

Board Assurance Statement

Scheme of Charges 2021/22

The Board considered the Scheme of Charges for 2021/22 at meetings held on 3 September, 5 November and 3 December 2020. The Board noted the information requirements and relevant supporting materials and made appropriate enquiries of the Executive Team, in particular the Strategy and Regulation Director. The Board considered a report from Jacobs, who had been engaged to provide external assurance that the systems and processes used to produce the information published about the charges are robust and to review the process for ensuring compliance with legal obligations.

Having made reasonable and relevant enquiries as detailed above, we are able to confirm that, to the best of our understanding, the charges contained in Dŵr Cymru's Scheme of Charges 2021/22 comply with the legal obligations to which the company is subject under the Water Industry Act 1991 (as modified) and other relevant legislation, taken as a whole.

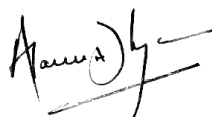
The document and the required additional information have been prepared by experienced staff using appropriate processes and internal systems of control and have accordingly been prepared to a standard that could be reasonably expected of a diligent undertaker.

Having regard to the 'Charges scheme rules issued by the Water Services Regulation Authority under sections 143(6A) and 143B of the Water Industry Act 1991' published in March 2020, we are of the opinion that our charges are consistent with these requirements, taking the Charges Scheme rules as a whole.

The Board has been given relevant information on the effects the new charges have on customer bills for a range of customer types at both constant consumption and at the changing consumption levels likely to have been experienced due to the pandemic. The Board has intervened to ensure that the bill impacts of the Scheme of Charges 2021/22 are below 5%, except for a small number of customers as noted in the Statement of significant changes. The interventions are set out in the accompanying Statement of significant changes.

The company has consulted CCW in a timely and effective manner in respect of the charges scheme, as detailed below.

At the Board meeting of 3 December 2020, the Board delegated responsibility to the Chairman for final approval of the Scheme of Charges 2021/22 and the required additional information following publication of the Consumer Prices Index including owner occupiers' housing costs (CPIH) on 16th December 2020.



Alastair Lyons
Chairman

On behalf of the Board
17 December 2020

Date	Purpose	Outcome
8 July 20	Inform CCWater of the content of the "Scope of changes" publication.	No issues raised. Scope of changes published on website on 10 July 2020, confirming no changes to wholesale tariffs.
17 Aug 20	Inform CCWater of the draft Indicative wholesale tariffs for 2020/21 and invite comments	No comments from CCWater.
25 Sept 20	Quarterly liaison meeting – discussion on indicative wholesale tariffs.	CCWater understood the difficulties in forecasting demand for 2021/22 and had no objection to the approach adopted for the indicative wholesale tariffs publication. Indicative wholesale tariffs published on website 13 October 2020.
9 Nov 20	Charging proposal discussions.	Annual CCWater template completed and discussed. CCWater understood the difficulties in forecasting the number of customers and demand for next year and raised no concerns regarding the Company's proposed approach.
7 Dec 20	Charging proposal discussions – update	Meeting to discuss draft charges and bill impacts following December 2020 Board decisions. Discussions included the handling strategy (communications plan) for wastewater only customers and confirmation of £22 cross-subsidy & £11.8m Company contribution for affordability tariffs in line with CCWater Wales and Welsh Government discussions undertaken when introducing the revised HelpU tariff in August 2020.
16 Dec 20	Presentation of draft charges after publication of CPIH.	E-mail exchange confirming understanding of the effect of published CPIH