

Statement of Board Assurance

Wholesale Tariff Document 2022/23

The Board considered the Wholesale tariffs for 2022/23 at its meeting held on 2 December 2021. 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 wholesale tariffs 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 tariffs contained in Dŵr Cymru's Wholesale Tariff Document 2022/23 comply with the various legal obligations to which the company is subject under the Water Industry Act 1991 (as amended) 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 'Wholesale Charging Rules issued by the Water Services Regulation Authority under sections 66E and 117I of the Water Industry Act 1991' published in October 2021, we are of the opinion that our tariffs are consistent with these requirements, taking the wholesale charging rules as a whole.

The Board has been given relevant information on the effects the tariffs have on customers occupying eligible premises and notes that charges for unmetered non-households increase by 6.3% and for large industrial customers increase by 6.3%, as a result of the high level of CPI(H) inflation to be applied to tariffs in 2022/23. The Board confirms that appropriate communication and handling strategies are in place for these customers.

The Board has been given relevant information on the difference between the wholesale tariffs and the indicative wholesale tariffs published in September 2021. The final tariff increases are higher due to an increase in the level of CPI(H) compared to that assumed in the indicative charges. The Board is satisfied that there are no material increases arising from the final tariffs other than those caused by the increase in the inflation figure.

The company has corresponded with retailers operating within the region and engaged with CCWater in a timely and effective manner in respect of the Wholesale Tariffs.

At the Board meeting of 2 December 2021, the Board delegated responsibility for final approval of the Wholesale Tariff Document 2022/23 (and the required additional information), following publication of the Consumer Prices Index including owner occupiers' housing costs (CPIH) on 15th December 2021, to the Chief Executive.



Peter Perry
Chief Executive

On behalf of the Board
16 December 2021