

# Indicative changes in our charges

*Severn Trent Water 2018/19*



SEVERN  
TRENT

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We have assessed the impact of our charges on a representative cross section of customers.

## *Water service*

Average bills for water are expected to increase by 3%, below the rate of inflation as measured by the Retail Price Index. Household bills for individual customers on both metered and unmetered charges will be higher than the average, but we do not expect them to rise by more than 5%.

Wholesale charges for some of the measured non-households we supply may increase by more than 5%. For the majority of non-household customers that receive sewerage services from Severn Trent, these changes will be offset by below-inflation changes in waste water charges.

## *Waste water service*

We have significantly reduced the change in waste water bills this year by deferring £38.5m in revenue that we could have included in customer charges for 2018/19. As a result of this action, average bills for wastewater are nearly £8 lower than they would have been and are now expected to rise by 2.9%, less than the RPI.

Although we have taken steps to mitigate price rises, sewerage charges for unmetered customers will rise by marginally over 5%. Some metered customers with low consumption will also see increases above 5%, particularly if they are not connected for surface water. This is because we are reducing surface water charges as a proportion of the waste water bill.

Unmetered wholesale rates for non-households are increasing at marginally over 5%, the same change as for households. Measured wholesale charges are generally falling or increasing at less than the rate of inflation.

## *Combined bills*

The majority of our customers receive both water and sewerage from Severn Trent. Average combined bills should rise by around 3% and charges for unmetered customers should rise by less than 5%. Most metered customers will also see increases below 5% but metered customers with very low consumption may see marginally higher increases.

Combined wholesale charges for non-households (measured and unmeasured) are increasing by less than 5%.

If waste water customers do not have a water supply from Severn Trent, they generally receive their water service from one of the companies that border us. While we have not seen other companies' final charges, we have looked at the draft water charges for our neighbouring companies in combination with our sewerage bills. We do not think that our sewerage customers served by other companies will see overall increases of more than 5%. We also consulted with South Staffordshire Water, who bill the largest number of waste-only customers on our behalf, and they confirmed that indicative view.

There are no significant changes in our wholesale charges compared to the indicative rates published in October.