

south east water

Wholesale Charges Schedule

A guide to our charges and
policies

Wholesale Charges 2019 - 2020



Pure knowh₂ow

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Our business

South East Water, supplies top quality drinking water to 2.2 million customers in the south east of England. Through a network of 9,000 miles of pipe, we deliver 517 million litres of water every day. The skill and expertise of our employees ensures our water meets the highest of standards.

Our vision is to be the water company people want to be supplied by and want to work for. Everything we do is underpinned by technical excellence.

Good to know

517 million litres of water a day – that's how much water we supply to around 2.2 million people

83 water treatment works – that's how we ensure our water is of the highest quality

500,000 water quality tests each year – that's how we ensure your water meets the highest standards

9,000 miles of water mains – that's how we transfer fresh drinking water direct to customers' taps

983 employees – that's how we make sure your water supply runs 24 hours a day, 365 days a year

How we invest in your water

Where each £1 of your bill is spent:

- Water extraction 8%
- Water treatment 21%
- Getting the water to you 43%
- Customer service 8%
- Interest and tax 15%
- Dividends 5%

Contact us

If you have any queries about this charges document please contact the Wholesale Service Desk as follows:

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wholesale@southeastwater.co.uk

Telephone:

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Write:

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Introduction

This document sets out the wholesale charges of South East Water Ltd for the year commencing on 1 April 2019 and ending on 31 March 2020. It sets out the wholesale charges that are applicable for both household and non-household premises. It is made in line with wholesale charging rules published by Ofwat and as required under condition B of our instrument of appointment.

In this charges scheme the words “we”, “us” and “our” refer to South East Water Ltd.

In fixing our charges we ensure that they comply with the wholesale price control determined by Ofwat and charging rules they issued, that our charges are defined following consistent principles and methodologies and that no undue preference is shown towards or undue discrimination is shown against any retailer or their customers or potential customers. This charges document must be interpreted in a manner that is consistent with relevant legislation, the terms of our instrument of appointment and, for non-household wholesale charges to retailers, the terms of the wholesale contract. To the extent that any provision of this charges scheme are inconsistent with any of these provisions they prevail.

Section 1 of this document is for the use of retailers.

Section one:

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 supply:

- **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 metered 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.

The amount of the volumetric charge per cubic metre and of the standing charge for each type of meter can be found in Appendix 1.

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 (Please see paragraph 2.1 above for details on how the standing charge and the volumetric charge are calculated). The relevant consumption bands for the block tariff volumetric charge and the rates applicable in each of the bands, and the standing charge for each size of meter can be found in Appendix 1.

2.3. Metered charges for large volume supplies – super economy 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 2019.

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 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 (i) 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 (ii) 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 (i) 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 (ii) 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.

The fixed charges, the capacity charge rates, the usage charge rates and the excess usage charge rates for each band in each geographic area and the standing charge for each size of meter can be found in Appendix 1.

3. Assessed charges

The assessed charge is an annual sum which is designed to reflect the estimated usage of water on the relevant premises and is based on the characteristics of the premises.

The assessed charge is based on the annual volume of water that we estimate to be used on the premises. This assessed volume is multiplied by the relevant standard rate per cubic metre to calculate the total assessed charge for the year. The relevant rate is the standard wholesale non-household volumetric rate. There is one standard wholesale non-household volumetric rate for each of our two charging regions (as shown in Appendix 1).

There is no fixed standing charge component to this wholesale tariff.

We determine the assessed annual volume for eligible premises based on the type of business or other non-household activity carried out on the premises and on the size of the business or organisation.

Eligible premises are allocated to the most suitable activity type based on the Basic Land and Property Unit (BLPU) classification and standard industrial classification of industrial activities (SIC code) which are associated with the premises and any other information available on the relevant activity.

The activity types used for the assessment are set out in the table below.

Business Type	Band	Business Type	Band
Business lock-up garage	1	Park/sports ground	4
Cafe/restaurant	3	Petrol filling station with car wash	4
Community centre	5	Petrol filling station without car wash	1
Depot	1	Place of worship	1
Dry Cleaners	4	Pub/bar/club	4
Factory (water not an input)	1	Public Convenience	5
Farm/allotment	5	Public library/museum/gallery	2
Garage repairs	1	Shop Retail - Goods or Services	1
Hairdressing/beauty salon	2	School/college	3
Hospital	5	Showroom	1
Hotel/guest house	3	Sports facility	4
Industrial works (water not an input)	1	Surgery/clinic	2
Laboratory	4	Take away only shop	2
Laundrette	4	Vet	2
Multi-storey car park	2	Warehouse	1
Office	1	Workshop	1
Other	5	Yard	1

Each activity type is allocated to one of five bands. Each band corresponds to an assessed usage per full time employee (or full time equivalent) as set out in the table below.

Business type band	Assessed annual consumption per full time employee in cubic metres
Band 1	15
Band 2	50
Band 3	100
Band 4	200
Band 5	By inspection

We use the actual number of full time employees to determine the relative size of the business and the corresponding assessed annual volume for the premises. (For the purpose of the assessment, “employees” include volunteers who regularly perform work for a charitable organisation.)

The assessed annual volume for the premises is calculated by multiplying (i) the number of full time employees (or full time equivalent) at the eligible premises by (ii) the assessed annual consumption corresponding to the activity type of the premises (i.e. the assessed annual consumption for the relevant band in the table above).

The number of full time employees (or full time equivalent) used in the calculation cannot be less than 1.

We reserve the right to calculate the assessed volume on a different basis normally following inspection (with the Retailers’ consent), based on the equipment and water fittings used on the premises, and the nature, frequency and other relevant characteristics of the water usage on the premises. A specific assessment will normally be carried out where insufficient information is available or the available information indicates that the methodology described above is not appropriate to calculate the assessed volume for specific eligible premises. Where possible we will compare the assessed premises to similar metered premises to confirm the assessed volume.

Phase in relief and transitional arrangements apply in respect of this charges and are set out in our wholesale tariff document.

The amount of the volumetric rates for the assessed charges can be found in Appendix 1.

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). Please see paragraph 3 above for details on the assessed charge.

The amount of standing charges for unmetered premises and of the rateable value charges can be found in Appendix 1.

Section two:

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

1. Types of water supply charges

We use three main methods to charge for water supply:

- 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 metered charges which apply unless metered tariff is selected.

Standard metered charges include:

- A fixed standing charge, which is an annual sum based on the size of the meter.
- A variable volumetric charge which is based on a rate for each cubic metre of water recorded by the meter or estimated by us. There is a different volumetric rate for each of our two geographic areas. There is also a low user volumetric rate which only applies to customers who already benefited from this rate until 31 March 2019

The amount of the volumetric charge per cubic metre and of the standing charge for each type of meter can be found in Appendix 2.

2.2. Saver tariff for large household premises

Our saver tariff is available if the water consumption at the premises is 10,000 cubic metres or more per year and the premises are single boundary sets of premises. This tariff is available only for some specific large household premises such as large permanent residential or retirement parks on a single site which meet the minimum consumption criteria. However, the consumption of separate buildings which are operated by the same person or entity cannot be aggregated if the buildings are not part of a single boundary set of premises. Meters must be read monthly.

There are two tariff bands for each of our two geographic areas:

- Band A: from 10,000 to 49,999 cubic metres
- Band B: 50,000 cubic metres and more

Our saver tariff comprises three elements:

- A fixed charge which is applied per premises (irrespective of the number of meters) for the relevant band and geographic area
- A variable volumetric charge which is based on the rate for the relevant band and geographic area for each cubic metre of water recorded by the meter(s) in the month (or estimated by us)

The amount of the fixed charge and of the volumetric rates per cubic metre and of the standing charge for each type of meter can be found in Appendix 2.

3. Assessed charges

The assessed charge is an annual sum which is designed to reflect the estimated usage of water on the relevant premises and is based on the number of bedrooms, the characteristics of the premises or the type of occupation of the premises.

There are three types of assessed charges:

- The standard assessed charge which is an annual sum based on the number of bedrooms in the relevant premises (the standard assessed charge is the default assessed charge which will apply except when one of the following other assessed charges can be applied)
- The single occupier assessed charge which is an annual sum charged in respect of relevant premises occupied by a single qualifying occupier
- The single room assessed charge which is an annual sum charged in respect of qualifying relevant premises consisting of sheltered accommodation or bedsits which are billed individually and have the use of communal hot water or laundry facilities

The amount of the assessed charges can be found in Appendix 2.

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). Please see paragraph 3 above for details on the assessed charge.

The amount of standing charges for unmetered premises and of the rateable value charges can be found in Appendix 2.

Appendix 1 – Non-household primary charges

Schedule of charges

Excluding VAT

All charges apply to supplies provided from 1 April 2018

Unmetered water supplies

Standing charge

West	<i>Mid Southern</i>	£0.86
East	<i>Eastbourne</i>	£0.86
	<i>Mid Sussex</i>	£0.86
	<i>West Kent</i>	£0.86
	<i>Mid Kent</i>	£32.06

Rateable value charges

Value charge per £ of rateable value

West	<i>Mid Southern</i>	£1.0088
East	<i>Eastbourne</i>	£1.6680
	<i>Mid Sussex</i>	£1.6680
	<i>West Kent</i>	£1.5630
	<i>Mid Kent</i>	£1.3973

Assessed charges

West	East
£1.3498	£1.7785

Most properties with swimming pools are metered. An additional charge of £160.31 will be made for those unmeasured properties with swimming pools.

Metered water supplies

The following charges apply to supplies provided from 1 April 2018 and where applicable metered bills will be apportioned to take into account any consumption prior to 1 April. This will be shown on the bill as two separate calculations.

Annual standing charge

Meter Size (mm)	Six-monthly Read	Monthly Read
12/15	£6.09	£6.09
20/22	£20.31	£20.31
25/28	£27.59	£27.59
30/32/35	£42.24	£42.24
40/42	£52.56	£52.56
50/54	£65.15	£65.15
65	£72.42	£72.42
75/80	£89.79	£89.79
100	£129.19	£129.19
125/150	£188.00	£188.00
300	£227.95	£227.95

Standard volumetric charges

Volumetric charge per m³, six monthly read

West	East
£1.3498	£1.7785

Block tariff

Volumetric charge per m³, monthly read

Annual Consumption	Volumetric Charges	
	West	East
0 - 10 ML / pa	£1.3498	£1.7785
10 - 150 ML / pa	£1.0861	£1.4321
150 - 250 ML / pa	£1.0587	£1.4010
250+ ML / pa	£1.0439	£1.3690

Super economy tariff

Annual Consumption	Tariff Element	West	East
50 - 249.99 ML / pa	Fixed Charge (£)	£5,974.72	£7,830.29
	Capacity charge per 1000m ³ per day (£)	£96,177.62	£126,935.55
	Usage Charge (£ per m ³)	£0.7737	£1.0180
	Excess usage charge (£ per m ³)	£1.0968	£1.4446
250+ ML / pa	Fixed Charge (£)	£16,399.06	£21,629.81
	Capacity charge per 1000m ³ per day (£)	£92,273.80	£121,744.77
	Usage Charge (£ per m ³)	£0.7441	£0.9814
	Excess usage charge (£ per m ³)	£1.0526	£1.3784

Appendix 2 – Household primary charges

Schedule of charges

Excluding VAT

All charges apply to supplies provided from 1 April 2018

Unmetered water supplies

Annual standing charge

West	<i>Mid Southern</i>	£0.83
East	<i>Eastbourne</i>	£0.83
	<i>Mid Sussex</i>	£0.83
	<i>West Kent</i>	£0.83
	<i>Mid Kent</i>	£32.24

Rateable value charges

Value charge per £ of rateable value

West	<i>Mid Southern</i>	£1.0062
East	<i>Eastbourne</i>	£1.6712
	<i>Mid Sussex</i>	£1.6712
	<i>West Kent</i>	£1.5652
	<i>Mid Kent</i>	£1.3872

Metered water supplies

The following charges apply to supplies provided from 1 April 2018 and where applicable metered bills will be apportioned to take into account any consumption prior to 1 April 2018. This will be shown on the bill as two separate calculations.

Meter access charge

The meter access charge is the aggregate of the existing charge in relation to the premises plus a surcharge of £179.84.

Annual standing charges

Domestic meters installed before 1 April 2003: £5.86

Meter Size (mm)	Standing Charge
12/15	£5.86
20/22	£19.96
25/28	£27.03
30/32/35	£41.39
40/42	£52.12
50/54	£64.39
65	£71.80
75/80	£88.94
100	£128.07
125/150	£186.21
300	£225.77

Standard volumetric charges

Volumetric charge per m³

West	East	Low User*
£1.3521	£1.7844	£2.1842

* Only available to existing customers on this tariff

Assessed water charges

Assessed	West	East
1 Bedroom	£116.69	£152.51
2 Bedroom	£151.29	£197.48
3 Bedroom	£185.80	£240.47
4 Bedroom	£218.76	£285.78
Single Room	£64.21	£79.75
Single Occupier	£91.66	£116.69

Most properties with swimming pools are metered. An additional charge of £161.05 will be made for those unmeasured properties with swimming pools. These charges are levied for the period 1 April to 31 March and are not apportioned on change of occupation of the premises during the year. As part of our policy to promote efficient use of water we will progressively meter all properties with swimming pools.

Large user – saver tariff

Annual Consumption	Additional Fixed Charge		Volumetric Charges	
	West	East	West	East
10-49.99 ML	£2,063.01	£2,723.46	£1.1546	£1.5223
50+ ML	£6,156.82	£8,125.80	£1.0725	£1.4142

Appendix 3 - Miscellaneous charges

Excluding VAT

Item	Charge
Replacement of lead service pipes.	Price on application. Dependent on specific situation.
Provision and maintenance of fire hydrants – including: <ul style="list-style-type: none"> • <i>Installation of new hydrant</i> • <i>Replace hydrant</i> • <i>Replace post and plate</i> • <i>Replace false spindle top</i> • <i>Repack hydrant</i> • <i>Maintenance – broken seals, illegal use, not used for firefighting</i> • <i>Valve installations</i> 	Price on application. Dependent on specific situation.
Damage to apparatus	Costs reasonably incurred by us as a result of the damage caused by a third party (including without limitation the costs of inspecting and repairing any damage caused).
Water fittings inspections	Price on application. Dependent on specific situation.
Site Inspections <ul style="list-style-type: none"> • <i>First hour</i> • <i>Additional 30mins (up to four additional hours)</i> 	
Testing of meters – onsite	
First visit	Nil
Subsequent visit: <ul style="list-style-type: none"> • <i>Test shows meter accurate:</i> <ul style="list-style-type: none"> • <i>meter connected to supply to a house</i> • <i>other meters</i> • <i>Test shows meter inaccurate</i> 	£20 Costs reasonably incurred Nil
Testing of meters – meter removal <ul style="list-style-type: none"> • <i>Test shows meter accurate:</i> <ul style="list-style-type: none"> • <i>meter connected to supply to house</i> 	£70

• <i>other meters</i>	Costs reasonably incurred
<i>Test shows meter inaccurate</i>	Nil
Standpipes – including:	
• <i>Deposit</i>	Price on application.
• <i>Hire charge</i>	Dependent on specific situation
Disconnection and reconnection	
<i>Disconnection (Requested by customer – s62)</i>	No charge
Standard temporary disconnection (e.g. for non-payment)	
• <i>Standard temporary disconnection (turning off supply) – in hours</i>	£93.79
Non-standard disconnection temporary or permanent (e.g. for non-payment)	
• <i>Survey (First hour) – in hours</i>	£93.79
• <i>Non-standard disconnection (including clamp/plug) – in hours:</i>	POA
Reconnection	
• <i>Standard reconnection (turning on supply) – in hours</i>	£93.79
• <i>Non-standard reconnection (including clamp/plug) – in hours</i>	POA
A new connection must be applied for following all permanent disconnections.	
Emergency temporary turn off (e.g. in case of internal leak)	
• <i>Standard temporary emergency turn off (turning off supply) – in hours/out of hours</i>	No charge
• <i>Non-standard temporary emergency turn off – in hours/out of hours</i>	POA

*Charges listed in rule nine of the wholesale charging rules.

Contact Us

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Follow us

