

Statement of Significant Changes 2023/24



South West
Water



Bournemouth
Water

STATEMENT OF SIGNIFICANT CHANGES

As required under section A4 of the Wholesale Charging Rules issued by the Water Services Regulation Authority under sections 66E and 117I of the Water Industry Act 1991, South West Water is publishing details of any significant changes to our indicative primary wholesale charges for 2023/24, including where bill increases are expected to be greater than 5% from the previous year

Our wholesale charges, published alongside this statement, have been developed using best available information and assumptions, notwithstanding ongoing uncertainty around the economic environment and CPIH. As a consequence, charges are again subject to greater uncertainty than usual.

Our Charges Schemes, to be published separately, will set out charges for all customer tariffs for 2023/24.

Key assumptions underpinning charge movements

The changes in primary charges for 2023/24 include the following assumptions:

- November CPIH inflation +9.4%.
- Changes in allowed revenue arising from SWW's Final Determination
 - Water Resources -2.88%
 - Water Network plus -5.78%
 - Wastewater Network plus +3.57%

Charging policy

For 2023/24 we have introduced a new Non household Assessed charge, to assist commercial customers unable to install a meter. There are no other significant changes anticipated to South West Water's charging policy or structures between 2022/23 and 2023/24.

Bill increases of more than 5% from the previous year

Due to the high level of current and forecast CPIH, despite being partially offset by customer growth, consumption expectations and other regulatory mechanisms the charges include expected bill impacts >5% for some customer groups.

Where impacts are greater than 5%, with the exception of 3 small customer groups, they remain less than the CPIH level of 9.4%. The 3 groups with a higher impact are:

- Measured domestic wastewater only with no SWD – c.800 customers c.+10% (£17)
- Assessed charge wastewater only single occupant – c.500 customers c.+11% (£20)
- One special agreement contracted to increase by RPI – 14%.

For remaining impacts >5% an indication of how we plan to help manage the impacts to

customers, through wider and more proactive application of existing support programs, are shown below:

- Measured domestic customers – wider access to Watersure and Watercare through auto-enrolment and removing the benefit cap. Watercare also has 5 current discount bands to ensure customers receive the best level of support for their needs so customers can receive great support by moving to a higher discount band
- Unmeasured domestic Customers – we continue to offer the option to switch to a meter, where installation isn't possible an assessed charge is available which also provides access to the social tariffs if required.
- Domestic customers already on a social tariff – further support is available through the Watercare banding system which can provide a discount of up to 85%.
- Domestic customers that have switched from Unmeasured to Measured are also protected by our lowest bill guarantee and have a 2-year reversion policy to take the worry out of switching to a water meter.
- Non household measured customers can be supported to review their usage to identify opportunities for efficiency and reduction.
- Non household unmeasured customers can opt to have a meter installed and where this isn't possible for 2023/24 we have introduced a new assessed charge.
- Further review of handling strategies and engagement with CCW will be developed to ensure every possible support is available to our customers.