



South Staffs Water



# Access Prices

For the South Staffs region

October 2014



## **SOUTH STAFFS WATER ACCESS PRICING (Issued 15 October 2014)**

These tariffs apply to the South Staffs region of South Staffs Water. There is a separate Access Code and Tariffs for the Cambridge Water region, which can be found on their website:

<http://www.cambridge-water.co.uk/home/competition>

### Indicative access prices

The approach taken uses the Wholesale tariffs that the company (SST) will charge customers and adds the retail costs that would be incurred serving that WSL holder.

For the combined tariff we then deduct the costs of water resources, raw water distribution and water treatment.

The following indicative access prices have been calculated based on the following:

- the company has one water resource zone.
- indicative prices are shown for the following volumes of water used by the customer; 5MI, 25MI, 50MI and 500MI/year.
- both wholesale (i.e. WSL performs the retail function) and combined supply prices (i.e. the WSL also provides the water) are shown.
- prices are shown for each of the five years from 2014/15 to 2018/19. The price increase for 2015/16 onwards is indicative only as the price period for then onwards will not be known until December 2014.

## Indicative Wholesale Prices

The company's indicative wholesale prices for the years 2014/15 to 2018/19 are as follows:

			2014/15	2015/16	2016/17	2017/18	2018/19
Company specific K		%	-0.6%	0.0%	0.0%	0.0%	0.0%
For <b>5 MI</b> per annum							
	Retail price	£/m <sup>3</sup>	1.1186	1.0506	1.0506	1.0506	1.0506
Payment in arrears	Wholesale price - first customer	£/m <sup>3</sup>	1.1107	1.0427	1.0427	1.0427	1.0427
	Wholesale discount - first customer	£/m <sup>3</sup>	0.0079	0.0079	0.0079	0.0079	0.0079
	Wholesale discount - second customer with same licensee	£/m <sup>3</sup>	0.0093	0.0093	0.0093	0.0093	0.0093
Payment in advance	Wholesale price - first customer	£/m <sup>3</sup>	1.1062	1.0382	1.0382	1.0382	1.0382
	Wholesale discount - first customer	£/m <sup>3</sup>	0.0124	0.0124	0.0124	0.0124	0.0124
	Wholesale discount - second customer with same licensee	£/m <sup>3</sup>	0.0138	0.0138	0.0138	0.0138	0.0138
For <b>25 MI</b> per annum							
	Retail price	£/m <sup>3</sup>	1.1065	1.0316	1.0316	1.0316	1.0316
Payment in arrears	Wholesale price - first customer	£/m <sup>3</sup>	1.1002	1.0253	1.0253	1.0253	1.0253
	Wholesale discount - first customer	£/m <sup>3</sup>	0.0063	0.0063	0.0063	0.0063	0.0063
	Wholesale discount - second customer with same licensee	£/m <sup>3</sup>	0.0066	0.0066	0.0066	0.0066	0.0066
Payment in advance	Wholesale price - first customer	£/m <sup>3</sup>	1.0975	1.0225	1.0225	1.0225	1.0225
	Wholesale discount - first customer	£/m <sup>3</sup>	0.0091	0.0091	0.0091	0.0091	0.0091
	Wholesale discount - second customer with same licensee	£/m <sup>3</sup>	0.0094	0.0094	0.0094	0.0094	0.0094
For <b>50 MI</b> per annum							
	Retail price	£/m <sup>3</sup>	1.0806	1.0184	1.0184	1.0184	1.0184
Payment in arrears	Wholesale price - first customer	£/m <sup>3</sup>	1.0779	1.0157	1.0157	1.0157	1.0157
	Wholesale discount - first customer	£/m <sup>3</sup>	0.0027	0.0027	0.0027	0.0027	0.0027
	Wholesale discount - second customer with same licensee	£/m <sup>3</sup>	0.0028	0.0028	0.0028	0.0028	0.0028
Payment in advance	Wholesale price - first customer	£/m <sup>3</sup>	1.0754	1.0132	1.0132	1.0132	1.0132
	Wholesale discount - first customer	£/m <sup>3</sup>	0.0052	0.0052	0.0052	0.0052	0.0052
	Wholesale discount -	£/m <sup>3</sup>	0.0053	0.0053	0.0053	0.0053	0.0053

		2014/15	2015/16	2016/17	2017/18	2018/19
second customer with same licensee						
For <b>500 MI</b> per annum						
	Retail price	£/m <sup>3</sup>	0.6216	0.6156	0.6156	0.6156
Payment in arrears	Wholesale price - first customer	£/m <sup>3</sup>	0.6147	0.6087	0.6087	0.6087
	Wholesale discount - first customer	£/m <sup>3</sup>	0.0068	0.0068	0.0068	0.0068
	Wholesale discount - second customer with same licensee	£/m <sup>3</sup>	0.0069	0.0069	0.0069	0.0069
Payment in advance	Wholesale price - first customer	£/m <sup>3</sup>	0.6133	0.6073	0.6073	0.6073
	Wholesale discount - first customer	£/m <sup>3</sup>	0.0083	0.0083	0.0083	0.0083
	Wholesale discount - second customer with same licensee	£/m <sup>3</sup>	0.0083	0.0083	0.0083	0.0083
Price Base: 2015/16						

Indicative wholesale prices have been calculated by adopting the following assumptions:

1. Current meter reading and billing frequency is 12 times a year (monthly) for all customers at or over 50 MI/year.
2. Two reads are taken per year for each customer of the Licensee.
3. Twelve bills are issued per year to a new Licensee, irrespective of the number of customers a Licensee has.
4. Water Regulation Byelaws do not constitute water efficiency advice, and it is assumed the company continues this enforcement.
5. It is assumed that customer contact will continue at the current level.
6. No allowance is made for any capital maintenance charges that may emerge, e.g. costs arising should the company's GIS or billing system need system development.

## **Indicative Combined Supply Prices**

The company's combined supply calculations focus on the position under critical period (peak week). This is typically the focus of any Supply Demand Balance (SDB) investment. In the company's latest Water Resources Management Plan, headroom is managed throughout the period and therefore no intervention is required.

The company's indicative combined supply prices for the years 2014/15 to 2018/19 are as follows:

<b>Access start date</b>		<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Forecast supply surplus without licensee's water or water undertaker's investment	MI/d	45.75	45.92	39.14	34.16	33.66
Company specific K	%	-0.6%	0.0%	0.0%	0.0%	0.0%
<b>5 MI per yr</b>						
Retail price	£/m <sup>3</sup>	1.1186	1.0506	1.0506	1.0506	1.0506
Combined supply discount - arrears	£/m <sup>3</sup>	0.2268	0.2268	0.2268	0.2268	0.2268
Combined supply discount - advance	£/m <sup>3</sup>	0.2312	0.2312	0.2312	0.2312	0.2312
Supply surplus with licensee's water and water undertaker's revised investment plan	MI/d	45.76	45.93	39.15	34.17	33.67
<b>25 MI per yr</b>						
Retail price	£/m <sup>3</sup>	1.1065	1.0316	1.0316	1.0316	1.0316
Combined supply discount - arrears	£/m <sup>3</sup>	0.2252	0.2252	0.2252	0.2252	0.2252
Combined supply discount - advance	£/m <sup>3</sup>	0.2279	0.2279	0.2279	0.2279	0.2279
Supply surplus with licensee's water and water undertaker's revised investment plan	MI/d	45.82	45.99	39.21	34.23	33.73
<b>50 MI per yr</b>						
Retail price	£/m <sup>3</sup>	1.0806	1.0184	1.0184	1.0184	1.0184
Combined supply discount - arrears	£/m <sup>3</sup>	0.2215	0.2215	0.2215	0.2215	0.2215
Combined supply discount - advance	£/m <sup>3</sup>	0.2240	0.2240	0.2240	0.2240	0.2240
Supply surplus with licensee's water and water undertaker's revised investment plan	MI/d	45.89	46.06	39.28	34.30	33.80
<b>500 MI per yr</b>						
Retail price	£/m <sup>3</sup>	0.6216	0.6156	0.6156	0.6156	0.6156
Combined supply discount - arrears	£/m <sup>3</sup>	0.2257	0.2257	0.2257	0.2257	0.2257
Combined supply discount - advance	£/m <sup>3</sup>	0.2271	0.2271	0.2271	0.2271	0.2271
Supply surplus with licensee's water and water undertaker's revised investment plan	MI/d	47.12	47.29	40.51	35.53	35.03
Price Base: 2015/16						
SST only has one WRZ and one tariff area						

## Case specific access prices

Case-specific access prices can only be calculated in response to a full application for access. In calculating case-specific access prices the company will follow WIA91.

The assumptions outlined in the indicative price calculations above may need to be amended for case-specific enquires. Hence there is likely to be differences between case –specific enquires and the indicative access prices that are presented in this Access Code.

## Water Resource Zone Information

South Staffs Water does not need to augment its resource and so no deferral of CAPEX is achieved from a combined supply licensee serving our customers. South Staffs Water only has one supply zone. Below is a table of the supply situation for the next 25 years from 2014/15.

<b>Year</b>	<b>Surplus MI/d</b>	<b>Year</b>	<b>Surplus MI/d</b>
2014/15	45.75	2026/27	28.18
2015/16	45.92	2027/28	27.34
2016/17	39.14	2028/29	26.69
2017/18	34.16	2029/30	25.10
2018/19	33.66	2030/31	25.08
2019/20	32.32	2031/32	24.71
2020/21	31.43	2032/33	24.04
2021/22	31.14	2033/34	22.92
2022/23	30.60	2034/35	22.21
2023/24	29.76	2035/36	21.47
2024/25	28.99	2036/37	20.44
2025/26	28.51	2037/38	19.66
		2038/39	18.87

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