

Indicative Wholesale Charges Household and Non-household 2024/25



BOURNEMOUTH WATER INDICATIVE WHOLESALE CHARGES 2024/25

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FIRST SCHEDULE

Wholesale non-household unmeasured water supply charges 2024/25

Water Supply Charges	£ Per annum
Standing charge	4.08
Rateable value charge per £ of rateable value	0.6093
Churches, chapels and places of worship	60.83
Unmetered watering points	63.27
Unmetered swimming pools	46.28

Assessed charges non-households

Band	Assumed volume
Band 1	20m ³ per employee
Band 2	50m ³ per employee
Band 3	100m ³ per employee
Band 4	200m ³ per employee
Band 5	By inspection per employee

Charge	£
Per cubic metre	1.1278
Standing charge	4.08

Examples of business types for each band:

- Band 1 Retail, accountants, legal services, doctors.
- Band 2 Dentists, hairdressers, schools.
- Band 3 Hotels, nightclubs, licensed bars, restaurants, cafes.
- Band 4 Public houses, sport and recreation facilities, photographic processing.
- Band 5 Laundries, concrete production, brewing.

Please note this list is not exhaustive.

SECOND SCHEDULE

Wholesale non-household measured water supply charges 2024/25

m³ pa	Charge per m³ (£)	Fixed charge per annum (£)
0-750	1.1278	4.08
>750 – 2,000	1.1278	4.08
>2,000 – 4,000	1.1278	4.08
>4,000 – 5,000	1.1278	4.08
>5,000 – 10,000	1.1278	4.08
>10,000 – 50,000	1.0633	951.83
>50,000	0.8239	13,432.91

THIRD SCHEDULE

Wholesale household water supply charges 2024/25

Description of Charge	Costs of delivery, treatment charge 2024/25 (£)				
Unmeasured Domestic Water Tariff					
Fixed charge:	0.00				
Variable charge (per £ RV)	0.6093				
Unmetered swimming pools	42.20				
Unmetered sprinkler	59.19				
Assessed Charge					
One Person assessed charge (est use 69m ³)	77.82				
Two Person assessed charge (est use 105m ³)	118.42				
Three Person assessed charge (est use 120m ³)	135.34				
Four Person assessed charge (est use 140m ³)	157.89				
Five Person assessed charge (est use 150m ³)	169.17				
Each additional occupant (est use 20m ³)	22.56				
WaterCare Tariff Assessed Charge Band 1 : 2 : 3 : 4 : 5 (% discount)	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
	(50%)	(25%)	(15%)	(75%)	(85%)
One Person Assessed Charge (est use 69m ³)	38.91	58.37	66.15	19.46	11.67
Two Person Assessed Charge (est use 105m ³)	59.21	88.82	100.66	29.61	17.76
Three person Assessed Charge (est use 120m ³)	67.67	101.51	115.04	33.84	20.30
Four Person Assessed Charge (est use 140m ³)	78.95	118.42	134.21	39.47	23.68
Five Person Assessed Charge (est use 150m ³)	84.59	126.88	143.79	42.29	25.38
Each additional occupant (est use 20m ³)	11.28	16.92	19.17	5.64	3.38
Measured Domestic Water Tariff					
Fixed charge (Meter size): up to and incl. 22mm	0.00				
Volume charge (per cubic metre)	1.1278				
WaterCare Tariff (Fixed charge)					
WaterCare Band 1 (50% discount)	0.00				
WaterCare Band 2 (25% discount)	0.00				
WaterCare Band 3 (15% discount)	0.00				
WaterCare Band 4 (75% discount)	0.00				
WaterCare Band 5 (85% discount)	0.00				
WaterCare Tariff Volume charge (per cubic metre)					
WaterCare Band 1 (50% discount)	0.5639				
WaterCare Band 2 (25% discount)	0.8459				
WaterCare Band 3 (15% discount)	0.9586				
WaterCare Band 4 (75% discount)	0.2820				
WaterCare Band 5 (85% discount)	0.1692				
WaterSure Tariff annual charge	121.23				

APPENDIX – PROGRESSIVE CHARGES

BOURNEMOUTH NON-HOUSEHOLD WHOLESALE INDICATIVE CHARGES SCHEDULE 2024/ 25

Progressive charges – an overview

Charging structures reflect long term, regional cost reflectivity. In developing new progressive charges, we have taken a systematic approach, updating our cost models for new information as it emerges and reviewing and revising our tariff models to enable them to reflect potential new charges that are progressive. This is intended to be a fairer way to pay for the increases in our system capacity to provide water resource and drainage resilience in the face of increasing uncertainty in the environment, including the impacts of climate change, without increasing the revenue received by Bournemouth Water.

We set out in this section of the Charges Scheme a series of tariff trials and alternative tariff implementation that form part of progressive charges.

We expect progressive charges to reflect future cost reflectivity, with a focus on ensuring those that require capacity at peak times contribute fairly to its costs.

Proposed progressive charges that we may introduce with non-metered household customers include:

1. Seasonal Charges
2. Peak (excess) Charges

We expect NHH retailers to support the operation of tariff trials. We are not proposing that business customers will be able to opt out of our tariff trials.

- We will work with NHH Retailers to ensure that our selection of participants is robust and unbiased, using objective criteria to select trial cohorts.
- NHH Retailers will need to ensure that customers selected to participate in any trial pay charges according to the charges set out in the appropriate schedule.

We will work with NHH retailers to provide them with guidance on the approach we are taking with any of our household customers on seasonal tariffs to allow a common approach to be adopted to NHH customers, should NHH retailers believe this to be appropriate.

This appendix sets out the charges we will apply, should we decide to introduce progressive charges in 2024/25. Some of the charges included in this scheme may be introduced within the 2024/ 25 charging year and continue into subsequent charging years, so that we can see the impact of charges over more than one year. Including these charges within this Scheme allows us to introduce these charges but does not oblige us to introduce these charges.

1. Seasonal charges

Seasonal charges are tariffs in which the charge for water is set at different rates for different periods of use during the year. This charge is calculated to recover the same cost in a way that provides better incentives on affected non-household customers to use water wisely and efficiently. If those who are using water at peak periods reduce their consumption, then the saving they make overall reflects the lower long-term cost of providing water supplies.

- 1.1 We may ask NHH retailers to designate identified premises within the Bournemouth Water area as being subject to metered charges on a seasonal tariff trial.
- 1.2 For customers in designated premises, the seasonal tariff will replace the standard tariff:

m3 pa	Fixed charge per annum (£)	Charge per m3 (£)
0-750	4.08	1.1251
>750 – 2,000	4.08	1.1251
>2,000 – 4,000	4.08	1.1251
>4,000 – 5,000	4.08	1.1251
>5,000 – 10,000	4.08	1.1251
>10,000 – 50,000	951.83	1.0608
>50,000	13,432.91	0.8220

- 1.3 Seasonal tariffs will be payable for any premises designated by the NHH retailer until further notice.
 - 1.3.1 The 'summer' period will apply between 1 April and 30 September of each Charging Year.
 - 1.3.2 During the 'summer' period, the volumetric rate payable will be higher than the 'winter' rate.
 - 1.3.3 The 'winter' period will apply between 1 October and 31 March of the Charging Year.

Seasonal metered charges

1.4 Charges will be set according to the seasonal metered tariff:

Schedule NHHSC – Seasonal metered charges

m3 pa	Fixed charge per annum (£)	Winter (low) variable charge	Summer (high) variable charge
0-750	4.08	0.8946	1.3419
>750 – 2,000	4.08	0.8946	1.3419
>2,000 – 4,000	4.08	0.8946	1.3419
>4,000 – 5,000	4.08	0.8946	1.3419
>5,000 – 10,000	4.08	0.8946	1.3419
>10,000 – 50,000	951.83	0.8435	1.2652
>50,000	13,432.91	0.6536	0.9804

1.5 Wholesale Charges based on seasonal tariffs will be payable for any premises designated for the period of the trial.

1.6 To demonstrate how this charge works in practice, an example is shown below:

1.7 **Customer A** uses 500 m3 annually.

1.7.1 Consumption is low and evenly spread throughout the year. For customer A, the NHH retailer will be charged a fixed charge of £4.08 (based on band) and a volumetric charge (over the year) of:

$$\begin{aligned} & \text{£}4.08 + ((\text{£}0.8946 \times 250 \text{ m3}) + (\text{£}1.3419 \times 250 \text{ m3})) \\ & = \text{£}4.08 + (\text{£}223.65 + \text{£}335.48) \\ & = \text{£}4.08 + \underline{\underline{\text{£}559.13}} \end{aligned}$$

1.7.2 Were Customer **A** to use 200m3 in winter and 300m3 in summer, the NHH retailer would be charged:

$$\begin{aligned} & \text{£}4.08 + ((\text{£}0.8946 \times 200 \text{ m3}) + (\text{£}1.3419 \times 300 \text{ m3})) \\ & = \text{£}4.08 + (\text{£}178.92 + \text{£}402.57) \\ & = \text{£}4.08 + \underline{\underline{\text{£}581.49}} \end{aligned}$$

1.7.3 Were Customer **A** to use 300m³ in winter and 200m³ in summer, the NHH retailer would be charged:

$$\begin{aligned} & \text{£}4.08 + ((\text{£}0.8946 \times 300 \text{ m}^3) + (\text{£}1.3419 \times 200 \text{ m}^3)) \\ &= \text{£}4.08 + (\text{£}268.38 + \text{£}268.38) \\ &= \text{£}4.08 + \textbf{\underline{\text{£}536.76}} \end{aligned}$$

1.7.4 Were Customer **A** on the standard tariff, the NHH retailer would be charged:

$$\begin{aligned} & \text{£}4.08 + ((\text{£}1.1251 \times 500 \text{ m}^3)) \\ &= \text{£}4.08 + \textbf{\underline{\text{£}562.55}} \end{aligned}$$

1.8 These hypothetical examples show that the seasonal charge means that customers will need to be more water efficient in the summer period, if they want to reduce the charges levied by the NHH retailer.

2. Peak (excess) charges

The peak (excess) charge is an alternative form of seasonal charge.

During the summer period, a peak (excess) charge will apply to water consumption that differs from a base level of water usage. The base level of water usage is set by the previous year's consumption pattern, so that customers are given an incentive to use the same amount of water as the previous year. If they use more water than their base volume during the summer period, they will be required to pay for that additional water at the peak excess rate.

2.1 We may ask retailers to designate identified premises within the Bournemouth Water area as being subject to metered charges on a peak (excess) tariff trial.

2.2 Retailers whose NHH customers who have been selected for trials of a peak (excess) charge will be liable to pay wholesale charges based on the charges set out in this Schedule, in place of the standard measured charges.

2.3 Wholesale charges based on peak (excess) charges will be payable for any premises designated for the period of the trial.

2.3.1 'Summer', or 'high season', is defined as being the period between 1 April and 30 September of each Charging Year.

2.3.2 'Winter', or 'low season', is defined as being the period between 1 October and 31 March of the Charging Year.

2.3.3 The 'base volume' is based on the individual property usage from the 12-month period before the trial commences.

2.3.4 The 'base rate' will apply throughout the year, both 'summer' and 'winter'.

2.3.5 The 'peak (excess) volume' is defined as water consumed in 'summer' that exceeds the 'base volume'.

2.3.6 The 'peak (excess) rate' will apply to 'peak excess volumes' used during the 'summer'. The 'peak excess rate' will be higher than the base rate.

2.3.7 'Unused' volumes of water cannot be transferred from the summer to winter periods (and vice versa).

Peak (excess) metered charges

2.4 For customers in designated premises, the peak (excess) tariff will replace the standard tariff:

m3 pa	Fixed charge per annum (£)	Charge per m3 (£)
0-750	4.08	1.1251
>750 – 2,000	4.08	1.1251
>2,000 – 4,000	4.08	1.1251
>4,000 – 5,000	4.08	1.1251
>5,000 – 10,000	4.08	1.1251
>10,000 – 50,000	951.83	1.0608
>50,000	13,432.91	0.8220

2.5 Wholesale Charges based on peak (excess) tariffs will be payable for any premises designated for the period of the trial.

2.6 These charges are set out in Schedule PC2HPE (below).

m3 pa	Fixed charge per annum (£)	Base variable charge	Peak (excess) variable charge
0-750	4.08	1.0360	4.1440
>750 – 2,000	4.08	1.0360	4.1440
>2,000 – 4,000	4.08	1.0360	4.1440
>4,000 – 5,000	4.08	1.0360	4.1440
>5,000 – 10,000	4.08	1.0360	4.1440
>10,000 – 50,000	951.83	0.9767	3.9072
>50,000	13,432.91	0.7569	3.0276

2.7 To demonstrate how this will work in practice, we set out below an example:

2.8 **Customer B** used 320 m3 in the previous year, which becomes their base volume for the next charging year. This base volume is divided equally across summer and winter, so that they have a summer and winter base

volume of 160m³. Customer **B** is a guest house, which is quiet over the winter months. The fixed charge is based on the customer band.

2.8.1 Customer **B** uses 330m³ in this year, with 230m³ used over the summer and 100m³ used over the winter. 160m³ of the summer consumption is charged to the retailer at the base rate, 70m³ is charged to the retailer at the peak rate. All (100m³) of the winter consumption is charged to the retailer at the base rate.

This is shown below:

$$\begin{aligned} & \text{Fixed Charge} + (\text{summer base} + \text{summer peak}) + (\text{winter base}) \\ & \text{£4.08} + ((\text{£1.0360} \times 160\text{m}^3) + (\text{£4.1440} \times 70\text{m}^3)) + (\text{£1.0360} \times 100\text{m}^3) \\ & = \text{£4.08} + (\text{£165.76} + \text{£290.08}) + \text{£103.60} \\ & = \text{£4.08} + \text{£455.84} + \text{£103.60} \\ & = \text{£4.08} + \underline{\underline{\text{£559.44}}} \end{aligned}$$

2.8.2 Were Customer **B** to consume 330m³ equally across the year, with 165m³ used over the winter and 165m³ used over the summer, only 5m³ would be charged to the retailer at the peak (excess) rate, being the difference between Customer's **B** base volume (160m³) in summer and its actual volume.

This is shown below:

$$\begin{aligned} & \text{Fixed Charge} + (\text{summer base} + \text{summer peak}) + (\text{winter base}) \\ & \text{£4.08} + ((\text{£1.0360} \times 160\text{m}^3) + (\text{£4.1440} \times 5\text{m}^3)) + (\text{£1.0360} \times 165\text{m}^3) \\ & = \text{£4.08} + (\text{£165.76} + \text{£20.72}) + \text{£170.94} \\ & = \text{£4.08} + \text{£186.48} + \text{£170.94} \\ & = \text{£4.08} + \underline{\underline{\text{£357.42}}} \end{aligned}$$

4.1.1 Were Customer **B** on the standard metered tariff, the retailer would be charged the standard tariff for all its consumption:

$$\begin{aligned} & \text{£4.08} + (\text{standard tariff} \times \text{volume}) \\ & = \text{£4.08} + (\text{£1.1251} \times 330\text{m}^3) \\ & = \text{£4.08} + \underline{\underline{\text{£371.28}}} \end{aligned}$$

2.9 This example shows that the charges passed on by the NHH retailer would be a lot higher on the peak (excess) charge, because the customer's consumption in summer exceeds its base volume. This customer can reduce the charges by reducing its consumption in the peak season.