company and the experience of stakeholders over the period so is not currently minded to exercise any discretion in respect of the vesting of these awards, noting that it has the opportunity to revisit this again prior to vesting. Both executive directors' awards will vest after the completion of a holding period taking the overall vesting period to five years from the grant date. When they become due, the LTP outcomes received by the executive directors in respect of 2024/25 will not be paid for by customers.

Stretch target

Performance measure	Weighting	Threshold (25% vesting) <sup>(1)</sup>	Stretch (100% vesting) <sup>(1)</sup>	(see code on page 160)	Estimate	Estimate as a % of max
Return on Regulated Equity (RoRE)						
Average RoRE compared to the average allowed return set by the regulator across the three-year performance period	50.0%	allowed return set b	+2.0%  npared to the average by the regulator across erformance period	n/a	Average RoRE of 6.78% was +2.78% above the average allowed return	100%
Basket of customer and environment	al measures <sup>(2</sup>	2)	,			
Carbon – green fleet <sup>(5)</sup>	2.5%	electric or other	200 low carbon vehicles I in our fleet	BP/CC/MI	204	100%
Carbon – peatland restoration <sup>(3)</sup>	2.5%	hectares of peatland	644 d restored and certified on code (or equivalent		3,000	100%
Carbon – woodland creation <sup>(3)</sup>	2.5%	hectares of woo	94 odland created and oodland Carbon code uivalent)	BP/CC/IL/MI	83	51.5%
Carbon – supply chain engagement <sup>(5)</sup>	2.5%		: 66.0% missions within scope 3 science-based targets	BP/CC/IL/MI	78.0%	100%
Water poverty (3)	5.0%	66,500 customers lifted of	83,900 out of water poverty	BP/FD	84,726	100%
Priority Services <sup>(3)</sup>	5.0%		7.0% n the Priority Services gister	IP	16.5%	100%
Sewer flooding incidents(3)	5.0%		18.85 incidents per 10,000 d properties	BP/IP/MI	24.74	41.3%
Pollution incidents <sup>(4)</sup>	5.0%		11.80 00km of wastewater twork	BP/FD/IL/MI	36.2	0.0%
Treatment works compliance <sup>(4)</sup>	5.0%	97.9% % compliance	99.0%	FD	98.2%	45.0%
Leakage <sup>(3)</sup>	5.0%	megalitres per 10,	90.5 ,000km of our water y (3-year average)	BP/FD/MI	96.7	0.0%
Compliance risk index (CRI) <sup>(4)</sup>	5.0%	2.75 CRI score	2.00	IP/MI	10.21	0.0%
The Environment Agency's Environmental Performance Assessment (EPA) rating <sup>(5)</sup>	5.0%	3-star rating	4-star rating	BP/IL/IP	tbc	_
Overall underpin Overall vesting is subject to the comm company's outcome performance on t underlying business performance and policy has been delivered in respect of performance period.	hese measure that the com	es is consistent with pany's dividend	vesting outcome to the introductory sta will make a final ass	the underlying pe tement from the c essment of the co	y assessment on the alignm orformance of the business i chair of the committee. The ompany's performance once onmental measures is known	s set out in committee the outcome

- (1) Straight-line vesting applies between the threshold and stretch targets, with nil vesting below threshold performance.
- (2) Measures based on the performance commitment (PC) definitions as per the AMP7 final determination.
- (3) Outcome based on performance in respect of the financial year ending 31 March 2025 as published in our own and/or the other water companies' annual performance reports for 2024/25.
- (4) Outcome based on performance in respect of the calendar year ending 31 December 2024 as published in our own Annual Performance Report for 2024/25.
- (5) Outcome based on performance in respect of the calendar year ending 31 December 2024 as published in the Environment Agency's published report in 2025.

#### Regulatory accounts for the 12 months ended 31 March 2025

# Statement of directors' remuneration and standards of performance

#### Performance-related pay in 2025/26

The performance measures used in our performance-related pay schemes during 2025/26 will remain closely aligned with our strategic priorities and focused on delivery for our stakeholders. As in recent years, across both of our incentive schemes there will be a material weighting linked to delivery for customers and on measures that relate to our environmental performance.

As always, the committee has the discretion to override formulaic incentive outcomes by exercising discretion on outcomes if deemed necessary, including by taking account of overall performance through our various stakeholder lenses. Any performance-related pay outcomes that the executive directors receive in respect of the year will not be paid for by customers.

#### Annual bonus for 2025/26

As we step into AMP8 we are focusing even more clearly on delivery in areas that customers have told us are priorities, and which will drive the best performance outcomes across the business and for all stakeholders. The main change from our previous approach is that rather than continuing with one overall measure related to environmental, water and customer delivery incentives we will use individual specific measures, with many of these being performance commitments embedded within the final determination. We are satisfied that the balanced scorecard supports our purpose of building a stronger, greener and healthier North West. Overall, 75 per cent of the annual bonus remains based on delivery for customers and the environment, and almost half of the overall bonus (45 per cent) is based on measures linked to reducing pollution, storm overflow spills, or other aspects of environmental performance.

The maximum bonus opportunity for the year commencing 1 April 2025 will be unchanged at 130 per cent of base salary, and the table below summarises the measures and weightings we will use, and how they align to stakeholders. The targets are closely linked to our strategy and so are considered commercially sensitive and will therefore be disclosed retrospectively in the 2025/26 annual report on remuneration.

Measure	Max. %
Underlying operating profit <sup>(1)</sup>	25.0%
Reducing pollution and enhancing customer and environmental outcomes	
Serious pollution incidents <sup>(2)</sup>	5.0%
Sewer flooding <sup>(3)</sup>	5.0%
Storm overflow activations (reduction in number of spills) <sup>(4)</sup>	5.0%
Storm overflow programme (milestone delivery)	5.0%
Improving water quality and minimising leakage and interruptions to supply <sup>(5)</sup>	
Leakage	5.0%
Supply interruptions	5.0%
Water quality contacts (due to appearance)	5.0%
Per capita consumption	5.0%
Improving customer service <sup>(6)</sup>	
C-MeX contractor ranking (service for domestic customers)	5.0%
BR-MeX ranking (service for businesses)	5.0%
Delivering our capital programme efficiently:	
Capital programme delivery incentive (CPDi) <sup>(7)</sup>	15.0%
Looking after our people:	
Health and safety: colleague Lost Time Incident frequency rate	10.0%

- (1) Underlying operating profit for bonus purposes excludes infrastructure renewals diversions income.
- (2) The number of category 1 or 2 incidents occurring during calendar year 2025 using the Environment Agency's definitions. When assessing the outcome, the committee will consider the context of any incident, including the likely cause and extent to which the company was responsible for its occurrence.
- (3) Combined total of sewer flooding incidents per 10,000 connected properties.
- (4) Based on performance during calendar year 2025 compared to 2024.
- $\hbox{(5) Based on the performance commitment definitions as per the AMP8 final determination.} \\$
- (6) For C-MeX: out of 17 companies. For BR-MeX: out of 15 companies.
- (7) CPDi is an internal measure assessing the extent to which we deliver capital projects on time, to budget and to the required quality standard. A higher percentage represents better performance. All of the projects covered impact environmental performance.

The executive directors will be required to defer a proportion of any bonus received into shares and these will only become available after a period of three years in line with policy. This provides the committee with time to consider and respond appropriately to any matters that were not known at the end of the relevant performance period but become apparent during the deferral period. This could include the use of the withholding and recovery provisions.

#### 2025 LTP awards with a performance period ending 31 March 2028

Consistent with the approach since 2020, we expect the awards to be based on Return on Regulated Equity and a basket of customer and environmental measures, with each component being equally weighted at 50 per cent, and the performance period for the awards will be 1 April 2025 to 31 March 2028. The committee has decided to wait until after the new directors' remuneration policy has been approved by shareholders at the 2025 UUG AGM to grant the awards, to take account of any feedback which may arise.

#### Regulatory accounts for the 12 months ended 31 March 2025

# **Ring-Fencing Certificate**

# Ring-Fencing Certificate (RFC) under paragraph P31 of condition P of the company's instrument of appointment

In the opinion of the Board of United Utilities Water:

- United Utilities Water Limited will have available to it sufficient financial resources and facilities to enable it to carry out the Regulated Activities, for at least the next 12 months;
- 2. United Utilities Water Limited will have available to it sufficient management resources and systems of planning and internal control to enable it to carry out the Regulated Activities, for at least the next 12 months;
- 3. United Utilities Water Limited has available to it sufficient rights and resources other than financial resources, as required by paragraph P14 of the company's instrument of appointment; and
- 4. All contracts entered into between United Utilities Water Limited and any Associated Company include the necessary provisions and requirements in respect of the standard of service to be supplied to United Utilities Water Limited, to ensure that it is able to carry out the Regulated Activities.

#### Statement under paragraph P34 of condition P of the instrument of appointments

In providing this opinion under paragraph P31 of the Licence, the Directors have considered many factors, which fully incorporate the 28 factors listed by Ofwat in Information Notice IN20/01 as the minimum factors to consider.

Senior management from the relevant business areas provide confirmation, along with supporting documentation, for each factor listed. The RFC is presented to the Compliance Committee, a sub committee of UUG Board, for review and scrutiny ahead of Board approval. In accordance with Condition P36 the company's instrument of appointment, UUW engaged with KPMG to examine the RFC in conjunction with the completion of their audit of the Regulatory Accounting Statements within the Company's regulatory accounts for the year ended 31 March 2025. KPMG presented a report to the UUW board stating whether they were aware of any inconsistencies between the RFC and their findings arising from their audit or any information they obtained in the course of their work as the company's auditor. A copy of KPMG's RFC report is included in appendix 1 on page 233.

The list of factors considered, include, but is not limited to:

Financial resources	
and facilities	

- UUW's financial position at 31 March 2025 as represented by the statutory and regulatory accounts.
- UUW's IFRS pension surplus of £226m, fully-funded on a low dependency basis.
- UUW's projected cash flows as represented by the business plan, budget and treasury funding plan.
- UUW's performance against the 2020-25 Final Determination, underpinned by its historical track record.
- UUW's current liquidity position with £2,391m of available liquidity at March 2025.
- UUW's capital solvency position with a net debt to RCV gearing ratio of 66% as at March 2025.
- UUW's robust credit rating position with unsecured senior debt ratings of Moody's Baa1; S&P BBB+ and Fitch A-, with all ratings on stable outlook.
- UUW's compliance with its financial covenants.
- UUW's long-term viability statement of seven years, included within the 2024/25 APR.
- UUW's dividend policy, which takes into account financial resilience, consideration of business performance and service delivery for customers and the environment.

# Management resources

- A capability audit forms the basis of broad recruitment plans, ensures the right supply of management skills, experience, qualifications and capabilities to respond to the needs of the business.
- High colleague engagement, evidenced by an 87% engagement in our most recent survey, outperforming UK high performing Norm benchmark by 7%, supporting colleague retention and wellbeing.
- Succession plan maintained for all executive directors and team, including outline timescales.
- Training and personal development programmes exist for all colleagues, enabling the development and competence of key skills for colleagues.
- Board appointments and succession planning overseen by Nomination Committee (100% non-executive directors), applying board diversity policy to ensure balance of experience, skills and perspectives.
- Equality and diversity policy and action plan supports our intention of providing equality for all our colleagues in a diverse
  working environment.
- The strategy of the company set by the board, including the company's approach to business planning, risk management and the development of policies including health and safety.
- Non-executive directors considered to be independent when assessed against Provision 10 of the 2018 UK Corporate Governance
  Code (including Alison Goligher, notwithstanding that she will remain as a director beyond the ninth anniversary of her
  first appointment, see pages 103 to 105 of the UUW annual report) and in accordance with the relevant Board Leadership,
  Transparency and Governance (BLTG) objectives and provisions.
- The Chairman was independent on appointment when assessed against Provision 10 and in accordance with the relevant BLTG objectives and provisions.

#### Regulatory accounts for the 12 months ended 31 March 2025

# **Ring-Fencing Certificate**

# Systems of planning and internal control

- Established risk and resilience framework including the governance and reporting structure.
- Biannual board review of the principal risks and uncertainties facing the business and mitigating controls.
- Board supported by the Group Audit and Risk Board (GARB) which review and monitor compliance with governance processes, risk management and the internal control framework.
- Operational controls relating in particular to asset health, operational hazard and long-term resilience and compliance control
  to managing environmental performance and regulatory compliance, managed through the business quality and environmental
  management system certified to ISO 9001 and ISO 14001.
- UUG Audit Committee approves annual internal audit plan of work, underpinned by five-year strategic plan, with findings reported back to them.
- Business continuity system aligned to International standards best practice, with plans addressing loss of buildings, people, systems and key services and updated to reflect our enhanced ability to support remote working for office staff.
- Security policy framework to help mitigate cyber risk and ensure data and technology assets are not compromised, including robust controls reflecting multiple sources of threat intelligence, employee training and awareness, and oversight by the GARB.
- Policies to prevent unethical behaviours including an anti-fraud policy, anti-bribery and corruption policy, whistleblowing policy, modern slavery act policy and security policy, supported by an independently provided, confidential, whistleblowing hotline.
- Dedicated colleague voice panel sponsored by non-executive director Liam Butterworth enabling the Board to have a close and regular check in with colleagues and a clear temperature check of the colleague voice.
- Published assurance framework used to support assurance statements supporting key regulatory submissions.
- Compliance working group actively maintains a log of key obligations that are referred to within the risk and compliance statement, with each obligations linked policy having a senior named owner.

# Rights and resources other than financial resources

- Clear purpose to provide great water for a stronger, greener and healthier North West.
- Underpinned by our core values to do the right thing; make it happen; be better, and our strategic themes to improve our rivers; create a greener future; provide a safe and great place to work; deliver great service for all customers; spend customers' money wisely; and contribute to our communities.
- Committed to a long term strategy, embracing systems approach to how we run our service, certified to the international standard for asset management ISO55001.
- Monitoring and control technology systems cover real-time monitoring of our water and wastewater systems, ensuring continuing operations.
- Key policies encouraging an integrated and consistent approach, including policies on Risk Management, Asset Management and the Environment.
- Well-established approach to water production planning with real-time central tracking of site production capacities and water demand forecasting.
- Comprehensive asset maintenance plans, developed on a risk basis with high criticality assets receiving additional preventative
  maintenance activities.
- Operational insurance policies protect against material financial loss on insurable risks, supplemented by appropriate levels of self-insurance ensuring ongoing focus on internal-risk management.
- Significant investment through our 'Better Rivers: Better North West' programme and 'Storm Overflow Taskforce', to materially
  reduce storm overflow activations and improve river health across the region, ensuring new environmental targets are achieved.

#### Contracting

- Major contracts, typically 5+ years, completed with financially robust organisations which have been thoroughly tested through our procurement processes, with flexibility to use alternative suppliers to ensure continuous service.
- In line with UUW's transfer pricing policy, all intercompany trading relationships must have a contract in place with defined Service Level Agreements (SLAs).
- Transactions between the appointee and any associated company are completed at arm's length in accordance with UUW's transfer pricing policy and Licence Condition P19.
- The APR includes a list of all transactions between the appointee and associated companies in line with RAG 3.15.
- No guarantees or cross-default obligations have been given without Ofwat's written consent.

#### Regulatory accounts for the 12 months ended 31 March 2025

# **Ring-Fencing Certificate**

Material issues or circumstances

- The board regularly reviews principal risks and uncertainties facing the business. Due consideration is given to the management of risks spanned by seven common causal themes asset health; climate change/extreme weather; culture; demographic change; economic conditions; legislative and regulatory change; and technology and data. An overview of our risk management approach that supports the company's long-term planning and prospects, together with the principal risks and uncertainties facing the business, can be found on pages 62 to 65 of the UUW statutory accounts.
- We are also subject to the following material further actual litigation claims and regulatory investigations. Whilst these matters
  are significant, we remain of the opinion that the likelihood of a material adverse impact on the financial position of the Company
  due to them resulting in an adverse finding is remote based on the facts currently known to us.
- We remain subject to two separate but related national/industry wide investigations (one by each of Ofwat and the Environment Agency) in relation to discharges, and the implications may only be known at their conclusion.
- We are also engaged in litigation relating to the Manchester Ship Canal Company matter reported in previous years, the Supreme Court issued a ruling in July 2024 that overturned a number of rulings in lower courts that had previously gone in UUW's favour. This latest Supreme Court ruling provided clarity in relation to the rights and remedies afforded to the parties and others in relation to discharges by water companies into the canal and other watercourses, and brought the long-running litigation to a close. Specifically, the ruling clarified that common law claims in nuisance/trespass may be brought by MSCC (and those with proprietary rights in watercourses/water bodies) against water and wastewater companies where the relevant legal thresholds for bringing a claim have been met. No such common law nuisance/trespass claims have been received by UUW to date from either MSCC or any third party, with the likely receipt of any such claims, and their potential success and any financial implications, being unclear at the reporting date.
- Collective proceedings in the Competition Appeal Tribunal (CAT) were issued on 8 December 2023 against United Utilities Water Limited (UUW) and United Utilities Group PLC on behalf of approximately 5.6 million domestic customers following an application by the Proposed Class Representative (PCR), Professor Carolyn Roberts. The PCR alleges that customers have collectively paid an overcharge for sewerage services during the claim period as a result of UUW allegedly abusing a dominant position by providing misleading information to regulatory bodies. The estimated total aggregate amount the PCR is claiming against UUW (including interest) for household customers is at least £141 million. On 7 March 2025, the CAT unanimously concluded that claims could not proceed on the basis that the claims brought forward are excluded by section 18(8) of the Water Industry Act 1991. Subsequently, the PCR has been granted permission by the Court of Appeal to challenge the CAT's certification decision, which could result in an appeal towards the end of 2025 or in 2026. UUW believes the claim is without merit and will robustly defend it, should the certification decision be overturned on appeal. Separate letters before action were issued on 20 December 2024 in relation to similar claims in respect of non-household customers, however it is not clear how these will proceed following the CAT's decision not to certify the claims brought in respect of domestic customers and any subsequent appeal decision.

This certificate was approved by the board and signed on its behalf by:

Philip As

Phil Aspin Chief Financial Officer 09 July 2025

An extract from the Board minutes evidencing that the Board approved the RFC and delegated authority to sign the certificate to any one director can be found in appendix 2.

#### Regulatory accounts for the 12 months ended 31 March 2025

#### Pro forma tables in sections 3 to 11

This section of the UUW annual performance report provides a copy of the pro forma tables in sections 3 to 11, which Ofwat requires all companies to publish, that have not been subject to financial audit opinion. The information within these tables has been subject to detailed governance and assurance by either KPMG or Jacobs (our non-financial auditor), with the nature and findings of the assurance being set out in appendix 1 Assurance summary and findings.

The list of data tables is shown below:

Section 3: Po	erformance	Summary
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Pro forma 3A	Outcome performance – water performance commitments (financial) (some redacted information)
Pro forma 3B	Outcome performance – wastewater performance commitments (financial) (some redacted information)

Pro forma 3C Customer measure of experience (C-MeX) table

Pro forma 3D Developer services measure of experience (D-MeX) table

Pro forma 3E Outcome performance – non-financial performance commitments

Pro forma 3F Underlying calculations for common performance commitments – water and retail Pro forma 3G Underlying calculations for common performance commitments – wastewater

Pro forma 3H Summary information on outcome delivery incentive payments

Pro forma 3I Supplementary outcomes information

#### Section 4: Additional regulatory information – service level

Pro forma 4A Water bulk supply information

Analysis of debt - omitted from inclusion within regulatory accounts due to size in adherence with RAG 3.15 Section 2.7. The table is Pro forma 4B

submitted to Ofwat separately, and published on the company website

Pro forma 4C Impact of price control performance to date on RCV Pro forma 4D Totex analysis - water resources and water network+ Pro forma 4E Totex analysis - wastewater network+ and bioresources Pro forma 4F Major project expenditure for wholesale water by purpose Pro forma 4G Major project expenditure for wholesale wastewater by purpose

Pro forma 4H Financial metrics Pro forma 4I Financial derivatives

Pro forma 4J Base expenditure analysis - water resources and water network+ Pro forma 4K Base expenditure analysis - wastewater network+ and bioresources Pro forma 4L Enhancement expenditure analysis - water resources and water network+ Pro forma 4M Enhancement expenditure analysis - wastewater network+ and bioresources Pro forma 4N Developer services expenditure - water resources and water network+ Pro forma 4O Developer services expenditure - wastewater network+ and bioresources

Pro forma 4P Expenditure on non-price control diversions

Pro forma 4Q Developer services - new connections, properties and mains

Connected properties, customers and population Pro forma 4R

Pro forma 4S Green Recovery expenditure - water resources and water network+ Pro forma 4T Green Recovery expenditure - wastewater network+ and bioresources

Pro forma 4U Impact of Green Recovery on RCV

Pro forma 4V Mark-to-market of financial derivatives analysed based on payment dates

Pro forma 4W Defined benefit pensions scheme - additional information

Pro forma 4X Accelerated infrastructure delivery project expenditure - water resources and water network+ Pro forma 4Y Accelerated infrastructure delivery project expenditure - wastewater network+ and bioresources

#### Section 5: Additional regulatory information – water resources

Pro forma 5A Water resources asset and volume data Pro forma 5B Water resources operating cost analysis

#### Section 6: Additional regulatory information – water network+

Pro forma 6A Raw water transport, raw water storage and water treatment

Pro forma 6B Treated water distribution – assets and operations

Pro forma 6C Water network+ - Mains, communication pipes and other data Pro forma 6D Demand management - Metering and data leakage activities WRMP annual reporting on delivery - non-leakage activities Pro forma 6F

#### Regulatory accounts for the 12 months ended 31 March 2025

### Pro forma tables in sections 3 to 11

Section 7: Additional regulatory information – wastewater network+

Pro forma 7A Wastewater network+ – Functional expenditure

Pro forma 7B Wastewater network+ - Large sewage treatment works. The table is submitted to Ofwat separately, and published on the company

website

Pro forma 7C Wastewater network+ – Sewer and volume data
Pro forma 7D Wastewater network+ – Sewage treatment works data

Pro forma 7E Wastewater network+ - Other data including energy consumption and scheme delivery

Pro forma 7F Wastewater network+ – WINEP phosphorus removal scheme costs and cost drivers. The table is submitted to Ofwat separately, and

published on the company website

Section 8: Additional regulatory information - wastewater network+

Pro forma 8A Bioresources sludge data

Pro forma 8B Bioresources operating expenditure analysis
Pro forma 8C Bioresources energy and liquors analysis
Pro forma 8D Bioresources sludge treatment and disposal data

Section 9: Additional regulatory information – innovation competition

Pro forma 9A Innovation competition

Section 10: Additional regulatory information - Green Recovery

Pro forma 10A Green Recovery data capture

Pro forma 10B Water common performance commitments relevant to Green Recovery

Pro forma 10C Wastewater common performance commitments relevant to Green Recovery

Pro forma 10D Bespoke performance commitments relevant to Green Recovery
Pro forma 10E Green Recovery data capture reconciliation model input

Pro forma 10F Additional reporting to account for impacts of the accelerated infrastructure delivery projects

Pro forma 10G Additional reporting to account for impacts of transition expenditure

Pro forma 10H Accelerated schemes data capture reconciliation model input

Section 11: Operational greenhouse gas emissions reporting
Pro forma 11A Greenhouse gas emissions reporting

Commentary is also provided for tables 3A–3I, 4A, 4F, 4G, 4L, 4M, 4Q–4U, 5A–5B, 6A–6F, 7A–7F, 8A–8D, 9A, 10A–10H and 11A within the supporting commentary document which is published on our website.

# **Section 3 Performance summary**

## Pro forma 3A

## Outcome performance – water performance commitments (financial)

Keys to cells Input cell Calculation cell Copy cell

							_	
			Decimal	Performance		Outperformance or underperformance payment	Total 2020-25 outperformance or underperformance payment	RAG
Line description	Unique reference	Unit	places	level - actual	PCL met?	£m	£m	referer
Common PCs - Water (Financial)								,
Water quality compliance (CRI)	PR19UUW_A01-CF	number	2	10.29	No	-8.438	-16.528	3A.1
Water supply interruptions	PR19UUW_B03- WN	hh:mm:ss	0	00:14:17	No	-8.687	-28.741	3A.2
Leakage	PR19UUW_B01-WN	%	1	7.3	No	-2.713	1.623	3A.3
[For use by NES and SSC only]								3A.3
Per capita consumption	PR19UUW_B05- WN	%	1	6.7	Yes	0.198	-0.317	3A.4
[For use by SSC only]								3A.4
Mains repairs	PR19UUW_B02- WN	number	1	103.5	Yes	1.294	7.708	3A.
Unplanned outage	PR19UUW_B04-CF	%	2	1.85	Yes	0.000	0.000	3A.6
Bespoke PCs - Water and Retail (Financial)								
Reducing water quality contacts due to taste, smell and appearance	PR19UUW_A02- WN	nr	1	12.8	No	-1.495	-5.605	3A.7
Number of properties with lead risk reduced	PR19UUW_A03- WN	nr	0	3263	Yes	2.796	12.656	3A.8
Helping customers look after water in their home	PR19UUW_A04- WN	%	1	28.3	Yes	1.336	7.431	3A.9
Reducing discolouration from the Vyrnwy treated water aqueduct	PR19UUW_A05- WN	nr	2	60.27	Yes	32.327	51.611	3A.1
Reducing areas of low water pressure	PR19UUW_B07- WN	nr	3	0.336	Yes	0.083	0.193	3A.1
Water service resilience	PR19UUW_B08- WN	nr	0	4006	Yes	8.970	22.490	3A.1
Manchester and Pennine resilience	PR19UUW_B09-DP	control	0	0	No	-1.914	-1.914	3A.1
Keeping reservoirs resilient	PR19UUW_B10-WR	risk	5	8.66885	Yes	2.168	2.168	3A.1
Thirlmere transfer into West Cumbria (AMP7)	PR19UUW_B11-WN	%	0	100	Yes	0.000	-2.340	3A.1
Abstraction incentive mechanism	PR19UUW_C03- WR	МІ	1	0.0	Yes	0.000	0.299	3A.1
Improving the water environment	PR19UUW_C04- WR	nr	0	206	Yes	0.000	0.000	3A.1
Number of customers lifted out of water poverty	PR19UUW_E01-HH	nr	0	84726	Yes	2.924	13.654	3A.1
Voids	PR19UUW_E10-HH	%	2	3.90	Yes	7.038	35.413	3A.1
Non-household vacancy incentive scheme	PR19UUW_E03-CF	nr	0	3635	Yes	0.494	5.335	3A.2
Gap sites (Wholesale)	PR19UUW_E04-CF	nr	0	7395	Yes	2.263	3.898	3A.2
Gap sites (Retail)	PR19UUW_E05-HH	nr	0	6137	Yes	0.080	0.462	3A.2
Successful delivery of direct procurement of Manchester and Pennine resilience	PR19UUW_E07-DP	nr	0	0	Yes	0.000	0.000	3A.2
DPC: Pre-procurement Incentive for the Haweswater Aqueduct Resilience Programme	PR19UUW_ HWDPC-WN	£m	0	Completed	Yes	5.320	5.320	3A.2
<del></del>								3A.2
								3A.2
Financial water performance commitments achieved		%	0		79			3A.2
Overall performance commitments achieved (excluding C-MEX and D-MEX)		%	0		74			3A.2

## Regulatory accounts for the 12 months ended 31 March 2025

# **Section 3 Performance summary**

## Pro forma 3B

## Outcome performance – wastewater performance commitments (financial)

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Unique reference	Unit	Decimal places	Performance level - actual	PCL met?	Outperformance or underperformance payment	Total 2020-25 outperformance or underperformance payment £m	RAG 4 reference
Common PCs - Wastewater (Financial)								
Internal sewer flooding	PR19UUW_ G02-WWN	Number of internal sewer flooding incidents per 10,000 sewer connection	2	3.48	No	-14.447	-50.752	3B.1
Pollution incidents	PR19UUW_ C01-WWN	Pollution incidents per 10,000 km of sewer length	2	45.00	No	-25.323	-15.850	3B.2
Sewer collapses	PR19UUW_F01- WWN	Number of sewer collapses per 1,000 km of all sewers	2	12.93	Yes	0.000	0.000	3B.3
Treatment works compliance	PR19UUW_ C02-CF	%	2	98.20	No	-1.220	-2.135	3B.4
Bespoke PCs - Wastewater (Financial)								
Improving river water quality	PR19UUW_ C05-WWN	nr	0	0	Yes	0.000	0.000	3B.5
Protecting the environment from the impact of growth and new development	PR19UUW_ C06-WWN	nr	0	128515	Yes	1.514	1.514	3B.6
Enhancing natural capital value for customers	PR19UUW_ C08-CF	£m	3	2.664	Yes	0.207	0.975	3B.7
Recycling biosolids	PR19UUW_ C09-BR	%	2	100.00	Yes	0.000	1.479	3B.8
Better air quality	PR19UUW_ C10-BR	nr	2	0.87	Yes	1.480	4.601	3B.9
Sewer blockages	PR19UUW_ F02-WWN	nr	0	17819	Yes	2.101	0.557	3B.10
External flooding Incidents	PR19UUW_ G03-WWN	nr	0	7365	No	-9.699	-13.713	3B.11
Raising customer awareness to reduce the risk of flooding	PR19UUW_ G04-WWN	%	1	51.5	Yes	3.569	11.189	3B.12
Hydraulic internal flood risk resilience	PR19UUW_ G05-WWN	nr	2	39.24	Yes	6.972	37.536	3B.13
Hydraulic external flood risk resilience	PR19UUW_ G06-WWN	nr	2	181.13	No	-0.647	6.504	3B.14
								3B.15
								3B.16
								3B.17 3B.18
Financial wastewater performance commitments achieved		%	0		64			3B.19

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## Regulatory accounts for the 12 months ended 31 March 2025

# **Section 3 Performance summary**

## Pro forma 3C

## Customer measure of experience (C-MeX) table

Keys to cells Input cell Calculation cell Copy cell

Item	Unit	Value	RAG 4 reference
Annual customer satisfaction score for the customer service survey	Number	76.76	3C.1
Annual customer satisfaction score for the customer experience survey	Number	75.96	3C.2
Annual C-MeX score	Number	76.36	3C.3
Annual net promoter score	Number	11.00	3C.4
Total household complaints	Number	24649	3C.5
Total connected household properties	Number	3,390,859	3C.6
Total household complaints per 10,000 connections	Number	72.692	3C.7
Confirmation of communication channels offered	TRUE or FALSE	TRUE	3C.8

RAG 4
reference
3C.1
3C.2
3C.3
3C.4
3C.5
3C.6
3C.7
70.0

## Regulatory accounts for the 12 months ended 31 March 2025

# **Section 3 Performance summary**

## Pro forma 3D

#### Developer services measure of experience (D-MeX) table

Keys to cells

Input cell

Input cell with data from another APR table

Calculation cell

Copy cell

Item	Unit	Value
Qualitative component annual results	Number	83.13
Quantitative component annual results	Number	99.90
D-MeX score	Number	91.51
Developer services revenue (water)	£m	18.765
Developer services revenue (wastewater)	£m	8.165

RAG 4 reference
3D.1
3D.2
3D.3
3D.4
3D.5

Calculating the D-MeX quantitative component		Domantin 1		
W. 11/2 (		Reporting period (1 April to 31	Quantitative	DAO 4 1
Water UK performance metric	Unit	March)	score (annual)	RAG 4 reference
S1.1 Pre-development enquiry – reports issued within target	%	99.35%		3D.W1
S3.1 Sewer requisition design – offers issued within target	%	100.00%		3D.W2
S4.1 Sewer requisition – constructed and commissioned within agreed extension	%	100.00%		3D.W3
S7.1 Adoption legal agreement – draft agreements issued within target	%			3D.W4
SAM - 3/1 Execute Adoption Agreement (Stage 3) – Sewerage Company – SAM – 3/1 – Update draft Agreement	%	100.00%		3D.W5
SAM - 4/1 Customer notifies of construction start date and requests inspections (Stage 4) – Sewerage Company – SAM – 4/1 Inspections & construction period	%	100.00%		3D.W6
SLPM - 2/2b Design Self-Laid Main (Stage 2) – Water Company – SLPM - S2/2b – Water Company to Provide design acceptance	%	99.53%		3D.W7
SLPM – S1/2 POC (Stage 1C) – Water Company – SLPM – S1/2 – Review PoC proposal	%	100.00%		3D.W8
SLPM - S2/2a Design Self-Laid Main (Stage 2) – Water Company – SLPM - S2/2a – Provide design	%			3D.W9
SLPM – S3 Execute Water Adoption Agreement (Stage 3) – Water Company – SLPM – S3 – Review / revise Water Adoption Agreement	%	99.53%		3D.W10
SLPM – S4/1 Delivery Date (Stage 3 / 4) – Water Company – SLPM – S4/1 – Source of Water Delivery Date	%	100.00%		3D.W11
SLPM – S5/1a Connect Self-Laid Main – (Stage 5) – Water Company – SLPM – S5/1a – Review request and carry out Final Connection	%	100.00%		3D.W12
SLPM – S7/1 Make Service Connections (Stage 7 – Part 2) – Water Company – SLPM – S7/1 – Validate notification and provide consent to progress with connection	%	99.39%		3D.W13
SN2.2 % Bulk discharge offer letters issued to the applicant within target period	%	100.00%		3D.W14
SN4.1 % of main laying schemes constructed and commissioned within the target period	%			3D.W15
W1.1 Pre-development enquiry – reports issued within target	%	100.00%		3D.W16
W17.1 Mains diversions (without constraints) - quotations within target	%	100.00%		3D.W17
W17.2 Mains diversions (with constraints) - quotations within target	%	100.00%		3D.W18
W18.1 Mains diversions - construction/commissioning within target	%	100.00%		3D.W19
W20.1 Self-lay Point of Connection report < 500 plots etc - reports issued within target	%			3D.W20
W21.1 Self-lay Point of Connection reports >500 plots etc - reports issued within target	%			3D.W21
W23.1 Sel-lay design and terms request <500 plots etc - quotations within target	%	100.00%		3D.W22
W24.1 Self-lay design and terms request >500 plots etc - quotations within target	%			3D.W23
W26.1 Self-lay water for pressure/bacteriological testing - provided within target	%			3D.W24
W27.1 Self-lay permanent water supply - provided within target	%			3D.W25
W3.1 s45 quotations - within target	%	99.99%		3D.W26
W30.1 Self-lay plot references and costing details - issued within target	%			3D.W27
W4.1 s45 service pipe connections - within target	%	99.56%		3D.W28
W6.1 Mains design <500 plots - quotations within target	%	100.00%		3D.W29
W7.1 Mains design >500 plots - quotations within target	%	100.00%		3D.W30
W8.1 Mains construction within target	%	100.00%		3D.W31
WN1.1 % of confirmations issued to the applicant within target period	%	100.00%		3D.W32
WN2.2 % Bulk supply offer letters issued to the applicant within target period	%	100.00%		3D.W33
WN4.1 % of main laying schemes constructed and commissioned within the target period	%			3D.W34
WN4.2 % of testing supplies provided within target period	%	100.00%		3D.W35
WN4.3 % of permanent supplies made available within the target period	%	100.00%		3D.W36
D-MeX quantitative score (for the reporting period)	%	99.90%		3D.7
D-MeX quantitative score (annual)	Number		1.00	3D.8

Lines 3D.W37 – 3D.W50 are unused freeform lines.

## Regulatory accounts for the 12 months ended 31 March 2025

# **Section 3 Performance summary**

## Pro forma 3E

## Non-financial performance commitments

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Unique reference	Unit	Decimal places	Performance level - actual	PCL met?	RAG 4 reference
Common						
Risk of severe restrictions in a drought	PR19UUW_ B06-CF	%	1	0.0	Yes	3E.1
Priority services for customers in vulnerable circumstances - PSR reach	PR19UUW_ D03-HH	%	1	16.5	Yes	3E.2
Priority services for customers in vulnerable circumstances - Attempted contacts	PR19UUW_ D03-HH	%	1	92.4	Yes	3E.3
Priority services for customers in vulnerable circumstances - Actual contacts	PR19UUW_ D03-HH	%	1	50.6	Yes	3E.4
Risk of sewer flooding in a storm	PR19UUW_ G01-WWN	%	2	14.36	Yes	3E.5
Bespoke PCs						
Street works performance	PR19UUW_ D04-CF	%	2	12.32	No	3E.6
Priority Services- BSI accreditation	PR19UUW_ D05-HH	text	0	maintained	Yes	3E.7
Systems thinking capability	PR19UUW_ E06-CF	nr	0	2	Yes	3E.8
Customers say that we offer value for money	PR19UUW_ E09-HH	%	0	73	No	3E.9
Non-financial performance commitments achieved		%	0		78	3E.29

Lines 3E.10 – 3E.28 are unused freeform lines.

Keys to cells

Input cell

# **Section 3 Performance summary**

# Pro forma 3F Underlying calculations for common performance commitments – water and retail

Underlying calculations for common performance commitments – water and retail 5 Performance Performance Standardising level - Actual level -Standardising data Calculated (i.e. RAG 4 Line description Unit indicato value reporting year standardised) reference Performance commitments set in standardised units - Water Mains repairs per Mains length in km 43,199.98 1,731 40.07 3F.1 Mains repairs - Reactive 1000 km Mains repairs per Mains repairs - Proactive Mains length in km 2,742 3F.2 43,199.98 1000 km Mains repairs per Mains repairs Mains length in km 43,199.98 4,473 103.54 3F.3 1000 km Total household population (000s) 3F.4 Per capita consumption (PCC) lpd 7,988.56 995 124.60 and household consumption (MI/d) 6 9 10 11 11a 11b 11c 11d 12 13 Baseline Performance level Calculated Performance level Performance Performance (average from Performance Performance Performance Performance Performance 3 year average performance level - actual level - actual 2017-18 to 2019level - actual level - actual level - actual level - actual actual level - actual (current and level to compare Unit (2017-18) (2019-20) (2021-22) (2022-23) (2023-24) Line description orevious 2 years) measured against a calculated baseline MI/d 449.4 452.0 439.8 447.1 424.7 413.9 423.0 408.6 411.2 414.3 7.3 3F.5 Leakage Per capita consumption (PCC) 143.6 1444 144 0 144 0 151.2 143.0 140.0 138.2 124.6 134.3 6.7 3F.6 18 14 16 17 Standardising Number of Calculated Standardising data data numerical properties suppl performance Line description Unit indicato value Total minutes lost interrupted level Water supply interruptions Average number Number of Water supply interruptions 00:14:17 3F.7 3,482.51 49732015 128,262 of minutes lost per properties ≥ 3 hours (thousands) property per year Water supply interruptions Average number Number of Water supply interruptions 3,482,51 33176633 56,264 00:09:32 3F.7a of minutes lost per properties ≥ 6 hours property per year (thousands) Water supply interruptions Number of Average number Water supply interruptions 3,482.51 10584371 10,228 00:03:02 3F.7b of minutes lost per properties ≥ 12 hours property per year (thousands) Water supply interruptions Average number Number of Water supply interruptions properties (thousands) 3,482.51 3404504 2.121 00:00:59 3F.7c of minutes lost per property per year 22 Current company level Outage peak week production capacity (PWPC) Reduction in proportion of PWPC company level PWPC Line description MI/d Unplanned or planned outage 3,392.84 62.90 1.85% 3F.8 Unplanned outage 24 25 26 27 28 29 30 Total number of Number of Number of Total number of households on attempted Attempted actual contacts Total residential the PSR over a 2 Actual contacts households on the contacts over a contacts over a 2 year Line description year period Priority services for customers in

Priority services for customers

in vulnerable circumstances

3,272.16

540,380

16.5%

169,481

156,557

92.4%

85,799

50.6%

3F.9

## Regulatory accounts for the 12 months ended 31 March 2025

# **Section 3 Performance summary**

## Pro forma 3G

## Underlying calculations for common performance commitments – wastewater

Keys to cells
Input cell
Calculation cell
Copy cell

	1	2	3	4	5	6	
Line description	Unique reference	Unit	Standardising data indicator	Standardising data numerical value	Performance level - actual current reporting year	Calculated performance level	RAG 4 reference
Performance commitments set in standardised units							
Internal sewer flooding - customer proactively reported	PR19UUW_ G02-WWN	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	3,495.00	988	2.83	3G.1
Internal sewer flooding - company reactively identified (ie neighbouring properties)	PR19UUW_ G02-WWN	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	3,495.00	230	0.66	3G.2
Internal sewer flooding	PR19UUW_ G02-WWN	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	3,495.00	1,218	3.48	3G.3
Pollution incidents	PR19UUW_ C01-WWN	Pollution incidents per 10,000 km of sewer length	Sewer length in km	77,339.00	348	45.00	3G.4
Sewer collapses	PR19UUW_F01- WWN	Number of sewer collapses per 1,000 km of all sewers	Sewer length in km	79,291.00	1,025	12.93	3G.5

## Regulatory accounts for the 12 months ended 31 March 2025

# **Section 3 Performance summary**

## Pro forma 3H

## Summary information on outcome delivery incentive payments

Keys to cells
Input cell
Calculation cell
Copy cell

	1	
Line description	Initial calculation of performance payments (excluding CMEX and DMEX)	RAG 4 reference
	£m (2017-18 prices)	
Initial calculation of in period revenue adjustment by price control		
Water resources	-0.825	3H.1
Water network plus	23.074	3H.2
Wastewater network plus	-37.076	3H.3
Bioresources (sludge)	1.490	3H.4
Residential retail	10.042	3H.5
Business retail	0.000	3H.6
Dummy control	0.000	3H.7
Initial calculation of end of period revenue adjustment by price control		
Water resources	1.963	3H.8
Water network plus	1.168	3H.9
Wastewater network plus	2.120	3H.10
Bioresources (sludge)	0.000	3H.11
Residential retail	0.000	3H.12
Business retail	0.000	3H.13
Dummy control	0.000	3H.14
Initial calculation of end of period RCV adjustment by price control		
Water resources	0.000	3H.15
Water network plus	0.000	3H.16
Wastewater network plus	0.000	3H.17
Bioresources (sludge)	0.000	3H.18
Residential retail	0.000	3H.19
Business retail	0.000	3H.20
Dummy control	0.000	3H.21

# **Section 3 Performance summary**

# Pro forma 3I

## Supplementary outcomes information

Input cell
Calculation cell
Copy cell

	1	2	3								
Line description	Current company level peak week production capacity (PWPC) MI/d	Reduction in company level PWPC MI/d	Outage proportion of PWPC %								RAG 4 reference
Unplanned or planned outage											
Planned outage	3,392.84	311.35	9.18%								31.1
	4	5	6	7	8	9					
Line description	Deployable output	Outage allowance	Dry year demand	Target headroom	Total population supplied	Customers at risk					
Risk of severe restrictions in drought											
Risk of severe restrictions in drought	1,903.56	102.90	1,724.03	111.93	7,646,387	0.00					31.2
	10	11	12	13	14	15	16	17	18	19	
			Percentage					Vul	nerability risk g	rade	
		Total pe in excluded	of total pe in excluded	Total pe	Percentage of total pe	Total pe	Percentage of total pe	Low	Medium	High	
Line description	Total pe served	catchments	catchments	Option 1a	Option 1a	Option 1b	Option 1b	Percentage	of total popula	ation served	
Risk of sewer flooding in a storm											
Risk of sewer flooding in a storm	7,758,246	122,690	1.58%	0	0.00%	7,635,556	98.42%	85.64%	10.18%	4.18%	31.3
	20										

	20
Line description	Number of patch repairs or relining undertaken on sewer and not included in reported sewer collapses.
Sewer collapses	
Sewer collapses	467

31.4

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# Section 4 Additional regulatory information – service level

## Pro forma 4A

## Water bulk supply information for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Volume	Operating costs	Revenue	
Units	MI	£m	£m	
DPs	3	3	3	RAG 4 reference
Bulk supply exports	]			
Dwr Cymru Cyfyngedig - Heronbridge	2,802.800	0.238	0.379	4A.1
Hafren Dyfrdwy Cyfyngedig - Vyrnwy	34.322	0.037	0.067	4A.2
Northumbrian Water Ltd- Raeygarth, Brampton	1.296	0.001	0.003	4A.3
Severn Trent Water Ltd - Congleton Edge	-9.957	-0.011	-0.019	4A.4
Severn Trent Water Ltd - Hayfield Road	0.005	0.000	0.000	4A.5
Severn Trent Water Ltd - Sitch Lane	0.000	0.000	0.000	4A.6
Severn Trent Water Ltd - Llanforda	0.000	0.000	0.000	4A.7
ESP Water Ltd sites	57.251	0.048	0.086	4A.8
Icosa Water Services Ltd sites	157.573	0.134	0.240	4A.9
Independent Water Networks Ltd sites	784.986	0.654	1.176	4A.10
Leep Networks (Water) Ltd - Liverpool International Business Park	-19.380	-0.016	-0.029	4A.11
Leep Networks (Water) Ltd - Liverpool John Lennon Airport	90.619	0.083	0.153	4A.12
Leep Networks (Water) Ltd - Media City	184.155	0.152	0.274	4A.13
Leep Networks (Water) Ltd - No.1 Old Trafford	22.070	0.018	0.033	4A.14
Leep Networks (Water) Ltd - Queen Street	7.546	0.006	0.011	4A.15
Leep Networks (Water) Ltd - additional sites	101.149	0.085	0.154	4A.16
Albion Water Limited	7.214	0.006	0.011	4A.17
Matrix Water Limited	16.964	0.014	0.025	4A.18
Total bulk supply exports	4,238.611	1.452	2.564	4A.26
Line description	Volume	Operating costs		
Units	MI	£m		
DPs	3	3		
Bulk supply imports				
Hafren Dyfrdwy Cyfyngedig - Farndon	11.820	0.006		4A.27
Northumbrian Water Ltd - Alston	260.024	0.316		4A.28
Severn Trent Water Ltd - Oven Hill Road	0.815	0.002		4A.29
Severn Trent Water Ltd - Roe Park	0.139	0.000		4A.30
Total bulk supply imports	272.798	0.324		4A.52

Lines 4A.19-4A.25 and 4A.31-4A.51 are unused freeform lines.

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### Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 4B

### Analysis of debt

For the 12 months ended 31 March 2025

Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.15, Section 2.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2025

Column 31 'issuance costs' only includes the initial bond premiums or discounts at the time of issuance. Whilst there would have been issuance costs incurred, including credit rating fees & legal costs, these have not been tracked per issuance historically. As such, we are currently unable to provide costings for these and so have reported as nil in this table.

# Section 4 Additional regulatory information – service level

## Pro forma 4C

## Impact of price control performance to date on RCV

Input cell
Calculation cell
Copy cell

		12 months ended 31 March 2025 Price control perio								eriod to date	
					J. J. March 202		Frice control period to date				
Line description	Units	DPs	Water resources	Water network plus	Wastewater network plus	Bioresources	Water resources	Water network plus	Wastewater network plus	Bioresources	RAG 4 reference
Totex (net of business rates, abstraction licence fees and grants and contributions)	]										
Final determination allowed totex (net of business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	£m	3	70.309	402.079	662.135	81.147	260.201	2,018.840	2,759.972	382.264	4C.1
Actual totex (excluding business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	£m	3	53.326	664.925	838.518	113.469	226.731	2,796.465	3,468.613	387.386	4C.2
Transition expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	15.423	9.422	0.000	4C.3
Disallowable costs	£m	3	0.138	1.337	7.876	0.000	3.650	9.887	12.676	0.006	4C.4
Total actual totex (net of business rates, abstraction licence fees and grants and contributions)	£m	3	53.188	663.588	830.642	113.469	223.081	2802.001	3465.360	387.380	4C.5
Variance	£m	3	-17.121	261.509	168.507	32.322	-37.120	783.161	705.387	5.116	4C.6
Variance due to timing of expenditure	£m	3	20.714	-280.243	-164.166	38.922	0.000	0.000	70.480	0.000	4C.7
Variance due to efficiency	£m	3	-37.835	541.752	332.672	-6.600	-37.120	783.161	634.907	5.116	4C.8
Customer cost sharing rate - outperformance	%	2	50.00%	50.00%	50.00%	0.00%	50.00%	50.00%	50.00%	0.00%	4C.9
Customer cost sharing rate - underperformance	%	2	50.00%	50.00%	50.00%	0.00%	50.00%	50.00%	50.00%	0.00%	4C.10
Customer share of totex overspend	£m	3	0.000	270.876	166.336	0.000	0.000	391.581	317.454	0.000	4C.11
Customer share of totex underspend	£m	3	-18.918	0.000	0.000	0.000	-18.560	0.000	0.000	0.000	4C.12
Company share of totex overspend	£m	3	0.000	270.876	166.336	0.000	0.000	391.581	317.454	5.116	4C.13
Company share of totex underspend	£m	3	-18.918	0.000	0.000	-6.600	-18.560	0.000	0.000	0.000	4C.14
	1										
Totex - business rates and abstraction licence fees	_	1 _							l		
Final determination allowed totex - business rates and abstraction licence fees	£m	3	42.659	57.828	25.483	7.466	193.870	262.808	115.811	33.932	4C.15
Actual totex - business rates and abstraction licence fees	£m	3	39.625	39.987	27.377	7.882	189.472	219.208	105.339	32.322	4C.16
Variance - business rates and abstraction licence fees	£m	3	-3.034	-17.841	1.894	0.416	-4.399	-43.600	-10.472	-1.609	4C.17
Customer cost sharing rate - business rates	%	2	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	4C.18
Customer cost sharing rate - abstraction licence fees	%	2	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	4C.19
Customer share of totex over/underspend - business rates and abstraction licence fees	£m	3	-2.276	-13.381	1.421	0.312	-3.299	-32.700	-7.854	-1.207	4C.20
Company share of totex over/underspend - business rates and abstraction licence fees	£m	3	-0.759	-4.460	0.474	0.104	-1.100	-10.900	-2.618	-0.402	4C.21
Totex not subject to cost sharing											
Final determination allowed totex - not subject to cost sharing	£m	3	8.258	37.728	0.748	0.000	53.063	157.194	3.382	0.000	4C.22
Actual totex - not subject to cost sharing	£m	3	5.653	28.280	11.828	0.203	31.246	136.187	23.813	0.351	4C.23
Variance - 100% company allocation	£m	3	-2.604	-9.448	11.080	0.203	-21.817	-21.007	20.431	0.351	4C.24
Total customer share of totex over/under spend	£m	3	-21.193	257.495	167.757	0.312	-21.859	358.880	309.600	-1.207	4C.25
RCV							·				
Total customer share of totex over/under spend	£m	3	-21.193	257.495	167.757	0.312	0.000	0.000	0.000	0.000	4C.26
PAYG rate	%	2	78.51%	77.29%	45.88%	55.57%	76.80%	71.73%	48.01%	54.28%	4C.27
RCV element of cumulative totex over/underspend	£m	3	-4.555	58.479	90.795	0.139	0.000	0.000	0.000	0.000	4C.28
Adjustment for ODI outperformance payment or underperformance payment	£m	3					0.000	0.000	0.000	0.000	4C.29
Green recovery	£m	3					0.000	0.000	0.000		4C.30
RCV determined at FD at 31 March	£m	3					792.730	4,269.888	9,427.896	529.817	4C.31
		3					792.730	4,269.888	9,427.896	529.817	4C.32

For 2024/25 reporting, Ofwat has published UUW's RCV (£15,020 million), including all the AMP7 midnight adjustments, hence there is no difference between the Ofwat published and Shadow RCV, presented on 4C.31 and 4C.32. Alternatively, if we also included the full expected value of AMP7 ex-post adjustment mechanisms (i.e. including revenue true-ups), adjusted RCV would be higher still at £15,367 million.

### Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 4D

Totex analysis for the 12 months ended 31 March 2025 – water resources and water network+

Keys to cells
Input cell
Calculation cell
Copy cell

				Netw	vork+			
		Water	Raw water	Raw water	Water	Treated water		RAG 4
Units	DPs	resources	transport	storage	treatment	distribution	Total	reference
£m	3	77.977	20.756	0.890	122.635	242.896	465.155	4D.1
£m	3	1.765	0.000	0.000	0.348	2.126	4.239	4D.2
£m	3	0.000	0.000	0.000	0.000	5.211	5.211	4D.3
£m	3	79.742	20.756	0.890	122.983	250.233	474.605	4D.4
£m	3	0.545	0.696	0.004	0.761	1.271	3.278	4D.5
£m	3	80.287	21.452	0.894	123.745	251.505	477.883	4D.6
£m	3	0.000	0.000	0.000	0.000	4.074	4.074	4D.7
1	<u> </u>							
_	l <u>-</u>							
								4D.8
£m	3	12.043	0.506	0.000	3.217	155.443	171.210	4D.9
£m	3	0.000	0.000	0.000	0.000	23.861	23.861	4D.10
£m	3	19.898	1.539	0.000	145.561	209.547	376.545	4D.11
£m	3	0.000	0.000	0.000	4.602	0.000	4.602	4D.12
£m	3	19.898	1.539	0.000	150.162	209.547	381.147	4D.13
£m	3	0.000	0.000	0.000	4.629	-6.247	-1.618	4D.14
£m	3	100.185	22.991	0.894	269.278	463.225	856.573	4D.15
£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.16
£m	3						0.000	4D.17
£m	3	100.185	22.991	0.894	269.278	463.225	856.573	4D.18
				N				
				Netw	vork+	Treated		
Units	DPs	Water resources	Raw water transport	Raw water storage	Water treatment	water	Total	
£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.19
								4D.19
			1		1			4D.21
					0.000	0.000	0.000	4D.22
£m £m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.22 4D.23
	£m	£m 3 £m 3	Units         DPs         resources           £m         3         77.977           £m         3         1.765           £m         3         0.000           £m         3         0.545           £m         3         0.545           £m         3         0.000           £m         3         12.043           £m         3         0.000           £m         3         19.898           £m         3         0.000           £m         3         0.000	Units         DPs         resources         transport           £m         3         77.977         20.756           £m         3         1.765         0.000           £m         3         0.000         0.000           £m         3         0.545         0.696           £m         3         0.545         0.696           £m         3         0.000         0.000           £m         3         12.043         0.506           £m         3         12.043         0.506           £m         3         0.000         0.000           £m         3	Units         DPs         Water resources         Raw water transport         Raw water storage           £m         3         77.977         20.756         0.890           £m         3         1.765         0.000         0.000           £m         3         0.000         0.000         0.000           £m         3         79.742         20.756         0.890           £m         3         0.545         0.696         0.004           £m         3         0.000         0.000         0.000           £m         3         7.855         1.032         0.000           £m         3         12.043         0.506         0.000           £m         3         19.898         1.539         0.000           £m         3         19.898         1.539         0.000           £m         3         19.898         1.539         0.000           £m         3         10.0185         22.991         0.894           £m         3         0.000         0.000         0.000           £m         3         100.185         22.991         0.894           Em         3         100.185 <td< td=""><td>Units         DPs         resources         transport         storage         treatment           £m         3         77.977         20.756         0.890         122.635           £m         3         1.765         0.000         0.000         0.348           £m         3         0.000         0.000         0.000         0.000           £m         3         0.545         0.696         0.004         0.761           £m         3         0.545         0.696         0.004         0.761           £m         3         0.000         0.000         0.000         0.000           £m         3         0.000         0.000         0.000         0.000           £m         3         12.043         0.506         0.000         3.217           £m         3         0.000         0.000         0.000         0.000           £m         3         19.898         1.539         0.000         145.561           £m         3         19.898         1.539         0.000         150.162           £m         3         100.185         22.991         0.894         269.278           £m         3         <t< td=""><td>Units         DPs         Water resources         Raw water transport         Raw water storage         Water treatment         Treated water distribution           £m         3         77.977         20.756         0.890         122.635         242.896           £m         3         1.765         0.000         0.000         0.348         2.126           £m         3         0.000         0.000         0.000         5.211           £m         3         79.742         20.756         0.890         122.983         250.233           £m         3         0.545         0.696         0.004         0.761         1.271           £m         3         0.545         0.696         0.004         0.761         1.271           £m         3         0.000         0.000         0.000         4.074           £m         3         12.043         0.506         0.000         3.217         155.443           £m         3         19.898         1.539         0.000         145.561         209.547           £m         3         0.000         0.000         0.000         4.602         0.000           £m         3         10.0185         22.991</td></t<><td>Units         DPs         Water resources         Raw water transport         Raw water storage         Water treatment         Treated water distribution         Total           £m         3         77.977         20.756         0.890         122.635         242.896         465.155           £m         3         1.765         0.000         0.000         0.348         2.126         4.239           £m         3         0.000         0.000         0.000         0.000         5.211         5.211           £m         3         79.742         20.756         0.890         122.983         250.233         474.605           £m         3         0.545         0.696         0.004         0.761         1.271         3.278           £m         3         0.545         0.696         0.004         0.761         1.271         3.278           £m         3         0.000         0.000         0.000         4.074         4.074           £m         3         7.855         1.032         0.000         142.344         30.243         191.475           £m         3         12.043         0.506         0.000         3.217         155.443         171.210</td></td></td<>	Units         DPs         resources         transport         storage         treatment           £m         3         77.977         20.756         0.890         122.635           £m         3         1.765         0.000         0.000         0.348           £m         3         0.000         0.000         0.000         0.000           £m         3         0.545         0.696         0.004         0.761           £m         3         0.545         0.696         0.004         0.761           £m         3         0.000         0.000         0.000         0.000           £m         3         0.000         0.000         0.000         0.000           £m         3         12.043         0.506         0.000         3.217           £m         3         0.000         0.000         0.000         0.000           £m         3         19.898         1.539         0.000         145.561           £m         3         19.898         1.539         0.000         150.162           £m         3         100.185         22.991         0.894         269.278           £m         3 <t< td=""><td>Units         DPs         Water resources         Raw water transport         Raw water storage         Water treatment         Treated water distribution           £m         3         77.977         20.756         0.890         122.635         242.896           £m         3         1.765         0.000         0.000         0.348         2.126           £m         3         0.000         0.000         0.000         5.211           £m         3         79.742         20.756         0.890         122.983         250.233           £m         3         0.545         0.696         0.004         0.761         1.271           £m         3         0.545         0.696         0.004         0.761         1.271           £m         3         0.000         0.000         0.000         4.074           £m         3         12.043         0.506         0.000         3.217         155.443           £m         3         19.898         1.539         0.000         145.561         209.547           £m         3         0.000         0.000         0.000         4.602         0.000           £m         3         10.0185         22.991</td></t<> <td>Units         DPs         Water resources         Raw water transport         Raw water storage         Water treatment         Treated water distribution         Total           £m         3         77.977         20.756         0.890         122.635         242.896         465.155           £m         3         1.765         0.000         0.000         0.348         2.126         4.239           £m         3         0.000         0.000         0.000         0.000         5.211         5.211           £m         3         79.742         20.756         0.890         122.983         250.233         474.605           £m         3         0.545         0.696         0.004         0.761         1.271         3.278           £m         3         0.545         0.696         0.004         0.761         1.271         3.278           £m         3         0.000         0.000         0.000         4.074         4.074           £m         3         7.855         1.032         0.000         142.344         30.243         191.475           £m         3         12.043         0.506         0.000         3.217         155.443         171.210</td>	Units         DPs         Water resources         Raw water transport         Raw water storage         Water treatment         Treated water distribution           £m         3         77.977         20.756         0.890         122.635         242.896           £m         3         1.765         0.000         0.000         0.348         2.126           £m         3         0.000         0.000         0.000         5.211           £m         3         79.742         20.756         0.890         122.983         250.233           £m         3         0.545         0.696         0.004         0.761         1.271           £m         3         0.545         0.696         0.004         0.761         1.271           £m         3         0.000         0.000         0.000         4.074           £m         3         12.043         0.506         0.000         3.217         155.443           £m         3         19.898         1.539         0.000         145.561         209.547           £m         3         0.000         0.000         0.000         4.602         0.000           £m         3         10.0185         22.991	Units         DPs         Water resources         Raw water transport         Raw water storage         Water treatment         Treated water distribution         Total           £m         3         77.977         20.756         0.890         122.635         242.896         465.155           £m         3         1.765         0.000         0.000         0.348         2.126         4.239           £m         3         0.000         0.000         0.000         0.000         5.211         5.211           £m         3         79.742         20.756         0.890         122.983         250.233         474.605           £m         3         0.545         0.696         0.004         0.761         1.271         3.278           £m         3         0.545         0.696         0.004         0.761         1.271         3.278           £m         3         0.000         0.000         0.000         4.074         4.074           £m         3         7.855         1.032         0.000         142.344         30.243         191.475           £m         3         12.043         0.506         0.000         3.217         155.443         171.210

Variance analysis of operating and capital expenditure compared to the prior year can be found in our 2024/25 accounting methodology statement, published on our website alongside the APR. (unitedutilities.com/globalassets/documents/pdf/rr25-accounting-methodology-statement)

### Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 4E

# Totex analysis for the 12 months ended 31 March 2025 – wastewater network+ and bioresources

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			Sou	Network+		Netw Sewage to			Bioresources			
Line description	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	Total	RAG 4 reference
Operating expenditure												
Base operating expenditure	£m	3	88.579	42.511	16.522	208.079	4.844	16.319	43.573	13.050	433.477	4E.1
Enhancement operating expenditure	£m	3	6.376	1.711	0.651	14.645	0.000	0.702	0.338	0.060	24.484	4E.2
Developer services operating expenditure	£m	3	0.514	0.442	0.173	0.000	0.000	0.000	0.000	0.000	1.129	4E.3
Total operating expenditure excluding third party services	£m	3	95.469	44.664	17.347	222.725	4.844	17.021	43.910	13.110	459.090	4E.4
Total third party services	£m	3	0.152	0.008	0.092	0.229	0.006	0.018	0.038	0.016	0.559	4E.5
Total operating expenditure	£m	3	95.621	44.672	17.438	222.954	4.850	17.039	43.948	13.126	459.649	4E.6
Grants and contributions	]											
Grants and contributions - operating expenditure	£m	3	0.431	0.371	0.145	0.000	0.000	0.000	0.000	0.000	0.947	4E.7
Capital expenditure	]											
Base capital expenditure	£m	3	12.556	10.813	4.323	175.885	0.000	0.000	39.684	0.033	243.293	4E.8
Enhancement capital expenditure	£m	3	66.055	56.888	22.233	283.559	0.000	0.000	7.723	0.001	436.458	4E.9
Developer services capital expenditure	£m	3	11.165	9.616	3.758	0.000	0.000	0.000	0.000	0.000	24.539	4E.10
Total gross capital expenditure excluding third party services	£m	3	89.776	77.317	30.314	459.444	0.000	0.000	47.407	0.033	704.291	4E.11
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.12
Total gross capital expenditure	£m	3	89.776	77.317	30.314	459.444	0.000	0.000	47.407	0.033	704.291	4E.13
Grants and contributions												
Grants and contributions - capital expenditure	£m	3	3.518	3.030	1.184	0.000	0.000	0.000	0.000	0.000	7.732	4E.14
Net totex	£m	3	181.448	118.588	46.423	682.398	4.850	17.039	91.356	13.159	1,155.261	4E.15
Cash expenditure	]											
Pension deficit recovery payments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.16
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.17
Totex including cash items	£m	3	181.448	118.588	46.423	682.398	4.850	17.039	91.356	13.159	1,155.261	4E.18
			Sev	Network+		Netw Sewage t			Bioresources			
		-		Surface	Highway	Sewage treatment and	Imported sludge liquo`r	Sludge	Sludge	Sludge		
Line description	Units	DPs	Foul	drainage	drainage	disposal	treatment	transport	treatment	disposal	Total	
Atypical expenditure							1					
Fractured outlet pipe at Fleetwood (4E.1 base operating expenditure)	£m	3	0.730	0.670	0.263	0.665	0.000	0.000	0.000	0.000	2.329	4E.19
Item 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.20
Item 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.21
Item 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.22
Item 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.23
Total atypical expenditure	£m	3	0.730	0.670	0.263	0.665	0.000	0.000	0.000	0.000	2.329	4E.24

Variance analysis of operating and capital expenditure compared to the prior year can be found in our 2024/25 accounting methodology statement, published on our website alongside the APR. (unitedutilities.com/globalassets/documents/pdf/rr25-accounting-methodology-statement)

# Section 4 Additional regulatory information – service level

### Pro forma 4F

Major project expenditure for wholesale water by purpose for the 12 months ended 31 March 2025



				Е	xpenditure in	report year £	m			Cumulative ex	xpenditure on	incurred on	schemes in £m	1	
					Water n	etwork+					Water n	etwork+			
Line description	Units	Dps	Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution	Total	Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution	Total	RAG 4 reference
Major project capital expenditure by purpose															
Manchester & Pennine Resilience DPC	£m	3	0.000	0.000	0.000	0.000	6.673	6.673	0.000	0.000	0.000	0.000	58.953	58.953	4F.1
Water Trading - Joint Transfer	£m	3	0.087	0.000	0.000	0.000	0.000	0.087	5.364	0.000	0.000	0.000	0.000	5.364	4F.2
Water Trading - UU Sources	£m	3	2.017	0.000	0.000	0.000	0.000	2.017	7.270	0.000	0.000	0.000	0.000	7.270	4F.3
Water Trading - Vyrnwy Aqueduct	£m	3	2.814	0.000	0.000	0.000	0.000	2.814	8.981	0.000	0.000	0.000	0.000	8.981	4F.4
Capital expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.5
Capital expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.6
Capital expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.7
Capital expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.8
Capital expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.9
Capital expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.10
Total major project capital expenditure	£m	3	4.918	0.000	0.000	0.000	6.673	11.591	21.615	0.000	0.000	0.000	58.953	80.568	4F.11
Major project operating expenditure by purpose															
Operating expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.12
Operating expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.13
Operating expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.14
Operating expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.15
Operating expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.16
Operating expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.17
Operating expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.18
Operating expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.19
Operating expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.20
Operating expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.21
Total major project operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.22

# Section 4 Additional regulatory information – service level

### Pro forma 4G

Major project expenditure for wholesale wastewater by purpose for the 12 months ended 31 March 2025

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						Expend	liture in repor	t year £m						Cur	nulative expe	nditure incurre	d on schemes	in £m			
				Was	tewater netw	ork+			Bioresources				Wa	stewater net	work+			Bioresources			
			S	ewage collect	ion	C						Se	ewage collect	ion	C						
Line description	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	Total	Foul	Surface water drainage	Highway drainage	- Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	Total	RAG 4 reference
Major project capital expenditure by purpose	1																				
Capital expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.1
Capital expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.2
Capital expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.3
Capital expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.4
Capital expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.5
Capital expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.6
Capital expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.7
Capital expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.8
Capital expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.9
Capital expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.10
Total major project capital expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.11
Major project operating expenditure by purpose																					
Operating expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.12
Operating expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.13
Operating expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.14
Operating expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.15
Operating expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.16
Operating expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.17
Operating expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.18
Operating expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.19
Operating expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.20
Operating expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.21
Total major project operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.22

There is no expenditure that meets the definition of a major project in wholesale wastewater, as per RAG 4.13 Section 16.1

Annual Performance Report 2024/25

### Regulatory accounts for the 12 months ended 31 March 2025

## Section 4 Additional regulatory information – service level

### Pro forma 4H

### Financial metrics for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Current year	AMP to date	RAG 4 reference
Financial indicators	]				
Net debt	£m	3	9889.468		4H.1
Regulatory equity	£m	3	5,130.863		4H.2
Regulatory gearing	%	2	65.84%		4H.3
Post tax return on regulatory equity	%	2	5.78%		4H.4
RORE (return on regulatory equity)	%	2	1.05%	6.06%	4H.5
Dividend yield	%	2	3.76%		4H.6
Retail profit margin - Household	%	2	-0.00%		4H.7
Retail profit margin - Non household	%	2	0.00%		4H.8
Credit rating - Fitch	Text	n/a	BBB+ (Stable)		4H.9
Credit rating - Moody's	Text	n/a	Baa1 (Stable)		4H.10
Credit rating - Standard and Poor's	Text	n/a	BBB+ (Stable)		4H.11
Return on RCV	%	2	4.50%		4H.12
Dividend cover	dec	2	1.07		4H.13
Funds from operations (FFO)	£m	3	904.389		4H.14
Interest cover (cash)	dec	2	4.44		4H.15
Adjusted interest cover ratio (ACICR)	dec	2	1.56		4H.16
FFO/Net debt	dec	2	0.09		4H.17
Effective tax rate	%	2	-3.10%		4H.18
Retained cash flow (RCF)	£m	3	711.376		4H.19
RCF/Net debt	dec	2	0.07		4H.20
Borrowings	]				
Proportion of borrowings which are fixed rate	%	2	44.21%		4H.21
Proportion of borrowings which are floating rate	%	2	14.69%		4H.22
Proportion of borrowings which are index linked	%	2	41.09%		4H.23
Proportion of borrowings due within 1 year or less	%	2	5.26%		4H.24
Proportion of borrowings due in more than 1 year but no more than 2 years	%	2	2.14%		4H.25
Proportion of borrowings due in more than 2 years but no more than 5 years	%	2	14.94%		4H.26
Proportion of borrowings due in more than 5 years but no more than 20 years	%	2	56.55%		4H.27
Proportion of borrowings due in more than 20 years	%	2	21.11%		4H.28

Lines 9 -11 include the long-term issuer default ratings. Fitch long-term issuer default rating is BBB+ (stable), which differs from the senior unsecured debt rating of A- (stable).

Lines 4H.15 and 4H.16 – In accordance with RAG 4.13, the interest cover metrics are calculated using the interest paid element of net interest paid reported in 1D.10  $\,$ 

Breakdown of interest paid on borrowings	2024/25
Interest paid (used in the above interest cover ratios)	263.1
Interest received and similar income	-76.7
Net interest paid as reported in 1D.10	186.4

The breakdown of interest paid and interest received has been taken directly from UUW's statutory accounts. Note that interest paid comprises of circa £274 million interest paid on borrowings, offset by net income received on swaps of circa £11 million, in line with statutory accounting treatment.

Line 17 – FFO/Debt of 9.1% is calculated in accordance with the Ofwat line definition as per RAG 4.13. UUW's FFO/Debt applying Standard & Poor's (S&P) calculation method would equal 6.8%. The main difference is that S&P FFO definition includes all interest, whereas the Ofwat FFO definition includes just cash interest, so would exclude all interest on index-linked debt.

Lines 21-28 – Borrowings represents the notional value in the company's statutory accounts and does not take account of the impact on interest of derivative instruments. Further narrative regarding borrowings is disclosed on page 142.

Lines 21-23 – The proportion of borrowings between fixed, floating and index-linked takes into account hedging arrangements in place, mirroring how borrowings are allocated to each category in Table 1E.

Section 4 Additional regulatory information - service level

# Section 4 Additional regulatory information – service level

## Pro forma 4I Financial derivatives

Keys to cells Input cell

									Calcu
ine description nits	0 to 1 years	1 to 2 years £m	turity (net) at 3 2 to 5 years £m	Over 5 years	Total value  Nominal value (net)  £m	Mark to Market £m	Total accretion at 31 March	Payable %	Receivable
Ps terest rate swap (sterling) oating to fixed rate	200.000	389.776	1,154.110	1,431.264	3,175.151	-176.926	0.000	2.668%	4.564%
oating from fixed rate oating to index linked oating from index linked	0.000 0.000 0.000	0.000 0.000 0.000	700.000 300.000 0.000	1,375.000 275.000 0.000	2,075.000 575.000 0.000	162.533 10.509 0.000	0.000 -141.755 0.000	5.608% 1.379% 0.000%	3.866% 5.238% 0.000%
ked to index-linked ked from index-linked dex-linked to index-linked	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 100.379	0.000 0.000 100.379	0.000 0.000 -6.582	0.000 0.000 10.927	0.000% 0.000% 3.460%	0.000% 0.000% 4.045%
tal reign Exchange	200.000	389.776	2,154.110	3,181.643	5,925.529	-10.467	-130.828		
oss currency swap USD oss currency swap EUR oss currency swap YEN	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000		
oss currency swap Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
urrency interest rate	0.000	0.000	226.083	26.783	252.866	-97.728	0.000		
rrency interest rate swaps EUR rrency interest rate swaps YEN rrency interest rate swaps Other	0.000 0.000 99.887	0.000 0.000 0.000	37.440 0.000 133.113	1,361.603 124.291 159.335	1,399.043 124.291 392.334	12.948 32.494 -11.678	0.000 0.000 0.000		
tal	99.887	0.000	396.636	1,672.011	2,168.534	-63.964	0.000		
rward currency contracts USD rward currency contracts EUR rward currency contracts YEN	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000		
rward currency contracts PEN rward currency contracts CAD rward currency contracts AUD	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
rward currency contracts HKD rward currency contracts Other tal	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000		
her financial derivatives her financial derivatives	0.000	0.000	0.000	0.000	0.000	26.359	0.000		
tal financial derivatives	299.887	389.776	2,550.746	4,853.654	8,094.063	-48.072	-130.828		
		Finar	ncial derivative	s – (A) Super-s	enior swaps w	ith breaks or a	accretion payd	Intere	est rate verage for 12
e description its	Nomina 0 to 1 years £m 3	1 to 2 years £m 3	2 to 5 years £m	Over 5 years £m	Total value  Nominal value (net)  £m  3	Mark to Market £m 3	Total accretion at 31 March £m	Payable % 3	Receivable % 3
erest rate swap (sterling) ating to fixed rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%
ating from fixed rate ating to index linked ating from index linked	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	450.000 0.000 0.000	450.000 0.000 0.000	32.845 0.000 0.000	0.000 0.000 0.000	5.783% 0.000% 0.000%	5.139% 0.000% 0.000%
ed to index-linked ed from index-linked	0.000	0.000	0.000	0.000	0.000 0.000	0.000	0.000	0.000% 0.000%	0.000%
lex-linked to index-linked tal	0.000	0.000	0.000	0.000 450.000	0.000 450.000	32.845	0.000	0.000%	0.000%
reign Exchange oss currency swap USD oss currency swap EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
oss currency swap YEN oss currency swap Other	0.000	0.000	0.000	0.000	0.000 0.000	0.000	0.000		
rrency interest rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
rrency interest rate swaps EUR rrency interest rate swaps YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
rrency interest rate swaps Other tal	0.000	0.000	54.234 54.234	0.000	54.234 54.234	-8.379 -8.379	0.000		
rward currency contracts rward currency contracts USD rward currency contracts EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
rward currency contracts YEN rward currency contracts CAD	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
rward currency contracts AUD rward currency contracts HKD rward currency contracts Other	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000		
tal her financial derivatives	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
tal financial derivatives	0.000	0.000	0.000 54.234	0.000	0.000 504.234	0.000	0.000		
			cial derivative		ssu swaps wi				est rate
	Nomina	l value by mat	turity (net) at 3	31 March	Total value	at 31 March	Total accretion	(weighted 12 months	average for to 31 March (25)
e description	0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years £m	Nominal value (net)	Mark to Market £m	at 31 March £m	Payable %	Receivable %
s erest rate swap (sterling)	3	3	3	3	3	3	3	3	3
pating to fixed rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%
pating to index linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%
red to index-linked red from index-linked dex-linked to index-linked	0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000% 0.000% 0.000%	0.000% 0.000% 0.000%
reign Exchange	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
oss currency swap USD oss currency swap EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
oss currency swap YEN oss currency swap Other tal	0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000	0.000 0.000 0.000	0.000 0.000	0.000 0.000 0.000		
urrency interest rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
urrency interest rate swaps EUR urrency interest rate swaps YEN urrency interest rate swaps Other	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000		
tal rward currency contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
rward currency contracts USD rward currency contracts EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
rward currency contracts YEN rward currency contracts CAD rward currency contracts AUD	0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000		
rward currency contracts HKD rward currency contracts Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
ner financial derivatives	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
her financial derivatives tal financial derivatives	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
		Financ	ial derivatives	– (C) Super-se	nior swaps wit	nout breaks o	r accretion pay		
ne description	Nomina  O to 1 years	al value by mat	turity (not) at 3					Intere	est rate verage for 12
its	,	1 to 2 years	2 to 5 years	1 March Over 5 years	Total value Nominal value (net)	at 31 March Mark to Market	Total accretion at 31 March	Intere (weighted a	
S	£m 3	1 to 2 years £m 3	,,,,	Over 5	Nominal	Mark to	Total accretion at	Intere (weighted a months to 3	verage for 12 I March 2021)
erest rate swap (sterling) eating to fixed rate	0.000	£m 3	2 to 5 years £m 3	Over 5 years £m 3	Nominal value (net) £m 3	Mark to Market £m 3	Total accretion at 31 March £m 3	Intered (weighted a months to 3°)  Payable  % 3	verage for 12 I March 2021)  Receivable  % 3
erest rate swap (sterling) ating to fixed rate ating from fixed rate ating to index linked	3	£m 3	2 to 5 years £m 3	Over 5 years £m 3	Nominal value (net) £m 3	Mark to Market £m 3	Total accretion at 31 March £m	Intere (weighted a months to 3° Payable % 3	verage for 12 I March 2021) Receivable % 3
erest rate swap (sterling) ating to fixed rate ating from fixed rate ating to index linked ating from index linked ed to index-linked ed from index-linked	0.000 0.000 0.000 0.000 0.000 0.000	£m 3 0.000 0.000 0.000 0.000 0.000 0.000 0.000	2 to 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000	Over 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000	Nominal value (net)  £m  3  0.000 0.000 0.000 0.000 0.000 0.000 0.000	Mark to Market    £m    3     0.000    0.000    0.000    0.000    0.000    0.000    0.000	Total accretion at 31 March    £m    3     0.000    0.000    0.000    0.000    0.000    0.000    0.000	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)  Receivable
erest rate swap (sterling) ating to fixed rate ating from fixed rate ating to index linked ating from index linked ed to index-linked ed from index-linked lex-linked to index-linked	0.000 0.000 0.000 0.000 0.000	£m 3 0.000 0.000 0.000 0.000 0.000 0.000	2 to 5 years £m 3  0.000 0.000 0.000 0.000 0.000	Over 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000	Nominal value (net) £m 3  0.000 0.000 0.000 0.000 0.000	Mark to Market £m 3 0.000 0.000 0.000 0.000 0.000 0.000	Total accretion at 31 March  £m  3  0.000  0.000  0.000  0.000  0.000	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)   Receivable   %   3
arting to fixed rate ating from fixed rate ating from fixed rate ating from index linked ating from index linked ed to index-linked ed from index-linked ex-linked to index-linked al eign Exchange oss currency swap USD oss currency swap EUR	0.000 0.000 0.000 0.000 0.000 0.000 0.000	£m 3 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	2 to 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Over 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Nominal value (net)  £m  3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Mark to Market    £m    3     0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000	Total accretion at 31 March  £m  3  0.000  0.000  0.000  0.000  0.000  0.000  0.000  0.000  0.000  0.000	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)  Receivable
ating to fixed rate ating from fixed rate ating to index linked ating from index linked ating from index linked ed to index-linked ed from index-linked ex-linked to index-linked al eign Exchange ass currency swap USD ass currency swap EUR ass currency swap YEN ass currency swap Other	0.000 0.000 0.000 0.000 0.000 0.000 0.000	£m 3 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	2 to 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Over 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Nominal value (net)  £m  3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Mark to Market  £m  3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Total accretion at 31 March  £m  3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)  Receivable
erest rate swap (sterling) eating to fixed rate eating from fixed rate eating to index linked eating from index linked ed to index-linked ed from index-linked elex-linked to index-linked eaterlinked	0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	£m 3 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	2 to 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Over 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Nominal value (net)  £m  3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Mark to Market    £m    3     0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000	Total accretion at 31 March £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)  Receivable
arting to fixed rate ating from fixed rate ating from fixed rate ating to index linked ating from index linked ating from index linked ed to index-linked ed from index-linked ex-linked to index-linked al eign Exchange bas currency swap USD bas currency swap EUR bas currency swap YEN bas currency swap Other al errency interest rate swaps USD errency interest rate swaps EUR errency interest rate swaps YEN	0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	£m 3 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	2 to 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Over 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Nominal value (net)  £m  3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Mark to Market    £m    3    0.000	Total accretion at 31 March  £m  3	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)  Receivable
arest rate swap (sterling) ating to fixed rate ating from fixed rate ating from fixed rate ating to index linked ating from index linked ed to index-linked ed from index-linked ex-linked to index-linked al eign Exchange ass currency swap USD ass currency swap EUR ass currency swap Other al errency interest rate errency interest rate swaps USD errency interest rate swaps EUR errency interest rate swaps EUR errency interest rate swaps YEN errency interest rate swaps YEN errency interest rate swaps YEN errency interest rate swaps Other end	0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	£m 3 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	2 to 5 years     £m     3      0.000     0.000     0.000     0.000     0.000     0.000     0.000     0.000     0.000     0.000     0.000     0.000     0.000     0.000     0.000	Over 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Nominal value (net)  £m  3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Mark to Market    £m    3    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000    0.000	Total accretion at 31 March  £m  3	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)  Receivable
erest rate swap (sterling)  pating to fixed rate pating from fixed rate pating from fixed rate pating to index linked pating from index linked pating from index linked pating from index-linked pat	3 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	£m 3 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	2 to 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Over 5 years £m 3  0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	Nominal value (net)  £m  3  0.000	Mark to Market    £m    3    0.000	Total accretion at 31 March  £m  3	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)  Receivable
erest rate swap (sterling)  pating to fixed rate pating from fixed rate pating from fixed rate pating from fixed rate pating from index linked pating from index linked pating from index-linked pat	3 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	£m 3 0.000	2 to 5 years £m 3  0.000	Over 5 years £m 3  0.000	Nominal value (net)  £m  3  0.000	Mark to Market    £m    3     0.000	Total accretion at 31 March  £m  3  0.000	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)  Receivable
ating to fixed rate ating from fixed rate ating from fixed rate ating from fixed rate ating to index linked ating from index linked ating from index-linked and to index-linked and from index-linked	3 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	£m 3 0.000	2 to 5 years £m 3  0.000	Over 5 years £m 3  0.000	Nominal value (net)  £m  3  0.000	Mark to Market    £m    3     0.000	Total accretion at 31 March  £m  3  0.000	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)  Receivable
rest rate swap (sterling) ating to fixed rate ating from fixed rate ating from fixed rate ating from index linked ating from index linked at to index-linked at from index linked	3  0.000	£m 3 0.000	2 to 5 years £m 3  0.000	Over 5 years  £m  3  0.000	Nominal value (net)  £m  3  0.000	Mark to Market    £m    3     0.000	Total accretion at 31 March  £m  3  0.000	Intere (weighted a months to 3° Payable % 3	verage for 12   March 2021)  Receivable
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Forward currency contracts Forward currency contracts USD

Forward currency contracts EUR

Forward currency contracts YEN

Forward currency contracts CAD

Forward currency contracts AUD

Forward currency contracts HKD

Forward currency contracts Other

Other financial derivatives Other financial derivatives

Total financial derivatives

Total

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

299.887

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

389.776

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

2,496.512

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

4,403.654

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

7,589.829

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

26.359

-72.538

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

0.000

-130.828

41.131

41.132

41.133

41.134

41.135

41.136

41.137

41.138

41.139

41.140

186

### Regulatory accounts for the 12 months ended 31 March 2025

## Section 4 Additional regulatory information – service level

In-the-money (asset) positions are presented as a negative balance and out-of-the money (liability) positions are presented as a positive balance in the mark-to-market analysis. Positive positions in the accretion column in turn represent a liability on the balance sheet and negative positions represent an asset.

The inclusion of all 'Other' interest rates swaps into one line in the table (line 16) makes the calculation of a meaningful weighted average interest rate problematic. We would recommend that the weighted average interest rate is better represented by splitting the three currencies of swap that make up the balance:

The interest rates disclosed reflect the following gross positions:

- 'RDC' rate: pay 5.16%, receive 5.02% (Notional of £54.2m)
- 'HKD' rate: pay 5.96%, receive 2.90% (Notional of £53.0m)
- 'HKD' rate: pay 5.48%, receive 2.37% (Notional of £78.9m)
- 'HKD' rate: pay 5.35%, receive 2.92% (Notional of £68.1m)
- 'HKD' rate: pay 5.63%, receive 2.867% (Notional of £31.8m)
- 'NOK' rate, pay 6.48%, receive 4.95% (Notional of £106.3m)

For certain interest rate swaps we have swapped the fixed coupon on the debt (including credit spread) to a floating interest rate plus margin, whereas for other interest rate swaps we have swapped a fixed rate representing underlying interest (i.e. debt coupon less the credit spread) to a floating interest rate without any margin. Therefore, certain rates payable/receivable included in the table are market interest rates excluding any element of credit spread, whereas other rates are 'all in' effective interest rates including credit spread. Care should be taken when interpreting the rates in the table.

For certain cross currency swaps that have historically reached mandatory breaks, these have been re-hedged mid-life at on-market rates (at that point). In these scenarios the fair value of the swap would have been paid to/received from the counterparty (affecting the volume of debt), with the rate on the re-hedged swap being amended either up or down accordingly (sometimes significantly so). Therefore, the rates payable on these swaps may not reflect the underlying cost of debt (for instance we have some swaps where we receive the debt coupon but pay the floating reference rate minus a margin and others where we pay the floating reference rate plus a margin significantly higher than the underlying credit spread), again, care should be taken when interpreting the rates in the table.

The interest rates incorporate fixed interest rates which are reflective of the position at the balance sheet date, and floating interest rates based on SONIA as at the balance sheet date. As such, these are not representative of our future cost of debt.

The paying interest rate on the floating to index-linked swaps represents the weighted average effective interest rate at the balance sheet date. An annual CPI increase of 2.6 per cent at March 2025 has been applied to calculate this nominal effective rate.

The nominal value of the currency swaps reflect the sterling receivable amount.

Other financial derivatives includes forward starting swaps and electricity swaps, which ensures the table now agrees to table 1C.

The index-linked to index-linked derivatives (line 7) contains RPI-to-CPI derivatives (£100m nominal). The nominal effective interest rate on these RPI-to-CPI swaps has been disclosed, where the annual RPI increase of 3.2% and annual CPI increase of 2.6% have been used to calculate the weighted average receivable and payable legs, respectively.

Electricity swaps - £27.4m liability

W24 - 37,150MWh @ £79.66 £ per MWh

S25 - 197,640MWh @ £125.415 £ per MWh

W25 - 196,560MWh @ £139.12 £ per MWh

S26 - 131,760MWh @ £132.33 £ per MWh

W26 - 131,040MWh @ £100.08 £ per MWh

S27 - 43,920MWh @ £70.00 £ per MWh

W27 - 65,880MWh @ £78.08 £ per MWh

S28 - 21,960MWh @ £64.25 £ per MWh

W28 - 21,840MWh @ £72.00 £ per MWh

Forward starting floating to fixed rate swaps - £1.0 million asset

£100.0m Jul 25 - Jul 31 pay 3.838%, receive 6 month compounded SONIA

£50.0m Jul 25 - Jul 30 pay 3.910%, receive 6 month compounded SONIA

Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 4J

Base expenditure analysis for the 12 months ended 31 March 2025 – water resources and water network+

Keys to cells
Input cell
Calculation cell
Copy cell

					Water n	etwork+			
Line description	Units	DPs	Water resources	Raw water distribution	Raw water storage	Water treatment	Treated water distribution	Total	RAG 4 reference
Operating expenditure									
Power	£m	3	9.661	10.752	0.204	24.642	16.637	61.897	4J.1
Income treated as negative expenditure	£m	3	-0.000	-0.197	0.000	-0.038	0.000	-0.235	4J.2
Bulk Supply/Bulk discharge	£m	3	0.143	0.016	0.003	0.162	0.000	0.324	4J.3
Renewals expensed in year (infrastructure)	£m	3	16.173	0.000	0.000	0.000	108.652	124.824	4J.4
Renewals expensed in year (non-infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.5
Other operating expenditure	£m	3	12.375	8.171	0.435	90.885	84.883	196.749	4J.6
Local authority and Cumulo rates	£m	3	14.671	2.014	0.247	6.659	30.741	54.332	4J.7
Service Charges									
Canal & River Trust abstraction charges/ discharge consents	£m	3	0.991	0.000	0.000	0.000	0.000	0.991	4J.8
Environment Agency / NRW abstraction charges/ discharge consents	£m	3	21.617	0.000	0.000	0.326	0.000	21.943	4J.9
Other abstraction charges/ discharge consents	£m	3	2.346	0.000	0.000	0.000	0.000	2.346	4J.10
Location specific costs & obligations									
Costs associated with Traffic Management Act	£m	3	0.000	0.000	0.000	0.000	1.984	1.984	4J.11
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.12
Statutory water softening	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.13
Total base operating expenditure	£m	3	77.977	20.756	0.890	122.635	242.896	465.155	4J.14
Capital expenditure									
Maintaining the long term capability of the assets - infra	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.15
Maintaining the long term capability of the assets - non-infra	£m	3	7.855	1.032	0.000	142.344	30.243	181.475	4J.16
Total base capital expenditure	£m	3	7.855	1.032	0.000	142.344	30.243	181.475	4J.17
Traffic Management Act									
Projects incurring costs associated with Traffic Management Act	nr	0	0	0	0	0	33050	33050	4J.18

# Section 4 Additional regulatory information – service level

### Pro forma 4K

Base expenditure analysis for the 12 months ended 31 March 2025 wastewater network+ and bioresources

Keys to cells Input cell Calculation cell Copy cell

						Expen	diture in rep	ort year				
				Was	stewater net	work+			Bioresources			
Line description	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge Transport	Sludge Treatment	Sludge Disposal	Total	RAG 4 reference
Operating expenditure												
Power	£m	3	11.166	4.914	1.927	76.985	3.836	0.025	-10.285	0.036	88.602	4K.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.001	0.000	0.000	-11.900	0.000	-11.900	4K.2
Bulk Supply/Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.3
Renewals expensed in year (infrastructure)	£m	3	25.736	22.164	8.662	0.001	0.000	0.306	1.764	0.000	58.633	4K.4
Renewals expensed in year (non-infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.5
Other operating expenditure	£m	3	49.386	12.859	4.906	96.763	0.560	15.858	51.997	12.172	244.501	4K.6
Local authority and Cumulo rates	£m	3	0.053	0.019	0.007	26.849	0.448	0.130	6.910	0.842	35.259	4K.7
Service Charges												
Canal & River Trust abstraction charges/ discharge consents	£m	3	0.115	0.140	0.056	0.365	0.000	0.000	0.000	0.000	0.675	4K.8
EA / NRW abstraction charges/ discharge consents	£m	3	1.562	1.899	0.760	7.183	0.000	0.000	0.232	0.000	11.636	4K.9
Other abstraction charges/ discharge consents	£m	3	0.293	0.356	0.142	-0.099	0.000	0.000	0.000	0.000	0.693	4K.10
Location specific costs & obligations												
Costs associated with Traffic Management Act	£m	3	0.268	0.159	0.062	0.000	0.000	0.000	0.000	0.000	0.489	4K.11
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.12
Costs associated with Industrial emissions directive	£m	3	0.000	0.000	0.000	0.032	0.000	0.000	4.856	0.000	4.888	4K.13
Total base operating expenditure	£m	3	88.579	42.511	16.522	208.079	4.844	16.319	43.573	13.050	433.477	4K.14
Capital expenditure												
Maintaining the long term capability of the assets - infra	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.15
Maintaining the long term capability of the assets - non-infra	£m	3	12.556	10.813	4.323	175.885	0.000	0.000	39.684	0.033	243.293	4K.16
Total base capital expenditure	£m	3	12.556	10.813	4.323	175.885	0.000	0.000	39.684	0.033	243.293	4K.17
Traffic Management Act												
Projects incurring costs associated with Traffic Management Act	nr	0	2766	1645	639	0	0	0	0	0	5050	4K.18
Operating expenditure (AMP 7 shadow reported values)												
Power	£m	3	11.166	4.914	1.927	76.985	3.836	0.025	4.537	0.036	103.424	4K.19
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.001	0.000	0.000	-26.723	0.000	-26.722	4K.20

# Pro forma 4L

a description  NeW anvironmental programme (WINEPAREP)  Logical improvements at electractories  Coper  Coper  Coper  Coper  Regulations (messures at intaken)  Coper  Salve Non Native Spocies  Coper  Totax  Totax  Extramework Directive messures  Coper  Totax  Salve Framework Directive messures  Coper  Stigistions  Coper  Stigistions  Coper  Stigistions  Coper  Stigistions  Coper  Stigistions  Coper  Stigistions  Coper  Totax  Stigistions  Coper  Stigisti	ex e	£m £m £m £m £m £m £m £m £m £m	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	Water resources  2.782 1.532 4.314 2.789 0.000	Raw water transport  0.000	Raw water storage  0.000	network+  Water treatment  0.000 0.266 0.266 0.000 0.000 0.000 0.000 0.000 0.011 0.011 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.0052 0.006 0.057 0.334	Treated water distribution  0.000	Total  2.782 1.798 4.580 2.789 0.000 2.789 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 3.285 0.000 3.285 0.000 3.285 8.208 0.000 3.285 8.208 0.000 4.918 17.478  11.366 0.300 1.067 10.312 0.000 4.918 17.478	Accelerated scheme costs  0.000	0.000 0.000	Total	2.782 1.798 4.580 2.789 0.000 2.789 0.000 0.000 0.014 0.014 0.000 0.000 0.000 2.116 0.007 2.123 9.506	Vater resources  0.000 0.000 0.000 0.000	Raw water transport  0.000 0.000 0.000 0.000 0.000 0.000 0.000	Nater ne Raw water storage  O.000 O.000 O.000	etwork+  Water treatment  O.000  O.000  O.000  O.000	Treated water distribution  O.000 O.000 O.000	Total  0.000 0.000 0.000	Cumulative expenditure on all schemes to reporting year end	schemes to reporting year end	Cumulative allowed expenditure on all schemes 2020-25 (AMP7 only)  Total  23.787  6.544  0.469  1.643  0.000  4.414 36.856
NNM ministramental programma (WNEPALED)  logical improvements at abstractions (Optacl improvements at intaken) (Optacl improvements (Optacl improvem	ex e	£m	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	2.782 1.532 4.314 2.789 0.000 2.789 0.000	0.000 0.000	0.000 0.000	0.000 0.266 0.266 0.266 0.000 0.000 0.000 0.000 0.000 0.001 0.001 0.011 0.011 0.011 0.000	0.000 0.000	2.782 1.798 4.580 2.789 0.000 2.789 0.000 0.000 0.000 0.000 0.001 0.001 0.001 0.001 0.000 0.000 0.005 0.007 0.064 7.446  -0.000 0.000 -0.000 3.285 0.000 3.285 0.000 3.285 8.208 0.000 3.285 8.208 1.067 0.000 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 0.000 1.067 0.000	0.000 0.000	0.000 0.000	0.000 0.000	2.782 1.798 4.580 2.789 0.000 2.789 0.000 0.000 0.000 0.000 0.014 0.014 0.014 0.000 0.000 2.116 0.007 2.123 9.506  -0.000 0.000 -0.000 3.285 0.000 3.285 8.208 0.000 3.285 8.208 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 1.067 0.000 0.000 1.067 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	15.645  8.110  0.047  0.764  0.000  1.517  26.082  11.137  109.981  20.072  9.010  0.000	23.787  6.544  0.469  1.643  0.000  4.414  36.856  0.000  12.219  0.000  56.718	23.787  6.544  0.469  1.643  0.000  4.414  36.856  0.000  12.219  0.000
logical improvements at abstractions Opex logical improvements at abstractions Opex logical improvements at abstractions Seguidation (processor at intakes) Capex Regulations (processor at intakes) Regulations (processor at int	ex e	£m	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	1.532 4.314 2.789 0.000 2.789 0.000	0.000 0.000	0.000 0.000	0.266 0.266 0.000 0.000 0.000 0.000 0.000 0.000 0.001 0.001 0.000 0.000 0.000 0.000 0.052 0.006 0.057 0.334  -0.000 -0.000 -0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000	1.798 4.580 2.789 0.000 2.789 0.000 0.000 0.000 0.000 0.014 0.014 0.014 0.000 0.000 0.007 0.064 7.446  -0.000 -0.000 3.285 0.000 3.285 0.000 3.285 8.208 0.000 8.208 1.067 0.000 1.067 0.000 1.067 0.000 4.918 17.478  11.366 0.300 11.667 10.312 0.180 0.000 0.180 0.000	0.000 0.000	0.000 0.000	0.000 0.000	1.798 4.580 2.789 0.000 2.789 0.000 0.000 0.000 0.000 0.014 0.014 0.014 0.000 0.000 2.116 0.007 2.123 9.506  -0.000 0.000 -0.000 3.285 0.000 3.285 8.208 0.000 8.208 1.067 0.000 1.067 0.000 1.067 0.000 4.918 17.478  11.366 0.300 11.667 21.963 0.000 21.963 0.000 0.180 0.000	0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 8.208 0.000	0.000 0.000 0.000 0.000 0.000 8.208 0.000	8.110  0.047  0.764  0.000  1.517  26.082  11.137  109.981  20.072  9.010  0.000	0.469  1.643  0.000  4.414  36.856  0.000  12.219  0.000  56.718	0.469  1.643  0.000  4.414  36.856  0.000  12.219  0.000
Regulations (measures at intaken)  Regulations (Regulations (Regulations)  Regulations (Regulations)  R	eex	£m	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	2.789 0.000 2.789 0.000	0.000 0.000	0.000 0.000	0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.001 0.001 0.001 0.000 0.000 0.000 0.052 0.006 0.057 0.334  -0.000 -0.003 0.000 -0.003 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000	2.789 0.000 2.789 0.000 0.000 0.000 0.000 0.000 0.014 0.014 0.000 0.000 0.000 0.0057 0.007 0.064 7.446  -0.000 0.000 -0.000 3.285 0.000 3.285 0.000 3.285 8.208 0.000 3.285 8.208 0.000 4.918 17.478  11.366 0.300 11.667 10.312 0.180 0.000 0.180 0.000	0.000 0.000	0.000 0.000	0.000 0.000	2.789 0.000 2.789 0.000 0.000 0.000 0.000 0.000 0.014 0.014 0.000 0.000 0.000 2.116 0.007 2.123 9.506  -0.000 0.000 -0.000 3.285 0.000 3.285 0.000 3.285 0.000 1.067 0.000 1.067 0.000 1.067 0.000 4.918 17.478  11.366 0.300 11.667 21.963 0.000 21.963 0.000 0.180 0.000	0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 8.208 0.000	0.000 0.000 0.000 0.000 0.000 8.208 0.000	8.110  0.047  0.764  0.000  1.517  26.082  11.137  109.981  20.072  9.010  0.000	0.469  1.643  0.000  4.414  36.856  0.000  12.219  0.000  56.718	0.469  1.643  0.000  4.414  36.856  0.000  12.219  0.000
Begulations (measures at inskele)  Totax asiev Non Native Species  asiev Non Native Species  asiev Non Native Species  Appearation of the Common Native Species  Asiev Non Native Species  Asiev Protected Areas (schemes)  Asiev Protected Area	ex e	£m	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	2.789 0.000	0.000 0.000	0.000 0.000	0.000 0.000 0.000 0.000 0.000 0.011 0.011 0.000 0.000 0.000 0.052 0.006 0.057 0.334  -0.000 -0.000 -0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.005 0.005 0.005 0.005 0.000	2.789 0.000 0.000 0.000 0.000 0.014 0.014 0.000 0.000 0.0057 0.007 0.064 7.446  -0.000 0.000 -0.000 3.285 0.000 3.285 8.208 0.000 3.285 8.208 0.000 1.067 0.000 0.000 1.067 0.000 4.918 17.478  11.366 0.300 11.667 10.312 0.180 0.000 0.180 0.000	0.000 0.000	0.000 0.000	0.000 0.000	2.789 0.000 0.000 0.000 0.000 0.014 0.014 0.014 0.000 0.000 0.000 2.116 0.007 2.123 9.506  -0.000 0.000 -0.000 3.285 8.208 0.000 3.285 8.208 1.067 0.000 1.067 0.000 1.067 0.000 0.000 4.918 0.000 4.918 17.478  11.366 0.300 11.667 21.963 0.000 21.963 0.000 0.180 0.000	0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 8.208 0.000	0.000 0.000 0.000 0.000 0.000 8.208 0.000	0.047  0.764  0.000  1.517  26.082  11.137  109.981  20.072  9.010  0.000	0.469  1.643  0.000  4.414  36.856  0.000  0.000  12.219  0.000	0.469  1.643  0.000  4.414  36.856  0.000  12.219  0.000
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inking Water Protected Areas (schemes)  fing Water Protected Areas (schemes)  ter Framework Directive measures  to Opex  ter Framework Directive measures  Totex  Stigations  Opex  Stigations  Opex  Stigations  Totex  Stigations  Totex  Stigations  Totex  Stigations  Totex  Stigations  Totex  Stigations  Totex  Sply-demand balance  ply-side improvements delivering benefits in 2020-2025  Opex  stags improvements delivering benefits in 2020-2026 (sext leakage and metering)  Totex  through the stags of the	ex e	£m	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	0.003 0.003 0.000 0.000 0.000 0.000 0.001 0.001 7.107  0.000	0.000 0.000	0.000 0.000	0.011 0.001 0.000 0.000 0.000 0.052 0.006 0.057 0.334  -0.000 -0.000 -0.000 -0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 3.293 0.000 3.293 8.208 0.000 8.208 1.067 0.000 1.067 0.000 0.000 0.000 0.000 1.067 0.000 1.067 0.000	0.014 0.000 0.000 0.000 0.007 0.064 7.446  -0.000 3.285 0.000 3.285 0.000 3.285 8.208 0.000 1.067 0.000 1.067 0.000 0.000 4.918 17.478  11.366 0.300 11.667 10.312 0.180 0.000 0.180 0.000	0.000 0.000	0.000 0.000 0.000 0.000 0.000 2.060 0.000 2.060 0.000	0.000 0.000	0.014 0.014 0.000 0.000 0.000 2.116 0.007 2.123 9.506  -0.000 0.000 -0.000 3.285 0.000 3.285 0.000 3.285 0.000 1.067 0.000 1.067 0.000 1.067 0.000 4.918 17.478  11.366 0.300 11.667 21.963 0.000 21.963 0.180 0.000 0.180 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000	0.000 0.000 0.000 0.000 0.000 8.208 0.000	0.000 0.000 0.000 0.000 0.000 8.208 0.000	0.000  1.517 26.082  11.137  109.981  20.072  9.010  0.000	0.000  4.414 36.856  0.000  0.000  12.219  0.000	0.000  4.414 36.856  0.000  0.000  12.219  0.000
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al metering expenditure  Totex  ter enhancement  provements to taste, odour and colour  provements to taste, odour and colour  Totex  provements to taste, odour and colour  Totex  dressing raw water deterioration (grey solutions)  dressing raw water deterioration (grey solutions)  Totex  dressing raw water deterioration (green solutions)  Totex  dressing raw water deterioration (total)  Capex  dressing raw water deterioration (total)  Totex  Totex  dressing raw water deterioration (total)  Totex  Totex  dressing raw water deterioration (total)  Totex  Totex  Totex  dressing raw water to reduce plumbosolvency  dressing raw water deterioration (total)  Totex  dressing raw water deterioration (green solutions)  Totex  Totex  dressing raw water deterioration (green solutions)  Totex  Totex  dressing raw water deterioration (green solutions)  Totex  Totex  Totex  Totex  dressing raw water deterioration (total)  Totex  Tot		£m	3					0.000	0.000	0.000	11.226	11.226	11.226									
provements to taste, odour and colour    Capex provements to taste, odour and colour   Capex provements to taste, odour and colour   Capex provements to taste, odour and colour   Capex provements to taste, odour and colour   Capex provements to taste, odour and colour   Capex provements to taste, odour and colour   Capex provements to taste, odour and colour   Capex provements to reside the training provements (grey solutions)   Capex provements (grey solutions)   Capex provements (green solutions)   Capex provements (green solutions)   Capex provements to river flow   Capex provements for flow probability high consequence events   Capex provements flow provements flow probability high consequence events   Capex provements flow		£m :	3					0.000 22.158	0.000 22.158	0.000	11.226 22.877	11.226 22.877	11.226 45.035							77.791	52.179	52.179
provements to taste, odour and colour pressing raw water deterioration (grey solutions) pressing raw water deterioration (grey solutions) pressing raw water deterioration (grey solutions) pressing raw water deterioration (green solutions) pressing raw water deterioration (total) provements water deterioration (total) provements water deterioration (total) provements to river flow provements to river f	ex	£m	3	0.000	0.244	0.000	0.091	78.234	78.569	0.000	0.000	0.000	78.569									
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dressing raw water deterioration (green solutions)  dressing raw water deterioration (total)  Totex  dressing raw water deterioration (total)  Totex  Capex  Drovements to river flow  Opex  Drovements to river flow  Totex  Capex  Drovements to river flow  Dopex  Draw ancing resilience to low probability high consequence events  Dopex  Dopex  Dancing resilience to low probability high consequence events  Dopex	ex	£m £m	3	0.000	0.000	0.000	0.044	0.000	0.044	0.000	0.000	0.000	0.044	0.000	0.000	0.000	0.000	0.000	0.000	0.756	6.570	6.570
dressing raw water deterioration (green solutions)  Capex dressing raw water deterioration (total)  Totex dressing raw water deterioration (total)  Capex dressing raw water deterioration (total)  Totex dressing raw water deterioration (total)  Capex dressing raw water d	ex	£m £m	3	0.000 1.103 0.228	0.000 0.000 0.000	0.000 0.000 0.000	0.044 0.000 0.066	0.000 0.000 0.000	0.044 1.103 0.294	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.044 1.103 0.294	0.000 2.499 0.677	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 2.499 0.677	2.356	6.570	6.570
dressing raw water deterioration (total)  Totex provements to river flow Opex provements to river flow Opex provements to river flow Opex provements to river flow Totex provements to resilience to low probability high consequence events Totex provements to resilience to low probability high consequence events Totex provements to reduce plumbosolvency Capex provements to river flow Totex provements to	ex	£m £m	3	1.332 1.103	0.000	0.000	0.066 0.044	0.000	1.397 1.148	0.000	0.000	0.000	1.397 1.148	3.176 0.000	0.000	0.000	0.000	0.000	3.176 0.000	4.192	0.000	0.000
or ovements to river flow  Totex  Provements to river flow  Totex  Provements to river flow  Provements to resilience to low probability high consequence events  Provements to resilience to low probability high consequence events  Provements to reduce plumbosolvency  Provements to river flow  Provements to reduce events  Provements	ex	£m £m	3	0.228	0.000	0.000	0.066	0.000	0.294	0.000	0.000	0.000	0.294	0.000	0.000	0.000	0.000	0.000	0.000	6.548	6.570	6.570
capex containing resilience to low probability high consequence events and containing resilience to low probability high consequence events are resilience to reduce plumbosolvency and resilience plumbosolvency and resilience plumbosolvency are resilience plumbosolvency and resilience plumbosolvency are replaced or relined for water quality are replaced or relined for water quality are relead reduction pipes replaced or relined for water quality are relead reduction related activity and resilience events are resilience events are relead reduction related activity and resilience events are relead reduction related activity and resilience events are relead results.	ex	£m £m	3	0.000 0.000 0.000	0.000 0.000 0.000	0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000							0.000	0.000	0.000
nditioning water to reduce plumbosolvency  Opex Inditioning water to reduce plumbosolvency  Opex Inditioning water to reduce plumbosolvency  Inditioning w	ex	£m £m	3	0.000	0.233 0.000	0.000	0.000	9.964 0.000	10.196 0.000	0.000	0.000	0.000	10.196									
nditioning water to reduce plumbosolvency d communication pipes replaced or relined for water quality Capex d communication pipes replaced or relined for water quality Opex d communication pipes replaced or relined for water quality Totex ner lead reduction related activity Capex ner lead reduction related activity Opex	ex	£m £m	3	0.000	0.233	0.000	0.000	9.964 0.000	10.196 0.000	0.000	0.000	0.000	0.000							97.378	101.075	101.075
d communication pipes replaced or relined for water quality d communication pipes replaced or relined for water quality Totex ner lead reduction related activity Capex ner lead reduction related activity Opex	ex	£m £m	3 3 3	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 9.543	0.000 0.000 9.543	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 9.543							0.000	0.000	0.000
ner lead reduction related activity Opex	ex	£m	3	0.000	0.000	0.000	0.000	0.000 9.543	0.000 9.543	0.000	0.000	0.000	0.000 9.543							46.625	18.007	18.007
Per lead reduction related activity	x	£m £m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000							0.505	0.000	0.000
eting lead standards (total)  Capex eting lead standards (total)  Opex	ex	£m £m	3 3 3	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	1.825 9.543 1.825	1.825 9.543 1.825	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	1.825 9.543 1.825							8.596	0.000	0.000
eting lead standards (total)  Totex  eurity - SEMD  Capex	x	£m £m	3	0.000	0.000	0.000	0.000	11.369	11.369	0.000	0.000	0.000	11.369							55.221	18.007	18.007
curity - SEMD Opex turity - SEMD Totex	ex	£m £m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000							8.166	0.000	0.000
curity - Non-SEMD         Capex           curity - Non-SEMD         Opex           curity - Non-SEMD         Totex	ex	£m £m	3 3	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000							0.000	0.000	0.000
ovation Competition Capex ovation Competition Opex	ex	£m	3	0.052	0.030	0.000	0.226	0.394	0.703	0.000	0.000	0.000	0.703							11.248	11.435	11.435
ncessionary Supplies Capex Opex	ex	£m £m	3	0.000	0.000	0.000	-0.049 0.000	0.000	-0.049 0.000	0.000	0.000	0.000	-0.049 0.000							2.094 0.000	0.000	0.000
ditional line 3 Capex ditional line 3 Opex	ex	£m £m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000							0.000	0.000	0.000
ditional line 4         Capex           ditional line 4         Opex           ditional line 5         Capex	ex	£m £m	3 3 3	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000							0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000
ditional line 5 Opex ditional line 6 Capex	ex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000							0.000	0.000	0.000
ditional line 6 Opex ditional line 7 Capex	ex	£m £m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000							0.000	0.000	0.000
ditional line 7         Opex           ditional line 8         Capex           ditional line 8         Opex	:X	£m £m	3 3 3	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000							0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000
ditional line 9 Capex ditional line 9 Opex	ex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000							0.000	0.000	0.000
ditional line 10 Capex Opex Opex Capex Opex Capex Opex Opex Opex Opex Opex Opex Opex O	ex ex	£m £m £m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000							0.000	0.000	0.000
al other enhancement expenditure Totex al enhancement	ex ex ex ex ex	£m £m £m	3	0.000	0.000	0.000				0.000											152.451	
al enhancement expenditure Capex al enhancement expenditure Opex	ex ex ex ex ex	£m £m	3	0.000	0.000		1.578	99.960	103.429		0.000	0.000	103.429							358.333		152.451

# Pro forma 4M

Enhancement expenditure for the 12 months ended 31 March 2025 – wastewater network+ and bioresources

Expenditure in report year (AMP9 only)  Westewater network-  Westewater	ture expenditur		Copy cell
Conservation drivers	· ·	Cumulative	
Line description		expenditure on all	
Line description   Line descri	7 7	2020-25	
Line description   Unity   DPs   Foul   drainage   drainage   and disposal   treatment   transport   treatment   disposal   Total   costs   costs   Total   & AMP8   Foul   drainage   drainage   and disposal   treatment   disposal   Total   Tota			RAG 4
Conservation drivers  Capex £m 3 0.000 0.0	l Total	Total	reference
Conservation drivers         Opex         £m         3         0.000			4M.1
Event Duration Monitoring at intermittent discharges         Capex         £m         3         0.000	0.886	0.886	4M.2 4M.3
			4M.4 4M.5
Flow monitoring at sewage treatment works  Capex £m 3 0.000	2.902	2.902	4M.6 4M.7
Flow monitoring at sewage treatment works Opex £m 3 0.000 0.	1 4.910	4.910	4M.8 4M.9
Schemes to increase flow to full treatment Capex £m 3 0.000	4.910	4.910	4M.10
Schemes to increase flow to full treatment         Opex         £m         3         0.000	21.052	21.052	4M.11 4M.12
Schemes to increase storm tank capacity         Capex         £m         3         0.999         0.861         0.336         61.233         0.000         0.001         0.001         0.001         0.001         0.001         0.002         1.017         0.000         0.014         1.057			4M.13 4M.14
Schemes to increase storm tank capacity  Totex £m 3 1.013 0.865 0.338 62.250 0.000 0.014 64.487 37.211 10.636 47.847 112.334 0.014 0.005 0.002 154.610 0.000 0.005 0.000 0.005 0.000 0.001 154.650 158.4  Schemes to provide additional effective storage at sewage treatment works  Capex £m 3 0.000	72 127.706	127.706	4M.15 4M.16
through green infrastructure.    Capex   211   3   0.000   0.0			4M.17
Schemes to provide additional effective storage at sewage treatment works through green infrastructure.  Totex £m 3 0.000 0.00			4M.18
Storage in the network to reduce spill frequency at CSOs etc (grey solutions) Capex £m 3 14.880 12.815 5.008 0.000			4M.19 4M.20
Storage in the network to reduce spill frequency at CSOs etc (grey solutions) Totex £m 3 14.914 12.827 5.013 0.000			4M.21
Solutions) Capex 211 3 2.000 0			4M.22 4M.23
Solutions)  Effective storage in the network to reduce spill frequency at CSOs etc (green Totex 5m 3 -0.000			4M.23 4M.24
Total for storage schemes in the network to reduce spill frequency at CSOs Totex 5m 3 14 914 12 827 5 013 0 000 0 000 32 754 38 648 6 195 44 843 77 597 24 212 20 834 8 142 0 000 0 000 0 000 0 000 53 187 105 3	22 98.246	98.246	4M.25
etc (grey + green)  Chemical removals schemes  Capex £m 3 0.000 0.			4M.26
Chemical removals schemes Opex £m 3 0.000	0.000	0.000	4M.27 4M.28
Chemicals monitoring/ investigations/ options appraisals         Capex         £m         3         0.000         0			4M.29 4M.30
Chemicals monitoring/ investigations/ options appraisals         Totex         £m         3         0.000         0	2.922	2.922	4M.31 4M.32
Nitrogen removal Opex £m 3 0.000 0.0	0.000	0.000	4M.33 4M.34
Phosphorus removal         Capex         £m         3         0.000         0.000         0.000         0.001         123.140         2.803         6.845         9.648         132.787         0.000			4M.35 4M.36
Phosphorus removal Totex £m 3 0.000 0.000 134.819 0.000 0.001 135.494 2.803 6.845 9.648 145.142 0.000 0.000 0.000 373.871 0.000 0.000 0.000 0.000 0.000 373.871 0.000 0.000 0.000 373.871 572.9  Reduction of sanitary parameters Capex £m 3 0.497 0.428 0.167 28.406 0.000 0.000 0.000 0.000 29.499 0.000 25.792 25.792 55.291 0.000 0.000 0.000 47.156 0.000 0.000 0.000 0.000 0.000 47.156	536.380	536.380	4M.37 4M.38
Reduction of sanitary parameters  Opex £m 3 0.000 0.000 0.019 0.000 0.00	9 40.442	40.442	4M.39 4M.40
UV disinfection (or similar)  Capex £m 3 0.000 0	10.112	10.112	4M.41 4M.42
UV disinfection (or similar)  Totex £m 3 0.000 0	4 23.787	23.787	4M.43 4M.44
Investigations Opex £m 3 0.000			4M.45
Investigations Totex £m 3 0.000 0.00		25.020 884.252	4M.46 4M.47
Other enhancement			
Growth at sewage treatment works (excluding sludge treatment)  Capex £m 3 0.000 0.00			4M.48 4M.49
Growth at sewage treatment works (excluding sludge treatment)  Totex £m 3 0.000 0.00			4M.50 4M.51
Reduce flooding risk for properties         Opex         £m         3         6.078         1.611         0.612         0.000			4M.52 4M.53
First time sewerage Capex £m 3 0.019 0.017 0.000			4M.54 4M.55
First time sewerage Totex £m 3 0.019 0.017 0.007 0.000	4.429	4.429	4M.56 4M.57
Sludge enhancement (quality)  Opex £m 3 0.000 0.	0.831	0.831	4M.58 4M.59
Sludge enhancement (growth)  Capex £m 3 0.000 0.			4M.60 4M.61
Sludge enhancement (growth)  Totex £m 3 0.000 0.	0.000	0.000	4M.62
Odour         Capex         £m         3         0.000<	2255	0.000	4M.63 4M.64
Odour Totex £m 3 0.000 0	0.000	0.000	4M.65 4M.66
Enhancing resilience to low probability high consequence events  Opex  £m 3 0.000 0.	0.000	0.000	4M.67 4M.68
Security - SEMD         Capex         £m         3         0.000			4M.69 4M.70
Security - SEMD         Totex         £m         3         0.000	0.000	0.000	4M.71 4M.72
Security - Non-SEMD         Opex         £m         3         0.000	0.000	0.000	4M.73 4M.74
NED Discharge Polocotion		0.000	4M.75 4M.76
NEP Discharge Relocation         Capex         £m         3         -0.000         -0.000         0.000         0.000         0.000         -0.000         -0.000         0.000<	3 16.368	16.368	4M.77
NEP Discharge Relocation         Opex         £m         3         0.000		0.000	4M.78
NEP Discharge Relocation         Opex         £m         3         0.000	0.125	9.572 0.125	4M.79 4M.80
NEP Discharge Relocation		0.000	4M.81 4M.82
NEP Discharge Relocation		0.192	4M.83 4M.84
NEP Discharge Relocation  Opex £m 3 0.000	4 0.192	0.000	
NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through long sea outfall or increased FTF  NEP requirement for bathing water shellfish driver delivered through l	4 0.192 0 0.000 0 3.858	3.858	4M.85
NEP Discharge Relocation Opex Em 3 0.000 0	0.192 0.000 0.3.858 0.6.944	3.858 6.944	
NEP Discharge Relocation  Opex Em 3 0.000	4 0.192 0 0.000 0 3.858 0 6.944 7 0.000	3.858	4M.85 4M.86
NEP Discharge Relocation	4 0.192 0 0.000 0 3.858 0 6.944 7 0.000 0 0.000	3.858 6.944 0.000 0.000 0.000	4M.85 4M.86 4M.87 4M.88 4M.89
NEP Discharge Relocation  Open  Open	4 0.192 0 0.000 0 3.858 0 6.944 7 0.000 0 0.000 8 0.000 0 0.000	3.858 6.944 0.000 0.000 0.000 0.000 0.000	4M.85 4M.86 4M.87 4M.88 4M.89 4M.90 4M.91
NEP Descharge Relocation	4 0.192 0 0.000 0 3.858 0 6.944 7 0.000 0 0.000 3 0.000 0 0.000 0 0.000	3.858 6.944 0.000 0.000 0.000 0.000 0.000 0.000	4M.85 4M.86 4M.87 4M.88 4M.89 4M.90
NEP Designation for barbing witer shallful friver deliwered through longs as possible for the barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deliwered through longs as possible for barbing wester shallful friver deli	4 0.192 0 0.000 0 3.858 0 6.944 7 0.000 0 0.000 8 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000	3.858 6.944 0.000 0.000 0.000 0.000 0.000 0.000	4M.85 4M.86 4M.87 4M.88 4M.89 4M.90 4M.91 4M.92
NEP Discharge Relocation Opes 6m 3 3 0.00 0.000	4 0.192 0 0.000 0 3.858 0 6.944 7 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000	3.858 6.944 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	4M.85 4M.86 4M.87 4M.88 4M.89 4M.90 4M.91 4M.92 4M.93 4M.94 4M.95 4M.96
NEP Disorders on the Market of	4 0.192 0 0.000 0 3.858 0 6.944 7 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000	3.858 6.944 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	4M.85 4M.86 4M.87 4M.88 4M.89 4M.90 4M.91 4M.92 4M.93 4M.94 4M.95 4M.96 4M.97 4M.98
Ne Plany Service from the mean formating and read method inclored decimend from the mean formating and read method inclored decimend from the mean formating and read method inclored decimend from the mean formating and read method inclored decimend from the mean formating and read method inclored decimend from the mean formating and read method inclored decimend from the mean formating and read method inclored decimend from the mean formating and read method inclored decimend from the mean formating and read method inclored decimend from the mean formating and read method inclored decimend from the method inclo	4 0.192 0 0.000 0 3.858 0 6.944 7 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000	3.858 6.944 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	4M.85 4M.86 4M.87 4M.88 4M.89 4M.90 4M.91 4M.92 4M.93 4M.94 4M.95 4M.96 4M.97
NeP   Disease   Nep   Diseas	4 0.192 0 0.000 0 3.858 0 6.944 7 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000 0 0.000	3.858 6.944 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	4M.85 4M.86 4M.87 4M.88 4M.89 4M.90 4M.91 4M.92 4M.93 4M.94 4M.95 4M.96 4M.97 4M.98

# Section 4 Additional regulatory information – service level

### Pro forma 4N

Developer services expenditure for the 12 months ended 31 March 2025 water network+ (price control)

Keys to cells
Input cell
Calculation cell
Copy cell

			Treat	RAG 4		
Line description	Units	DPs	Capex	Opex	Totex	reference
New connections	£m	3	13.096	0.005	13.101	4N.1
Requisition mains	£m	3	4.649	0.000	4.649	4N.2
Infrastructure network reinforcement	£m	3	6.116	0.000	6.116	4N.3
s185 diversions	£m	3	0.000	2.352	2.352	4N.4
Other price controlled activities	£m	3	0.000	0.205	0.205	4N.5
Total developer services expenditure	£m	3	23.861	2.562	26.423	4N.6

Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 40

Developer services expenditure for the 12 months ended 31 March 2025 – wastewater network+ and bioresources

Keys to cells
Input cell
Calculation cell
Copy cell

				Was					
Line description	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Total	RAG 4 reference
Сарех									
New connections	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.1
Requisition sewers	£m	3	0.070	0.061	0.024	0.000	0.000	0.155	40.2
Infrastructure network reinforcement	£m	3	9.847	8.480	3.314	0.000	0.000	21.641	40.3
s185 diversions	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.4
Other price controlled activities	£m	3	1.248	1.075	0.420	0.000	0.000	2.743	40.5
Total total developer services capex	£m	3	11.165	9.616	3.758	0.000	0.000	24.539	40.6
Opex									
New connections	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.7
Requisition sewers	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.8
Infrastructure network reinforcement	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.9
s185 diversions	£m	3	0.178	0.153	0.060	0.000	0.000	0.390	40.10
Other price controlled activities	£m	3	0.070	0.060	0.024	0.000	0.000	0.154	40.11
Total developer services opex	£m	3	0.248	0.213	0.083	0.000	0.000	0.544	40.12
Totex									
Total developer services expenditure	£m	3	11.413	9.829	3.841	0.000	0.000	25.084	40.13

### Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 4P

# Expenditure on non-price control diversions for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Water resources	Water network+	Wastewater network+	Total	RAG 4 reference
Capex							
Capex associated with NSWRA diversions	£m	3	0.000	0.000	0.000	0.000	4P.1
Capex associated with other non-price control diversions	£m	3	0.000	0.000	0.000	0.000	4P.2
Other developer services non-price control capex	£m	3	0.000	0.000	0.000	0.000	4P.3
Developer services non-price control capex	£m	3	0.000	0.000	0.000	0.000	4P.4
Opex							
Opex associated with NSWRA diversions	£m	3	0.000	2.646	0.579	3.225	4P.5
Opex associated with other non-price control diversions	£m	3	0.000	0.003	0.006	0.009	4P.6
Other developer services non-price control opex	£m	3	0.000	0.000	0.000	0.000	4P.7
Developer services non-price control opex	£m	3	0.000	2.649	0.585	3.234	4P.8
Totex							
Costs associated with NSWRA diversions	£m	3	0.000	2.646	0.579	3.225	4P.9
Costs associated with other non-price control diversions	£m	3	0.000	0.003	0.006	0.009	4P.10
Other developer services non-price control totex	£m	3	0.000	0.000	0.000	0.000	4P.11
Developer services non-price control totex	£m	3	0.000	2.649	0.585	3.234	4P.12

## Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 4Q

Developer services for the 12 months ended 31 March 2025 – New connections, properties and mains

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Water	Wastewater	Total	RAG 4 reference
Connections volume data						
New connections (residential – excluding NAVs)	nr	0	9651	18443	28094	4Q.1
New connections (business – excluding NAVs)	nr	0	648	1238	1886	4Q.2
Total new connections served by incumbent	nr	0	10299	19681	29980	4Q.3
New connections – SLPs	nr	0	8163			4Q.4
Properties volume data						
New properties (residential - excluding NAVs)	nr	0	13463	13194	26657	4Q.5
New properties (business - excluding NAVs)	nr	0	782	766	1548	4Q.6
Total new properties served by incumbent	nr	0	14245	13960	28205	4Q.7
New residential properties served by NAVs	nr	0	7569	3785	11354	4Q.8
New business properties served by NAVs	nr	0	27	14	41	4Q.9
Total new properties served by NAVs	nr	0	7596	3798	11394	4Q.10
Total new properties	nr	0	21841	17758	39599	4Q.11
New properties – SLP connections	nr	0	9339			4Q.12
New water mains data						
Length of new mains (km) - requisitions	nr	0	8			4Q.13
Length of new mains (km) - SLPs	nr	0	64			4Q.14

# Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 4R

### Connected properties, customers and population

Line description	Units	DPs	Unmeasured	Measured	Total	Voids
	_					
Customer numbers - average during the year						
Residential water only customers	000s	3	41.748	34.986	76.734	2.900
Residential wastewater only customers	000s	3	22.424	63.385	85.809	4.494
Residential water and wastewater customers	000s	3	1532.980	1554.036	3087.016	124.652
Total residential customers	000s	3	1597.152	1652.407	3249.559	132.046
Business water only customers	000s	3	0.712	22.782	23.494	2.796
Business wastewater only customers	000s	3	1.707	18.054	19.761	16.889
Business water & wastewater customers	000s	3	15.002	121.978	136.980	19.395
Total business customers	000s	3	17.421	162.814	180.235	39.080
Total customers	000s	3	1614.573	1815.221	3429.794	171.126

				Water			Wastewater				
Line description	Units	Dps	Unmeasured	Measured	Total	Unmeasured	Measured	Total			

Property numbers - average during the year								
Residential properties billed	000s	3	1574.728	1589.022	3163.750	1555.404	1617.421	3172.825
Residential void properties	000s	3			127.552			129.147
Total connected residential properties	000s	3			3291.302			3301.972
Business properties billed	000s	3	15.713	144.760	160.473	16.709	140.032	156.741
Business void properties	000s	3			22.192			36.285
Total connected business properties	000s	3			182.665			193.026
Total connected properties	000s	3			3473.967			3494.998

				Water														
				Unmeasured							Mea	sured				Unbilled		
						AMI meter	AMI meter						AMI meter		Uneconomic			
Line description	Units	Dps	No meter	Basic meter	AMR meter	(capable)	(active)	Total	No meter	Basic meter	AMR meter	(capable)	(active)	Total	to bill	Other	Total	Total

Property and meter numbers - at end of year (31 March)																			
Total new residential properties connected in year	000s	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	13.463	0.000	0.000	13.463				13.463	4R.1
Total number of new business properties connections	000s	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.782	0.000	0.000	0.782				0.782	4R.1
Residential properties billed at year end	000s	3	1481.598	1.731	75.726	0.000	0.000	1559.055	0.000	605.663	1016.493	0.077	2.030	1624.262				3183.317	4R.1
Residential properties unbilled at year end	000s	3													0.000	0.000	0.000	0.000	4R.2
Residential void properties at year end	000s	3						64.867						50.466				115.333	4R.2
Total connected residential properties at year end	000s	3						1623.922						1674.728				3298.650	4R.2
Business properties billed at year end	000s	3	15.706	0.000	0.000	0.000	0.000	15.706	0.000	79.196	64.094	0.000	0.000	143.290				158.996	4R.2
Business properties unbilled at year end	000s	3													0.000	0.000	0.000	0.000	4R.2
Business void properties at year end	000s	3						5.706						19.156				24.862	4R.2
Total connected business properties at year end	000s	3						21.412						162.446				183.858	4R.2
Total connected properties at year end	000s	3						1645.334						1837.174				3482.508	4R.2

Line description Units DP	s Water	Wastewater

Population data				
Resident population	000s	3	8122.213	7614.991
Non-resident population (wastewater)	000s	3		323.655

Household population data    Resident   Non-resident	tal
Household population 000s 3 7988.563 0.000 7988	.563
Household measured population (water only) 000s 3 3903.295 0.000 3903	.295
Household unmeasured population (water only) 000s 3 4085.268 0.000 4085	.268

Keys to cells

Input cell

RAG 4 reference

4R.1	
4R.2	
4R.3	
4R.4	
4R.5	
4R.6	
4R.7	
4R.8	
4R.9	

4R.11

4R.28 4R.29

> 4R.30 4R.31 4R.32

# Section 4 Additional regulatory information – service level

### Pro forma 4S

Green recovery expenditure for the 12 months ended 31 March 2025 – water resources and water network+



				Expenditure in report year						Cumulative expenditure on schemes completed in the report year						
						Water n	network+					Water r	network+			
Line description		Units	DPs	Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution	Total	Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution	Total	RAG 4 reference
Green recovery programme																
Accelerating partnerships to deliver natural solutions	Capex	£m	3	1.103	0.000	0.000	0.000	0.000	1.103	2.017	0.000	0.000	0.000	0.000	2.017	48.1
Accelerating partnerships to deliver natural solutions	Opex	£m	3	0.212	0.000	0.000	0.000	0.000	0.212	0.677	0.000	0.000	0.000	0.000	0.677	48.2
Accelerating partnerships to deliver natural solutions	Totex	£m	3	1.315	0.000	0.000	0.000	0.000	1.315	2.694	0.000	0.000	0.000	0.000	2.694	48.3
Green recovery line 2	Capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4S.4
Green recovery line 2	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4S.5
Green recovery line 2	Totex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4S.6
Green recovery line 3	Capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4S.7
Green recovery line 3	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4S.8
Green recovery line 3	Totex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4S.9
Green recovery line 4	Capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4S.10
Green recovery line 4	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4S.11
Green recovery line 4	Totex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4S.12
Total green recovery programme capex	Capex	£m	3	1.103	0.000	0.000	0.000	0.000	1.103	2.017	0.000	0.000	0.000	0.000	2.017	4S.13
Total green recovery programme opex	Opex	£m	3	0.212	0.000	0.000	0.000	0.000	0.212	0.677	0.000	0.000	0.000	0.000	0.677	4S.14
Total green recovery programme expenditure	Totex	£m	3	1.315	0.000	0.000	0.000	0.000	1.315	2.694	0.000	0.000	0.000	0.000	2.694	4S.15

<sup>☑</sup> Further detail can be found in the 'Green Recovery – Annual Progress Report' which can be found at: unitedutilities.com/globalassets/documents/pdf/green-recovery-2025

### Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 4T

Green recovery expenditure for the 12 months ended 31 March 2025 – wastewater network+ and bioresources

Ceys to cells	
Input cell	
Calculation cell	
Copy cell	

							Evnon	diture in repo							Cumulativa	ovnondituro	an aabamaa a	ompleted in th				
					\A/			alture in repo	ort year	Bioresources				10/0			on schemes c	ompietea in th				1
					vva	stewater netw			Bioresources				Wastewater no					Bioresources				
Line description		Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	Total	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	Total	RAG 4 reference
Green recovery programme																						
Accelerating partnerships to deliver natural solutions	Capex	£m	3	3.390	2.919	1.141	0.244	0.000	0.000	0.000	0.000	7.694	4.004	3.448	1.348	0.425	0.000	0.000	0.000	0.000	9.225	4T.1
Accelerating partnerships to deliver natural solutions	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4T.2
Accelerating partnerships to deliver natural solutions	Totex	£m	3	3.390	2.919	1.141	0.244	0.000	0.000	0.000	0.000	7.694	4.004	3.448	1.348	0.425	0.000	0.000	0.000	0.000	9.225	4T.3
AMP8 WINEP investments at Bury	Capex	£m	3	4.627	3.985	1.557	10.066	0.000	0.000	0.000	0.000	20.235	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4T.4
AMP8 WINEP investments at Bury	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4T.5
AMP8 WINEP investments at Bury	Totex	£m	3	4.627	3.985	1.557	10.066	0.000	0.000	0.000	0.000	20.235	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4T.6
Tackling storm overflows	Capex	£m	3	0.000	0.000	0.000	1.644	0.000	0.000	0.000	0.000	1.644	0.000	0.000	0.000	4.828	0.000	0.000	0.000	0.000	4.828	4T.7
Tackling storm overflows	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4T.8
Tackling storm overflows	Totex	£m	3	0.000	0.000	0.000	1.644	0.000	0.000	0.000	0.000	1.644	0.000	0.000	0.000	4.828	0.000	0.000	0.000	0.000	4.828	4T.9
Green recovery line 4	Capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4T.10
Green recovery line 4	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4T.11
Green recovery line 4	Totex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4T.12
Total green recovery programme capex	Capex	£m	3	8.017	6.904	2.698	11.953	0.000	0.000	0.000	0.000	29.573	4.004	3.448	1.348	5.252	0.000	0.000	0.000	0.000	14.053	4T.13
Total green recovery programme opex	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4T.14
Total green recovery programme expenditure	Totex	£m	3	8.017	6.904	2.698	11.953	0.000	0.000	0.000	0.000	29.573	4.004	3.448	1.348	5.252	0.000	0.000	0.000	0.000	14.053	4T.15

<sup>☑</sup> Further detail can be found in the 'Green Recovery - Annual Progress Report' which can be found at: unitedutilities.com/globalassets/documents/pdf/green-recovery-2025

# Section 4 Additional regulatory information – service level

### Pro forma 4U

Impact of Green Recovery on RCV

Keys to cells Input cell Calculation cell Copy cell

			12	2 months ende	ed 31 March 20	25		Price contro	l period to date	е	
	Units	DPs	Water resources	Water network plus	Wastewater network plus	Bioresources	Water resources	Water network plus	Wastewater network plus	Bioresources	RAG 4 reference
Totex - Green recovery	]										
Approved bid	£m	3	1.227	0.000	33.087		3.544	0.000	76.583		4U.1
Actual totex	£m	3	1.315	0.000	29.573		2.694	0.000	42.388		4U.2
Variance	£m	3	0.088	0.000	-3.514		-0.850	0.000	-34.195		4U.3
Variance due to timing of expenditure	£m	3	0.938	0.000	4.418		0.000	0.000	-26.263		4U.4
Variance due to efficiency	£m	3	-0.850	0.000	-7.932		-0.850	0.000	-7.932		4U.5
Customer cost sharing rate - outperformance	%	2	90.00%	90.00%	90.00%		90.00%	90.00%	90.00%		4U.6
Customer cost sharing rate - underperformance	%	2	50.00%	50.00%	50.00%		50.00%	50.00%	50.00%		4U.7
Customer share of totex - outperformance	£m	3	0.000	0.000	-3.162		-0.765	0.000	-30.776		4U.8
Customer share of totex - underperformance	£m	3	0.044	0.000	0.000		0.000	0.000	0.000		4U.9
Company share of totex - outperformance	£m	3	0.000	0.000	-0.351		-0.085	0.000	-3.420		4U.10
Company share of totex - underperformance	£m	3	0.044	0.000	0.000		0.000	0.000	0.000		4U.11
Increase / decrease in shadow RCV	£m	3	1.182	0.000	29.924		2.779	0.000	45.807		4U.12
In period funding	£m	3	0.000	0.000	0.000		0.000	0.000	0.000		4U.13
Net increase / decrease in shadow RCV	£m	3	1.182	0.000	29.924		2.779	0.000	45.807		4U.14

Further detail can be found in the 'Green Recovery - Annual Progress Report' which can be found at: unitedutilities.com/globalassets/documents/pdf/green-recovery-2025

# Section 4 Additional regulatory information – service level

### Pro forma 4V

Mark-to-market of financial derivatives analysed based on payment dates

Keys to cells
Input cell
Calculation cell
Copy cell

			Derivativ	es - Analysed da	l by earliest p te	ayment	Derivative	naturity			
Line description	Units	DPs	Net settled	Gross Settled outflows	Gross Settled inflows	Total	Net settled	Gross Settled outflows	Gross Settled inflows	Total	RAG 4 reference
Б ::::			10.010	01110			10.000				0.44
Due within one year	£m	3	10.219	214.485	-226.845	-2.141	10.290	101.367	-105.349	6.308	4V.1
Between one and two years	£m	3	-9.235	0.000	0.000	-9.235	-9.235	0.000	0.000	-9.235	4V.2
Between two and three years	£m	3	-11.395	122.158	-125.326	-14.563	-11.395	122.158	-125.326	-14.563	4V.3
Between three and four years	£m	3	-43.847	242.717	-344.698	-145.827	-43.847	242.717	-344.698	-145.827	4V.4
Between four and five years	£m	3	50.849	0.000	0.000	50.849	50.918	113.117	-121.496	42.539	4V.5
After five years	£m	3	19.301	1,867.660	-1,814.115	72.845	19.161	1,867.660	-1,814.115	72.705	4V.6
Total	£m	3	15.892	2,447.020	-2,510.984	-48.072	15.892	2,447.020	-2,510.984	-48.072	4V.7

### Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 4W

### Defined Benefit Pension Scheme - Additional Information

Keys to cells
Input cell
Calculation cell
Copy cell

			Defined benefit pension schemes							
Line description	Units	DPs	Pension scheme 1	Pension scheme 2	Pension scheme 3	RAG 4 reference				
Scheme details	1									
Scheme name	Text	n/a	United Utilities Pension Scheme ("UUPS")	United Utilities PLC Group of the Electricity Supply Pension Scheme ("ESPS")		4W.1				
Scheme status	Text	n/a	Closed to new members; not closed to accrual of future defined benefits	Closed to new members; not closed to accrual of future defined benefits		4W.2				
Scheme valuation under IAS/IFRS/FRS	1									
Scheme assets	£m	3	1,632.200	20.500		4W.3				
Scheme liabilities	£m	3	1,407.500	18.800		4W.4				
Scheme surplus / (deficit) Total	£m	3	224.700	1.700	0.000	4W.5				
Scheme surplus / (deficit) Appointed business	£m	3	224.700	1.700		4W.6				
Pension deficit recovery payments	£m	3	0.000	0.000		4W.7				
Scheme valuation under part 3 of Pensions Act 2004	]									
Scheme funding valuation date	Date	n/a	31/03/2024	31/03/2024		4W.8				
Assets	£m	3	1,925.305	25.010		4W.9				
Technical Provisions	£m	3	1,805.379	23.922		4W.10				
Scheme surplus / (deficit)	£m	3	119.926	1.088	0.000	4W.11				
Discount rate assumptions	Text	n/a	Gilts+0.30%	Gilts+0.08%		4W.12				
Recovery plan (where applicable)	]									
Recovery Plan Structure	Text	n/a	N/A as fully funded	N/A as fully funded		4W.13				
Recovery plan end date	Date	n/a	n/a	n/a		4W.14				
Asset Backed Funding (ABF) arrangements	Text	n/a	n/a	n/a		4W.15				
Responsibility for ABF arrangements	Text	n/a	n/a	n/a		4W.16				

Scheme valuation under part 3 of Pensions Act 2004

### 4W.8 Scheme funding valuation date

This is the date of the latest triennial actuarial valuation.

### 4W.9 Assets

As the participating employers are United Utilities Water Limited ('UUW') and United Utilities PLC ('UUPLC'), the asset figure presented reflects the proportion attributable to UUW only.

### **4W.10 Technical provisions**

As the participating employers are United Utilities Water Limited ('UUW') and United Utilities PLC ('UUPLC'), the technical provisions figure presented reflects the proportion attributable to UUW only.

### 4W.12 Discount rate assumption

A single equivalent discount rate is shown for the ESPS scheme, expressed on a 'gilts plus' basis.

Regulatory accounts for the 12 months ended 31 March 2025

# Section 4 Additional regulatory information – service level

### Pro forma 4X

Accelerated infrastructure delivery project expenditure for the 12 months ended 31 March 2025 – water resources and water network+

Table 4X is not applicable to United Utilities, as there are no approved accelerated infrastructure delivery project schemes in Wholesale Water.

# Section 4 Additional regulatory information – service level

## Pro forma 4Y

Accelerated infrastructure delivery project expenditure for the 12 months ended 31 March 2025 – wastewater network+ and bioresources

Keys to cells
Input cell
Calculation cell
Copy cell

					Expenditure in report year								Cumulative expenditure on schemes completed in the report year									
					Was	tewater netv	vork+			Bioresource	s		Wastewater network+					Bioresources				
Line description		Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	Total	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	Total	RAG 4 reference
Accelerated infrastructure delivery project	]																					
Scheme ENV2 - Accelerating habitats improvement in the Eden catchment	Capex	£m	3	0.000	0.000	0.000	2.803	0.000	0.000	0.000	0.000	2.803	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.1
Scheme ENV2 - Accelerating habitats improvement in the Eden catchment	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.2
Scheme ENV2 - Accelerating habitats improvement in the Eden catchment	Totex	£m	3	0.000	0.000	0.000	2.803	0.000	0.000	0.000	0.000	2.803	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.3
Scheme ENV4 - Reducing the frequency of storm overflow discharges in Windermere catchment	Capex	£m	3	3.098	2.668	1.043	0.000	0.000	0.000	0.000	0.000	6.808	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.4
Scheme ENV4 - Reducing the frequency of storm overflow discharges in Windermere catchment	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.5
Scheme ENV4 - Reducing the frequency of storm overflow discharges in Windermere catchment	Totex	£m	3	3.098	2.668	1.043	0.000	0.000	0.000	0.000	0.000	6.808	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.6
Scheme ENV10 - Bathing waters	Capex	£m	3	1.731	1.491	0.583	0.000	0.000	0.000	0.000	0.000	3.805	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.7
Scheme ENV10 - Bathing waters	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.8
Scheme ENV10 - Bathing waters	Totex	£m	3	1.731	1.491	0.583	0.000	0.000	0.000	0.000	0.000	3.805	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.9
Scheme ENV3 - Delivering improvements to storm overflows	Capex	£m	3	29.683	25.564	9.991	0.000	0.000	0.000	0.000	0.000	65.238	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.10
Scheme ENV3 - Delivering improvements to storm overflows	Opex	£m	3	0.005	0.002	0.001	0.000	0.000	0.000	0.000	0.000	0.008	0.005	0.002	0.001	0.000	0.000	0.000	0.000	0.000	0.008	4Y.11
Scheme ENV3 - Delivering improvements to storm overflows	Totex	£m	3	29.689	25.566	9.992	0.000	0.000	0.000	0.000	0.000	65.246	0.005	0.002	0.001	0.000	0.000	0.000	0.000	0.000	0.008	4Y.12
Accelerated scheme 5	Capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.13
Accelerated scheme 5	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.14
Accelerated scheme 5	Totex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.15
Total accelerated programme capex	Capex	£m	3	34.512	29.723	11.616	2.803	0.000	0.000	0.000	0.000	78.654	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.16
Total accelerated programme opex	Opex	£m	3	0.005	0.002	0.001	0.000	0.000	0.000	0.000	0.000	0.008	0.005	0.002	0.001	0.000	0.000	0.000	0.000	0.000	0.008	4Y.17
Total accelerated programme expenditure	Totex	£m	3	34.518	29.725	11.617	2.803	0.000	0.000	0.000	0.000	78.662	0.005	0.002	0.001	0.000	0.000	0.000	0.000	0.000	0.008	4Y.18

Annual Performance Report 2024/25

Section 4 Additional regulatory information – service level

# Section 4 Additional regulatory information – service level

Regulatory accounts for the 12 months ended 31 March 2025

### Pro forma 4Z

Line description

Units

# Household bill reduction schemes, debt and Guaranteed Standards Scheme (GSS) payments

Revenue

£m

Average amount per customer

Number of customers

000s

Keys to cells Input cell Calculation cell

001	, 00	"	

RAG 4

DPs Section A - other direct bill reduction schemes for household customers struggling

Other bill reduction schemes	1			
Line description	Target households	Number of unique households helped by scheme	Total amount bills reduced by through scheme	Funding source
Units	Text	number	£'000s	Text
DPs			3	
UU Trust Fund (hardship fund)	Unique households with Trust Fund Grant	3,416	2,743.047	Company funded
Lowest Bill Guarantee	Unique income deprived households with savings made from their LBG/EM charges	9,098	1,618.340	Implicit revenue rebalance across customer groups
Direct Debit Discount	Unique income deprived households with savings made from their Direct Debit Discount (£5 per account)	256,066	1,280.330	Implicit revenue rebalance across customer groups
Local Authority Discount	Unique households with LA Discount (£10 per account)	25,684	256.217	Implicit revenue rebalance across customer groups

4Z.A1 4Z.A2 4Z.A3

4Z.A4

4Z.B2

4Z.B3 4Z.B4 4Z.B6 4Z.B7

4Z.B9

4Z.B10

4Z.B11

4Z.B14 4Z.B15

4Z.B16

4Z.B17

4Z.B18

4Z.B19 4Z.B20 4Z.B21 4Z.B22 4Z.B23

4Z.B1

4Z.B8

4Z.B12 4Z.B13

4Z.B24

4Z.C1 4Z.C2 4Z.C3

Section B - debt metrics

Total number of household customers served - active and final accounts			
Line description	Water only	Wastewater only	Dual service
Units	number	number	number
DPs			
Number of household customers served – active accounts	76,987	88,839	3,106,330
Number of household customers served – final accounts	102 759	692	752

Household customers in arrears		
Line description	Number of households	Total amount of debt
Units	number	£'000s
DPs		3
Households in arrears – active accounts with debt repayment arrangements	108,201	125,028.764
Households in arrears – final accounts with debt repayment arrangements	3,938	2,440.383
Households in arrears – active accounts without debt repayment arrangements	161,866	160,543.718
Households in arrears – final accounts without debt repayment arrangements	72,295	46,667.584
Households not having made any payment for the year – active accounts	113,604	204,922.157
Households not having made any payment for the year – final accounts	68,287	40,706.433

remporary payment suspension		
Line description	Number of households	Total amount deferred
Units	number	£'000s
DPs		3
Households with temporarily suspended payments – payment break arrangements	70	8.401
Households with temporarily suspended payments – breathing space arrangements	4,696	5,270.240
		-

Number of households	Total value of debt
number	£'000s
	3
124,478	113,235.605
91,092	53,771.929
14,286	10,954.171
	number 124,478 91,092

Household debt sold to external agencies			
Line description	Number of accounts	Total value of debt	Total sale value of debt
Units	number	£'000s	£'000s
DPs		3	3
Debt sold to an external agency / third party debt purchaser – active accounts	0	0.000	0.000
Debt sold to an external agency / third party debt purchaser – final accounts	0	0.000	0.000
Active and final PSR accounts (and total debt involved) referred to an external agency that has bought the customer debt from the water company during the reporting year.	0	0.000	0.000

Payment matching activities		
Line description	Number of accounts	Total value of payment matches
Units	number	£'000s
DPs		3
Active accounts supported through the matched payment schemes and the total contribution of matched payments made by the water company for the reporting year	46,421	15,788.835
Final accounts supported through the matched payment schemes and the total contribution of matched payments made by the water company for the reporting year	3,523	872.096

Unpaid household bills referred to courts		
Line description	Number of accounts	Total amount involved
Units	number	£'000s
DPs		3
Number of county court claims	14,849	11,113.489
Number of county court judgements	11,696	9,270.609
Number of county court judgement enforcements	7,566	2,959.066
Number of high court claims	1,291	1,906.880
Number of high court judgements	1,237	1,876.778
Number of high court judgement enforcements	931	606.357

### Section C - Payments to household customers made in accordance with the **Guaranteed Standards Scheme (GSS)**

Number and value of statutory payments and other payments

GSS payments to household customers			
Line description	Number of payments	Total amount	Number of unique households
Units	number	£'000s	number
DPs		3	
Total value of payments made to household customers under GSS		1,390.088	
Total number of payments made to household customers under GSS	25,330		
Total number of unique household customers receiving GSS payments			24,289

in excess of the statutory amounts for events that are currently part of the GSS to household customers by type in the reporting period							
Line description	Total number of times the statutory GSS amounts were paid to household customers	Total value of payments made in relation to column 1	Total number of times amounts higher than the statutory GSS amounts were paid to household customers for GSS related events.	Total value of payments made in relation to column 3	Total number of times the statutory GSS penalty payments were made to household customers	Total value of payments made in relation to column 5	
Units	number	£'000s	number	£'000s	number	£'000s	
DPs		3		3		3	
Appointments not kept	3,138	87.600	0	0.000	601	6.010	4Z.C4
Appointment notification not given	0	0.000	0	0.000	0	0.000	4Z.C5
Incidences of low water pressure	40	2.000	79	9.807			4Z.C6
Incorrect notice of planned interruptions to supply	885	24.005	516	15.515	257	5.140	4Z.C7
Supply not restored - initial period	15,169	463.570	17,351	689.600	1,468	29.340	4Z.C8
Supply not restored - each 24 hr period	1,320	41.520	0	0.000			4Z.C9
Account/billing queries not responded to	900	20.180	0	0.000	129	1.290	4Z.C10
Requests for changes to payment arrangements not responded to	1,184	25.760	0	0.000	102	1.020	4Z.C11
Written complaints not responded to within 10 working days	94	2.495	0	0.000	35	0.350	4Z.C12
Properties sewer flooded internally	1,065	304.547	1,077	111.354	149	2.980	4Z.C13
Properties sewer flooded externally	2,855	418.410	6	0.603	397	7.940	4Z.C14

Number and value of payments made to household customers for events that are currently not part of the GSS  Total number of the GSS	
Total number of	
payments for all e that are not part c current GSS scho	vents Total value of payments of the made in relation to
Units number	£'000s
DPs	3
Wastewater 884	303.339
Water 2,982	362.658
Billing 2,517	211.446
Developer services 260	59.771
Metering 15,237	437.861

Number and value of statutory GSS penalty payments made to household customers		
Line description	Total number of penalty payments made under the current GSS scheme	Total value of payments made in relation to column 1
Units	number	£'000s
DPs		3
Penalty payments made under the current GSS scheme	3,138	54.070

4Z.C15 4Z.C16 4Z.C17 4Z.C18 4Z.C19

4Z.C25

### Regulatory accounts for the 12 months ended 31 March 2025

# Section 5 Additional regulatory information – water resources

### Pro forma 5A

Water resources asset and volume data for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Input	RAG 4 reference
Water resources				
Water from impounding reservoirs	MI/d	2	1090.95	5A.1
Water from pumped storage reservoirs	MI/d	2	0.00	5A.2
Water from river abstractions	MI/d	2	795.33	5A.3
Water from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	MI/d	2	134.75	5A.4
Water from artificial recharge (AR) water supply schemes	MI/d	2	0.00	5A.5
Water from aquifer storage and recovery (ASR) water supply schemes	MI/d	2	0.00	5A.6
Water from saline abstractions	MI/d	2	0.00	5A.7
Water from water reuse schemes	MI/d	2	0.00	5A.8
Number of impounding reservoirs	nr	0	50	5A.9
Number of pumped storage reservoirs	nr	0	0	5A.10
Number of river abstractions	nr	0	19	5A.11
Number of groundwater works excluding managed aquifer recharge (MAR) water supply schemes	nr	0	59	5A.12
Number of artificial recharge (AR) water supply schemes	nr	0	0	5A.13
Number of aquifer storage and recovery (ASR) water supply schemes	nr	0	0	5A.14
Number of saline abstraction schemes	nr	0	0	5A.15
Number of reuse schemes	nr	0	0	5A.16
Total number of sources	nr	0	128	5A.17
Total number of water reservoirs	nr	0	162	5A.18
Total volumetric capacity of water reservoirs	MI	0	286320	5A.19
Total number of intake and source pumping stations	nr	0	138	5A.20
Total installed power capacity of intake and source pumping stations	kW	0	27018	5A.21
Total length of raw water abstraction mains and other conveyors	km	2	522.86	5A.22
Average pumping head – raw water abstraction	m.hd	2	13.74	5A.23
Energy consumption - water resources (MWh)	MWh	3	54,254.305	5A.24
Total number of raw water abstraction imports	nr	0	0	5A.25
Water imported from 3rd parties to raw water abstraction systems	MI/d	2	0.00	5A.26
Total number of raw water abstraction exports	nr	0	1	5A.27
Water exported to 3rd parties from raw water abstraction systems	MI/d	2	7.68	5A.28
Water resources capacity (measured using water resources yield)	MI/d	2	2314.75	5A.29
Total number of completed investigations (WINEP/NEP), cumulative for AMP	nr	0	27	5A.30

### Regulatory accounts for the 12 months ended 31 March 2025

# Section 5 Additional regulatory information – water resources

### Pro forma 5B

Water resources operating cost analysis for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Impounding Reservoir	Pumped Storage	River Abstractions	Groundwater, excluding MAR water supply schemes	Artificial Recharge (AR) water supply schemes	Aquifer Storage and Recovery (ASR) water supply schemes	Other	Total	RAG 4 reference
_		1									
Power	£m	3	0.105	0.000	5.107	4.006	0.000	0.000	0.443	9.661	5B.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5B.2
Abstraction charges/ discharge consents	£m	3	12.138	0.000	10.248	2.568	0.000	0.000	0.000	24.954	5B.3
Bulk supply	£m	3	0.143	0.000	0.000	0.000	0.000	0.000	0.000	0.143	5B.4
Other operating expenditure  Renewals expensed in	£m	3	16.173	0.000	0.000	0.000	0.000	0.000	0.000	16.173	5B.5
year (Infrastructure)	£III	3	10.173	0.000	0.000	0.000	0.000	0.000	0.000	10.173	55.5
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5B.6
Other operating expenditure excluding renewals	£m	3	8.377	0.000	1.961	2.037	0.000	0.000	0.000	12.375	5B.7
Local authority and Cumulo rates	£m	3	14.199	0.000	0.266	0.207	0.000	0.000	0.000	14.671	5B.8
Total operating expenditure (excluding 3rd party)	£m	3	51.135	0.000	17.581	8.818	0.000	0.000	0.443	77.977	5B.9

### Regulatory accounts for the 12 months ended 31 March 2025

# Section 6 Additional regulatory information – water network+

### Pro forma 6A

# Raw water transport, raw water storage and water treatment data for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

for the 12 months ended 31 March 2025				Co	ppy cell
Line description	Units	DPs	Input		RAG 4 reference
Raw water transport and storage					
Total number of balancing reservoirs	nr	0	3		6A.1
Total volumetric capacity of balancing reservoirs	MI	0	549		6A.2
Total number of raw water transport stations	nr	0	7		6A.3
Total installed power capacity of raw water transport pumping stations	kW	0	31478		6A.4
Total length of raw water transport mains and other conveyors	km	2	956.79		6A.5
Average pumping head ~ raw water transport	m.hd	2	22.59		6A.6
Energy consumption – raw water transport (MWh)	MWh	3	58427.963		6A.7
Total number of raw water transport imports	nr	0	0		6A.8
Water imported from 3rd parties to raw water transport systems	MI/d	2	0.00		6A.9
Total number of raw water transport exports	nr	0	0		6A.10
Water exported to 3rd parties from raw water transport systems	MI/d	2	0.00		6A.11
Total length of raw and pre-treated (non-potable) water transport mains for supplying customers	km	2	80.24		6A.12
	Surface	water	Ground	water	]
	Water	Number	Water	Number	1
Water treatment - treatment type analysis	treated	of works	treated	of works	
Units	MI/d	nr	MI/d	nr	
DPs	2	0	2	0	
All simple disinfection works	0.00	0	1.66	4	6A.13
W1 works	0.00	0	0.00	0	6A.14
W2 works	271.72	2	17.42	13	6A.15
W3 works	672.71	14	0.00	1	6A.16
W4 works	286.23	8	62.82	14	6A.17
W5 works	873.47	27	13.11	3	6A.18
W6 works	0.00	0	0.00	0	6A.19
	% of total	Number	1		
Water treatment - works size	DI	of works			
Units	DI	nr			
DPs	1	0			
WTWs in size band 1	0.3	7			6A.20
WTWs in size band 2	0.6	13			6A.21
WTWs in size band 3	2.2	19			6A.22
WTWs in size band 4	4.4	15			6A.23
WTWs in size band 5	6.1	12			6A.24
WTWs in size band 6	7.6	6			6A.25
WTWs in size band 7	18.0	8			6A.26
WTWs in size band 8	60.8	6			6A.27
Water treatment - other information	Units	DPs	Input		
Peak week production capacity (PWPC)	MI/d	2	3392.84		6A.28
Total peak week production capacity (PWPC) having enhancement expenditure for grey solution improvements to address raw water quality deterioration	MI/d	2	102.00		6A.29
Total peak week production capacity (PWPC) having enhancement expenditure for green solutions improvements to address raw water quality deterioration	MI/d	2	1544.62		6A.30
Total water treated at more than one type of works	MI/d	2	-360.07		6A.31
Number of treatment works requiring remedial action because of raw water deterioration	nr	0	0		6A.32
Zonal population receiving water treated with orthophosphate	000's	3	7547.178		6A.33
Average pumping head – water treatment	m.hd	2	13.74		6A.34
	MWh	3	150994.180		6A.35
Energy consumption - water treatment (MWh)					CA 76
	nr	0	0		6A.36
Energy consumption - water treatment (MWh)	nr Ml/d	0 2	0.00		6A.36 6A.37
Energy consumption - water treatment (MWh)  Total number of water treatment imports					

## Regulatory accounts for the 12 months ended 31 March 2025

# Section 6 Additional regulatory information – water network+

### Pro forma 6B

# Treated water distribution – assets and operations for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

31 March 2025			C	opy cell
Line description	Units	DPs	Input	RAG 4
Assets and operations	]			7575751
Total installed power capacity of potable water pumping stations	kW	0	88358	6B.1
Total volumetric capacity of service reservoirs	MI	1	3538.8	6B.2
Total volumetric capacity of water towers	MI	1	10.6	6B.3
Water delivered (non-potable)  Water delivered (potable)	MI/d MI/d	2	51.38 1546.73	6B.4 6B.5
Nater delivered (billed measured residential properties)	MI/d	2	458.05	6B.6
Vater delivered (billed measured businesses)	Ml/d	2	352.68	6B.7
Proportion of distribution input derived from impounding reservoirs	Propn 0 to 1	3	0.378	6B.8
Proportion of distribution input derived from pumped storage reservoirs  Proportion of distribution input derived from river abstractions	Propn 0 to 1	3	0.000	6B.9 6B.10
Proportion of distribution input derived from groundwater works, excluding managed aquifer	Propn 0 to 1	3	0.573	
echarge (MAR) water supply schemes	Propn 0 to 1	3	0.049	6B.11
roportion of distribution input derived from artificial recharge (AR) water supply schemes	Propn 0 to 1	3	0.000	6B.12
roportion of distribution input derived from aquifer storage and recovery (ASR) water supply chemes	Propn 0 to 1	3	0.000	6B.13
roportion of distribution input derived from saline abstractions	Propn 0 to 1	3	0.000	6B.14
roportion of distribution input derived from water reuse schemes	Propn 0 to 1	3	0.000	6B.15
otal number of potable water pumping stations that pump into and within the treated water	nr	0	540	6B.16
istribution system  lumber of potable water pumping stations delivering treated groundwater into the treated water				
istribution system	nr	0	23	6B.17
lumber of potable water pumping stations delivering surface water into the treated water	nr	0	62	6B.18
istribution system			-	
lumber of potable water pumping stations that re-pump water already within the treated water istribution system	nr	0	455	6B.19
iumber of potable water pumping stations that pump water imported from a 3rd party supply into	nr	0	0	6B.20
ne treated water distribution system				
otal number of service reservoirs  lumber of water towers	nr nr	0	350 4	6B.2
nergy consumption – treated water distribution (MWh)	nr MWh	3	85102.683	6B.23
verage pumping head – treated water distribution (www)	m.hd	2	65.58	6B.2
otal number of treated water distribution imports	nr	0	4	6B.2
Vater imported from 3rd parties to treated water distribution systems	MI/d	2	0.75	6B.2
otal number of treated water distribution exports	nr	0	168	6B.2
Vater exported to 3rd parties from treated water distribution systems	MI/d	2	3.93	6B.28
eak 7 day rolling average distribution input	Ml/d	2	2025.58	6B.29
eak 7 day rolling average distribution input / annual average distribution input	%	2	109.30%	6B.30
Vater balance - company level				
Measured household consumption (excluding supply pipe leakage)	MI/d	0	418.56	6B.3
Inmeasured household consumption (excluding supply pipe leakage)	MI/d	0	5763	6B.3
Measured non-household consumption (excluding supply pipe leakage)	MI/d	0	3510	6B.3
Inmeasured non-household consumption (excluding supply pipe leakage)	MI/d	2	14.95	6B.3
otal annual leakage	MI/d	2	411.15	6B.3
Distribution system operational use	MI/d	2	2.13	6B.36
Vater taken unbilled	MI/d	2	75.19	6B.3
Distribution input	MI/d	2	1850.00	6B.33
Distribution input (pre-MLE)	MI/d	2	1853.24	6B.39
Nater balance - region 1				
Measured household consumption (excluding supply pipe leakage)	MI/d	2		6B.40
Jnmeasured household consumption (excluding supply pipe leakage)	MI/d	2		6B.4
Measured non-household consumption (excluding supply pipe leakage)	MI/d	2		6B.43
Inmeasured non-household consumption (excluding supply pipe leakage)	MI/d MI/d	2		6B.4
otal annual leakage Distribution system operational use	MI/d	2		6B.4
Water taken unbilled	MI/d	2		6B.40
Distribution input	MI/d	2		6B.4
Distribution input (pre-MLE)	MI/d	2		6B.48
Water balance - region 2	]			
Measured household consumption (excluding supply pipe leakage)	MI/d	2		6B.49
Jnmeasured household consumption (excluding supply pipe leakage)	MI/d	2		6B.5
Measured non-household consumption (excluding supply pipe leakage)	MI/d	2		6B.5
Inmeasured non-household consumption (excluding supply pipe leakage)	MI/d	2		6B.5
Total annual leakage	Ml/d	2		6B.5
Distribution system operational use	MI/d	2		6B.5
Water taken unbilled	MI/d	2		6B.5
Distribution input	MI/d	2		6B.5
Distribution input (pre-MLE)	MI/d	2		6B.5
Components of total leakage (post MLE) - company level				
eakage upstream of DMA	Ml/day	2	34.01	6B.5
7 Distribution main losses	Ml/day	2	267.14	6B.5
Customer supply pipe losses – measured households excluding void properties	MI/day	2	39.49	6B.6
Customer supply pipe losses – unmeasured households excluding void properties	MI/day	2	62.74	6B.6
Customer supply pipe losses – measured non-households excluding void properties	MI/day	2	1.18	6B.6
Customer supply pipe losses – unmeasured non-households excluding void properties	MI/day	2	0.63	6B.6
Customer supply pipe losses – void measured households	MI/day	2	2.36	6B.6
Customer supply pipe losses – void unmeasured households Customer supply pipe losses – void measured non-households	Ml/day Ml/day	2	0.70	6B.6
Sustomer supply pipe losses – void measured non-households Customer supply pipe losses – void unmeasured non-households	MI/day MI/day	2	0.70	6B.6
	1 1411/4ay		0.10	0.00
components of total leakage (post MLE) - region 1				
eakage upstream of DMA	Ml/day	2		6B.6
vistribution main losses	MI/day	2		6B.69
Customer supply pipe losses – measured households excluding void properties	MI/day	2		6B.70
Customer supply pipe losses – unmeasured households excluding void properties	MI/day	2		6B.7
Customer supply pipe losses – measured non-households excluding void properties  Customer supply pipe losses – unmeasured non-households excluding void properties	Ml/day Ml/day	2		6B.73
Sustomer supply pipe losses – unmeasured non-nouseholds  Customer supply pipe losses – void measured households	MI/day	2		6B.74
customer supply pipe losses – void measured nousenoids customer supply pipe losses – void unmeasured households	MI/day	2		6B.74
Customer supply pipe losses – void measured non-households	MI/day	2		6B.76
Customer supply pipe losses – void unmeasured non-households	MI/day	2		6B.7
	auy 1			55.7
components of total leakage (post MLE) - region 2	_			
eakage upstream of DMA	MI/day	2		6B.7
Distribution main losses	MI/day	2		6B.7
Customer supply pipe losses – measured households excluding void properties	MI/day	2		6B.8
Customer supply pipe losses – unmeasured households excluding void properties	MI/day	2		6B.8
Customer supply pipe losses – measured non-households excluding void properties	MI/day	2		6B.8
Customer supply pipe losses – unmeasured non-households excluding void properties  Customer supply pipe losses – void measured households	Ml/day Ml/day	2		6B.8
Customer supply pipe losses – void measured nouseholds	MI/day	2		6B.8
Customer supply pipe losses – void minieasured non-households	MI/day	2		6B.80
Casternor adplit bibe 100000 Total measured mon-monseriores	ivii/udy			UD.80

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MI/day

6B.87

208

Customer supply pipe losses – void unmeasured non-households

## Regulatory accounts for the 12 months ended 31 March 2025

# Section 6 Additional regulatory information - water network+

### Pro forma 6C

# Water network+ – Mains communication pipes and other data for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Input	RAG 4 reference
Treated water distribution - mains analysis				
Total length of potable mains as at 31 March	km	1	43200.0	6C.1
Total length of potable mains relined	km	1	0.0	6C.2
Total length of potable mains renewed	km	1	72.9	6C.3
Total length of new potable mains	km	1	80.3	6C.4
Total length of potable water mains (≤320mm)	km	1	39542.2	6C.5
Total length of potable water mains (>320mm and ≤ 450mm)	km	1	1229.2	6C.6
Total length of potable water mains (>450mm and ≤610mm)	km	1	999.7	6C.7
Total length of potable water mains (> 610mm)	km	1	1428.8	6C.8
Treated water distribution - mains age profile				
Total length of potable mains laid or structurally refurbished pre-1880	km	1	880.4	6C.9
Total length of potable mains laid or structurally refurbished between 1881 and 1900	km	1	620.9	6C.10
Total length of potable mains laid or structurally refurbished between 1901 and 1920	km	1	1827.4	6C.11
Total length of potable mains laid or structurally refurbished between 1921 and 1940	km	1	5352.8	6C.12
Total length of potable mains laid or structurally refurbished between 1941 and 1960	km	1	3736.0	6C.13
Total length of potable mains laid or structurally refurbished between 1961 and 1980	km	1	6663.5	6C.14
Total length of potable mains laid or structurally refurbished between 1981 and 2000	km	1	13898.6	6C.15
Total length of potable mains laid or structurally refurbished between 2001 and 2020	km	1	9644.2	6C.16
Total length of potable mains laid or structurally refurbished post during and after 2021	km	1	576.2	6C.17
Communication pipes				
Number of lead communication pipes	nr	0	497873	6C.18
Number of galvanised iron communication pipes	nr	0	750	6C.19
Number of other communication pipes	nr	0	2602947	6C.20
Number of lead communication pipes replaced or relined for water quality	nr	0	3959	6C.21
Other				
Company area	km²	0	15045	6C.22
Compliance Risk Index	nr	2	10.29	6C.23
Event Risk Index	nr	0	6342	6C.24
Properties below reference level at end of year	nr	0	117	6C.25

### Regulatory accounts for the 12 months ended 31 March 2025

# Section 6 Additional regulatory information – water network+

### Pro forma 6D

# Demand management – Metering and leakage activities for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

							RAG 4
Line description	Units	DPs	Basic meter	AMR meter	AMI meter		reference
Metering activities - Totex expenditure	1						
New optant meter installation for existing customers	£m	3	0.000	11.665	0.002		6D.1
New selective meter installation for existing customers	£m	3	0.000	10.273	11.690		6D.2
New business meter installation for existing customers	£m	3	0.000	0.179	0.000		6D.3
Residential meters renewed	£m	3	0.000	3.311	0.753		6D.4
Business meters renewed	£m	3	0.039	2.314	0.009		6D.5
Metering activities - Explanatory variables	1						
New optant meters installed for existing customers	000s	3	0.000	26.681	0.004	Г	6D.6
New selective meters installed for existing customers	000s	3	0.000	46.749	0.177		6D.7
New business meters installed for existing customers	000s	3	0.001	0.435	0.000		6D.8
Residential meters renewed	000s	3	0.001	7.493	1.433		6D.9
Business meters renewed	000s	3	0.030	1.774	0.007		6D.10
Replacement of basic meters with smart meters for residential customers	000s	3		4.780	0.836		6D.11
Replacement of AMR meter with AMI meters for residential customers	000s	3			0.552		6D.12
Replacement of basic meters with smart meters for business customers	000s	3		0.025	0.000		6D.13
Replacement of AMR meter with AMI meters for business customers	000s	3			0.007		6D.14
New residential meters installed for existing customers – supply-demand balance benefit	MI/d	2	0.00	2.23	0.01		6D.15
New business meters installed for existing customers – supply-demand balance benefit	MI/d	2	0.00	0.00	0.00		6D.16
Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	MI/d	2		0.00	0.02		6D.17
Replacement of AMR meter with AMI meter for residential customers- supply-demand balance benefit	MI/d	2			0.01		6D.18
Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	MI/d	2		0.00	0.00		6D.19
Replacement of AMR meter with AMI meter for business customers- supply-demand balance benefit	MI/d	2			0.00		6D.20
Residential properties - meter penetration	%	1	19.0	31.9	0.1		6D.21
			Maintaining	Reducing			
Leakage activities	Units	DPs	leakage	leakage	Total	_	
Total leakage activity	£m	3	116.767	9.997	126.763	L	6D.22
Leakage improvements delivering benefits in 2020-25	MI/d	2			-2.51		6D.23
Per capita consumption (excluding supply pipe leakage)	1						
Per capita consumption (measured)	l/h/d	2	107.23				6D.24
Per capita consumption (unmeasured)	l/h/d	2	141.28				6D.25
	•						

# Section 6 Additional regulatory information – water network+

## Pro forma 6F

WRMP annual reporting on delivery – non-leakage activities

Keys to cells
Input cell
Calculation cell
Copy cell

		Capital expenditure									Ope	costs				Benefits					С	only				
Line Description	Classification	Delivery year (in use)	2020-21	2021-22	2022-23	2023-24	2024-25	After 2024-25	2020-21	2021-22	2022-23	2023-24	2024-25	After 2024-25	2020-21	2021-22	2022-23	2023-24	2024-25	After 2024-25	Length	Diameter	Pipe material	Pumping capacity installed	Storage capacity installed	
Units	Text	Year	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	MI/d	MI/d	MI/d	MI/d	MI/d	MI/d	km	mm	Text	kW	m3	RAG 4
DPs	0	0	3	3	3	3	3	3	3	3	3	3	3	3	2	2	2	2	2	2	1	1	0	0	3	reference
Activity																										
West Cumbria Future Strategy	Demand-side improvements delivering benefits in 2020-25 (excl leakage and metering)	2022-23	13.972	31.090	26.522	0.620	3.349	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0	0	0.000	6F.1
Southport DMZ	Demand-side improvements delivering benefits in 2020-25 (excl leakage and metering)	2020-21	2.531	1.472	0.108	0.006	-0.010	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0	0	0.000	6F.2
Springfield Bickerstaffe AMP7 works	Demand-side improvements delivering benefits in 2020-25 (excl leakage and metering)	N/A	0.546	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0	0	0.000	6F.3
Alston Spade Mill Transfer Pipeline	Demand-side improvements delivering benefits in 2020-25 (excl leakage and metering)	2022-23	1.408	13.313	1.934	0.668	-0.055	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	12.00	12.00	12.00	12.00	9.7	630.0	PE	0	0.000	6F.4
South Egremont groundwater S&D 6.4MI	Demand-side improvements delivering benefits in 2020-25 (excl leakage and metering)	2019-20	0.007	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0	0	0.000	6F.5
Southport DMZ WTW(RoyalOakWTW & PS)	Supply-side improvements delivering benefits in 2020-25	2020-21	0.000	0.000	-0.017	0.012	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0	0	0.000	6F.6
Woodford BH to Hazel Grove Resilience	Supply-side improvements delivering benefits in 2020-25	N/A	0.005	0.050	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0	0	0.000	6F.7
Williamsgate WTW - Sludge Treatment	Supply-side improvements delivering benefits in 2020-25	2022-23	4.150	3.860	1.036	0.010	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0	0	0.000	6F.8
West to East Link Main and 150 Project	Internal interconnectors delivering benefits in 2020-25	2024-25	0.685	0.011	2.140	5.424	1.067	0.238	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	14.50	27.26	29.00	0.0	0.0	0	0	0.000	6F.9
Water Efficiency Opex	Demand-side improvements delivering benefits in 2020-25 (excl leakage and metering)	N/A	0.000	0.000	0.000	0.000	0.000	0.000	0.228	0.204	0.133	0.000	0.000	0.000	0.49	0.51	0.48	0.37	0.28	0.21	0.0	0.0	0	0	0.000	6F.10
Total			23.305	49.798	31.724	6.741	4.352	0.238	0.228	0.204	0.133	0.000	0.000	0.000	0.49	0.51	12.48	26.87	39.54	41.21	9.7			0	0.000	6F.51

Regulatory accounts for the 12 months ended 31 March 2025

# Section 7 Additional regulatory information – wastewater network+

### Pro forma 7A

# Wastewater network+ – Functional expenditure for the 12 months ended 31 March 2025



Line description	Units	DPs	£'000	RAG 4 reference
Costs of STWs in size bands 1 to 5				
Direct costs of STWs in size band 1	000s	3	11,678.697	7A.1
Direct costs of STWs in size band 2	000s	3	4,798.882	7A.2
Direct costs of STWs in size band 3	000s	3	8,522.814	7A.3
Direct costs of STWs in size band 4	000s	3	11,401.250	7A.4
Direct costs of STWs in size band 5	000s	3	11,862.835	7A.5
General & support costs of STWs in size bands 1 to 5	000s	3	4,726.906	7A.6
Functional expenditure of STWs in size bands 1 to 5 (excluding 3rd party services)	000s	3	52,991.384	7A.7
Costs of large STWs (size band 6)				
Service charges for STWs in size band 6	000s	3	3,625.383	7A.8
Estimated terminal pumping costs size band 6 works	000s	3	7,205.631	7A.9
Other direct costs of STWs in size band 6	000s	3	112,733.895	7A.10
Direct costs of STWs in size band 6	000s	3	123,564.909	7A.11
General & support costs of STWs in size band 6	000s	3	9,214.071	7A.12
Functional expenditure of STWs in size band 6 (excluding 3rd party services)	000s	3	132,778.980	7A.13
Costs of STWs - all sizes				
Total operating functional expenditure (excluding 3rd party services)	000s	3	185,770.364	7A.14

Regulatory accounts for the 12 months ended 31 March 2025

# Section 7 Additional regulatory information – wastewater network+

### Pro forma 7B

Wastewater network+ – Large sewage treatment works for the 12 months ended 31 March 2025

■ Table is provided within the APR tables file at: unitedutilities.com/globalassets/documents/pdf/apr-tables-2025

# Section 7 Additional regulatory information – wastewater network+

### Pro forma 7C

Wastewater network+ - Sewer and volume data for the 12 months ended 31 March 2025

Keys to cells Input cell Calculation cell Copy cell

Line description	Units	DPs	Input	RAG 4 reference
·		DIS	iliput	Totoletice
Wastewater network (as at 31 March)				
Connectable properties served by s101A schemes completed in the report year	nr	0	0	7C.1
Number of s101A schemes delivered in the report year	nr	0	0	7C.2
Total pumping station capacity	kW	0	106,350	7C.3
Number of network pumping stations	nr	0	2,794	7C.4
Total number of sewer blockages	nr	0	17,819	7C.5
Total number of gravity sewer collapses	nr	0	967	7C.6
Total number of sewer rising main bursts	nr	0	58	7C.7
Number of combined sewer overflows	nr	0	2,077	7C.8
Number of emergency overflows - sewage pumping stations	nr	0	649	7C.9
Number of settled storm overflows	nr	0	191	7C.10
Sewer age profile (constructed post 2001)	km	0	1,765	7C.11
Volume of trade effluent	Ml/yr	2	43,461.67	7C.12
Volume of wastewater receiving treatment at sewage treatment works	Ml/yr	2	1,313,750.37	7C.13
Length of gravity sewers rehabilitated	km	0	14	7C.14
Length of rising mains replaced or structurally refurbished	km	0	0	7C.15
Length of foul (only) public sewers	km	0	7,430	7C.16
Length of surface water (only) public sewers	km	0	10,829	7C.17
Length of combined public sewers	km	0	22,829	7C.18
Length of rising mains	km	0	1,191	7C.19
Length of other wastewater network pipework	km	0	447	7C.20
Total length of "legacy" public sewers as at 31 March	km	0	42,726	7C.21
Length of formerly private sewers and lateral drains (s105A sewers)	km	0	36,565	7C.22
Storm overflows - additional reporting (as at 1 January)				
Number of combined sewer overflows (as at 1 January)	nr	0	2,018	7C.23
Number of settled storm overflows (as at 1 January)	nr	0	192	7C.24
Number of storm overflows - other (as at 1 January)	nr	0	54	7C.25
Number of storm overflows - pending investigation (as at 1 January)	nr	0	0	7C.26
Number of permitted storm overflows closed in the previous reporting year (as at 1 January)	nr	0	1	7C.27
Number of storm overflows - consistent with PR24 performance commitment definition	nr	0	2,265	7C.28
Number of storm overflows closed in the previous reporting year - (as at 1 January)	nr	0	2	7C.29
Number of storm overflows with event duration monitors installed (as at 1 January)	nr	0	2,264	7C.30
Proportion of the time that event duration monitors on storm overflows were operational (from 1 January to 31 December)	%	2	95.10%	7C.31
Number of spills from storm overflows (from 1 January to 31 December)	nr	0	77,187	7C.32
Emergency overflows - additional reporting (as at 1 January)				
Number of emergency overflows - sewage pumping stations (as at 1 January)	nr	0	645	7C.33
Number of emergency overflows - network (as at 1 January)	nr	0	2	7C.34
Number of emergency overflows - other (as at 1 January)	nr	0	0	7C.35
Number of emergency overflows - all (as at 1 January)	nr	0	647	7C.36
Number of emergency overflows with event duration monitors installed (as at 1 January)	nr	0	21	7C.37
Number of emergency overflows with an MCERTS certified event duration monitors installed (as at 1 January)	nr	0	0	7C.38
Proportion of the time that event duration monitors on emergency overflows were operational (from 1 January to 31 December)	%	2	99.47%	7C.39
Number of spills from emergency overflows (from 1 January to 31 December)	nr	0	397	7C.40

# Section 7 Additional regulatory information – wastewater network+

### Pro forma 7D

Wastewater network+ – Sewage treatment works data for the 12 months ended 31 March 2025

Keys to cells

culation cell

	Treatment categories											Treatment works consents																
	4				a dam:	Treatment																						
	4	1			ondary		Tert	uary		+	1		Phosphorus				.=.	1	פטי						nonia			PAC 1
Line description	Units	DPs	Primary	Activated Sludge	Biological	A1	A2	B1	B2	Total	<=0.5mg/l	>0.5 to <=1mg/l	>1mg/l	No permit	Total	<=7mg/l	>7 to <=10mg/l	>10 to <=20mg/l	>20mg/l	No permit	Total	<=1mg/l	>1 to <=3mg/l	>3 to <=10mg/l	>10mg/l	No permit	Total	RAG 4 reference
Load received at sewage treatment works																												
Load received by STWs in size band 1	kg BOD₅/day	0	344	329	1,292	43	82	123	69	2,283	12	18	136	2,117	2,283	0	0	55	1,110	1,118	2,283	0	8	83	331	1,861	2,283	7D.1
Load received by STWs in size band 2	kg BOD₅/day	0	18	216	1,021	0	0	139	53	1,446	29	52	97	1,267	1,446	0	0	71	1,279	96	1,446	0	0	221	281	944	1,446	7D.2
Load received by STWs in size band 3	kg BOD₅/day	0	0	462	2,241	0	321	519	766	4,309	304	422	310	3,274	4,309	81	113	201	3,914	0	4,309	0	206	975	651	2,476	4,309	7D.3
Load received by STWs in size band 4	kg BOD₅/day	0	0	1,265	4,759	424	2,517	1,773	5,760	16,497	6,139	1,442	1,723	7,194	16,497	365	1,120	3,059	11,953	0	16,497	1,384	3,033	2,788	3,287	6,006	16,497	7D.4
Load received by STWs in size band 5	kg BOD₅/day	0	0	1,789	1,516	0	3,976	1,354	21,221	29,856	14,139	3,628	4,113	7,976	29,856	1,875	6,315	6,840	14,120	707	29,856	4,038	6,466	11,457	6,105	1,789	29,856	7D.5
Load received by STWs above size band 5	kg BOD₅/day	0	0	131,008	19,196	20,382	235,438	1,656	93,846	501,526	67,115	106,698	34,662	293,051	501,526	32,705	74,240	191,363	203,217	0	501,526	115,761	148,321	111,204	24,983	101,258	501,526	7D.6
Total load received	kg BOD₅/day	0	362	135,069	30,025	20,849	242,334	5,563	121,715	555,917	87,738	112,260	41,040	314,879	555,917	35,027	81,788	201,589	235,593	1,921	555,917	121,183	158,035	126,728	35,637	114,334	555,917	7D.7
Load received from trade effluent customers at treatment works	kg BOD₅/day	0								79,600			1		1		1											7D.8
Number of sewage treatment works	1																											
STWs in size band 1	nr	0	92	31	175	4	3	12	4	321	1_1_	2	7	311	321	0	0	7	86	228	321	0	1	8	27	285	321	7D.9
STWs in size band 2	nr	0	1	8	40	0	0	5	2	56	1	2	4	49	56	0	0	3	48	5	56	0	0	8	11	37	56	7D.10
STWs in size band 3	nr	0	0	8	34	0	3	9	9	63	3	5	6	49	63	1	3	2	57	0	63	0	4	13	11	35	63	7D.11
STWs in size band 4	nr	0	0	3	15	2	7	5	17	49	16	5	7	21	49	1	4	10	34	0	49	3	11	10	8	17	49	7D.12
STWs in size band 5	nr	0	0	2	1	0	4	1	21	29	14	3	4	8	29	2	7	7	12	1	29	4	7	11	5	2	29	7D.13
STWs above size band 5	nr	0	0	13	4	5	26	1	16	65	15	14	8	28	65	2	14	20	29	0	65	8	22	18	6	11	65	7D.14
Total number of works	nr	0	93	65	269	11	43	33	69	583	50	31	36	466	583	6	28	49	266	234	583	15	45	68	68	387	583	7D.15
Population equivalent																												
Current population equivalent served by STWs	000s	3	9,030.900								1						<u> </u>											7D.16
Current population equivalent served by STWs with tightened/new P consents	000s	3	1,869.072									1					4											7D.17
Current population equivalent served by STWs with tightened/new N consents	000s	3	0.000									4																7D.18
Current population equivalent served by STWs with tightened/new sanitary parameter consents	000s	3	1,682.564								1																	7D.19
Current population equivalent served by STWs with tightened/new microbiological treatment consents (for example UV, ozone etc)	000s	3	0.000								1																	7D.20
Population equivalent treatment capacity enhancement	000s	3	73,380.000								1						4											7D.21
Current population equivalent served by STWs with tightened/new consents for chemicals or other hazardous substances.	000s	3	0.000								1																	7D.22

Annual Performance Report 2024/25

# Section 7 Additional regulatory information – wastewater network+

### Pro forma 7E

Wastewater network+ – Other data including energy consumption and scheme delivery for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Input	RAG 4 reference
Other				
Total sewerage catchment area	km²	0	2,157	7E.1
Designated bathing waters (inland and coastal)	nr	0	25	7E.2
Number of intermittent discharge event duration monitoring	nr	0	41	7E.3
Number of monitors for flow monitoring at STWs	nr	0	43	7E.4
Number of odour related complaints	nr	0	965	7E.5
Energy consumption	1			
Energy consumption - sewage collection	MWh	3	48,325.557	7E.6
Energy consumption - sewage treatment	MWh	3	459,010.182	7E.7
Energy consumption - wastewater network +	MWh	3	507,335.739	7E.8
Scheme delivery				
Cumulative shortfall in FFT addressed by WINEP / NEP schemes to increase STW capacity	l/s	3	0.000	7E.9
Number of sites with an increase in sewage treatment works capacity delivered to address a shortfall in FFT	nr	0	0	7E.10
Additional storm tank capacity provided at sewage treatment works (grey infrastructure)	m³	3	1,051.000	7E.11
Additional effective storm storage capacity at sewage treatment works (green infrastructure)	m³	3	0.000	7E.12
Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m³	3	35,476.000	7E.13
Additional effective storage in the network delivered through green infrastructure	m³	3	0.000	7E.14
Total number of sewage treatment works sites where additional storage has been delivered (grey infrastructure)	nr	0	1	7E.15
Number of sewage treatment works sites where additional storage has been delivered with pumping (grey infrastructure)	nr	0	0	7E.16
Number of sewage treatment works benefitting from green infrastructure replacing the need for storm tank storage	nr	0	0	7E.17
Number of sites delivering additional network storage (grey infrastructure)	nr	0	14	7E.18
Number of sites delivering additional network storage including pumping (grey infrastructure)	nr	0	14	7E.19
Number of sites delivering additional network storage through green infrastructure	nr	0	0	7E.20
Surface water separation drainage area removed	m²	0	97,716	7E.21
Number of schemes delivered to meet tightened or new sanitary consents	nr	0	9	7E.22
Number of installations requiring civils for flow monitoring at sewage treatment works	nr	0	20	7E.23
Number of installations requiring civils for event duration monitoring at intermittent discharges	nr	0	10	7E.24
Number of storm overflows where improvements have been made to reduce harm or reduce spill frequencies	nr	0	26	7E.25

Regulatory accounts for the 12 months ended 31 March 2025

## Section 7 Additional regulatory information – wastewater network+

### Pro forma 7F

Wastewater network+ – WINEP phosphorus removal scheme costs and cost drivers for the 12 months ended 31 March 2025

Table is provided within the APR tables file at: unitedutilities.com/globalassets/documents/pdf/apr-tables-2025

### Regulatory accounts for the 12 months ended 31 March 2025

# Section 8 Additional regulatory information – wastewater network+

### Pro forma 8A

## Bioresources sludge data for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Total	RAG 4 reference
Total sewage sludge produced, treated by incumbents	ttds/ year	1	195.6	8A.1
Total sewage sludge produced, treated by 3rd party sludge service provider	ttds/ year	1	10.4	8A.2
Total sewage sludge produced	ttds/ year	1	206.0	8A.3
Total sewage sludge produced from non-appointed liquid waste treatment	ttds/ year	1	2.1	8A.4
Percentage of sludge produced and treated at a site of STW and STC co-location	%	2	29.10	8A.5
Total sewage sludge disposed by incumbents	ttds/ year	1	86.1	8A.6
Total sewage sludge disposed by 3rd party sludge service provider	ttds/ year	1	22.3	8A.7
Total sewage sludge disposed	ttds/ year	1	108.4	8A.8
Total measure of intersiting 'work' done by pipeline	ttds*km/year	0	1,498	8A.9
Total measure of intersiting 'work' done by tanker	ttds*km/year	0	1,916	8A.10
Total measure of intersiting 'work' done by truck	ttds*km/year	0	4,851	8A.11
Total measure of intersiting 'work' done (all forms of transportation)	ttds*km/year	0	8,265	8A.12
Total measure of intersiting 'work' done by tanker (by volume transported)	m³*km/yr	0	64,256,053	8A.13
Total measure of 'work' done in sludge disposal operations by pipeline	ttds*km/year	0	0	8A.14
Total measure of 'work' done in sludge disposal operations by tanker	ttds*km/year	0	0	8A.15
Total measure of 'work' done in sludge disposal operations by truck	ttds*km/year	0	18,364	8A.16
Total measure of 'work' done in sludge disposal operations (all forms of transportation)	ttds*km/year	0	18,364	8A.17
Total measure of 'work' done by tanker in sludge disposal operations (by volume transported)	m³*km/yr	0	0	8A.18
Chemical P sludge as % of sludge produced at STWs	%	2	43.07	8A.19

# Section 8 Additional regulatory information – wastewater network+

### Pro forma 8B

### Bioresources operating expenditure analysis for the 12 months ended 31 March 2025

Keys to cells						
Input cell						
Calculation cell						
Copy cell						

Line description	Units	DPs	Pipeline	Tanker	Truck	Total					RAG 4 reference
Sludge transport method	1										
Power	£m	3	0.025	0.000	0.000	0.025					8B.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000					8B.2
Discharge consents	£m	3	0.000	0.000	0.000	0.000					8B.3
Bulk discharge	£m	3	0.000	0.000	0.000	0.000					8B.4
	1						l				
Other operating expenditure		1		1	1		ı				
Renewals expensed in year (Infrastructure)	£m	3	0.306	0.000	0.000	0.306					8B.5
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000					8B.6
Other operating expenditure excluding renewals	£m	3	0.125	12.296	4.183	16.604					8B.7
Total functional expenditure	£m	3	0.456	12.296	4.183	16.935					8B.8
Local authority and Cumulo rates	£m	3	0.001	0.097	0.032	0.130					8B.9
Total operating expenditure (excluding 3rd party)	£m	3	0.457	12.393	4.215	17.065					8B.10
Line description	Units	DPs	Untreated Sludge	Raw Sludge liming	Conventional AD	Incineration of raw sludge	Photo- conditioning/ composting	Advanced Anaerobic Digestion	Other	Total	
Sludge treatment type											
Power	£m	3	0.000	0.205	-4.551	0.000	0.000	-6.065	0.125	-10.285	8B.11
Income treated as negative expenditure	£m	3	0.000	0.000	-1.772	0.000	0.000	-10.129	0.000	-11.900	8B.12
Discharge consents	£m	3	0.000	0.000	0.082	0.000	0.000	0.128	0.022	0.232	8B.13
Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.14
	1		'		•						
Other operating expenditure	0	-	0.000	0.000	0.000	0.000	0.000	0.000	4764	4.704	00.45
Renewals expensed in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	1.764	1.764	8B.15
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.16
Other operating expenditure excluding renewals	£m	3	0.000	2.792	17.300	0.000	0.000	43.814	7.610	71.517	8B.17
Total functional expenditure	£m	3	0.000	2.998	11.059	0.000	0.000	27.748	9.521	51.327	8B.18
Local authority and Cumulo rates	£m	3	0.000	0.160	3.025	0.000	0.000	3.477	0.248	6.910	8B.19
Total operating expenditure (excluding 3rd party)	£m	3	0.000	3.157	14.084	0.000	0.000	31.225	9.769	58.236	8B.20
Line description	Units	DPs	Landfill, raw	Landfill, partly treated	Land restoration/ reclamation	Sludge recycled to farmland	Incineration of digested Sludge	Other	Total		
Sludge disposal route	1										
Power	£m	3	0.000	0.000	0.008	0.026	0.000	0.001	0.036	]	8B.21
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000		8B.22
Discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000		8B.23
Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000		8B.24
Other constitution and discuss	1	,	•	,		·				•	
Other operating expenditure  Renewals expensed in year (Infrastructure)	C	7	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1	0P 05
, , ,	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000		8B.25
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000		8B.26
Other operating expenditure excluding renewals	£m	3	0.000	0.000	2.923	9.119	0.000	0.223	12.265		8B.27
Total functional expenditure	£m	3	0.000	0.000	2.932	9.146	0.000	0.223	12.301		8B.28
Local authority and Cumulo rates	£m	3	0.000	0.000	0.000	0.000	0.842	0.000	0.842		8B.29
Total operating expenditure (excluding 3rd party)	£m	3	0.000	0.000	2.932	9.146	0.842	0.223	13.143	J	8B.30

# Section 8 Additional regulatory information – wastewater network+

## Pro forma 8C

Bioresources energy and liquors analysis for the 12 months ended 31 March 2025

Input cell
Calculation cell
Copy cell

			Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total	
Physical Control of the Control of t	11.2.	DD:	MWh (0	MWh (0	MWh (0	MWh (0	0 (7.DD.)	0 (7 DD.)	0 (7 DD.)	0 · · (7 DD·)	RAG 4
Line description	Units	DPs	DPs)	DPs)	DPs)	DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)	reference
Energy											
Energy consumption - bioresources	SE Column Headings	SE Column Headings	46,615	122,984	5,916	216,216	10.114	10.796	0.386	21.296	8C.1
Energy generated by and used in bioresources control	SE Column Headings	SE Column Headings	31,906	103,350	0	135,256	6.957	9.356	0.000	16.313	8C.2
Energy generated by bioresources and used in network plus control	SE Column Headings	SE Column Headings	66,617	0	0	66,617	14.822	0.000	0.000	14.822	8C.3
Energy generated by bioresources and exported to the grid or third party	SE Column Headings	SE Column Headings	6,801	0	52,357	59,158	0.472	0.000	1.799	2.271	8C.4
Energy generated by bioresources that is unused	SE Column Headings	SE Column Headings	0	41,062	0	41,062					8C.5
Energy bought from grid or third party and used in bioresources control	SE Column Headings	SE Column Headings	14,709	19,633	5,916	40,259	3.157	1.440	0.386	4.983	8C.6
Income from renewable energy subsidies	Unit	DPs	Value	]							
Income claimed from Renewable Energy Certificates (ROCs)	£m	3	-5.808								8C.7
Income claimed from Renewable Heat Incentives (RHIs)	£m	3	-4.060								8C.8
Income claimed from Green Gas Certs (RGGO's)	£m	3	0.238								8C.9
Income claimed from [other renewable energy subsidy (2)]	£m	3	0.000								8C.10
Income claimed from [other renewable energy subsidy (3)]	£m	3	0.000								8C.11
Total income claimed from renewable energy subsidies	£m	3	-9.629								8C.12
% of total number of renewable energy subsidies due to expire in the next 2 financial years	%	0	0%								8C.13
This year's value of renewable energy subsidies due to expire in the next 2 financial years	£m	3	0.000								8C.14
Note: Companies to input specific subsidy which is being referenced in lines 8C.8 - 8C.10.	]										
Bioresources liquors treated by network plus (shadow reported)	Unit	DPs	Value	]							
BOD load of liquor or partially treated liquor returned from bioresources to network plus	kg/d	0	23,568								8C.15
Ammonia load of liquor or partially treated liquor returned from bioresources to network plus	kg Amm-N/d	0	11,102								8C.16
Recharge to Bioresources by network plus for costs of handling and treating bioresources liquors	£m	3	14.237								8C.17
			Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total	
	Units	DPs	MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)	
Energy (AMP 7 shadow reported values)	1										
Energy consumption - bioresources	SE Column Headings	SE Column Headings	46,615	122,984	5,916	216,216	10.114	10.796	0.386	21.296	8C.18
Energy generated by and used in bioresources control	SE Column Headings		31,906	103,350	0	135,256	6.957	9.356	0.000	16.313	8C.19
Energy generated by bioresources and used in network plus control	SE Column Headings	SE Column Headings	66,617	0	0	66,617	14.822	0.000	0.000	14.822	8C.20
Energy generated by bioresources and exported to the grid or third party	SE Column Headings	SE Column Headings	6,801	0	52,357	59,158	0.472	0.000	1.799	2.271	8C.21
Energy generated by bioresources that is unused	SE Column Headings	SE Column Headings	0	41,062	0	41,062					8C.22
Energy bought from grid or third party and used in bioresources control	SE Column Headings	SE Column Headings	14,709	19,633	5,916	40,259	3.157	1.440	0.386	4.983	8C.23
	%	]									
Percentage of bioresources energy consumption that is metered	62.220%										8C.24

# Section 8 Additional regulatory information - wastewater network+

### Pro forma 8D

Bioresources sludge treatment and disposal data for the 12 months ended 31 March 2025

Keys to cells						
Input cell						
Calculation cell						
Copy cell						

Line description	Units	DPs	By incumbent	By 3rd party sludge service providers	RAG 4 reference
Sludge treatment process					
% Sludge - untreated	%	1	8.5%	0.0%	8D.1
% Sludge treatment process - raw sludge liming	%	1	4.8%	2.9%	8D.2
% Sludge treatment process - conventional AD	%	1	20.5%	0.1%	8D.3
% Sludge treatment process - advanced AD	%	1	61.2%	2.1%	8D.4
% Sludge treatment process - incineration of raw sludge	%	1	0.0%	0.0%	8D.5
% Sludge treatment process - other (specify)	%	1	0.0%	0.0%	8D.6
% Sludge treatment process - Total	%	1	94.9%	5.1%	8D.7
(Un-incinerated) sludge disposal and recycling route					
% Sludge disposal route - landfill, raw	%	1	0.0%	0.0%	8D.8
% Sludge disposal route - landfill, partly treated	%	1	0.0%	0.0%	8D.9
% Sludge disposal route - land restoration/ reclamation	%	1	0.0%	0.0%	8D.10
% Sludge disposal route - sludge recycled to farmland	%	1	82.1%	16.6%	8D.11
% Sludge disposal route - other (specify)	%	1	0.0%	1.3%	8D.12
% Sludge disposal route - Total	%	1	82.1%	17.9%	8D.13

Units

£m

£m

£m

DPs

3

3

3

3

3

Current year

7.462

0.080

0.080

0.467

6.005

0.000

# **Section 9 Additional regulatory information**

### Pro forma 9A

Line description

price control revenue

innovation competition

Allowed

customers

leading on

innovation fund

innovation funding) Administration

### Innovation competition

Allocated innovation competition fund

Revenue collected for the purposes of the

Allowed innovation fund income from

Collected income from customers to fund innovation projects the company is

Income from customers as part of the

projects the company is leading on Income from customers that is transferred to other companies (via the

 $\ensuremath{\mathsf{MOSL}}$  arrangements) as part of the

Non-price control revenue (e.g. royalties, assets sold that were purchased using

inflation top-up mechanism Income awarded to fund innovation Keys to cells Input cell Calculation cell Copy cell

> RAG 4 reference

> > 9A.1

9A.2
9A.3
9A.4
9A.5
9A.6
9A.7

		ĭ		1											
Administration charge for innovation partner	£m	3	0.326												9A.8
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Line description	Total amount of funding awarded to the lead company through the innovation fund	Total amount of inflation top-up funding received	Forecast expenditure on innovation fund projects in year (excl 10% partnership contribution)	Actual expenditure on innovation fund projects in year (excl 10% partnership contribution)	Difference between actual and forecast expenditure	Forecast project lifecycle expenditure on innovation fund projects (excl 10% partnership contribution)	Cumulative actual expenditure on innovation fund projects (excl 10% partnership contribution)	Difference between actual and forecast expenditure	Allowed future expenditure on innovation fund projects (excl 10% partnership contribution)	In year expenditure on innovation projects funded by shareholders of the lead water company	In year expenditure on innovation projects funded by project partner contributions	Cumulative expenditure on innovation projects funded by shareholders of the lead water company	Cumulative expenditure on innovation projects funded by project partner contributions	Total remaining funds (unspent) for completed projects	
Units	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
DPs	3	3	3	3	3	3	3	3	3	3	3	3	3	3	
Innovation project 1 - IWC Round 1 - Sewer AI (WRC)	0.189	0.000	0.000	0.000	0.000	0.189	0.189	0.000	0.000	0.000	0.000	0.021	0.000	0.000	9A.9
Innovation project 2 - IWC Round 1 - Industrial Symbiosis	0.200	0.000	0.000	0.000	0.000	0.200	0.200	0.000	0.000	0.000	0.000	0.022	0.000	0.000	9A.10
Innovation project 3 - WBC Round 2 - Alternative Phosphorous (Natural Cooagulants)	3.226	0.389	0.404	0.404	0.000	3.226	3.226	0.000	0.000	0.000	0.000	0.112	0.203	0.000	9A.11
Innovation project 4 - WBC Round 2 - Catchment Systems Thinking Cooperative	7.523	1.128	0.981	0.970	-0.011	7.523	7.512	-0.011	0.011	0.000	0.034	0.040	0.699	n/a	9A.12
Innovation project 5 - WBC Round 3 - Biopolymers in Circular Economy	6.149	0.000	2.414	1.460	-0.954	6.149	2.807	-3.342	3.342	0.000	0.103	0.370	0.287	n/a	9A.13
Innovation project 6 - WBC Round 3 - Mainstreaming Nature Based Solutions	8.028	0.000	0.829	0.332	-0.498	8.028	2.815	-5.213	5.213	0.000	0.000	0.150	0.338	n/a	9A.14
Innovation project 7 - WBC Round 3 - Water Industry Printfrastructure	1.544	0.000	0.891	0.733	-0.158	1.544	1.385	-0.158	0.158	0.000	0.008	0.091	0.080	n/a	9A.15
Innovation project 8					0.000			0.000							9A.16
Innovation project 9					0.000			0.000							9A.17
Innovation project 10					0.000			0.000							9A.18
Innovation project 11					0.000			0.000							9A.19
Innovation project 12					0.000			0.000							9A.20
Innovation project 13					0.000			0.000							9A.21
Innovation project 14					0.000			0.000							9A.22
Innovation project 15					0.000			0.000							9A.23
Total	26.859	1.517	5.519	3.898	-1.621	26.859	18.135	-8.724	8.724	0.000	0.145	0.807	1.607	0.000	9A.24

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### Regulatory accounts for the 12 months ended 31 March 2025

## **Section 9 Additional regulatory information**

### **Innovation Competition Fund**

UUW has won seven lead bids since the innovation competition fund was launched, with the breakdown of spend shown below, which is in line with bid documentation agreed:

		Total project value	Amount awarded from fund – Table 9A, column 1	Amount contributed by partner shareholders	Spend to date (excl. 10% partnership) – Table 9A, column 7
Innovation round	Lead projects	£m	£m	£m	£m
Innovation in Water	Al and Sewer Defect Analysis	0.210	0.189	0.021	0.189
Challenge	Industrial Symbiosis	0.222	0.200	0.022	0.200
Water Breakthrough Challenge 1	Alternative approaches to phosphorus removal on rural wastewater treatment works	3.480	3.165	0.315	3.226
	Catchment Systems Thinking Cooperative	8.263	7.523	0.739	7.512
Water Breakthrough Challenge 3	Water Industry Print Infrastructure	1.715	1.544	0.172	1.385
	Biopolymers in the Circular Economy	6.833	6.149	0.683	2.807
	Mainstreaming Nature based Solutions	8.928	8.028	0.900	2.815

Note that 'Income from customers as part of the inflation top-up mechanism' is £0.547m for 2024/25 as part of Water Breakthrough Challenge 1.

In accordance with the information notice 'IN 22/01 Expectations for monopoly company annual performance reporting 2021-22', actual costs incurred on innovation projects are reported within totex in Tables 4D and 4E, and also within enhancement tables 4L and 4M. The provision recognised in the statutory accounts is reversed in the regulatory accounts, and intra-company transfers facilitated by MOSL and the administration charge are reclassified to other income, as outlined in the differences between statutory and RAG definitions on page 140.

Innovation costs are classified as totex not subject to cost sharing within table 4C (as per RAG 4.13), and therefore excluded from the totex cost sharing mechanism, as funded directly through customer revenues. Consequently, this results in a reported company totex overspend of £4.229m in 2024/25, which is then excluded from totex performance within financial flows in Table 1F.

In 2024/25, we have reported £7.462m in appointed revenue (1A.1) and cash (1C.11), with a cumulative total of £33.653m of revenue collected from our customers over AMP7, for the purpose of innovation fund projects. There have been six competition rounds as at 31 March 2025, resulting in £22.228m payments into the innovation fund via MOSL (equating to 14.69% of each awarded round which we are required to transfer). We have been awarded funding in the Water Breakthrough Challenge 5 – Catalyst and Transform will be required to pay 14.69% of the awarded funding from revenue collected (which is expected to be £6.4m).

Breakdown of the cash balance in respect of the innovation competition fund:

£m
33.6
26.8
2.4
(22.2)
(20.0)
(1.3)
19.3

# Section 10 Additional regulatory information – green recovery

### Pro forma 10A

# Green recovery data capture additional items for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Main table

reference

6C.21

### Section 1: Water resources and water network+

### occion ii vvator roocarooc ana water network

Other	Unit	DP	Input
Total length of new potable mains	km	1	n/a
Number of lead communication pipes replaced for water quality	nr	0	n/a

10A.1	6C.4

RAG 4

reference

10A.2

### From Table 6D

From Table 6C

From Table 6D						i	
	Units	DP	Basic meter	AMR meter	AMI meter		
Metering activities - Totex expenditure							
New selective meter installation for existing customers	£m	3			n/a	10A.3	6
New business meter installation for existing customers	£m	3			n/a	10A.4	(
Residential meters renewed	£m	3			n/a	10A.5	
Business meters renewed	£m	3			n/a	10A.6	(
Metering activities - Explanatory variables	Units	DP	]				
New selective meters installed for existing customers	000s	3			n/a	10A.7	
New business meters installed for existing customers	000s	3			n/a	10A.8	(
Residential meters renewed	000s	3			n/a	10A.9	(
Business meters renewed	000s	3			n/a	10A.10	6
Replacement of basic meters with smart meters for residential customers	000s	3		n/a	n/a	10A.11	6
Replacement of AMR meter with AMI meters for residential customers	000s	3			n/a	10A.12	6
Replacement of basic meters with smart meters for business customers	000s	3		n/a	n/a	10A.13	6
Replacement of AMR meter with AMI meters for business customers	000s	3			n/a	10A.14	6
New residential meters installated for existing customers – supply-demand balance benefit	MI/d	2			n/a	10A.15	6
New business meters installed for existing customers – supply- demand balance benefit	MI/d	2			n/a	10A.16	6
Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	MI/d	2		n/a	n/a	10A.17	6
Replacement of AMR meter with AMI meter for residential customers– supply-demand balance benefit	MI/d	2			n/a	10A.18	6
Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	MI/d	2		n/a	n/a	10A.19	6
Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit	MI/d	2			n/a	10A.20	6
Leakage activities	Units	DP	1				
	00			•			

MI/d

# Section 2: Wastewater network+ and bioresources From Table 7D

Leakage improvements delivering benefits in 2020-25

	Units	DP	
Additional storm tank capacity provided at STWs (grey infrastructure)	m³	3	0.000
Additional effective storm storage capacity at sewage treatment work (delivered through green infrastructure)	m³	3	0.000
Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m³	3	0.000
Additional effective storage in the network delivered through green infrastructure	m³	3	0.000

10A.22	7E.11
10A.23	7E.12
10A.24	7E.13
10A.25	7E.14

6D.23

10A.21

# Section 10 Additional regulatory information – green recovery

## Pro forma 10B

Green recovery data capture outcome performance for the 12 months ended 31 March 2025

Keys to cells Input cell Calculation cell Copy cell

### Water common performance commitments relevant to green recovery reporting

Line description	Unique reference	Unit	Standardising data indicator	Standardising data numerical value	Performance level - actual impacts of green recovery investment element only (current rerporting year)	Performance level - actual impacts of green recovery investment element only calculated (i.e. standardised)		RAG 4 reference	Main table reference
Performance commitments set in standardised units - Water									
Per capita consumption (PCC)	n/a	lpd	Total household population	7,988.560	n/a	0.00		10B.1	3F.4
Line description	Unique reference	Unit	Performance level - actual (2020-21)	Performance level - actual (2021-22)	Performance level - actual (2022-23)	Performance level - actual (2023-24)	Performance level - actual (2024-25)		
Performance commitments measured against a calculated baseline									
Leakage - actual including impacts of green recovery investment	n/a	MI/d	n/a	n/a	n/a	n/a	n/a	10B.2	3F.5
Leakage - actual impacts of green recovery investment element only	n/a	MI/d	n/a	n/a	n/a	n/a	n/a	10B.2	3F.5
Per capita consumption (PCC) - actual impacts of green recovery investment element only	n/a	lpd	n/a	n/a	n/a	n/a	n/a	10B.3	3F.6

# Section 10 Additional regulatory information – green recovery

## Pro forma 10C

Green recovery data capture outcome performance for the 12 months ended 31 March 2025

Keys to cells Input cell Calculation cell

10C.6

31.3

### Wastewater common performance commitments relevant to green recovery reporting

Line description	Unique reference	Unit	Standardising data indicator	Standardising data numerical value	Performance level - actual impacts of green recovery investment element only (current reporting year)	Performance level - actual impacts of green recovery investment element only calculated (i.e. standardised)		RAG 4 reference	Main table reference
Performance commitments set in standardised units									
Internal sewer flooding - customer proactively reported	PR19UUW_G02- WWN	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	3,495.000	n/a	0		10C.1	3G.1
Internal sewer flooding - company reactively identified (ie neighbouring properties)	PR19UUW_G02- WWN	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	3,495.000	n/a	0		10C.2	3G.2
Internal sewer flooding	PR19UUW_G02- WWN	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	3,495.000	n/a	0		10C.3	3G.3
Pollution incidents	PR19UUW_C01- WWN	Pollution incidents per 10,000 km of sewer length	Sewer length in km	77,339	n/a	0		10C.4	3G.4
	Unique reference	Unit	decimal places	Performance level - actual impacts of green recovery investment element only (current reporting year)					
Risk of sewer flooding in a storm	PR19UUW_G01- WWN	%	2	n/a				10C.5	3E.5
					Per	formance level - actual	impacts of green recovery investment element only		
	Total pe served	Total pe in excluded catchments	Percentage of total pe in excluded catchments		Total pe Option 1a	Percentage of total pe Option 1a	Total pe Option 1b		

					Performance level - actual impacts of green recovery investment element only						
									Vulnerability risk grade		grade
		Total pe in excluded	Percentage of total pe in excluded			Percentage of total	Total pe	Percentage of total pe	Low	Medium	High
	Total pe served	catchments	catchments		Total pe Option 1a		Option 1b	Option 1b	Percentage	Percentage of total population ser	
Risk of sewer flooding in a storm				_							
Risk of sewer flooding in a storm	7,758,246	122,690	1.58%		n/a	0	n/a	0	n/a	n/a	n/a

Regulatory accounts for the 12 months ended 31 March 2025

# Section 10 Additional regulatory information – green recovery

### Pro forma 10D

Green recovery data capture outcome performance for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Bespoke performance commitments relevant to green recovery reporting

					pacts of green recovery element only		Main table reference
	Unique reference	Unit	decimal places	Previous reporting year	Current reporting year	RAG 4 reference	(to be completed by company)
Enhancing Natural Capital for customers	PR19UUW- C08-CF	£m	3	0.000	0.000	10D.1	3X.X
Hyrdaulic internal flood risk resilience	PR19UUW- G05-WWN	nr	2	0.00	0.00	10D.2	3X.X
Hyrdaulic external flood risk resilience	PR19UUW- G06-WWN	nr	2	0.00	0.00	10D.3	3X.X
Insert name of the bespoke PC						10D.4	3X.X
Insert name of the bespoke PC						10D.5	3X.X
Insert name of the bespoke PC						10D.6	3X.X
Insert name of the bespoke PC						10D.7	3X.X
Insert name of the bespoke PC						10D.9	3X.X

Lines 10D.4 – 10D.9 are unused freeform lines.

# Section 10 Additional regulatory information – green recovery

### Pro forma 10E

Green recovery data capture reconciliation model input for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

**United Utilities** 

Scheme 1	Total allowance, £m
Accelerating partnerships to deliver natural solutions	14.943

						20	21-22	2022-23		2023-24		2024-25		2025-26		
	Name	Allowance (£m)	Unit	decimal places	Component level at completion	Component level to date	Percentage complete	Component level to date		Component level to date	Percentage complete	Component level to date	Percentage complete	Component level to date	Percentage complete	RAG 4 reference
Component 1	Eden catchment phosphorus management - weight of phosphorus removed	1.091	kg	0	1,091	0	0.0%	0	0%	0	0%	0	0%		0.0%	10E.56
Component 2	Irwell catchment phosphorus management - weight of phosphorus removed	1.819	%	0	100%	0%	0.0%	0%	0%	11%	6%	29%	16%		0.0%	10E.57
Component 3	Number of farms engaged	0.723	Nr	0	300	0	0.0%	0	0%	274	91%	494	165%		0.0%	10E.58
Component 4	Peatland restoration	2.253	ha	1	2,501	0.0	0.0%	0.0	0%	1075.0	43%	2068.0	83%		0.0%	10E.59
Component 5	Number of SuDS and NFM solutions installed	9.057	%	0	100%	0%	0.0%	0.096	1%	1.154	13%	6.723	74%		0.0%	10E.60

For component 2, Irwell catchment phosphorus management - weight of phosphorus removed component the maximum allowance is £1.819m. Company should report % of total allowance reached based on a rates of £10,494/kg of urban phosphorus removed and £1000/kg rural phosphorus removed.

For component 3, number of farms engaged, component level to date should be reported as zero unless >= 80% of £723,000 partnership funding has been secured.

For component 4, peatland restoration, component level to date should be reported as zero unless >= 80% of £2.253 million partnership funding has been secured.

For component 5, number of SuDS and NFM solutions installed, the % reported relates to the % of the allowance that has been used in accordance with the calculations in the 'Green economic recovery: final decisions' document.

Scheme 2	Total allowance, £m
AMP8 WINEP investments at Bury	44.060

						20	)21-22	2022-2		
		Name	Allowance (£m)	Unit	decimal places	Component level at completion	Component level to date	Percentage complete	Component level to date	
Co	Component 1	Network storage installed at Nuttall road	32.090	%	0	100%	0%	0.0%	0%	
	Component 2	Additional storm tank capacity installed at Bury WwTW	11.970	%	0	100%	0%	0.0%	0%	

20	21-22	202	2-23	2023-24		2024-25		2025-26		
Component level to date	Percentage complete	Component level to date	Percentage complete	Component level to date	Percentage complete	 Component level to date	Percentage complete	Component level to date	Percentage complete	RAG 4 reference
0%	0.0%	0%	0.0%	20%	20.0%	40%	40.0%		0.0%	10E.61
0%	0.0%	0%	0.0%	20%	20.0%	60%	60.0%		0.0%	10E.62

Scheme 3	Total allowance, £m
Tackling storm overflows	5.399

						20	21-22	2022-23 2023-24		2024-25		2025-26				
	Name	Allowance (£m)	Unit	decimal places	Component level at completion	Component level to date	Percentage complete	Component level to date		Component level to date		Component level to date		Component level to date	Percentage complete	RAG 4 reference
Component 1	SOAF investigations	3.888	%	0	100%	0%	0.0%	0%	0.0%	39%	39.0%	93%	93.0%		0.0%	10E.63
Component 2	Integrated catchment models - Sankey Brook and Wiza Beck	0.986	Nr	0	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%		0.0%	10E.64
Component 3	Integrated catchment models - Upper Derwent	0.525	Nr	0	100%	0%	0.0%	0%	0.0%	0%	0.0%	1%	1.0%		0.0%	10E.65

For rows 10E.57 and 10.60 we have reported the allowance spend performance in £m to three decimal places, as opposed to reporting this as a percentage completion that corresponds to this performance is then available in the adjoining cells in the table.

## Section 10 Additional regulatory information – green recovery

### Pro forma 10F

Additional reporting to account for impacts of the accelerated infrastructure delivery projects for the 12 months ended 31 March 2025

# Input cell Calculation cell Copy cell

Main table

### Section 1: Water resources and water network+

### From Table 6C

Other	Unit	DP	Input
Total length of new potable mains	km	1	n/a
Number of lead communication pipes replaced for water quality	nr	0	n/a

1	OF.1	6C.4
1	0F.2	6C.21

RAG 4

### From Table 6D

From Table 6D							
	Units	DP	Basic meter	AMR meter	AMI meter		
Metering activities - Totex expenditure							
New selective meter installation for existing customers	£m	3			n/a	10F.3	6D.2
New business meter installation for existing customers	£m	3			n/a	10F.4	6D.3
Residential meters renewed	£m	3			n/a	10F.5	6D.4
Business meters renewed	£m	3			n/a	10F.6	6D.5
Metering activities - Explanatory variables	Units	DP	]				
New selective meters installed for existing customers	000s	3			n/a	10F.7	6D.7
New business meters installed for existing customers	000s	3			n/a	10F.8	6D.8
Residential meters renewed	000s	3			n/a	10F.9	6D.9
Business meters renewed	000s	3			n/a	10F.10	6D.10
Replacement of basic meters with smart meters for residential customers	000s	3		n/a	n/a	10F.11	6D.11
Replacement of AMR meter with AMI meters for residential customers	000s	3			n/a	10F.12	6D.12
Replacement of basic meters with smart meters for business customers	000s	3		n/a	n/a	10F.13	6D.13
Replacement of AMR meter with AMI meters for business customers	000s	3			n/a	10F.14	6D.14
New residential meters installated for existing customers – supply-demand balance benefit	MI/d	2			n/a	10F.15	6D.15
New business meters installed for existing customers – supply-demand balance benefit	MI/d	2			n/a	10F.16	6D.16
Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	MI/d	2		n/a	n/a	10F.17	6D.17
Replacement of AMR meter with AMI meter for residential customers-supply-demand balance benefit	MI/d	2			n/a	10F.18	6D.18
Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	MI/d	2		n/a	n/a	10F.19	6D.19
Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit	Ml/d	2			n/a	10F.20	6D.20
Metering activities - Impact on PCC and leakage performance	Units	DP	]				
Per capita consumption reduction	l/h/d	3	n/a			10F.21	
Leakage reduction	MI/d	3	n/a			10F.22	
Leakage activities	Units	DP	]				
Leakage improvements delivering benefits in 2020-25	MI/d	2				10F.23	6D.23
Louis de la controlle de la co	1411/4			I		101.20	00.20

## Section 2: Wastewater network+ and bioresources

### From Table 7B

Sewage treatment works - Explanatory variables	Units	DP	
Works name	text	0	n/a
Classification of treatment works	text	0	n/a
Population equivalent of total load received	000s	0	n/a
Phosphorus consent	mg/l	0	n/a
Load received by STW	kgBOD5/d	2	n/a
Flow passed to full treatment	m3/d	0	n/a

10F.24	7B.1
10F.25	7B.2
10F.26	7B.3
10F.27	7B.7
10F.28	7B.9
10F.29	7B.10

### From Table 7D

Population equivalent	Units	DP	
Current population equivalent served by STWs	000s	3	n/a
Current population equivalent served by STWs with tightened/new P consents	000s	3	n/a
Current population equivalent served by STWs with tightened/new N consents	000s	3	n/a

10F.30	7D.16
10F.31	7D.17
10F.32	7D.18

### From table 7E

	Units	DP	
Number of monitors for flow monitoring at STWs	nr	0	n/a
Additional storm tank capacity provided at STWs (grey infrastructure)	m3	3	n/a
Additional effective storm storage capacity at sewage treatment work (delivered through green infrastructure)	m3	3	n/a
Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m3	3	n/a
Additional effective storage in the network delivered through green infrastructure	m3	3	n/a

10F.33	7E.4
10F.34	7E.11
10F.35	7E.12
10F.36	7E.13
10F.37	7E.14

# Section 10 Additional regulatory information – green recovery

### Pro forma 10G

### Additional reporting to account for impacts of transition expenditure for the 12 months ended 31 March 2025

Keys to cells Input cell Calculation cell Copy cell

Main table

### Section 1: Water resources and water network+

### From Table 6C

Other	Unit	DP	Input
Total length of new potable mains	km	1	n/a
Number of lead communication pipes replaced for water quality	nr	0	n/a

10G.1	6C.4
10G.2	6C.21

RAG 4

reference

### From Table 6D

	Units	DP	Basic meter	AMR meter	AMI meter		
Metering activities - Totex expenditure							
New selective meter installation for existing customers	£m	3			11.651	10G.3	6D.2
New business meter installation for existing customers	£m	3			0.000	10G.4	6D.3
Residential meters renewed	£m	3			0.000	10G.5	6D.4
Business meters renewed	£m	3			0.000	10G.6	6D.5
Metering activities - Explanatory variables	Units	DP					
New selective meters installed for existing customers	000s	3			n/a	10G.7	6D.7
New business meters installed for existing customers	000s	3			n/a	10G.8	6D.8
Residential meters renewed	000s	3			n/a	10G.9	6D.9
Business meters renewed	000s	3			n/a	10G.10	6D.10
Replacement of basic meters with smart meters for residential customers	000s	3		n/a	n/a	10G.11	6D.11
Replacement of AMR meter with AMI meters for residential customers	000s	3			n/a	10G.12	6D.12
Replacement of basic meters with smart meters for business customers	000s	3		n/a	n/a	10G.13	6D.13
Replacement of AMR meter with AMI meters for business customers	000s	3			n/a	10G.14	6D.14
New residential meters installed for existing customers – supply-demand balance benefit	MI/d	2			n/a	10G.15	6D.15
New business meters installed for existing customers – supply-demand balance benefit	MI/d	2			n/a	10G.16	6D.16
Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	Ml/d	2		n/a	n/a	10G.17	6D.17
Replacement of AMR meter with AMI meter for residential customers- supply-demand balance benefit	Ml/d	2			n/a	10G.18	6D.18
Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	Ml/d	2		n/a	n/a	10G.19	6D.19
Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit	MI/d	2			n/a	10G.20	6D.20
Metering activities - Impact on PCC and leakage performance	Units	DP					
Per capita consumption reduction	l/h/d	3	n/a			10G.21	
Leakage reduction	MI/d	3	n/a			10G.22	
Leakage activities	Units	DP					
Leakage improvements delivering benefits in 2020-25	Ml/d	2	n/a	]		10G.23	6D.23

### Section 2: Wastewater network+ and bioresources

## From Table 7B

Sewage treatment works - Explanatory variables	Units	DP	
Works name	text	0	n/a
Classification of treatment works	text	0	n/a
Population equivalent of total load received	000s	0	n/a
Phosphorus consent	mg/l	0	n/a
Load received by STW	kgBOD5/d	2	n/a
Flow passed to full treatment	m3/d	0	n/a

10G.24	7B.1
10G.25	7B.2
10G.26	7B.3
10G.27	7B.7
10G.28	7B.9
10G.29	7B.10

### From Table 7D

Population equivalent	Units	DP	
Current population equivalent served by STWs	000s	3	n/a
Current population equivalent served by STWs with tightened/new P consents	000s	3	n/a
Current population equivalent served by STWs with tightened/new N consents	000s	3	n/a

10G.30	7D.16
10G.31	7D.17
10G.32	7D.18

	Units	DP	
Number of monitors for flow monitoring at STWs	nr	0	n/a
Additional storm tank capacity provided at STWs (grey infrastructure)	m3	3	n/a
Additional effective storm storage capacity at sewage treatment work (delivered through green infrastructure)	m3	3	n/a
Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m3	3	n/a
Additional effective storage in the network delivered through green infrastructure	m3	3	n/a

10G.33	7E.4
10G.34	7E.11
10G.35	7E.12
10G.36	7E.13
10G.37	7E.14

# Other additional items not included in the

Units	DP	

10G.38	
10G.39	
10G.40	
10G.41	
10G.42	
10G.43	
10G.44	
10G.45	
10G.46	
10G.47	
10G.48	
10G.49	
10G.50	
10G.51	
10G.52	

# Section 10 Additional regulatory information – green recovery

### Pro forma 10H

# Accelerated schemes data capture reconciliation model input for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

Scheme ENV2	Cost 2022-25, £m
Accelerating habitats improvement in the Eden catchment	18.5

	Name	Unit	decimal places	Component level at completion
Component 1	Appleby WwTW Total P- permit	mg/L	2	0.25
Component 2	Brampton WwTW (Carlisle) Total P- permit	mg/L	2	0.25
Component 3	Kirkby Stephen WwTW Total P- permit	mg/L	2	0.25
Component 4	Warwick Bridge WwTW Total P- permit	mg/L	2	0.25
Component 5	Carlisle WwTW Total P- permit	mg/L	2	0.25
Component 6	Penrith WwTW Total P- permit	mg/L	2	0.25

2023	3-24	202	2024-25	
Component level to date	Percentage complete	Component level to date	Percentage complete	RAG 4 reference
0.00	0%	0.00	0%	10G.69
0.00	0%	0.00	0%	10G.70
0.00	0%	0.00	0%	10G.71
0.00	0%	0.00	0%	10G.72
0.00	0%	0.00	0%	10G.73
0.00	0%	0.00	0%	10G.74

Scheme ENV3	Cost 2022-25, £m
Delivering improvements to storm overflows	137.5

	Name	Unit	decimal places	Component level at completion
Component 1	Scheme Percentage Delivered (cumulative)	%	0	100%
Component 2	Total Storm Overflows Improved (cumulative)	Nr	0	135
Component 3	Reduction in Storm Overflow Spills (cumulative)	Nr	0	8,406

2023	3-24	202		
Component level to date	Percentage complete	Component level to date	Percentage complete	RAG 4 reference
0%	0.0%	0%	0.0%	10G.75
0	0.0%	0	0.0%	10G.76
0	0.0%	0	0.0%	10G.77

Scheme ENV4	Cost 2022-25, £m
Reducing the frequency of storm overflow discharges in	9.3
Windermere catchment	

	Name	Unit	decimal places	Component level at completion
Component 1	Scheme Percentage Delivered (cumulative)	%	0	100%
Component 2	Total Storm Overflows Improved (cumulative)	Nr	0	4
Component 3	Reduction in Storm Overflow Spills (cumulative)	Nr	0	100

2023-24			2024-25				
Component level to date	Percentage complete		Component level to date	Percentage complete		RAG 4 reference	
0%	0.0%		0%	0.0%		10G.78	
0	0.0%		0	0.0%		10G.79	
0	0.0%		0	0.0%		10G.80	

Scheme ENV10	Cost 2022-25, £m
Bathing waters	30

	Name	Unit	decimal places	Component level at completion
Component 1	Scheme Percentage Delivered (cumulative)	%	0	100%
Component 2	Total Storm Overflows Improved (cumulative)	Nr	0	15
Component 3	Reduction in Storm Overflow Spills (cumulative)	Nr	0	834

202	3-24	202	4-25	١.	
Component level to date	Percentage complete	Component level to date	Percentage complete		RAG 4
0%	0.0%	0%	0.0%		10G.81
0	0.0%	0	0.0%		10G.82
0	0.0%	0	0.0%		10G.83

# Section 11 Additional regulatory information - greenhouse gas emissions reporting

### Pro forma 11A

# Greenhouse gas emissions reporting for the 12 months ended 31 March 2025

Keys to cells
Input cell
Calculation cell
Copy cell

2024 - 25 Operational Emissions			
Wastewater	Total		
tCO₂e	tCO₂e	RAG 4	
3	3	reference	
14,686.682	15,921.766	11A.1	
90,598.065	90,633.274	11A.2	
12,951.847	17,785.041	11A.3	
12,501.047	-	11A.4	
118,236.594	124,340.081	11A.5	
118,236.594	124,340.061	IIA.5	
27,246.142	33,242.843	11A.6	
51,845.062	51,847.193	11A.7	
38,930.726	39,000.172	11A.8	
214.609	249.818	11A.9	
	,		
76 077 056	440.047.477	44.4.40	
76,873.856	140,847.477	11A.10	
47.213	47.213	11A.11	
-		11A.12	
17.568	31.076	11A.13	
-	-	11A.14	
76,891.424	140,878.553	11A.15	
64.781	78.289	11A.16	
76,104.127	139,436.088	11A.17	
334.230	612.368	11A.17	
453.067	830.098	11A.19	
455.067	530.098	11A.19	
		114.20	
750.492	1,493.812	11A.21	
7.925	7.925	11A.22	
25,316.051	46,383.439	11A.23	
23,310.031	40,363.439	114.25	
-	-	11A.24	
6,398.221	7,819.991	11A.25	
15,779.153	39,148.103	11A.26	
28,080.420	28,080.420	11A.27	
76,332.262	122,933.691	11A.28	
48,176.193	94,713.810	11A.29	
7,314.420	7,340.003	11A.30	
20,841.649	20,879.878	11A.31	
-	-	11A.32	
271,460.280	388,152,325	11A.33	
64.781	78.289	11A.34	
0101	70.203	117 (10-1	
2,234.188	2,725.684	11A.35	
8,479.058	8,479.058	11A.36	
-	-	11A.37	
-	-	11A.38	
10,713.246	11,204.742	11A.39	
70 550 044	170 106 700	44 5 4 5	
70,558.944	132,126.789	11A.40	
260,747.034	376,947.583	11A.41	
Wastewater	<del></del>		
kgCO <sub>2</sub> e/MI	-		
kgCO₂e/Mil	1		
- U	J		
	1		
		11A.42	
198.475		11A.43	
Embedded emissio	ins		
Wastewater	Total		
tCO₂e	tCO₂e		
3	3		
39,843.600	79,687.200	11A.44	
53,124.800	106,249.600	11A.45	
		11A.46	
3		53,124.800 106,249.600	

### Regulatory accounts for the 12 months ended 31 March 2025

### **Appendix**

### **APPENDIX 1: UUW P31 certificate**

# Report of KPMG LLP to United Utilities Water Limited ('the Company') and the Water Services Regulation Authority ('the WSRA') under Licence Condition P

In accordance with the terms of our engagement letter dated 16 June 2025, we have examined the Company directors' certificate – Condition P dated 09 July 2025 (the "Certificate") which is included within this report on pages 164-166, in conjunction with the completion of our audit of the Regulatory Accounting Statements within the Company's Annual Performance Report for the year ended 31 March 2025.

### Respective duties of directors and auditors

The directors of the Company have sole responsibility for the preparation of the Certificate in accordance with Section P31 of the License. The directors of the Company are responsible for presenting the Certificate, as set out in the instrument of appointment by the Secretary of State for the Environment of the Company as a water and sewerage undertaker under the Water Act 1989.

As specified in our engagement letter dated 16 June 2025, it is our responsibility to examine the Certificate and report to you whether we are aware of any inconsistencies between that Certificate and the Regulatory Accounting Statements within the Company's Regulatory Accounts and any information which we obtained in the course of our work as the Company's Auditors.

For the avoidance of doubt, our audit of the Regulatory Accounting Statements within the Company's Annual Performance Report for the year ended 31 March 2025 was and is not directed towards meeting the requirements of the Company or the directors under the terms of Condition P31. We have not carried out and will not carry out specific procedures designed to verify the substance of the matters certified by the directors of the Company. Our sole responsibility is to examine the Certificate for consistency with our knowledge of the Company's financial affairs gained in the course of our normal audit work. Furthermore, we have not carried out any audit procedure on the Company since 09 July 2025, the date of our audit opinion on the Regulatory Accounting Statements within the Company's Regulatory Accounts of the Company for the year ended 31 March 2025.

This report is made solely to the Company as a body and the WSRA in accordance with the Regulatory Accounting Guidelines and other relevant material issued by the WSRA, including Information Notice IN 20/01 February 2020 - Requirements and expectation for ring-fencing certificates, and the terms of our engagement with the Company. Our examination has been undertaken so that we might state to the Company and the WSRA those matters that we have agreed to state to them in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company as a body, and the WSRA, for our report, or for the opinions we have formed. We will accept such responsibility to the WSRA on condition that the WSRA agrees in writing to the WSRA's Contract by signing the WSRA's Contract. The terms of our engagement do not confer benefits on any other parties and exclude the application of the Contracts (Rights of Third Parties) Act 1999.

### Basis of our findings

Our work consisted of an examination of the Certificate signed by the Directors, to determine whether there were any inconsistencies with our findings arising from the audit of the Regulatory Accounting Statements within the Company's Annual Performance Report and any information which we obtained in the course of our work as the Company's Auditors.

### **Findings**

Nothing has come to our attention during the course of our audit work on the Regulatory Accounting Statements within the Company's Annual Performance Report for the year ended 31 March 2025 that would indicate any inconsistencies, in all material respects, between the Certificate and the Regulatory Accounting Statements within the Company's Annual Performance Report and any information which we obtained in the course of our audit work on the Regulatory Accounting Statements within the Company's Annual Performance Report of the Company for the year ended 31 March 2025.

**KPMG LLP** 

IKPM4 LL

Chartered Accountants 1 St Peter's Square Manchester M2.3AF

10 July 2025



### **Appendices**

## **Appendix 1 Assurance summary and findings**

This appendix describes how we have executed our published assurance plan, which has been developed in accordance with Ofwat's requirements. It sets out the assurance activities that we undertake to provide reliable, accurate and complete data, the key findings from the assurance process and updates on our specific targeted risk areas. In this appendix we highlight how we meet the assurance and reporting requirements outlined by Ofwat in the PR19 final determination and any further additional requirements released through the RAG consultation process.

### A) Overview and assurance framework

As we strive for best practice in assurance arrangements to deliver reliable, accurate and transparent information, we have continued to evolve our assurance framework. As a minimum, we have adopted the requirements established by the targeted category under Ofwat's previous company monitoring framework. This involves engagement with stakeholders and publication of an annual assurance plan. Accordingly, we published our 'Assurance plan' for year five reporting, and invited feedback from customers and stakeholders. This publication is available on our website: https://www.unitedutilities.com/globalassets/documents/corporate-documents/2024-25-assurance-plan.pdf/

The purpose of the assurance framework is to ensure that stakeholders can rely on the information we provide as a water company and to make sure that the assurance of this information builds confidence and trust. There are six elements covered by our framework, which are outlined below under 'Assurance framework'.

In order to satisfy ourselves that we meet stakeholder expectations for our approach to monitoring and assuring delivery, we have processes in place to:

- publish information that can be trusted;
- demonstrate the board is taking an active role to ensure accurate and accessible information is provided about company performance and challenge for improvements;
- show the data assurance activities we have put in place to provide accurate data; and
- provide confidence to all customers and stakeholders that we will continue to deliver the services they want in both an efficient and affordable manner and report on our performance.

### Assurance framework

Our AMP7 regulatory reporting assurance framework is published on our website: United Utilities - https://www.unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/ It sets out the assurance activities that we have put in place to provide reliable, accurate and complete data. It sets out the wider assurance activities that we undertake to ensure that we can effectively listen to our customers and other stakeholders' views and continue to deliver the services that they want and can afford. The framework is set out in six sections, which are summarised below:

- Measurement and data capture the data required to report on the
  delivery of our performance commitments and other commitments has
  been developed to be a subset of our routine and often long standing
  operational and management information that is directly used to support
  and direct key business activities. We have established a centralised
  reporting function, which has accountability for both assuring the
  quality of the data and for providing a central source of management
  information that can be used by many areas of the business.
- Risk based assurance we have adopted a structured risk assessment
  process to underpin the governance and assurance processes
  supporting our regulatory reporting. The overall combined risk rating
  is used to help to determine the level of governance and assurance
  that is applied to the reported information.
  - As the level of risk increases, the governance and assurance applied to the reporting of this data increases and ensures that key risks are escalated, ultimately, up to board level where necessary. This ensures that the management, control and reporting of any risks and resulting actions identified through the process are proportionate to the level of risk.

- Targeted audit and assurance we have adopted a well-established 'three lines of assurance' framework. The three lines of assurance are:
  - First line management has accountability for developing and maintaining sound processes, systems and controls in the normal course of their operations;
  - Second line the Strategy, Policy and Regulation or Finance teams, where applicable, have accountability for providing the framework and governance for our regulatory reporting.
  - Third line independent audit and assurance activities are undertaken by specialist external auditors; The Corporate Audit team undertakes rolling and cyclical audit activity and targeted reviews of key submissions.
- Governance and accountability we are committed to the highest standards of corporate governance with defined accountabilities from the UUW board level cascaded into our operational governance and review processes. The boards of both UUW and UUG PLC fully support Ofwat's drive for the highest standards of board leadership, transparency and governance in the industry. We are satisfied that current practices and the application of the 2018 Code at the holding company level is entirely consistent with the Ofwat principles.
- Independent challenge and review to ensure that our reporting is
  independently challenged, we established an independent challenge
  panel called 'YourVoice'. The role of YourVoice is to both monitor and
  challenge us on the delivery of our business plan, to review and assure
  our reporting and to scrutinise our customer engagement on the
  development of our future business plans.
- Additional communications and publications we are a purpose-led company, driven by what matters to customers and other stakeholders. We go beyond publishing the minimum requirements for information in the APR. We are committed to providing regular and transparent reporting of our performance and using a broad range of communications channels to communicate with customers.

### Corporate responsibility

We publish information on how we operate in a responsible manner in the United Utilities Group PLC Annual Report and Financial Statements and on the responsibility pages of our corporate website (which can be found on our website: https://www.unitedutilities.com/corporate/responsibility/). Our APR assurance process provides a level of assurance for a number of measures relating to corporate responsibility performance across the six stakeholder groups that we identify that we create value for.

# B) 2023/24 Annual Performance Report assurance plan

Our 2024/25 Final assurance plan sets out how data reported in this year's APR would be subject to a structured and risk based governance and assurance process. This is summarised in the table below. Our planning process identified a number of potentially higher risk (targeted) areas. These are summarised on the next page.

## **Appendices**

# **Appendix 1 Assurance summary and findings**

### Risk based assurance plan for the 2024/25 Annual Performance Report

Section	Content	Governance and assurance activities
Risk and compliance statement	Annual statement confirming compliance with the relevant statutory, licence and regulatory obligations for the provision of services to its customers	<ul> <li>Approved by the UUW board, based upon the defined governance and assurance approach relevant for each obligation.</li> <li>In 2023 the UUW board established a board committee with delegated responsibility to oversee compliance with regulatory and statutory reporting requirements, to be kept abreast of any changes to the requirements and to oversee the structure and processes of interactions with UUW's regulators. This year the Committee has reviewed several compliance updates and made recommendations to further enhance the assurance approach.</li> </ul>
Regulatory financial reporting	Historical cost financial information. Disaggregation of income, from a regulatory accounting perspective, with reconciliation to the UUW statutory accounts	<ul> <li>Data providers, their managers and business unit directors produce and approve data, commentaries and methodologies and audit trails to support the reported performance and demonstrate the control checks that have been applied.</li> <li>Finance team review of information and audit trails.</li> <li>Financial Auditors (KPMG) audit as set out in the audit opinion on pages 112 to 114.</li> </ul>
Price review and other segmental reporting	Further separation of revenue and costs to allow stakeholders to review the company's performance against the FD	<ul> <li>Data providers, their managers and business unit directors produce and approve data, commentaries and methodologies and audit trials to support the reported performance and demonstrate the control checks that have been applied.</li> <li>Finance team review of information and audit trails.</li> <li>Financial Auditors (KPMG) audit as set out in the audit opinion on pages 112 to 114.</li> </ul>
Performance summary	A high-level report of the operational performance of the business against the performance commitments set out in the PR19 FD, highlighting any financial incentives accrued in the year	<ul> <li>Data providers, their managers and business unit directors produce and approve data, commentaries and methodologies and audit trails to support the reported performance and demonstrate the control checks that have been applied.</li> <li>Regulatory Reporting team review of information and audit trails.</li> <li>Independent Technical Auditors (Jacobs) review data and commentary and report opinion to the board. Further independent auditors are used when specific technical skills are required.</li> </ul>
Additional regulatory tables	Additional financial and non-financial information, including wholesale totex performance against both the PR19 FD assumptions and intercompany unit cost metrics, retail operating cost analysis and financial metrics	<ul> <li>Data providers, their managers and business unit directors produce and approve data, commentaries and methodologies and audit trails to support the reported performance and demonstrate the control checks that have been applied.</li> <li>Regulatory Reporting team review of information and audit trails.</li> <li>Financial Auditors (KPMG) or Technical Auditors (Jacobs) procedures as agreed with management on the relevant tables in Section 2.</li> </ul>

### **Appendices**

## **Appendix 1 Assurance summary and findings**

### Targeted areas, mitigation and assurance

In addition to our published assurance processes described above which have been applied to data within the APR, we reviewed the potential risks to our reporting as part of the development of the assurance plan. This year, we removed the risk around systems implementation. This risk has covered the introduction of new systems across our water and wastewater network and our customer services and developer services functions. These systems are now fully delivered, embedded and in full use across the business. Ongoing system management will ensure these are periodically updated and developed as required by the business.

This risk assessment process confirmed that our established systems of governance and control were effective in identifying and managing reporting risk levels. The areas we identified for additional assurance activity in our final assurance plan were flagged as a result of four main factors:

- Previous reporting issues had been identified;
- Inherent data accuracy issues (usually due to new requirements or changes in circumstances or reporting regimes), we consider the findings of
  regulatory investigations from other companies and how they may impact on our reporting or what we can learn;
- High priority areas from a customer or stakeholder view point; and
- Areas where of our performance commitment targets may have been at risk.

The targeted areas are summarised in the table below.

Our published 2024/25 assurance plan contains full details of the reasons for the targeted status, the ongoing and planned activity to mitigate the risks, and the planned activity to assure our reporting in these areas. The assurance plan can be found at the following unitedutilities.com/globalassets/documents/pdf/final-assurance-plan-2024-25.

The corporate audit report – set out on pages 265 to 268 of this Appendix – confirms that the assurance activities included within the Final assurance plan have been complied with and sets out the summary of the team's findings.

Targeted area	Status	Previous issues	Inherent data accuracy	High priority	Delivery and performance
Performance commitments and outcome delivery incentives	Continued		1	1	<b>√</b>
Water quality	Continued			1	✓
Charges and tariffs scheme	Continued		1	1	
System implementation (formerly Integrated Network Solution)	Continued		/	1	
Market support	Continued			/	
Permit compliance	Continued		1	1	
Haweswater aqueduct replacement programme	Continued				
Water transfer programme	Continued				
Drainage and wastewater management plans	Continued		1		1
Internal sewer flooding	Continued		•		
Reconciliation models and applications for in-period determination	Continued		1		
PR24	Continued		·	_/	./
Storm overflows	Continued		<b>√</b>	<b>✓</b>	•

### 2024/25 targeted areas and reason for status

Following the publication of our 2024/25 assurance plan, we said that we would highlight any variations in approach that were taken in delivery of the assurance. We are pleased to confirm that we were able to deliver each area of targeted work in line with the governance and assurance approach set out in the plan and no variations were required. The actions from our 2024/25 assurance plan for each targeted risk area are set out below.

## **Appendix 1 Assurance summary and findings**

### **Targeted area** Action taken to assure targeted area Performance For each performance commitment reported, any resulting financial incentive is reviewed and signed off by an executive sponsor. commitments and The executive sponsors review performance against our performance commitments regularly through director review meetings outcome delivery and performance boards, which are typically held monthly. Performance reviews and forecasts are carried out each month to track progress against delivery of our performance commitments. Performance against each commitment is reported at UUW board level throughout the year. We have regular liaison with relevant external regulators and groups (the Environment Agency (EA), Drinking Water Inspectorate (DWI) and Consumer Council for Water (CCW)) who also publish annual company performance reports. Regular challenge sessions are held to ensure compliance with methodologies for water and wastewater network performance commitments. We regularly review performance against our performance commitments with the independent challenge group, YourVoice, who challenge the measures we are taking to manage performance levels or manage the customer impacts of any issues. The detailed internal methodologies and calculation tools have been subject to third party review by our independent technical auditor, Jacobs. Performance commitments that have been identified as requiring targeted assurance are subject to a detailed audit of the data collection, incentive calculations and reporting process by our independent technical auditor, Jacobs, to provide assurance that the data can be reported reliably, accurately and completely and in accordance with reporting requirements. This includes sample checks to test process, assumptions, methodology, implementation, governance and results. We will include the calculations for any complex performance commitments as an appendix to our APR (see appendix 3 of this We monitor and track our performance throughout the year. The DWI also assesses our performance throughout the year and Water quality confirm the CRI score after year end. Updates are provided to the board and the DWI monthly, providing progress against improvement plan delivery and achievement of the Water Quality First programme objectives. Quarterly updates are held with senior management at DWI and six weekly with the Northern team including the principal inspector and our liaison inspector. Discolouration performance has been added to the United Utilities scorecard to provide an extra focus on this specific area. The reported data is reviewed and signed off by the appropriate executive director. A detailed audit of the data collection and reporting process is carried out by our independent technical auditor, Jacobs. This provides assurance that data reported is reliable, accurate and complete and in accordance with reporting requirements. The reporting of our performance in this area is reviewed with the independent challenge group, YourVoice. Charges and tariffs The charges schemes are subject to a series of reviews by members of the company's legal team for compliance with the relevant scheme legislation. Management undertakes a review of each charging rule to demonstrate how each charging rule has been complied with, and this document is published on the United Utilities website. Corporate Audit reviews sections 3 of the assurance statements for wholesale and household and section 2 for new connections and presents its findings to the UUW board. The company publishes and provides to Ofwat assurance statements from the UUW board, no later than the time of publication of the charges schemes, confirming that: UUW has complied with its legal obligations relating to the charges set out in the charges schemes; The board has assessed the effects of the new charges on retailers and on customers' bills for a range of different customer types and approves the impact assessments and handling strategies developed in instances where the bill increases for particular customer types exceed 5%; UUW has appropriate systems and processes in place to make sure that the information contained in the charge schemes, and additional information is accurate; the company has consulted CCW in a timely and effective manner on its charges schemes; and where applicable, where final wholesale charges are significantly different from the indicative wholesale charges published for the same period, that the board has considered the reasons why those changes occurred and has issued a statement explaining why those changes were not anticipated and/or mitigated. We published the assurance statements for charges schemes in mid-January 2025. Market support Our continued competition law compliance programme aims to ensure ongoing demonstrable compliance with our competition obligations. We have reviewed the competition compliance policy, updating our training and guidance as required, based on latest information and giving consideration to events both internal and external to United Utilities. A regular risk review process ensures that we consider and understand the current and future risk landscapes and appropriate mitigating actions. This includes internal governance meetings, such as the Competition Act Compliance Group, which support the identification of nascent risks. Permit compliance The November 2019 report by our independent technical auditor, Jacobs aimed to examine whether United Utilities has sufficient and effective governance, processes, controls and systems to identify and mitigate the types of risks highlighted by the Southern Water investigation. The report also looked to recommend actions to strengthen process controls. For the water compliance regime, the report concluded that there were no issues identified, stating that there is clear organisational separation and accountability for operations, regulatory sampling, sample analysis and board/regulatory reporting, which are effective in ensuring that performance of drinking water assets is being fully and correctly disclosed. For the wastewater regime, the report concluded that United Utilities has comprehensive processes in place to manage the compliance regime, to prevent, detect and correct any potential compliance issues and to escalate through the business and to the EA. In terms of opportunities for improvement, Jacobs suggested the company would benefit from small improvements to the sampling regime, post-incident technical reviews and the process to reclassify erroneous sample results for wastewater. These suggested improvements were then addressed through a series of changes in practices, associated control checks and extended audits. A secondary Jacobs audit was carried out in June 2022 to assess the effectiveness of implementing these improvements. In addition to this, an independent environmental regulation and compliance team now provides independent advice, challenge and assessment for compliance matters including independent review of first and second line assurance outputs and horizon scanning to assess business preparedness for new compliance requirements. We also undertake reviews of permit compliance processes and procedures on a targeted basis, based on data analysis and any reported concerns. Where necessary, we take steps to ensure that permit compliance processes are robust and in line with guidance and remedy issues where they arise. Haweswater aqueduct Accountability for development of this scheme has been assigned to UUW's Transformation and Strategic Programmes Director, who reports progress directly to the monthly Executive Performance Meeting. The Executive Performance Meeting is chaired by replacement programme the Chief Executive, with regular updates, including key risks and decisions, being brought to the UUW board at key milestones in the procurement process. The governance arrangements for managing the project reflect the current phase of procurement. Senior stakeholders are kept informed of progress via the HARP Programme Board. The HARP Commercial Steering Group, attended by the Regulation and Compliance Director, the Commercial Director, General Counsel and Company Secretary, and the Treasurer, is in place to deal with any commercial and regulatory challenges through the tender process which may require board and/or Ofwat approval. An independent assurance specialist, Deloitte LLP, has been appointed to oversee the assurance framework for this project. Alongside this, the programme utilises our established assurance and governance framework following a risk based approach using a three lines of assurance model. Where required, external specialist assurance has been put in place for those higher-risk areas. A HARP Oversight Committee has also been established to provide confidence to the UUW board that the HARP Programme team is managing the procurement of HARP to ensure that the process for and selection of the preferred bidder is in line with the procurement process and documentation set out in the Contract Notice.

### **Appendices**

# **Appendix 1 Assurance summary and findings**

Targeted area	Action taken to assure targeted area
Water transfer programme	A number of intercompany working groups have been established as part of the Severn to Thames Transfer (STT) project with representatives from each participating company (SST is part of the RAPID water transfer programme to develop a potential strategic regional option to transfer water to the Southeast during times of drought). These groups include stakeholder, engineering and environmental working groups and an overall programme board and steering group. Within UUW, accountability for development of water transfers lies with the Director of Asset Management, who reports regular updates to the Executive. The executive meeting is chaired by the Chief Executive, with key risks and decisions being highlighted to the UUW board as required.
	An independent assurance specialist will be appointed to develop a specific assurance framework for the next stages of the North West Transfer (NWT) project, following the same approach taken in previous project phases (the NWT project aims to identify additional water sources to facilitate the transfer of water from UUW's system while ensuring a reliable supply of water for customers). This process will ensure that any potential assurance issues are identified at a sufficiently early stage to allow them to be resolved in a way which does not compromise the delivery, or the quality of the work being developed and submitted to Ofwat.
	A joint assurance framework has been agreed with the other partners on the STT project to assure RAPID and company boards of the details and requirements within the programme. This framework is similar for both NWT and STT projects and will take a risk-based approach, assessing the programme deliverables and where required apply external specialist assurance to those complex or higher-risk areas.
Drainage and wastewater management plans	Throughout the development of cycle 2 of the DWMP, UUW will continue to adopt a tiered approach to governance to provide internal scrutiny on plan development, promote alignment with wider processes, and support the internal team in developing the plan. Specific assurance and governance requirements will be reviewed, and acted upon accordingly, once final guidance is received.
Internal sewer flooding	Performance and any resulting financial incentive is reviewed and signed off by an executive sponsor. Executive sponsors review performance against our performance commitments regularly through director review meetings and performance boards, which are typically held monthly. Performance reviews and forecasts are carried out each month to track progress against delivery of our performance commitments. We regularly review outturn performance against our performance commitments with the customer challenge group, YourVoice, which challenges the measures we are taking to manage performance levels or manage the customer impacts of any issues. A detailed audit of the data collection and reporting process is carried out by our independent technical auditor, Jacobs, to provide assurance that data reported is reliable, accurate and complete and in accordance with reporting requirements. This includes sample checks to test process, assumptions, methodology, implementation, governance and results. We continually complete in-year data quality checks using systemised reports to provide additional assurance that sewer flooding incidents have been coded correctly.
Reconciliation models and applications for in-period determination	Data used to populate reconciliation models will be subject to risk-based assurance as part of the APR process and will be reviewed and approved by a business sponsor. We follow the most up-to-date RAG guidance. If appropriate, when new guidance is issued we incorporate any updates and changes to our yearly reporting cycle. The Corporate Audit team will complete additional assurance checks on populated models. Reconciliation models will be used to calculate revenue or RCV adjustments and this will be subject to assurance. The results of this assurance, together with confirmation from the accountable executive sponsor, will be provided to the UUW board to support its consideration of the submission.
PR24	The UUW board was actively engaged in reviewing and setting the strategic direction for the business plan and in the assurance that was provided to support the plan. Supplementary document UUW77 – Board leadership of the business plan describes how the board has engaged with and provided strategic direction throughout the creation of the plan. This can found at: unitedutilities.com/globalassets/z_corporate-site/pr24/supplementary-documents/uuw77.pdf.
	The full UUW board signed a specific assurance statement which certifies and endorses the business plan and was published alongside the full plan. Chapter 10 of the business plan provided the assurance and track record evidence underpinning this statement. This can be found at: pr24.unitedutilities.com/pdfs/UUW10_chapter_10.pdf. A further assurance statement was published alongside our draft determination representation. unitedutilities.com/globalassets/z_corporate-site/pr24/august-2024/executive-summary/uuwr_02_board assurance-statement.pdf. The programme utilised the existing company assurance framework and as part of this process the framework was assured externally by Deloitte LLP. This was complemented with programme specific assurance, to ensure that the information within or supporting the business plan submission was subject to an appropriate risk-based level of governance and assurance. The programme assurance ensured that all executive sponsors provided evidence to the UUW board demonstrating the elements of the business plan that they were accountable for (as defined in the programme RACI) met the requirements for that element of the business plan. A further Board Assurance Statement UUWR_02_Board Assurance Statement was provided to support the company's representation to Ofwat's Draft Determination. This was underpinned by additional third-party assurance. Following Ofwat's Final Determination, published in December 2024, the board was provided with further updates. These supported the decision to accept the Final Determination.
Storm overflows	Under our 'Better Rivers: Better North West' initiative, we have the support of a dedicated senior analyst for the provision of daily, weekly, monthly and ad-hoc reports and analysis. Data is presented at meetings and forums across the full hierarchy of the organisation, including operational meetings and senior leader meetings. This provides a full view of performance and allows performance to be monitored using the same information across the organisation. The business work streams (treatment and network) come together during these forums to ensure operational performance is being reviewed, monitored and managed end to end. There is continual regular engagement with any contractors and service providers who manage our monitoring equipment. This provides a speedy and direct escalation route to help manage any potential data queries. The regulatory returns have multi layered review and are signed off by the Wastewater Services Director following engagement from the executive ahead of any regulatory submission. In addition, the 2023 and 2024 Event Duration Monitor submissions were reviewed and approved by the Compliance Committee ahead of the submission of information to the EA.

In addition to our published targeted areas, we focused more specific external assurance relating to a number of our performance commitments. The table below outlines the assurance and reporting requirements, which have been undertaken by specialist external assurance providers in order to meet the additional assurance and reporting requirements of the final determination (ofwat.gov.uk/publication/consolidated-pr19-final-determinat ions-united-utilities-outcomes-performance-commitment-appendix/).

### **Appendices**

# **Appendix 1 Assurance summary and findings**

Further information and relevant copies of those assurance reports that require publication can be found at: unitedutilities.com/globalassets/documents/pdf/apr-2024-25-external-assurance-reports.

Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
Leakage	Reporting: The company will also report leakage as a three year average in MI/d to one decimal place, corresponding to the percentage reduction reported.	We do report leakage as a three year average to one decimal place. This can be found in table 3F line 5.	Jacobs
Per capita consumption	Reporting: The company will also report per capita consumption as a three year average in litres per person per day to one decimal place, corresponding to the percentage reduction reported.	We do report per capita consumption as a three year average in litres per person per day to one decimal place. This can be found in table 3F line 6.	Jacobs
Mains repairs	Reporting: The company should report mains repaired pro-actively and reactively separately. Pro-active repairs are those completed by the company as a result of the company's active leakage control (ALC) or its own leak detection activity. Reactive repairs are those that are completed as a result of a customer contact (made using any communication channel) informing the company of a leak.	We do report mains repairs pro-actively and reactively separately. This can be found in table 3F lines 1 (reactive) and 2 (proactive).	Jacobs
Jnplanned outage	Reporting: The company should report its current company level peak week production capacity (PWPC) (MI/d), the unplanned outage (MI/d) and planned outage (MI/d) in its commentary. The company should also provide a summary of data quality and compliance in accordance with the reporting requirements.	The figures for PWPC, unplanned outage and planned outage are reported in table 3l line 1. This performance commitment is assured in line with our published assurance framework. Our independent technical assurance provider, Jacobs, was able to confirm compliance with the PR19 methodology.	Jacobs
Risk of severe restrictions in a drought	Reporting: As defined in the reporting guidance https://www.ofwat.gov.uk/publication/drought-resilience-metric-risk-of-severe-restrictions-in-a-drought/	This measure has been assured in line with our published assurance framework. We can confirm that our independent technical assurance provider considered the guidance within its assessment.	Jacobs
Priority Services for customers in vulnerable circumstances	Reporting: Companies should also report the following information:  PSR reach: companies should present PSR membership by separately reporting forecast annual figures for individuals registered receiving support through PSR services for: a) communication; b) support with mobility and access restrictions; c) support with supply interruption; d) support with security; and e) support with other needs.	We do report in line with the requirements. This can be found in the "You're highly satisfied with our service" section of this document on page 69.	Jacobs
	PSR data checking: Companies should report the number of households added and removed from the PSR if the data is not available to report numbers of individuals. Where possible, the company should report the corresponding figure for individuals alongside this.		
	Regardless of whether an 'attempted' contact is undertaken through the company or a third party, we require all performance to be reported as part of the single 'attempted contact' measure in the company's overall performance reporting to Ofwat.		
Keeping reservoirs resilient (no. of people moved to acceptable risk)	Reporting: The company will appoint appropriately qualified third parties to assure scheme delivery and reduction in risk due to works completed at each site.	We appoint appropriately qualified third parties to assure the scheme delivery and reduction in risk. The Risk Estimation Team is the body responsible for undertaking the risk assessment for each reservoir. The RET is comprised of members of the UUW Reservoir Safety Team, UUW Geotechnical and Structural Engineers, construction design partners, where appropriate, and any independent, government appointed Qualified Civil Engineer ("panel engineer") relevant to the site.	Jacobs
		This measure has been assured in line with our published assurance framework. We can confirm that our independent technical assurance provider confirmed we report in line with the requirements.	
Internal sewer flooding	Reporting: This measure will be reported as both the absolute number of internal sewer flooding incidents and a normalised value of internal flooding incidents per 10,000 sewer connections.  Any changes to the number of sewer connections that will have a material impact on the performance of this measure should be highlighted in the report commentary.	We do report internal sewer flooding as both the absolute number of internal sewer flooding incidents and a normalised value of internal flooding incidents per 10,000 sewer connections. This can be found in table 3G line 3. The number of sewer connections has not had a material impact on this measure.	Jacobs

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# **Appendix 1 Assurance summary and findings**

Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
Pollution incidents	Reporting: This measure will be reported as both the absolute number of pollution incidents and a normalised value of pollution incidents per 10,000km of sewer.  Any changes to the length of the wastewater network that will have a material impact on the performance of this measure should be highlighted in the report commentary.	We do report pollution incidents as both the absolute number of pollution incidents and a normalised value of pollution incidents per 10,000km of sewer. This can be found in table 3G line 4.	Jacobs
Risk of sewer flooding in a storm	Reporting: As defined in the guidance.  https://www.ofwat.gov.uk/publication/reporting-guidance-risk-of-sewer-flooding-in-a-storm/	This measure has been assured in line with our published assurance framework. We can confirm that our independent technical assurance provider considered the guidance within its assessment.	Jacobs
Sewer collapses	Reporting: The company is also required to report the number of occasions where a failure has occurred to the pipe that results in either any contact with the company (i.e. an impact on service has caused someone to contact the company) or any unplanned escape of wastewater and results in spot repairs or relining.	We do report sewer collapses with the number of occasions where a failure has occurred to the pipe that results in either any contact with the company (i.e. an impact on service has caused someone to contact the company) or any unplanned escape of wastewater and results in spot repairs or relining. This can be found in Table 3I line 4.	Jacobs
C-MeX	Reporting/Assurance: The company will provide a statement that confirms whether the company offered at least five communication channels for receiving customer contacts and complaints and at least three online channels throughout the reporting year.  Further reporting and assurance should be in the form and manner set out in the guidance.	This measure has been assured in line with our published assurance framework. This information relating to at least five communication channels for receiving customer contacts and complaints and at least three online channels can be found on page 67. As per the assurance guidance above no downward adjustment is required as we have provided the required number of contact channels.	Jacobs
D-MeX	Reporting: The company will report the process the company has taken to assure itself that its performance against the selected Water UK metrics in D-MeX are an accurate reflection of its underlying performance in the reporting year, and any findings that indicate this is not the case.	This measure has been assured in line with our published assurance framework and the assurance was able to confirm that the selected Water UK metrics in D-MeX are an accurate reflection of our underlying performance in the reporting year. We maintain a number of levels of assurance activity to collate and calculate quantitative metrics reported in table 3D. These include:  a. Performance data is managed through our corporate	Jacobs
		system, which contains coded tasks and service level agreements (SLA) for D-MeX; b. Staff are provided with training and support for	
		compliance in system operation;  c. Performance analysts maintain a live system dashboard to show workloads, risk to SLA and compliance results. These dashboards are generated directly from the corporate system;	
		d. This information is audited by the performance analyst throughout the month to provide data assurance. Each week, the performance analyst meets with the respective area manager to review their results, and discuss corrective actions or training needed;	
		e. D-MeX performance is managed in-month in regular performance meetings within the Developer services function, as well as a director-lead ODI board each month;	
		f. Internal, second line assurance against agreed methodologies is provided by the regulatory reporting team as well as periodic corporate audit reviews; and	
		g. In additional to our annual reporting we maintain six and nine month financial year reporting, which is prepared though a designated line owner with assurance from a designated senior manager. At year end there is Executive sponsor sign off of the D-MeX performance.	
Reducing water quality contacts due to taste, smell and appearance.	<b>Reporting:</b> The company is also required to report consumer contacts separately for appearance and taste and odour for the Discover Water website.	We provide the information on consumer contacts reported separately for appearance and taste and odour to Water UK for publication on the Discover Water website at:	Jacobs
		https://www.discoverwater.co.uk/	

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# **Appendix 1 Assurance summary and findings**

Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
Water service resilience  Assurance: The company must publish independent reports of the assessment audit of the baseline position and then further audits of assessment of any changes in the risk position claimed within the year for each year between 2020 and 2025. If changes are necessary to the methodology or underlying data, the reports will make an assessment of any potential impact on reported performance and state		This measure has been assured in line with our published assurance framework. We can confirm that our independent technical assurance provider considered the guidance within its assessment. The summary of findings is published at:  unitedutilities.com/globalassets/documents/pdf/	Jacobs
	the impact on the baseline position and any earlier reported years.	apr-2024-25-external-assurance-reports	
Improving the water environment	Assurance: The company will ask the Environment Agency to confirm that performance has been correctly reported. The view of the Environment Agency will be definitive.	The EA confirm that schemes have been satisfactorily completed in the AMP7 WINEP. We consider this position as definitive and then fully align our performance commitment to this reported position. See page 60 for a description of this year's performance.	Environment Agency
		The WINEP is saved on Defra's SharePoint site: https://defra.sharepoint.com/teams/Team843/ WINEP/Forms/AllItems.aspx	
Improving river water quality	Assurance: The company will ask the Environment Agency to confirm that performance has been correctly reported. The view of the Environment Agency will be definitive.	The EA confirm that schemes have been satisfactorily completed in the AMP7 WINEP. We consider this position as definitive and then fully align our performance commitment to this reported position. See page 61 for a description of this year's performance.	Environment Agency
		The WINEP is saved on Defra's SharePoint site: https://defra.sharepoint.com/teams/Team843/ WINEP/Forms/AllItems.aspx	
Protecting the environment from the impact of growth and new development	Assurance: The company will submit an independent assurance report that summarises the evidence that additional treatment capacity was required by 31 March 2025 when on site investment began. It will also set out the additional capacity that is delivered and summarise the evidence that the capacity was required within the project design horizon and set out the rationale for the project design horizon.	This performance commitment was assured by our independent auditor Jacobs. A summary of the audit which confirms that we have provided the additional assurance requirements about capacity and supporting evidence has been shared with Ofwat.	Jacobs
Enhancing natural capital value for customers	Assurance: The company will ensure that its baseline level of performance is subject to an independent audit. The company will obtain assurance by an appropriately qualified third party of its performance.  When deciding whether to apply a conventional or nonconventional approach to deliver a particular scheme, the company will apply a standard methodology that is aligned with price review guidance and best practice to select the solution which is the best value and manages the risk to the environment. This methodology will include an assessment of the whole life costs required to deliver each type of solution. The conventionality of the solution, assessment of best value option selected and claimed added value contributing to this performance commitment. This will also be independently assured annually.	This performance commitment is assured in line with our published assurance framework. In addition to our independent technical assurance provider, Jacobs, the baseline and the annual assessment has been undertaken by Mode Economics (formally of Vivid Economics).	Mode Economics Ltd. and Jacobs
Better air quality	Assurance: The company will provide independent assurance including that:  The concentration of NOx emissions are measured by independent qualified third party according to BS EN 14792 Stationary source emissions. Determination of mass concentration of nitrogen oxides (NOx) (or its successors or recognised equivalents).  All operational data relating to energy, electricity generation and biomethane production is compliant with the international carbon reporting standard (ISO 14064, Part 1) (or its successors or recognised equivalents) and assured following an audit by an appropriately qualified independent third party.	This performance commitment is assured in line with our published assurance framework. In addition to our independent technical assurance provider, Jacobs, specific independent assurance is also provided by Element Materials Technology Environmental UK Ltd.  Our greenhouse gas inventory has undergone independent, third-party verification by Achilles Information Limited to confirm that our reporting is compliant with the international carbon reporting standard (ISO 14064, Part 1).  An overview of our approach can be seen at: https://www.unitedutilities.com/corporate/responsibility/environment/climate-change/climate-change-mitigation/	Jacobs, Element Materials Technology Environmental UK Ltd

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Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
Gap sites (retail)	Assurance: The company is to provide an independent report setting out assurance that it has rigorous processes that are correctly implemented to identify and bill newly built properties.	This performance commitment is assured by our independent technical assurance provider, Jacobs, in line with our published assurance framework. In year one, we commissioned Jacobs to undertake a targeted audit to confirm that the methodology and processes to identify and bill newly built properties are both robust and implemented correctly. Jacobs concluded "we consider UU has rigorous processes in place to ensure newly built properties that are connected to the UU network are identified, captured and billed, thus minimising the number of 'gap sites' in the network".	Jacobs
		Following its assurance work this year, Jacobs confirmed we fully comply with the latest guidance from Ofwat and that there have been no changes to the methodology and processes undertaken.	
Systems Thinking capability	Assurance: The company will conduct annual assurance from an appropriately qualified external third party which confirms that the reported maturity scores have been achieved in all eight capability areas and against the requirements of all 44 questions using a consistent methodology.	This performance commitment is assured by our independent technical assurance provider, Jacobs, in line with our published assurance framework.	Jacobs
Raising customer awareness to reduce the risk of flooding	Assurance: The measure will be tracked by an independent customer research organisation annually.	The measure is tracked by DJS, an independent customer research organisation annually. This performance commitment is assured by our independent technical assurance provider, Jacobs, in line with our published assurance framework.	Jacobs
Hydraulic internal flood risk resilience	Assurance: The company must publish independent reports of the assessment audit of the baseline position and then further audits of assessment of any changes in the risk position claimed within the year for each year between 2020 and 2025.	This performance commitment is assured by our independent technical assurance provider, Jacobs, in line with our published assurance framework. The independent baseline assurance can be found at:	Jacobs
	If changes are necessary to the methodology or underlying data, the reports will make an assessment of any potential impact on reported performance and state the impact on the baseline position and any earlier reported years.	unitedutilities.com/globalassets/documents/pdf/apr-2024-25-external-assurance-reports	
Hydraulic external flood risk resilience	Assurance: The company must publish independent reports of the assessment audit of the baseline position and then further audits of assessment of any changes in the risk position claimed within the year for each year between 2020 and 2025. If changes are necessary to the methodology or underlying data, the reports will make an assessment of any potential impact on reported performance and state the impact on the baseline position and any earlier reported years.	This performance commitment is assured by our independent technical assurance provider, Jacobs, in line with our published assurance framework. The independent baseline assurance can be found at:  unitedutilities.com/globalassets/documents/pdf/apr-2024-25-external-assurance-reports	Jacobs

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# **Appendix 1 Assurance summary and findings**

### Compliance with methodology

In order to provide transparency on the degree to which we have been able to implement the most up to date common measures reporting guidance, we have produced the following table.

Performance commitment	Status
Water supply interruptions	Green – compliant
Internal sewer flooding	Green – compliant
Sewer collapses	Green – compliant
Treatment works compliance	Green – compliant
C-MeX	Green – compliant
D-MeX	Green – compliant
Water quality CRI	Green – compliant
Leakage	Green – compliant*
Per capita consumption	Green – compliant*
Pollution incidents	Green – compliant
Risk of sewer flooding in a storm	Green – compliant
Mains repairs	Green – compliant
Priority Services for vulnerable customers	Green – compliant
Risk of severe restrictions in a drought	Green – compliant
Unplanned outages	Green – compliant

<sup>\*</sup> See page 246 for a full breakdown of compliance with components of leakage and PCC methodology with common measures reporting methodology (RAG 3.14 Section 4.4).

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## **Appendix 1 Assurance summary and findings**

### Summary of the findings of the assurance

This section summarises the findings of the assurance that has been undertaken to support the Annual Performance Report (APR).

Financial auditor – We have engaged KPMG to provide an audit opinion or perform procedures as agreed with management on the regulatory accounting information set out in the table below. The coverage of the KPMG audit opinion is set out in more detail, together with the findings from this review on pages 112 to 114 within Section 2 of the APR. KPMG has completed agreed upon procedures for the Section 4 and Section 9 pro forma tables identified in the following table, with no issues noted.

Technical auditors – We have engaged Jacobs to review the performance and volumetric data used to support the remainder of the data within the APR tables, including the outcome delivery information and cost assessment tables.

The findings from the technical auditor's review, which covers the APR information, were presented to the UUW board and are set out below. The Independent Technical Assurance Statement is set out on pages 253 to 264.

Corporate audit – UU Corporate Audit performed an independent review of the effectiveness and application of the assurance framework applied to the APR. The findings were presented directly to the UUW board and are set out in Section 4 of the corporate audit report on pages 265 to 268 below.

In addition, YourVoice, the independent challenge panel, has reviewed our performance and reporting throughout the year and presented its findings directly to the UUW board. The reflections of the panel on United Utilities' performance during 2024/25 can be found on our website http://www.unitedutilities.com/globalassets/documents/pdf/apr-yourvoice-statement-2024-25

The table below sets out each area of the APR and shows how the independent assurance has been provided for that area.

### UUW Annual Performance Report data tables - independent assurance

Section 1 R	Regulatory financial reporting at 31 March 2025	Lines	Independent assurance
1A	Income statement	All	KPMG audit opinion
1B	Statement of comprehensive income	All	KPMG audit opinion
IC	Statement of financial position	All	KPMG audit opinion
ID	Statement of cashflows	All	KPMG audit opinion
1E	Net debt analysis	All	KPMG audit opinion
1F	Financial flows	All	KPMG audit opinion
Section 2 F	Price review and other segmental reporting at 31 March 2025		
2A	Segmental income statement	All	KPMG audit opinion
2B	Totex analysis – wholesale water and wastewater	All	KPMG audit opinion
2C	Operating cost analysis – retail	All	KPMG audit opinion
2D	Historical cost analysis of tangible and fixed assets wholesale and retail	All	KPMG audit opinion
2E	Analysis of grants and contributions – water resources, water network plus and wastewater network plus	All	KPMG audit opinion
2F	Residential retail	All	KPMG audit opinion
2G	Non-household water – revenues by tariff type	All	N/A
2H	Non-household wastewater – revenues by tariff type	All	N/A
21	Revenue analysis	All	KPMG audit opinion
2J	Infrastructure network reinforcement costs	All	KPMG audit opinion
2K	Infrastructure charges	All	KPMG audit opinion
2L	Analysis of land sales	All	KPMG audit opinion
2M	Revenue reconciliation – wholesale tariffs	All	KPMG audit opinion
2N	Household affordability support	All	KPMG audit opinion
20	Historic cost analysis of intangible fixed assets	All	KPMG audit opinion
Section 3 l	Performance summary		
3A	Outcome performance water common performance commitments	All	Jacobs agreed upon procedures
3B	Outcome performance wastewater common performance commitments	All	Jacobs agreed upon procedures
3C	Customer measure of experience (C-MeX) table	All	Jacobs agreed upon procedures
3D	Developer services measure of experience (D-MeX) table	All	Jacobs agreed upon procedures
3E	Outcome performance – non financial performance commitments	All	Jacobs agreed upon procedures
3F	Underlying calculations for common performance commitments – Water and Retail	All	Jacobs agreed upon procedures
3G	Underlying calculations for common performance commitments – Wastewater	All	Jacobs agreed upon procedures
3H	Summary information on outcome delivery incentive payments	All	Jacobs agreed upon procedures
31	Supplementary outcomes information	All	Jacobs agreed upon procedures
Section 4	Additional regulatory information – service level		
4A	Water bulk supply information	All	Jacobs agreed upon procedures

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4B	Analysis of debt	All	KPMG agreed upon procedures
4C	Impact of price control performance to date on RCV	All	KPMG agreed upon procedures
4D	Totex analysis – water resources water network plus	All	KPMG agreed upon procedures
4E	Totex analysis – wastewater network plus and bioresources	All	KPMG agreed upon procedures
4F	Major project expenditure for wholesale water by purpose	All	Jacobs agreed upon procedures
4G	Major project expenditure for wholesale wastewater by purpose	All	Jacobs agreed upon procedures
4H	Financial metrics	All	KPMG agreed upon procedures
41	Financial derivatives	All	KPMG agreed upon procedures
4J	Base expenditure analysis – water resources and water network plus	All	KPMG agreed upon procedures
4K	Base expenditure analysis – wastewater network plus and bioresources	All	KPMG agreed upon procedures
4L	Enhancement expenditure water resources and water network plus	All	Jacobs agreed upon procedures
4M	Enhancement expenditure on wastewater network plus and bioresources	All	Jacobs agreed upon procedures
4N	Developer services expenditure – water resources and water network plus	All	KPMG agreed upon procedures
40	Developer services expenditure – wastewater network plus and bioresources	All	KPMG agreed upon procedures
4P	Expenditure on non-price control diversions	All	KPMG agreed upon procedures
4Q	Developer services – New connections, properties and mains	All	Jacobs agreed upon procedures
4R	Properties, customers and population	All	Jacobs agreed upon procedures
<b>4</b> S	Green Recovery expenditure – water resources and water network plus	All	Jacobs agreed upon procedures
4T	Green Recovery expenditure – wastewater network plus and bioresources	All	Jacobs agreed upon procedures
4U	Impact of Green Recovery on RCV	All	Jacobs agreed upon procedures
4V	Mark to market of financial derivatives	All	KPMG agreed upon procedures
4W	Defined benefit pension scheme	All	KPMG agreed upon procedures
4X	Accelerated infrastructure delivery project expenditure	All	N/A
4Y	Accelerated infrastructure delivery project expenditure	All	KPMG agreed upon procedures
4Z	Household bill reduction schemes, debt and Guaranteed	All	Jacobs agreed upon procedures
42	Standards Scheme (GSS) payments	All	oacobs agreed upon procedures
Saction E Additi	onal regulatory information – water resources		
5A	Water resources asset and volumes data	All	leache agreed upon procedures
			Jacobs agreed upon procedures
5B	Water resources operating cost analysis	All	Jacobs agreed upon procedures
	ional regulatory information – water network plus	All	In the country of the country of the
6A	Raw water transport, raw water storage and water treatment	All	Jacobs agreed upon procedures
6B	Treated water distribution – assets and operations	All	Jacobs agreed upon procedures
6C	Water network plus – mains, communication pipes and other data	All	Jacobs agreed upon procedures
6D	Demand management – metering and leakage activities	All	Jacobs agreed upon procedures
6F	WRMP annual reporting on delivery	All	Jacobs agreed upon procedures
	onal regulatory information – wastewater network plus		
7A	Wastewater network plus functional expenditure	All	Jacobs agreed upon procedures
7B	Wastewater network plus large STW	All	Jacobs agreed upon procedures
7C	Wastewater network plus sewer and volume data	All	Jacobs agreed upon procedures
7D	Wastewater network plus sewage treatment works data	All	Jacobs agreed upon procedures
7E	Wastewater network plus energy consumption and other data	All	Jacobs agreed upon procedures
7F	Wastewater network plus – WINEP Phosphorus removal scheme costs and	All	Jacobs agreed upon procedures
0	cost drivers		
	ional regulatory information – bioresources	A.II.	
8A	Bioresources sludge data	All	Jacobs agreed upon procedures
8B	Bioresources operating expenditure analysis	All	Jacobs agreed upon procedures
8C	Bioresources energy and liquors analysis	All	Jacobs agreed upon procedures
8D	Bioresources sludge treatment and disposal data	All	Jacobs agreed upon procedures
Section 9 Additi	ional regulatory information – innovation competition		
9A	Innovation competition	All	KPMG agreed upon procedures
Section 10 Gree	n Recovery		
10A	Green Recovery data capture additional items	All	Jacobs agreed upon procedures
10B	Green Recovery data capture outcomes – water	All	Jacobs agreed upon procedures
10C	Green Recovery data capture outcomes – wastewater	All	Jacobs agreed upon procedures
10D	Bespoke performance commitments	All	Jacobs agreed upon procedures
10E	Green Recovery data capture reconciliation	All	Jacobs agreed upon procedures

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# **Appendix 1 Assurance summary and findings**

11A	Operational greenhouse gas emissions	All	Jacobs agreed upon procedures
Section 11 Open	rational greenhouse gases		
10H	Accelerated schemes data capture reconciliation model input	All	Jacobs agreed upon procedures
10G	Additional reporting to account for impacts of transitional expenditure	All	Jacobs agreed upon procedures
10F	Annual reporting to account for impacts of accelerated infrastructure delivery projects	All	Jacobs agreed upon procedures

Relevant commentary for tables 3-11 is provided on our website at:
unitedutilities.com/globalassets/documents/pdf/apr-table-commentary-2025 and
unitedutilities.com/globalassets/documents/pdf/rr25-accounting-methodology-statement

## **Appendices**

# **Appendix 1 Assurance summary and findings**

The below tables outline our compliance with the leakage and the PCC methodology in line with RAG 3.13 Section 4.14.

### Leakage

		0	2024/25	0
Comp	ponent/Element	Component R/A/G	Element R/A/G	Confidence grade
	Coverage	Green		A2
1	Coverage – 95% of all properties have continuous night flow monitoring through the year		Green	A2
	Availability	Green		A2
a	Availability – At least 90% of all properties within continuous night flow monitoring networks available for reporting night flow data through the year		Green	A2
	Properties	Green		A2
ì	Properties – All properties mapped to defined zones or DMAs using geo-location or similar methods		Green	A2
)	Properties – Consistency of property numbers contained within DMAs or zones with company billing system. Valid differences explained		Green	A2
;	Properties – defined as void excluded from night use allowances unless evidence for use or losses from illegal occupation is available.		Green	A2
ł	Properties – Leakage allowance applied for properties not within DMAs or monitored zones consistent with other leakage estimates.		Green	A2
•	Properties – Property data updated at least annually		Green	A2
	Night flow period and analysis	Green		A2
	Night flow period and analysis – Night flow data frequency at least every 15 minutes		Green	A2
)	Night flow period and analysis – Leakage derived from a fixed period during the night of at least a one hour period and up to two hours		Green	A1
;	Night flow period and analysis – If the fixed period is varied during the year for some or all DMAs or zones to address significant changes to night use patterns such as during Ramadan evidence for this is provided		Green	A1
I	Night flow period and analysis – Leakage allowance applied for properties not within DMAs or monitored zones consistent with other leakage estimates		Green	A2
	Night flow period and analysis – Data infilling for a single DMA or zone does not use more than six months of historic data before moving to area average		Green	A2
	Night flow period and analysis – Data infilling where historic data is not available uses the area average in which the DMA is located		Green	A2
9	Night flow period and analysis – When a DMA is restored to operability, the subsequent leakage data is used to retrospectively update the data infilling interpolating between pre- and post- data over at least one month		Green	B2
1	Night flow period and analysis – Where NHH properties are continuously monitored, the actual values of flow over the night flow period are used in place of estimates within the night flow analysis		Green	A2
	Night flow period and analysis – Weekly leakage estimates are used for annual reporting with no exclusions for summer months		Green	A2
	Night flow period and analysis – Negative leakage values are used in compiling values of annual average leakage		Green	B2
	Night flow period and analysis – The reasons for any prolonged periods of negative leakage are investigated and explained		Green	A2
	Household night use	Green		A2
	Household night use – The time period for HHNU is the same time period as used for night flow and NHHNU $$		Green	A1
	Household night use – Own data or shared data with proximate companies is used for HHNU		Green	A1
	Household night use – Plumbing losses are included and based on own data		Green	A2
I	Household night use – Evidence that survey is representative (based on demography, property type or other factors) of the company as a whole		Green	A2
:	Household night use – Sample size is sufficient to capture continuous and intermittent night use with reasonable confidence		Green	A1
	Household night use – Continual monitoring and maintenance of IHMs (individual household monitors) and SAMs (small area monitors)		Green	A2
3	Household night use – HHNU is derived daily with regular, adjustment of values on a weekly or monthly frequency to reflect actual seasonal use. This may be done retrospectively		Green	A2
	Non-household night use	Green		A2
	Non-household night use – The time period for NHHNU is the same time period as used for night flow and HHNU		Green	A1
)	Non-household night use – Own data or shared data with proximate companies is used for NHHNU		Green	А3
С	Non-household night use – 1999 UKWIR methodology with the appropriate time window as used for		Green	A1

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		2024/25		
Comp	onent/Element	Component R/A/G	Element R/A/G	Confidence grade
6d	Non-household night use – Stratification of non-households to a number of groups and consumption bands is representative of the varying characteristics of commercial and industrial properties		Green	Аз
6e	Non-household night use – Sample size is sufficient to capture night use by stratification with reasonable confidence		Green	A1
6f	Non-household night use – Reliable and representative average billed volume (ABV) model based on data logging of the representative sample sufficient to capture demand variations with further seasonal logging where relevant. Continuously logged properties not part of the sample		Green	A2
6g	Non-household night use – ABV model linked to billing system or replacement database of billed volumes. Average billed volumes updated at least annually		Green	A2
6h	Non-household night use – Continuous monitoring of selected non-households is carried out where average demand of an individual non-household has a material impact on the ability for a DMA or zone to provide valid and consistent data within operability limits		Green	A2
7	The hour-to-day factor	Green		B2
7a	The hour-to-day factor is derived separately for each DMA or zone using pressure logging within each DMA or zone. The factors are updated at least annually or where there are any significant changes to pressure regimes		Green	B2
7b	Hour to day conversion – As an alternative, hydraulic models, reflecting latest network configuration and pressure changes, are used if they dis-aggregate in sufficient detail at sub-zone level		Green	B2
7c	Hour to day conversion – Evidence-based N1 value used. Expected range is 1.0 to 1.20		Green	B2
8	Annual distribution leakage	Green		B2
8a	Annual distribution leakage – Average weekly data is derived from valid daily values of leakage using data points which are representative of the week. Backfilling using the methods described in Section 5.4 – night flow analysis – is done when valid data is not available for three or more data points		Green	B2
8b	Annual distribution leakage – The annual value of leakage expressed as MI/d is be derived from an average of the 52 week data		Green	B2
9	Trunk main leakage	Green		B2
9a	Trunk main leakage – Company specific data is used to assess the value of trunk main leakage		Green	B2
9b	Trunk main leakage – Proactive leakage monitoring approach applied where trunk main losses form a significant element of total leakage or the MLE water balance gap is greater than +/-2%		Green	B1
9c	Trunk main leakage – If trunk main losses greater than 5% of total leakage estimates reviewed annually		Green	B1
10	Service reservoir losses	Green		
10a	Service reservoir losses – Company specific data is used to assess the value of service reservoir losses		Green	B2
10b	Service reservoir losses – Reservoirs with known high leakage, structural deficiencies or at risk of water quality failures are investigated on an individual basis		Green	B2
10c	Service reservoir losses – Drop tests (12 hour duration depending on size) carried out every five or ten years. All valves checked for tight close; and losses through overflows investigated. Appropriate monitoring arrangements in place to control and minimise overflow events		Green	B2
11	Distribution input	Green		A2
11a	Distribution Input to the system is metered with at least daily readings at all defined locations		Green	A2
11b	Distribution Input – Meters are appropriate size for the flow to be measured and located at appropriate inputs to the network confirmed by record plans. Any treatment works take-off downstream of a meter are excluded from the DI calculations		Green	A2
11c	Distribution Input – Data validity checks are carried out at least monthly		Green	A2
11d	Distribution Input – Missing data is infilled using both pre- and post- data for the location over at least one month, extrapolated from pump hours or use of upstream or downstream meters		Green	A2
11e	Distribution Input – The data transfer systems from meter output to central database are checked and validated on a risk-based frequency from one up to two years		Green	A2
11f	Distribution Input – Flow checks are carried out on DI meters consistent with the principles of the document 'EA Abstraction Good Metering Guide' and in particular the frequency of flow checking defined in table 6.2 of the EA guide		Green	B2
12	Measured consumption	Green		A2
12a	Measured consumption – Metered data is derived from own billing system or from CMOS for non-households		Green	A2
12b	Measured consumption – Estimate of supply pipe losses is included for internally metered properties consistent with own current assumption of supply pipe losses		Green	A2
12c	Measured consumption – Inclusion of any leakage allowance is included where a rebate has been applied to a customer's bill		Green	A2

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# **Appendix 1 Assurance summary and findings**

		2024/25		
Comp	ponent/Element	Component R/A/G	Element R/A/G	Confidence grade
12d	Measured consumption – Meter under-registration (MUR) is applied consistent with own estimates. Evidence of MUR available especially for MUR above 3%.		Green	A2
12e	Measured consumption - Meter replacement consistent with own replacement programme		Green	А3
13	Unmeasured consumption	Green		A2
13a	Unmeasured consumption – Monitors follow principles set out in the UKWIR Report 'Best Practice for unmeasured per-capita consumption monitors 1999' and the more recent report 'Future Estimation of Unmeasured Household Consumption', UKWIR 2017		Green	A2
13b	Unmeasured consumption – Consumption is derived from own individual household monitor or small area surveys		Green	A2
13c	Unmeasured consumption – Evidence that survey is representative (based on demography, property type or other factors) of the company as a whole; valid data available from at least 80% of monitors as an annual average measure		Green	A2
13d	Unmeasured consumption – For companies using SAMs – SAM (small area monitor) comprises a representative sample of customer' characteristics. The sample size is sufficient to provide a statistically representative sample after allowing for outages. Where the proportion of metered properties in an area exceeds 50% of total properties then further data validity tests are applied. For companies using IHMs – IHM (individual household monitor) comprises representative sample of customer characteristics. The sample is at least 1000 properties		Green	A2
13e	Unmeasured consumption – Uncertainty allocated to unmeasured household consumption is estimated and justified		Green	A2
13f	Unmeasured consumption – There is continual monitoring and maintenance of IHMs and SAM monitors		Green	A2
13g	Unmeasured consumption – Meters are selected to provide sufficient granularity to detect low continuous flows indicative of plumbing losses or leakage short duration flow variations. The value of meter under registration is less than the company's average meter stock		Green	В3
13h	Unmeasured consumption – Estimate of plumbing losses is based on own data		Green	B2
13i	Unmeasured consumption – Where unmeasured non-household reported volume is less than 2% of total non-household demand, data from a per property consumption study is refreshed every five years		Green	AX
13j	Unmeasured consumption – Where unmeasured non-household reported volumes are greater than 2% of non-household demand, data from a property study is refreshed every two years		Green	A2
14	Company own water use	Green		
14a	Company own water use – All sewage treatment sites and other sites and assets supplied downstream of the DI meters using greater than 10 m3/d (0.01 MI/d) are metered		Green	B2
14b	Company own water use – An estimate of total company own use is included in the water balance, based on a clear methodology and actual data		Green	B2
14c	Company own water use – Estimate of distribution operational use is evidence based and not greater than 0.6% of distribution input		Green	A2
15	Other water use	Green		
15a	Other water use – Other use components are based on own data		Green	B2
15b	Other water use – Estimate of water delivered unbilled (legally and illegally) is evidence based and not greater than 1.8% of distribution input		Green	B2
15c	Other water use – Estimates are updated when there is a material increase or decrease to volumes		Green	B2
16	Water balance and MLE	Green		
16a	Water balance and MLE – Fully measured components have a range from 2% to 4%		Green	B2
16b	Water balance and MLE – Mainly measured with some estimated adjustments have a range from 2.5% to $5\%$		Green	B2
16c	Water balance and MLE – Estimated using detailed and reliable methods have a range from 8% to 12%		Green	B2
16d	Water balance and MLE – Broad estimates not fully detailed or reliable have a range from 20% to 50%		Green	B2
16e	Water balance and MLE – Water balance discrepancy: <2% = Green >2% and <3% = Amber >3% = Red		Green	B2

## **Appendices**

# **Appendix 1 Assurance summary and findings**

## Per capita consumption

			2024/25	
Comp	onent/Element	Component R/A/G	Element R/A/G	Confidence grade
1	Household population estimates	Green		A2
1a	Household population estimates – derived using WRMP methodology		Green	A2
1b	Household population estimates – evidence for adjustments for clandestine population if any		Green	A2
1c	Household population estimates – updated annually		Green	A2
1d	Household population estimates – exclusion of non household population in accordance with WRMP methods		Green	A2
2	Household property estimate	Green		A2
2a	Household property estimate – Definition of household/non-household consistent with eligibility under market separation		Green	A2
2b	Household property estimate – Evidence of void properties updated annually		Green	A2
2c	Household property estimate – Property figures annually updated		Green	A2
3	Measured household consumption	Green		A2
3a	Measured household consumption – Metered data is derived from own billing system		Green	A2
3b	Measured household consumption – If leakage allowances are applied the process and evidence for this is clearly set out		Green	A2
3с	Measured household consumption – Average SPL (supply pipe leakage) deductions for externally metered households using company own data updated annually		Green	A2
3d	Measured household consumption – Company own estimate of MUR (meter under-registration) for revenue meters, which is updated annually		Green	A2
3e	Measured household consumption – Meter replacement consistent with own replacement programme.		Green	А3
4	Unmeasured household consumption (Based on leakage PC RAG elements)	Green		A2
4a	Unmeasured household consumption - Monitors follow principles set out in the UKWIR report 'Best Practice for unmeasured per capita consumption monitors 1999' 11 and the more recent report 'Future Estimation of Unmeasured Household Consumption', UKWIR 2017.		Green	A2
4b	Unmeasured household consumption - Consumption is derived from own IHM or SAM or evidence to support other method appropriate for high meter penetration companies.		Green	A2
4c	Unmeasured household consumption - Evidence that survey is representative (based on demography, property type or other factors) of the company as a whole; Valid data available from at least 80% of monitors as an annual average measure.		Green	A2
4d	Unmeasured household consumption - For companies using SAMs - SAM comprises a representative sample of customer' characteristics. The sample size is sufficient to provide a statistically representative sample after allowing for outages. Where the proportion of metered premises in an area exceeds 50% of total premises then further data validity tests are applied. For companies using IHMs – IHM comprises representative sample of customer characteristics. The sample is at least 1000 premises.		Green	A2
4e	Unmeasured household consumption - Uncertainty allocated to unmeasured household consumption is estimated and justified.		Green	A2
4f	Unmeasured household consumption - There is continual monitoring and maintenance of IHMs and SAM monitors.		Green	A2
4g	Unmeasured household consumption - Meters are selected to provide sufficient granularity to detect low continuous flows indicative of plumbing losses or leakage short duration flow variations. The value of meter under registration is less than the company's average meter stock.		Green	В3
4h	Unmeasured household consumption - Estimate of plumbing losses is based on own data.		Green	A2
4i	Unmeasured household consumption - Where unmeasured non-household reported volume is less than 2% of total non-household demand, data from a per property consumption study is refreshed every five years.		Green	AX
<b>4</b> j	Unmeasured household consumption - Where unmeasured non-household reported volumes are greater than 2% of non-household demand, data from a property study is refreshed every two years.		Green	A2
4k	Unmeasured household consumption - Company own estimate of MUR for monitor meters which is updated annually.		Green	A2
41	Unmeasured household consumption - Meter replacement consistent with own replacement programme.		Green	A2

# **Appendix 1 Jacobs audit report**





Challenging today. Reinventing tomorrow.

## **Appendix 1 Jacobs audit report**

# **Jacobs**

#### **RR25 Board Assurance Statement**

Client name: United Utilities Project no: B2349203

Project name: Technical Assurance Project manager: Alexandra Crawford

Revision: 3.0

**Date:** 11 June 2025

#### Document history and status

Revision	Date	Description	Author	Checked	Reviewed	Approved
1.0	10/06/2025	Draft	LS	НКС	SH	AC
2.0	11/06/2025	Final	LS	HKC	SH	AC
3.0	11/06/2025	Final v2. Post APR25 COI clarification	LS	НКС	SH	AC

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This assurance was completed in accordance with the ISAE 3000 (Revised) standard including following ethical and quality requirements.

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Attention: United Utilities Board

#### Introduction

United Utilities (UUW) engaged Jacobs UK Limited to provide external technical assurance. This was to confirm that specific technical and expenditure elements of Regulatory Reporting 2025 (RR25) comply with; the guidance of the Water Services Regulatory Authority (Ofwat); good practice; and the Price Review 2019 (PR19) Final Determination.

All water companies are required by Ofwat to submit an Annual Performance Report (APR). The APR reports progress on the delivery of customer outcomes, service level improvements, transparent cost information and financial performance. Data used by UUW to populate the APR has been derived from their RR25 data return.

The APR prepared by the UUW is required to be accessible to all stakeholders so that they show how the sector is delivering for its customers, environment, and wider society. In this regard, Ofwat has provided a series of standard templates and accompanying guidance for the outcome, performance commitment and incentive mechanisms. The information in the spreadsheet will assist stakeholders to track and compare actual performance.

Each company's Board is accountable for the quality and transparency of the information they provide and for implementing assurance procedures to make sure they meet all their legal and regulatory obligations.

This statement covers our work in providing independent technical assurance on aspects of the Company's APR submission to Ofwat.

### Scope of Work and Approach

Jacobs UK Ltd was appointed to provide an independent review of UUW's compliance and governance processes. This includes the key technical information presented in supporting UUW's regulatory performance and public domain information reports.

The scope of our work has been determined by UUW, and this assurance report provides the conclusions from the work specified in our Statement of Work, RR25 assurance, issued on 31<sup>st</sup> January 2025. Our scope is summarised below, and is intended to confirm that:

APR information (as reported in RR25), is prepared in accordance with Ofwat's APR guidance and information which supported the Final Determination for the Asset Management Plan (AMP) 7 period. We have subsequently been asked to review two additional reporting tables (PR19 reconciliation tables and past delivery tables).

The information we have considered to confirm this includes;

- General information
- Customer service information
- Operational activities and performance in AMP7 against PR19 and other business targets
- Networks and treatment
- Capital expenditure allocations to revenue controls and business streams, to investment categories and to performance commitments
- Calculation of 2024/25 performance associated with the Outcome Delivery Incentives and Performance Commitments.
- Other miscellaneous metrics

5



Where the above guidance does not cover the items assured, they are assessed against the guidelines set out by Ofwat for June Return information up to 2012. The following hierarchy of guidance is deemed to apply:

- Relevant Regulatory Accounting Guidelines: version 4.10, 11, 12, 13 and subsequent clarifications
- APR25 table templates and guidance
- Performance commitments and definitions agreed with Ofwat for the AMP7 period, or as subsequently superseded
- Ofwat Information Notes
- Ofwat's most recent 'June Return' guidance (2012)
- UUW procedures, definitions and assumptions which should where relevant, be compliant with the guidance hierarchy above
- Reasonable and appropriate judgement

### **Assurance Standards Applied**

We conducted our limited assurance in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE (UK) 3000 revised"). The Standard requires that we obtain sufficient, appropriate evidence on which to base our conclusion.

### **Duty of Care**

RR25 marks the final year of AMP7. In its 2024 Final Determination, Ofwat introduced a new requirement for AMP8. Third-party assurance providers, such as Jacobs, now have a direct and actionable duty of care to Ofwat. This requirement applies to APR25 table 10H, which reports AMP8 accelerated infrastructure and is therefore subject to the new assurance standards.

Ofwat mandates that water companies must engage third-party assurers under contracts that explicitly grant Ofwat legal recourse if the assurance is found to be inadequate. This obligation must be formally documented in the service agreement between the water company and the assurance provider.

Our current assurance contract with United Utilities (UU) runs until September 2026. To comply with Ofwat's new requirement throughout the contract period, UU has requested a Letter of Reliance from us. We are currently working with UU to finalise the contents of this letter.

In the meantime, with respect to table 10H, we confirm that we recognise our duty of care to Ofwat and that the table will be governed under the terms outlined in the forthcoming Letter of Reliance

#### 5



### **Conflict of interest management**

We confirm that we have proactively managed both real and perceived conflicts of interest in collaboration with your Economic Regulation team. Jacobs staff are required to complete conflict of interest training annually and our teams have received reminders on the importance of managing conflicts of interest during our pre-audit briefing sessions. This year, we have not identified any real or perceived conflicts in relation to our APR25 assurance programme.

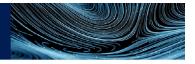
#### **Approach**

#### **Process**

Our assurance approach is summarised in the following steps:

- 1. Agree scope and assurance plan with UUW
- 2. Review preliminary topic information
- 3. Discuss and agree which areas would benefit from an early process audit and schedule
- 4. Undertake Remote Audits via Microsoft Teams
  - Check that the Company's reported data conforms to the published guidance
  - Identify and examine the material assumptions to assess their reasonableness, and challenge those which we deem to be inappropriate
  - Where appropriate, test on a sample basis, UUW's approach against its stated methods, procedures, policies and assumptions, and reliability of source data
  - Review the appropriateness of the confidence grades assigned,
  - · Assess performance in the Report Year and check consistency against that of previous years, and
  - Ensure relevant performance data has been accurately utilised in the calculation of the various performance commitments and ODIs, where applicable.
- 5. Summarise Audit Findings (SAF)
  - For RR25, the SAF consists of a brief bullet point summary of the findings and a tabulation of any outstanding issues or areas identified for further UUW action.
- 6. Close out key issues through iteration between auditor and UUW specialists, escalating through both organisations where appropriate to agree, as appropriate: adjustment to reported information; future action plans; or additional statements which provide adequately transparency of the issue.
- 7. Presentations and preparation of Reports and Assurance Statement.

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#### Process and data audits approach

The data audits build on the Method Statement process audits we undertook during the year for some of your performance commitments and data lines. These were selected as part of a risk-based review for the following data lines:

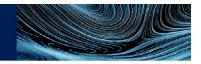
- 3A.19 Household voids
- 3E Value for money
- 3A.6 Unplanned Outage
- 3A.2 Supply Interruptions
- 3A Leakage
- 3A Per Capita Consumption
- 3B.4 Discharge permit compliance
- Satisfactory sludge disposal
- Table 2N GSS
- 3B.2 Pollutions
- 3A CRI
- 3A Systems Thinking
- Environmental Information Requests

The process audits took place between January 2025 and March 2025, and the data audits took place between April 2025 and June 2025. Undertaking early process audits have supported more effective data audits

Most audits took place remotely using Microsoft Teams with a couple undertaken in person. When reviewing your proposed performance figures, we have taken a risk-based approach (via sampling) to assess the completeness, reliability and accuracy of the source data, the robustness of the reported performance figure and the appropriateness of the confidence grade the team had assigned. Where available, we also checked consistency of your teams' internal commentaries with the data we reviewed and ensured that they did not contain any obviously misleading or false statements.

After each process or data audit we provided you with detailed feedback that explained our assessment of the risk associated with the methodology and reported performance figure and listed any actions.

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#### Assessment

We use the following RAG coding to simply highlight the areas of concern:

Table 1 - RAG Criteria used by Jacobs for reporting compliance against the guidelines

Key to Audit RAG status				
R	Material concerns over the validity of the reported information			
Α	Potential material concerns over reported information			
К	Content with reported information but supporting data needs completion/ noting/or future improvements required			
G	No material exceptions and compliant with the requirements			

The following tests are applied to the data presented and the accompanying commentaries:

Table 2 - Example of Tests applied to APR Data and Performance Commitment information.

#### Process:

RR25 Table Criteria	Assessment
Governance	Is the reporting methodology subject to appropriate governance?
Compliance with requirements	Is the methodology consistent with the requirements?
Inputs	Is the quality of the input data / information to the process known and appropriate?
Process	Is the methodology adequate to provide reliable data?
Reporting risks and controls	Are reporting risks being managed and are there sufficient checks and controls?

#### Data:

RR25 Table Criteria	Assessment
Performance and context	Is the reported data and commentary reasonable and consistent with the other information seen at the audit?
Process compliance	Has the process defined in the methodology document been followed?
Data checks	Have the data checks identified any issues?

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As part of our assurance, we also assured the following reconciliation tables:

Model Name
Model Name
ODI Performance
ODI Differences
Tax
Cost of new debt
RPI-CPIH wedge
Totex
Green recovery cost adjustment
Green recovery time value of money
Accelerated/ transition programme
Strategic Regional Water Resources
C-MeX
D-MeX
Revenue Forecasting Incentive (RFI)
Bioresources
In-period adjustment model
Revenue feeder model
RCV feeder model
Residential retail
Land sales
Developer services
Past delivery tables

## **Summary of Key Findings**

Below we highlight the key findings and exceptions:

- The reported data is materially compliant with Ofwat's Reporting Requirements (Regulatory Accounting Guidelines, APR25 table guidance, 2019 Final Determination or superseding definitions, or June Return definitions, as appropriate);
- The tables, commentaries and statements provide a fair and balanced overview of the Company's 2024/25 circumstances and performance;
- Procedures and assumptions are generally reasonable and well embedded, well documented, and appropriately implemented; and
- Overall, UUW staff were knowledgeable, helpful, receptive, and generally well prepared for the audits.

#### Table 3: RAG issues

RAG issues	Comments
Red issues	There were no RED status issues.
Amber issues	Whilst there were a small number of AMBER issues raised during the audit process, all of these were resolved prior to submission. Detail on the issues are included below.
Blue issues	Several non-material BLUE issues were identified during the audit process, predominantly relating to future continuous improvements. Some examples of these are summarised in section 4.1 below.

The below table shows the specific Table/lines with amber actions.

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#### Table 4: Amber actions

Data line	Issue	Resolution
3B.2 Pollutions	At the time of the audit the EPA tracker was not finalised, so the final figure was likely to change.	Closed - Email from UU confirmed final numbers after the appeals process was completed
7C.22 Sewer lengths	The value for "length of formerly private sewers and lateral drains (s105 sewers) was missing from the APR return form at the time of the audit.	Closed – table 7C has been updated with the figure audited.
11A.44 & 45 Cradle to gate	Both lines with the same figure for capital projects, although they have different definitions.  44 – cradle-to-gate; 45 – cradle-to-build	Closed - Text added for Table 11A.44 commentary including estimation of 75% of cradle-to-build being cradle-to-gate.  UU have assumed that cradle-to-gate is 75% of the cradle to build and entered this value in line 11A.44. This is based on professional estimates of the relative emissions for the manufacture of materials and products, transport to site, and the emissions from construction activities (such as from energy, personnel and site waste).

#### Non- Material Blue Actions

Below is a summary showing general themes identified in the audits that were classified as blue actions;

There were examples of appropriate sign offs not being in place at the time of audit. This was mostly attributable to the audit schedule and timings being in advance of final authorisations. In these cases, evidence of appropriate sign off has been subsequently shared with the auditor or a plan agreed to complete the authorisation. A process was implemented for the Regulation team to send a JIRA update on a regular basis to evidence the sign off process working.

Method Statements, Performance & Compliance Statements (P&CS), and table worksheets were not always updated with the current line reference or date and were not always available at the time of the audit. There were also cases where some Performance and Compliance Statements did not include checks and controls or details of the key assumptions or were not fully complete. These were raised as actions to update the Statements to include these details.

Commentary supporting the reported tables/lines was missing or under-developed in some audits. In most cases, however, the accompanying P&CS provided a detailed and accurate description (from which the commentary is prepared).

**Confidence grades were not assigned to all data lines.** Actions were raised to consider including an appropriate confidence grade in the P&CS.

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## **Independent Assurance of Financial PCs**

As part of our technical role, we have reviewed and provided independent third-party assurance on the following financial Performance Commitments (PCs). No red issues were identified. Any amber PC issues were resolved during the audit period.

#### **Table 5: Performance Commitments assured**

A01-CF Water quality compliance (CRI) A02-WN Reducing the need for customers to contact us about taste and smell of their drinking water A03-WN Number of properties with lead risk reduced A04-WN Helping customers look after water in their home A05-WN Reducing discolouration from the Vyrnwy treated water aqueduct B01-WN Leakage % reduction from baselines B02-WN Mains repairs B03-WN Interruptions to supply B04-CF Unplanned outage B05-WN Per capita consumption - reduction from baseline B06-CF Risk of severe restrictions in a drought B07-WN Reducing areas of low water pressure B08-WN Water service resilience B09-DP Manchester and Pennine resilience B10-WR - Keeping reservoirs resilient C01-WWN Pollution incidents C02-CF Treatment works compliance C03-WR Abstraction incentive mechanism C04-WR Improving the water environment C05-WWN Improving River water quality C06-WWN Protecting the environment from growth and new development C08-CF Enhancing natural capital value for customers C09-BR Recycling biosolids C10-BR Improving air quality C001-HH C-MeX
A03-WN Number of properties with lead risk reduced A04-WN Helping customers look after water in their home A05-WN Reducing discolouration from the Vyrnwy treated water aqueduct B01-WN Leakage % reduction from baselines B02-WN Mains repairs B03-WN Interruptions to supply B04-CF Unplanned outage B05-WN Per capita consumption - reduction from baseline B06-CF Risk of severe restrictions in a drought B07-WN Reducing areas of low water pressure B08-WN Water service resilience B09-DP Manchester and Pennine resilience B10-WR - Keeping reservoirs resilient C01-WWN Pollution incidents C02-CF Treatment works compliance C03-WR Abstraction incentive mechanism C04-WR Improving the water environment C05-WWN Improving River water quality C06-WWN Protecting the environment from growth and new development C08-CF Enhancing natural capital value for customers C09-BR Recycling biosolids C10-BR Improving air quality
A04-WN Helping customers look after water in their home A05-WN Reducing discolouration from the Vyrnwy treated water aqueduct B01-WN Leakage % reduction from baselines B02-WN Mains repairs B03-WN Interruptions to supply B04-CF Unplanned outage B05-WN Per capita consumption - reduction from baseline B06-CF Risk of severe restrictions in a drought B07-WN Reducing areas of low water pressure B08-WN Water service resilience B09-DP Manchester and Pennine resilience B10-WR - Keeping reservoirs resilient E01-WN Pollution incidents E02-CF Treatment works compliance E03-WR Abstraction incentive mechanism E04-WR Improving the water environment E05-WWN Improving River water quality E06-WWN Protecting the environment from growth and new development E08-CF Enhancing natural capital value for customers E09-BR Recycling biosolids E10-BR Improving air quality
A05-WN Reducing discolouration from the Vyrnwy treated water aqueduct 301-WN Leakage % reduction from baselines 302-WN Mains repairs 303-WN Interruptions to supply 304-CF Unplanned outage 305-WN Per capita consumption - reduction from baseline 306-CF Risk of severe restrictions in a drought 307-WN Reducing areas of low water pressure 308-WN Water service resilience 309-DP Manchester and Pennine resilience 3010-WR - Keeping reservoirs resilient 301-WN Pollution incidents 302-CF Treatment works compliance 303-WR Abstraction incentive mechanism 304-WR Improving the water environment 305-WWN Improving River water quality 306-WNN Protecting the environment from growth and new development 306-WNN Protecting natural capital value for customers 309-BR Recycling biosolids 301-WR Improving air quality 301-HH C-MeX
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B02-WN Mains repairs B03-WN Interruptions to supply B04-CF Unplanned outage B05-WN Per capita consumption - reduction from baseline B06-CF Risk of severe restrictions in a drought B07-WN Reducing areas of low water pressure B08-WN Water service resilience B09-DP Manchester and Pennine resilience B10-WR - Keeping reservoirs resilient C01-WWN Pollution incidents C02-CF Treatment works compliance C03-WR Abstraction incentive mechanism C04-WR Improving the water environment C05-WWN Improving River water quality C06-WWN Protecting the environment from growth and new development C08-CF Enhancing natural capital value for customers C09-BR Recycling biosolids C10-BR Improving air quality D01-HH C-MeX
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B04-CF Unplanned outage B05-WN Per capita consumption - reduction from baseline B06-CF Risk of severe restrictions in a drought B07-WN Reducing areas of low water pressure B08-WN Water service resilience B09-DP Manchester and Pennine resilience B10-WR - Keeping reservoirs resilient C01-WWN Pollution incidents C02-CF Treatment works compliance C03-WR Abstraction incentive mechanism C04-WR Improving the water environment C05-WWN Improving River water quality C06-WWN Protecting the environment from growth and new development C08-CF Enhancing natural capital value for customers C09-BR Recycling biosolids C10-BR Improving air quality D01-HH C-MeX
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B08-WN Water service resilience B09-DP Manchester and Pennine resilience B10-WR - Keeping reservoirs resilient C01-WWN Pollution incidents C02-CF Treatment works compliance C03-WR Abstraction incentive mechanism C04-WR Improving the water environment C05-WWN Improving River water quality C06-WWN Protecting the environment from growth and new development C08-CF Enhancing natural capital value for customers C09-BR Recycling biosolids C10-BR Improving air quality D01-HH C-MeX
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B10-WR - Keeping reservoirs resilient C01-WWN Pollution incidents C02-CF Treatment works compliance C03-WR Abstraction incentive mechanism C04-WR Improving the water environment C05-WWN Improving River water quality C06-WWN Protecting the environment from growth and new development C08-CF Enhancing natural capital value for customers C09-BR Recycling biosolids C10-BR Improving air quality D01-HH C-MeX
C01-WWN Pollution incidents C02-CF Treatment works compliance C03-WR Abstraction incentive mechanism C04-WR Improving the water environment C05-WWN Improving River water quality C06-WWN Protecting the environment from growth and new development C08-CF Enhancing natural capital value for customers C09-BR Recycling biosolids C10-BR Improving air quality C01-HH C-MeX
CO2-CF Treatment works compliance CO3-WR Abstraction incentive mechanism CO4-WR Improving the water environment CO5-WWN Improving River water quality CO6-WWN Protecting the environment from growth and new development CO8-CF Enhancing natural capital value for customers CO9-BR Recycling biosolids C10-BR Improving air quality CO1-HH C-MeX
CO3-WR Abstraction incentive mechanism CO4-WR Improving the water environment CO5-WWN Improving River water quality CO6-WWN Protecting the environment from growth and new development CO8-CF Enhancing natural capital value for customers CO9-BR Recycling biosolids C10-BR Improving air quality CO1-HH C-MeX
CO4-WR Improving the water environment CO5-WWN Improving River water quality CO6-WWN Protecting the environment from growth and new development CO8-CF Enhancing natural capital value for customers CO9-BR Recycling biosolids C10-BR Improving air quality CO1-HH C-MeX
CO5-WWN Improving River water quality CO6-WWN Protecting the environment from growth and new development CO8-CF Enhancing natural capital value for customers CO9-BR Recycling biosolids C10-BR Improving air quality DO1-HH C-MeX
CO6-WWN Protecting the environment from growth and new development CO8-CF Enhancing natural capital value for customers CO9-BR Recycling biosolids C10-BR Improving air quality DO1-HH C-MeX
CO8-CF Enhancing natural capital value for customers CO9-BR Recycling biosolids C10-BR Improving air quality DO1-HH C-MeX
C09-BR Recycling biosolids C10-BR Improving air quality D01-HH C-MeX
C10-BR Improving air quality D01-HH C-MeX
D01-HH C-MeX
202 CED H V
D02-CF D-MeX
DO3-HH Priority services for customers in vulnerable circumstances
D04-CF Street works performance
E01-HH Number of customers lifted out of water poverty
E03-CF Non-household vacancy incentive
E04-CF Gap sites (wholesale)
E05-HH Gap sites (Retail)
E06-CF Systems thinking capability
E07-DP Successful delivery of direct procurement of Manchester and Pennine resilience
E07a Bespoke HARP delivery
E09-HH Customers say we offer value for money
E10-HH Voids
F01-WWN Sewer collapses
F02-WWN Sewer blockages
G02-WWN Internal sewer flooding incidents



G03-WWN External sewer flooding incidents
G04-WWN Raising customer awareness to reduce the risk of flooding % awareness above baseline
G05-WWN Hydraulic internal flood risk resilience
G06-WWN Hydraulic external flood risk resilience

#### **Recommended future actions**

The following recommendations which were highlighted as blue actions do not affect 2024/25 Annual Performance reporting but are recommended to be taken forward ahead of 2025/26 assurance.

#### Table 6: Recommended future actions

Theme	Issues/Recommendations
Supply Interruptions	We recommend that in addition to reporting year-to-date data the team also reports a latest best estimate for the full-year customer minutes lost.
Automation	Several spreadsheets were manually completed. We recommend these are automated to prevent the risk of human error.
Version controls	Some P&CS documents or data spreadsheets did not contain version control. While acknowledging that systems such as SharePoint provide a change history, we recommend using a more visible version control to ensure that material changes to systems and processes can be tracked.

## **Independent Technical Assurance Statement**

Jacobs UK Ltd has been appointed by United Utilities to provide independent technical assurance of the data that feeds into their regulatory submissions.

Through a series of virtual meetings and information exchanges, we have reviewed and tested the methodologies, processes and supporting evidence on which the data and statements in the Annual Performance Report 2025, PR19 reconciliation tables, and past delivery tables are based.

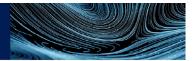
We conclude that in relation to the items we reviewed, and in all material respects:

- · your processes and internal systems of control are sufficient to meet your regulatory obligations;
- your processes for reporting performance commitments are in line with the guidance and exclusions have been correctly applied; and
- you have appropriate systems and processes in place to identify, manage and review your risks.

Johnston

Sajid Hussain Head of Water Strategy and Regulation Jacobs UK Ltd 10 June 2025





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## **Appendix 1 Corporate audit report**

# CORPORATE AUDIT MEMORANDUM United Utilities

## Review of the Annual Performance Report (APR) 2025

Water for the North West

To: See Distribution List (Section 6)

From: xxxxxxxxxx Head of Audit & Risk

Date: 12 June 2025

#### 1. Background

Ofwat require companies to report on their financial and operational performance in an Annual Performance Report (APR). This includes information specific to customers and stakeholders, together with information that enables comparison between companies across the sector.

The APR is supplemented by a series of data tables and supporting commentary in four main sections:

- Section 1: Regulatory financial reporting;
- Section 2: Price control and additional segmental reporting of costs and revenues;
- Section 3: Performance summary, including outcome delivery performance; and
- Section 4: Additional regulatory information, including totex and financeability information.

Alongside the Annual Performance Report, the following reports and statements are required:

- Board Statement stating that the data and information which the company has provided to Ofwat in the reporting year and/or which they have published in their role as water and sewerage undertaker was accurate and complete and setting out any exceptions to this.
- Risk and Compliance Statement setting out how the company has complied with its relevant statutory, licence and regulatory obligations and is taking appropriate steps to manage and/or mitigate key risks it faces.
- Assurance Report a summary of the results of the data assurance.

The Annual Performance Report, together with Assurance Report and statements, need to be published by 15 July 2025. Our audit is therefore timed to provide assurance over the process by which regulatory data is compiled in advance of sign-off at the Compliance Committee on 16 June 2025.

#### **Key Risks**

The overall risk is that inaccurate, incomplete or misleading data / information is published and reported to Ofwat resulting in regulatory action being taken against UU and/or its Directors. Consequently, financial penalties could be imposed together with a loss of confidence by customers, investors and regulators.

#### 2. Audit Objective and Scope

The objective of the audit was to provide assurance in respect of the governance, processes and key controls over the production of the 2024/25 Annual Performance Report, including associated Board and Risk and Compliance statements and Assurance Report.

The scope of this review, which supplements the assurance provided by KPMG and Jacobs, covered the following:

- Overall governance arrangements in place to ensure the regulatory data is complete, accurate and reported
  in line with the required timescales;
- The validity and consistency of the data and associated commentaries reported in Sections 3 and 4 of the Annual Performance Report. This will include sample testing to agree data back to underlying UU records and systems. Note: this review will not duplicate the testing performed by KPMG or Jacobs;
- Compliance of the reported data in the APR with key aspects of Regulatory Guidelines 3.15 "Guideline for the format and disclosures for the annual performance report" and 4.13 "Guidance for Table Definitions";
- Review the proposed Assurance Report to ensure it is appropriately aligned with UU's published Final Assurance Plan and a fair reflection of associated assurance activities;
- Review the process for identifying and agreeing compliance departures from statutory, licence and regulatory obligations and reporting of these within the Risk & Compliance Statement; and
- Review the Board statement for reasonableness.

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## **Appendix 1 Corporate audit report**

## Review of the Annual Performance Report (APR) 2025

Note: The review was carried out alongside the preparation of the regulatory data and therefore we fed back any observations in real-time to the Economic Regulation team.

Exclusions from scope:

- As testing was performed on a sample basis, the review has not verified all the regulatory data / compliance with regulatory obligations;
- Sections 1 and 2 of the Annual Performance Report which are subject to external audit by KPMG with opinion;
- Review of the performance commitment data collection, incentive calculations and reporting processes as this will be performed by the technical auditor Jacobs; and
- The underlying adequacy of other assurance activities performed or the competency and objectivity of the assurance provider. However we will consider, by reference to the scope and provider, the appropriateness of the assurance activity given the nature of the risk.

#### 3. Conclusion

There is a robust governance framework in place over the production of the APR data tables and commentaries, and our sample testing has not highlighted any inconsistencies or inaccuracies in the data. The Assurance Report is a fair reflection of the published Assurance Plan and associated assurance activities. The format of the APR is compliant with RAG 3.15 "Guideline for the format and disclosures for the annual performance report" and 4.13 "Guidance for Table Definitions". We did not identify any issues in our review of the process to identify potential material departures or the content of the Risk and Compliance Statement. The draft Board statement is reasonable and, where relevant, supportable.

Note: our work has been performed on draft copies of the APR and associated documents and all data sets have not yet been fully signed-off. We will continue to work alongside the Regulation and Compliance team to ensure all data sets are signed-off and assure any significant changes made to the data, commentaries and other documents prior to publication of the APR.

#### 4. Summary of Audit Findings

#### 4.1 Overall governance arrangements

- The governance over Regulatory Reporting is documented in a Board paper and is an integral part of the Assurance Framework for AMP7, incorporating the three lines of defence approach.
- ✓ The Assurance Framework was previously subject to independent assessment by Deloitte who concluded that "the framework is effective in its design and operation, comprising of the key, expected elements".
- ✓ The submission of the data is managed through standard evidence packs, the "Performance and Compliance Statements".
- ✓ A JIRA based workflow methodology has been used to workflow and record electronic sign-off of the APR data tables and the associated documentation.
- The Regulatory Reporting SharePoint site is well structured enabling easy navigation and serves as an audit trail to support the submission.

No issues noted.

#### 4.2 The validity and consistency of the data and associated commentaries reported in Sections 3 and 4

- ✓ We selected a sample of data table blocks (which included multiple lines) and these were traced back to the underlying systems and records with reference to the supporting Methodology Statements.
- ✓ For the selected data lines, we confirmed consistency with associated APR commentary.

See Section 5 of this report for details of the sample testing.

As at the date of this report there were two of the 15 data sets sampled for which the data had not yet been fully sign-off via JIRA. Corporate Audit will continue to monitor the sign-off of these data sets prior to publication of the APR.

## **Appendix 1 Corporate audit report**

## Review of the Annual Performance Report (APR) 2025

## 4.3 Compliance of the reported data in the APR with key aspects of Regulatory Accounting Guideline 3.15 "Guideline for the format and disclosures for the annual performance report" and 4.13 "Guidance for Table Definitions"

- ✓ We reviewed the content of the draft Annual Performance Report (APR) against the requirements set out in RAG 3.15 "Guideline for the format and disclosures for the annual performance report" to ensure that the APR included all the required disclosures (e.g. policy notes on revenue recognition, capitalisation policy, bad debt etc.).
- ✓ We reviewed content of the draft Annual Performance Report (APR) against the requirements set out in RAG 4.13 "Guidance for Table Definitions" to ensure that the APR included all the required disclosures.
- ✓ All the required disclosures are included in the APR. Specifically, the Board statement on completeness and accuracy of data and the measures taken to assure this, complies fully with the provisions set out in RAG 3.15.

#### No issues noted.

## 4.4 Review the proposed Assurance Report (to be published along with the Annual Performance Report 2024/25) to ensure it is a fair reflection of UU's published Final Assurance Plan and associated assurance activities

- ✓ In line with the published Assurance Plan, Jacobs have performed technical reviews of the APR procedures, tables and commentaries, and their Final Report states: "We conclude that in relation to the items we reviewed, and in all material respects:
  - your processes and internal systems of control are sufficient to meet your regulatory obligations;
  - o your processes for reporting performance commitments are in line with the guidance and exclusions
  - o have been correctly applied; and
  - o you have appropriate systems and processes in place to identify, manage and review your risks.)".
- ✓ We verified, on a sample basis, that the targeted assurance activities as described within the Assurance Plan and Report had been performed.
- ✓ We have reviewed the Assurance Report and are satisfied that it is a fair reflection of the assurance activities performed and the results of those activities.

#### No issues noted.

## 4.5 Review the process for identifying and agreeing compliance departures from statutory, licence and regulatory obligations and reporting of these within the Risk and Compliance Statement

- ✓ Potential compliance departures were identified in advance of this year's reporting processes by key stakeholders within the business and a sub-group of the Compliance Working Group, which is headed by the Head of Regulatory Reporting and Assurance. The group met in September 2024 to discuss a first draft of the statement and again in March 2025.
- The draft statement is in line with expectations, including items on full to flow permit conditions, licence condition L, and over abstraction of water (Section 24(1)(a) of the Water Resources Act 1991).
- ✓ We reviewed the Risk and Compliance Statement and are satisfied that it is a reasonable description of the activities that the Board undertake to comply with relevant statutory, licence and regulatory obligations.

#### No issues noted.

#### 4.6 Review the Board statement for reasonableness

- ✓ The requirement within RAG 3.15 for a Board statement on the accuracy and completeness of data and information is included within the Risk and Compliance Statement and we confirmed compliance with the requirement.
- ✓ We have confirmed that the Board statement and Risk and Compliance Statement contain the elements required by RAG 3.15, such as Board engagement and challenge on assurance.
- ✓ We confirmed that exceptions to data accuracy or completeness have been set out in a table following the Risk and Compliance Statement, as required by RAG 3.15.
- ✓ We reviewed the Draft Board Statement commentary against Ofwat's "Board leadership, governance and transparency principles" and can confirm that the draft Board statement is reasonable and, where appropriate, supportable.

#### No issues noted.

## **Appendix 1 Corporate audit report**

## **Review of the Annual Performance Report (APR) 2025**

#### 5. Sample Testing

Sample No.	Table Line Reference	Measure Description	Туре	*All Tests Completed Without Any Issues noted
1	3A.1 and supporting 1-5, 6C.23	Compliance Risk Index	PC - Regulatory	Υ
2	3A.5 & 3F.1-3	Mains repair (per 1,000km of pipe)	PC - Regulatory	Υ
3	3A.11 and lines 1-3	Reducing areas of low water pressure and properties receiving pressure/flow below reference level	PC - Regulatory	Y
4	3A.17	Improving the water environment	PC - Regulatory	Υ
5	3A.9, 3F.1-4,17, 6D.24-25	Per capita consumption and supporting information	PC - Regulatory	Υ
6	3B.1 and 1-2 supporting information	Internal sewer flooding incidents	PC - Regulatory	Υ
7	3B.6	Protecting the environment from growth and development	PC - Regulatory	Yes, expect for test (h) (Executive sign-off)
8	31.2	Risk of severe restrictions in a drought	Other - Regulatory	Y
9	3B.2 and lines 1-13	Pollution incident PC and pollution incidents (cat 1, 2 and 3) and exclusions – supporting information	PC - Regulatory	Y
10	6B.58-67	Components of total leakage (Post MLE) - Company level	Other - Regulatory	Yes, expect for tests (e) and (h) (Accountable manager and Executive sign-offs)
11	7C.8, 7C.9	Number of combined sewer overflows and Emergency Overflows	Other - Regulatory	Υ
12	7C.10	Number of settled storm overflows	Other - Regulatory	Υ
13	7E.21	Surface water separation drainage area removed	Other - Regulatory	Υ
14	7C.23-30	Storm overflows - additional reporting	Additional	Υ
15	7C.31-37	Emergency overflows - additional reporting	Additional	Υ

#### \* Tests performed:

- (a) RR25 timetable reflects accurately the contributors/owners, and Responsible / Accountable managers;
- (b) Table line data consistent with Performance & Compliance statement;
- (c) Methodology drafted by the Owner and verified by the Responsible and Accountable managers;
- (d) Performance & Compliance statement verified (signed off) by the Owner, Responsible & Accountable managers;
- (e) Responsible manager review evidenced in JIRA;
- (f) Accountable manager review evidenced in JIRA;
- (g) Traced to underlying records and evidence obtained; and
- (h) Executive sign-off evidenced in JIRA (applies to higher risk lines only).

## **Appendix 2**

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Certificate demonstrating the delegated authority to sign off the Condition P certificate (ring fencing) July 2025

## **United Utilities Water Limited**



EXTRACT FROM THE MINUTES OF A MEETING OF A COMMITTEE OF THE BOARD OF DIRECTORS HELD 8 JULY 2025

#### 3. CONDITION P RING-FENCING CERTIFICATE

3.1 In relation to the Company's regulatory accounts, it was confirmed that the appointee had sufficient financial resources and systems of planning and internal controls to carry out its regulated activities over the next 12 months, Mr Aspin was authorised to sign the Condition P Ring-Fencing Certificate on behalf of the Company.

Certified to be a true extract from the original minutes.

J L Gilmore Deputy Secretary

9 July 2025

Annual Performance Report 2024/25

#### **Appendices**

## **Appendix 3 Non-standard ODI pro forma**

#### Introduction

This appendix sets out the calculations for the non-standard outcome delivery incentive payment for abstraction incentive mechanism (AIM), recycling biosolids and better air quality AMP7 performance commitments (C03-WR, C09-BR and C10-BR).

As part of the process to calculate the net outperformance or underperformance payment required, a reconciliation between the reporting period company performance and the performance commitment level for each performance commitment occurs. The majority follow a standard calculation format of:

(A - B) \* C

Where A is actual performance, B is the performance commitment level and C is the incentive rate.

However, there are times where complex or non-standard calculations are required in order to provide additional detail regarding the steps to calculate the outperformance or underperformance payment due per performance commitment. In this reporting period, three of our performance commitments required a non-standard calculation approach. A description of each of these performance commitments, and a summary of the level of performance delivered, can be found in Section 1.1 of this document. The section below outlines the calculation steps for each of the three non-standard performance commitments.

#### C03-WR – Abstraction Incentive Mechanism

There are two components to this performance commitment, associated to two environmentally sensitive sites where abstraction of water is to be reduced – Old Water and Ennerdale – and each has their own incentive rate. Performance is measured in megalitres and a negative number signifies an improved performance as average abstraction is less than the baseline. The nature of the ODI calculation follows the typical approach of:

(A - B) \* C

Where A is actual performance, B is the performance commitment level and C is the incentive rate.

However, due to each site having its own incentive rate, as stated in the Outcomes performance commitment appendix (Appendix 1) on page 84, this means it is difficult, from table 3A, to specify whether any performance value that is stated is reflective of the performance of the company against only one component of the measure or be an amalgamation of performance across both components. Therefore, a non-standard calculation approach is required to specify our performance against each component.

The calculation for the performance commitment follows the standard  $(A - B) \cdot C$  approach. In year five, AIM has not been triggered; therefore, no calculation is required.

#### C09-BR - Recycling biosolids

A single £1.5m outperformance payment earned as a lump sum for any three consecutive years of 100% compliance within the 2020–25 period.

Performance has been as follows:

2020/21 – 99.87%

2021/22 - 100%

2022/23 - 100%

2023/24 - 100%

2024/25 - 100%

See page 63 for further details.

#### C10-BR – Better Air Quality

This performance commitment is bespoke to UUW and is measured as tonnes of NOx emissions per GWh of renewable electricity generated per year, reported to two decimal places. This is measured in an A/B formula where:

A - total tonnes of NOx emitted per year

B - total renewable electricity generated per year

The result of the A/B calculation is then our performance against the performance commitment level in that reporting period and the value calculated in the A/B calculation should be decreasing across each reporting period in this AMP (found on page 105 of the FD outcomes appendix(1) republished February 2023).

In our business plan submission, within the S3001 Performance Commitments technical document, we stated that the incentive rate was to be applied as a rate per tonne/GWh as opposed to a rate per tonne only. This was applied in order to avoid deterring additional renewable electricity generation.

Based upon projections of tonnes NOx and GWh at that time, an adjustment was calculated as follows:

1.6008 tonnes reduction in NOx will lead to a reduction of 0.01 tonnes NOx per GWh.

Incentive rate per 0.01 tonnes NOx per GWh = 1.6008 x £16,820 per tonne incentive rate = £26,925

Therefore, when calculating the outperformance or underperformance payment due, a 0.01 point conversion is required to ensure the incentive is applied and measured as 0.01 NOx/GWh point values. This means that, as part of the standard (A – B) \* C approach for the outperformance/ underperformance ODI calculation, a conversion step must be added and is done after (A – B), but before applying the incentive rate. This additional calculation step is not included within the FD outcomes Appendix(1) but is required to accurately determine the underperformance or outperformance payment due to us for this performance commitment.

Therefore, when applying our actual performance, the performance commitment level and incentive rate (found on page 105 of the FD outcomes appendix 1) for the 2024/25 reporting year in the above formula and using the additional conversion calculation step (to multiply up the performance by 100 from its 0.01 factoring), the ODI is:

(1.42 - 0.870) \* 100 = 55

55 \* £0.02690 million = £1.480 million

The outputs of the calculation above indicates that for the 2024/25 reporting period, we outperformed the target and earned an outperformance payment of £1.480 million as a result of reduced tonnes of NOx emitted per GWh of renewable electricity generated across the period. We have therefore applied a manual adjustment to correct for the application of this factor. This is consistent with the approach taken in the prior year.

https://www.ofwat.gov.uk/publication/consolidated-pr1 9-final-determinations-united-utilities-outcomes-perfor mance-commitment-appendix/

#### **Appendices**

## **Appendix 3 Non-standard ODI pro forma**

#### **End of AMP Performance Commitments**

This appendix sets out the performance and under and outperformance payments for End of AMP Performance Commitments. This includes Manchester and Pennine resilience (B09), Successful Delivery of direct procurement of Manchester and Pennine resilience (E07), Pre-procurement for the Haweswater Aqueduct Resilience Programme (HARP) scheme (HW-DPC), Improving the water environment (C04), Improving river water quality (C05), Protecting the environment from growth and development (C06) and Per capita consumption (B05).

#### Manchester and Pennine resilience (B09)

This performance commitment is bespoke to UUW. It assessed whether United Utilities has been able to utilise the Direct Procurement for Customers (DPC) approach to procuring a solution for the HARP programme. This performance commitment was designed to generate underperformance penalties as consequence of delays to the DPC process by monitoring the delivery of a series of key delivery points within the procurement process. These are shown in the table below along with the outturn results.

		Under performance		
Delivery Point	Target Date	payment	Pass/Fail	Penalty incurred
Strategic Outline Case	1 April 2020	£1,914,000	Pass	No
Outline Business Case	1 May 2022	£1,914,000	Pass	No
Full Business Case	1 May 2023	£1,914,000	Fail	Yes

An underperformance payment was incurred in year four of the AMP because the full business case was not completed by the target date. As a result, we incurred a £1.914m underperformance penalty on this measure in AMP7.

## Successful Delivery of direct procurement of Manchester and Pennine resilience (E07)

This performance commitment is bespoke to UUW. It assessed whether United Utilities has been able to utilise the DPC approach to procuring a solution for the HARP scheme This performance commitment was designed to generate an outperformance reward of £5.740m if the contract award of the HARP scheme occurred prior to 1 May 2023.

This target was not met and therefore no outperformance reward is due on this measure in AMP7.

# Pre-procurement incentive for HARP (HW DPC)

This performance commitment is bespoke to UUW. This performance commitment was introduced during the procurement process in recognition of the scale and complexity of the programme. The performance commitment sought to maximise the value from the appointment of the Competitively Appointed Provider through a DPC procurement and obtain the most efficient cost for the delivery of the project; and was put in place for the duration of the procurement stage only. The Full Business Case submission was made to Ofwat in December 2024 and in January 2025 we announced the preferred bidder for delivery of the HARP scheme.

The outperformance payment is determined by two calculations. The first assessed the value for money of the successful bid by comparing the difference between the winning bid against the business as usual option. The calculation has been reviewed by Ofwat. The second calculated the outperformance payment by taking the derived value for money estimate in the first calculation and then applying the relevant performance commitment incentive rate, which was two per cent.

In May 2025, Ofwat confirmed the value of outperformance payment value of £5.320m, subject to the contract subsequently being awarded. The procurement process is currently in its final stage of financial close.

# Performance commitments aligned to WINEP requirements

These two performance commitments are bespoke to UUW, C04 Improving the water environment and C05 Improving River Water Quality. These measures have project delivery targets for specific drivers included in the Water Industry National Environment Programme (WINEP). Performance is measured as days late or early and assessed annually. Changes during AMP7 approved by the Environment Agency (EA) are updated in the delivery plan. These performance commitments are subject to underperformance payments only when projects are delayed.

#### C04 Improving the water environment

Performance in AMP7 for this measure, with comments, is calculated in the table below. Changes to project delivery dates signed off by the EA have been incorporated into the plan.

Year	Number of projects	Days late/early in year	Cumulative days late/early	Underperformance payment	Comments
2020/21	0	0	0	0	All projects confirmed with EA
		Late: 0			
2021/22	17	Early: +62	+62	0	All projects confirmed with EA
		Late: 0			
2022/23	10	Early: +18	+80	0	All projects confirmed with EA
		Late: 0			
2023/24	2	Early: +22	+102	0	All projects confirmed with EA
					2 projects late. Scope delivered but validation of permit delayed (-141)
					1project partially complete. In discussion with the
		Late: -605			EA – assumed days late from project delivery date to 31/03/2026 (-464)
		Early: +709			1 project pending with EA – delivered on time (evidence
2024/25	29	+104	+206	0	submitted to EA for confirmation)
Total	58	+206	+206	0	

The target was met for this performance commitment over AMP7 therefore no underperformance payment was incurred.

#### **Appendices**

## **Appendix 3 Non-standard ODI pro forma**

#### C05 Improving River Water Quality

As with C04 Improving the Water Environment, changes to project delivery dates signed off by the EA have been incorporated into the plan. To obtain the aggregated performance position for this performance commitment, the net position in number of days early or late that schemes have been delivered by catchment are calculated. There are 15 catchments and the number of days early or late for each catchment was assessed when the last scheme in the catchment was delivered.

All projects included in this measure were delivered early or on time, meaning that all catchments were delivered in line with the plan. This results in no annual underperformance payment for any year of the AMP.

# C06 Protecting the environment from growth and development

This performance commitment is bespoke to UUW and measures the equivalent number of new customers that can be served as result of an increase in capacity at wastewater treatment works. The programme is

flexible so that it could accommodate changes in location or scope of new development. Due to changes in priorities, we have delivered solutions at different locations to those identified in the PR19 business plan while still accommodating more that the target population equivalent.

# Calculation of outperformance and underperformance payments

Outperformance or underperformance was reconciled at the end of AMP7. There is an annual cumulative target to enable overperformance payments for early delivery or underperformance payments for late delivery of the additional capacity.

Each year the penalty reward was calculated as: (performance – target) x £0.000017m

The additional population equivalent provided and the incentive payments (£m) for each year of AMP7 is set out in the table below.

	Performance commitment target (cumulative)	Number of projects delivered each year	Additional p.e./ year	Additional p.e. cumulative	Penalty/reward £m
2020/21	0	0	0	0	0
2021/22	8,848	1	94	94	-0.149
2022/23	8,848	2	6,885	6,979	-0.032
2023/24	8,848	2	48,156	55,235	0.787
2024/25	75,113	8	73,380	128,515	0.908
AMP7 Total	75,113	13	128,515	128,515	1.514

When assessed at the end of AMP7 this performance commitment exceeded the cumulative target therefore earned an overall reward of £1.514m.

# B05 Per capita consumption Performance commitment description

This is an industry common measure recording the average volume of water used per person per day. This performance commitment is intended to incentivise us to help customers reduce their water consumption. The benefit of reduced per capita consumption (PCC) is to reduce the need for water abstraction from the environment and to improve the long-term water resources supply-demand balance. Performance is measured as a reduction from the baseline position set in 2019/20 and uses the three-year average PCC.

# Calculation of outperformance and underperformance payments

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance, which are reconciled at the end of AMP7. As a result of COVID-19, a review was undertaken by Owat to assess whether the PR19 targets should be adjusted to take into account the impact of the pandemic. This review produced revised levels of performance for companies across each year of AMP7. When our performance is adjusted by the 'PR24 intervention for the impact of COVID-19', we have incurred an underperformance payment of -£0.317 million over AMP7. The table below includes our annual performance across the AMP and shows penalty/reward both with and without the COVID-19 adjustment.

Under / evernerfermense

	Performance commitment	Actual performance	Under / overperformance payments £m	payments £m with COVID-19 adjustment
2020/21	1.3% (reduction)	1.7% (increase)	-£1.742	£0.000
2021/22	2.6% (reduction)	1.5% (increase)	-£2.297	£0.000
2022/23	3.9% (reduction)	0.5% (increase)	-£2.495	£0.000
2023/24	5.1% (reduction)	2.5% (reduction)	-£1.465	-£0.317
2024/25	6.3% (reduction)	6.7% (reduction)	£0.198	£0.000

When assessed at the end of AMP7 this performance commitment met the year five target for reduction in PCC. However, performance in year four incurred a small underperformance payment. Overall, across AMP7 performance incurred an underperformance payment of £0.317m.