



'Happy Tree - Full Moon Party' Created by Mary Price

## Bristol Water Statement of Significant Changes in Wholesale Charges for 2021/22

Section A2 of Ofwat's Wholesale Charging Rules requires Bristol Water no later than six months before publishing our final Wholesale Charges (which will be on or before 13 January 2021) to publish a statement of inform stakeholders of any significant changes to the scope of primary wholesale changes that we are considering making.

We do not propose making any significant changes to the scope of primary wholesale charges for 2021/22. We have not identified any specific elements of our primary wholesale charges that require amendment in scope. At our most recent engagement day for business market retailers in November 2019 no concerns were raised about our existing wholesale charges. The feedback from retailers was that our wholesale charges were relatively straightforward in design and easy to understand.

We introduced new tariffs for New Appointment and Variation (NAV) water undertakers for 2019/20 and based on experience to date do not believe the scope of these charges needs to change for 2021/22. Retailers and NAVs are also interested in our charging arrangements for new connections (developer services) charges. These charges are not within the required scope of this statement in the wholesale charging rules but we have included them for completeness. We do not currently expect our approach to infrastructure and connection charges to change significantly for 2021/22, but this could be affected by the outcome of Ofwat's recent consultation on new connection charging rules.

We will publish our indicative wholesale charges by 13 October 2020, which will set out the indicative level of proposed charges for 2021/22, and any anticipation of significant changes to the level of these charges from 2020/21. These will be based on the revenues allowed in the PR19 Final Determination, which was published on 16 December 2019. Bristol Water asked Ofwat to refer the Final Determination to the Competition and Markets Authority (CMA), which will redetermine the wholesale revenue allowance for the period 2020-25. The CMA intends to provide a Final Determination in December 2020, which will be used to set tariffs for 2021/22. In the event that the CMA is not able to provide a Final Determination in time for charges in 2021/22, it will take effect on charges from 2022/23.

Although we do not believe that the outcome of the CMA Final Determination will significantly affect the scope of our primary wholesale charges, the level of our indicative charges may be subject to greater uncertainty than usual due to this publication being in advance of the conclusion of the CMA process and finalisation of our revenue allowance for 2021/22.