



The Occupier

Date: 26/02/2018

Charges for water services are changing from 01 April 2018

Dear Brightwater Customer

The Scottish Government has confirmed that from 01 April 2018, unmeasured water, sewerage and drainage charges will be calculated using the same rateable value (RV) as business rates.

These changes have been designed to align the rateable value used for unmeasured charges with the value used to calculate your business rates. There have been cases where premises being charged the same business rates have had significant differences in charges for unmeasured water services. The Scottish Government recognised that this situation was unfair and needed to change.

A directive has been issued by the water industry regulator to Scottish Water (the wholesaler & network operator) and all Licenced Providers (retailers) to implement these changes from 01 April 2018.

- Historic RV's, used by Scottish Water, dated back to the property build date, last modification date or 1985.
- Live RV's refer to the most recent value assigned by the Scottish Assessors Association (i.e. 2017 or later) and is the value used to determine business rates.

What services will be affected by this change?

The move to 'Live RV' will impact customers with one or more of these services which are based on the premises Rateable Value

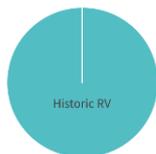
- unmetered water
- unmetered waste water
- property drainage
- roads drainage

Will this affect my tariff discount?

No, the percentage discount you receive on the industry's default standard tariff (DST) will not be changing. You will continue to receive this for the remainder of your current fixed term contract. However, the rates we charge may change in line with any increases or decreases to the industry default – further information on these rates is included in this letter.

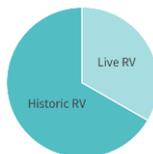
How will the transition to Live RV take place?

Changes will be phased over three years to lessen the impact on businesses. Each year the share of charges based on the old (Historic) RV and unit rates (2017/18 rates) will reduce and the share of charges based upon the new (Live) RV and unit rates (2020/21 rates) will increase.



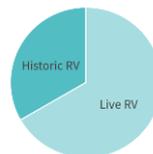
2017/18

All charges based on the historic RV and old unit rates.



2018/19

2/3 of charges are based on the historic RV and old unit rates.
—
1/3 of charges will be based on the live RV and new unit rates.



2019/20

1/3 of charges are based on the historic RV and old unit rates.
—
2/3 of charges are based on the live RV and new unit rates.



2020/21

All charges based on the live RV and new unit rates

Will all premises be affected by this change?

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No, not all customers will be affected. Premises with Supply Point IDs (SPIDs) created before 01 April 2017 will see RV based charged transition to the new (Live) RV from 01 April 2018 ("**Transitioning RV**"). RV based charges will be phased to Live RV over the next three years as outlined above.

Premises with SPIDs created after 01 April 2017, or those where an existing SPID has been amended due to the premises being split or merged, will not be transitioning. ("**Non-Transitioning RV**"). RV based charges will be calculated using the Live RV and the rates for the current supply year.

*If you are unsure if charges should be transitioning to Live RV, please contact us on **0330 022 05 70**. We'll check the water industry central systems to confirm whether Scottish Water have marked your premises 'Transitioning RV' or 'Non-Transitioning RV'*

How will this affect my charges?

You may see an increase in your charges if the Live RV for your premises is 29+% higher than the Historic RV used to determine charges. To minimise the effect of this change, the Water Industry Commission for Scotland, the water industry regulator, has reduced the unit rates for calculations using the Live RV (shown below)

If your Live RV is the same, or lower, than your Historic RV you will see a reduction in RV based charges during transition.

What rates will be charged from April 2018?

For the period 1 April 18 to 31 March 19 the following rates apply to RV based services under **the Industry Default Standard Tariff**

Transition Status	Transitioning RV		Non-Transitioning RV	
	2017/18 rates	2020/21 rates	2018/19 rates	
RV to be used	Current (Historic) RV	Live RV	Live RV	
Contribution share	2/3	1/3	100%	
Unmetered water				
Fixed charge	£ 157.96	£ 167.63	£ 161.12	<i>per year</i>
Rateable value charge	£ 0.03035	£ 0.02176	£ 0.02091	<i>per £ of RV</i>
Unmetered waste water				
Fixed charge	£ 178.38	£ 189.30	£ 181.95	<i>per year</i>
Rateable value charge	£ 0.05092	£ 0.03651	£ 0.03509	<i>per £ of RV</i>
Drainage				
Property drainage	£ 0.02733	£ 0.02244	£ 0.02157	<i>per £ of RV</i>
Roads drainage	£ 0.01755	£ 0.01433	£ 0.01378	<i>per £ of RV</i>

Have there been any other changes to the industry default standard tariff?

Yes, the rates used to calculate trade effluent availability and operational charges have been increased by 2.0%, these changes will also come into effect on the 1st April 2018. Charges for metered water and metered waste water services have not changed.

How can I find out more?

Further information on the changes to RV based charges can be found at www.mygov.scot/unmeasured-water-and-sewerage-charges/ and beta.gov.scot/publications/rateable-value-faq/

Copies of all rates and charges for 2018 can be found on our website at www.brightwater.com/water-charges/water-tariffs/

If you would like to speak to us about the changes or have any questions about your account, please do not hesitate to call us on **0330 022 05 70**. Alternatively, you can send us an email at hello@brightwater.com.

Yours sincerely,



Richard Rankin
Managing Director, Brightwater