NOTE: This document reproduces Appendix A-4.2 from Northumbrian Water's Network Access Code (Version 18.0, October 2019)

APPENDIX A-4.2

INDICATIVE COMBINED SUPPLY PRICES

This appendix contains tables of access prices for combined supplies for each of the water resource zones (WRZs) within our three operating areas, Essex (1 WRZ), Suffolk (3 WRZs) and North East (2 WRZs), covering the five years 2019-20 to 2023-24, inclusive. As required by Ofwat's guidance, we show prices for licensee entry in each of the five years.

All prices from 2019-24 onwards are based on the 2014 Final Determination. We will update the prices when the 2019 Final Determination is made.

The tables should be read in conjunction with the text of Part 4 (Access Pricing) of our Access Code, which contains important information on the main assumptions we have made in calculating these prices.

The appendix also contains tables showing the forecast supply/demand balance position in each WRZ, both before and after the implementation of the strategies documented in our most recent Water Resources Management Plans for the North East and Essex & Suffolk.

LIST OF TABLES

- A-4.2.1 Supply/demand balance without Licensee's water -Essex & Suffolk Operating Areas
- A-4.2.2 Supply/demand balance without Licensee's water -North East Operating Area
- A-4.2.3 Indicative prices for combined supply Essex WRZ
- A-4.2.4 Indicative prices for combined supply Suffolk WRZ (3 zones)
- A-4.2.5 Indicative prices for combined supply North East WRZ (2 zones)

Table A-4.2.1

Supply/demand balance *without* licensee's water – Essex & Suffolk Operating Areas

	Essex & Suffolk Operating Areas								
Year	Esse	X	Northern/0	Central	Blyth	Blyth		Hartismere	
Teal	Baseline	Plan	Baseline	Plan	Baseline	Plan	Baseline	Plan	
2014-15	-45.15	23.90	0.06	1.30	1.89	1.95	0.87	0.93	
2015-16	-46.02	24.01	1.52	2.25	1.94	2.02	0.80	0.89	
2016-17	-47.64	23.52	1.04	1.83	1.88	1.99	0.71	0.82	
2017-18	-49.44	22.82	0.56	1.42	1.80	1.92	0.59	0.72	
2018-19	-50.77	22.55	0.10	1.01	1.72	1.86	0.45	0.60	
2019-20	-52.24	22.14	-0.48	0.49	1.59	1.76	0.35	0.52	
2020-21	-45.90	29.69	0.66	1.69	2.19	2.38	0.59	0.78	
2021-22	-46.98	29.58	0.32	1.42	2.13	2.35	0.50	0.72	
2022-23	-48.29	29.00	-0.03	1.12	2.08	2.31	0.45	0.69	
2023-24	-48.18	30.06	-0.33	0.89	2.08	2.33	0.35	0.62	
2024-25	-52.02	28.16	-0.69	0.56	2.02	2.30	0.29	0.58	
2025-26	-51.72	26.69	-1.07	5.23	1.99	2.29	0.23	0.54	
2026-27	-54.71	23.83	-1.61	4.72	1.89	2.20	0.14	0.47	
2027-28	-55.92	22.69	-2.07	4.30	1.85	2.19	0.05	0.39	
2028-29	-58.68	19.93	-2.66	3.74	1.74	2.10	-0.06	0.31	
2029-30	-60.84	17.88	-3.21	3.24	1.71	2.08	-0.17	0.22	
2030-31	-55.59	23.48	-2.29	4.19	2.04	2.44	0.02	0.43	
2031-32	-57.48	21.92	-2.86	3.67	1.97	2.38	-0.04	0.40	
2032-33	-59.15	20.71	-3.16	3.40	1.90	2.33	-0.15	0.30	
2033-34	-60.67	19.61	-3.78	2.83	1.83	2.29	-0.21	0.26	
2034-35	-63.52	17.24	-4.19	2.43	1.75	2.23	-0.33	0.16	

Megalitres per day surplus/(deficit) against target headroom for each water resource zone

Source:

Final Water Resources Management Plan, 2010-2035, for Essex & Suffolk Water:

- Baseline: Table WRP1-BL, line 53_{BL} for each water resource zone.

- Plan: Table WRP4-FP, line 53_{FP} for each water resource zone.

Table A-4.2.2

Supply/demand balance *without* licensee's water – North East Operating Area

	North East Operating Area									
Year	Kielo	ler	Berwick							
i eai	Baseline	Plan	Baseline							
2014-15	199.01	199.01	3.44	3.44						
2015-16	198.49	198.49	3.42	3.42						
2016-17	196.93	196.93	3.35	3.35						
2017-18	195.67	195.67	3.33	3.33						
2018-19	194.17	194.17	3.30	3.30						
2019-20	193.12	193.12	3.27	3.27						
2020-21	190.81	190.81	3.23	3.23						
2021-22	189.41	189.41	3.16	3.16						
2022-23	188.10	188.10	3.12	3.12						
2023-24	187.21	187.21	3.08	3.08						
2024-25	184.11	184.11	3.04	3.04						
2025-26	181.49	181.49	2.96	2.96						
2026-27	178.50	178.50	2.92	2.92						
2027-28	175.91	175.91	2.87	2.87						
2028-29	172.68	172.68	2.83	2.83						
2029-30	169.63	169.63	2.75	2.75						
2030-31	167.30	167.30	2.70	2.70						
2031-32	164.83	164.83	2.65	2.65						
2032-33	162.07	162.07	2.60	2.60						
2033-34	159.73	159.73	2.55	2.55						
2034-35	156.75	156.75	2.45	2.45						

Megalitres per day surplus/(deficit) against target headroom for each water resource zone

Source:

Final Water Resources Management Plan, 2010-2035, for Northumbrian Water:

- Baseline: Table WRP1-BL, line 53_{BL} for each water resource zone.
- Plan: Table WRP4-FP, line 53_{FP} for each water resource zone.

Essex Wate	er Resource Zone	2019-20 prices					
			2019-20	2020-21	2021-22	2022-23	2023-24
		Entr	<mark>y in 2019-20</mark>				
	Wholesale price	£/m ³	1.6344	1.6344	1.6344	1.6344	1.6344
5 MI/yr	Combined supply price	£/m ³	1.3647	1.3647	1.3647	1.3647	1.3647
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697
	Wholesale price	£/m³	1.4989	1.4989	1.4989	1.4989	1.4989
25 Ml/yr	Combined supply price	£/m³	1.2293	1.2293	1.2293	1.2293	1.2293
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697
	Wholesale price	£/m³	1.4439	1.4439	1.4439	1.4439	1.4439
50 Ml/yr	Combined supply price	£/m ³	1.1743	1.1743	1.1743	1.1743	1.1743
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697
	Wholesale price	£/m ³	1.1503	1.1503	1.1503	1.1503	1.1503
500 Ml/yr	Combined supply price	£/m ³	0.8806	0.8806	0.8806	0.8806	0.8806
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697
	-	Entr	y in 2020-21				
	Wholesale price	£/m ³		1.6344	1.6344	1.6344	1.6344
5 MI/yr	Combined supply price	£/m ³		1.3647	1.3647	1.3647	1.3647
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697
	Wholesale price	£/m³		1.4989	1.4989	1.4989	1.4989
25 Ml/yr	Combined supply price	£/m³		1.2293	1.2293	1.2293	1.2293
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697
	Wholesale price	£/m³		1.4439	1.4439	1.4439	1.4439
50 Ml/yr	Combined supply price	£/m³		1.1743	1.1743	1.1743	1.1743
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697
	Wholesale price	£/m³		1.1503	1.1503	1.1503	1.1503
500 Ml/yr	Combined supply price	£/m³		0.8806	0.8806	0.8806	0.8806
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697
	-	Entr	y in 2021-22				
	Wholesale price	£/m ³			1.6344	1.6344	1.6344
5 MI/yr	Combined supply price	£/m ³			1.3647	1.3647	1.3647
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697
	Wholesale price	£/m ³			1.4989	1.4989	1.4989
25 Ml/yr	Combined supply price	£/m³			1.2293	1.2293	1.2293
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697
	Wholesale price	£/m ³			1.4439	1.4439	1.4439
50 Ml/yr	Combined supply price	£/m ³			1.1743	1.1743	1.1743
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697
	Wholesale price	£/m ³			1.1503	1.1503	1.1503
500 Ml/yr	Combined supply price	£/m ³			0.8806	0.8806	0.8806
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697
	combined supply discould	~			0.2001	0.2001	0.2007

Table A-4.2.3 – Indicative prices for combined supply

Essex Water Resource Zone			2019-20 prices						
ESSEX Walk			2019-20	2020-21	2021-22	2022-23	2023-24		
		Entr	y in 2022-23						
	Wholesale price	£/m ³				1.6344	1.6344		
5 MI/yr	Combined supply price	£/m ³				1.3647	1.3647		
-	Combined supply discount	£/m ³				0.2697	0.2697		
	Wholesale price	£/m³				1.4989	1.4989		
25 MI/yr	Combined supply price	£/m³				1.2293	1.2293		
	Combined supply discount	£/m³				0.2697	0.2697		
	Wholesale price	£/m³				1.4439	1.4439		
50 Ml/yr	Combined supply price	£/m ³				1.1743	1.1743		
	Combined supply discount	£/m ³				0.2697	0.2697		
	Wholesale price	£/m ³				1.1503	1.1503		
500 Ml/yr	Combined supply price	£/m ³				0.8806	0.8806		
	Combined supply discount	£/m ³				0.2697	0.2697		
		Entr	y in 2023-24						
	Wholesale price	£/m³					1.6344		
5 MI/yr	Combined supply price	£/m³					1.3647		
	Combined supply discount	£/m ³					0.2697		
	Wholesale price	£/m³					1.4989		
25 MI/yr	Combined supply price	£/m³					1.2293		
	Combined supply discount	£/m ³					0.2697		
	Wholesale price	£/m³					1.4439		
50 Ml/yr	Combined supply price	£/m³					1.1743		
	Combined supply discount	£/m ³					0.2697		
	Wholesale price	£/m³					1.1503		
500 Ml/yr	Combined supply price	£/m³					0.8806		
	Combined supply discount	£/m ³					0.2697		

Table A-4.2.3 (cont'd) – Indicative prices for combined supply

Notes:

1. Wholesale prices

Prices for 2019-20 onwards reflect Ofwat's Final Determination of price limits for 2015-20. It should be taken into account that, within these limits, the rates of price change will vary between the North East operating area and Essex & Suffolk. Actual Wholesale prices (at 2019-20 price levels) in these later years may vary from those shown and will also include allowance for inflation (RPI).

2. Additional discount for payment of combined supply charges in advance

Combined supply prices shown in the table assume payment in arrears. Where licensees agree to pay Provisional Monthly Charges at least 5 working days prior to the commencement of each billing period, combined supply prices will be reduced by a percentage equivalent to an annual rate of Bank Rate plus 2%. At the time of publication, this equated to a reduction in *combined supply* prices of 0.3%.

Suffolk; E	uffolk; Blyth, Hartismere, Central			2019-20 prices					
	source Zones		2019-20	2020-21	2021-22	2022-23	2023-24		
		Entr	<mark>y in 2019-20</mark>		-	-	-		
	Wholesale price	£/m ³	1.6344	1.6344	1.6344	1.6344	1.6344		
5 MI/yr 25 MI/yr	Combined supply price	£/m ³	1.3647	1.3647	1.3647	1.3647	1.3647		
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697		
25 Ml/yr	Wholesale price	£/m³	1.4989	1.4989	1.4989	1.4989	1.4989		
	Combined supply price	£/m ³	1.2293	1.2293	1.2293	1.2293	1.2293		
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697		
	Wholesale price	£/m³	1.4439	1.4439	1.4439	1.4439	1.4439		
50 Ml/yr	Combined supply price	£/m ³	1.1743	1.1743	1.1743	1.1743	1.1743		
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697		
	Wholesale price	£/m ³	1.1503	1.1503	1.1503	1.1503	1.1503		
500 Ml/yr	Combined supply price	£/m³	0.8806	0.8806	0.8806	0.8806	0.8806		
	Combined supply discount	£/m³	0.2697	0.2697	0.2697	0.2697	0.2697		
		Entr	<mark>y in 2020-21</mark>						
	Wholesale price	£/m ³		1.6344	1.6344	1.6344	1.6344		
5 MI/yr	Combined supply price	£/m ³		1.3647	1.3647	1.3647	1.3647		
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697		
	Wholesale price	£/m ³		1.4989	1.4989	1.4989	1.4989		
25 MI/yr	Combined supply price	£/m ³		1.2293	1.2293	1.2293	1.2293		
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697		
	Wholesale price	£/m³		1.4439	1.4439	1.4439	1.4439		
50 Ml/yr	Combined supply price	£/m ³		1.1743	1.1743	1.1743	1.1743		
50 Ml/yr	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697		
	Wholesale price	£/m³		1.1503	1.1503	1.1503	1.1503		
500 Ml/yr	Combined supply price	£/m ³		0.8806	0.8806	0.8806	0.8806		
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697		
			<mark>y in 2021-22</mark>	2					
	Wholesale price	£/m ³			1.6344	1.6344	1.6344		
5 Ml/yr	Combined supply price	£/m ³			1.3647	1.3647	1.3647		
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697		
	Wholesale price	£/m ³			1.4989	1.4989	1.4989		
25 MI/yr	Combined supply price	£/m³			1.2293	1.2293	1.2293		
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697		
	Wholesale price	£/m ³			1.4439	1.4439	1.4439		
50 Ml/yr	Combined supply price	£/m³			1.1743	1.1743	1.1743		
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697		
	Wholesale price	£/m ³			1.1503	1.1503	1.1503		
500 Ml/yr	Combined supply price	£/m ³			0.8806	0.8806	0.8806		
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697		

Table A-4.2.4 – Indicative prices for combined supply

Suffolk; E	Blyth, Hartismere, Centra	2019-20 prices					
Water Re	source Zones		2019-20	2020-21	2021-22	2022-23	2023-24
		Entry	y in 2022-23	3		-	
	Wholesale price	£/m ³				1.6344	1.6344
5 Ml/yr	Combined supply price	£/m ³				1.3647	1.3647
	Combined supply discount	£/m ³				0.2697	0.2697
	Wholesale price	£/m ³				1.4989	1.4989
25 MI/yr	Combined supply price	£/m ³				1.2293	1.2293
-	Combined supply discount	£/m ³				0.2697	0.2697
	Wholesale price	£/m ³				1.4439	1.4439
50 MI/yr	Combined supply price	£/m³				1.1743	1.1743
	Combined supply discount	£/m ³				0.2697	0.2697
	Wholesale price	£/m ³				1.1503	1.1503
500 Ml/yr	Combined supply price	£/m ³				0.8806	0.8806
	Combined supply discount	£/m ³				0.2697	0.2697
		Entry	<mark>y in 2023-2</mark> 4	•			
	Wholesale price	£/m³					1.6344
5 Ml/yr	Combined supply price	£/m ³					1.3647
	Combined supply discount	£/m ³					0.2697
	Wholesale price	£/m ³					1.4989
25 MI/yr	Combined supply price	£/m ³					1.2293
	Combined supply discount	£/m ³					0.2697
	Wholesale price	£/m ³					1.4439
50 MI/yr	Combined supply price	£/m³					1.1743
	Combined supply discount	£/m ³					0.2697
	Wholesale price	£/m³					1.1503
500 Ml/yr	Combined supply price	£/m³					0.8806
	Combined supply discount	£/m ³					0.2697

Table A-4.2.4 (cont'd) – Indicative prices for combined supply

Notes:

1 Wholesale prices

Prices for 2019-20 onwards reflect Ofwat's Final Determination of price limits for 2015-20. It should be taken into account that, within these limits, the rates of price change will vary between the North East operating area and Essex & Suffolk. Actual Wholesale prices (at 2019-20 price levels) in these later years may vary from those shown and will also include allowance for inflation (RPI).

2 Additional discount for payment of combined supply charges in advance

Combined supply prices shown in the table assume payment in arrears. Where licensees agree to pay Provisional Monthly Charges at least 5 working days prior to the commencement of each billing period, combined supply prices will be reduced by a percentage equivalent to an annual rate of Bank Rate plus 2%. At the time of publication, this equated to a reduction in *combined supply* prices of 0.3%.

North East, Kielder, Berwick			2019-20 prices						
	source Zones		2019-20	2020-21	2021-22	2022-23	2023-24		
		Entr	y in 2019-20		-		-		
	Wholesale price	£/m³	1.2996	1.2996	1.2996	1.2996	1.2996		
5 Ml/yr	Combined supply price	£/m ³	1.0299	1.0299	1.0299	1.0299	1.0299		
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697		
25 MI/yr	Wholesale price	£/m³	1.1702	1.1702	1.1702	1.1702	1.1702		
	Combined supply price	£/m ³	0.9005	0.9005	0.9005	0.9005	0.9005		
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697		
	Wholesale price	£/m³	1.1273	1.1273	1.1273	1.1273	1.1273		
50 Ml/yr	Combined supply price	£/m³	0.8577	0.8577	0.8577	0.8577	0.8577		
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697		
	Wholesale price	£/m ³	0.8116	0.8116	0.8116	0.8116	0.8116		
500 Ml/yr	Combined supply price	£/m ³	0.5420	0.5420	0.5420	0.5420	0.5420		
	Combined supply discount	£/m ³	0.2697	0.2697	0.2697	0.2697	0.2697		
		Entr	y in 2020-21						
	Wholesale price	£/m ³		1.2996	1.2996	1.2996	1.2996		
5 Ml/yr	Combined supply price	£/m ³		1.0299	1.0299	1.0299	1.0299		
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697		
	Wholesale price	£/m ³		1.1702	1.1702	1.1702	1.1702		
25 Ml/yr	Combined supply price	£/m ³		0.9005	0.9005	0.9005	0.9005		
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697		
	Wholesale price	£/m ³		1.1273	1.1273	1.1273	1.1273		
50 Ml/yr	Combined supply price	£/m ³		0.8577	0.8577	0.8577	0.8577		
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697		
	Wholesale price	£/m ³		0.8116	0.8116	0.8116	0.8116		
500 Ml/yr	Combined supply price	£/m ³		0.5420	0.5420	0.5420	0.5420		
	Combined supply discount	£/m ³		0.2697	0.2697	0.2697	0.2697		
		Entr	y in 2021-22		-				
	Wholesale price	£/m ³			1.2996	1.2996	1.2996		
5 Ml/yr	Combined supply price	£/m ³			1.0299	1.0299	1.0299		
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697		
	Wholesale price	£/m³			1.1702	1.1702	1.1702		
25 Ml/yr	Combined supply price	£/m³			0.9005	0.9005	0.9005		
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697		
	Wholesale price	£/m³			1.1273	1.1273	1.1273		
50 Ml/yr	Combined supply price	£/m³			0.8577	0.8577	0.8577		
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697		
	Wholesale price	£/m ³			0.8116	0.8116	0.8116		
500 MI/yr	Combined supply price	£/m³			0.5420	0.5420	0.5420		
	Combined supply discount	£/m ³			0.2697	0.2697	0.2697		

Table A-4.2.5 – Indicative prices for combined supply

North Fag	st, Kielder, Berwick	2019-20 prices					
	source Zones		2019-20	2020-21	2021-22	2022-23	2023-24
		Entry	y in 2022-23	3	-	-	•
	Wholesale price	£/m ³				1.2996	1.2996
5 MI/yr	Combined supply price	£/m ³				1.0299	1.0299
	Combined supply discount	£/m ³				0.2697	0.2697
	Wholesale price	£/m ³				1.1702	1.1702
25 MI/yr	Combined supply price	£/m ³				0.9005	0.9005
	Combined supply discount	£/m ³				0.2697	0.2697
	Wholesale price	£/m ³				1.1273	1.1273
50 Ml/yr	Combined supply price	£/m³				0.8577	0.8577
	Combined supply discount	£/m ³				0.2697	0.2697
	Wholesale price	£/m ³				0.8116	0.8116
500 Ml/yr	Combined supply price	£/m³				0.5420	0.5420
	Combined supply discount	£/m ³				0.2697	0.2697
	r	Entr	<mark>y in 2023-24</mark>	I.			
	Wholesale price	£/m³					1.2996
5 MI/yr	Combined supply price	£/m³					1.0299
	Combined supply discount	£/m ³					0.2697
	Wholesale price	£/m³					1.1702
25 MI/yr	Combined supply price	£/m³					0.9005
	Combined supply discount	£/m ³					0.2697
	Wholesale price	£/m³					1.1273
50 Ml/yr	Combined supply price	£/m³					0.8577
	Combined supply discount	£/m ³					0.2697
	Wholesale price	£/m³					0.8116
500 Ml/yr	Combined supply price	£/m³					0.5420
	Combined supply discount	£/m ³					0.2697

Table A-4.2. (cont'd) – Indicative prices for combined supply

Notes:

1 Wholesale prices

Prices for 2019-20 onwards reflect Ofwat's Final Determination of price limits for 2015-20. It should be taken into account that, within these limits, the rates of price change will vary between the North East operating area and Essex & Suffolk. Actual Wholesale prices (at 2019-20 price levels) in these later years may vary from those shown and will also include allowance for inflation (RPI).

2 Additional discount for payment of combined supply charges in advance

Combined supply prices shown in the table assume payment in arrears. Where licensees agree to pay Provisional Monthly Charges at least 5 working days prior to the commencement of each billing period, combined supply prices will be reduced by a percentage equivalent to an annual rate of Bank Rate plus 2%. At the time of publication, this equated to a reduction in *combined supply* prices of 0.3%.

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