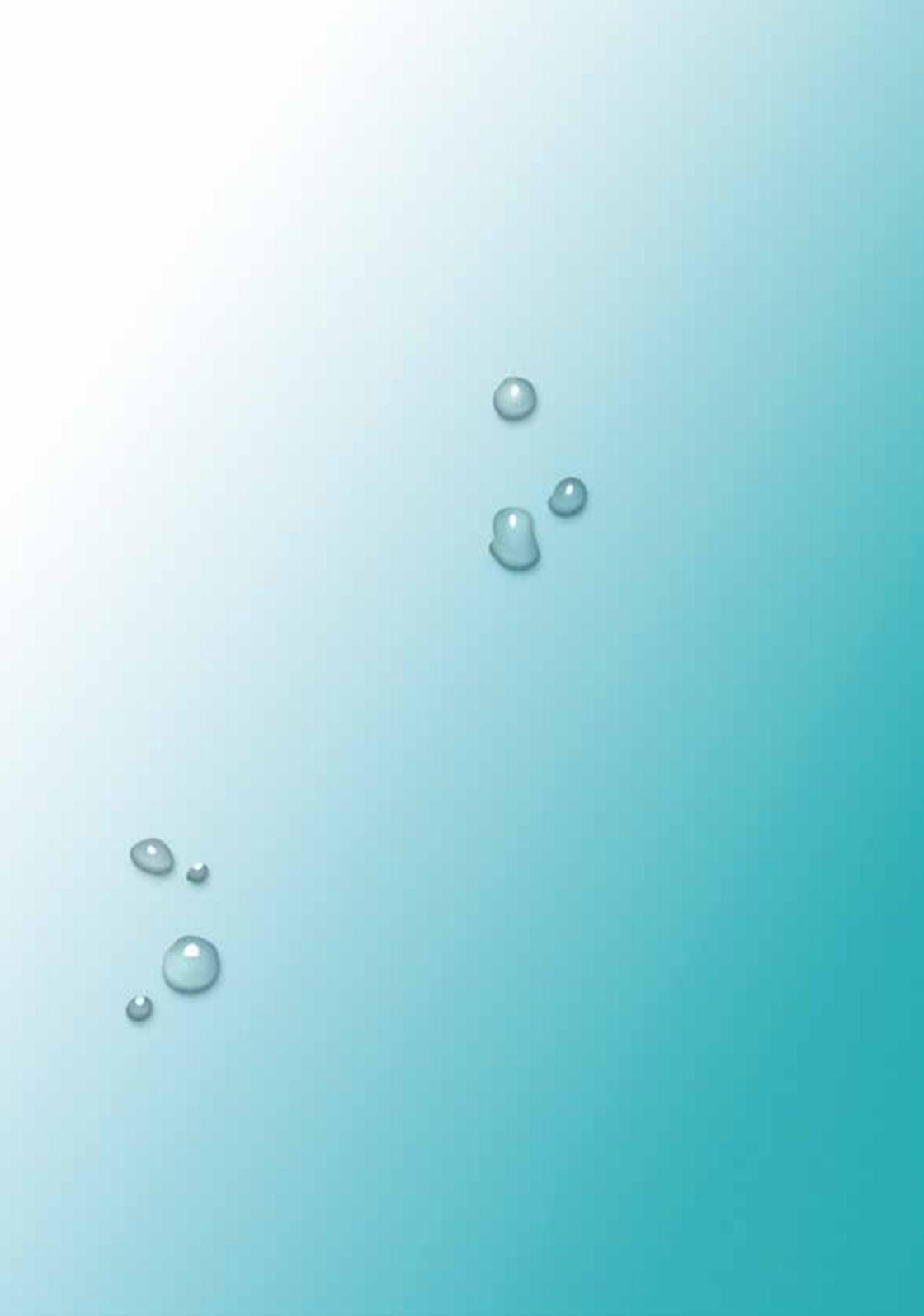


Guide

The open water market





Overview

The open water market

Now the English market is open to competition, businesses, charities and public sector organisations can buy their water services in a similar way to how they purchase other utilities such as gas, electricity and telecoms.

Businesses in Scotland have been able to choose their water retailer since 2008. However, business customers currently served by a supplier based in Wales are only eligible to switch if they use more than 50 million litres of water a year.

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Buying water for your business

How you used to buy water for your business

Your local water company supplied you with clean water and took away wastewater and issued you with the bill, which covered the cost of everything to do with your water services. You paid the bill directly to the water company.

If you had sites in different areas of the country you would have received bills from each of the local water companies who served your sites. If you have multiple sites across the UK, this could have been over 20 different water companies.

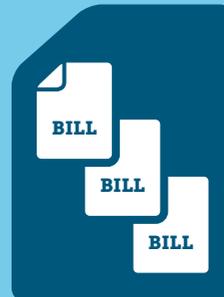
Local water company



Supplied clean water, removed wastewater and provided your bill(s)



Your business



How you buy water in the open market

Your local water company, known as the wholesaler, is still responsible for supplying your business with clean water and taking away wastewater. It isn't possible to choose your wholesaler as this is purely dependent on where your site is located.

In the open market, water retailers buy water and wastewater services from the wholesalers. You now buy water services from a water retailer who provides services such as billing, payments, meter reading and customer service.

You can now choose which water retailer you buy from and, even if you have sites in different areas of the country, you can choose to buy through just one water retailer. Your water will still be supplied by the wholesalers but this means you can receive a single bill, saving you time and money on administration.



Who is responsible for doing what?

Wholesaler responsibilities

Wholesalers are responsible for the supply of clean water, taking away and cleaning wastewater, maintaining reservoirs and the infrastructure of pipes and sewers. They are also responsible for providing services such as:

- Installation of new water meters
- Changing the location of a water meter
- Alterations to the size of a water meter
- Repair or replacement of a faulty or damaged water meter
- Responding to queries on the level of consumption
- Responding to a leakage claim
- Conducting a meter accuracy test

Retailer responsibilities

Water retailers provide the following services:

- Obtaining meter readings and supplying them into the water market's central database
- Issuing water and wastewater bills and collecting payments from customers
- Making payments to wholesalers for the water provided
- Providing customer service and responding to customer queries
- Some water retailers provide additional services such as water efficiency advice, smart metering and leak detection and repair to help you save money

Note: The water retailer will also act as the point of contact for the customer to request the services listed opposite that remain the responsibility of the water wholesaler to supply.

How your water bill is made up

3

The price that you pay for your water is a combination of:

- Wholesale costs
- Retailer service costs

Wholesale costs

The wholesale cost is for the services that are supplied by the wholesaler, including:

Water Supply – This is for the clean water supplied and used by the business or the property. If you have a water meter, you are charged for the volume of water you use, plus a standing charge according to the size of your meter.

Sewerage – This is for sewerage or wastewater that is taken away. It is usually based on the amount of water you use, less an allowance for water that does not return to the sewer.

Surface water and highways drainage – This is for the removal and treatment of rainwater that drains into the main sewers both from your property (surface water) and from roads and footpaths (highways drainage).

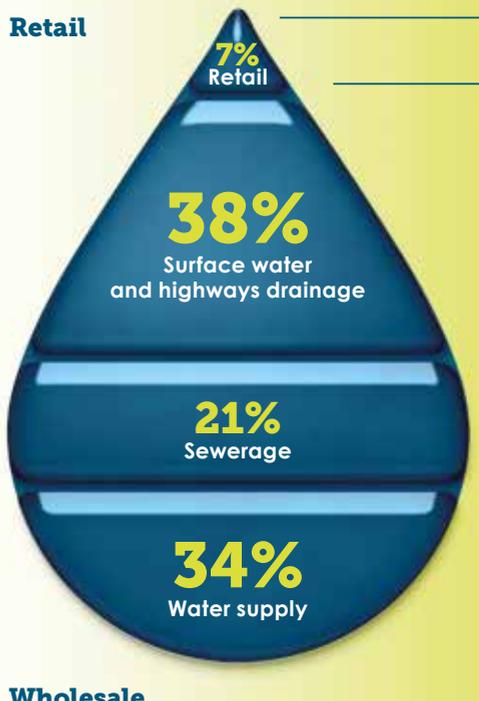
Trade effluent – You may also have a charge for trade effluent, which is water contaminated with things such as fats, oil, grease, chemicals or food waste, which requires additional treatment. Please note, that if you discharge anything other than domestic waste into a drain connected to a public

sewer, it's your responsibility to obtain consent from the wholesaler for the area, prior to commencing any trade effluent discharge.

Retail service costs

Your bill also includes retail service costs for services provided by the water retailer who manages your account, such as meter reading, billing, payments, account management and customer service. Water retailer charges are regulated by the Office for Water Services (Ofwat) in England and the Water Industry Commission (WICS) in Scotland.

Retail



Wholesale

Standard wholesale charges

The wholesalers across England and Scotland all charge the same standard price to each water retailer for the water and wastewater services they provide.

The wholesale cost accounts for about 93% of your water bill, depending on which wholesaler area you are located in.

Wholesale water costs are reviewed and approved each year by the water industry regulators – Ofwat in England and WICS in Scotland.

Other charging considerations

For each element of the wholesale charge, wholesalers have different charging bands based on factors such as meter size, volume of water used or the type of business or organisation. So, if you have sites in different regions, you may incur different wholesale costs.

For some of the charging elements, allowances and special tariffs also exist, which typically apply to customers of a specified type such as charities or places of worship. Different allowances and tariffs are also available depending on how you use water and your site, which may help reduce your costs.

This is a very simple explanation of how a water bill is calculated as individual charges can vary for different wholesalers. If you need more detail or further help to understand the charges on your water bill, our knowledgeable team can help you.

Water Plus contracts and pricing options

In the open water market, if you haven't agreed a specific contract with a water retailer you'll be on a 'deemed contract' so you will pay the Default Retail Tariff. This has been approved by Ofwat / WICS based on the wholesale and retail costs.

The open water market enables you to negotiate a different tariff, in return for entering into a contract for a defined period with agreed costs, payment terms and any other advanced services offered.

Water Plus offers a range of product and contract options to suit your business.



Water Plus products

For larger or multi-site businesses our contract and charging options are based on the Wholesale and Default Retail Tariffs with a choice of products:

Wholesale Plus – we take the wholesale cost of your water and wastewater and add an agreed fee (management fee) to cover the costs of water retail services. This is normally expressed as a percentage of the wholesale cost but alternatively it can be agreed as an absolute financial amount.

Retail Minus – we take the Default Retail Tariff (the price you would pay without a contract) and apply a discount. Again this is usually expressed as a percentage of the Default Retail Tariff but it can be agreed as an absolute financial amount.

With either of these product options Water Plus can fix the agreed percentage mark up or the percentage discount but the final price that you will pay will vary with any changes to the Wholesale or Default Retail Tariffs.

Alternative product options

Buy in Advance: You can save even more on your water costs as we will give you a discount for paying in advance. We forecast your spend for a future period such as six, nine or twelve months ahead. You pay the agreed amount in advance and we deduct your actual water costs from your advance payment. We'll review your account regularly and keep you informed about any variances to the forecast.

Self Supply – Wholesale Tracker:

In the open market you can 'self-supply'. You effectively become your own water retailer and benefit by paying wholesale water rates but take on the responsibility for the water procurement, administration, industry reporting and settlements with wholesalers. This can work for some customers but it can be onerous and the resources required shouldn't be overlooked. With Water Plus Wholesale Tracker you pay Water Plus a fee for administering these functions but pay just the wholesale costs for your water and wastewater services. So you have the benefit without the risk and resource commitments.

When comparing costs from water retailers or brokers you should also consider what costs have been included within the wholesale or retail costs. Water retailers pay fees towards the running costs of the organisations (MOSL in England and CMA in Scotland) that operate the open water markets. At Water Plus we include these charges within the retail service costs but some organisations are adding them as wholesale costs, which has the effect of making their management fees appear lower.

Water Plus also offers a range of pricing options for small or medium sized businesses (SMEs).

To discuss any of these product or contract options please call 0345 072 6073.

Benefits of choosing the right retailer

- **Lower costs for your water and wastewater**
- **Improved customer service**
- **Reduced administration costs**
- **Access to innovative products and services.**

Water Plus benefits for you

By choosing Water Plus as your water retailer you'll be working with a partner who takes a proactive approach to water management. You'll benefit from competitive prices plus a range of Essential and Advanced Services.



Essential Services

Our core range of water retail services is tailored to your business needs.



Dedicated account management

A dedicated Account Manager as your first point of contact.



Brilliant billing options

Billing options including consolidated and electronic billing to save you time and money on administration.



Meaningful management information

Management information to understand your water consumption and identify where you can save money.



Easy account switching

Everything necessary to make it quick, easy and hassle free to switch your business water services to Water Plus.

Advanced Services

Our range of Advanced Services is designed to improve your water management, increase efficiency and help save you money.



Water efficiency

Water audits and recommendations on improving water efficiency to save you money.



Smart metering

Smart metering to provide detailed information on consumption and identify where savings can be made.



Leak detection and repair

Leak detection and repair services to save you money and reduce the waste of water.



Contingency planning and emergency water

Creating contingency plans and providing emergency water supplies to deal with any interruption to supply.

Contact us now

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with you every drop of the way