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5 June 2026

Wales & West Utilities Limited: Representations in response to Ofgem's notification proposing interim Regulatory Reporting Packs (RRPs) and the associated Price Control Financial Model (PCFM) Guidance for the 2026 Annual Iteration Process.

Dear Alaba,

Thank you for providing Wales & West Utilities Limited ("WWU") the opportunity to formally respond to Ofgem's notice to introduce the interim RRP template and associated PCFM Guidance. The proposals relevant to WWU are addressed in turn below.

Updates to Licence Value Data Table tab

WWU notes and welcomes Ofgem's response to GitLab issue #35, with respect to enabling licensees to update the Licence Value Data Table tab to ensure alignment with the RIIO-3 snagging process and updated licence values. While WWU acknowledges that the snagging process remains ongoing, we kindly request that Ofgem ensures this tab is finalised in advance of the RIIO-3 RRP publication.

Operational Transport Emissions Reduction (OTet) PCD

We acknowledge the removal of the mechanistic calculation within the OTet section under '2.01 Revenue – PCDs' whilst the algebra is being reviewed by Ofgem as per GitLab issue #21 and #23. WWU requests the reintroduction of a calculation within the RIIO-3 RRP templates once the algebra is finalised to provide transparency and a comprehensive audit trail.

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PCFM Guidance

We note that there remain incorrect references within the PCFM guidance, for example the reference on page 20 to '2.08 Revenue – DRS' instead of 2.09. In addition, there are inconsistencies in terminology between the PCFM guidance and the PCFM itself, such as the guidance referring to the 'Small Decarbonisation Projects Re-opener', whereas the PCFM refers to the 'Net-Zero Pre-Construction Works and Small Net Zero Projects Re-opener'. In line with Ofgem's response to GitLab issue #111, we request that these discrepancies are addressed as part of the licence snagging process.

In respect of variable values for General Pool Opening Balance Adjustment and Special Rate Pool Opening Balance Adjustment these are included twice in the tables on page 20 and 22 of the PCFM Guidance and should be removed from one section, we are indifferent to which. In addition, on page 20 and 21 of the PCFM Guidance, there is an incorrect cross-reference to the RIIO-2 RFPR Guidance for the tax clawback Adjusted Net Debt and Tax-deductible Net Interest variable value definitions which we understand are now included within Chapter 6 of the RIIO-3 Price Control Financial Handbook; this simply requires correcting.

Wider RIIO-3 RRP Template

Significant effort has been undertaken by both licensees and Ofgem to ensure that the interim RRP revenue tables are fit for purpose. In light of ongoing discussions regarding the RIIO-3 RRP templates, WWU respectfully requests that any agreed changes to the interim RRP revenue tables are incorporated into the finalised RIIO-3 RRP templates ahead of next year's reporting cycle. This will help to avoid unnecessary duplication of effort for both Ofgem and licensees.

Please don't hesitate to contact us, if you have any questions or require clarification, in respect of our representations.

Yours sincerely,



Neil Henson
Chief Financial Officer
Wales & West Utilities

cc: Mick Watson, Deputy Director, Financial Resilience & Controls, Ofgem

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