

2017/18 CHARGES
NORTHUMBRIAN WATER LIMITED
STATEMENT OF SIGNIFICANT CHANGES TO
WHOLESALE ACCESS CHARGES



In accordance with Ofwat’s information notice IN 16/02, this notification is to update stakeholders on significant changes to our wholesale access charging structures in 2017-18.

Northumbrian Water Limited (NWL) plans to introduce one additional form of wholesale access charge for 2017/18, in respect of partial surface water drainage (SWD) charges for non-households (NHH).

There are two other tariffs where the charging structure has been changing on a phased basis over recent years, and this will be completed in 2017/18.

Some new non-primary miscellaneous charges will be added as a result of the opening of the NHH retail market.

The 2017/18 changes are detailed below.

Tariff	Description	Status	No. of Properties affected
Partial SWD charges for NHH.	<p>“Charges Scheme Rules” number 21, published in November 2015, sets out a requirement to offer a mechanism that allows lower charges for customers who have significantly reduced the volume of surface water that returns to the public sewer (referred to in the future as partial SWD charges for simplicity).</p> <p>We have considered this issue and plan to introduce a mechanism for 2017/18. This will take the form of a percentage allowance against the SWD charge, granted on application, to be applied for a fixed period of time.</p>	<p>To be introduced from 2017/18. In order to receive an allowance, an application will be required with an assessment carried out by NWL.</p> <p>For NWL to be able to charge retailers in this way, the Central Market Operating System (CMOS) needs to be able to calculate partial SWD charges. The changes required are set out in change request WRC010 as published on the OpenWater website.</p> <p>N.B. The introduction of the partial SWD charges will be subject to the approval and implementation of WRC010.</p> <p>Should anything change between now and October, such as the wholesale access charging rules, we may choose not to implement this.</p>	Any NHH properties charged for SWD which have significantly reduced the volume of surface water draining from their property, as assessed by NWL.
Assessed tariff for unmeasured NHH.	<p>Over the past two years all unmeasured NHH charges have been migrated from a rateable value (RV) basis to an assessed basis.</p> <p>RV based charges were removed from our 2016/17 charges scheme and all unmeasured NHH were billed on a phased Assessed Tariff.</p> <p>In 2017/18 all unmeasured NHH will be billed on the full Assessed Tariff as published in the charges scheme.</p>	<p>Assessed Tariff was introduced for 2015/16.</p> <p>Unmeasured NHH properties were migrated onto the Assessed Tariff in 2016/17, on a phased basis to manage incidence effects, and will be charged the full Assessed Tariff from 2017/18.</p>	All unmeasured NHH (approximately 13,700 properties).
Focusplus super large user volume band.	The focusplus super large user volume band will be removed from the wholesale charges scheme from 2017/18.	Phasing out of the volume band began in 2015/16, to be carried out over three years by increasing the threshold at which the band applies.	Properties using more than 3,000,000m3 of potable water per year.

25 July 2016