



**Response to Ofwat's PR19
Draft Determination for
Thames Water**

TW-DD-A02

Cost appendix

30 August 2019



Table 1: Percentage each company represent on industry totex

Company	Efficient totex allowance in DD	Percentage of total totex in the industry
ANH	2,075	9%
HDD	121	1%
NES	1,611	7%
NWT	2,498	11%
SRN	1,024	5%
SVE	2,849	13%
SWB	890	4%
TMS	4,164	19%
WSH	1,340	6%
WSX	610	3%
YKY	1,684	8%
AFW	1,311	6%
BRL	389	2%
PRT	189	1%
SES	215	1%
SEW	866	4%
SSC	526	2%
Total	22,362	100%

Source: Ofwat's DD



Table 2: Coefficients when removing Portsmouth Water data

	DD Models					DD models excluding PRT from the database				
	re1	re2	re3	re4	re5	re1	re2	re3	re4	re5
Number of properties	1.013***	1.013***		1.034***	1.021***	1.000***	0.974***		1.012***	1.004***
Percentage water treated in plants in bands 3 to 6	0.008***			0.005***		0.012***			0.005**	
Density water	-1.389**	-0.729	-2.972***	-2.026***	-1.635***	-1.840***	-0.816**	-2.920***	-2.026***	-1.661***
Density water squared	0.085**	0.038	0.237***	0.142***	0.114***	0.118***	0.047*	0.236***	0.144***	0.118***
WAC		0.440***			0.524***		0.547**			0.612***
Lengths of main			1.044***					1.015***		
Booster per length			0.467***	0.236*	0.256**			0.492***	0.255**	0.278***
Constant	-5.215***	-7.505***	5.271***	-1.732	-3.230***	-3.833	-6.964***	5.380***	-1.443	-3.009**
R²	93.4%	92.1%	97%	97.5%	97.75	93%	91.9%	97%	97.4%	97.7%

Source: DD data and Thames Water's analysis

