



## **Indicative wholesale charges for businesses from April 2023**

---

*October 2022*

Contents

- 1. About this document..... 3
  - 1.1. Introduction ..... 3
  - 1.2. Definitions used in this document ..... 3
  - 1.3. Other charges ..... 4
- 2. Indicative wholesale charges for water..... 4
- 3. About wholesale charges for water..... 8
  - 3.1. Unmeasured wholesale water charges ..... 8
  - 3.2. Measured wholesale water charges ..... 8
  - 3.3. Assessed volume charge..... 9
  - 3.4. Value Added Tax (VAT) ..... 10
- 4. Board assurance of indicative wholesale charges..... 10

Contact us

Our wholesale services desk can be contacted on:

<b>Email</b>	<a href="mailto:wholesaleservicedesk@seswater.co.uk">wholesaleservicedesk@seswater.co.uk</a>
<b>Phone</b>	01737 772000 (option 4) Monday to Thursday: 8:30am to 5:00pm Friday: 8.30am to 4.30pm
<b>Website</b>	<a href="http://www.seswater.co.uk">www.seswater.co.uk</a>
<b>Twitter</b>	@SESWater
<b>Address</b>	SES Water London Road Redhill RH1 1LJ

If you have a query about wastewater please contact the wastewater service provider:

<b>Thames Water</b>	<a href="mailto:wholesalemarketservices@thameswater.co.uk">wholesalemarketservices@thameswater.co.uk</a>
<b>Southern Water</b>	<a href="mailto:wholesaleservices@southernwater.co.uk">wholesaleservices@southernwater.co.uk</a>

## 1. About this document

### 1.1. Introduction

This document explains our indicative charges for Wholesale Services from 1 April 2023. These charges should be viewed as indicative and final charges may be different. Final charges will be published in early January 2023.

Since April 2017 businesses, charities and public sector organisations that are eligible have been able to switch retailer. Charges for Wholesale Services are paid by retailers to wholesalers for the abstraction, treatment and transportation of water from source to the customer tap. The charges outlined in this document are therefore relevant only to retailers. If you are a business please talk to your retailer about the charges that you will pay. If you are a household customer please see our website for information about your bill and charges which also includes a charge for Retail Services.

### 1.2. Definitions used in this document

For the purposes of this charges scheme the following definitions apply:

Term	Definition
Billing year	1 April to 31 March.
Company	SES Water.
Connection	Connection of a water service pipe to the Company's main in the roadway.
Domestic purposes	As defined in The Water Industry Act 1991.
Unmeasured water supply	A supply that is not metered.
Measured water supply	A supply through a water meter.
Potable	Treated water.
Non-potable	Untreated water.
Premises	A property, or parts of a property, which are intended to be separately occupied.
Rateable Value	The valuation for a property as shown in The Inland Revenue Valuation List as at 31 March 1990.
Retail Services	Customer services, which include billing, payment handling and customer enquiries; debt management and doubtful debts; meter reading; and providing information and administration for new connections.

Term	Definition
Retailer	The company providing Retail Services to customers within the Company's operational area.
Wholesalers	A company providing Wholesale Services to retailers.
Wholesale Services	All regulated activities that are not Retail activities. This includes the abstraction, treatment and transportation of water.

### 1.3. Other charges

The Company has other fixed charges for various works, e.g. installation of meters, new connections to a water main (including infrastructure charges) and the provision of information. Information about these charges can be found on our website.

## 2. Indicative wholesale charges for water

The applicable charge for Wholesale Services varies by region and the type of supply at the property. The Company has three charging areas – Southern, Northern (1) and Northern (2). The areas are indicated on the area map below. The charges that apply in each area are shown on the following three pages.

An Excel version of the tariff tables can also be found in the link below:

<https://seswater.co.uk/-/media/files/seswater/your-account/your-charges-explained/ses-water-indicative-wholesale-charges-2023-24.xlsx>

Section 142 of the Water Industry Act 1991 provides for charges to be set for individuals in accordance with agreements with the persons to be charged ('special agreements'). SES Water holds two special agreements and the Water services Regulatory Authority (Ofwat) contains a register of these agreements.

### Measured water

Description	Unit	Charge	CMOS Tariff Code	CMOS Tariff Name	CMOS Charge	CMOS Charge Element Name
Standard consumption <10ML/annum	£/annum	1.20	N1_ME_SD	Standard user standing charge, Northern 1	D7101	Metered Potable Water Meter Fixed Charges
	£/m3	1.24	N1_ME_SD	Standard user volumetric charge, Northern 1	D7103	Metered Potable Water Block Tariff
	£/annum	1.20	N2_ME_SD	Standard user standing charge, Northern 2	D7101	Metered Potable Water Meter Fixed Charges
	£/m3	1.24	N2_ME_SD	Standard user volumetric charge, Northern 2	D7103	Metered Potable Water Block Tariff
	£/annum	1.20	SN_ME_SD	Standard user standing charge, Southern	D7101	Metered Potable Water Meter Fixed Charges
	£/m3	1.59	SN_ME_SD	Standard user volumetric charge, Southern	D7103	Metered Potable Water Block Tariff
Mid User (10 - 49 MI at one site per charging year)	£/annum	1,146.50	N1_ME_MU	Mid user standing charge, Northern 1	D7102	Metered Potable Water Supply Point Fixed Charges
	£/m3	1.11	N1_ME_MU	Mid user volumetric charge, Northern 1	D7103	Metered Potable Water Block Tariff
	£/annum	1,146.50	N2_ME_MU	Mid user standing charge, Northern 2	D7102	Metered Potable Water Supply Point Fixed Charges
	£/m3	1.11	N2_ME_MU	Mid user volumetric charge, Northern 2	D7103	Metered Potable Water Block Tariff
	£/annum	1,668.82	SN_ME_MU	Mid user standing charge, Southern	D7102	Metered Potable Water Supply Point Fixed Charges
	£/m3	1.42	SN_ME_MU	Mid user volumetric charge, Southern	D7103	Metered Potable Water Block Tariff
High User (> 50 MI at one site per charging year)	£/annum	3,813.31	N1_ME_HU	High user standing charge, Northern 1	D7102	Metered Potable Water Supply Point Fixed Charges
	£/annum	3,813.31	N2_ME_HU	High user standing charge, Northern 2	D7102	Metered Potable Water Supply Point Fixed Charges
	£/m3	1.07	N2_ME_HU	High user volumetric charge, Northern 2	D7103	Metered Potable Water Block Tariff
	£/annum	5,201.51	SN_ME_HU	High user standing charge, Southern	D7102	Metered Potable Water Supply Point Fixed Charges
	£/m3	1.37	SN_ME_HU	High user volumetric charge, Southern	D7103	Metered Potable Water Block Tariff

Unmeasured water

Description	Unit	Charge	CMOS Tariff Code	CMOS Tariff Name	CMOS Charge	CMOS Charge Element Name
Commercial licence fee	£/annum	103.05	N1_UM_CL	Commercial licence fee	D7251	Unmeasured water fixed charge
Mixed licence fee	£/annum	341.58	N1_UM_ML	Mixed licence fee	D7251	Unmeasured water fixed charge
Standing charge base on rateable value	£/annum	33.56	N2_UM_RV	Standing charge, Northern 2	D7251	Unmeasured water fixed charge
	£/annum	33.56	SN_UM_RV	Standing charge, Southern	D7251	Unmeasured water fixed charge
Variable Charge (per £ of RV)	£/RV	0.64	N2_UM_RV	Rateable value, Northern 2	D7252	Unmeasured water RV poundage
	£/RV	1.06	SN_UM_RV	Rateable value, Southern	D7252	Unmeasured water RV poundage

Assessed water

Description	Unit	Charge	CMOS Tariff Code	CMOS Tariff Name	CMOS Charge	CMOS Charge Element Name
Assessed water fixed charge, Northern 1	£/annum	10.38	N1_AV	Assessed water fixed charge, Northern 1	D7201	Assessed water fixed charge
Assessed water fixed charge, Northern 2	£/annum	10.38	N2_AV	Assessed water fixed charge, Northern 2	D7201	Assessed water fixed charge
Assessed water fixed charge, Southern	£/annum	10.38	SN_AV	Assessed water fixed charge, Southern	D7201	Assessed water fixed charge
Assessed water volumetric charge, North	£/m3	1.26	N1_AV	Assessed volumetric charge, Northern 1	D7203	Assessed water volumetric charge
Assessed water volumetric charge, North	£/m3	1.26	N2_AV	Assessed volumetric charge, Northern 2	D7203	Assessed water volumetric charge
Assessed water volumetric charge, South	£/m3	1.62	SN_AV	Assessed volumetric charge, Southern	D7203	Assessed water volumetric charge

The table below shows indicative wholesale charges for each special agreement.

SESPOT1	
Annual Standing Charge	0
Volume Charges (per m <sup>3</sup> )	£1.19
SESPOT2	
Annual Standing Charge	0
Volume Charges (per m <sup>3</sup> )	£1.24

**SES Water****Indicative wholesale charges**

---

Charges applied when no supply

	<b>A: Fixed and vol charge</b>	<b>B: No charge applied</b>	<b>C: Volume charge only</b>
Vacancy charging method water			X
Temporary disconnection method water		X	

### **3. About wholesale charges for water**

#### **3.1. Unmeasured wholesale water charges**

##### **3.1.1. Rate-based tariff – Southern and Northern Area (2)**

The retailer for the occupier of any premises in the Southern Area or Northern Area (2) with access to a supply of water other than through a meter shall pay:

- an annual standing charge; and
- a charge calculated on the full Rateable Value of the premises to which the water supply is made available.

##### **3.1.2. Licence fee – Northern Area (1)**

The retailer for the occupier of any premises in Northern Area (1) with access to a supply of water other than through a meter, shall pay a licence fee which represents the average charge made by the Company for unmeasured supplies in the area. Different charges apply depending upon whether the premise concerned is commercial or mixed commercial/domestic in its principal use.

##### **3.1.3. Miscellaneous charges**

The Company has fixed other sundry water supply charges in relation to discretionary use of water for purposes other than domestic use.

##### **3.1.4. Access to unmeasured water supply**

Where a rated premise has right of access to an unmeasured water supply, the full unmeasured charge will apply to that premise, irrespective of whether or not the supply is within the boundary of the property concerned.

#### **3.2. Measured wholesale water charges**

##### **3.2.1. Standard tariff**

The retailer for the occupier of any premises receiving a supply of water through a meter shall pay:

- a standing charge; and
- a volume charge which shall be based on the consumption of water recorded by the meter.

##### **3.2.2. Tariffs for larger users**

Business tariffs are available, subject to eligibility, for retailers of larger use customers. The tariffs combine a discounted volumetric rate with a premium rate standing charge. Two tariffs are available:

- Mid user: For retailers of customers using between 10 and 49 MI in a charging year at one site.
- High user: For retailers of customers using 50 or more MI in a charging year at one site.



The following eligibility conditions apply:

- Eligible premises shall be those who have used between 10 MI and 49 MI or 50 or more MI in the charging year immediately preceding the charging year for which they wish to opt for the tariff;
- If the annual consumption at a premise in the charging year is less than is prescribed in the tariff, the charge to the retailer will be reverted to the standard tariff for the whole of the following charging year;
- A retailer of a premise that has been reverted to the standard tariff may re-apply for the business tariff as described in clause 1 above; and
- Application of a business tariff to a premise will be at the Company's sole discretion.

For the avoidance of doubt, annual consumption will be that which is recorded by the Company's meter and used for normal billing purposes.

### **3.2.3. Volumetric charge for vacant premises**

Whenever a premise that is registered as vacant, but there is indication that water consumption does occur, the standard volumetric charge will apply.

## **3.3. Assessed volume charge**

### **3.3.1. Availability of tariff**

This tariff is an alternative to the rate-based tariff specifically for retailers of premises where the Rateable Value is less than £2,000 and water use is limited to the domestic (tea and toilet) requirements of the persons engaged on the premises.

The tariff is not available where:

- there is a domestic element within the premises;
- there is any use of water in the course of the business; and
- the premise has a rateable value over £2,000.

### **3.3.2. Basis of assessment**

The tariff comprises a standing charge, plus an assessed volume charge based on the number of persons on the premises. The volume charge will be assessed on the basis of 15 cubic metres per year per person, with a minimum of 30 cubic metres (2 persons).

### **3.3.3. Bespoke assessed charges**

The Company reserves the right to calculate assessed charges for businesses on a case-by-case basis. Assessed charges apply where the Company has attempted to install a meter at a property but is unable to do so. The assessed charge will be calculated on the basis of estimated annual consumption, which will be based on the size and industry of the business. This estimated annual consumption will then be subject to the appropriate measured tariff(s).

### 3.4. Value Added Tax (VAT)

Value Added Tax (VAT) is payable at standard rate on supplies of water for retailers of customers whose main economic activity lies within divisions 1 to 5 of the Standard Industrial Classification (SIC)1980:

- Energy and water supply industries;
- Extraction of minerals and ores other than fuels; manufacture of metals, mineral products and chemicals;
- Metal goods, engineering and vehicle industries;
- Other manufacturing industries; and
- Construction.

Supplies of water to other classes of customer are, at present, zero rated for tax purposes.

## 4. Board assurance of indicative wholesale charges

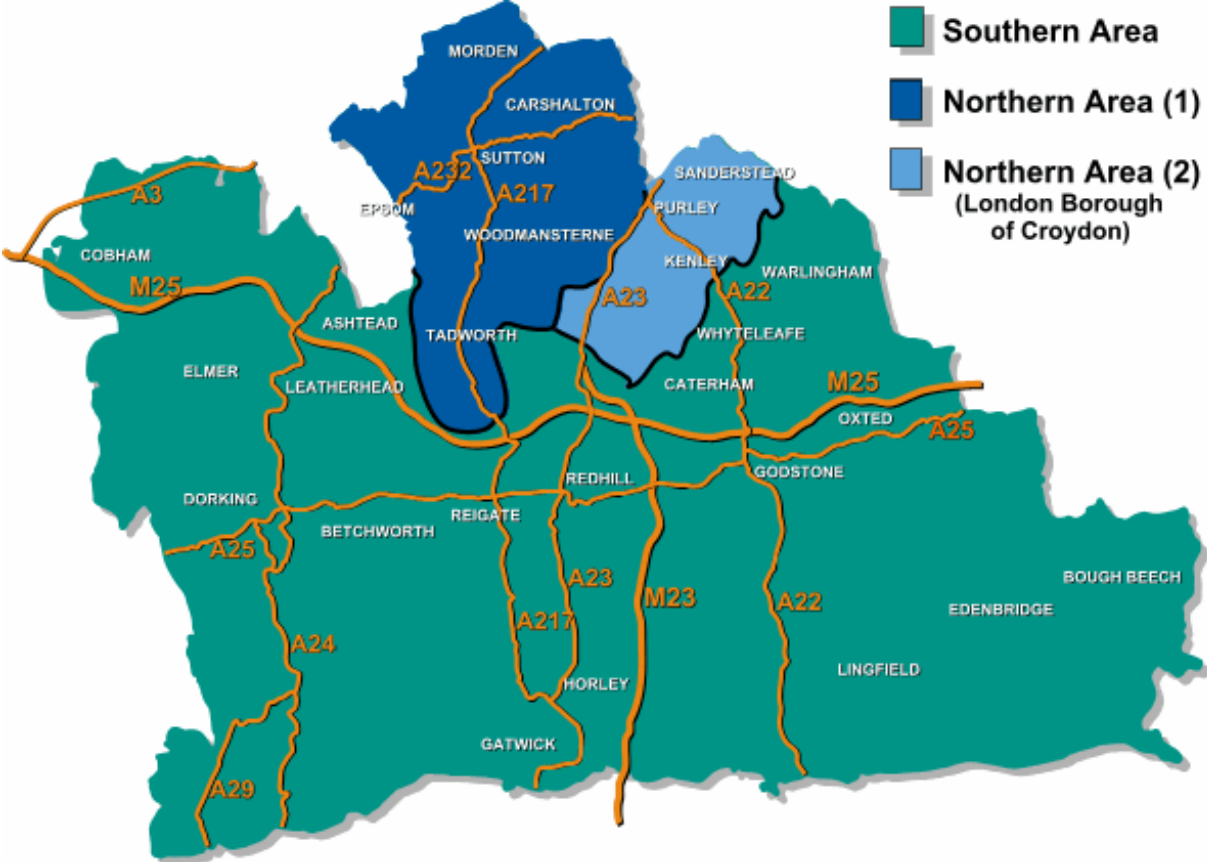
Ofwat, the economic regulator for the water sector, requires the Company's Board of Directors to make a statement regarding indicative charges. This assurance statement is available as a separate document published on our website.

## 5. Basis of charge calculation

The Company must set its charges on the basis of its allowed revenue for the upcoming charging year. The annual allowed revenue is determined by Ofwat in its Final Determination for SES Water, published on 17 December 2019, and adjustment for previous year's performance. Based on both the determination and prior period performance adjustments, the allowed revenue for financial year 2023-2024 is £78.2m. The charge is then calculated by using the forecast of customer numbers by type and consumption volume, to make sure the company can recover the allowed revenue while keeping the tariff relatively stable for customers.

It should be noted that these indicative wholesale charges are based on forecast customer numbers and consumption volumes for 2023/24. Given the transformation of many business customers in terms of size and activities after the COVID-19 restrictions were lifted, these volume forecasts are potentially subject to significant change, with resulting impacts on the final tariffs to be issued in early 2023.

Area map



PLEASE NOTE

This map is very small scale and is for general guidance only. Please contact our customer services team if you are not sure which area the property is located in.