

## Statement of significant changes

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



### 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 of both residential and business customers arising from the Scheme of charges 2018/19, assuming constant level of consumption, has been reviewed by the Board. Welsh Water does not expect any bill increases of more than 5%. The effect of the charges on a representative sample of customers is shown in the tables below:

#### Illustrative Bills – Household customers

	17/18 Bill £	18/19 Bill £	Variance £	Variance %
<b>Unmeasured Household Bills</b>				
Low RV	399	414	15	3.9%
Medium RV	539	560	21	3.9%
High RV	691	718	27	3.9%
Uniform Service Charge	555	576	22	3.9%
Water Only	224	233	9	3.9%
Wastewater Only	315	327	12	3.9%
<b>Assessed Measured Charges</b>				
1 person	304	319	14	4.6%
2 persons	398	416	19	4.7%
<b>Social Tariffs</b>				
WaterSure Wales	308	320	12	3.9%
HelpU Band	190	197	7	3.9%
<b>Measured Household</b>				
Low consumption	264	274	10	3.9%
Medium consumption	339	353	13	3.9%
High consumption	511	531	20	3.9%
Water only	140	145	5	3.9%
Sewerage only	209	217	8	3.9%

NB. Figures may not reconcile due to rounding.

## Illustrative Bills – Non-household customers

	17/18 Bill £	18/19 Bill £	Variance £	Variance %
<b>Unmeasured Non-Household Bills</b>				
Water	293	306	13	4.6%
Sewerage	414	432	18	4.3%
<b>Measured Charges</b>				
Water <50 MI	712	745	33	4.6%
Sewerage <50 MI	1,025	1,070	44	4.3%
Water Band 1 (50 – 100 MI pa)	94,960	99,248	4,288	4.5%
Water Band 2 (100 – 250 MI pa)	157,508	164,820	7,311	4.6%
Water Band 3 (250 – 500 MI pa)	297,299	310,680	13,381	4.5%
Water Band 4 (500 – 1000 MI pa)	528,953	553,340	24,388	4.6%
Water Band 5 (>1000 MI pa)	823,185	860,240	37,055	4.5%
Sewerage >100 MI	591,366	617,069	25,702	4.3%
<b>Trade Effluent</b>				
Trade effluent <100MI	9,660	10,077	417	4.3%
Trade effluent >100ml	359,960	375,590	15,629	4.3%

NB. Figures may not reconcile due to rounding.

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## Changes in charging policy

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

The Board streamlined the social tariffs in the Scheme of Charges 2017/18 and as a result there has been a significant increase in the number of customers benefitting from them over the current year. It is forecast that by the end of the 2018/19 charging year the number of customers benefitting will be over 120,000. This level of take up requires an increase in the cross-subsidy which, together with the high November RPI would have resulted in a significant change in the bill of other household customers. On review, the Board have decided to set charges to recover less than the full allowed wholesale revenue for 2018/19 to ensure that household customers will see increases in their Welsh Water bill of no more than inflation.

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## Handling strategies

### Assessed Measured Charge (AMC) customers

The assumed consumption of the Assessed Measured Charge (AMC) customers has been reviewed. There has been an increase in the recorded consumption of the measured properties underpinning the charge. A straight increase in assumed consumption in the AMC calculation would have led to a significant change in the charge. After consultation with CCWater, the Board have decided to introduce the increase incrementally to ensure that the change in AMC is kept below 5%.

### Welsh Water Assist transition

The majority of customers who were on Welsh Water Assist when it was replaced by WaterSure Wales in April 2015 were moved onto WaterSure Wales in April 2017. At that time, a handling strategy was put in place for a small number of Welsh Water Assist sewerage only customers. These customers will pay a transition tariff until 31 March 2020 to ensure that they do not see any significant increases in their bill.