



Dŵr Cymru
Welsh Water

Indicative charging information for New Appointees and Variations (NAVs)

2025/26

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Definition of terms

The following terms will have the meanings set out below wherever used throughout this document:

Act means the Water Industry Act 1991 and amendments thereto.

Bulk Supply: A bulk supply of water from one appointed water company to another or a bulk discharge of wastewater from one sewerage company into the sewers of another sewerage company.

Bulk Service: A NAV can provide its own onsite infrastructure, but rely on a bulk supply of water, or bulk discharge of wastewater, from or to the relevant incumbent's network. The NAV still serves end-Customers, but the NAV pays the incumbent for bulk services.

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.

Consent Criterion: Criterion for a NAV application whereby the prospective NAV applies on the basis that the existing appointee agrees to transfer the site or premises to the prospective NAV.

Customer means a new appointee or appointee seeking to vary its licence making a NAV application for a new development.

Large User Criterion: Criterion for a NAV application where the prospective NAV applies on the basis that it will use a large amount of water. In Wales this is over 250 megalitres of water a year. In England this is more than 50 megalitres of water a year.

Megalitre (Ml): One megalitre is equal to 1,000 cubic metres (m³)

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

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

Undertaker: means a company appointed under section 6 of the Water Industry Act 1991.

Unservd Criterion: Criterion for a NAV Application whereby the prospective NAV applies on the basis that there are no existing water and/or sewerage mains connections on the site.

Wastewater: Sewage or Sewage and Surface water or Surface water only.

1. Introduction

This document details indicative charges that are applicable to New Appointees and Variations (NAV's) within Dŵr Cymru's supply area for the year 2025/26. This document should be read in conjunction with the Company NAV Guidance available [here](#).

The Company supply area

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



2. How to contact us

Telephone

0800 260 5053 (24 hours)

Online

<https://wholesale.dwrcymru.com/en>

Email

WholesaleServiceCentre@dwrcymru.com

Post

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

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

3. How to pay

BACS payment

Sort code: 52-21-07

Account number: 01500007

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. Value Added Tax

VAT will be added to water supply charges (including water for construction) to NAVs. Where VAT is charged, it will be at the rate prevailing at the time the invoice is issued or at the time the advance payment is made.

VAT will be added to all other charges in this document unless otherwise stated.

5. Other charging schedules

Scheme of Charges

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

Wholesale Charges Document

Charges for eligible premises that could be supplied with water by a restricted retail authorisation.

Developer Services Schedule of Charges

Charges for new connections and other activities to support Developers.

6. Bulk supply charging methodology for unserved sites

Scope

This section refers to the on-going charges for the supply of water and wastewater services to NAV sites. It does not cover charges for pre-application or connections.

Purpose

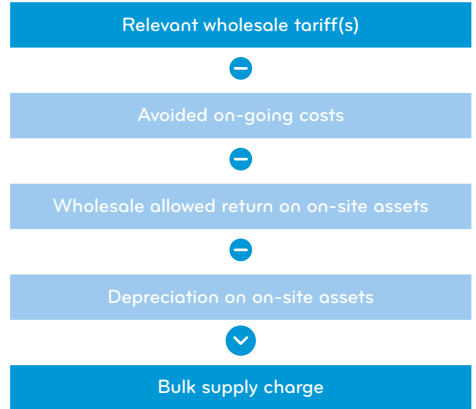
This document sets out the wholesale tariffs, applicable for the period 1 April 2025 to 31 March 2026, to be used in existing bulk supply agreements to calculate the charges for the bulk supply of water and wastewater services at each site. The tariffs are shown in Tables 2 and 3.

The document also provides the methodology for arriving at site specific charges for use by prospective applicants who are looking to apply for a NAV within DCWW's area.

Principles

Our approach to the calculation of bulk supply tariffs has been developed to comply with Ofwat's bulk charges guidance 'Bulk charges for new appointees - guidance on our approach and expectations' published in January 2021¹ and Welsh Government (WG) guidance 'Charging Guidance to Ofwat relating to Developer Charges, Bulk Supply Charges and Access Charges' published in 2017 and other applicable regulation and legislation. The wholesale-minus methodology, taken from Ofwat's guidance (p.9), is shown in figure 1 below:

Figure 1: Ofwat's wholesale-minus approach



¹ Bulk charges have been set to comply with existing guidance including consideration of the CEPA list of avoided costs. Additionally the Company has contributed to Ofwat's industry led working group on bulk charges for NAVs since it was formed in 2021. The outputs from this group have also been considered in the formulation of the 2025/26 charges. The avoided on-going costs and the charging methodology itself are subject to routine review as and when new industry guidance is issued by Ofwat or industry case studies are published.

The bulk supply tariffs have been developed on a top down regional average basis. For sites that have materially different operating characteristics, this approach may lead to deductions that mean that the sites are not economically viable. Recognising this, where these tariffs may not be applicable due to materially different operational aspects of any particular site, bespoke charges could be considered as part of any pre-application bulk supply agreement discussions.

The bulk supply charge for each NAV site is site specific and is calculated each year based on our published wholesale tariffs adjusted in accordance with Ofwat's wholesale-minus approach. The calculation of the bulk supply charge forms part of the negotiation of the bulk supply agreement. This document sets out the methodology used to calculate our bulk supply charges. It also provides details of the key components used to calculate the

bulk supply charge, including the wholesale tariffs and the cost deductions.

Wholesale tariffs refer to a "standard" provision of domestic water supply and wastewater services, i.e. potable water and domestic strength effluent, surface water drainage and highway drainage. If a development or site has industrial customers or material trade effluent discharges these would be dealt with on a case by case basis and DCWW reserves the right to vary these tariffs accordingly.

The cost deductions cover the costs that are to be deducted from the wholesale tariffs to reflect the costs avoided by DCWW as a result of the new appointee supplying the site.

Calculating site charges from tariffs

Existing NAV bulk supplies

The mechanism for translating the tariffs below into the annual charges is set out in the applicable Bulk Supply Agreement. The charges for the forthcoming year are sent to the new appointee in line with the timetable set out in Table 1 below.

Prospective NAV bulk supplies

The mechanism for translating the tariffs below into annual site bulk supply charges has three phases linked to the stage of development of the NAV site:

- i. **Pre-application** – The information contained in this appendix allows a prospective applicant to estimate the cost of receiving a bulk service for any particular NAV site. This will inform the negotiation of the bulk supply agreement. An illustration of the calculation is set out in Table 4.
- ii. **Site development** – The bulk supply charge is based on the number of connected properties made on the site and so will change as the site is developed. During the development of the site the bulk supply charge will be calculated annually based on forecast completions. As the bulk supply charge is based on forecast development for the year ahead there is potential for the charges to be under or over estimated. The assumed starting point of the bulk supply agreement negotiations is that a 'true-up' mechanism will be required during this phase to account for the actual speed of development. The 'true-up' mechanism will set out how any differences between the actual and forecast rate of development will be treated; and
- iii. **Mature site** – Once the site is complete the number of connections will be constant and so the fixed element of the charge will be known. If a weighted volumetric charge is being calculated due to the site configuration this will be reviewed annually.

Timetable for annual update of tariffs

The tariffs contained in this document will be updated annually in line with the timetable set out by Ofwat in the wholesale charging rules as set out in Table 1 below. Bulk supply charges for individual NAV sites will be updated in line with the timetable in the respective agreement.

Table 1: Annual Timetable for updating published tariffs and charges

Month	Activity
July	Scope of changes – any proposed significant changes to the structure or level of the wholesale tariffs will be discussed in principle with NAVs.
October	Indicative wholesale tariffs will be published; indicative NAV charges will be available on request; NAVs will be informed of any material changes proposed to the bulk charging methodology.
November/ December	Tariffs will be finalised and approved by the Board. NAVs affected will be informed of any material changes to the indicative tariffs. Agree forecasts for properties and consumption with NAVs in line with bulk supply agreements.
January	Bulk supply tariffs will be published at the same time as the underlying wholesale tariffs, prior to the start of the year to which they apply.

NAV bulk supply charges

NAV bulk supply charges are calculated using the wholesale minus methodology in accordance with Ofwat guidance. The tariffs required to calculate the NAV bulk supply charges are the base wholesale tariffs and the deductions to base wholesale tariffs. To the extent that any site has materially different operational aspects that mean that the standard wholesale tariffs and/or deductions are not applicable, bespoke charges could be considered as part of any pre-applications bulk supply agreement discussions.

Base wholesale tariffs

The base wholesale tariffs form part of the "end-bill" charge to all customers and are calculated as part of the annual charge setting process; they are not specific to bulk supply services. The relevant tariffs used in our bulk supply charges illustration are set out in Table 2 below.

Table 2: Base wholesale tariffs

Household

Volumetric Rate	Water	Sewerage foul only
Standard volumetric rate	1.8299/m ³	2.2862/m ³
Fixed tariff for each meter		
Up to 25mm meter	£10.21	£36.63
30mm meter	£10.21	£36.63
40mm meter	£10.21	£36.63

Non-household

Volumetric Rate	Water	Sewerage foul only
Standard volumetric rate	1.7423/m ³	2.5388/m ³
Fixed tariff for each meter		
Up to 20mm meter	£17.94	£46.20
25mm meter	£96.52	£246.06
30mm meter	£183.00	£395.75
40mm meter	£357.94	£656.11
50mm meter	£551.69	£1,274.47
65mm meter	£743.79	£2,128.43
80mm meter	£990.52	£3,149.42
100mm meter	£1,179.99	£5,557.37
150mm meter	£1,522.77	£12,944.57
200mm meter and over	£1,522.77	£23,176.21

Deductions to base wholesale tariffs

Table 3 below sets out the deductions to be made to the base wholesale tariffs to calculate the bulk supply charge.

The deduction for avoided on-going costs and capital costs are calculated on a per connection basis as the underlying costs do not vary by the amount of water supplied. The exception to this is the deduction for leakage on the NAV site which is dealt with by an adjustment to the recorded amount delivered to the bulk supply point. The leakage deduction of 5% of water delivered to the site reflects a review of the available evidence, in particular the leakage assessments made in the Water Resource Management Plans of the NAVs. Further information can be found in the avoided costs template published alongside this document.

Table 3: Deductions to base wholesale tariffs

Deductions for on-site configuration	Water	Sewerage
Avoided on-going costs	£23.31/property	£15.93/property
Capital related on-site assets		
(Wholesale allowed return & Depreciation)	£28.08/property	N/A
On-site leakage adjustment	5% of water supplied	N/A

Methodology for calculating bulk supply charges from the published tariffs

The bulk supply charge is a two part charge: a fixed charge based on the number of properties on-site and a variable charge based on the amount of water supplied to the site adjusted to reflect on-site leakage. The steps below show how the weighted average charges are calculated for each site. Table 4 is an illustrated example of how the methodology works in practice.

Step 1

Calculate the weighted fixed charge.

Step 1-1 Base wholesale fixed charge – The gross weighted base wholesale fixed tariff is made up of two components: the charge for the bulk supply meter and the service charge for meters on-site which is calculated from the respective household and non-household fixed tariffs for the on-site properties.

Step 1-2 Deductions for avoided ongoing costs – These have been calculated on a per property basis so the deduction is calculated by multiplying the unit rate by the number of properties. The unit rate is based on the company's local network operation, maintenance and, management costs on a per property basis. During the site development phase the number of properties is a forecast. The weighted base wholesale tariff may be adjusted to reflect differences from the forecast in subsequent years. The methodology for this true-up is agreed as part of the pre-application process. It should be noted that this step may give rise to a negative fixed charges.

Step 2

Calculate the weighted variable charge.

The weighted wholesale volumetric rate is calculated from the wholesale household rate and the standard non-household rate weighted by the expected respective consumption.

Step 3

Calculate the NAV bulk supply charge

The NAV bulk supply charge for the site is calculated from the charges calculated in steps 1 and 2 above. The deduction for on-site leakage is made at this step. A non-return to sewer allowance of a further 5% is also applied to calculate the wastewater charge. Where appropriate, we reserve the right to monitor discharge flow from time to time.

Bulk supply charges illustration

Table 4 below shows an illustration of how charges would be calculated and recovered for a bulk water supply. The illustrative site has 250 household properties and 10 non-household properties. After leakage the household consumption is forecast to be 25 MI and the non-household consumption is forecast to be 2 MI. The illustration is based on the foul only sewerage tariff as the majority of new developments would not have a surface water connection. The standard non-return to sewer allowance of 5% is applied to the consumption forecast to calculate the wastewater volumetric charge.

Table 4a: Illustration of calculation and use of NAV bulk supply charges – Water

Step 1-1 Calculate the weighted fixed charge - base wholesale tariff

		Unit	Quantities & Tariffs	Fixed Charges
Property weighted charges				
A	Households			
(1)	Number of households to be charged next year	Nr	250	
(2)	Wholesale household meter charge	£	10.21	
(1)*(2)	Household service charges	£		2,552.50
B	Non-households			
(3)	Number of non-households to be charged next year	Nr	10	
(4)	Wholesale non-household meter charge	£	17.94	
(3)*(4)	Non-household service charges	£		179.40
Combined				
	Total connections and total fixed charge		260	2,731.90
A+B	Total base fixed charge	£		2,731.90

Step 1-2: Calculate the weighted fixed charge - Deductions for on-site costs

		Unit	Quantities & Tariffs	Fixed Charges
Deduction for on-site costs				
(1)+(3)	Number of connections	Nr	260	
	On-site costs per connection to deduct	£	23.31	
C	Deduction for on-going on-site costs			6,060.60
Deduction for WACC and depreciation of on-site assets				
(1)+(3)	Number of connections	Nr	260	
	On-site costs per connection to deduct	£	28.02	
D	Deduction for on-site capital charge deduction	£		7,285.20
Bulk Supply Deductions				
C+D	Total on-site total deductions	£		13,345.80

Step 2: Calculate the weighted variable charge

	Unit	Quantities & Tariffs	Volumetric Charges
Volumetric Charges (The weighted volumetric rate calculation uses volumes adjusted for on-site leakage and non-return to sewer allowance)			
	Forecast volume of household water	m ³	25,000
	Wholesale household volumetric charge	£/m ³	1.8299
E	Base volumetric household revenue	£	45,747.50
	Forecast volume of non-household water	m ³	2,000
	Wholesale non-household volumetric charge	£/m ³	1.7423
	Base volumetric non-household revenue	£	3,484.60
F	Combined consumption and revenue	m ³	49,232.10
E+F	Weighted volumetric rate	£/m³	1.8234

Step 3: Calculation of the bulk supply charge

		£	£
Fixed charges			
Base charge	Step 1 - 1	2,731.90	
Deductions	Step 1 - 2	13,354.80	
Bulk supply fixed charge			10,613.90
Volumetric charge			
Volume delivered to site		28,421	
Leakage adjustment (5%)		(1,421)	
Water delivered to properties		27,000	
Volumetric rate	Step 2	1.8234	
Volumetric charge			49,231.80
Bulk supply charge			38,617.90

Table 4b: Illustration of calculation and use of NAV bulk supply charges – Wastewater**Step 1-1 Calculate the weighted fixed charge - base wholesale tariff**

		Unit	Quantities & Tariffs	Fixed Charges
Property weighted charges				
Fixed Charges				
A Households				
(1)	Number of households to be charged next year	Nr	250	
(2)	Wholesale household meter charge	£	36.63	
(1)*(2)	Household service charges	£		9,157.50
B Non-households				
(3)	Number of non-households to be charged next year	Nr	10	
(4)	Wholesale non-household meter charge	£	46.20	
(3)*(4)	Non-household service charges	£		462.00
Combined				
	Total connections and Total fixed charge		260	9,619.50
A+B	Total base fixed charge	£		9,619.50

Step 1-2: Calculate the weighted fixed charge - Deductions for on-site costs

		Unit	Quantities & Tariffs	Fixed Charges
Deduction for on-site costs				
(1)+(3)	Number of connections	Nr	260	
	On-site costs per connection to deduct	£	15.93	
C	Deduction for on-going on-site costs			4,141.80
Deduction for WACC and depreciation of on-site assets				
(1)+(3)	Number of connections	Nr		
	On-site costs per connection to deduct	£	N/A	
D	Deduction for on-site capital charge deduction	£		N/A
Bulk Supply Deductions				
C+D	Total on-site total deductions	£		4,141.80

Step 2: Calculate the weighted variable charge

	Unit	Quantities & Tariffs	Volumetric Charges
Volumetric Charges (The weighted volumetric rate calculation uses volumes adjusted for on-site leakage and non-return to sewer allowance)			
	Forecast volume of household water	m ³	23,750
	Wholesale household volumetric charge	£/m ³	2.2862
E	Base volumetric household revenue	£	54,297.25
	Forecast volume of non-household water	m ³	1,900
	Wholesale non-household volumetric charge	£/m ³	2.5388
	Base volumetric non-household revenue	£	4,823.72
F	Combined consumption and revenue	m ³	25,650
			59,120.97
E+ F	Weighted volumetric rate	£/m³	2.3049

Step 3: Calculation of the bulk supply charge

		£	£
Fixed charges			
Base charge	Step 1 - 1	9,619.50	
Deductions	Step 1 - 2	(4,141.80)	
Bulk supply fixed charge			5,477.70
Volumetric charge			
Volume delivered to site			
Leakage adjustment (5%)			
Water delivered to properties		27,000	
Non-Return to sewer allowance (5%)		(1,350)	
		25,650	
Volumetric rate	Step 2	2.3049	
Volumetric charge			59,120.69
Bulk supply charge			64,598.39

7. Bulk supply charging methodology for large user sites

Where a request is made for price and non-price terms of a bulk service agreement at the pre-application stage, the bulk supply price will be based on the information available at the time of the request and may be subject to change. The Bulk supply charge will be based on the appropriate Wholesale Industrial Tariff as detailed below.

7.1 Potable water industrial tariff

The potable water industrial tariff is made up of several bands reflecting annual consumption. Table 5 below shows the wholesale water large user tariffs for each of the five supply bands.

Each band applies to all consumption between 1 April 2025 to 31 March 2026 and comprises:

- A fixed charge for the year;
- An annual service charge for each meter serving the site based on the size of meter (shown in Table 6 below); and
- A volumetric charge for all consumption.

Table 5

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

Tariff	Indicative consumption (MI/year)	Fixed charge (£)	Volumetric charge (£/m ³)
Standard	<50	-	1.7423
Band 1	50 - 99	25,409.11	1.2341
Band 2	100 - 249	30,812.17	1.1801
Band 3	250 - 499	47,203.92	1.1145
Band 4	500 - 999	93,564.99	1.0218
Band 5	>1000	183,452.18	0.9319

A standard measured service charge will be payable on all meters (See table 6)

Table 6

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

Meter size (mm)	Water (£)	Sewerage full (£)	Sewerage foul (£)
Up to 20mm	12.60	95.08	38.88
25mm	77.13	306.06	207.06
30mm	149.33	432.02	333.02
40mm	292.09	645.57	552.11
50mm	450.19	1,165.91	1,072.46
65mm	606.95	1,884.52	1,791.06
80mm	808.29	2,743.66	2,650.21
100mm	962.90	4,769.93	4,676.48
150mm	1,242.62	10,986.21	10,892.75
200mm and over	1,242.62	19,596.05	19,502.59

7.2 Non potable water industrial tariff

The non-potable water industrial tariff is available for supplies of partially treated water and raw water depending on whether the supply receives any treatment. Table 7 below shows the wholesale non-potable tariffs.

Each band applies to all consumption between 1 April 2025 to 31 March 2026 and comprises:

- A fixed charge for the year;
- An annual service charge for each meter serving the site based on the size of meter (see table 6 above); and
- A volumetric charge for all consumption

Table 7

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

Tariff	Consumption (Ml/year)	Fixed charge (£)	Volumetric Charge (£/m ³)
Partially treated water	< 50		1.6038
Raw water	< 50		1.4938
Partially treated water	> 50	53,509.92	0.5921
Raw water	> 50	54,648.04	0.4583

7.3 Sewerage industrial tariff

he sewerage industrial tariff (>100Ml) comprises:

- A fixed charge for the year (which includes an annual standing charge for the first meter)
- An additional standing charge for each additional meter based on the size of the meter (see table 6)
- A volumetric charge for all consumption

Table 8

Tariff	(£)
Fixed charge – Full Service	38,812.01
Fixed charge – Foul only	16,598.42
Volumetric charge – Full Service per m ³	2.4907
Volumetric charge – Foul only per m ³	2.4907

8. Bulk supply charging methodology for NAV sites under the consent criteria

Where a request is made for price and non-price terms of a bulk supply agreement at the pre-application stage, the bulk supply price will be based on the information available at the time of the request and may be subject to change. The Bulk supply charge will be based on the appropriate Standard Wholesale Tariff as detailed below or the Industrial Tariffs above if the site uses more than 50MI per year of water or discharges more than 100MI of sewerage per year.

8.1 Standard household wholesale measured charges

Table 9

Tariff	Water (£)	Sewerage (£)
Standard volumetric rate per m ³	1.8299	
Standard volumetric rate – Full Service per m ³		2.2862
Standard volumetric rate – Foul only per m ³		2.2862

An annual service charge will be applied for each meter serving the site based on the size of meter as detailed below.

Table 10

Meter size (mm)	Water (£)	Sewerage (£)	Sewerage foul (£)
Up to 25mm	10.21	75.01	36.63
30mm	10.58	75.01	36.63
40mm	10.58	75.01	36.63



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