

Statement of significant changes

2017/18 Scheme of Charges

This statement has been completed in accordance the information requirements of the Charges scheme rules published on 8 December 2016.

1

Significant bill increases

a) Confirmation of whether the undertaker is expecting there to be any bill increases of more than 5% from the previous year (for a given customer type assuming a constant level of consumption) and, if such increases are expected:

- what size increase is expected;
- which customer types are likely to be affected; and
- the handling strategies adopted by the company or why the company considered that no handling strategies are required.

The change in end bills arising from the Scheme of charges 2017/18, assuming constant level of consumption, has been reviewed by the Board. Welsh Water does not expect any bill increases of more than 5%.

2

Changes in charging policy

(b) Details of any significant changes in charging policy by the company from the previous year.

The Board has approved the following changes to charges for 2017/18:

Affordability Tariffs

The Company regularly reviews the take up of the affordability tariffs it offers. Following engagement with customers and customer representative groups, we have decided to streamline the tariffs that we offer:

The "HelpU" tariff has been reduced to a single band set at £190.

The "WaterSure Wales" tariff has been reduced to £308 and a "WaterSure Wales" AMC introduced for Welsh Water Assist unmeasured customers.

Large user discount

We are extending the level of discount offered to the largest dischargers of trade effluent and sewage, i.e. those discharging >100Ml per year, to reflect cost allocation work undertaken.

3

Handling strategy for Welsh Water Assist customers

The handling strategy for most Welsh Water Assist customers in the Scheme of Charges 2016/17 is no longer required due to the introduction of the lower WaterSure Wales tariff described in Section 2. The transition plan is therefore being withdrawn and customers placed onto the appropriate WaterSure Wales tariff. A small number of Welsh Water Assist sewerage only customers will pay a transition tariff until 31 March 2020 to ensure that they do not see any significant increases in their bill as a result of the change in charging policy.