

Statement of significant changes

2024-25 Wholesale Non-Household Scheme of Charges

For non-households, we expect that the majority of bills for combined service will increase by 13-15% next year. Charges for most water-only customers will increase by 7-11% but the overall charges bill will depend on the wastewater service (which is generally provided by Dŵr Cymru Welsh Water). You can read more about [why bills are changing](#) further on in this document.

Illustrative bills – wholesale non-household

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 in our water and wastewater areas are set out below.

Wholesale bills for typical customers in Powys and Monmouthshire

Wholesale ¹	23-24 Water	Waste ²	Total	24-25 Water	Waste	Total	Incr %	£ per month
Unmetered								
Low	£92	£119	£211	£109	£145	£253	20.2%	+£3.50
Average	£163	£205	£368	£181	£246	£427	16.0%	+£5.00
High	£190	£239	£429	£208	£285	£494	15.1%	+£5.50
Metered								
V Small (60m3)	£113	£209	£323	£125	£246	£371	15.0%	+£4.00
Small (160m3)	£314	£363	£677	£355	£413	£768	13.4%	+£7.50
1,000m3	£1,689	£1,604	£3,293	£1,937	£1,800	£3,737	13.5%	+£37.00
5,000m3	£8,412	£8,732	£17,144	£9,577	£9,899	£19,475	13.6%	+£194.25
25,000m3	£38,052	£38,642	£76,695	£45,029	£43,385	£88,414	15.3%	+£976.50
75,000m3	£97,823	£112,846	£210,669	£118,177	£126,495	£244,672	16.1%	+£2,833.50
Trade effluent								
Small (120m3)	£314	£330	£644	£355	£381	£735	14.1%	+£7.50
1,000m3	£1,689	£1,271	£2,960	£1,937	£1,483	£3,420	15.6%	+£38.25
5,000m3	£8,412	£6,845	£15,258	£9,577	£8,095	£17,672	15.8%	+£201.25
25,000m3	£38,052	£28,991	£67,043	£45,029	£34,147	£79,175	18.1%	+£1,011.00
Band T								
1,000m3	£1,689	£1,836	£3,526	£1,937	£2,089	£4,026	14.2%	+£41.75
5,000m3	£8,412	£6,946	£15,359	£9,577	£7,674	£17,250	12.3%	+£157.75

- 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.

For non-households with very low [Rateable Values](#) (RVs), bills will rise by higher percentages, but starting from a low base; in monetary terms this represents an increase of around £3.50 per month.

We 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.

Wholesale bills for typical customers in the Wrexham area

Wholesale ¹	23-24 Water	Waste ²	Total	24-25 Water	Waste*	Total	Incr %	£ per month
<i>Unmetered</i>								
Low	£153	£277	£430	£193	£290	£484	12.4%	+£4.50
Average	£271	£391	£662	£377	£411	£788	18.9%	+£10.50
High	£365	£436	£800	£524	£457	£981	22.5%	+£15.00
<i>Metered</i>								
V Small (60m ³)	£97	£206	£303	£110	£216	£326	7.7%	+£2.00
Small (160m ³)	£237	£405	£642	£275	£425	£700	9.2%	+£5.00
1,000m ³	£1,416	£2,086	£3,502	£1,680	£2,190	£3,870	10.5%	+£30.50
5,000m ³	£7,042	£8,922	£15,964	£8,290	£9,367	£17,657	10.6%	+£141.00
25,000m ³	£34,992	£42,582	£77,575	£41,360	£44,706	£86,066	10.9%	+£707.75
75,000m ³	£97,823	£126,996	£224,819	£118,177	£133,331	£251,507	11.9%	+£2,224.00

1. Hafren Dyfrdwy bills are wholesale – DCWW bills are based on end-customer charges as DCWW wastewater services were not open to competition in 2023-24.
2. Estimate based on applying a uniform increase to Dŵr Cymru charges.
3. 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.

Overall bill increases for customers in Wrexham will depend on Dŵr Cymru sewerage bills – the values for 2024-25 are estimates because we don't have their final charges at the time of publication. We've taken their charges from last year, adjusting for inflation and our estimate of in-period adjustments that could apply.

The change in the charge for customers eligible for the market (those using more than 50,000m³) is 11.9%. Increases in HD water charges for smaller customers will be between 7-11%; in money terms this could represent between £2 and £5 per month for those using less than 1,000m³.

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. For most of our charges this is modified by inflation, adjustments for performance and any past over or under-recovery in previous years.

For 2024-25:

- We forecast inflation on the Consumer Price Index with Housing (CPIH) of 4.6%.
- Revenue controls set by [Ofwat](#) required a real reduction of -0.7% for wholesale water but a real increase of +7.2% for wholesale wastewater to fund investment and improve our service.
- The [revenue correction](#) was equivalent to a +14.2% increase, driven by revenue shortfalls in 2022-23 and a "[Blind Year Adjustment](#)" which we had carried forwards from 2019-20.
- While the company incurred -£0.6m in penalties for [Outcome Delivery Incentives](#) (ODIs), this was very similar to last year and therefore has little impact on the change in bills.

Stakeholder views

Our research tells us that household customers would be concerned if their overall bill increased by more than £2 per month¹, which is equivalent to around 6.6% of an average household bill in our area. Non-households are much more varied in size so there is no “average” non-household, but small business customers (the vast majority, by number) have usage similar to households.

Because changes in our bills affect some customers that receive either water or sewerage services from another company, we made sure that we included some single-service customers in our research. We also showed a draft of this statement to an online panel of customers and have taken account of their views regarding the way we communicate bill changes.

Unfortunately, due to the high level of inflation, it has not been possible for us to keep bill rises below £2 per month for small business customers with a combined bill. Our single service customers in Wrexham are also likely to see increases above £2 per month. 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 is [here](#).

We showed a draft view of our charges to [CCW](#), who represent the views of water customers. Our retail account managers also engage with retailers directly and we talk to retailers at a national level regarding the way our charges are structured in CMOS². As a result of these conversations, 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:

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

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

[Ofwat](#) has set revenue controls for the 5 years 2020-25 and we try to manage bill changes within this envelope, taking account of the annual level of inflation and in-period adjustments. As noted above, there are a number of adjustments for [revenue correction](#) and [ODIs](#) next year and we try to manage these so as to avoid bill volatility wherever we can. We’ve discussed our overall approach to managing these effects with [CCW](#).

Unmetered customers

There are few business customers that still have unmetered bills as we encourage all non-households to have a meter fitted. Charges for unmetered business customers are tied to the wholesale bill for residential customers and these are rising by more than the average rate because unmetered customers tend to use more water.

¹ Results from Hafren Dyfrdwy annual customer survey .

² Central Market Operating System

In 2020-21 we introduced a fixed charge for water and a separate highway drainage charge for wastewater. Since then we have been progressively increasing these fixed charges, and reducing the element of the bill that is tied to [RV](#). We encourage non-households to opt for a meter. If a meter cannot be fitted we can offer an assessed charge based on the characteristics of their business or organisation.

Wrexham area

Wholesale water bills in the Wrexham area which were previously served by Dee Valley Water will rise more quickly than the rest of the region. The overall outcome will be heavily dependent on Dŵr Cymru wastewater charges, which comprise around two thirds of the combined bill for most customers.

Bills for sewerage only customers

We have a small number of sewerage customers on the borders of our Powys area that are billed on our behalf by Dŵr Cymru Welsh Water (DCWW). Most small business customers will see increases of 12-17% in their wastewater bills, although on average our wastewater bills are still the lowest in Britain. The total bill will depend on changes in Dŵr Cymru water bills.

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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Bioresources

This is the name given to the part of our wastewater business that deals with sewage sludge. Ofwat's revenue control for the Bioresources business is adjusted for the amount of sludge that we produce. This is different from the other wholesale revenue controls, where the total allowed revenue is fixed in advance, irrespective of how much water we put into supply or how much wastewater we collect.

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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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Rateable Values (RVs)

A property's rateable value was originally assessed by the District Valuer on behalf of the Inland Revenue. The value was based on the size of the property, the number of rooms, the amenities available and the overall location. No new rateable values have been set since March 1990 following the introduction of the "Poll Tax" (Community Charge) which has since replaced by Council Tax. Water companies are still legally entitled to use rateable value as the basis for charges, but we are not able to use Council Tax banding. New properties built since 1990 do not have a rateable value and are metered. If you have a property with rateable values you can apply for a water meter, which could save you money.

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Blind Year Adjustment

Ofwat sets revenue controls for water companies every five years, with the last determination being finalised in December 2019. This was before the end of the financial year 2019-20, so there were some revenue and expenditure differences that could not be calculated when Ofwat made its decisions. Ofwat published its decisions on the [Blind Year Adjustment](#) in November 2020. Companies were given discretion over the time when these adjustments should be taken through charges, taking account of the profile of customer bills.

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