

SOUTH STAFFORDSHIRE WATER PLC

2020-21 CHARGES

STATEMENT OF SIGNIFICANT CHANGE TO WHOLESALE CHARGES

Under the wholesale charges scheme rules issued by the Water Services Regulation Authority (Ofwat), the Company is required to provide a statement summarising significant changes to 2020-21 wholesale charges. These are outlined below:

- (a) The Company is required to set out what changes are expected.

Following the publication of the Final Determination in December 2019, wholesale charges have increased from that assumed when setting indicative charges in September. Ofwat have allowed more wholesale revenue and also re-profiled bills over the 2020-25 period which brings forward more revenue into 2020-21.

- (b) The Company should set out how water supply and sewerage licensees (as a whole or in groups) and customers occupying Eligible Premises (as a whole or in groups) are likely to be affected

In our indicative charges published in September, we expected licensee or customer to have a bill increase of around 4%. As a result of the changes outlined above, we now expect wholesale bills to increase by an average of 7% and with a range of between 6% and 8%.

- (c) The Company is required to set out the handling strategies that may be adopted by the undertaker or why the undertaker considers that no handling strategies are required.

The Final Determination was not published until the 16 December, limiting the amount of time to consider such strategies and the ability to engage extensively with licensees on the above changes. However, licensees will be contacted to make them aware of the increases.

Approved by the Board of Directors on 13 January 2020 and signed on its behalf.



Phil Newland
Managing Director
South Staffordshire Water PLC