Wessex Water
YTL GROUP

Email: wholesaleservicedesk@wessexwater.co.uk

Date: 31 August 2022

Dear Retailers,

We are writing to you to inform you of:

- forthcoming increases in our charges due to inflation,
- the introduction of charges for consumption at vacant properties, and
- our intention to adopt the volumetric charging bands recommended by the RWG.

Increases in our charges due to inflation

We have a duty, if we expect charges to go up by more than 5% to publish a statement of significant changes which sets out how we have communicated with our customers and what, if any, mitigations we are undertaking.

The amount of revenue we recover from our wholesale customers each year is indexed by the November CPIH inflation. This year we expect this to be more than 9%.

We want to take this opportunity to highlight the upcoming likely large increase.

We will publish indicative wholesale charges in October 2022. We hope this will be useful to retailers in setting and communicating their own charges, reflecting the impact of inflation.

Charging for consumption at vacant properties

It is our policy decision to start charging retailers for consumption at non-household properties identified as vacant from 1 April 2023, as facilitated by the market codes.

Adoption of the volumetric charging bands recommended by the RWG

The tariff sub-group of the national Retailer Wholesaler Group (RWG) exists to investigate how to simplify the existing primary tariff structure in the non-household market.

One aspect the group is looking at is to simplify the water and wastewater volumetric banding structure of tariffs and make this consistent across wholesalers. The group expects to consult on simplification options in the autumn. We are proposing to adopt the bands agreed as part of this consultation. This will form part of our published charges for either the 2023-24 or 2024-25 charging year depending upon when the RWG recommendations are finalised.

Yours faithfully

Sean Larkin

Head of Wholesale Services

David Peacock

Head of Economic Regulation