

Statement of Board Assurance

Wholesale Tariff Document 2019/20

The Board has considered the Wholesale Tariff Document 2019/20 at the meeting held on 6 December 2018. The Board considered relevant supporting materials and made appropriate enquiries of the Executive Team, in particular the Strategy and Regulation Director, and of Jacobs (Andrew McGeoghan) who had been engaged to provide external assurance.

Having made reasonable and relevant enquiries the Board is able to confirm that, to the best of our understanding, the charges contained in Dwr Cymru's Wholesale Tariff Document are in compliance with the various legal obligations to which the company is subject under the Water Industry Act 1991 (as modified) and other relevant legislation, taken as a whole.

We can confirm that appropriate steps have been taken to ensure that the information on which the document is based is accurate within reasonable levels of tolerance. 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 the 'Wholesale charging rules issued by the Water Services Regulation Authority under sections 66E and 117I of the Water Industry Act 1991' published on 16 October 2018, we are of the opinion that our charges are consistent with these requirements, taking the wholesale charging rules as a whole.

The Board has been given relevant information on the effects the new charges have on customers occupying eligible premises and can confirm that there are no customers expected to be subject to bill increases exceeding 5%.

The Board has been given relevant information on the difference between the wholesale charges arising from the illustrative wholesale charges published in October 2018. The final charges are lower than the illustrative charges due to:

- the change in forecast 2019/20 consumption for non-household customers informed by the mid-year consumption figures;
- a rebalancing of wholesale revenue to be recovered from household customers informed by our cost modelling work; and
- the change in published RPI from the assumption used for the illustrative charges.

The company has consulted CCWater and corresponded with retailers and other appointees operating in our area in a timely and effective manner in respect of the Wholesale Tariff Document.

At the Board meeting of 6 December 2018, the Board delegated responsibility for final approval of the Wholesale Tariff Document 2019/20 (and the required additional information), following publication of the Retail Prices Index on 19th December 2018, to the Chief Executive.



Chris Jones
Chief Executive

On behalf of the Board
21 December 2018