

Statement of Board Assurance

Wholesale Charges Document 2024/25

The Board considered the Wholesale tariffs for 2024/25 at its meeting held on 30 November 2023. 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 Charges Document 2024/25 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.

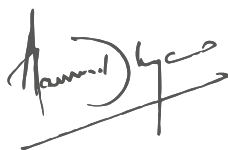
The document and the required additional information have been prepared by experienced staff using appropriate processes and internal systems of control and have accordingly been prepared to a standard that could be reasonably expected of a diligent undertaker.

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 decrease by 7% and for metered non-households and large industrial customers decrease by 7.7%, reflecting the net ODI under-performance payment in respect of 2022/23, largely relating to water measures, as set out in Ofwat's published final in-period determination. The final wholesale charges are 2.7 percentage points lower than the indicative figures published in October 2023. This is principally due to outturn November CPIH inflation being lower than assumed in those charges.

The company has corresponded with retailers operating within the region and engaged with the Consumer Council for Water in a timely and effective manner in respect of the Wholesale Charges.

At the Board meeting on 30 November 2023, the Board delegated responsibility to the Chair for final approval of the Wholesale Charges Document 2024/25 (and the required additional information), following publication of the Consumer Prices Index including owner occupiers' housing costs (CPIH) on 20 December 2023.



Alastair Lyons
Chair

On behalf of the Board
22 December 2023