

# Statement of Significant Changes Indicative wholesale charges 2022/23



**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 2022/23, including where bill increases are expected to be greater than 5% from the previous year.

Our indicative wholesale charges, published alongside this statement, have been developed using best available information and assumptions, notwithstanding ongoing uncertainty around the impact of Covid-19 on the macro economic environment. As a consequence, indicative charges are subject to greater uncertainty than usual.

Our Charges Schemes, to be published separately, will set out charges for all customer tariffs for 2022/23.

### **Key assumptions underpinning charge movements**

The changes in primary charges for 2022/23 include the following assumptions:

- November CPIH inflation - this is currently estimated to be c.3.58%. Final publication of charges will be updated to reflect November actual CPIH inflation.
- Changes in allowed revenue arising from SWW's Final Determination
  - Water Resources +2.67%
  - Water Network plus +0.49%
  - Wastewater Network plus -0.13%

Please note:

The above k factors are pre the Ofwat 2020/21 ODI revision, which are currently under review. Indicative tariffs reflect adjustments to allowed revenue based on expected ODI pass back and penalties

### **Bill increases of more than 5% from the previous year**

There are no expected bill increases of more than 5%.

### **Charging policy**

For 2022/23 we are changing the WaterSure annual charge from the average household bill value to the value of the annual metered household bill. There are no other significant changes anticipated to South West Water's charging policy or structures between 2021/22 and 2022/23.