

BULK CHARGES 2018/19

NAV_s

For more information about our services contact us at wholesale@nwl.co.uk



INTRODUCTION

Northumbrian Water Limited operates in the north east of England where it trades as Northumbrian Water (NW), and in the south east of England, where it trades as Essex & Suffolk Water (ESW). Northumbrian Water provides both water and wastewater services whereas Essex & Suffolk Water provides water supply services only.

New Appointments and Variations (NAV)

New Appointments and Variations were introduced under the Water Industry Act 1991 to provide a mechanism to facilitate new entrants into the water and wastewater sector. A new appointment is made where a limited company is appointed by Ofwat to provide water and/or sewerage services for a specific geographic area. A variation is where an existing appointed company (an appointee) asks Ofwat to vary its appointment so it can extend the areas it provides services to. A new appointee has the same duties and responsibilities as the previous statutory water company. Currently the level of service that we provide to developers and Self-Lay Providers is measured against a number of quantitative metrics that are reported to WaterUK. Whilst no metrics exist in respect of service to NAV customers, we operate to the same level of service as we would for the other customer groups.

In their consultation of November 2017, 'Bulk Charges for NAVs: a consultation', Ofwat stated that they 'consider that there are benefits from incumbent water companies publishing relevant charging information' for a NAV. In the absence of specific charging rules on bulk charges we have taken the opportunity to produce this guidance for NAVs. This document therefore summarises our bulk supply/discharge charges for NAVs for 2018/19.

Purpose

This document is intended for use by NAVs who wish to secure a bulk supply/discharge agreement which involves the trading of water and/or wastewater for an unserved site with us. An unserved site has no existing mains water connection and it has no existing mains sewer connection.

We have published our new NAV tariffs in this document, the NAV tariff is applicable to any new NAV awarded from 1 April 2018 onwards. Existing NAVs will have the option to continue with their current charging arrangements or switch to the new NAV tariffs. This option is only available until 31 March 2020 at which point all bulk supply charges to NAVs will be based on the NAV tariff applicable at that time.

In this document "we" or "us" refers to NW in the North East of England and ESW in the South East. Words in the singular shall include the plural and vice-versa except where the context otherwise requires.

This document should be read in conjunction with our Charging Arrangements and Charges Schemes for 2018/19 which are available on our websites.

For more information on the NAV market visit the Ofwat website at <https://www.ofwat.gov.uk/regulated-companies/markets/nav-market/>.

The aim of this document is to provide you with clear and transparent information about both our service and our charges relating to NAVs.

General charging principles

One of the key principles that we have used to build these charges is a ‘wholesale minus’ approach which Ofwat has indicated as their provisional preference. These charges have also been set within the DEFRA charging guidance of:

- Fairness and affordability;
- Environmental protection;
- Stability and predictability; and
- Transparency and customer-focused service.

Our regulator, Ofwat has not yet published new charging rules that apply to all English regional water and sewerage companies. When the guidance is issued later this year, we will take the opportunity to review this document and update it as required.



BULK SUPPLY CHARGES FOR NAVs – WATER

Our water bulk supply charges for NAVs will be made up of a variable volumetric linked charge. A fixed charge also applies and is linked to the total annual consumption for the site.

	<i>Standard</i>	<i>NAV20</i>	<i>NAVExtra</i>	<i>NAVPlus</i>
NW	<10,000	10,001-20,000	20,001-150,000	>150,001
Fixed charge	£0.00	£1,293.30	£1,732.50	£31,898.35
Volumetric Charge £/m3	1.0783	1.0036	1.0206	0.8368

	<i>Standard</i>	<i>NAV20</i>	<i>NAVExtra</i>	<i>NAVPlus</i>
ESW	<10,000	10,001-20,000	20,001-150,000	>150,001
Fixed charge	£0.00	£1,293.30	£5,493.90	£28,992.35
Volumetric Charge £/m3	1.3871	1.3124	1.2821	1.1641

Our standard non-household wholesale meter charges also apply which can be found in our Wholesale Charges scheme which is available on our website at <https://www.nwl.co.uk/business/Access-code.aspx>.

CHARGES FOR NAVs – WASTEWATER

Our NAV charges for wastewater are based on our wholesale charges from our Wholesale Charges scheme (found on our website at the above link). For each premise or site within the NAV area an individual charge will be calculated based on NWL's charging scheme excepting that the charge will be the NWL wholesale charge excluding any Retail element. The NAV will be charged the aggregated total of the individual charges applied within the NAV area.

FINANCIAL

A Bulk Supply and/or Bulk Discharge Agreement will be entered into at the start of each NAV. Invoices will be raised on a monthly basis and payment will fall due in accordance with the terms of the Bulk Supply or Bulk Discharge Agreement contract.

VAT

All charges published in this scheme exclude VAT. VAT will be added to the published charge at the appropriate rate where required.

