

## Statement of significant changes to bills 2018/19

The Board of Portsmouth Water has assessed the effects its 2018/19 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 2017 Retail Price Index implying an inflation rate of 3.9% we confirm that the resultant price increases for any class of customer are no greater than 3.01%.

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 2.00% - 2.85%.

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 m<sup>3</sup> per annum, an average user at 90 m<sup>3</sup> and a high user at 150 m<sup>3</sup> per annum. Further we differentiate by size of the supply. 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**

		2017/18 (£)	2018/19 (£)	Variance (£)	Variance (%)
1	Unmeasured RV £150	82.64	84.97	2.33	2.82%
2	Unmeasured RV £220	109.63	112.62	2.99	2.73%
3	Unmeasured RV £300	140.48	144.22	3.74	2.66%
4	Licence Charge	109.65	112.62	2.97	2.71%
5	Minimum Charge	76.86	79.05	2.19	2.85%
6	Assessed Charge (one person)	67.54	69.08	1.54	2.28%
7	Assessed Charge (other)	93.25	95.82	2.57	2.76%
8	Low User Measured 0.5" supply	64.39	65.68	1.29	2.00%
9	Average User Measured 0.5" supply	92.91	94.96	2.05	2.20%
10	High User Measured 0.5" supply	135.69	138.87	3.18	2.35%
11	Low User Measured 0.75" supply	75.62	77.22	1.60	2.11%
12	Average User Measured 0.75" supply	97.01	99.18	2.17	2.23%
13	High User Measured 0.75 supply	118.40	121.14	2.74	2.31%
14	Watersure Tariff (metered only)	100.63	102.74	2.11	2.09%
15	Social Tariff	76.86	79.05	2.19	2.85%

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 1.86% - 3.01%.

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 10,000m<sup>3</sup> (10MI) per annum (lines 6-9), for those using more than 10,000 but less than 50,000 m<sup>3</sup> (50 MI) pa (lines 10-14) and those using more than 50,000 m<sup>3</sup> 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.**

		2017/18 (£)	2018/19 (£)	Variance (£)	Variance (%)
1	Unmeasured RV £170	91.50	93.30	1.80	1.96%
2	Unmeasured RV £500	221.52	226.61	5.09	2.30%
3	Unmeasured RV £800	339.72	347.80	8.08	2.38%
4	Licence Charge	111.20	113.51	2.31	2.08%
5	Minimum Charge	77.71	79.16	1.45	1.86%
6	Measured <10MI 0.5" supply	220.99	226.32	5.32	2.41%
7	Measured <10MI 0.75" supply	304.14	311.66	7.53	2.47%
8	Measured <10MI 1.5" supply	1465.30	1504.18	38.87	2.65%
9	Measured <10MI 1.5" supply	3792.56	3892.43	99.86	2.63%
10	Measured >10MI and <50MI 0.75" supply	7299.15	7518.64	219.49	3.01%
11	Measured >10MI and <50MI 1.0" supply	12994.49	13368.51	374.02	2.88%
12	Measured >10MI and <50MI 2.0" supply	14524.09	14940.05	415.96	2.86%
13	Measured >10MI and <50MI 4.0" supply	15744.82	16196.08	451.26	2.87%
14	Measured >10MI and <50MI 4.0" supply	29139.07	29952.73	813.66	2.79%
15	Measured >50MI 0.75" supply	50149.08	51543.87	1394.79	2.78%
16	Measured >50MI 0.5" & 3.0" supply	83150.38	85527.01	2376.63	2.86%
17	Measured >50MI 0.5" & 8.0" supply	94443.44	97077.96	2634.52	2.54%
18	Measured >50MI 0.75" & 12.0" supply	160549.28	165050.55	4501.28	2.66%

HV Benjamin

**Heather Benjamin**  
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Portsmouth Water

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