

Statement of significant changes

2024-25 Wholesale Non-Household Scheme of Charges

There will be some significant increases in wholesale charges this year. You can read more about [why bills are changing](#) and the steps we have taken to reduce the impact on customers this year ([mitigation](#)) further on in this document.

Illustrative bills – wholesale non-household

Typical customers will see different bill changes depending on whether they are metered or unmetered and the amount of water they use. Illustrative bill changes for a range of customers are set out below.

Table 1 - Wholesale bills for typical customers in Powys and Monmouthshire

Wholesale ¹	23-24 Water	Waste ²	Total	24-25 Water	Waste ²	Total	Incr %	£ per month
Unmetered								
Low	£92	£119	£211	£133	£144	£277	31.3%	+£5.50
Average	£163	£205	£368	£231	£244	£475	29.1%	+£9.00
High	£190	£239	£429	£269	£282	£552	28.7%	+£10.25
Metered								
V.Small (60m ³)	£113	£209	£323	£126	£246	£372	15.2%	+£4.00
Small (120m ³)	£314	£363	£677	£357	£414	£771	13.9%	+£7.75
1,000m ³	£1,689	£1,604	£3,293	£1,952	£1,806	£3,758	14.1%	+£38.75
5,000m ³	£8,412	£8,732	£17,144	£9,651	£9,926	£19,577	14.2%	+£202.75
25,000m ³	£38,052	£38,642	£76,695	£45,371	£43,541	£88,912	15.9%	+£1,018.25
75,000m ³	£97,823	£112,846	£210,669	£119,029	£126,975	£246,005	16.8%	+£2,944.75
Trade effluent								
Small (120m ³)	£314	£330	£644	£357	£381	£738	14.7%	+£7.75
1,000m ³	£1,689	£1,271	£2,960	£1,952	£1,489	£3,441	16.3%	+£40.00
5,000m ³	£8,412	£6,845	£15,258	£9,651	£8,122	£17,773	16.5%	+£209.50
25,000m ³	£38,052	£28,991	£67,043	£45,371	£34,302	£79,673	18.8%	+£1,052.50

- 1. Note that these are all **wholesale bills** for retailers. Final bills for customers will depend on retailer charges.
- 2. Only water services for customers using more than 50,000m³ per year are eligible for competition in Wales. No wastewater charges are included within the market. This is represented by the grey shading.

We also provide water services in the Wrexham area. We don't provide sewerage services there, so the wastewater charges for these customers will usually be set by Dŵr Cymru Welsh Water (DCWW). We've estimated overall bills in Wrexham including DCWW wastewater bills.

Table 2 - Wholesale bills for typical customers in the Wrexham area

Wholesale ¹	23-24 Water	Waste ¹	Total	24-25 Water	Waste ¹	Total	Incr %	£ per month
<i>Unmetered</i>								
Low	£153	£277	£430	£182	£283	£464	7.9%	+£2.75
Average	£271	£453	£724	£346	£466	£812	12.2%	+£7.25
High	£365	£594	£959	£478	£614	£1,091	13.7%	+£11.00
<i>Metered</i>								
V.Small (60m ³)	£97	£229	£326	£109	£257	£367	12.4%	+£3.25
Small (120m ³)	£237	£434	£670	£274	£466	£740	10.4%	+£5.75
1,000m ³	£1,416	£2,472	£3,889	£1,671	£2,538	£4,209	8.3%	+£26.75
5,000m ³	£7,042	£10,854	£17,896	£8,247	£11,109	£19,356	8.2%	+£121.75
25,000m ³	£34,992	£52,242	£87,235	£41,145	£53,415	£94,560	8.4%	+£610.50
75,000m ³	£97,823	£155,976	£253,799	£119,029	£159,458	£278,487	9.7%	+£2,057.25

1. Estimate based on information shared by Dŵr Cymru with an adjustment for the actual value of inflation.
2. Only water services for customers using more than 50,000m³ per year are eligible for competition in Wales. No wastewater charges are included within the market. This is represented by the grey shading.

Dŵr Cymru sewerage bills for 2024-25 are estimates because we didn't have their final charges at the time of publication. We've based these values on information they have shared with us, adjusting for the final value of inflation which was not available at the time.

Why bills are changing

Each year the revenue controls set by [Ofwat](#) (our regulator) allow us to recover a fixed amount of revenue from our customers. This covers the cost of treating water, running and maintaining our network and cleaning wastewater before it is discharged to the environment (you can read more about what your bill pays for [here](#)). For most of our charges this is modified by inflation, adjustments for performance and any past over or under-recovery in previous years.

This year:

- Inflation as measured by the Consumer Prices Index with Housing (CPIH) was 4.2%;
- [Ofwat](#) set an effective reduction of -0.7% for our wholesale water service and an increase of +5.1% for wholesale wastewater revenue;
- There was [Revenue Correction](#) adding +12.3% to charges this year – year - most of this related to revenue and cost adjustments that we had carried forward from 2019-20; and
- We performed really well on many of our performance commitments but fell short of our targets on some others; overall our [Outcome Delivery Incentive](#) (ODI) performance was better than last year, leading to an increase of around 0.8%.

The level of charges is also influenced by volume. When we set our charges, we divide our allowed revenue over the properties we serve and the volume we expect them to use. When the volume increases, this lowers our average charges and if it falls then we need to increase charges to raise the same level of revenue.

Charges can also be affected by customers switching tariffs. When a customer moves onto a cheaper tariff (for example, by moving onto a meter) they make a saving, but customers that stay on their existing tariff will see an increase that is above the average level.

Business demand has been lower than we expected this year, leading to a lower contribution to the cost of running the services we provide and upward pressure on bills for all customers. We also expect some household and business customers to move to lower tariffs, which reduces their contribution. This will inevitably lead to increases for customers that continue to be billed in the same way as they were last year.

Stakeholder views

Our research tells us that our household customers become concerned if their overall bill increases by more than £2 per month, which is equivalent to around 6.6% of an average household bill in our area. We now conduct a survey on this topic each year as part of our “customer tracker”; the results are very consistent from year to year. Most non-household customers (>75%) are small businesses with consumption similar to households.

Unfortunately, the cost of running water and wastewater services is increasing and there will be larger bill increases will this year. We know that inflation affects our customers – it also affects our costs, and this is why our charges are linked to the rate of CPIH. Our underlying revenue controls also allow for some increases to fund the continuing investment that we need to provide the service customers expect.

As we don’t provide sewerage services in the Wrexham area, we’ve estimated the overall bill impact with indicative figures for Dŵr Cymru Welsh Water bills. Our assessment of the impact on bills is [here](#). We showed a draft view of our charges to [CCW](#), who represent the views of water customers. We’ve taken account of their views and have increased the support options for customers who struggle – there are details about the help we can offer in the next section.

Our retail account managers also engage with retailers directly, particularly regarding the way our charges are structured in CMOS¹ and we are simplifying our tariff structure within the system. Note that only wholesale water charges that could apply to non-households using more than 50,000m³ of water per year are included within CMOS for Hafren Dyfrdwy.

Managing changes in wholesale bills

Next year we will encourage all customers in the market to move to the most advantageous wholesale tariff for them, which should help mitigate the effect of price rises this year.

Standing charges

As a result of our engagement with non-household retailers, we are simplifying our tariff structure within the system – in particular, we are reducing the complexity of our metered standing charges. From 2024-25, we will have only four bands for standing charges, based on the diameter of the water meter:

	From	To
Band 1	0	25mm
Band 2	>25mm	50mm
Band 3	>50mm	100mm
Band 4	>100mm	

¹ Central Market Operating System

There are no other changes that will impact on the customers that are eligible for the non-household retail market.

Glossary

Revenue correction

We are regulated by Ofwat, which sets our revenue controls. We are allowed to collect a fixed overall amount to cover the cost of running the network, supplying water, collecting waste water and treating sewage. When we set charges, we try to make sure that they will recover the correct amount in the next charging year, but we need to forecast – for example, we don't know exactly how much water customers will use in advance. If we collect more than Ofwat allowed, we return this to customers by reducing future charges and vice versa.

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Outcome Delivery Incentives (ODIs)

When Ofwat sets our revenue controls, we also agree a set of Performance Commitments with our regulator and other stakeholders. These are things that our customers tell us are important to them such as reducing bursts, leakage and sewer flooding. If we don't hit our targets then customers get a reduction in their bills; if we do really well and exceed the target then we are allowed to collect a little more revenue. Overall, ODIs are a small proportion of the average bill. You can read more about what your bills pay for on our website [here](#).

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