

Charging for New Appointments and Variations 2018/19

Affinity Water Limited

INTRODUCTION

1. This document is published by Affinity Water to provide information to existing and prospective **NAV**s about the charges **we** will make in respect of:
 - **site specific water mains** and other infrastructure work required to connect into **our** water system to facilitate the provision of a bulk supply of water by **us** to the **NAV**; and
 - bulk water supplied by **us** to the **NAV**.
2. It applies to bulk water supplies from **us** to a **NAV**. It does not apply to bulk supplies between **us** and other incumbent water undertakers.
3. **Our** charges for new connections for bulk supplies to **NAV**s are set in accordance with Ofwat's New Connection Charges rules.
4. **Our** charges for bulk water supply are set in line with Ofwat's guidance as set out in '*Bulk charges for NAVs: final guidance*' published on 8 May 2018.
5. **We** will review and publish this document on 1st April each year.

OUR WATER SUPPLY AREA

6. **Our** water supply area is defined in **our instrument of appointment** and comprises three discrete regions in the southeast of England shown on the map below.



7. **Our** charges in respect of **site specific water mains** and other infrastructure required to connect into **our** water system to facilitate a bulk supply are the same across the three regions, but charges for bulk water supplied differ according to the region in which the supply is made. This is because **our** bulk water supply charges have as their starting point, **our** published wholesale charges which differ across the three regions.

DEFINITIONS

Term	Meaning
1991 Act	The Water Industry Act 1991 (as amended).
communication pipe	Any part of a service pipe which an undertaker could be, or has been, required to lay under section 46 of the 1991 Act .
development	Premises on which there are buildings, or on which there will be buildings when proposals made by any person for the

	erection of any buildings are carried out, and which require connection with, and/or modification of, existing water infrastructure.
income offset	A sum of money offset against the charges that would otherwise be applied for the provision of a water main in recognition of revenue likely to be received by us in future years for the provision of supplies of water to premises connected to the new water main and income offsetting shall be construed accordingly.
instrument of appointment	The written instrument (as varied from time to time) appointing Affinity Water as the water undertaker for the areas described and subject to the conditions set out in the instrument, under what is now section 6 of the 1991 Act .
NAV	A water company that (either directly or indirectly) has replaced, or will replace, one or more incumbent water companies in relation to specific sites and for whom Ofwat does not currently set individual price controls that obtains a bulk supply of water from us .
network reinforcement	Work other than site specific work, to provide or modify such other water mains and such tanks, service reservoirs and pumping stations as is necessary in consequence of the site specific installation or connection of water mains and service pipes pursuant to a duty imposed on us by the 1991 Act . It also includes the additional capacity in any earlier water main that falls to be used in consequence of the provision of connection of a new main.

service pipe	So much of a pipe which is, or is to be, connected with a water main for supplying water from that main to any premises as: (a) Is or is to be subject to water pressure from that main; or (b) Would be so subject but for the closing of some valve, and includes part of any service pipe .
site specific	Work on, or the provision of, water structures or facilities located on a development as well as work to provide and connect a requested water main or communication pipe on, to or in the immediate vicinity of, the development and “ site specific work ” shall be construed accordingly. It does not refer to costs or work required as part of network reinforcement as defined above.
undertaker	A water undertaker .
water main	Any pipe, not being a pipe for the time being vested in a person other than us , which is used or to be used by the undertaker (or a licensed water supplier) for the purpose of making a general supply of water available to customers or potential customers of the undertaker or water supply licensee, as distinct from for the purpose of providing a supply to particular customers. This definition includes tunnels or conduits which serve as a pipe and any accessories for the pipe.
we / us / our	Affinity Water Limited

SITE SPECIFIC CHARGES

8. This section sets out **our** charges in respect of **site specific water mains** and other **site specific** infrastructure required to connect into **our** water supply system to facilitate the provision of a bulk supply of water by **us** and details of **our income offset**.
9. **Site specific** charges relate to work to take water from **our** existing **water mains** to the point of connection to the **NAV's** infrastructure, typically at the **NAV** site boundary.
10. It is **our** expectation that **site specific** charges will be included in any bulk supply agreement **we** enter into with a **NAV**.

APPLICATION FEES

11. When a **NAV** requests **us** to carry out **site specific work** to facilitate a bulk supply, it must pay **us** a mains application fee as set out in the table.

Mains application fee	Unit	£ excluding VAT
Application fee for Mains (with an existing pre-development report)	per application	375
Application fee for Mains (no pre-development report)	per application	750

12. The application fee is different depending on whether or not a **NAV** has previously submitted a pre-development enquiry to **us**. This recognises that there are certain tasks (hydraulic study and producing a report) which **we** have already carried out and will be able to use in processing the application from the **NAV**.
13. The application fee covers the costs **we** incur to review and acknowledge the **NAV's** request, checking to ensure **we** have all the relevant information, preparing a quotation and/or estimated charges for the works and issuing a response. The application does not cover the cost of design work (see below).
14. The application fee is payable at the time the **NAV** makes the request. **We** will start work on the request when **we** have received the application fee.

DESIGN FEES

13. To provide a quotation and/or estimated charge for the **site specific water main** and other infrastructure to facilitate a bulk supply, **we** will need to prepare a design of the infrastructure needed to take water from **our** existing mains to the point of connection to the **NAV's** infrastructure. If **we** need to make a visit to the site to carry out a survey, this is included in the mains design fee.

14. When a **NAV** requests **us** to provide a bulk supply, it must pay **us** a mains design fee set out in the table.

Mains design fee	Unit	£ excluding VAT
0-50 properties	per scheme	750
51-100 properties	per scheme	900
101-200 properties	per scheme	1,050
Increment for each additional 100 properties above 200	per increment of 100 properties	150

15. The mains design fee is payable at the time the **NAV** requests a connection.

16. Where **we** have prepared a design, but the **NAV** subsequently changes the requirements, **we** will need to prepare and issue a new design. There will be a charge for re-design, and the amount will depend on whether the change is a minor or major change.

17. **Our** charge for minor change is 25% of the mains design fee. **Our** charge for a major change is 80% of the mains design fee.

18. Minor changes are:

- A change to the site boundary
- A change to the size of the **water main**

19. Major changes are:

- A change to the point of connection of the new **water mains**

- A change to the overall water demand of the site
- Splitting the scheme into phases or changing the phasing plan

20. Re-design fees are payable at the time the **NAV** notifies **us** of the change in its requirements.

ADMINISTRATION FEES

21. When a **NAV** requests **us** to provide a bulk supply, it must pay **us** a mains administration fee, comprised of a fixed and variable element as in the table. The variable element relates to the length of mains required to take water from **our** existing main to the point of connection to the **NAV**'s infrastructure. It does not include the length of mains beyond the point of connection that the **NAV** is responsible for.

Mains Administration Fee	Unit	£ excluding VAT
Mains Administration Fee (fixed element)	per scheme	550
Mains Administration Fee (variable element)	Per linear metre	36

CHARGES FOR LAYING MAINS

22. **Our** charges for laying mains between **our** existing water network and the point of connection to the **NAV**'s infrastructure depend upon:

- the diameter and length of mains required
- the number and arrangement of fittings required to meet **our** design standards
- the type of ground in which the **water main** is laid
- whether the soil is, or may be contaminated
- whether exceptional traffic management is required to enable the work to be undertaken safely or where other exceptional circumstances apply.

23. **We** will lay MDPE or HPPE pipes in ground where the **NAV** provides **us** with a soil report from a suitably qualified organisation which confirms that the ground where **our water mains** are to be laid is not likely to cause a risk of contamination of water in **our water main**. Otherwise **we** will lay barrier pipe.

24. **Our** charges include costs for traffic management based on historical data and estimates of future requirements within those rates where works are to be carried out in the highway. **We** have not included amounts for exceptional traffic management.

25. As mains laying work for the purposes of making a bulk supply is typically non-contestable work in the highway, carried out under **our** statutory mains laying powers, there are no charges corresponding to a no excavation / no reinstatement option

		£ excluding VAT				
		Highway (Road)	Paved surface (Footpath)	Unmade Ground (Verge)	No excavation / no reinstatement by AWL	Barrier Pipe Uplift
Lay pipe (80-100mm)	Per linear metre	295	200	95	NA	15
Lay pipe (101-130mm)	Per linear metre	300	200	105	NA	20
Lay pipe (131-190mm)	Per linear metre	375	255	125	NA	25
Lay pipe (191-260mm)	Per linear metre	445	300	185	NA	30
Lay pipe (261-320mm)	Per linear metre	560	380	245	NA	35

CHARGES FOR INSTALLING ACCESSORIES FOR WATER MAINS

26. The next tables set out **our** charges for installing the accessories, such as valves, fire hydrants and meters. The rates are applicable to MDPE, HPPE and barrier pipes. As this is typically non-contestable work in the highway, carried out under **our** statutory mains laying powers, there are no charges corresponding to a no excavation / no reinstatement option.

		Highway (Road)	Paved surface (Footpath)	Unmade Ground (Verge)
Air Valve (100-190mm pipe, single 25mm air valve)	Per accessory	1,200	1,010	850
Air Valve (191-320mm pipe, single/double 80mm air valve)	Per accessory	2,020	1,925	1,885
Sluice Valve (50-190mm pipe)	Per accessory	695	695	695
Sluice Valve (191-320mm pipe)	Per accessory	960	960	960
Non-return Valve (50-130mm pipe)	Per accessory	720	720	720
Non-return Valve (131-190mm pipe)	Per accessory	885	885	885
Non-return Valve (191-260mm pipe)	Per accessory	1,400	1,400	1,400
Non-return Valve (261-320mm pipe)	Per accessory	2,015	2,015	2,015
		Highway (Road)	Paved surface (Footpath)	Unmade Ground (Verge)
Fire hydrant or Wash Out (in line, 50-190mm pipe)	Per accessory	975	905	835
Fire hydrant or Wash Out (in line, 191-320mm pipe)	Per accessory	1,345	1,315	1,305
Fire hydrant or Wash Out (End type, 50-190mm pipe)	Per accessory	855	785	715
Fire hydrant or Wash Out (End type, 191-320mm pipe)	Per accessory	1030	990	985
Temporary Fire Hydrant (End type 50-190mm pipe)	Per accessory	425	425	425
Temporary Fire Hydrant (End type 191-320mm pipe)	Per accessory	665	665	665
Temporary Fire Hydrant Removal and piece through (End type, 50-190mm pipe)	Per accessory	2,280	1,665	1,185

Temporary Fire Hydrant Removal and piece through (End type, 191-320mm pipe)	Per accessory	2,885	2,230	1,710
		Highway (Road)	Paved surface (Footpath)	Unmade Ground (Verge)
Install in-line meters 80mm Network Mains	Per accessory	1,595	1,535	1,230
Install in-line meters 100mm Network Mains	Per accessory	1,740	1,680	1,340
Install in-line meters 150mm Network Mains	Per accessory	2,010	1,935	1,530
Install in-line meters 200mm Network Mains	Per accessory	2,310	2,250	1,960
Install in-line meters 250mm Network Mains	Per accessory	2,720	2,650	2,325

CHARGES FOR CONNECTING WATER MAINS INTO SUPPLY SYSTEM

27. The table below sets out **our** charges for connecting the mains **we** have constructed between **our** existing water network and the point of connection to the **NAV's** infrastructure, to **our** existing water supply system.

		Highway (Road)	Paved surface (Footpath)	Unmade Ground (Verge)
Under Pressure Connection/ Branch Connection (50-190mm diameter pipe)	Per connection	1,430	1,380	1,280
Under Pressure Connection/ Branch Connection (191-260mm diameter pipe)	Per connection	1,845	1,795	1,695
Under Pressure Connection/ Branch Connection (261-320mm diameter pipe)	Per connection	2,210	2,160	2,060

EXCEPTIONAL CIRCUMSTANCES

28. Where exceptional circumstances apply, the **site specific** charges set out in the tables do not apply for:

- Laying mains
- Accessories for **water mains**
- Connecting **water mains** to the supply system

29. Exceptional circumstances mean:

- The technical complexity of the work is high, or the type of work required is bespoke or carried out infrequently
- Third parties can legitimately recover their costs from **us** and there is not a reasonable level of certainty of those costs in advance of new connection for bulk supply work being undertaken
- Third parties have rights to protect their assets or interests in a way that affects the construction method or timing (including protected undertakings) and the third parties' requirements are unknown upfront
- The work is to be carried out on or close to land with particular environmental, historical or archaeological characteristics. These characteristics mean that specific measures are required during construction or reinstatement. The details of these measures may not be fully defined in advance of construction; or
- There is a need for exceptional traffic management being traffic management other than signing, lighting and guarding, automatic temporary traffic control (inclusive of 2-way, 3 way and 4-way traffic control and bus stop and parking suspensions).

30. Where exceptional circumstances apply **our site specific** charges will comprise:

- The fixed charges set out in the tables for the elements of work where there is sufficient certainty and it is reasonable to do so.

- Charges calculated based on actual costs **we** incur in respect of the other elements of work.

31. Wherever possible **we** will provide advice setting out **our** estimated charges for exceptional elements of work and for the non-exceptional elements of work, the applicable fixed charges set out in the schedules.

32. There may be occasions where providing an estimate is not possible or where the estimate does not meet the degree of confidence the **NAV** requires. In such cases **we** will work with the **NAV** cooperatively to decide how best to proceed.

INCOME OFFSETS

32. For new connections work carried out for bulk supplies to NAVs where bulk supply agreements are struck between 1st April 2018 and 31st March 2020 **we** will apply a 90% **income offset** against **site specific** charges, other than application fees, mains administration fees, mains design fees and third party costs.

33. **We** do not provide **income offset** against connection charges.

34. In many cases, application of this **income offset** arrangement will result in **us** making a payment to the **NAV**. This payment is calculated in the same way as, and will be equal in value to the asset payment that would be made in the case of self laid infrastructure.

35. It will be necessary for the **NAV** to provide information to **us** about the infrastructure it is responsible for. **We** cannot complete **income offset** calculations without this information.

36. The table below shows a worked example of how the **income offset** arrangement would apply.

Income offset Payment for NAV	Charges not qualifying for income offset	Charges qualifying for income offset
Application fee	750	
Design fee	750	
Mains administration fee	910	
Site specific charges applicable for mains laying, accessories and connecting water mains for the mains needed to bring water from our existing mains to the point of connection to the NAV's infrastructure		5,000
Site specific charges that would have been applicable for mains laying, accessories and connecting water mains had we provided the infrastructure that is instead provided by the NAV		15,000
Income offset amount, equal to 90% of qualifying charges		18,000
Charges recoverable from NAV	2,410	5,000
Income offset amount		18,000
Charges payable by us , to NAV		10,590

37. If **we** have made an **income offset** payment to a **NAV** in the period 2018-2020, against **site specific** charges, **we** will not make further **income offset** payments against any infrastructure charges payable after 2020 on the same development. This prevents a **NAV** receiving the **income offset** twice, which could otherwise occur if mains were constructed prior to 2020, but properties did not become occupied until after 2020.

38. Between 1st April 2018 and 31st March 2020, **we** will make **income offset** payments that are due by including them in the terms of bulk supply agreements. They will be separately identifiable items within the agreement. **We** will not make the payments through adjustments to bulk supply tariffs, or otherwise aggregate them with any other charges that may be due. The payment will become due according to the timings agreed in the bulk supply agreement.

INFRASTRUCTURE CHARGES

39. Infrastructure charges recover contributions towards **network reinforcement** costs that **we** incur when additional demands are placed on **our** network by new connections. Infrastructure charges do not relate to the costs of reinforcing, upgrading or otherwise developing existing infrastructure to address pre-existing deficiencies in capability or capacity.
40. Infrastructure charges are payable for the connection (whether directly or indirectly) of any premises (not previously connected to a supply of water, provided by **us** or another water **undertaker**) using water for domestic purposes, to **our** existing network or mains. This will include cases where a site is being developed, or redeveloped by means of conversion or extension of an existing building or buildings, resulting in a significant increase in demand. The infrastructure charge is additional to any charges for **site specific** works, for example providing a **water main** to take water from **our** existing mains to the **NAV** site boundary.
41. **We** will recover infrastructure charges from the **NAV**. The infrastructure charges will be calculated in the same way as infrastructure charges payable by other new connection customers. Typically, for **NAV** developments the standard water infrastructure charge will apply.

		Excl VAT 2018/19
Standard Water Infrastructure Charge	Per connection	£375

42. Different rules for infrastructure charges can apply in cases where there are properties with common billing agreements, premises with supply pipes greater than 25mm diameter and non-household premises.
43. In the case of houses subject to common billing agreements, the infrastructure charge for each house will be the standard infrastructure charge multiplied by the relevant multiplier (see below) for that house.

44. In the case of premises other than houses to which water is provided by a supply pipe above the standard size (25mm), the infrastructure charge for the premises will be the standard water infrastructure charge multiplied by the relevant multiplier for those premises

Water fitting ⁽¹⁾	Loading Units
WC flushing cistern	2.0
Wash basin in a house	1.5
Wash basin elsewhere	3.0
Bath (tap nominal size ¾ inch, 20mm) ⁽²⁾	10.0
Bath (tap nominal size larger than 3/3 inch, 20mm) ⁽²⁾	22.0
Shower	3.0
Sink (tap nominal size 1.2 inch, 15mm)	3.0
Sink (tap nominal size larger than ½ inch 15mm)	5.0
Spray tap	0.5
Bidet	1.5
Domestic appliance (subject to a minimum of 6 loading units per house) ^(3 and 4)	3.0
Communal or commercial appliance ⁽³⁾	10.0
Any other water fitting or outlet, including a tap but excluding urinal or water softener)	3.0
<ol style="list-style-type: none"> 1. Reference to any fitting includes reference to any plumbing, outlet, dedicated space or planning or other provision for that fitting 2. Including a whirlpool or jacuzzi 3. Domestic appliance means an appliance (including a dishwasher, a washing machine and waste disposal unit) in a house and communal or commercial appliance means and appliance (including a dishwasher, a washing machine and waste disposal unit) elsewhere than in a house (including communal facilities) 4. In calculating the relevant multiplier, a minimum of 6 loading units in respect of each house will be included for domestic appliances (whether or not the house has any such appliances) except, in the case of any house, where neither a washing machine nor a dishwasher can be provided (and there is no plumbing, outlet, dedicated space or planning or other provision for either appliance) in the house 	

45. To calculate the relevant multiplier for houses subject to a common billing agreement

- a) Determine the aggregate loading units
- b) Divide this number by 24
- c) Divide the result by the number of houses subject to the common billing agreement

46. To calculate the relevant multiplier for premises other than houses to which water is provided by a supply pipe above the standard size (25mm)

- a) Calculate the aggregate loading units
- b) Divide this number by 24

47. Infrastructure charges are payable at the time when the physical connection to a **water main** is made.

WATER SUPPLY CHARGES

48. **We** set **our** bulk supply tariffs to NAVs according to the following formula:

Relevant wholesale tariff – the ‘starting point’
Minus
On-site ongoing costs
Minus
WACC on on-site assets
Equals
Bulk Supply Charge

RELEVANT WHOLESAL TARIFF – THE STARTING POINT

49. The relevant wholesale tariff is calculated by applying Affinity Water’s wholesale charges to the aggregate customer base supplied by the **NAV** across all of its appointments that have bulk supplies provided by Affinity Water.

50. The fixed charge is the sum of all applicable fixed charges.

51. The volumetric charge is the weighted average volumetric charge taken by dividing the volumetric revenue that would be due across all units supplied, divided by the total volume.

52. The table lists the Affinity Water’s wholesale tariffs for 2018/19 for the purposes of calculation of the starting point. These are the same charges as published in **our** Wholesale Charges Scheme. Appendix A provides a worked example of the derivation of the relevant wholesale tariff.

	Affinity Water Wholesale Tariff 2018/19
Household Fixed Charge (£/year)	16.32
Non-Household Fixed Charge 12-15mm Meter (£/year)	17.40
Non-Household Fixed Charge 19-21mm Meter (£/year)	26.40
Non-Household Fixed Charge 25mm Meter (£/year)	28.44
Non-Household Fixed Charge 30mm Meter (£/year)	31.56
Non-Household Fixed Charge 38-40mm Meter (£/year)	33.48
Non-Household Fixed Charge 50mm Meter (£/year)	40.68
Non-Household Fixed Charge 65mm Meter (£/year)	73.08
Non-Household Fixed Charge 75-80mm Meter (£/year)	104.76
Non-Household Fixed Charge 100mm Meter (£/year)	104.76
Non-Household Fixed Charge 150mm Meter (£/year)	104.76
Non-Household Fixed Charge 200mm Meter (£/year)	104.76
Non-Household Large User Fixed Charge (Over 50MI) Central Area	15945.00
Non-Household Large User Fixed Charge (Over 100MI) East Area	29107.48
Non-Household Large User Fixed Charge (50MI - 100MI) East area	15877.48
Non-Household Mid User Fixed Charge (25 - 50MI) East Area	8412.48
Household Volumetric Charge Central Area	0.9540

Household Volumetric Charge East Area	1.6258
Household Volumetric Charge Southeast Area	1.7301
Non-Household Standard Volumetric Charge (0-3MI) Central Area	0.9650
Non-Household Mid User Volumetric Charge (3-50MI) Central Area	0.9102
Non-Household Large User Volumetric Charge (Over 50MI) Central area	0.5913
Non-Household Standard Volumetric Charge (0-5MI) East Area	1.6367
Non-Household Mid User Volumetric Charge (5-25MI) East Area	1.4583
Non-Household Mid User Volumetric Charge (25-50MI) East Area	1.1218
Non-Household Large User Volumetric Charge (50-100MI) East area	0.9725
Non-Household Large User Volumetric Charge (Over 100MI) East area	0.8402
Non-Household Standard Volumetric Charge (0-3MI) Southeast Area	1.7408
Non-Household Mid User Volumetric Charge (3-50MI) Southeast Area	1.6407
Non-Household Large User Volumetric Charge (Over 50MI) Southeast Area	1.2212

ON SITE ONGOING COSTS

49. **Our** wholesale fixed charges per meter are set to reflect the per customers costs of providing and maintaining the customers' meter and local connection. In **NAV** developments, the **NAV** is typically responsible for providing and maintaining customer meters and local connections at customers' properties. As a result, the deduction for on-site ongoing costs for the fixed element of wholesale charges is 100%.
50. **Our** fixed charges are included in the starting point if the **NAV** has any customers supplied on these tariffs. **We** do not offer any deduction for on-site ongoing costs against these charges.
51. **We** recover **our** remaining wholesale costs through volumetric charges. **We** set the discount to the standard tariff for site ongoing costs at 5.75%.
52. There is no deduction on the volumetric rate available for on-site costs for mid-user and large use tariffs, e.g. for supplies greater than 3,000m³/year, or greater than 5,000m³/year in the East region. This is because these tariffs are already set at a

discount to the standard rate to reflect the differential use of network assets by mid and large customers. The volumetric rate is already lower than standard to reflect the avoided use of local network assets by mid and large user customers.

WEIGHTED AVERAGE COST OF CAPITAL

53. **We** also deduct from the starting point, an adjustment for the regulatory return on capital on the on-site assets owned by the **NAV**.
54. **Our** approach is to derive the MEAV of the **NAV**'s on site assets (GMEAV of assets less accumulated depreciation charges) as a proportion of Affinity Water's Net MEAV of network plus assets. **We** multiply this by the average regulatory capital value (in outturn prices) attributable to network plus assets to obtain a valuation of RCV corresponding to the value of the **NAV**'s on site assets.
55. Multiplying the RCV valuation corresponding to the **NAV**'s assets by the WACC yields a total value of the cost of capital element, which can be divided by the expected volume supplied by the **NAV** to produce a £/m³ discount.
56. Affinity Water does not know the MEAV of the **NAV**'s on site assets, nor will it know what contributions were received by the **NAV** from developers, nor the depreciation charges made by a **NAV**. Therefore, it will need to obtain this information from the **NAV** to be able to price the WACC deduction.
57. The worked example below sets out the operation of this calculation

Weighted Average Cost of Capital Worked Example	£k
A. Net MEAV of On-site assets owned by the NAV (net of accumulated depreciation) – (information provided by NAV)	525
B. Net MEAV of Affinity Water Network Plus Assets	9,010,000
C. Average Regulatory Capital Value allocated to network plus	1,010,150
D. Calculation = A/B * C	58.860
E. Return on Capital = D x WACC (3.7%)	2.178
F. Total volume supplied (m ³ /year) (information provided by NAV)	105,000
Deduction to volume rate for return on capital on on-site assets = E/F	£0.0207/m ³

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APPENDIX A - Worked Example of Starting Point and Derivation of Bulk Supply Charge

	A Charge multiplier	B Affinity Water Wholesale Tariff 2018/19	C =A x B	D Deduction for on-site ongoing costs	E Deduction for WACC	F Revenue
FIXED CHARGES per meter in charge						
Household fixed charge (£/year)	5,000	16.32	81,600.00	-81,600.00	-	0.00
Non-Household Fixed Charge 12-15mm Meter (£/year)	-	17.40	-	-	-	0.00
Non-Household Fixed Charge 19-21mm Meter (£/year)	-	26.40	-	-	-	0.00
Non-Household Fixed Charge 25mm Meter (£/year)	-	28.44	-	-	-	0.00
Non-Household Fixed Charge 30mm Meter (£/year)	-	31.56	-	-	-	0.00
Non-Household Fixed Charge 38-40mm Meter (£/year)	-	33.48	-	-	-	0.00
Non-Household Fixed Charge 50mm Meter (£/year)	2	40.68	81.36	-81.36	-	0.00
Non-Household Fixed Charge 65mm Meter (£/year)	-	73.08	-	-	-	0.00
Non-Household Fixed Charge 75-80mm Meter (£/year)	-	104.76	-	-	-	0.00
Non-Household Fixed Charge 100mm Meter (£/year)	2	104.76	209.52	-209.52	-	0.00
Non-Household Fixed Charge 150mm Meter (£/year)	-	104.76	-	-	-	0.00
Non-Household Fixed Charge 200mm Meter (£/year)	-	104.76	-	-	-	0.00
OTHER FIXED CHARGES						
Non-Household Large User Fixed Charge (Over 50M) Central Area	1	15,945.00	15,945.00	-	-	0.00
Non-Household Large User Fixed Charge (Over 100M) East Area	-	29,107.48	-	-	-	0.00
Non-Household Large User Fixed Charge (50M - 100M) East area	1	15,877.48	15,877.48	-	-	15,877.48
Non-Household Mid User Fixed Charge (25 - 50M) East Area	-	8,412.48	-	-	-	0.00
Total number of fixed charges	5,006					
Total revenue from fixed charges			113,713.36	-81,890.88	0.00	31,822.48

Starting Point (Fixed Charges)

Bulk Supply (Fixed Charges)

	A Charge multiplier	B Affinity Water Wholesale Tariff 2018/19	C =A x B	D Deduction for on-site ongoing costs	E Deduction for WACC	F Revenue
VOLUMETRIC CHARGES per m3 supplied						
Household Volumetric Charge Central Area	300,000	0.9540	286,200.00	-16,456.50	-795.75	266,947.75
Household Volumetric Charge East Area	112,500	1.6258	182,902.50	-10,516.89	-298.41	172,087.20
Household Volumetric Charge Southeast Area	131,250	1.7301	227,075.63	-13,056.85	-348.14	213,670.63
Non-Household Standard Volumetric Charge (0-3M) Central Area	-	0.9650	-	0.00	-	0.00
Non-Household Mid User Volumetric Charge (3-50M) Central Area	5,000	0.9102	4,551.00	0.00	-13.26	4,537.74
Non-Household Large User Volumetric Charge (Over 50M) Central area	75,000	0.5913	44,347.50	0.00	-198.94	44,148.56
Non-Household Standard Volumetric Charge (0-5M) East Area	-	1.6367	-	-	-	0.00
Non-Household Mid User Volumetric Charge (5-25M) East Area	-	1.4583	-	-	-	0.00
Non-Household Mid User Volumetric Charge (25-50M) East Area	-	1.1218	-	-	-	0.00
Non-Household Large User Volumetric Charge (50-100M) East area	75,000	0.9725	72,937.50	0.00	-198.94	72,738.56
Non-Household Large User Volumetric Charge (Over 100M) East area	-	0.8402	-	-	-	0.00
Non-Household Standard Volumetric Charge (0-3M) Southeast Area	-	1.7408	-	-	-	0.00
Non-Household Mid User Volumetric Charge (3-50M) Southeast Area	5,000	1.6407	8,203.50	0.00	-13.26	8,190.24
Non-Household Large User Volumetric Charge (Over 50M) Southeast Area	-	1.2212	-	-	-	0.00
Total Volumetric Revenue			826,217.63	-40,030.24	-1,866.70	784,320.68
Total Volume	703,750					
Volumetric Charge = Total Volumetric Revenue divided by Total Volume			1.1740	-0.0569	-0.0027	1.1145

Starting Point (Volumetric Charges)

Bulk Supply Volumetric Charge

	£k
A. Net MEAV of On-site assets owned by the NAV (net of contributions and accumulated depreciation) – information provided by NAV	450
B. Net MEAV of Affinity Water Network Plus Assets	9,010,000
C. Average Regulatory Capital Value allocated to network plus Calculation = AB * C	1,010,150
D. Return on Capital = C x WACC	50,461
E. Total volume supplied (m3/year) (information provided by NAV)	1,8667
Deduction to volume rate for return on capital on on-site assets = D / E	703,750
	0.0027