

Board Assurance Statement

2016/17 Scheme of Charges

The Board has considered the 2016/17 Scheme of charges at meetings held on 3 December 2015 and 11 January 2016. The Board considered relevant supporting materials and made appropriate enquiries of the Executive team, in particular the Regulation and Strategy Director, and of KPMG (James Ledward) who had been engaged to provide external assurance.

Having made reasonable and relevant enquiries the Board is able to confirm that, to the best of our understanding, Dwr Cymru's customer charges comply with the company's legal obligations under the Water Industry Act 1991 (as modified) and other relevant legislation.

We can confirm that appropriate steps have been taken to ensure that the information on which the Charges Scheme is based is generally accurate within reasonable levels of tolerance. The Charges Scheme and the required additional information have been prepared by experienced staff using appropriate processes and internal systems of control and have accordingly been prepared to a standard that could be reasonably expected of a diligent undertaker.

Having reviewed the 'Charges scheme rules issued by the Water Services Regulation Authority under sections 143(6A) and 143B of the Water Industry Act 1991' published on 17 November 2015 and Ofwat's Information Notice IN15/15, we are of the opinion that our charges are consistent with these requirements.

The Board has been given relevant information on the effects the new charges have on customer bills for a range of different customer types, and can confirm that the only customers that will be subject to bill increases exceeding 5% are those paying the Welsh Water Assist (WWA) affordability tariff. This is a result of the transition plan, approved last year, for WWA to be phased out between 1 April 2015 and 31 March 2018. In accordance with the company's ethos of supporting customers who struggle to pay, the company is working closely with the Consumer Council for Water (CCWater) and other stakeholders to ensure that all current WWA customers are transitioned to a tariff that best meets their needs. The range of assistance available includes the new social tariffs which were introduced on 1 April 2015. In accordance with the information requirements annexed to the charges rules we have approved and published alongside this assurance statement a 'Statement of significant changes' which includes the handling strategy for these customer types.

The company has consulted CCWater in a timely and effective manner in respect of the charges scheme.



Robert Ayling
Chairman

On behalf of the Board
11 January 2016