

Indicative Combined Access Prices 2019/2020

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These are **indicative** access prices. We will provide case-specific prices to a licensee on application for access. This may require some adjustment to the assumptions underlying the indicative access prices, which may lead to differences between indicative and case-specific prices provided to a licensee. The actual wholesale price depends upon the service required – our Wholesale Scheme of Charges includes a full list of current prices for 2018/19. We have also published Indicative Wholesale Charges for 2019/20.

Indicative prices for Licensees providing a new supply of water have been produced for each water resource zone, for access starting in each of the five years from 2018/19 to 2022/23 for different sizes of customer. This assessment has been undertaken for each of these scenarios using the same methodology as used for the company's Water Resource Plan. The indicative prices are different for the company's two water resource zones, Chester and Wrexham.

Modelled inputs of water do not lead to the avoidance or deferral of any capital schemes. The indicative prices provided below allow for avoidable costs for reduced leakage detection.

The following tables shows the indicative combined supply prices for each of the two water resource zones.

| Access start date: 2018-19 | | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--|------------------|---------------|---------------|---------------|---------------|---------------|
| Water resource zone: Llandinam and Llanwrin | | | | | | |
| Forecast supply surplus without licensee's water or water undertaker's investment (-ve is deficit) | MI/d | 5.34 | 5.41 | 5.46 | 5.47 | 5.49 |
| For 5 MI per annum: | | | | | | |
| Price increase assumption | % | 0.26% | -2.05% | -17.12% | 11.20% | 6.15% |
| Wholesale bill | £ | 7,303 | 7,153 | 5,929 | 6,593 | 6,998 |
| Common carriage discount | £ | (996) | (996) | (996) | (996) | (996) |
| Combined price | £ | 6,306 | 6,157 | 4,932 | 5,596 | 6,001 |
| Wholesale effective unit rate | £/m ³ | 1.4606 | 1.4307 | 1.1857 | 1.3185 | 1.3995 |
| Common carriage discount | £/m ³ | (0.1993) | (0.1993) | (0.1993) | (0.1993) | (0.1993) |
| Common carriage effective unit rate | £/m ³ | 1.2613 | 1.2314 | 0.9865 | 1.1192 | 1.2003 |
| % Discount on wholesale rate | % | 13.64% | 13.93% | 16.81% | 15.11% | 14.24% |
| Forecast supply surplus with licensee's water and water undertaker's revised investment plan | MI/d | 5.35 | 5.42 | 5.47 | 5.49 | 5.51 |
| For 25 MI per annum: | | | | | | |
| Price increase assumption | % | 0.94% | -1.51% | -17.03% | 11.02% | 6.04% |
| Wholesale bill | £ | 31,699 | 31,221 | 25,905 | 28,759 | 30,498 |
| Common carriage discount | £ | (4,947) | (4,947) | (4,947) | (4,947) | (4,947) |
| Combined price | £ | 26,752 | 26,274 | 20,958 | 23,813 | 25,551 |
| Wholesale effective unit rate | £/m ³ | 1.2680 | 1.2488 | 1.0362 | 1.1504 | 1.2199 |
| Common carriage discount | £/m ³ | (0.1979) | (0.1979) | (0.1979) | (0.1979) | (0.1979) |
| Common carriage effective unit rate | £/m ³ | 1.0701 | 1.0510 | 0.8383 | 0.9525 | 1.0220 |
| % Discount on wholesale rate | % | 15.61% | 15.84% | 19.10% | 17.20% | 16.22% |
| Forecast supply surplus with licensee's water and water undertaker's revised investment plan | MI/d | 5.41 | 5.47 | 5.52 | 5.54 | 5.56 |

| Access start date: 2018-19 | | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--|------------------|---------------|---------------|---------------|---------------|---------------|
| Water resource zone: Llandinam and Llanwrin | | | | | | |
| Forecast supply surplus without licensee's water or water undertaker's investment (-ve is deficit) | MI/d | 5.34 | 5.41 | 5.46 | 5.47 | 5.49 |
| For 50 MI per annum: | | | | | | |
| Price increase assumption | % | 1.34% | -1.46% | -17.00% | 11.02% | 6.05% |
| Wholesale bill | £ | 60,173 | 59,295 | 49,216 | 54,639 | 57,946 |
| Common carriage discount | £ | (9,807) | (9,807) | (9,807) | (9,807) | (9,807) |
| Combined price | £ | 50,366 | 49,488 | 39,409 | 44,832 | 48,139 |
| Wholesale effective unit rate | £/m ³ | 1.2035 | 1.1859 | 0.9843 | 1.0928 | 1.1589 |
| Common carriage discount | £/m ³ | (0.1961) | (0.1961) | (0.1961) | (0.1961) | (0.1961) |
| Common carriage effective unit rate | £/m ³ | 1.0073 | 0.9898 | 0.7882 | 0.8966 | 0.9628 |
| % Discount on wholesale rate | % | 16.30% | 16.54% | 19.93% | 17.95% | 16.92% |
| Forecast supply surplus with licensee's water and water undertaker's revised investment plan | MI/d | 5.48 | 5.54 | 5.59 | 5.61 | 5.63 |
| For 500 MI per annum: | | | | | | |
| Price increase assumption | % | 1.99% | -1.43% | -16.98% | 11.02% | 6.06% |
| Wholesale bill | £ | 399,433 | 393,730 | 326,860 | 362,894 | 384,875 |
| Common carriage discount | £ | (85,653) | (85,653) | (85,653) | (85,653) | (85,653) |
| Combined price | £ | 313,781 | 308,077 | 241,208 | 277,242 | 299,222 |
| Wholesale effective unit rate | £/m ³ | 0.7989 | 0.7875 | 0.6537 | 0.7258 | 0.7697 |
| Common carriage discount | £/m ³ | (0.1713) | (0.1713) | (0.1713) | (0.1713) | (0.1713) |
| Common carriage effective unit rate | £/m ³ | 0.6276 | 0.6162 | 0.4824 | 0.5545 | 0.5984 |
| % Discount on wholesale rate | % | 21.44% | 21.75% | 26.20% | 23.60% | 22.25% |
| Forecast supply surplus with licensee's water and water undertaker's revised investment plan | MI/d | 6.71 | 6.77 | 6.83 | 6.84 | 6.86 |

| Access start date: 2018-19 | | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--|------------------|---------------|---------------|---------------|---------------|---------------|
| Water resource zone: Wrexham | | | | | | |
| Forecast supply surplus without licensee's water or water undertaker's investment (-ve is deficit) | MI/d | 4.67 | 4.89 | 5.12 | 5.33 | 5.51 |
| For 5 MI per annum: | | | | | | |
| Price increase assumption | % | - | -2.50% | -16.94% | 10.92% | 5.99% |
| Wholesale bill | £ | 6,022 | 5,871 | 4,877 | 5,409 | 5,733 |
| Common carriage discount | £ | (1,728) | (1,728) | (1,728) | (1,728) | (1,728) |
| Combined price | £ | 4,294 | 4,144 | 3,149 | 3,682 | 4,006 |
| Wholesale effective unit rate | £/m ³ | 1.2043 | 1.1743 | 0.9753 | 1.0818 | 1.1466 |
| Common carriage discount | £/m ³ | (0.3455) | (0.3455) | (0.3455) | (0.3455) | (0.3455) |
| Common carriage effective unit rate | £/m ³ | 0.8588 | 0.8287 | 0.6298 | 0.7363 | 0.8011 |
| % Discount on wholesale rate | % | 28.69% | 29.42% | 35.43% | 31.94% | 30.13% |
| Forecast supply surplus with licensee's water and water undertaker's revised investment plan | MI/d | 4.68 | 4.90 | 5.13 | 5.34 | 5.52 |
| For 25 MI per annum: | | | | | | |
| Price increase assumption | % | - | -2.26% | -17.13% | 11.13% | 6.11% |
| Wholesale bill | £ | 29,652 | 28,981 | 24,018 | 26,691 | 28,322 |
| Common carriage discount | £ | (8,534) | (8,534) | (8,534) | (8,534) | (8,534) |
| Combined price | £ | 21,119 | 20,448 | 15,484 | 18,158 | 19,789 |
| Wholesale effective unit rate | £/m ³ | 1.1861 | 1.1593 | 0.9607 | 1.0676 | 1.1329 |
| Common carriage discount | £/m ³ | (0.3413) | (0.3413) | (0.3413) | (0.3413) | (0.3413) |
| Common carriage effective unit rate | £/m ³ | 0.8447 | 0.8179 | 0.6194 | 0.7263 | 0.7915 |
| % Discount on wholesale rate | % | 28.78% | 29.45% | 35.53% | 31.97% | 30.13% |
| Forecast supply surplus with licensee's water and water undertaker's revised investment plan | MI/d | 4.74 | 4.96 | 5.19 | 5.40 | 5.58 |

| Access start date: 2018-19 | | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--|------------------|---------------|---------------|---------------|---------------|---------------|
| Water resource zone: Wrexham | | | | | | |
| Forecast supply surplus without licensee's water or water undertaker's investment (-ve is deficit) | MI/d | 4.67 | 4.89 | 5.12 | 5.33 | 5.51 |
| For 50 MI per annum: | | | | | | |
| Price increase assumption | % | - | -0.72% | -17.17% | 11.17% | 6.14% |
| Wholesale bill | £ | 58,449 | 58,026 | 48,065 | 53,433 | 56,712 |
| Common carriage discount | £ | (16,817) | (16,817) | (16,817) | (16,817) | (16,817) |
| Combined price | £ | 41,631 | 41,209 | 31,248 | 36,616 | 39,894 |
| Wholesale effective unit rate | £/m ³ | 1.1690 | 1.1605 | 0.9613 | 1.0687 | 1.1342 |
| Common carriage discount | £/m ³ | (0.3363) | (0.3363) | (0.3363) | (0.3363) | (0.3363) |
| Common carriage effective unit rate | £/m ³ | 0.8326 | 0.8242 | 0.6250 | 0.7323 | 0.7979 |
| % Discount on wholesale rate | % | 28.77% | 28.98% | 34.99% | 31.47% | 29.65% |
| Forecast supply surplus with licensee's water and water undertaker's revised investment plan | MI/d | 4.81 | 5.03 | 5.26 | 5.47 | 5.65 |
| For 500 MI per annum: | | | | | | |
| Price increase assumption | % | - | -0.98% | -16.79% | 10.89% | 5.99% |
| Wholesale bill | £ | 523,525 | 518,404 | 431,364 | 478,360 | 507,020 |
| Common carriage discount | £ | (136,178) | (136,178) | (136,178) | (136,178) | (136,178) |
| Combined price | £ | 387,347 | 382,226 | 295,186 | 342,182 | 370,842 |
| Wholesale effective unit rate | £/m ³ | 1.0471 | 1.0368 | 0.8627 | 0.9567 | 1.0140 |
| Common carriage discount | £/m ³ | (0.2724) | (0.2724) | (0.2724) | (0.2724) | (0.2724) |
| Common carriage effective unit rate | £/m ³ | 0.7747 | 0.7645 | 0.5904 | 0.6844 | 0.7417 |
| % Discount on wholesale rate | % | 26.01% | 26.27% | 31.57% | 28.47% | 26.86% |
| Forecast supply surplus with licensee's water and water undertaker's revised investment plan | MI/d | 6.04 | 6.26 | 6.49 | 6.70 | 6.88 |

Notes

1. All retail and wholesale prices are based on the 2018-19 Wholesale Scheme of Charges. The information is consistent with the Final Determination 2014 and Indicative Wholesale Charges for 2019-20.
2. Prices have been calculated using the following assumptions and methods:
 - 500 Ml customers are charged on the large user tariff, with all other customers being charged on standard tariffs.
 - The customer does not currently purchase any added value products or services from Hafren Dyfrdwy.
 - Inflation has been removed so a consistent price base can be seen. Future prices will need to comply with our revenue controls; we must also comply with Ofwat charging rules and the requirements of our Licence. Actual prices for the years after 2018/19 are therefore likely to vary from those set out above.
3. The relevant retail tariff for eligible customers could potentially be one of Hafren Dyfrdwy's other tariffs. Full details of these tariffs can be found in the company's *Wholesale Scheme of Charges 2019* which can also be found with other details of our [network access code](#).
4. The **common carriage** element of the combined supply tariff has been calculated using the following assumptions:
 - Inputs of water meet all relevant quality, compatibility and security of supply criteria, consistent with the criteria applied to Hafren Dyfrdwy's own sources.
 - Any input of water that could allow future capital investment to be avoided or deferred is designated as a strategic supply.
 - Inputs of water are monitored (for flow and quality) at the licensee's expense.
 - Any costs due to connecting the licensee's source of water to the network are recovered separately on a case-specific basis.
5. No account has been taken of any potential impact of the licensee's input on the distribution network, including any potential impact on leakage levels, due to the localised nature of such impacts. Any such impact would be considered on a case-specific basis.
6. Combined supply tariffs will follow the structure of the Hafren Dyfrdwy's *Wholesale Scheme of Charges 2018-19* with the additional feature of having (case-specific) savings (or additional charges as appropriate) on the tariff due to common carriage.
7. A reconciliation will be made between the volume input into the network by the licensee and the volume taken from the network by the licensee's customer. While this reconciliation may be affected by case-specific factors, for the purposes of indicative prices, the following would apply:

- If the volume taken exceeds the volume input (i.e. the licensee had under-supplied relative to their customer's usage), the excess volume will be charged at the relevant wholesale tariff rate, as a "top up" supply will have been provided to the licensee.
- Any saving on the retail tariff due to common carriage for the excess volume that had been provided to the licensee would be reclaimed.
- If the volume taken was less than the volume input (i.e. the licensee had over-supplied relative to their customer's usage), then for the first 10% over-supply a credit equivalent to the saving on the retail tariff due to common carriage would be applied to the licensee's account. For over-supply greater than 10%, no further credit would be applied, recognising the limited extent to which costs could be avoided due to over-supply.