

## Statement of significant changes

This statement has been completed in accordance the information requirements of the Charges scheme rules published on 17 November 2015.



### Significant bill increases

a) Confirmation of whether the undertaker is expecting there to be any bill increases of more than 5% from the previous year (for a given customer type assuming a constant level of consumption) and, if such increases are expected:

- what size increase is expected;
- which customer types are likely to be affected; and
- the handling strategies adopted by the company or why the company considered that no handling strategies are required.

The change in end bill arising from the Scheme of charges 2016/17, assuming constant level of consumption, has been reviewed by the Board.

The Board takes its responsibilities to vulnerable and disadvantaged customers very seriously and is leading the industry in its expansion of Welsh Water's social tariff provision. The company strives to proactively ensure that customers are charged the most appropriate tariff for their needs and any significant bill increases are managed via transition plans to mitigate the impact over an appropriate time period. These transition plans, formulated after consultation with Ofwat, Welsh Government and CCWater, are routinely monitored and implementation can be flexed to deliver the right outcome for those affected customers.

The only customers where a significant increase has been forecast are part of the transition plan for managing the transition from the previous main affordability-related tariff Welsh Water Assist (WWA) to new social tariffs that was developed and submitted as part of the Charging Scheme assurance process for the Scheme of Charges 2015/16. There will be different impacts depending on whether the WWA customer is metered or not as there are different 'glide-paths' to transition unmeasured customers and measured customers as shown in the table below.

Customer type	2015/16 bill	2016/17 bill	Size of increase expected	
WWA unmeasured transition	£275	£378	£103	37%
WWA measured transition	£275	£305	£30	11%

An impact assessment was undertaken on the effects of the removal of the WWA from 31st March 2015 during the development of the Scheme of Charges 2015/16. As a result, it was recognised that there could be a very large increase for some customers if this change was introduced over a single year. Working with CCWater, a transition plan was developed to mitigate this. This plan was submitted as part of the approvals process last year. It has been reviewed and is considered to remain appropriate.

The strategy adopted by the company to handle the transition plan identified from the impact assessment is summarised in Section 3 below.

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## Changes in charging policy

(b) Details of any significant changes in charging policy by the company from the previous year.

We confirm that there have been no changes in charging policy from last year.

3

## Handling strategy for Welsh Water Assist customers

Welsh Water's goal is to earn the trust of its customers, and one way of achieving this is by being open and honest with them at all times. This underpins the approach to the handling strategy which has been developed to ensure that the Welsh Water Assist (WWA) customers are placed on the best tariff for them as quickly as possible.

While the WWA tariff is being phased out customers will have three options:

- Switch to our new 'HelpU' assistance tariff which WWA customers can qualify for on grounds of low total household income;
- Switch to WaterSure Wales which is available for WWA customers who have a meter; or
- Revert to their standard tariff.

To avoid any unnecessary customer anxiety, we will proactively transfer customers to the tariff that is most appropriate to their needs. The handling strategy that has been put in place for each of the three options is:

### **'HelpU' assistance tariff**

We are identifying WWA customers who would qualify for the tariff. Customers who would benefit from switching will be automatically switched and contacted to let them know of the change.

### **WaterSure Wales**

All WWA customers will be transferred to WaterSure Wales by 2018/19 in line with the transition plan. WWA customers who are not metered currently will be contacted and proactively encouraged to consent to have a meter fitted. They will be provided with the information that will help them make an informed decision about having a meter installed and every assistance will be provided to facilitate the application. Any communication will recognise that we cannot compulsorily meter households.

WWA customers who do not qualify for HelpU and who tell us they do not agree to have a meter fitted will revert back to the standard unmeasured tariffs that they were on before they switched to WWA. This could be a significant bill increase for some customers and one of the main drivers for the transition plan. We will take all necessary action to ensure that customers who would benefit from switching to either the HelpU or Watersure Wales tariffs do so.

Progress of the handling strategy is reviewed regularly by the leadership team of the Retail business.