

south east water

Statement of significant changes

October 2021



Pure know_how

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Overview

The purpose of this statement is to provide our stakeholders with information on changes to our wholesale charges for 2022/23 in relation to non-household premises only.

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

Changes to our tariffs

What will change and who will be affected?

As part of the rationalisation and simplification of our tariff structure, we are discontinuing the non-household super economy tariff as of 1 April 2022.

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 as at 31 March 2017 and had been renewed since.

This change is therefore relevant only to non-household premises that are charged on the basis of the super economy tariff until 31 March 2022. It will affect two water supply licensees and six non-household premises.

How will the new charges be calculated?

For the small subset of non-household premises that are currently charged on the basis of the super economy tariff, we will apply instead our existing block tariff designed for large non-household water users. There will be no change to the block tariff itself.

Billing impact and handling strategies

Analysis has been completed to ensure there will not be an increase of over 5% in charges to the existing super economy customers if their charges were based on our block tariff.

Due to the limited number of relevant SPIDs and non-household customers concerned and the fact that there will not be any increase in excess of 5%, we are not proposing

to implement specific handling strategies, which is consistent with the approach we follow for setting other charges.

We wrote to the relevant retailers earlier this year providing details on the implementation of this change including its effect on wholesale charges and consequently on the charges to their non-household customers.

To allow the relevant retailers and their customers to prepare for this change, we have provided an illustration of its potential impact on charges for each relevant SPID, estimating the amount of charges that would have been paid in 2021/22 using our block tariff based on the known consumption for each SPID in that year.

Stakeholder engagement

We continue to welcome feedback and comments from retailers and other stakeholders with regard to the structure and content of our tariffs to inform future strategy.

Please send your observations or queries in relation to this proposal to:
yourwateryoursay@southeastwater.co.uk

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