

1. INTRODUCTION

As required in Section A2 of “Wholesale charging rules issued by the Water Services Regulation Authority under sections 66A and 117I of the Water Industry Act 1991”, this document provides information on any significant changes currently anticipated to 2020/21 charges.

2. UNDERLYING FACTORS

The changes in our primary wholesale charges for 2020/21 detailed below are in addition to the following underlying factors which are anticipated to impact primary wholesale charges for 2020/21.

- November 2019 CPIH inflation –Current forecasts estimate this to be around 1.6%;
- Changes in allowed revenue – for the purposes of this publication we have assumed changes in revenue in line with our September 2018 business plan submission, which allows for wholesale revenue for the water service and the wastewater service to reduce by 8.8% and 2.5% (including inflation) in 2020/21. Given that the final determination of allowed revenues for the period to March 2021 will not be published until 11 December 2019, there is significant uncertainty about the scope of any such changes. This uncertainty – and the potential variation between indicative and final charges – is greater than in prior years due to us not knowing the results of the price review process at the time of this publication;
- Updated information on the costs associated with providing services, changes in anticipated customer numbers, and associated consumption.

3. CHANGES TO SPECIFIC CHARGES

Charges for unmeasured places of worship

These customers, which are not metered, currently pay an annual wholesale charge (for water and wastewater services) of £199.32 (2019/20 wholesale charge). It is expected that this charge will increase by more than 5%, but by no more than 15%. These customers currently pay significantly less than other customers for wastewater services. The increase in 2020/21 is part of a phased approach to bring them in line with the concessionary scheme applicable to places of worship for a surface water drainage customer which consumes a similar amount of water. To mitigate the customer impact, based on the current approach, this phasing is expected to take a further 3 years. This is consistent with the approach taken in 2019/20. This phasing commenced in 2015/16, where we proposed to phase in the increase over a number of years.

Sustainable drainage system incentives

We currently offer incentives to developers to implement sustainable drainage systems, which primarily benefits new developments of household properties. We are currently considering introducing changes to charging arrangements to incentivise non-households to implement sustainable drainage systems that provide reductions in both the amounts of, and rate at which, surface water enters our network. It is possible that we may introduce incentives in this area for the 2020/21 charging year.

Charging for water and sewerage usage at vacant non-household premises

In the interest of fair charging and lowest possible bills for all customers, from 1 April 2020 we are planning to levy wholesale charges for all volumetric water and sewerage services provided to premises that are marked as vacant in the Central Market Operator System (CMOS).

Gap site and vacancy incentive schemes for non-household premises

We are planning to introduce a gap site incentive scheme and a vacancy incentive scheme and are currently reviewing the implications of this.

Trade Effluent minimum charge

We are planning to amend the application of the Trade Effluent minimum annual charge to apply minimum charges on a pro-rata basis monthly to better align with CMOS.

New connections charges - changes to the income offset moving from requisitions to infrastructure charges

We are reviewing the impact on new connection charges as a result of changes to the income offset moving from requisitions to infrastructure charges from 1 April 2020.

We do not anticipate any other significant changes to our primary wholesale charges for 2020/21.

4. BULK CHARGES FOR NAVs

Our charges for NAVs are published on our website:

[United Utilities - New appointment or variations \(NAVs\)](#)

25 June 2019