

south east water

Wholesale Non-Household Indicative Charges

2018 – 2019



Pure know_how

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Introduction

This information is provided in accordance with the wholesale charging rules issued by Ofwat on 24 November 2016. This information relates to wholesale charges that we apply to retailers (water supply licensees).

Wholesale charges for water supplies to non-household premises (wholesale primary charges)

1. Types of water supply charges

We use three main methods to charge for water supplies:

- Metered charges: which are based on the volume of water recorded by our meter
- Assessed charges: which are based on the characteristics of the premises
- Unmetered charges: which are based on the rateable value of the premises

Each of these is explained further below.

2. Metered water charges

2.1. Standard metered charges

Standard metered charges are our default meter charges which apply unless another metered tariff is selected. Standard metered charges include:

- A fixed standing charge, which is an annual sum based on the size of the meter(s) and the meter reading frequency (monthly or six-monthly). Where the meter is a combination meter (i.e. where two meters of different sizes are used to measure the volume of water supplied at different flows) the standing charge is based on the size of the largest of the two meters.

A variable volumetric charge which is based on a rate for each cubic metre of water recorded by the meter(s) or estimated by us. There are different volumetric rates depending on the geographic area in which the premises are located and the meter reading frequency (monthly or six-monthly). We have two geographic areas: the eastern region and the western region.

2.2. Metered charges for large volume supplies – Block tariff

Under our block tariff a lower volumetric charge will start applying where the consumption at the premises exceeds 10,000 cubic metres per year. Under the block tariff the total consumption in the month is allocated to different bands and the volumetric charge decreases as the consumption reaches higher bands. Meters must be read monthly.

Similar to the standard metered charges our block tariff comprises two elements – a fixed standing charge and a variable volumetric charge.

2.3. Metered charges for large volume supplies – SuperEconomy tariff

Note: the super economy tariff is only available for premises using more than 50,000 cubic metres per year and if the tariff already applied to the premises at 31 March 2017.

Under the super economy tariff an annual reservation volume must be agreed each year which can fall within two consumption bands:

- Band A: from 50,000 to 249,999 cubic metres
- Band B: 250,000 cubic metres and more

The super economy tariff comprises of five elements:

- A fixed charge which is an annual sum applied per premises irrespective of the number of meters (based on Band A and Band B above).
- A fixed standing charge for the meter or each meter which is an annual sum based on the size of the meter. Where a meter is a combination meter (i.e. where two meters of different sizes are used to measure the volume of water supplied at different flows) the standing charge is based on the size of the largest of the two meters.

- The capacity charge which is an annual sum based on the amount of water in cubic meters to reserve for the charging year (the “reservation volume”) as agreed in advance with us. There is a different capacity charge rate for each of the two consumption bands in each of our two geographic areas. The annual capacity charge is calculated by first dividing the reservation volume in cubic meters by 1,000, then dividing the result by the number of days in the year and finally by multiplying the result by the capacity charge rate in the relevant band for the relevant geographic area. If the annual reservation volume is within Band A the capacity charge rate for that band and the relevant area is used and if the annual reservation volume is within Band B the capacity charge rate for that band and the relevant area is used.
- The usage charge which is calculated by multiplying the volume of water recorded by the meter(s) in the month (or estimated in accordance with the wholesale retail code) up to the monthly average reservation volume plus 10 per cent by the relevant usage charge rate.

There is a different usage charge rate for each of the two consumption bands in each of our two geographic areas. If the annual reservation volume is within Band A the usage charge rate for that band and the relevant area is used and if the annual reservation volume is within Band B the usage charge rate for that band and the relevant area is used.

- The excess usage charge which is calculated by multiplying the volume of water recorded by the meter(s) in the month (or estimated in accordance with the wholesale retail code) which is above the monthly average reservation volume plus 10 per cent by the relevant excess usage charge rate. There is a different excess usage charge rate for each of the two consumption bands in each of our two geographic areas. If the annual reservation volume is within Band A the excess usage charge rate for that band and the relevant area is used and if the annual reservation volume is within Band B the excess usage charge rate for that band and the relevant area is used.

3. Assessed Charges

We are replacing existing assessed charges used in previous periods with new assessed charges from 1st April 2018. We also propose to progressively replace existing rateable value charges (unmetered) with the new assessed charges.

The assessed charge will be calculated by multiplying the assessed annual volume for the relevant eligible premises by the wholesale non-household standard measured volumetric rate per cubic metre for the relevant charging region and the

relevant charging year. There will be no fixed (standing) charge component to this tariff.

Further details can be found in our Statement of Significant Change, this can be reviewed using the following link:

<https://wholesale.southeastwater.co.uk/our-network/our-charges>

4. Unmetered charges

Unmetered charges include:

- An annual standing charge for the geographic area in which the premises are located
- An annual rateable value charge which is based on a rate per pound of rateable value for the geographic area in which the premises are located

The rateable value is the value determined or proposed for rating purposes in rating valuation lists under the General Rate Act 1967 as at 31 March 1990.

Where applicable a rateable value assessed by us may be applied when separate premises with a rateable value are combined into single premises; alternatively an assessed charge may be applied instead (except when the premises are subsequently metered). The assessed charge will be made based on an estimate of the water usage at the premises.

Wholesale non-household indicative charges

2018 - 2019

Excluding VAT

Unmetered water supplies

	Mid Southern (West Zone 0)	Sussex (East Zone 1, 2)	West Kent (East Zone 3)	Mid Kent (East Zone 4)
Standing Charge	£0.81	£0.81	£0.81	£30.57
Rateable Value Charges*	£0.9621	£1.5922	£1.4921	£1.3325

* Value charge per £ of rateable value

Metered water supplies

Annual standing charges for non-household properties

Meter Size (mm) (Six monthly reads)	All Zones (Zone 0, 1, 2, 3, 4)
12/15	£5.74
20/22	£19.34
25/28	£26.25
30/32/35	£40.19
40/42	£50.00
50/54	£61.98
65	£68.89
75/80	£85.41
100	£122.89
125/150	£178.86
300	£216.86

Meter Size (mm) (Monthly reads)	All Zones (Zone 0, 1, 2, 3, 4)
12/15	£5.63
20/22	£19.09
25/28	£25.95
30/32/35	£39.75
40/42	£50.02
50/54	£61.95
65	£68.89
75/80	£85.43
100	£123.00
125/150	£178.94
300	£216.81

Volumetric charges

	West (Zone 0)	East (Zone 1, 2, 3, 4)
Volumetric charge per m ³	£1.2932	£1.7039

Block tariff

Volumetric charges

Consumption (ML per annum)	West (Zone 0)	East (Zone 1, 2, 3, 4)
0 – 10	£1.2932	£1.7039
10 – 150	£1.0341	£1.3659
150 – 250	£1.0088	£1.3354
>250	£0.9909	£1.3020

SuperEconomy tariff

Western Region (Zone 0)

Consumption (ML per annum)	Fixed Charge (£)	Capacity Charge (per 1,000m ³ per day)	Usage Charge (£ per m ³)	Excess Charge (£ per m ³)
50,000 – 249,999	£5,664.02	£91,837.07	£0.7370	£1.0431
250,000 +	£15,601.22	£88,109.43	£0.7082	£1.0009

Eastern Region (Zone 1, 2, 3, 4)

Consumption (ML per annum)	Fixed Charge (£)	Capacity Charge (per 1,000m ³ per day)	Usage Charge (£ per m ³)	Excess Charge (£ per m ³)
50,000 – 249,999	£7,424.38	£121,206.88	£0.9711	£1.3752
250,000 +	£20,577.47	£116,250.36	£0.9328	£1.3120

Assessed charges

Volumetric charges

	West (Zone 0)	East (Zone 1, 2, 3, 4)
Volumetric charge per m ³	£1.2932	£1.7039

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