



Charges Scheme Charges 2018/19 Statement of Significant Changes

Published Date: 11 January 2018



Statement of Significant Changes to Charges Scheme Charges 2018/19

The Board and Audit Committee of Affinity Water Limited have overseen the preparation of this Statement of Significant Changes for Charges Scheme Charges 2018/19 ("Statement of Significant Changes"). Because of the timing of the publication of this Statement of Significant Changes in relation to scheduled meetings of the Board, the Board established a board committee which included executive and independent non-executive directors to act on behalf of the full Board to review its preparation

The Board committee on behalf of the Board has:

- reviewed the requirements published in "Information Notice 17/09", setting out Ofwat's expectations for this Statement of Significant Changes;
- considered the requirements of Annex A2 of Ofwat's Charges Scheme Rules (December 2016) in respect of this Statement of Significant Changes;
- considered the actions undertaken by management to prepare charges scheme charges for 2018/19; and
- assessed the effects the charges scheme charges will have on customers' bills for about 32 types of customer, differentiated according to factors including the following:
 - Geographical location;
 - Charging method - measured / unmeasured / assessed;
 - Consumption band - average, low and high consumption; and
 - Watersure and Social Tariff customers

Based on this analysis, Affinity Water confirms that it does not expect there to be any water bill increases of more than 5% from the previous year for any given customer type, assuming a constant level of consumption. A summary of the expected bill changes is set out in Appendix 1.

Affinity Water further confirms it is not making any significant changes to its charging policies from the previous charging year.

The Board committee has also considered the effects of Affinity Water's household bill changes when combined with expected wastewater bill changes in the Thames and Anglian wastewater regions, where our customers receive a combined bill for water and wastewater services. Whilst we cannot provide any assurance on this point, we anticipate that the level of increase in the combined water and wastewater bills for most customers will be less than 5%. We also understand that customers in the Southern wastewater region who are billed direct by Southern Water for wastewater charges will experience an increase in their wastewater charges of less than 5%.

For completeness, we have set out in Appendix 2 our primary wholesale charges for household premises (and non-residential, non-eligible premises) for 2018/19. Our primary wholesale charges for water supply licensees supplying water to their non-household customers are published separately in our Wholesale Charges 2018/19 Compliance Statements and Wholesale Tariff Document 2018/19 (Wholesale Charges Schedule).

Patrick O'D Bourke



**Independent Non-Executive Director
On behalf of the Board**

11 January 2018

Appendix 1

Expected Water Bill Changes 2018/19 – End Customer Charges

Typical Customer	2017-18 Bill	2018-19 Bill	Variance (%)
Average Household Measured Customer (Central Region)	151.77	151.64	-0.1%
Average Household Measured Customer (Southeast Region)	210.32	208.77	-0.7%
Average Household Measured Customer (East Region)	166.11	165.62	-0.3%
Average Household Unmeasured Customer (Rickmansworth Region)	182.32	186.86	2.5%
Average Household Unmeasured Customer (Colne Region)	203.05	208.08	2.5%
Average Household Unmeasured Customer (Lee Region)	221.76	227.27	2.5%
Average Household Unmeasured Customer (North Surrey Region)	190.89	195.62	2.5%
Average Household Unmeasured Customer (East Region)	234.61	240.46	2.5%
Average Household Unmeasured Customer (Saffron Walden Region)	195.70	200.57	2.5%
Social tariff Central & East Region	93.90	97.50	3.8%
Social tariff Southeast Region	93.90	97.50	3.8%
Household Measured Customer Low consumption 65m ³ /year Central Region	95.87	95.80	-0.1%
Household Measured Customer Low consumption 42m ³ /year East Region	100.49	100.23	-0.3%
Household Measured Customer Low consumption 65m ³ /year Southeast Region	147.93	146.92	-0.7%
Household Measured Customer High consumption 300m ³ /year Central Region	341.40	341.07	-0.1%
Household Measured Customer High consumption 225m ³ /year East Region	416.51	415.14	-0.3%
Household Measured Customer High consumption 300m ³ /year Southeast Region	581.67	576.99	-0.8%
Household Assessed 1 occupier (Central Region)	95.90	95.80	-0.1%
Household Assessed 2 occupiers (Central Region)	148.10	148.00	-0.1%
Household Assessed 3 occupiers (Central Region)	204.50	204.30	-0.1%
Household Assessed 4 or more occupiers (Central Region)	261.00	260.70	-0.1%
Household Assessed 1 occupier (East Region)	100.50	100.20	-0.3%
Household Assessed 2 occupiers (East Region)	162.70	162.20	-0.3%
Household Assessed 3 occupiers (East Region)	226.60	225.90	-0.3%
Household Assessed 4 or more occupiers (East Region)	319.80	318.80	-0.3%
Household Assessed 1 occupier (Southeast Region)	148.00	146.90	-0.7%
Household Assessed 2 occupiers (Southeast Region)	240.00	238.40	-0.7%
Household Assessed 3 occupiers (Southeast Region)	340.00	337.20	-0.8%
Household Assessed 4 or more occupiers (Southeast Region)	440.00	436.10	-0.9%
Watersure customer (Central & Saffron Walden Region)	178.08	175.56	-1.4%
Watersure customer (Southeast Region)	208.92	208.92	0.0%
Watersure customer (East Region)	176.16	175.56	-0.3%

Note: End customer bills calculated by assuming a constant level of consumption across years

APPENDIX 2

Household Primary Wholesale Charges 2018/19

Household schedule of final wholesale charges 2018-19

Central Region

Metered Charges

	2017-18	2018-19	Variance
Household Fixed Charge (£/year)	16.56	16.32	-1.4%
Household Volumetric Charge (£/m3)	0.9514	0.9540	0.3%
Household Watersure Maximum Charge (£/year)	154.69	153.74	-0.6%
Household Lift Tariff Maximum Charge (£/year)	154.69	153.74	-0.6%
Household Metered Field Supply Fixed Charge (£/year)	16.56	16.32	-1.4%

Non-Metered Charges

	2017-18	2018-19	Variance
Household Non-Metered RV Fixed Charge (£/year)	27.40	28.20	2.9%
Household Rateable Value Charge (£ per £ RV) - Colne Area	0.5468	0.5627	2.9%
Household Rateable Value Charge (£ per £ RV) - Lee Area	0.6720	0.6915	2.9%
Household Rateable Value Charge (£ per £ RV) - Rickmansworth Area	0.5332	0.5487	2.9%
Household Rateable Value Charge (£ per £ RV) - North Surrey Area	0.5618	0.5781	2.9%
Household Non-Metered Swimming Pool, Sprinkler or Garden Pond Charge (£/year)	70.40	70.60	0.3%
Household Non-Metered Leisure Pool or Hot Tub Charge (£/year)	24.70	24.80	0.4%
Household Non-Metered Field Supply Fixed Charge (£/year)	16.56	16.32	-1.4%

Assessed Charges

	2017-18	2018-19	Variance
Household Assessed Charge - 1 occupier (£/year)	78.40	78.30	-0.1%
Household Assessed Charge - 2 occupiers (£/year)	126.00	126.00	0.0%
Household Assessed Charge - 3 occupiers (£/year)	177.30	177.50	0.1%
Household Assessed Charge - 4 or more occupiers (£/year)	228.70	229.10	0.2%

East Region

Metered Charges

	2017-18	2018-19	Variance
Household Fixed Charge (£/year)	16.56	16.32	-1.4%
Household Volumetric Charge (£/m3)	1.6288	1.6258	-0.2%
Household Watersure Maximum Charge (£/year)	156.75	158.40	1.1%
Household Lift Tariff Maximum Charge (£/year)	154.69	153.74	-0.6%

Non-Metered Charges

	2017-18	2018-19	Variance
Household Non-Metered RV Fixed Charge (£/year)	27.40	28.20	2.9%
Household Rateable Value Charge (£ per £ RV) - Tendring Hundred Area	1.0100	1.0393	2.9%
Household Non-Metered Hosepipe Charge (£/year)	44.00	43.90	-0.2%

Assessed Charges

	2017-18	2018-19	Variance
Household Assessed Charge - 1 occupier (£/year)	85.00	84.60	-0.5%
Household Assessed Charge - 2 occupiers (£/year)	143.60	143.10	-0.3%
Household Assessed Charge - 3 occupiers (£/year)	203.90	203.30	-0.3%
Household Assessed Charge - 4 or more occupiers (£/year)	291.80	291.10	-0.2%

Southeast Region

Metered Charges

	2017-18	2018-19	Variance
Household Fixed Charge (£/year)	16.56	16.32	-1.4%
Household Volumetric Charge (£/m3)	1.7429	1.7301	-0.7%
Household Watersure Maximum Charge (£/year)	187.36	188.79	0.8%
Household Lift Tariff Maximum Charge (£/year)	187.36	188.79	0.8%

Non-Metered Charges

	2017-18	2018-19	Variance
Household Non-Metered Sprinkler Charge (£/year)	70.40	70.60	0.3%
Household Non-Metered Tap Charge (£/year)	25.60	24.20	-5.5%

Assessed Charges

	2017-18	2018-19	Variance
Household Assessed Charge - 1 occupier (£/year)	129.80	128.80	-0.8%
Household Assessed Charge - 2 occupiers (£/year)	217.00	215.30	-0.8%
Household Assessed Charge - 3 occupiers (£/year)	311.10	308.70	-0.8%
Household Assessed Charge - 4 or more occupiers (£/year)	405.20	402.10	-0.8%

Other household primary wholesale charges - all regions

Metered Charges for larger meters and non-residential, non-eligible premises

	excl. VAT 2017-18	excl. VAT 2018-19	Variance
Fixed Charge 12-15mm Meter (£/year)	17.40	17.40	0.0%
Fixed Charge 19-21mm Meter (£/year)	26.40	26.40	0.0%
Fixed Charge 25mm Meter (£/year)	28.44	28.44	0.0%
Fixed Charge 30-32mm Meter (£/year)	31.56	31.56	0.0%
Fixed Charge 38-40mm Meter (£/year)	33.48	33.48	0.0%

Fixed Charge 50mm Meter (£/year)	40.68	40.68	0.0%
Fixed Charge 65mm Meter (£/year)	73.08	73.08	0.0%
Fixed Charge 75-80mm Meter (£/year)	104.76	104.76	0.0%
Fixed Charge 100mm Meter (£/year)	104.76	104.76	0.0%
Fixed Charge 150mm Meter (£/year)	104.76	104.76	0.0%
Fixed Charge 200mm Meter (£/year)	104.76	104.76	0.0%
Household Metered Field Supply Fixed Charge (£/year)	17.40	17.40	0.0%

Standard Volumetric Charge (0-3MI) Central Area (£/m3)	0.9761	0.9650	-1.1%
Mid User Volumetric Charge (3-50MI) Central Area (£/m3)	0.9155	0.9102	-0.6%
Large User Volumetric Charge (Over 50MI) Central Area (£/m3)	0.5915	0.5913	0.0%

Standard Volumetric Charge (0-3MI) East Area (£/m3)	1.6483	1.6367	-0.7%
Mid User Volumetric Charge (3-50MI) Southeast Area (£/m3)	1.6425	1.6407	-0.1%

Non-Metered Charges for non-residential, non eligible premises

	excl. VAT 2018-19	excl. VAT 2018-19	Variance
Non-Metered RV Fixed Charge (£/year)	27.30	28.10	2.9%
Rateable Value Charge (£ per £ RV) - Colne Area	0.4976	0.5120	2.9%
Rateable Value Charge (£ per £ RV) - Lee Area	0.6217	0.6397	2.9%
Rateable Value Charge (£ per £ RV) - Rickmansworth Area	0.4841	0.4981	2.9%
Rateable Value Charge (£ per £ RV) - North Surrey Area	0.5123	0.5272	2.9%
Rateable Value Charge (£ per £ RV) - Folkestone Area	1.6256	1.6012	-1.5%
Non-Metered Swimming Pool, Sprinkler or Garden Pond Charge (£/year)	70.40	70.60	0.3%
Non-Metered Leisure Pool or Hot Tub Charge (£/year)	24.70	24.80	0.4%
Non-Metered Field Supply Fixed Charge (£/year)	27.30	28.10	2.9%

Assessed Charges for non-residential, non eligible premises

	excl. VAT 2018-19	excl. VAT 2018-19	Variance
Assessed Fixed Charge (£/year)	17.40	17.40	0.0%
Assessed Volumetric Charge (£/m3) - Central Area	0.9761	0.9650	-1.1%