

Portsmouth Water

Statement of significant changes to bills 2021/22

11 January 2021

The Board of Portsmouth Water has assessed the effects that its 2021/22 charges have on customers' bills, assuming no change in demand, for a range of different customer types

The Board can confirm that no group of customers will experience an increase in bills (both wholesale and retail) greater than 5% as a result of the proposed price changes. 33 groups of customer have been reviewed, including the average in a class and an upper and lower customer in the class as required by Ofwat guidelines.

Specifically, with the November 2020 Consumer Price Index (excluding housing) resulting in an inflation rate of 0.6%, we confirm that the resultant price increases for any class of customer are no greater than 4%.

Table 1 below shows the impact of the price changes on our household customers. We have selected 15 "typical" customers to illustrate how the price changes affect different customers. The range of price increases is from 2.66% - 3.93%.

The first 7 illustrations listed relate to customers without a meter. They will pay in relation to the rateable value of their property, a fixed licence charge (typically for properties built between 1990 and 2005), a minimum charge (where the rateable value is below £135) or assessed charges where meters cannot be installed for customers.

For customers with a meter we have selected a low metered user, equating to 50 m3 per annum, an average user at 90 m3 and a high user at 150 m3 per annum. Further, we differentiate by size of the supply, typically new homes, with similar usage assumptions.

Finally we show how the WaterSure and Social Tariffs will change in the year.

		2020/21	2021/22		
	m3 per annum	Total bill (£)	Total bill (£)	Variance (£)	Variance (%)
Unmeasured Household RV £150		80.89	83.31	2.42	3.00%
Unmeasured Household RV £220		106.93	110.57	3.64	3.40%
Unmeasured Household RV £300		136.69	141.71	5.02	3.67%
Licence Charge		106.93	110.57	3.63	3.40%
Minimum Charge		75.75	77.76	2.01	2.66%
Assessed Charge 1		65.97	67.79	1.82	2.76%
Assessed Charge 2		93.67	96.63	2.96	3.16%
Measured Household 0.5" meter	50	62.26	64.03	1.77	2.84%
Measured Household 0.5" meter	90	91.42	94.29	2.87	3.14%

Measured Household 0.5" meter	150	135.16	139.70	4.53	3.35%
Measured Household 0.75" meter	60	73.44	75.77	2.34	3.18%
Measured Household 0.75" meter	90	95.31	98.47	3.17	3.32%
Measured Household 0.75 meter	120	117.18	121.18	4.00	3.41%
Watersure Tariff		100.34	104.29	3.95	3.93%
Social Tariff		75.75	77.76	2.01	2.66%

As the Company is no longer a retailer to non-household customers, we present below the impact of the changes to our wholesale charges for 2021/22. We have selected 18 "typical" non-household customers to illustrate how the price changes affect different customers. The range of price increases is from 2.34% - 3.99%.

The first 5 listed relate to customers without a meter. They may pay in relation to the rateable value of their property, a fixed licence charge (typically for properties built between 1990 and 2005) or a minimum charge (where the rateable value is below £135).

For customers with a meter we have three different consumption charges relating to the total volume of water taken in the year. The three charges are for those using less than 10,000m³ (10MI) per annum, for those using more than 10,000 but less than 50,000 m³ (50 MI) pa and those using more than 50,000 m³ pa. Different standing charges also apply depending on the size of the meter assumed in the illustration.

Table 2 - Non-Household Bills

		2020/21	2021/22		
	m3 per annum	Bill (£)	Bill (£)	Variance (£)	Variance (%)
Unmeasured Non-Household RV £170		73.83	75.56	1.73	2.34%
Unmeasured Non-Household RV £500		195.27	201.90	6.63	3.39%
Unmeasured Non-Household RV £800		305.67	316.75	11.08	3.63%
Licence Charge		90.90	93.72	2.82	3.10%
Minimum Charge		59.88	61.93	2.05	3.42%
Measured Non-HH <10MI 0.5" meter	266	199.79	207.26	7.47	3.74%
Measured Non-HH <10MI 0.75" meter	375	282.32	292.74	10.42	3.69%
Measured Non-HH <10MI 1.5" meter	5000	3,734.19	3,882.96	148.76	3.98%
Measured Non-HH <10MI 0.5" meter	100	80.43	83.31	2.88	3.58%
Measured Non-HH >10MI and <50MI 0.75"	10000	7,203.04	7,479.52	276.49	3.84%
Measured Non-HH >10MI and <50MI 1.0"	18000	12,838.09	13,331.72	493.63	3.85%
Measured Non-HH >10MI and <50MI 2.0"	20000	14,347.70	14,903.06	555.36	3.87%
Measured Non-HH >10MI and <50MI 4.0"	21000	15,534.98	16,154.08	619.10	3.99%

Measured Non-HH >10MI and <50MI 4.0"	40000	28,797.64	29,921.15	1,123.50	3.90%
Measured Non-HH >50MI 0.75"	95000	61,687.60	64,024.83	2,337.23	3.79%
Measured Non-HH >50MI 0.5" & 3.0"	130000	82,794.45	85,937.49	3,143.03	3.80%
Measured Non-HH >50MI 0.5" & 8.0"	145000	93,915.52	97,564.74	3,649.22	3.89%
Measured Non-HH >50MI 0.75" & 12.0"	250000	159,841.96	166,112.43	6,270.48	3.92%

This statement will be published on our website on 11 January 2021 and sent to Ofwat at the same time.

On behalf of the Board.



Michael Coffin
Non-Executive Director and chair of the Audit Committee



Helen Orton
Finance and Regulation Director

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