

August 2014

**Setting price controls for 2015-20
Draft price control determination notice:
technical appendix A5 – non-household retail**



OFWAT

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Overview

This document sets out the approach used in setting the draft determinations for non-household retail price controls for all 18 water companies for the five years from 1 April 2015 and summarises the results of our review of companies' business plans.

The 2014 price review sets the first separate price controls for customer facing 'retail' services for non-households. The non-household retail costs proposed in companies' business plans for 2015 to 2020 are around £580 million. For all 18 companies, we have published our draft determinations for average revenue controls for non-household retail services.

Promoting choice for the benefit of customers in England

Our 2014 price review sets, for each company, a separate, binding average revenue control for 'retail' services for all non-household customers. Our proposals assume that, in line with UK Government policy, non-household customers in England will have the ability to choose their retailer from 1 April 2017.

The default tariffs that companies in England set will provide a comparison point for customers, so they can clearly see whether they would be better off changing their supplier, helping to maximise the benefits for customers of the retail market reforms provided for by the [Water Act 2014](#).

The key results of our review of the business plans of companies operating wholly or mainly in England are as follows.

- **Since December companies have revised their non-household retail proposals.** This has involved many companies undertaking in-depth cost allocation exercises.
- **Overall our methodology will help facilitate a competitive market, while ensuring suitable protection for customers.** Our approach has given companies flexibility in developing their non-household retail proposals. This will help the retail market for non-household customers develop from 2017.

- **We have challenged companies’ plans where they have provided insufficient evidence to ensure that customers continue to be protected.** In total, we have challenged companies’ non-household retail proposals by £54 million (10%) over 2015-20. We have not intervened in the cost and net margin allocations proposed in the non-household retail business plans in England. However, we have published an information note setting out our expectations for draft determination representations in relation to potential changes to the length or form of the non-household retail controls and evidence of engagement with non-household customers.

Each company is responsible for ensuring its own default tariffs are set appropriately (including that they comply with competition law). We invite companies to consider whether they would prefer the non-household controls to be set for five years, or the form of the control to be amended in some way that would allow greater time for them to address any issues with their cost and net margin allocations.

Protecting customers in Wales

For companies operating wholly or mainly in Wales, consistent with our final methodology, we have taken a different approach. This reflects the fact that, in line with Welsh Government policy, customers in Wales using less than 50MI of water will not be able to choose their supplier during the next five years

The key results of our review of the business plans of companies operating wholly or mainly in Wales are as follows:

- **Since December companies have revised their non-household retail proposals.** Dŵr Cymru is seeking to deliver some £2.5m of cumulative efficiency savings over the period 2015-20.
- **We have applied a regulatory efficiency challenge based on a comparison with equivalent tariffs available to customers in England.** To ensure that customers in Wales will also continue to receive high quality service where they cannot shop around, we are including a non-household service incentive mechanism (SIM) for Welsh companies.
- **We have intervened in the tariff structures of Dee Valley Water,** which were poorly developed and not supported by evidence.

Companies operating wholly or mainly in Wales are also responsible for ensuring that their default tariffs are set appropriately (including that they comply with competition law) – notwithstanding the fact that few customers will have choice of their retail supplier. The material we have published today sets out our draft proposals. Stakeholders now have the opportunity to comment on our proposals and

the approach we have adopted in reaching our decisions. We will consider carefully all of the representations ahead of making final determinations in December. In particular, companies will review whether to include further evidence as a result of the feedback we have given them. And we will maintain our high evidential bar to make sure that our final decisions represent the best possible deal for customers.

A5.1 Summary of indicative revenue forecasts

Table A5.1 below shows the revenues from the draft non-household total revenue price controls for each company. It does not assume any gains or losses, or pricing consequences, from the introduction of competition from 2017 onwards. So the numbers should be considered indicative. The actual controls are set on an average basis for each customer type, and are set out in annex 2. Total figures may also be affected by changes in the underlying bundled wholesale charges due to the application of the net margin.

Table A5.1 Indicative non-household retail total revenue price control including net margins (nominal)

Company	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Anglian	£m	15.2	15.4	15.5	15.7	15.8
Severn Trent	£m	25.7	26.3	28.1	29.1	30.2
Southern	£m	8.5	8.6	8.7	8.9	9.0
Thames*	£m	29.1	29.7	30.1	30.7	31.3
United Utilities	£m	35.9	36.5	37.0	37.6	38.1
Wessex	£m	6.1	6.2	6.2	6.3	6.3
Yorkshire	£m	11.8	12.0	12.2	12.4	12.6
Bristol	£m	1.4	1.5	1.5	1.5	1.5
Dee Valley	£m	0.4	0.4	0.4	0.4	0.4
Portsmouth	£m	0.5	0.5	0.6	0.6	0.6
SembCorp Bournemouth	£m	0.7	0.7	0.7	0.7	0.7
South East	£m	3.4	3.4	3.5	3.5	3.5
South Staffordshire	£m	2.4	2.4	2.4	2.3	2.3
Sutton & East Surrey	£m	0.7	0.7	0.8	0.8	0.8

Note:

There will be no indexation for retail price controls from this price base. Figures exclude retail services to developers and revenues associated with miscellaneous charges.

* Retail revenue has been calculated using wholesale revenue that includes IP revenue for the purposes of calculating retail margin.

A5.2 Background and approach

A5.2.1 The process so far

In our final methodology statement we use a gross margin approach per customer for each customer type for non-household controls. A gross margin is calculated from retail costs and a net margin applied to both retail costs and wholesale charges for that customer type (rather than the historic approach of setting price controls based on a return of capital). This approach better reflects the underlying characteristics of the retail business, which is made up mainly of operating expenditure with very few capital assets, compared with to the wholesale network activities, which are very capital intensive. By continuing to require some form of regulated price and service package, we can also continue to provide an appropriate form of backstop protection for customers in the market who do not switch, and for those customers in Wales who cannot switch.

We used each company's proposed customer types/tariff structures as they are set out in their business plans – which we considered would likely be based on their existing tariff structures – to determine the different customer types for the controls that we set. This is a simpler and more proportionate approach than setting national customer types or tariffs ourselves for two reasons. First, it minimises any incidence effects on prices – as imposing a national tariff structure and forcing companies to move away from their existing structures would have the potential for bills to fall or rise for different customer groups. And second, it encourages company ownership of their business plans and avoids direct intervention by Ofwat.

We use each company's non-household retail service costs as the basis for the average revenue controls. This approach is also significantly more proportionate than making our own assessment of appropriate costs, which would be more complex and could significantly increase the regulatory burden at a time when we are seeking to de-regulate and might expect the onset of competition and the changes it brings to potentially affect these costs in the coming years.

We also confirmed that we would set an up-front non-household efficiency challenge for companies operating wholly or mainly in Wales by comparing their tariffs with equivalent tariffs available to customers in England. This is to ensure that where customers do not have choice they will remain protected.

On 6 January 2014, we set out an adapted approach to assessing companies' non-household retail proposals in ['IN 14/01: Adapted approach for default tariffs'](#). This was in response to issues in companies' business plan submissions. Through the adapted process, we requested that companies submit all relevant models that they had used to construct their non-household retail proposals.

On 27 January, we issued guidance on risk and reward in ['Setting price controls for 2015-20 – risk and reward guidance'](#) (our 'risk and reward guidance'). The guidance set out our expectations for companies' net retail margins, which make up a key component of the non-household retail controls.

Having reviewed the companies' submissions and their supporting models, and having engaged further with the companies through an [industry workshop](#), held in parallel with the risk-based review work on the December business plan submissions, we provided companies with further guidance in ['Setting price controls for 2015-20 – guidance for companies on producing default tariffs'](#). This was followed up by a further [industry workshop](#). Companies then submitted their revised proposals on (or before) 27 June 2014.

Because we needed to adapt the process for the non-household retail controls, we did not include draft determinations for the non-household retail controls within the package of draft determinations we issued in April for the enhanced companies (Affinity Water and South West Water), or in the early draft determinations we issued in May (for Dŵr Cymru and Northumbrian Water). Instead we included a set of assumptions about the non-household controls for the purposes of assessing the financeability of the appointee businesses as a whole. We based these assumptions on companies' business plan submissions. Non-household retail draft determinations for these four companies are set out in a separate [note](#).

We will publish the populated feeder model alongside the financial model on 12 September 2014.

A5.2.2 Our methodology

There are differences in our methodology for companies operating wholly or mainly in England, and for companies operating wholly or mainly in Wales as a result of the introduction of competition in 2017 onwards for all non-household customers in England. The next two sections set out the overall methodology that applies to companies in both countries.

The overall form of control for all companies

Companies will need to set charges that comply with the allowed average revenue for each customer type on an annual basis. We call these the ‘default tariffs’, which apply to all non-household customers from 1 April 2015.

They reflect a capped level of average revenue per customer available for companies to deliver their regulatory and legislative obligations, and must always be offered. If companies wish to offer tariffs to customers that did not comply with the average revenue controls, then they are free to do so either by:

- not taking up their full allowed average revenue limit under the offered default tariff for that customer type (while ensuring that they stay compliant with all of their regulatory and legislative obligations) for example by discounting below the maximum default tariff level governed by the price controls; or
- offering alternative types of tariffs to customers who are eligible to switch their supplier as well as offering at least the default tariff for the customer type concerned. In such circumstances, customers with choice would need to actively choose to switch away from the default tariffs to an alternative tariff (rather than the company unilaterally transferring them).

We expect variation from the default tariffs to emerge over time as competition develops¹.

For each company’s proposed customer types, we have set an allowed average cost per customer (r_c), and a net margin (m). This means for each customer type, for a given forecast of the customer numbers of that type on the default tariff in a given year, the total allowed revenue from default tariffs offered to those customers will then be defined in the following formula.

¹ The competitive market will cover all non-household customers in England and those customers using more than 50 MI of water a year in Wales.

Calculating allowed revenue for a given customer type

$$R = [(r_c \times c_n) + w] / (1 - m)$$

Where:

R = the allowed revenue for a given customer type

r_c = the allowed average retail cost component for a given customer type

c_n = the forecast customer numbers for a given customer type

w = the forecast wholesale revenue for a given customer type

m = the allowed net margin for a given customer type

For further details see [‘Setting price controls for 2015-20 – guidance for companies on producing default tariffs’](#).

Assessment methodology

We have assessed all company plans using a common methodology. This has involved a light-touch review of:

- the customer types/structure of companies proposals;
- companies’ proposed costs; and
- companies’ proposed net margins.

Customer types

The non-household retail controls are set for each customer type (for example, water customers that use 1 megalitre (MI) to 2 MI a year).

In our final methodology statement we confirmed that we would use each company’s proposed structures to determine the number of customer types. This is because we considered this was a simpler and more proportionate approach than setting national customer types or tariffs, and it would minimise any incidence effects on prices for different customer groups. It would also support greater company Board ownership of business plans.

We also stated that we would assess how adequate we considered the companies’ assurance to be that their proposed default tariffs do not unduly discriminate between customers in a given customer class or between customer classes.

Cost interventions

We have intervened on companies' overall cost proposals where the proposals are not supported by sufficiently compelling evidence.

On 31 October we published an information notice setting out how pension deficit repair costs should be treated (['IN 13/17: Treatment of companies' pension deficit repair costs at the 2014 price review'](#)). This applies where companies propose pension deficit repair costs that are different to our calculated allowance in order to adjust their forecast.

The adjustment is structured as a direct within-year replacement of the company's proposal with our calculated allowance. This gives the total decrease in costs, which is then proportioned evenly across the costs allocated to all customer types.

In our final methodology statement we confirmed our view that automatic RPI indexation is not appropriate for the non-household retail control. This is consistent with our approach for the household retail control, and that we had not been able to obtain any evidence to suggest that there are material non-household retail input cost pressures that are beyond companies' reasonable control. In other words, we did not propose to make any automatic additional allowance in the controls (outside of the net margins) to reflect future general inflationary cost increases before the next review period.

The adjustment is structured as a direct within-year replacement of the company's proposal with our calculated allowance. This gives the total decrease in costs, which is then proportioned evenly across the costs allocated to all customer types.

In assessing the materiality of new costs, we have used a threshold of 5.3%. This is consistent with the 2.25% materiality threshold for the household retail control as described in figure A5.1 below.

Figure A5.1 Assessing non-household materiality

To assess the materiality of new non-household costs we have sought to identify whether the company's average annual costs over 2015-20 (line 9 from table R4, after any price base, pension deficit recovery costs, and input price pressure adjustments) are more than 5.3% greater than the base year 2013-14. The base year has been calculated by summing 2013-14 costs from lines 1, 2, and 20 from table R4 minus line 21².

In arriving at the 5.3% figure have compared the annual opex and capex by water wholesale, sewerage wholesale³, household retail, and non-household retail. This analysis suggests that the water service wholesale totex is 4.2 times the household retail totex and the sewerage service wholesale totex is 4.7 times the household retail totex. This implies (by multiplying the 0.5% wholesale materiality figure) a materiality threshold of between 2.1% to 2.4%. A central point of 2.25% of 2015-20 household retail totex was therefore adopted as the materiality threshold for the household retail control. As the household retail totex is 7.3 times higher than the non-household totex, this would similarly imply a materiality threshold of 16.3% for non-household retail.

But, as non-household retail activities have a lower revenue base than household retail, any increase in costs would have a greater proportional impact on non-household bills than on household. So, from a customer impact perspective, we need to consider total revenue levels. Since household revenue is 3.1 times greater than non-household revenue, the 16.3% figure needs to be divided by 3.1 to give an equivalent figure – that is, 5.3%.

Example:

2.25% of household totex = £20.9 million. If this was allowed in its entirety, it would lead to a bill impact of (£20.9 million/£7,501 million) = 0.28%.

16.3% of non-household totex = £20.9 million. If this was allowed in its entirety, it would lead to a bill impact of (£20.9 million/£2,429 million) = 0.86% – that is, a greater impact.

5.3% of non-household totex = £6.8 million. If this was allowed in its entirety, it would lead to a bill impact of (£6.8 million/£2,429) = 0.28%.

² The pension deficit repair cost from 2015-16 was added so as not to double count with any previous adjustment, and retail services to developers (as reported in the March 2014 regulatory accounts) were deducted along with miscellaneous costs (line 7) from 2015-16.

³ We have used opex figures comes from the 2012-13 regulatory accounts, the capex figures have been derived from the PR09 determination with retail capex being proportioned in line with 2012-13 capital maintenance.

While in monetary terms the materiality threshold is lower (as, based on historic data, companies' household retail operations incur costs of about seven times the magnitude of non-household), it is consistent in terms of customer bill impact with the household materiality threshold (as, based on historic data, companies' household retail operations received approximately revenues three times the magnitude of non-household).

The adjustment is structured as a calculation of costs up to the threshold, and then the costs are profiled evenly over the control period. The decrease is proportioned evenly across all customer types.

Net margins

In our final methodology statement, we confirmed that for the non-household control we would include a net margin to secure efficient financing of capital employed in providing non-household services, encourage efficient entry and remunerate efficiently incurred risk.

Our risk and reward guidance set out our expectations for companies' net retail margins, which make up a key component of the non-household retail controls.

In our risk and reward guidance we confirmed that our view of an appropriate net margin for customers that are either able to, or will be able to, choose their supplier was 2.5%.

Our approach is to review whether companies have complied with the guidance. Then, where companies have not complied with the guidance, we assess the supporting evidence, and if the evidence is not compelling we intervene with our assessment of appropriate net margins.

Any adjustment we make is structured as a direct within-year replacement of the company's proposal with our assessment of net margins.

Companies operating wholly or mainly in Wales

As we stated in our methodology, there are some differences to our approach to setting non-household retail price controls for companies operating wholly or mainly in Wales. This reflects the different policy position of the Welsh government and the fact that those customers in Wales using less than 50 Ml of water will not be able to choose their supplier during the next five years and so will continue to need service and price protection as well as different remuneration to investors for risks.

Protecting service – SIM

Non-household customers served by companies wholly or mainly in Wales will continue to receive service level protection through the SIM, which proved to be an effective incentive for companies to offer good and improving service levels to customers. We have adapted this incentive to ensure that it continues to respond to customer preferences, and encourages poor performing companies to improve in the service they offer to customers. In [‘Service incentive mechanism \(SIM\) for 2015 onwards – conclusions’](#) we set out how we propose to regulate using the SIM in the future.

For details on companies’ specific performance commitments please refer to our [company specific appendices](#).

Protecting prices – Welsh efficiency challenge

As only a minority of non-household customers will be able to choose their retail supplier in Wales, we consider that there needs to be an additional form of protection in place to prevent companies overcharging their customers.

In our final methodology statement we confirmed that we would set an up-front non-household efficiency challenge for Welsh companies, by comparing their tariffs with equivalent English default tariffs.

We categorise proposed customer types into five key services:

- water unmeasured;
- water <50 MI;
- sewerage unmeasured;
- sewerage measured; and
- trade effluent.

We omitted all other customer types from this stage of the analysis as they are either contestable for companies operating wholly or mainly in Wales, or are non-standard arrangements.

Within each key service type, we calculated an average cost per customer. We then compared this to the average cost per customer of the companies’ that operate wholly or mainly in Wales. We then calculated the difference between this and the English companies’ average. We then summated the residual for each service type, reflecting an overall weighting for customer numbers within each key service type.

If applying the challenge resulted in a net saving to customers then we used this rather than the company's proposal. If applying the challenge does not result in net savings (that is, because the company's cost profile includes greater savings) then we accepted the company's proposal.

If the challenge is required, we then applied it to all non-contestable customer types. The challenge has been phased, like the average cost to serve, with 25% of the challenge applying in 2015-16, 50% in 2016-17, 75% in 2017-18, and 100% thereafter.

Remunerating risk – net margins

As only a minority of non-household customers will be able to choose their retail supplier in Wales, we have set a different net margin for customers who use less than 50 MI of water a year. As we stated in our risk and reward guidance, we consider a net margin of 1.0% to be appropriate to remunerate the capital employed and the risks that companies bear.

A5.3 Assessing companies' proposals

We provide below an overview of our assessment of companies' non-household retail plans, including:

- a summary of those areas where we have intervened in companies' plans; and
- some broader observations on companies' proposals.

After making the interventions highlighted above, the total revenue forecasts (see table A5.1) for companies can be derived.

A5.3.1 Our interventions in companies plans

We summarise below the high level interventions we made across the sector in developing our draft determinations. Details behind our specific interventions are set out in our [company-specific appendices](#).

Interventions on customer types

For the draft determinations we have used each company's revised June 2014 proposals to determine the different customer types that we have set draft controls for.

For the draft determinations – with the exception of Dee Valley Water – we have not intervened with how companies have chosen to allocate their net margins and retail costs across different customer types in different years. We consider this to be a proportionate approach, ensuring that companies are accountable for complying with their duties and obligations (including complying with competition law).

Price base interventions

As with the household retail controls, our controls for non-household retail services are based on companies' actual 2013-14 costs, set out in the June business plans.

Nine companies chose not to deflate their 2013-14 costs into 2012-13 prices, despite the table requirements (see the [company-specific appendices](#) for more detail). So, we deflated those companies' costs in the draft determinations.

Cost assessment interventions

We intervened in companies plans on costs to protect customers where there are particular issues in relation to existing policies (for example, on pension deficit costs) or where new cost allowances were not sufficiently justified (for example, on costs associated with input price pressures or material new investments).

With the exception of Portsmouth Water, we adjusted all companies' pension deficit recovery proposals with our view of the allowed costs (see the [company-specific appendices](#) for more detail).

Five companies requested incremental allowances for input price pressure increases (see the [company-specific appendices](#) for more detail). These claims were not supported by compelling evidence, and so we have not made allowances for them in our draft determinations.

Five companies proposed cost increases above our non-household retail materiality threshold of 5.3% (see the [company-specific appendices](#) for more detail). These cost proposals were not supported by compelling evidence, and so we have not made allowances for them in our draft determinations.

Net margins interventions

All companies accepted the guidance on net margins set out in our risk and reward guidance, with the exception of Dee Valley Water (see the [Dee Valley Water appendix](#) for more detail).

Welsh efficiency challenge

We applied an efficiency challenge for Dee Valley Water as its cost forecast was less challenging than the forecast implied by our assessment (see [Dee Valley Water's company-specific appendix](#) for more detail).

A5.3.2 Observations on companies' proposals

We have not intervened to amend companies' cost and net margin allocations between customer types for the draft determinations, with the exception of Dee Valley Water. We highlight below a number of areas where we have identified concerns with companies' cost and net margin allocations. This is not to say that other issues do not exist, or that the below issues would necessarily lead to a breach of competition law.

We are setting out these issues simply to highlight to companies where we have concerns that they may wish to consider, in developing their representations. We have not sought to intervene in companies plans against any of these areas (with the exception of Dee Valley Water).

Table A5.2 Observations on companies’ non-household retail proposals

Company	Concern
Southern	Based on our sensitivity analysis, the proposed net margins for the company’s trade effluent customer types do not appear to provide suitable allowance for profit and risk once working capital and tax have been taken into account.
Thames	The company allocated its doubtful debt costs in line with consumption with a 1 Ml cap. This appears somewhat arbitrary. The assumption that this is cost reflective has not been supported by compelling evidence.
Wessex	Based on our sensitivity analysis, the proposed net margins for 14 of the company’s customer types (mainly the larger volume customer types) do not appear to provide suitable allowance for profit and risk once working capital and tax have been taken into account.
Yorkshire	The company proposed two customer types which had zero allocated costs. This would imply that the company does not incur any costs in serving these customers. No other company has proposed a zero cost allocation.
Bristol	The company allocated its doubtful debt costs in line with consumption. This assumes a direct relationship between consumption and debt. This assumption has not been supported by compelling evidence.
Dee Valley	As discussed in the Dee Valley Water appendix we intervened with the company’s cost allocations between customer types.
Portsmouth	The company did not use the minimum requirement cost allocation drivers as stated in the default tariff guidance – no explicit consideration was given to the allocation of debt management or doubtful debt costs. While the company stated in a query response that it considers its tariffs to be cost reflective, this is not supported by the evidence provided.

The only company where we have intervened in the allocation between customer bands is Dee Valley Water. This is because the company did not undertake a cost reflective allocation exercise for its costs. This is a concern in two respects.

- An under-allocation of these costs to contestable customers (those using more than 50 Ml of water in its area) would result in non-contestable customers subsidising contestable customers.
- An over-allocation of costs to contestable customers could result in the company appearing unjustifiably 'efficient' through our comparative efficiency assessment.

Not intervening with the remaining companies' allocations is consistent with our approach to leave the accountability for compliance with competition law with the companies. But we may choose to review our intention not to intervene for the final determinations, if we consider there is significant risk to customers.

A series of sector-wide comparisons are included for information in annex 1.

A5.4 Next steps

A5.4.1 Getting to final determinations

Our review of June business plan submissions revealed significant differences in the approach to cost and net margin allocation across companies' non-household retail proposals. We set out this observation in the 15 August 2014 [information notice](#).

These differences may make it more difficult for companies to assess their compliance with their duties and obligations, including competition law. Some companies may therefore benefit from having further time to consider and address any issues ahead of the introduction of competition in to the non-household retail market in April 2017.

In any representations on our draft determinations we invite companies to consider whether they would prefer for us to:

- set their non-household retail price control for five years, as set out in our final methodology statement; or
- change the form of the control in some way that would allow them greater time to consider and address any issues we have highlighted – for example, through a shorter control (for example, one to two years) or a form of reopener to the price control within the five years.

We expect companies to provide evidence of engagement with their customers about the possibility of reopening their non-household retail price controls within the next five years in their representations to us. We anticipate that our invitation may result in different requests from individual companies across the sector. We are not expecting a common, sector-wide solution to emerge from this feedback.

As a minimum, we would expect to see evidence that:

- each company has engaged with its customer challenge group (and better still, local non-household customer groups as well), on potential options to change the length or form of the control; and
- there is customer support for the structure of its proposed average revenue controls and associated default tariffs; and revenue levels appear acceptable to those customers.

We also set out in our [company-specific appendices](#) particular areas where we require further information. For example, seven companies' opex in 2013-14 is significantly higher than the preceding years. These companies will need to provide us, as part of their representations, with a clear explanation of the cost increase, and to explain why the increase should not be treated as an exceptional one-off event.

Where we have disallowed cost proposals, our cost interventions have resulted in costs being decreased evenly for all customers. If a company considers that there is a more cost-reflective way of adjusting its proposals, it should set out a proposed alternative and its justification in its representations.

A5.4.2 Assessing compliance with the price controls

In our '[Consultation on wholesale and retail charges for 2015-16 and charges scheme rules](#)', we confirmed that we would assess compliance with the price controls through the regulatory accounts and companies' annual risk and compliance statements. We will consult in September on the regulatory accounting requirements and price control compliance requirements for 2015-16. For further details on charging, please refer to our [charging technical appendix](#).

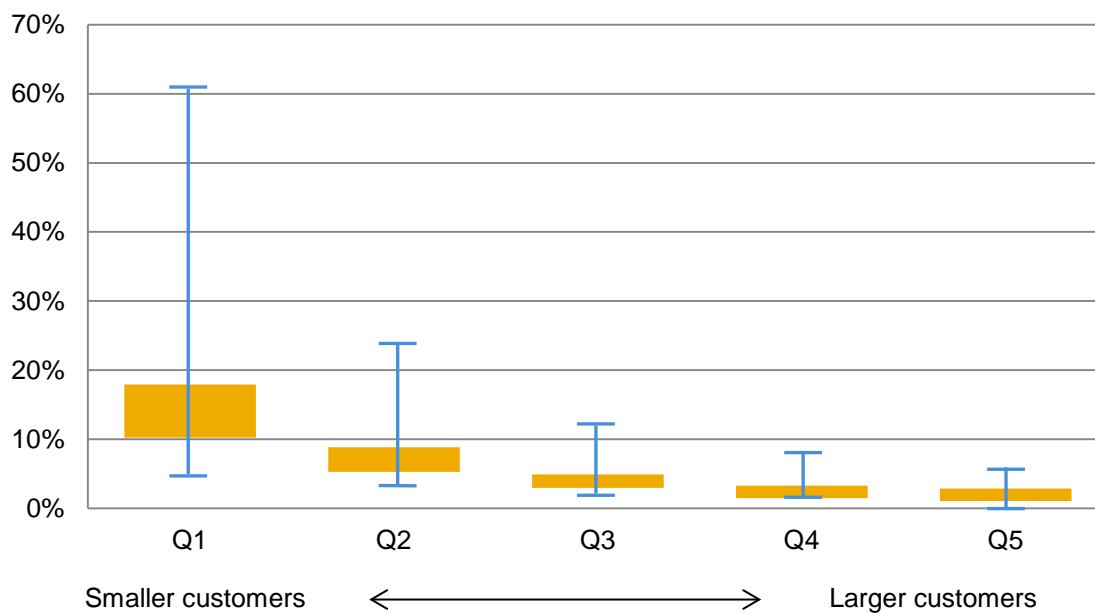
Annex 1: Cross industry comparisons

In this section we set out a series of gross margin comparisons across the industry. As described above, there is significant variation in companies' proposals. While variation is not necessarily a concern in itself, companies are ultimately responsible for ensuring that they comply with their duties and obligations, including competition law – it may be difficult for a company to be confident that it is indeed compliant given the wide variety of approaches other companies have taken.

The analysis is intended to show the degree of variation across the industry. Companies may find it informative in understanding how their proposals compare with others.

The analysis below was carried out before our interventions. That is, if a company's wholesale revenues were to significantly decrease from the amount it proposed in its plans, the gross margins would look comparatively greater. Also, if a company's retail cost proposals have been challenged, the gross margin would look comparatively smaller.

The figure below shows the range of (average) gross margins per customer for different customer types proposed by the companies. This has been disaggregated into total revenue (that is, wholesale and retail) quintiles. The box plots show the maximum, minimum, upper quartile, and lower quartile ranges, and provides an indication of the degree of variation in gross margin sizes across the industry.

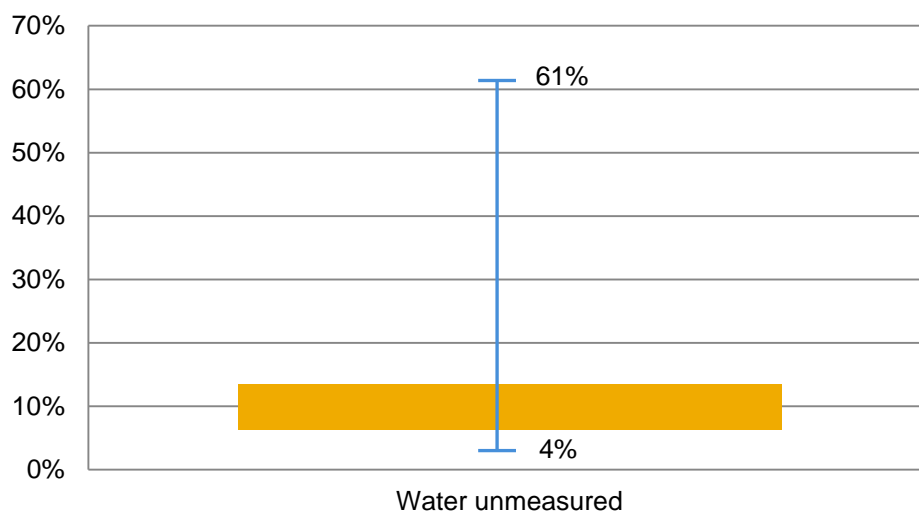
Figure AA5.1 Gross margin range by total revenue

The figure above shows that there is significant variation in overall gross margin size. In particular, there is a large variation between the upper quartile and maximum margin for different revenue quintiles.

Some variation is to be expected, as the above analysis includes all customer types (that is, different service types), and companies' have different cost structures and customer segmentations.

The figure below shows a comparison of companies' gross margins for their unmeasured water customer types (that is, a single service type).

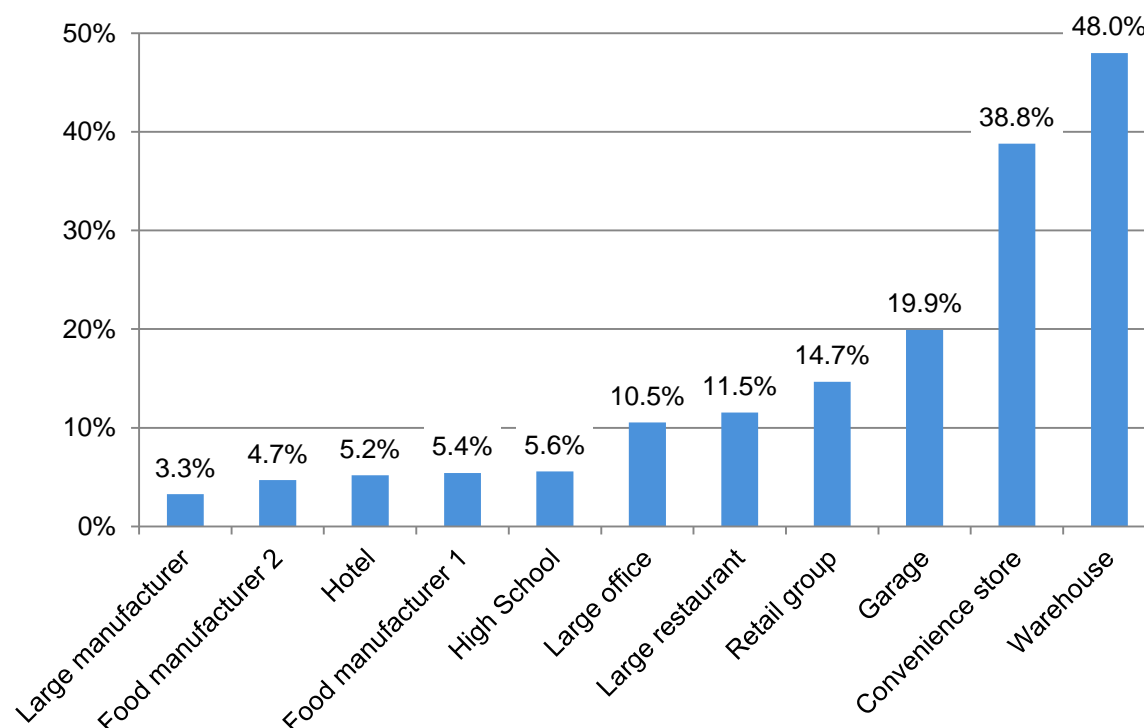
Figure AA5.2 Gross margin range for unmeasured water customers



The figure above shows that, even across a single service, there is significant variation in companies' proposals.

In Scotland, default tariffs for non-household customers have been in place since 2008. Figure A5.4 below shows the starting gross margins from 2008-09 for a number of 'standard customers'⁴ (as defined in [The Strategic Review of Charges 2006-10](#)).

⁴ Standard customers are further defined in ['The Strategic Review of Charges 2006-10'](#).

Figure AA5.3 Gross margins for standard customers in Scotland from 2008-09

In Scotland, customers have been segmented on a different basis to the companies operating in England and Wales. While some variation will exist between Scotland and the companies operating in England in Wales due to different cost structures, customer characteristics, wholesale revenues, and legal/regulatory differences. It is perhaps informative that the large manufacturer types in Scotland have gross margins of over 3%, while many of the proposed gross margins in England and Wales are significantly smaller.

The figures below show gross margins per customer, relative to the average total revenue per customer (that is, wholesale and retail). Each point represents a proposed customer type. The analysis shows the variation across the industry at a company-level across a range of average revenues per customer.

We recognise that the below summary analysis is simplistic, as there may be many legitimate reasons for gross margin size to vary between customer types for reasons other than total revenue size. But the graphs do show the level of variation across the industry.

Figure AA5.4 Water unmeasured (for average revenue less than £900)

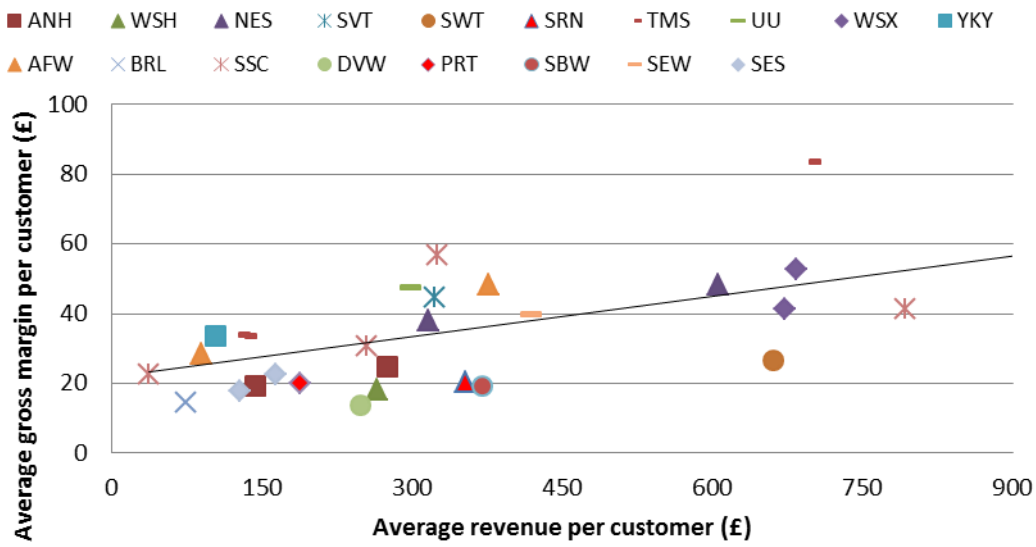


Figure AA5.5 Water measured (for average revenue less than £900)

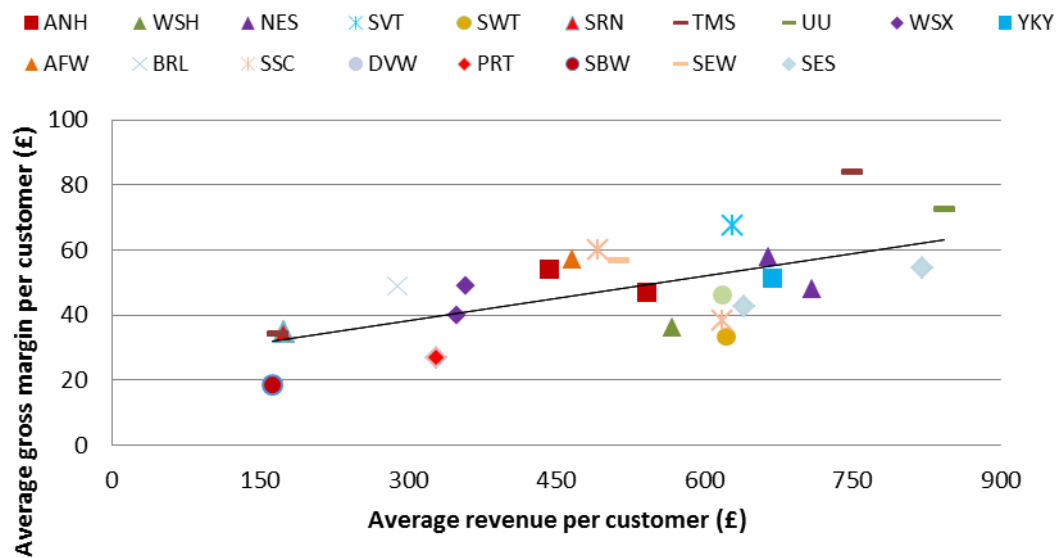


Figure AA5.6 Water measured (for average revenue between £900 and £40,000)

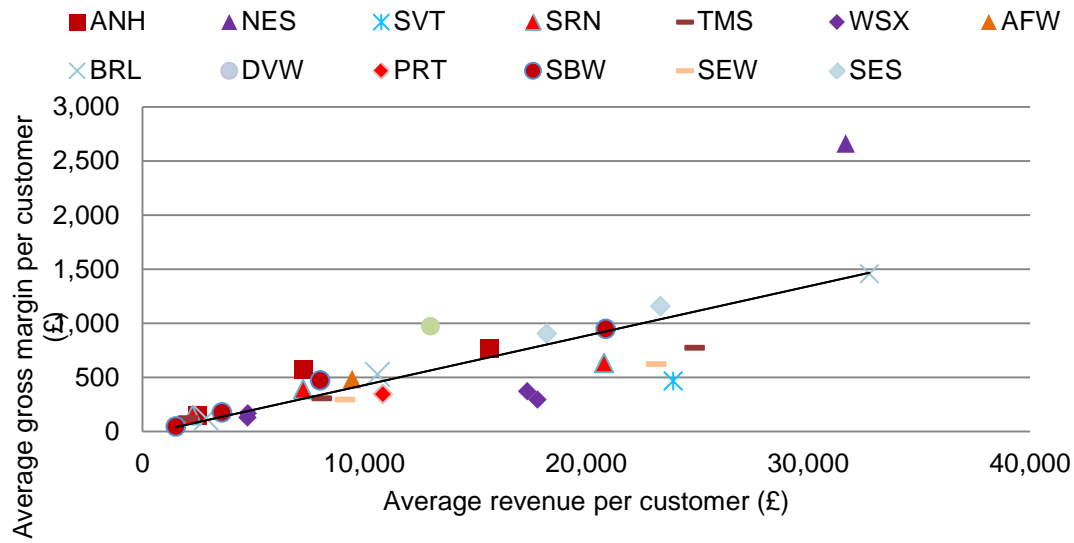


Figure AA5.7 Wastewater unmeasured (for average revenue less than £1,600)

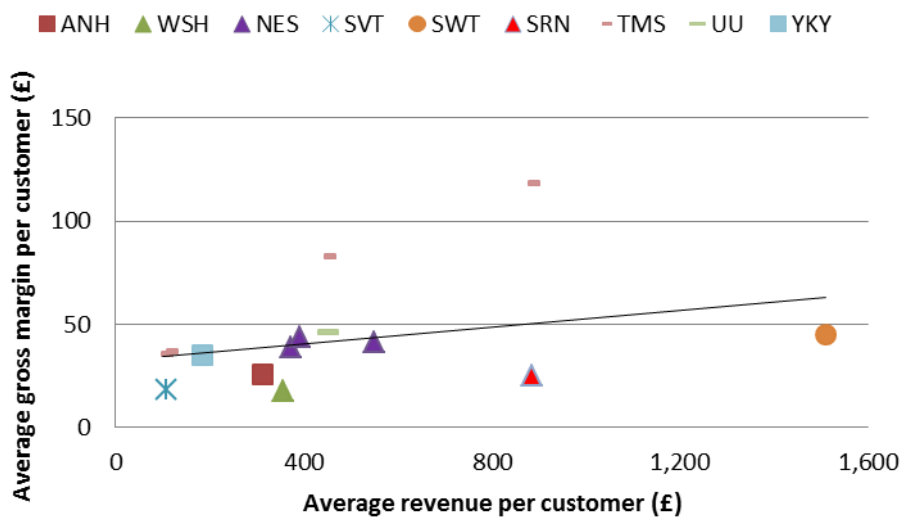


Figure AA5.8 Wastewater measured (for average revenue less than £1,000)

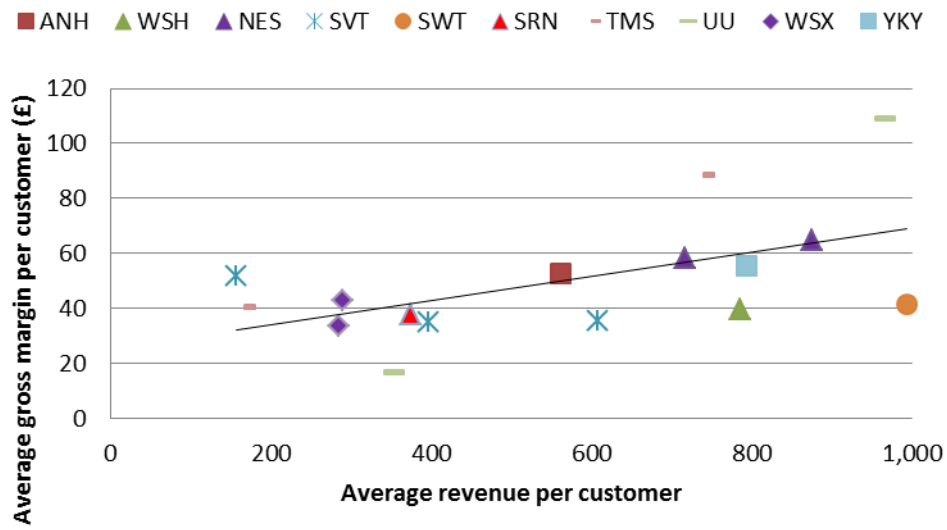


Figure AA5.9 Wastewater measured (for average revenue between £1,000 and £70,000)

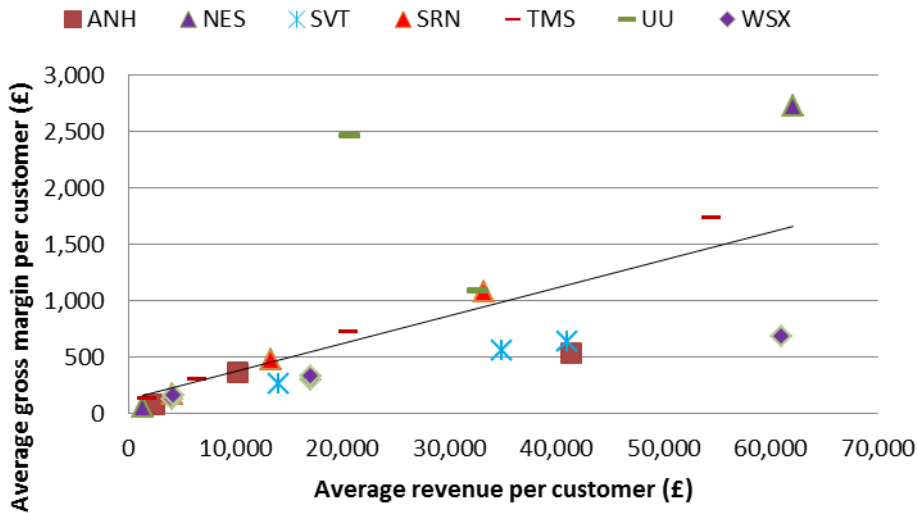
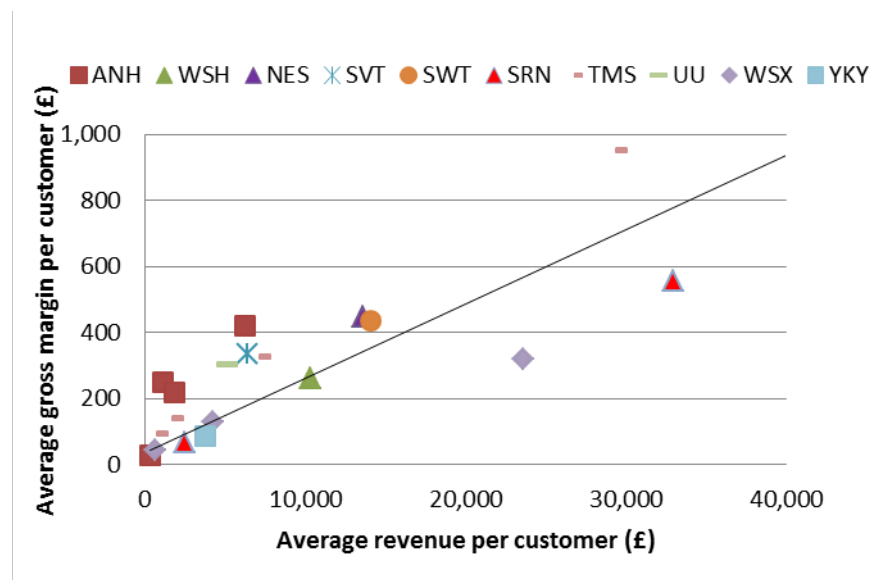


Figure AA5.10 Trade effluent (for average revenue less than £40,000)



As the figures above show, companies' proposals increasingly diverge as the overall size of the customer increases. Many of the larger customer types are already contestable, and so may be used to negotiating alternative offerings from companies. As we stated in the default tariff guidance, if companies wished to offer tariffs to customers that did not comply with the average revenue controls, then they are free to do so either by:

- not taking up their full allowed average revenue limit under the default tariff for that customer class (while ensuring that they stay compliant with all of their regulatory and legislative obligations); or
- offering alternative tariffs to customers. In such circumstances, customers would need to actively choose to switch away from the default tariffs to such arrangements (as opposed to the company unilaterally transferring them).

While a company has clear flexibility in charging a given customer type less than the average revenue controls, it does not have the same flexibility in charging more. This might suggest that customer types with seemingly low gross margins may be of a particular concern, as the company may be at greater risk of imposing a margin squeeze.

The penalty for breaking competition law can be up to 10% of a company's group turnover. Furthermore, imposing a margin squeeze can be damaging for competition, which can be damaging to customers in the long run.

As discussed in chapter A5.4, we invite companies through their representations on the draft determinations to consider whether they would prefer for the non-household controls to be set for five years, or to amend the form of the control in some way that would allow greater time for them to consider and address any issues.

Annex 2: Average revenue controls

Details on our assessment of companies' specific cost proposals are included in the [company-specific appendices](#). For ease of comparison, the allowed average retail cost component and the allowed net margin for each customer type are shown below.

The average revenue per customer – £ (r) – has also been shown. For the avoidance of doubt, it is the average cost component and the allowed net margin that made up the non-household retail control. The average revenue per customer is shown only to help comparisons to be drawn.

AA2.1 Anglian Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Unmeasured (potable water)	£	14.19	14.28	14.29	14.29	14.28
	%	3.7%	3.7%	3.7%	3.7%	3.7%
	£ (r)	25.03	25.47	25.82	26.34	26.68
Hartlepool unmeasured (potable water)	£	11.90	11.97	11.99	11.98	11.97
	%	5.0%	4.9%	4.9%	4.8%	4.8%
	£ (r)	19.35	19.60	19.76	20.02	20.16
Streamline green (potable water) – (0.0 MI to 0.5 MI)	£	33.08	33.32	33.36	33.33	33.29
	%	4.6%	4.6%	4.6%	4.6%	4.5%
	£ (r)	54.73	55.46	55.93	56.69	57.10
Streamline orange (potable water) – (0.5 MI to 5.0 MI)	£	88.76	89.33	89.45	89.38	89.32
	%	2.3%	2.3%	2.3%	2.3%	2.3%
	£ (r)	149.64	151.74	153.24	155.65	157.11
Streamline blue (potable water) – (5.0 MI to 10.0 MI)	£	359.24	361.70	362.18	361.88	361.56
	%	2.8%	2.8%	2.8%	2.7%	2.7%
	£ (r)	575.44	582.23	586.34	593.41	596.94

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Profile (potable water) – (10.0 MI to 25.0 MI)	£	451.60	453.53	454.09	454.18	454.29
	%	1.9%	1.9%	1.9%	1.9%	1.9%
	£ (r)	776.14	786.59	795.17	809.28	818.25
Profile plus (potable water) – (25.0 MI +)	£	519.41	521.95	522.61	522.58	522.57
	%	0.8%	0.8%	0.9%	0.9%	0.9%
	£ (r)	1,402.71	1,448.05	1,490.57	1,549.78	1,596.79
Profile interruptible (potable water) – (25.0 MI +)	£	579.61	581.86	582.57	582.77	583.02
	%	0.6%	0.6%	0.6%	0.7%	0.7%
	£ (r)	2,331.67	2,430.49	2,526.54	2,657.41	2,765.37
Hartlepool commercial (potable water) – (0.0 MI to 50.0 MI)	£	26.52	26.66	26.69	26.68	26.68
	%	3.6%	3.6%	3.6%	3.7%	3.7%
	£ (r)	47.62	48.21	48.70	49.57	50.17
Hartlepool profile (potable water) – (50.0 MI +)	£	475.08	476.64	477.21	477.50	477.82
	%	0.8%	0.8%	0.8%	0.8%	0.8%
	£ (r)	1,473.26	1,527.94	1,580.61	1,652.56	1,710.47
Streamline orange (non-potable water) – (0.0 MI to 5.0 MI)	£	64.93	65.13	65.20	65.25	65.30
	%	2.6%	2.6%	2.6%	2.6%	2.5%
	£ (r)	106.02	107.15	108.12	109.79	110.77
Streamline blue (non-potable water) – (5.0 MI to 10.0 MI)	£	324.72	326.10	326.50	326.57	326.65
	%	1.3%	1.3%	1.3%	1.3%	1.4%
	£ (r)	767.88	791.16	813.01	842.66	865.85
Profile (non-potable water) – (10.0 MI to 25.0 MI)	£	460.10	461.85	462.41	462.59	462.80
	%	1.6%	1.6%	1.6%	1.6%	1.6%
	£ (r)	868.37	885.24	900.62	922.99	939.23
Profile plus (non-potable water) – (25.0ml to 400.0 MI)	£	581.41	583.77	584.49	584.65	584.85
	%	0.7%	0.8%	0.8%	0.8%	0.8%
	£ (r)	2,022.71	2,110.27	2,195.53	2,307.11	2,399.30

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Profile industrial (non-potable water) – (400.0 MI +)	£	1,360.68	1,363.46	1,365.02	1,366.52	1,368.18
	%	0.5%	0.5%	0.5%	0.5%	0.6%
	£ (r)	15,802.09	16,685.23	17,555.96	18,725.72	19,710.57
Special agreements (potable water) – (0.0 MI +)	£	412.59	414.07	414.57	414.77	414.99
	%	0.7%	0.7%	0.8%	0.8%	0.8%
	£ (r)	1,675.58	1,744.00	1,820.06	1,906.65	1,995.74
Special agreements (non-potable water) – (0.0 MI +)	£	412.59	414.07	414.57	414.77	414.99
	%	0.6%	0.7%	0.7%	0.7%	0.7%
	£ (r)	4,997.98	5,270.45	5,577.95	5,920.05	6,282.11
Unmeasured (sewerage)	£	15.09	15.15	15.17	15.17	15.18
	%	3.3%	3.3%	3.3%	3.3%	3.3%
	£ (r)	26.37	26.57	26.83	27.08	27.30
Streamline green (sewerage) – (0.0 MI to 0.5 MI)	£	31.47	31.66	31.70	31.68	31.67
	%	3.6%	3.6%	3.6%	3.6%	3.6%
	£ (r)	53.66	54.00	54.40	54.77	55.09
Streamline orange (sewerage) – (0.5 MI to 5.0 MI)	£	47.24	47.67	47.74	47.66	47.57
	%	1.5%	1.5%	1.6%	1.6%	1.6%
	£ (r)	88.04	89.09	90.13	91.02	91.89
Streamline blue (sewerage) – (5.0 MI to 50.0 MI)	£	199.91	201.47	201.75	201.50	201.24
	%	1.5%	1.5%	1.5%	1.5%	1.5%
	£ (r)	369.04	372.95	377.14	380.90	384.54
Profile (sewerage) – (50.0 MI +)	£	215.17	216.78	217.07	216.83	216.59
	%	0.7%	0.7%	0.8%	0.8%	0.8%
	£ (r)	547.55	557.79	570.61	582.70	595.65
Unmeasured (trade effluent)	£	18.18	18.39	18.41	18.36	18.31
	%	3.6%	3.5%	3.5%	3.4%	3.4%

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
	£ (r)	28.76	29.03	29.16	29.22	29.22
Streamline green (trade effluent) – (0.0 MI to 0.5 MI)	£	165.84	168.31	168.59	167.90	167.17
	%	7.2%	7.2%	7.1%	7.0%	6.9%
	£ (r)	251.26	253.57	253.71	252.85	251.52
Streamline orange (trade effluent) – (0.5 MI to 5.0 MI)	£	146.31	148.75	149.01	148.30	147.54
	%	3.8%	3.8%	3.7%	3.7%	3.6%
	£ (r)	222.64	225.28	225.67	225.02	223.93
Streamline blue (trade effluent) – (5.0 MI to 50.0 MI)	£	264.14	267.14	267.54	266.84	266.08
	%	2.4%	2.4%	2.3%	2.3%	2.3%
	£ (r)	426.44	430.24	432.23	433.18	433.51
Profile (trade effluent) – (50.0 MI +)	£	605.00	613.36	614.35	612.12	609.74
	%	0.7%	0.7%	0.8%	0.8%	0.8%
	£ (r)	1,550.42	1,582.94	1,617.72	1,648.06	1,680.80

AA2.2 Severn Trent Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Band 1 – water: unmetered	£	27.46	29.61	34.95	38.42	41.67
	%	2.3%	2.3%	2.5%	2.5%	2.7%
	£ (r)	35.01	37.58	43.89	48.02	52.16
Band 2 – water: 0-10 ml/a – metered	£	40.21	41.61	45.55	47.66	49.23
	%	3.2%	3.2%	3.1%	3.1%	3.1%
	£ (r)	61.18	63.17	67.83	70.61	73.03
Band 3 – water: 10-50 ml/a – metered	£	86.01	89.47	96.00	100.34	103.50
	%	1.5%	1.5%	1.5%	1.5%	1.5%
	£ (r)	473.85	494.60	513.69	532.08	548.88

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Band 4 – water: 50+ ml/a – metered	£	103.02	107.06	114.35	119.45	123.11
	%	1.4%	1.4%	1.4%	1.4%	1.4%
	£ (r)	2,011.91	2,100.35	2,167.60	2,240.30	2,307.41
Band 5 – water: special agreements – metered	£	54.86	56.79	64.16	67.28	69.53
	%	5.0%	4.9%	5.0%	4.9%	5.0%
	£ (r)	74.72	77.10	85.76	89.44	92.50
Band 6 – sewerage: unmetered	£	11.60	12.24	14.27	15.38	16.37
	%	2.7%	2.8%	3.1%	3.1%	3.2%
	£ (r)	14.78	15.52	17.91	19.21	20.47
Band 7 – sewerage: 0-50 ml/a – metered	£	20.81	21.10	22.84	23.70	24.47
	%	2.8%	2.8%	2.8%	2.8%	2.8%
	£ (r)	33.19	33.31	35.27	36.31	37.59
Band 8 – sewerage: 50-250 ml/a – metered	£	47.12	47.02	49.38	50.81	52.56
	%	1.4%	1.5%	1.5%	1.5%	1.5%
	£ (r)	625.30	614.85	623.34	632.31	658.66
Band 9 – sewerage: 250+ ml/a – metered	£	46.58	46.33	48.58	49.88	51.60
	%	1.4%	1.4%	1.4%	1.4%	1.4%
	£ (r)	1,519.89	1,493.52	1,511.82	1,532.34	1,596.57
Band 10 – sewerage: special agreements – metered	£	48.68	49.99	56.85	59.52	61.50
	%	4.5%	4.6%	4.8%	4.8%	4.7%
	£ (r)	66.76	68.07	76.07	79.11	81.85
Band 11 – surface water drainage: unmetered	£	32.39	35.16	40.03	43.82	46.93
	%	5.3%	5.7%	6.0%	6.3%	6.4%
	£ (r)	41.21	44.52	50.15	54.62	58.53
Band 12 – surface water drainage: 0-50 ml/a – metered	£	18.42	18.97	20.71	21.56	22.16
	%	2.3%	2.3%	2.3%	2.2%	2.2%
	£ (r)	33.12	34.09	36.25	37.55	38.69

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Band 13 – surface water drainage: 50-250 ml/a – metered	£	45.05	46.19	48.59	50.14	51.38
	%	1.5%	1.5%	1.5%	1.5%	1.5%
	£ (r)	268.70	278.65	286.80	295.84	304.40
Band 14 – surface water drainage: 250+ ml/a – metered	£	47.04	48.24	50.72	52.34	53.64
	%	1.4%	1.4%	1.4%	1.4%	1.4%
	£ (r)	672.26	699.23	718.77	741.64	763.10
Band 15 – trade effluent: 0-50 ml/a – metered	£	174.71	171.94	178.16	182.17	190.24
	%	2.3%	2.3%	2.2%	2.2%	2.2%
	£ (r)	335.80	329.96	337.65	345.21	363.05
Band 16 – trade effluent: 50-250 ml/a – metered	£	217.23	213.92	221.74	227.03	237.60
	%	1.4%	1.4%	1.4%	1.4%	1.4%
	£ (r)	1,835.43	1,822.32	1,872.60	1,921.77	2,032.26
Band 17 – trade effluent: 250+ ml/a – metered	£	178.80	177.95	186.30	191.96	200.68
	%	1.4%	1.4%	1.4%	1.4%	1.4%
	£ (r)	1,419.75	1,411.86	1,453.18	1,492.66	1,577.94
Band 18 – trade effluent: special agreements – metered	£	1,451.04	1,481.08	1,685.47	1,759.97	1,820.18
	%	1.4%	1.5%	1.5%	1.5%	1.4%
	£ (r)	8,076.09	8,079.45	8,494.21	8,750.34	9,212.79

AA2.3 Southern Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Standard water – unmetered	£	12.06	12.24	12.24	12.35	12.35
	%	2.3%	2.3%	2.3%	2.3%	2.4%
	£ (r)	20.69	21.07	21.32	21.72	21.96

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Standard 0-1 MI pa water metered	£	22.81	23.14	23.14	23.36	23.36
	%	6.8%	6.8%	6.8%	6.7%	6.9%
	£ (r)	35.19	35.76	36.07	36.63	36.94
Standard 1-5 MI pa water metered	£	79.47	80.64	80.65	81.40	81.41
	%	3.1%	3.1%	3.1%	3.0%	3.1%
	£ (r)	151.98	154.85	156.97	160.10	162.18
Standard 5-20 MI pa water metered	£	196.50	199.41	199.42	201.29	201.30
	%	2.6%	2.6%	2.6%	2.5%	2.7%
	£ (r)	395.01	402.67	408.53	416.97	422.74
Standard 20-100 MI pa water metered	£	322.29	327.07	327.08	330.15	330.16
	%	1.5%	1.5%	1.5%	1.4%	1.5%
	£ (r)	644.22	656.82	666.48	680.37	689.89
Standard over 100 MI pa water metered	£	2,116.25	2,147.59	2,147.66	2,167.81	2,167.91
	%	1.0%	1.0%	1.0%	0.9%	1.0%
	£ (r)	4,351.70	4,438.12	4,505.75	4,601.62	4,668.30
Standard sewerage unmetered	£	14.86	15.08	15.08	15.22	15.22
	%	1.2%	1.1%	1.1%	1.1%	1.1%
	£ (r)	25.30	25.77	26.08	26.57	26.88
Standard 0-1 MI pa sewerage metered	£	24.69	25.06	25.06	25.29	25.29
	%	3.6%	3.6%	3.5%	3.6%	3.5%
	£ (r)	38.58	39.24	39.62	40.29	40.68
Standard 1-5 MI pa sewerage metered	£	93.15	94.53	94.53	95.42	95.42
	%	2.1%	2.0%	2.0%	2.1%	2.0%
	£ (r)	179.60	183.05	185.62	189.37	191.93
Standard 5-20 MI pa sewerage metered	£	243.07	246.67	246.68	248.99	249.00
	%	1.8%	1.8%	1.8%	1.8%	1.8%
	£ (r)	490.91	500.52	507.93	518.52	525.87

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Standard 20-100 MI pa sewerage metered	£	540.69	548.69	548.71	553.86	553.89
	%	1.6%	1.6%	1.6%	1.6%	1.6%
	£ (r)	1,107.03	1,128.84	1,145.82	1,169.94	1,186.78
Standard over 100 MI pa sewerage metered	£	2,775.96	2,817.07	2,817.15	2,843.59	2,843.72
	%	1.2%	1.2%	1.2%	1.2%	1.2%
	£ (r)	5,782.30	5,897.35	5,988.07	6,115.92	6,205.74
Standard non-monthly billed trade effluent metered	£	49.90	50.64	50.64	51.12	51.12
	%	0.7%	0.7%	0.7%	0.7%	0.7%
	£ (r)	68.44	69.58	70.14	71.23	71.77
Standard monthly billed trade effluent metered	£	393.44	399.27	399.28	403.03	403.04
	%	0.5%	0.5%	0.5%	0.5%	0.5%
	£ (r)	561.39	571.00	576.06	585.45	590.46

AA2.4 Thames Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
[0 – 500] [0 – 500m ³] [water] [metered]	£	23.24	23.64	26.26	26.32	26.11
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	27.59	28.12	30.85	30.97	30.94
[500 – 1,000] [500 – 1,000m ³] [water] [metered]	£	44.88	44.10	59.98	61.32	59.54
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	64.97	64.87	81.45	82.96	82.06
[1,000 – 5,000] [1,000 – 5,000m ³] [water] [metered]	£	60.79	60.74	56.98	57.43	56.20
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	116.43	118.85	115.96	117.69	117.98

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
[5,000 – 20,000] [5,000 – 20,000m ³] [water] [metered]	£	89.24	88.50	84.27	84.24	83.66
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	309.65	318.86	318.19	323.48	329.11
[20,000 – 50,000] [20,000 – 50,000m ³] [water] [metered]	£	130.19	127.12	120.93	121.17	121.67
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	809.77	837.46	843.20	858.50	879.24
[50,000 – 250,000] [50,000 – 250,000m ³] [water] [metered]	£	229.33	219.53	209.58	208.32	214.23
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	2,166.91	2,246.74	2,270.01	2,314.17	2,374.34
[250,000 +] [250,000 +m ³] [water] [metered]	£	710.10	671.37	648.95	645.05	680.34
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	7,753.67	8,035.08	8,127.54	8,284.44	8,503.56
[0 – 500] [0 – 500m ³] [sewerage] [metered]	£	30.80	31.04	29.83	29.64	29.88
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	34.83	35.24	34.30	34.47	35.01
[500 – 1,000] [500 – 1,000m ³] [sewerage] [metered]	£	60.29	60.11	56.60	56.48	56.37
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	78.57	79.89	77.65	78.95	80.99
[1,000 – 5,000] [1,000 – 5,000m ³] [sewerage] [metered]	£	84.46	82.85	77.29	77.58	77.76
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	125.91	127.78	125.16	129.87	134.16
[5,000 – 20,000] [5,000 – 20,000m ³] [sewerage] [metered]	£	128.34	125.06	117.55	117.35	119.06
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	285.32	295.82	300.17	317.41	335.12
[20,000 – 50,000] [20,000 – 50,000m ³] [sewerage] [metered]	£	192.89	185.84	174.60	173.55	178.64
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	696.52	734.25	761.49	817.34	873.75

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
[50,000 – 250,000] [50,000 – 250,000m ³] [sewerage] [metered]	£	342.37	328.43	306.04	304.20	316.06
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	1,679.17	1,782.32	1,865.59	2,013.70	2,163.41
[250,000 +] [250,000 +m ³] [sewerage] [metered]	£	1,228.05	1,161.07	1,122.30	1,115.56	1,176.59
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	4,336.38	4,540.28	4,690.48	5,022.93	5,389.70
[0 – 500] [0 – 500m ³] [trade effluent] [metered]	£	32.78	32.62	31.53	31.34	31.40
	%	2.5%	2.6%	2.5%	2.5%	2.6%
	£ (r)	40.05	40.80	40.02	40.34	41.42
[500 – 1,000] [500 – 1,000m ³] [trade effluent] [metered]	£	63.04	63.01	59.26	58.90	58.67
	%	2.5%	2.4%	2.4%	2.4%	2.5%
	£ (r)	81.48	82.74	80.59	81.73	83.84
[1,000 – 5,000] [1,000 – 5,000m ³] [trade effluent] [metered]	£	84.54	82.50	77.26	77.62	77.51
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	126.59	128.67	127.35	130.76	135.24
[5,000 – 20,000] [5,000 – 20,000m ³] [trade effluent] [metered]	£	129.06	125.83	117.94	117.23	119.78
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	302.65	314.61	326.21	339.90	359.04
[20,000 – 50,000] [20,000 – 50,000m ³] [trade effluent] [metered]	£	192.98	182.45	176.36	175.30	176.49
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	910.86	969.17	1,035.09	1,091.06	1,171.66
[50,000 – 250,000] [50,000 – 250,000m ³] [trade effluent] [metered]	£	343.24	324.52	302.07	300.26	316.68
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	3,122.23	3,356.82	3,646.63	3,864.68	4,162.21
[250,000 +] [250,000 +m ³] [trade effluent] [metered]	£	1,228.05	1,161.07	1,122.30	1,115.56	1,176.59
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	11,179.4	11,998.4	13,016.8	13,789.4	14,867.9

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
		4	5	2	0	7
[0 – 500 business assessed] [0 – 500m ³] [water] [unmetered]	£	23.02	23.42	26.07	26.10	25.92
	%	2.5%	2.6%	2.8%	2.7%	3.0%
	£ (r)	26.82	27.30	30.28	29.93	30.00
[500 – 1,000 business assessed] [500 – 1,000m ³] [water] [unmetered]	£	45.68	45.15	60.72	62.24	60.67
	%	2.5%	2.5%	2.5%	2.5%	2.4%
	£ (r)	66.51	65.75	80.47	80.79	77.82
[1,000 – 5,000 business assessed] [1,000 – 5,000m ³] [water] [unmetered]	£	61.28	61.15	57.04	57.73	56.54
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	108.04	107.79	101.75	99.32	95.72
[5,000 – 20,000 business assessed] [5,000 – 20,000m ³] [water] [unmetered]	£	94.83	89.66	86.66	86.14	90.86
	%	2.4%	2.5%	2.5%	2.5%	2.3%
	£ (r)	289.37	288.80	273.56	261.80	248.74
[0 – 500 business assessed] [0 – 500m ³] [sewerage] [unmetered]	£	28.53	28.78	27.77	27.59	27.88
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	31.56	31.80	30.77	30.44	30.66
[500 – 1,000 business assessed] [500 – 1,000m ³] [sewerage] [unmetered]	£	61.42	61.85	57.96	57.61	57.56
	%	2.6%	2.4%	2.4%	2.6%	2.5%
	£ (r)	74.58	74.12	69.98	70.16	69.09
[1,000 – 5,000 business assessed] [1,000 – 5,000m ³] [sewerage] [unmetered]	£	84.58	82.73	77.30	77.50	77.55
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	109.82	108.49	102.09	101.78	101.06
[5,000 – 20,000 business assessed] [5,000 – 20,000m ³] [sewerage] [unmetered]	£	125.31	118.48	114.52	113.83	120.06
	%	2.6%	2.7%	2.6%	2.6%	2.5%
	£ (r)	235.24	234.77	223.07	220.53	215.76

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
[Unmeasured RV + fixed] [n/a] [water] [unmetered]	£	23.67	24.04	26.72	26.55	26.73
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	27.25	27.62	30.25	29.95	29.94
[Unmeasured RV + fixed] [n/a] [sewerage] [unmetered]	£	27.68	27.76	26.87	26.64	27.23
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	30.35	30.42	29.48	29.17	29.69

AA2.5 United Utilities

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
1 up to 50 MI Water Unmetered	£	32.29	33.60	35.01	36.61	38.42
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	39.64	41.21	42.90	44.81	46.91
2 Up to 50 MI water metered	£	46.05	45.41	44.90	44.74	44.92
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	65.46	65.56	65.91	66.64	67.66
3 > 50 MI water metered	£	4,947.35	5,045.67	5,116.46	5,119.03	5,055.52
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	11,204.1 4	11,549.3 4	11,906.1 5	12,202.6 1	12,415.7 3
4 Up to 50 MI non-potable water metered	£	35.32	35.36	35.40	35.40	35.37
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	43.88	44.30	44.75	45.20	45.59
5 > 50 MI non-potable water metered	£	16,006.0 8	16,329.0 1	16,561.4 0	16,569.8 6	16,361.3 5
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	29,896.6 0	30,848.1 8	31,766.8 1	32,490.2 3	32,934.6 8

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
6 Up to 50 Ml sewerage unmetered	£	28.51	29.33	30.35	31.91	34.05
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	24.85	25.91	27.18	28.88	31.02
7 Up to 50 Ml sewerage foul metered	£	7.45	7.22	7.05	7.00	7.07
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	16.22	16.28	16.41	16.61	16.84
8 > 50 Ml sewerage foul metered	£	1,677.38	1,713.10	1,738.80	1,739.74	1,716.67
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	2,180.55	2,233.60	2,278.58	2,297.23	2,287.80
9 SWHD metered bands 1 – 7	£	74.35	74.79	75.01	74.78	74.11
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	97.61	99.09	100.37	101.15	101.22
10 SWHD metered bands 8 – 15	£	241.79	241.13	240.26	239.48	238.66
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	1,035.60	1,072.77	1,110.15	1,144.18	1,167.37
11 Up to 50 Ml sewerage TE metered	£	154.81	154.77	154.73	154.73	154.76
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	280.03	284.13	288.86	293.28	296.76
12 > 50 Ml sewerage TE metered	£	5,191.20	5,184.43	5,179.37	5,179.18	5,183.73
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	9,343.49	9,470.43	9,620.13	9,763.26	9,879.17
13 Foul/SWD special agreements	£	1,925.71	1,964.67	1,992.70	1,993.72	1,968.57
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	5,628.07	5,842.20	6,048.77	6,211.74	6,299.44
14 Trade effluent special agreements	£	1,926.27	1,965.21	1,993.24	1,994.26	1,969.11
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	7,263.20	7,379.11	7,545.38	7,676.97	7,782.75

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
15 Water special agreements	£	1,928.38	1,967.27	1,995.26	1,996.28	1,971.17
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	9,840.43	10,201.12	10,596.06	10,973.18	11,296.81

AA2.6 Wessex Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
UM-W; water unmetered	£	15.91	15.80	15.91	15.79	15.64
	%	3.4%	3.4%	3.5%	3.6%	3.7%
	£ (r)	35.22	36.61	38.08	39.66	41.35
UM-S; sewerage unmetered	£	11.91	11.92	11.73	11.72	11.70
	%	2.5%	2.5%	2.5%	2.5%	2.6%
	£ (r)	29.08	30.51	31.94	33.59	35.27
UM-W; water unmetered mixed use	£	25.60	26.14	26.74	27.31	24.46
	%	3.4%	3.3%	3.3%	3.2%	3.8%
	£ (r)	45.31	46.61	47.99	49.34	51.38
UM-S; sewerage unmetered mixed use	£	21.58	22.18	20.57	21.16	21.82
	%	2.5%	2.4%	2.6%	2.6%	2.5%
	£ (r)	39.06	40.37	41.90	43.42	44.98
M-W-0; 0-1 MI water metered	£	19.38	19.27	19.16	19.05	18.96
	%	5.2%	5.2%	5.2%	5.3%	5.3%
	£ (r)	35.74	36.14	36.49	36.87	37.21
M-S-0; 0-1 MI sewerage metered	£	13.77	13.70	13.64	13.55	13.48
	%	6.5%	6.5%	6.4%	6.4%	6.3%
	£ (r)	30.37	30.73	31.02	31.22	31.52

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
M-TE-0; 0-1 MI trade effluent metered	£	20.89	20.31	19.67	19.12	18.58
	%	3.4%	3.5%	3.5%	3.6%	3.7%
	£ (r)	38.97	39.34	39.66	40.00	40.39
M-W-0-MX; 0-1 MI water metered mixed use	£	27.53	27.32	27.19	27.06	26.91
	%	5.1%	5.1%	5.1%	5.1%	5.1%
	£ (r)	43.85	44.19	44.49	44.80	45.08
M-S-0-MX; 0-1 MI sewerage metered mixed use	£	21.87	21.74	21.63	21.51	21.38
	%	6.4%	6.4%	6.3%	6.3%	6.2%
	£ (r)	38.50	38.80	39.03	39.16	39.40
M-W-1; 1-5 MI water metered	£	38.07	38.00	37.61	37.49	37.35
	%	1.8%	1.8%	1.8%	1.8%	1.8%
	£ (r)	115.36	117.75	119.10	121.43	122.51
M-S-1; 1-5 MI sewerage metered	£	31.74	31.81	31.56	31.32	31.06
	%	2.2%	2.2%	2.1%	2.2%	2.1%
	£ (r)	111.06	112.77	115.16	117.81	118.95
M-TE-1; 1-5 MI trade effluent metered	£	41.55	40.52	39.51	42.80	41.73
	%	2.0%	2.0%	2.0%	1.9%	1.9%
	£ (r)	116.67	118.29	120.79	122.77	123.78
M-W-1-MX; 1-5 MI water metered mixed use	£	72.93	72.35	71.74	71.11	70.47
	%	1.8%	1.8%	1.8%	1.8%	1.8%
	£ (r)	149.62	151.70	152.85	154.99	155.91
M-S-1-MX; 1-5 MI sewerage metered mixed use	£	65.57	65.58	64.99	64.91	64.29
	%	2.0%	2.0%	2.0%	2.0%	2.0%
	£ (r)	140.87	142.23	144.37	146.65	147.50

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
M-W-5; 5-25 MI water metered	£	146.04	144.63	143.15	143.74	142.17
	%	0.7%	0.7%	0.7%	0.7%	0.7%
	£ (r)	262.29	264.50	267.70	269.77	273.10
M-S-5; 5-25 MI sewerage metered	£	129.69	128.67	127.57	128.54	127.33
	%	0.9%	0.9%	0.9%	0.9%	0.9%
	£ (r)	266.50	270.17	273.51	275.81	279.89
M-TE-5; 5-25 MI trade effluent metered	£	174.67	170.36	166.09	172.07	167.76
	%	0.5%	0.5%	0.6%	0.5%	0.5%
	£ (r)	285.53	289.27	291.17	292.92	294.72
M-W-5-MX; 5-25 MI water metered mixed use	£	213.25	213.61	213.74	213.76	208.39
	%	0.8%	0.7%	0.7%	0.7%	0.8%
	£ (r)	331.43	333.60	335.78	336.89	340.53
M-S-5-MX; 5-25 MI sewerage metered mixed use	£	170.93	170.69	170.28	169.81	169.23
	%	0.8%	0.8%	0.8%	0.8%	0.8%
	£ (r)	293.82	296.24	298.84	301.19	304.41
M-W-25; 25-50 MI water metered	£	309.31	324.89	316.75	308.85	322.61
	%	0.3%	0.3%	0.3%	0.3%	0.3%
	£ (r)	529.04	537.94	538.86	541.61	546.34
M-S-25; 25-50 MI sewerage metered	£	371.17	362.02	375.01	365.66	356.48
	%	0.4%	0.5%	0.4%	0.4%	0.4%
	£ (r)	604.87	616.95	616.84	619.53	630.54
M-TE-25; 25-50 MI trade effluent metered	£	502.62	527.94	514.72	501.88	489.29
	%	0.3%	0.3%	0.3%	0.3%	0.3%
	£ (r)	733.01	731.37	741.53	744.45	746.19

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
M-W-50; 50-100 MI water metered	£	885.74	905.05	882.37	860.37	876.91
	%	0.3%	0.3%	0.3%	0.3%	0.3%
	£ (r)	1,327.42	1,331.33	1,343.44	1,340.76	1,357.60
M-S-50; 50-100 MI sewerage metered	£	982.50	958.28	934.28	961.59	937.47
	%	0.5%	0.5%	0.5%	0.4%	0.5%
	£ (r)	1,421.98	1,426.28	1,438.78	1,436.70	1,457.51
M-TE-50; 50-100 MI trade effluent metered	£	1,608.40	1,568.75	1,588.27	1,548.66	1,565.73
	%	0.3%	0.4%	0.3%	0.4%	0.3%
	£ (r)	2,052.41	2,050.95	2,066.29	2,063.67	2,069.38
M-W-100; 100-250 MI water metered	£	985.92	961.61	937.52	967.91	943.63
	%	0.1%	0.1%	0.2%	0.1%	0.2%
	£ (r)	1,396.83	1,395.66	1,422.78	1,414.47	1,435.53
M-S-100; 100-250 MI sewerage metered	£	1,206.30	1,176.56	1,235.32	1,204.52	1,174.30
	%	0.3%	0.3%	0.3%	0.3%	0.3%
	£ (r)	1,682.39	1,694.56	1,701.68	1,697.67	1,715.75
M-TE-100; 100-250 MI trade effluent metered	£	1,602.77	1,645.54	1,604.32	1,564.31	1,601.32
	%	0.2%	0.2%	0.2%	0.2%	0.2%
	£ (r)	2,043.37	2,050.31	2,060.79	2,057.51	2,059.34
M-W-250; 250-500 MI water metered	£	927.92	905.05	882.37	860.37	838.79
	%	0.1%	0.1%	0.1%	0.1%	0.1%
	£ (r)	1,327.91	1,323.85	1,361.19	1,356.24	1,377.88
M-S-250; 250-500 MI sewerage metered	£	1,237.23	1,508.41	1,470.62	1,433.95	1,397.98
	%	0.3%	0.2%	0.2%	0.2%	0.2%
	£ (r)	1,878.60	1,869.27	1,875.36	1,867.04	1,879.80

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
M-TE-250; 250-500 MI trade effluent metered	£	1,855.84	1,810.09	1,764.75	1,720.74	1,677.57
	%	0.04%	0.05%	0.05%	0.05%	0.06%
	£ (r)	2,141.90	2,132.91	2,137.35	2,127.62	2,136.23
M-W-500; >500 MI water metered	£	927.92	905.05	882.37	860.37	838.79
	%	0.04%	0.04%	0.04%	0.04%	0.04%
	£ (r)	1,353.60	1,349.39	1,359.19	1,354.24	1,375.90
M-TE-500; >500 MI trade effluent metered	£	1,855.84	1,810.09	1,764.75	1,720.74	1,677.57
	%	0.1%	0.1%	0.1%	0.1%	0.1%
	£ (r)	2,152.59	2,143.50	2,147.95	2,138.27	2,202.31

AA2.7 Yorkshire Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Tariff band 1 ≤50 MI/a water metered	£	29.25	29.33	29.36	29.35	29.36
	%	2.8%	2.9%	2.9%	2.9%	2.9%
	£ (r)	49.14	49.88	50.66	51.46	52.21
Tariff band 2 > 50 ≤ 250 MI/a water metered	£	45.07	43.86	45.34	47.01	46.89
	%	1.3%	1.3%	1.3%	1.3%	1.3%
	£ (r)	1,259.65	1,291.73	1,343.28	1,387.33	1,431.50
Tariff band 3 > 250 MI/a water metered	£	34.81	33.88	58.37	60.51	60.36
	%	1.3%	1.3%	1.3%	1.3%	1.3%
	£ (r)	5,114.45	5,259.28	5,480.78	5,676.34	5,873.58
Tariff band 4 water unmetered	£	19.78	19.80	19.81	19.81	19.86
	%	11.6%	11.6%	11.3%	11.4%	11.4%
	£ (r)	31.91	32.30	32.36	32.85	33.30

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Tariff band 5 ≤50 MI/a sewerage metered	£	31.64	31.74	31.84	31.92	31.93
	%	2.6%	2.6%	2.6%	2.6%	2.6%
	£ (r)	52.79	53.92	55.02	56.14	57.12
Tariff band 6 > 50 ≤ 250 MI/a sewerage metered	£	56.08	54.59	47.02	48.75	48.63
	%	1.3%	1.3%	1.3%	1.3%	1.3%
	£ (r)	1,750.29	1,848.61	1,954.45	2,049.29	2,144.10
Tariff band 7 > 250 MI/a sewerage metered	£	0.00	0.00	0.00	0.00	0.00
	%	1.3%	1.3%	1.3%	1.3%	1.3%
	£ (r)	13,972.99	14,826.53	15,735.31	16,543.73	17,347.00
Tariff band 8 sewerage unmetered	£	19.87	19.99	19.98	19.98	20.00
	%	7.2%	7.1%	6.9%	6.9%	6.8%
	£ (r)	33.12	33.68	34.06	34.64	35.24
Tariff band 9 ≤50 MI/a trade effluent metered	£	25.31	25.74	25.58	25.64	25.57
	%	1.6%	1.6%	1.6%	1.6%	1.6%
	£ (r)	88.36	91.88	92.87	93.27	93.66
Tariff band 10 > 50 ≤ 250 MI/a trade effluent metered	£	26.92	26.20	22.57	23.40	23.34
	%	1.3%	1.3%	1.3%	1.3%	1.3%
	£ (r)	1,913.76	1,930.71	1,947.65	1,946.97	1,943.39
Tariff band 11 > 250 MI/a trade effluent metered	£	0.00	0.00	0.00	0.00	0.00
	%	1.3%	1.3%	1.3%	1.3%	1.3%
	£ (r)	7,709.31	7,826.80	7,950.89	8,002.40	8,043.46

AA2.8 Bristol Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Band A – 250 MI+	£	1,832.61	1,773.95	1,682.26	1,687.13	1,691.92
	%	2.0%	2.0%	2.1%	2.2%	2.2%
	£ (r)	7,686.67	8,078.61	8,525.74	8,947.18	9,426.88
Band B – 100-250 MI	£	964.93	939.11	898.74	900.89	903.00
	%	1.9%	1.9%	2.0%	2.1%	2.1%
	£ (r)	3,673.43	3,853.30	4,058.39	4,250.26	4,468.84
Band C – 50-100 MI	£	728.48	724.24	717.62	717.97	718.31
	%	1.9%	1.9%	2.0%	2.1%	2.1%
	£ (r)	2,033.97	2,121.84	2,223.12	2,307.67	2,404.52
Band D – 15-50 MI	£	470.52	475.37	482.95	482.55	482.15
	%	2.0%	2.1%	2.1%	2.1%	2.2%
	£ (r)	971.20	1,006.11	1,047.21	1,073.79	1,104.66
Band E 5-15 MI	£	195.89	190.68	182.54	182.97	183.40
	%	2.1%	2.1%	2.1%	2.2%	2.2%
	£ (r)	361.96	366.23	369.29	378.08	388.21
Band F – 1-5 MI	£	47.74	45.22	41.28	41.49	41.70
	%	1.7%	1.8%	1.8%	1.8%	1.8%
	£ (r)	85.30	84.97	83.80	85.91	88.32
Band G – 0-1 MI	£	22.95	23.27	23.77	23.75	23.72
	%	4.2%	4.0%	3.8%	3.7%	3.7%
	£ (r)	31.83	32.20	32.57	32.61	32.70
Band U	£	6.92	7.13	7.46	7.44	7.42
	%	2.9%	4.7%	4.3%	4.2%	4.1%
	£ (r)	9.26	9.46	9.67	9.64	9.62

AA2.9 Dee Valley Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Non-household unmeasured	£	12.19	11.35	10.51	9.66	9.66
	%	1.0%	1.0%	1.0%	1.0%	1.0%
	£ (r)	14.56	13.81	13.10	12.37	12.44
Non-household measured	£	44.17	41.12	38.07	35.01	35.01
	%	1.0%	1.0%	1.0%	1.0%	1.0%
	£ (r)	50.13	47.27	44.45	41.64	41.91
Measured untreated	£	915.25	851.98	788.71	725.43	725.43
	%	1.0%	1.0%	1.0%	1.0%	1.0%
	£ (r)	1,039.97	981.38	922.35	864.24	869.98
Large user	£	926.82	906.31	887.29	883.77	886.49
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	8,606.47	8,914.80	9,257.72	9,620.01	10,016.34
Non-household measured (greater than 50 MI)	£	536.97	532.99	524.24	524.07	519.25
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	2,582.33	2,661.33	2,749.93	2,848.63	2,945.11

AA2.10 Portsmouth Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Water unmeasured non-household	£	15.43	15.49	15.53	15.54	15.51
	%	2.5%	2.5%	2.4%	2.3%	2.3%
	£ (r)	20.53	20.72	20.75	20.76	20.96
Water measured non-household < 10 MI	£	19.35	19.40	19.17	19.08	19.07
	%	2.4%	2.4%	2.4%	2.4%	2.4%
	£ (r)	28.11	28.38	28.35	28.44	28.56

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Water measured non-household > 10 MI and < 50 MI	£	39.22	39.22	39.22	39.22	39.22
	%	2.8%	2.8%	2.8%	2.8%	2.9%
	£ (r)	375.52	387.79	400.61	412.61	424.46
Water measured non-household > 50 MI	£	35.71	35.71	35.71	35.71	35.71
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	1,948.20	1,975.83	2,010.36	2,058.83	2,103.88

AA2.11 Sembcorp Bournemouth Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Domestic commercials 0 to 750 m ³ /a water metered	£	17.43	17.02	16.46	16.02	15.25
	%	1.4%	1.4%	1.4%	1.3%	1.4%
	£ (r)	19.46	19.10	18.59	18.10	17.38
Small commercials 750 to 2000 m ³ /a water metered	£	16.84	16.83	16.08	15.85	15.08
	%	1.9%	1.9%	1.9%	1.9%	1.9%
	£ (r)	42.72	43.29	43.49	43.30	43.28
Small medium commercials 2000 to 4000 m ³ /a water metered	£	22.53	20.27	20.24	19.50	19.54
	%	4.3%	4.3%	4.3%	4.3%	4.3%
	£ (r)	161.01	165.23	168.15	168.79	171.51
Large medium commercials 4000 to 10000 m ³ /a water metered	£	133.02	129.24	125.39	123.93	120.14
	%	4.3%	4.3%	4.3%	4.3%	4.3%
	£ (r)	444.07	451.97	456.19	455.62	458.05
High commercials 10000 to 50,000 m ³ /a water metered	£	156.72	156.61	144.39	143.47	143.72
	%	3.8%	3.8%	3.8%	3.8%	3.8%
	£ (r)	877.83	899.43	913.09	915.43	927.76

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Very high commercials>50,000m ³ /a water metered	£	655.09	643.54	627.36	611.72	585.86
	%	1.7%	1.7%	1.7%	1.7%	1.7%
	£ (r)	2,071.49	2,108.27	2,126.71	2,123.20	2,132.87
Special agreement – water metered	£	3,857.70	3,854.99	2,887.75	3,130.33	3,135.75
	%	1.6%	1.6%	1.6%	1.6%	1.6%
	£ (r)	74,504.54	73,346.46	75,423.46	75,820.94	77,999.41
Domestic commercials unmetered	£	17.36	17.00	16.58	16.16	15.47
	%	0.7%	0.7%	0.7%	0.7%	0.7%
	£ (r)	19.77	19.53	19.17	18.77	18.14

AA2.12 South East Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
[over 250 Mla] [water] [metered/unmetered]	£	138.22	136.68	134.70	132.39	130.67
	%	2.3%	2.3%	2.3%	2.3%	2.3%
	£ (r)	12,570.57	13,020.24	13,378.54	13,963.23	14,481.32
[50-250 Mla] [water] [metered]	£	148.33	146.69	144.55	142.08	140.24
	%	2.3%	2.3%	2.3%	2.3%	2.3%
	£ (r)	2,720.80	2,812.38	2,884.66	3,003.48	3,109.03
[10-50 Mla] [water] [metered]	£	77.40	76.54	75.43	74.14	73.18
	%	2.3%	2.3%	2.3%	2.3%	2.3%
	£ (r)	623.74	642.62	657.27	681.67	703.45
[5-10 Mla] [water] [metered]	£	72.56	71.76	70.72	69.51	68.60
	%	2.3%	2.3%	2.3%	2.3%	2.3%
	£ (r)	287.99	294.92	300.04	308.90	316.92

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
[0-5 Mla] [water] [metered]	£	38.13	37.60	36.94	36.23	35.64
	%	2.8%	2.8%	2.8%	2.7%	2.7%
	£ (r)	52.50	52.36	52.07	51.85	51.75
[water] [unmetered]	£	32.79	32.40	31.89	31.33	30.88
	%	0.6%	0.7%	0.7%	0.7%	0.7%
	£ (r)	35.43	35.45	34.99	34.59	34.32

AA2.13 South Staffordshire Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Unmeasured – South Staffs region	£	51.95	49.46	48.25	47.18	46.53
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	60.77	57.99	56.82	55.74	55.08
Measured <50 MI/yr – South Staffs region	£	50.37	48.96	47.51	46.20	45.30
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	63.53	61.95	60.56	59.23	58.30
Medium user >=50 MI/yr – South Staffs region	£	87.60	86.36	85.10	83.98	83.31
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	1,400.24	1,372.84	1,360.70	1,344.89	1,318.54
Large user up to 350 MI/yr – South Staffs region	£	87.60	86.36	85.10	83.98	83.31
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	5,023.62	5,289.50	5,372.82	5,448.84	5,526.10
Large user over 350 MI/yr – South Staffs region	£	87.60	86.36	85.10	83.98	83.31
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	14,392.28	14,492.51	14,495.14	14,314.56	13,996.76

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Measured \geq 150 Ml/yr – Cambridge region	£	28.18	27.90	28.10	27.97	27.98
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	7,960.86	8,222.33	8,190.50	8,125.60	7,992.30
Measured <150 Ml/yr – Cambridge region	£	23.08	22.70	22.81	22.59	22.51
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	39.31	39.38	39.41	39.04	38.73
Unmeasured BRV – Cambridge region	£	21.78	22.65	24.14	25.43	27.05
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	28.36	29.44	30.96	32.25	33.85
Unmeasured student rooms – Cambridge region	£	21.78	21.50	21.70	21.57	21.58
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	42.67	42.57	42.88	42.79	42.73
Unmeasured zero RV – Cambridge region	£	21.78	21.50	21.70	21.57	21.58
	%	2.5%	2.5%	2.5%	2.5%	2.5%
	£ (r)	22.68	22.58	22.70	22.49	22.40

AA2.14 Sutton & East Surrey Water

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Northern area unmeasured	£	13.84	14.18	14.52	14.75	14.91
	%	2.3%	2.4%	2.5%	2.6%	2.6%
	£ (r)	16.53	17.02	17.57	18.01	18.21
Northern area standard user metered	£	26.20	26.45	26.71	26.82	26.87
	%	2.3%	2.4%	2.5%	2.6%	2.6%
	£ (r)	39.64	40.60	41.92	43.12	43.40

Customer type	Units	2015-16	2016-17	2017-18	2018-19	2019-20
Northern area mid user metered	£	433.27	430.39	428.02	424.19	420.38
	%	3.5%	3.0%	2.5%	2.0%	2.0%
	£ (r)	1,017.78	940.64	860.03	775.91	778.90
Northern area high user metered	£	480.01	476.78	474.12	469.86	465.61
	%	3.5%	3.0%	2.5%	2.0%	2.0%
	£ (r)	2,328.95	2,067.01	1,832.72	1,583.36	1,595.96
Southern area unmeasured	£	17.74	18.18	18.62	18.91	19.11
	%	2.3%	2.4%	2.5%	2.6%	2.6%
	£ (r)	21.19	21.81	22.52	23.08	23.35
Southern area standard user metered	£	33.59	33.91	34.24	34.38	34.44
	%	2.3%	2.4%	2.5%	2.6%	2.6%
	£ (r)	50.81	52.04	53.74	55.27	55.63
Southern area mid user metered	£	555.38	551.69	548.65	543.75	538.85
	%	3.5%	3.0%	2.5%	2.0%	2.0%
	£ (r)	1,304.62	1,205.75	1,102.42	994.59	998.42
Southern area high user metered	£	615.29	611.16	607.75	602.28	596.84
	%	3.5%	3.0%	2.5%	2.0%	2.0%
	£ (r)	2,985.33	2,649.56	2,349.25	2,029.60	2,045.76
Special agreement 1 metered	£	3,421.34	3,395.88	3,374.51	3,342.10	3,310.18
	%	3.5%	3.0%	2.5%	2.0%	2.0%
	£ (r)	20,010.25	17,918.17	15,772.55	13,512.66	13,753.24
Special agreement 2 metered	£	47.61	47.76	47.95	47.90	47.78
	%	2.3%	2.4%	2.5%	2.6%	2.6%
	£ (r)	206.51	218.03	230.75	243.84	249.02

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