



Dŵr Cymru  
Welsh Water

# Indicative Wholesale Tariffs

2018-19

## Version Control

This version of the Dŵr Cymru Welsh Water Indicative wholesale tariffs for 2018/19 was first published on 5 October 2017. This is in accordance with Ofwat guidance that indicative wholesale primary charges should be published at least three months before publishing the final wholesale charges.

The document provides indicative primary charges that are expected to be applicable to retail companies serving customers with an eligible site in Dŵr Cymru Welsh Water's operating area based on the information available at this time. As such, the final charges to be published in January 2018 may be different due to changes in the underlying assumptions including the actual November RPI.

The period to which these charges would apply is 1st April 2018 to 31st March 2019.

This document sets out the relevant indicative wholesale charges with guidance on how the charges will be applied. For details of legal obligations, please see the Wholesale-Retail Code and the Wholesale Contract.

## Change Control

Date : October 2017

Version: 1.0

Changes Made: Publication

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## Definition of terms

In this document, unless the context otherwise requires:

**'Accredited Entity'** is an entity which is independently evaluated and accredited under an accreditation scheme established by the Contracting Wholesaler as competent to carry out certain activities including but not limited to: Connection Activity and Metering Activity. One such accreditation scheme may include the WIRS administered by Lloyd's Register. Under that scheme accredited entities include WIRS Providers who include SLOs and UCPs;

**'Act'** means the Water Industry Act 1991 and amendments thereto.

**'Company'** means Dŵr Cymru Cyfyngedig.

**'Connection'** means a connection regulated by the Act and other relevant legislation by virtue of which the customer receives the benefit of the Company's services.

**'Eligible Site'** means any non-household customer site using more than 50MI of water a year.<sup>1</sup>

**'Guaranteed Service Standard'** means any standard set out in the GSS Regulations as may be updated or amended from time to time;

**Meters:** A **'screw in'** meter has concentric ports for a single connection to pipework and is the type generally fitted in the Company's standard boundary box.

An **'in line'** meter has a pipe connection at both ends.

**Non-Market Meter** a water meter, which is not registered to a Supply Point, which is owned by an Undertaker, and which is a deductive meter on a Meter Network;

**'Non potable water'** means water not intended to meet the standards of wholesomeness set out in regulations made under the Water Industry Act 1991.

**'Non-Primary Charge'** means any Wholesale Charges which are not Primary Charges and to avoid doubt this includes all charges that relate to the provision of one off or discrete services performed pursuant to the Operational Terms or as otherwise set out in the Wholesale Tariff Document in relation to specific circumstances or events;

**'Permanent Disconnection'** means any physical disconnection of Water Services where a connection to the Network is removed or otherwise made unworkable such that the supply of Water Services at that point could only resume if a new connection was made and "Permanently Disconnected" shall be construed accordingly;

**'Potable water'** means water intended to meet the standards of wholesomeness set out in regulations made under the Water Industry Act 1991.

1. See Ofwat Guidance <http://www.ofwat.gov.uk/publication/eligibility-guidance-whether-non-household-customers-england-wales-eligible-switch-retailer/> and <http://www.ofwat.gov.uk/publication/supplementary-guidance-whether-non-household-customers-england-wales-eligible-switch-retailer/>

**Primary Charge(s)** means all those charges in the Wholesale Tariff Document that relate to the supply of Water Services both on an enduring or temporary basis, and including:

- i. fixed and volumetric charges and allowances;
  - ii. any other charges set out in the Wholesale Tariff Document in relation to specific circumstances or events,
- but excluding,
- i. all charges that relate to the provision of one off or discrete services performed pursuant to the Operational Terms,
  - ii. together with all such charges calculated in relation to a Special Agreement by reference to the relevant Factor(s)

**'Retailer'** means the holder of a Restricted Retail Authorisation an authorisation described in paragraph 6 of schedule 2A of the Water Industry Act 1991 i.e. an authorisation to use the supply system of an Undertaker that is wholly or mainly in Wales for the purpose of enabling the Licensee to supply Retail Services to Eligible Premises that use 50 mega litres or more of water a year; or Dŵr Cymru's own retail business.

**'Service pipe'** means the pipe (or part of the pipe) to supply water from the Company's water main to any premises and is defined in section 219 of the Act.

**'Special Agreements Register'** the register of that name published and maintained by the Authority as may be replaced or renamed from time to time;

**SPID** is the abbreviation for Supply Point Identifier (used to identify unique supply points in the Water Supply License Market).

**'Supply pipe'** means any part of a service pipe which the Company could not be, or have been, required to lay under Sections 45 and 46 of the Act.

**Temporary Disconnection** any physical disconnection of Water Services which is not a Permanent Disconnection and "Temporarily Disconnected" shall be construed accordingly;

**'Value Added Tax'** refers to value added tax chargeable under the Value Added Tax Act 1994 or any tax or duty in substitution thereof;

**'Water Fittings Regulations'** refers to the Water Supply (Water Fittings) Regulations 1999.

## 1. Introduction

This document has been produced to comply with Ofwat's information requirement for publication of indicative wholesale water access charges for 2018/19 (Wholesale charging rules 24/11/16) for Eligible Sites, that is those premises that could be supplied with water by a retailer with a retail or restricted retail authorisation. They will be applied to any section 66D agreement where a retailer with a retail authorisation or restricted retail authorisation is a party to that agreement.

In accordance with the Information requirements in A3 of the Wholesale charging rules, this document contains indicative primary charges, those that typically involve meter based annual charges and/or volumetric charges.

The scope of the contestable market for customers supplied by companies based wholly or mainly in Wales is limited to the provision of water services and covers commercial customer sites which use more than 50,000 m<sup>3</sup> of water per year. These customers are charged using our potable water "industrial tariffs," our large user non-potable water tariffs or Special Agreements.

### The Company Supply Area

The Company supplies water in the area shown on the map below.



## 2. How to Contact us:

Dŵr Cymru Welsh Water  
Wholesale Service Centre  
PO Box 3164  
Cardiff  
CF30 0FF

### Telephone

0800 260 5053 (24 hours)

### Online

[www.wsc.dwrcymru.com](http://www.wsc.dwrcymru.com)

### Email

[WholesaleServiceCentre@dwrcymru.com](mailto:WholesaleServiceCentre@dwrcymru.com)

Our office hours for the receipt of correspondence are 8am to 6pm Monday to Friday (excluding bank holidays)

## 3. How to Pay

### Cheque Payments

Cheque payments should quote the customer reference on the back of the cheque, and crossed 'A/C Payee'. The cheque made payable to 'Dŵr Cymru Cyf' to:

Dŵr Cymru Welsh Water  
Customer Services  
PO Box 690  
Cardiff CF3 5WL

### BACS

By BACS payment: sort code: 52-21-07  
account number 01500007.

By BACS from abroad: IBAN number  
GB51 NWBK 5221 0701 5000 07

BIC number NWBK GB 21 22X please  
include your customer reference when  
making your payment.

## 4. Disputes

All disputes and differences arising out of, or in connection with the wholesale services provided to water supply licensee shall be dealt with and resolved in accordance with Section 17, 18 and 19 of the Business Terms and Schedule 9 of the Market Arrangements Code.

## 5. Value Added Tax

VAT will be added to water supply charges through a section 66D agreement. VAT will be charged at the rate prevailing at the time the bill is issued.

## 6. Liability for Charges

Invoices for Primary and Non Primary Charges will be issued in accordance with Dŵr Cymru's Invoicing timetable.

### Primary Charges

Each Retailer will be charged for the supply of Water Services to connected Supply Points that are registered to it when the services are provided. Charges for Vacant Properties will be levied in accordance with the Market Arrangement Code / Open Water Code.

Fixed charges are apportioned on a calendar day basis.

Water volumetric charges are based on the water used as measured by the meter in cubic metres unless the Company agree a volumetric adjustment for water used for firefighting or lost in leakage as detailed below:

### Water used for firefighting

All water used is chargeable except that used solely for firefighting or testing. Water used for fire tests and drills is chargeable unless 7 days written notice of use is given to the Company.

### Leakage Allowances

Allowances for water volumetric charges for Non-household<sup>2</sup> sites will only be given where the leak was the responsibility of Dŵr Cymru.

Mixed use sites i.e. non-household premises combined with a household, for example, a University Campus with an accommodation block, a water allowance will be granted on the household element of the bill only. The allowance for the household element will be calculated on the basis of the annual consumption figures we use to calculate our household assessed measured tariff.

**Allowances must be applied for within six months of a leak being repaired. No allowances will be given if the leak has been caused through the carelessness of the customer or someone acting on behalf of the customer.**

### Non Primary Charges

By submitting a request for work or information (via the relevant online form) the Retailer will be deemed to have accepted the standard price for that service.

If the price for the service is Non Standard, a "price on application" will be sent to the Retailer and no works will be undertaken until a written acceptance of the estimate is received. The charge will be calculated on a "bottom-up" basis from the activities and materials required for the service. The activities are costed using standard and consistent costing models. Water wholesale business overheads and joint costs are applied to the calculated direct costs in proportion to the direct costs.

## 7. Accredited Entities

Dŵr Cymru does not operate an Accreditation Scheme for Metering or Disconnection activities within its area.

## 8. Incentive Payments including Gap Site and Vacant Properties

Dŵr Cymru does not offer any Incentive Payment schemes within its area.

## 9. Other charging schedules

### Scheme of Charges 2017/18

Water and sewerage charges for household and non-household customers.

### Wholesale Tariff Document 2017/18

Primary Charges applicable to be charged for wholesale supplies and services to Eligible Sites that could be supplied with water by a water supply licensee with a retail or restricted retail authorisation. This document also includes Non-Primary Charges that would, where relevant, be payable by a water retailer.

### Developer Services Schedule of Charges 2017/18

Charges for new connections and other activities to support Developers.

<sup>2</sup> Non-Household properties may be entitled to a sewerage allowance on the first and subsequent leaks where water lost due to leakage has not returned to the sewer.

## 10. Primary Charges

### 10.1 Potable Water Industrial Tariff — indicative wholesale access charge 2018/19

The potable water Industrial Tariff is made up of several bands reflecting annual consumption. Table 1 below shows the indicative wholesale water large user tariffs for each of the five supply bands over 50,000 m<sup>3</sup>.

Each band applies to all consumption between 1 April 2018 and 31 March 2019 and comprises:

- a fixed charge for the year (which includes an annual service charge for the first meter)
- an annual service charge for each additional meter based on the size of meter (shown in table 2 below) and
- a volumetric charge for all consumption.

Charges for future years will be set out in our wholesale charges schedule each year.

**Table 1**

The fixed charge and the volumetric charge for each of the bands is shown below.

The fourth column indicates the annual consumption for which the band would be most economic for the customer.

Tariff	Fixed charge (£)	Volumetric charge (£/m <sup>3</sup> )	Indicative consumption (Ml/year)
Standard	*	1.3572	<50
Band 1	20,395.64	0.9623	50 – 99
Band 2	23,440.75	0.9318	100 – 249
Band 3	40,671.76	0.8629	250 – 499
Band 4	90,903.45	0.7625	500 – 999
Band 5	124,840.41	0.7285	>1,000

\*See standard wholesale measured service charge in Table 2

**Table 2**

The annual service charge applies to each meter and is based on the nominal meter size as follows:

Meter size (mm)	Charge (£)	Meter size (mm)	Charge (£)
15 mm	8.67	65 mm	652.36
25 mm	78.27	80 mm	872.17
30 mm	154.39	100 mm	1,043.03
40 mm	309.06	150 mm and above	1,355.25
50 mm	481.49		



## 10.2 Non Potable Water Tariff — indicative wholesale access charge 2018/19

The non-potable water Industrial Tariff is available for partially treated water and raw water depending on whether the supply receives any treatment. Table 3 below shows the indicative wholesale Non-potable tariffs.

Each band applies to all consumption between 1 April 2017 and 31 March 2018 and comprises:

- a fixed charge for the year (which includes an annual service charge for the meter); and
- a volumetric charge for all consumption.

**Table 3**

The fixed charge and the volumetric charge for each of the bands is shown below.

The fourth column indicates the annual consumption for which the band would be most economic for the customer.

Tariff	Fixed charge (£)	Partially Treated Water Volumetric Charge (£/m <sup>3</sup> )	Raw Water Volumetric Charge (£/m <sup>3</sup> )	Indicative consumption (Ml/year)
Non-Potable Standard	*	1.3079	1.2040	<50
Partial	43,108.81	0.4519		>50
Raw	43,108.81		0.3480	>50

## 10.3 Change of Tariff Requests

The wholesaler will not accept more than one request per calendar month for a change of tariff at any one Supply Point.

## 10.4 Special Agreements – indicative wholesale access charges 2018/19

Welsh Water has two special agreements for supplies to Eligible Premises.

### WSHNONPOT9

This agreement to supply non-potable water is a reservation type agreement for a raw water supply. It began in 1994 to run for 30 years and terminates in 2024. The customer has reserved

14.5 Ml/day. The reservation charge applying to the unused reserved amount increases in line with RPI each year. Used volumes and fixed charges are charged using standard rates. The indicative wholesale water access charge for the reservation element is shown in table 5 below.

**Table 4: The indicative wholesale water access charge for special agreement WSHNONPOT9**

Tariff	Volumetric Charge (£/m <sup>3</sup> )
Reservation Charge up to 14.5 Ml/d	0.1821

**WSHNONPOTX**

Charges for water supplied shall be charged on a volumetric basis only, adjusted by the average annual percentage movement in the Retail Price Index.

Table 5: The indicative wholesale water access charge for special agreement WSHNONPOTX

Tariff	Volumetric Charge (£/m <sup>3</sup> )
Supply Charge	0.3638