

Statement of significant changes to bills 2019/20

The Board of Portsmouth Water has assessed the effects its 2019/20 charges have on customers' bills for a range of different customer types.

The Board can confirm that no group of customers will experience a change in bills (both wholesale and retail) greater than 5% as a result of the proposed price changes. Over 30 groups of customer have been reviewed, including the average in a class and an upper and lower customer in the class as required by Ofwat guidelines.

Specifically with the November 2018 Retail Price Index implying an inflation rate of 3.2% we confirm that the resultant price increases for any class of customer are no greater than 3.34%.

Table 1 below shows the impact of the price changes on our household customers. We have selected 15 "typical" customers to illustrate how the price changes affect different customers. The range of price increases is from 2.32% - 2.91%.

The first 7 illustrations listed relate to customers without a meter. They may pay in relation to the rateable value of their property, a fixed licence charge (typically for properties built between 1990 and 2005), a minimum charge (where the rateable value is below £135) or assessed charges where meters cannot be installed for customers.

For customers with a meter we have selected a low metered user, equating to 50 m³ per annum, an average user at 90 m³ and a high user at 150 m³ per annum. Further we differentiate by size of the supply with similar usage assumptions. Finally we show how the WaterSure and Social Tariffs will change in the year. The impact of the proposed tariffs are shown in lines 8 – 15 respectively.

Table 1 - Household Bills

		2018/19 (£)	2019/20 (£)	Variance (£)	Variance (%)
1	Unmeasured RV £150	84.97	87.25	2.28	2.69
2	Unmeasured RV £220	112.62	115.80	3.18	2.82
3	Unmeasured RV £300	144.22	148.43	4.20	2.91
4	Licence Charge	112.62	115.80	3.18	2.83
5	Minimum Charge	79.05	81.14	2.09	2.65
6	Assessed Charge (one person)	69.08	70.79	1.71	2.48
7	Assessed Charge (other)	95.82	98.20	2.38	2.48
8	Low User Measured 0.5" meter (50m ³)	65.68	67.20	1.52	2.32
9	Average User Measured 0.5" meter (90m ³)	94.96	97.40	2.45	2.58
10	High User Measured 0.5" meter (150m ³)	138.87	142.70	3.83	2.76
11	Low User Measured 0.75" meter (60m ³)	77.22	79.12	1.90	2.47
12	Average User Measured 0.75" meter (90m ³)	99.18	101.77	2.60	2.62
13	High User Measured 0.75 meter (120m ³)	121.14	124.42	3.29	2.71
14	Watersure Tariff (metered only)	102.74	105.34	2.60	2.53
15	Social Tariff	79.05	81.14	2.09	2.65

Table 2 below shows the impact of the price changes on our non-household customers.

Whilst the Company is no longer a retailer to these customers, and therefore we do not raise retail charges, we have still worked out the total bill impact, given the Ofwat determination of retail charges in summer 2016.

We have selected 18 "typical" non-household customers to illustrate how the price changes affect different customers. The range of price increases is from 2.70% - 3.34%.

The first 5 listed relate to customers without a meter. They may pay in relation to the rateable value of their property, a fixed licence charge (typically for properties built between 1990 and 2005) or a minimum charge (where the rateable value is below £135).

For customers with a meter we have three different consumption charges relating to the total volume of water taken in the year. The three charges are for those using less than 10,000m³ (10MI) per annum (lines 6-9), for those using more than 10,000 but less than 50,000 m³ (50 MI) pa (lines 10-14) and those using more than 50,000 m³ pa (lines 15-18). Different standing charges also apply depending on the size of the meter assumed in the illustration.

Table 2 – Non-household bills.

		2018/19 (£)	2019/20 (£)	Variance (£)	Variance (%)
1	Unmeasured RV £170	93.30	95.85	2.56	2.74%
2	Unmeasured RV £500	226.61	233.14	6.53	2.88%
3	Unmeasured RV £800	347.80	357.95	10.15	2.92%
4	Licence Charge	113.51	116.89	3.38	2.98%
5	Minimum Charge	79.16	81.29	2.14	2.70%
6	Measured <10MI 0.5" meter (266m ³)	226.32	233.34	7.03	3.11%
7	Measured <10MI 0.75" meter (375m ³)	311.66	321.43	9.76	3.13%
8	Measured <10MI 1.5" meter (1790m ³)	1504.18	1,552.65	48.47	3.22%
9	Measured <10MI 1.5" meter (5000m ³)	3892.43	4,017.92	125.49	3.22%
10	Measured >10MI and <50MI 0.75" meter (10000m ³)	7518.64	7,728.02	209.38	2.78%
11	Measured >10MI and <50MI 1.0" meter (18000m ³)	13368.51	13,747.88	379.37	2.84%
12	Measured >10MI and <50MI 2.0" meter (20000m ³)	14940.05	15,365.66	425.61	2.85%
13	Measured >10MI and <50MI 4.0" meter (21000m ³)	16196.08	16,660.96	464.87	2.87%
14	Measured >10MI and <50MI 4.0" meter (40000m ³)	29952.73	30,816.69	863.96	2.88%
15	Measured >50MI 0.75" meter (75000m ³)	51310.87	53,267.92	1,724.05	3.34%
16	Measured >50MI 0.5" & 3.0" meter (130000m ³)	85294.00	88,241.85	2,714.85	3.17%
17	Measured >50MI 0.5" & 8.0" meter (145,000m ³)	96844.96	100,163.04	3,085.08	3.18%
18	Measured >50MI 0.75" & 12.0" meter (250,000m ³)	164817.55	170,160.65	5,110.10	3.10%

HV Benjamin

**Heather Benjamin
Non-Executive Director
and chair of the Audit Committee**

Helen Orton

**Helen Orton
Finance and Regulation Director**

9 January 2019