

south east water

# Wholesale Non-Household Indicative Charges

2022 - 2023



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# Introduction

This information is provided in accordance with the wholesale charging rules issued by Ofwat (20 December 2018). 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. 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. Discontinued Super Economy tariff for large volume supplies

As part of the rationalisation and simplification of our tariff structure, the legacy super economy tariff will be discontinued from 1 April 2023. It will be replaced by the existing block tariff designed for large non-household use.

Until 2021-22, the legacy super economy tariff was only available for premises using more than 50,000 cubic metres per year where that tariff already applied to the premises at 31 March 2017 and had been renewed.

## 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.

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 by inspection (with the Retailers’ consent), taking into account 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 a 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 these charges and will continue to apply including in cases where the new assessed charge is applied on or after 1 April 2022. Details of the phase in relief and transitional arrangements can be found in our wholesale tariff document.

## 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.

### Unmetered properties with swimming pool

Most properties with swimming pools are metered; however an additional charge will be applied for unmetered properties with swimming pools. These charges are levied annually and apply for the period commencing on 1 April and ending on 31 March.

## 5. Special agreements

Special agreements' tariffs are set out in the appendix.



## Wholesale non-household indicative charges appendix

### 2022 - 23

Excluding VAT

### Unmetered charges

	Mid Southern (West Zone 0)	Sussex (East Zone 1, 2)	West Kent (East Zone 3)	Mid Kent (East Zone 4)
Standing Charge	£0.94	£0.94	£0.94	£34.59
Rateable Value Charges*	£1.0755	£1.7782	£1.6664	£1.4895
Swimming pool	£169.23	£169.23	£169.23	£169.23

\* Value charge per £ of rateable value

### Standard Metered charges

Annual standing charges for non-household properties

Meter Size (mm)	All Zones (Zone 0, 1, 2, 3, 4)
12/15	£ 6.57
20/22	£ 21.91
25/28	£ 29.76
30/32/35	£ 45.56
40/42	£ 56.71
50/54	£ 70.29
65	£ 78.14
75/80	£ 96.87
100	£ 139.38
125/150	£ 202.83
300	£ 245.94

## Volumetric charges

	West (Zone 0)	East (Zone 1, 2, 3, 4)
Volumetric charge per m <sup>3</sup>	£1.4389	£1.8959

## Block tariff

### Volumetric charges

Consumption (ML per annum)	West (Zone 0)	East (Zone 1, 2, 3, 4)
0 – 10	£1.4389	£1.8959
10 – 150	£1.1578	£1.5269
150 – 250	£1.1286	£1.4936
>250	£1.1130	£1.4594

## Assessed charges

	West (Zone 0)	East (Zone 1, 2, 3, 4)
Volumetric charge per m <sup>3</sup>	£1.4389	£1.8959

## Special agreements

Special agreement reference	Description	Charges
<b>SEWSA01</b>	Volumetric charge (0-498m <sup>3</sup> ) (£/m <sup>3</sup> )	£0.0000
<b>SEWSA01</b>	Volumetric charge (>498m <sup>3</sup> ) (£/m <sup>3</sup> )	£0.9480
<b>SEWSA01</b>	Fixed charge (£/year)	£10.9550
<b>SEWSA02</b>	Fixed charge (£/year)	£2.0000
<b>SEWSA02</b>	Volumetric charge (0-829m <sup>3</sup> ) (£/m <sup>3</sup> )	£0.0220
<b>SEWSA02</b>	Volumetric charge (>829m <sup>3</sup> ) (£/m <sup>3</sup> )	£1.8959

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