

Board Assurance Statement

Indicative Wholesale Charges 2025/26

The Board considered the indicative wholesale charges for 2025/26 at its meeting held on 5 September 2024. 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 indicative wholesale charges 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 Indicative Wholesale Charges 2025/26 document are in compliance 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 on 21 October 2021, we are of the opinion that our indicative charges are consistent with these requirements, taking the wholesale charging rules as a whole and using the best available information at this time.

Indicative charges have been calculated on the basis of the PR24 Draft Determination as published on 11th July 2024. The Board notes that the final revenue allowances to be applied as a result of the PR24 Final Determination may be materially different to those resulting from the Draft Determination, and that therefore the final Wholesale Charges may be materially different to the published Indicative Charges.

The Board has been given relevant information on the effects the indicative tariffs have on customers occupying eligible premises. Water charges for eligible customers are expected to increase by around 23% assuming constant consumption, subject to the PR24 Final Determination and an assumed November CPI(H) inflation forecast of 3.3%.

No changes to the structure of wholesale charges is assumed within the indicative wholesale charges document, but we are aware of proposals for harmonisation across the industry and will incorporate any necessary changes into the final wholesale charges.

The company has corresponded with retailers operating within the region and engaged with CCW in a timely and effective manner in respect of the indicative wholesale tariffs.



Alastair Lyons
Chairman

On behalf of the Board
13 October 2024