

NOTE: This document reproduces Appendix A-4.2 from Northumbrian Water's Network Access Code (Version 19.0, October 2020)

APPENDIX A-4.2

INDICATIVE COMBINED SUPPLY PRICES

This appendix contains tables of access prices for combined supplies for each of the water resource zones (WRZs) within our three operating areas, Essex (1 WRZ), Suffolk (3 WRZs) and North East (2 WRZs), covering the five years 2020-21 to 2024-25, inclusive. As required by Ofwat's guidance, we show prices for licensee entry in each of the five years.

All prices from 2020-25 onwards are based on the 2019 Final Determination.

The tables should be read in conjunction with the text of Part 4 (Access Pricing) of our Access Code, which contains important information on the main assumptions we have made in calculating these prices.

The appendix also contains tables showing the forecast supply/demand balance position in each WRZ, both before and after the implementation of the strategies documented in our most recent Water Resources Management Plans for the North East and Essex & Suffolk.

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Table A-4.2.1

Supply/demand balance without licensee's water – Essex & Suffolk Operating Areas

**Megalitres per day surplus/(deficit) against target headroom
for each water resource zone**

Essex & Suffolk Operating Areas								
Year	Essex		Northern/Central		Blyth		Hartismere	
	Baseline	Plan	Baseline	Plan	Baseline	Plan	Baseline	Plan
2014-15	-45.15	23.90	0.06	1.30	1.89	1.95	0.87	0.93
2015-16	-46.02	24.01	1.52	2.25	1.94	2.02	0.80	0.89
2016-17	-47.64	23.52	1.04	1.83	1.88	1.99	0.71	0.82
2017-18	-49.44	22.82	0.56	1.42	1.80	1.92	0.59	0.72
2018-19	-50.77	22.55	0.10	1.01	1.72	1.86	0.45	0.60
2019-20	-52.24	22.14	-0.48	0.49	1.59	1.76	0.35	0.52
2020-21	-45.90	29.69	0.66	1.69	2.19	2.38	0.59	0.78
2021-22	-46.98	29.58	0.32	1.42	2.13	2.35	0.50	0.72
2022-23	-48.29	29.00	-0.03	1.12	2.08	2.31	0.45	0.69
2023-24	-48.18	30.06	-0.33	0.89	2.08	2.33	0.35	0.62
2024-25	-52.02	28.16	-0.69	0.56	2.02	2.30	0.29	0.58
2025-26	-51.72	26.69	-1.07	5.23	1.99	2.29	0.23	0.54
2026-27	-54.71	23.83	-1.61	4.72	1.89	2.20	0.14	0.47
2027-28	-55.92	22.69	-2.07	4.30	1.85	2.19	0.05	0.39
2028-29	-58.68	19.93	-2.66	3.74	1.74	2.10	-0.06	0.31
2029-30	-60.84	17.88	-3.21	3.24	1.71	2.08	-0.17	0.22
2030-31	-55.59	23.48	-2.29	4.19	2.04	2.44	0.02	0.43
2031-32	-57.48	21.92	-2.86	3.67	1.97	2.38	-0.04	0.40
2032-33	-59.15	20.71	-3.16	3.40	1.90	2.33	-0.15	0.30
2033-34	-60.67	19.61	-3.78	2.83	1.83	2.29	-0.21	0.26
2034-35	-63.52	17.24	-4.19	2.43	1.75	2.23	-0.33	0.16

Source:

Final Water Resources Management Plan, 2010-2035, for Essex & Suffolk Water:

- Baseline: Table WRP1-BL, line 53_{BL} for each water resource zone.
- Plan: Table WRP4-FP, line 53_{FP} for each water resource zone.

Table A-4.2.2

Supply/demand balance without licensee's water – North East Operating Area

**Megalitres per day surplus/(deficit) against target headroom
for each water resource zone**

North East Operating Area				
Year	Kielder		Berwick	
	Baseline	Plan	Baseline	Plan
2014-15	199.01	199.01	3.44	3.44
2015-16	198.49	198.49	3.42	3.42
2016-17	196.93	196.93	3.35	3.35
2017-18	195.67	195.67	3.33	3.33
2018-19	194.17	194.17	3.30	3.30
2019-20	193.12	193.12	3.27	3.27
2020-21	190.81	190.81	3.23	3.23
2021-22	189.41	189.41	3.16	3.16
2022-23	188.10	188.10	3.12	3.12
2023-24	187.21	187.21	3.08	3.08
2024-25	184.11	184.11	3.04	3.04
2025-26	181.49	181.49	2.96	2.96
2026-27	178.50	178.50	2.92	2.92
2027-28	175.91	175.91	2.87	2.87
2028-29	172.68	172.68	2.83	2.83
2029-30	169.63	169.63	2.75	2.75
2030-31	167.30	167.30	2.70	2.70
2031-32	164.83	164.83	2.65	2.65
2032-33	162.07	162.07	2.60	2.60
2033-34	159.73	159.73	2.55	2.55
2034-35	156.75	156.75	2.45	2.45

Source:

Final Water Resources Management Plan, 2010-2035, for Northumbrian Water:

- Baseline: Table WRP1-BL, line 53_{BL} for each water resource zone.
- Plan: Table WRP4-FP, line 53_{FP} for each water resource zone.

Table A-4.2.3 – Indicative prices for combined supply

Essex Water Resource Zone

			2020-21 prices				
			2020-21	2021-22	2022-23	2023-24	2024-25
Entry in 2020-21							
5 MI/yr	Wholesale price	£/m ³	2020-21	2021-22	2022-23	2023-24	2024-25
	Combined supply price	£/m ³	1.4412	1.4412	1.4412	1.4412	1.4412
	Combined supply discount	£/m ³	1.2099	1.2099	1.2099	1.2099	1.2099
25 MI/yr	Wholesale price	£/m ³	0.2313	0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³	1.3297	1.3297	1.3297	1.3297	1.3297
	Combined supply discount	£/m ³	1.0985	1.0985	1.0985	1.0985	1.0985
50 MI/yr	Wholesale price	£/m ³	0.2313	0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³	1.3029	1.3029	1.3029	1.3029	1.3029
	Combined supply discount	£/m ³	1.0717	1.0717	1.0717	1.0717	1.0717
500 MI/yr	Wholesale price	£/m ³	0.2313	0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³	1.1122	1.1122	1.1122	1.1122	1.1122
	Combined supply discount	£/m ³	0.8810	0.8810	0.8810	0.8810	0.8810
Entry in 2021-22							
5 MI/yr	Wholesale price	£/m ³	2020-21	2021-22	2022-23	2023-24	2024-25
	Combined supply price	£/m ³		1.4412	1.4412	1.4412	1.4412
	Combined supply discount	£/m ³		1.2099	1.2099	1.2099	1.2099
25 MI/yr	Wholesale price	£/m ³		0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³		1.3297	1.3297	1.3297	1.3297
	Combined supply discount	£/m ³		1.0985	1.0985	1.0985	1.0985
50 MI/yr	Wholesale price	£/m ³		0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³		1.3029	1.3029	1.3029	1.3029
	Combined supply discount	£/m ³		1.0717	1.0717	1.0717	1.0717
500 MI/yr	Wholesale price	£/m ³		0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³		1.1122	1.1122	1.1122	1.1122
	Combined supply discount	£/m ³		0.8810	0.8810	0.8810	0.8810
Entry in 2022-23							
5 MI/yr	Wholesale price	£/m ³	2020-21	2021-22	2022-23	2023-24	2024-25
	Combined supply price	£/m ³			1.4412	1.4412	1.4412
	Combined supply discount	£/m ³			1.2099	1.2099	1.2099
25 MI/yr	Wholesale price	£/m ³			0.2313	0.2313	0.2313
	Combined supply price	£/m ³			1.3297	1.3297	1.3297
	Combined supply discount	£/m ³			1.0985	1.0985	1.0985
50 MI/yr	Wholesale price	£/m ³			0.2313	0.2313	0.2313
	Combined supply price	£/m ³			1.3029	1.3029	1.3029
	Combined supply discount	£/m ³			1.0717	1.0717	1.0717
500 MI/yr	Wholesale price	£/m ³			0.2313	0.2313	0.2313
	Combined supply price	£/m ³			1.1122	1.1122	1.1122
	Combined supply discount	£/m ³			0.8810	0.8810	0.8810

Table A-4.2.3 (cont'd) – Indicative prices for combined supply

Essex Water Resource Zone			2020-21 prices			
			2020-21	2021-22	2022-23	2023-24
Entry in 2023-24						
5 MI/yr	Wholesale price	£/m ³			1.4412	1.4412
	Combined supply price	£/m ³			1.2099	1.2099
	Combined supply discount	£/m ³			0.2313	0.2313
25 MI/yr	Wholesale price	£/m ³			1.3297	1.3297
	Combined supply price	£/m ³			1.0985	1.0985
	Combined supply discount	£/m ³			0.2313	0.2313
50 MI/yr	Wholesale price	£/m ³			1.3029	1.3029
	Combined supply price	£/m ³			1.0717	1.0717
	Combined supply discount	£/m ³			0.2313	0.2313
500 MI/yr	Wholesale price	£/m ³			1.1122	1.1122
	Combined supply price	£/m ³			0.8810	0.8810
	Combined supply discount	£/m ³			0.2313	0.2313
Entry in 2024-25						
5 MI/yr	Wholesale price	£/m ³			1.4412	
	Combined supply price	£/m ³			1.2099	
	Combined supply discount	£/m ³			0.2313	
25 MI/yr	Wholesale price	£/m ³			1.3297	
	Combined supply price	£/m ³			1.0985	
	Combined supply discount	£/m ³			0.2313	
50 MI/yr	Wholesale price	£/m ³			1.3029	
	Combined supply price	£/m ³			1.0717	
	Combined supply discount	£/m ³			0.2313	
500 MI/yr	Wholesale price	£/m ³			1.1122	
	Combined supply price	£/m ³			0.8810	
	Combined supply discount	£/m ³			0.2313	

Notes:

1. Wholesale prices

Prices for 2020-21 onwards reflect Ofwat's Final Determination of price limits for 2020-25. It should be taken into account that, within these limits, the rates of price change will vary between the North East operating area and Essex & Suffolk. Actual Wholesale prices (at 2020-21 price levels) in these later years may vary from those shown and will also include allowance for inflation (CPIH).

2. Additional discount for payment of combined supply charges in advance

Combined supply prices shown in the table assume payment in arrears. Where licensees agree to pay Provisional Monthly Charges at least 5 working days prior to the commencement of each billing period, combined supply prices will be reduced by a percentage equivalent to an annual rate of Bank Rate plus 2%. At the time of publication, this equated to a reduction in combined supply prices of 0.3%.

Table A-4.2.4 – Indicative prices for combined supply

Suffolk; Blyth, Hartismere, Central Water Resource Zones			2020-21 prices				
			2020-21	2021-22	2022-23	2023-24	2024-25
Entry in 2020-21							
5 MI/yr	Wholesale price	£/m ³	2020-21	2021-22	2022-23	2023-24	2024-25
	Combined supply price	£/m ³	1.4412	1.4412	1.4412	1.4412	1.4412
	Combined supply discount	£/m ³	1.2099	1.2099	1.2099	1.2099	1.2099
25 MI/yr	Wholesale price	£/m ³	0.2313	0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³	1.3297	1.3297	1.3297	1.3297	1.3297
	Combined supply discount	£/m ³	1.0985	1.0985	1.0985	1.0985	1.0985
50 MI/yr	Wholesale price	£/m ³	0.2313	0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³	1.3029	1.3029	1.3029	1.3029	1.3029
	Combined supply discount	£/m ³	1.0717	1.0717	1.0717	1.0717	1.0717
500 MI/yr	Wholesale price	£/m ³	0.2313	0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³	1.1122	1.1122	1.1122	1.1122	1.1122
	Combined supply discount	£/m ³	0.8810	0.8810	0.8810	0.8810	0.8810
Entry in 2021-22							
5 MI/yr	Wholesale price	£/m ³	2020-21	2021-22	2022-23	2023-24	2024-25
	Combined supply price	£/m ³		1.4412	1.4412	1.4412	1.4412
	Combined supply discount	£/m ³		1.2099	1.2099	1.2099	1.2099
25 MI/yr	Wholesale price	£/m ³		0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³		1.3297	1.3297	1.3297	1.3297
	Combined supply discount	£/m ³		1.0985	1.0985	1.0985	1.0985
50 MI/yr	Wholesale price	£/m ³		0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³		1.3029	1.3029	1.3029	1.3029
	Combined supply discount	£/m ³		1.0717	1.0717	1.0717	1.0717
500 MI/yr	Wholesale price	£/m ³		0.2313	0.2313	0.2313	0.2313
	Combined supply price	£/m ³		1.1122	1.1122	1.1122	1.1122
	Combined supply discount	£/m ³		0.8810	0.8810	0.8810	0.8810
Entry in 2022-23							
5 MI/yr	Wholesale price	£/m ³	2020-21	2021-22	2022-23	2023-24	2024-25
	Combined supply price	£/m ³			1.4412	1.4412	1.4412
	Combined supply discount	£/m ³			1.2099	1.2099	1.2099
25 MI/yr	Wholesale price	£/m ³			0.2313	0.2313	0.2313
	Combined supply price	£/m ³			1.3297	1.3297	1.3297
	Combined supply discount	£/m ³			1.0985	1.0985	1.0985
50 MI/yr	Wholesale price	£/m ³			0.2313	0.2313	0.2313
	Combined supply price	£/m ³			1.3029	1.3029	1.3029
	Combined supply discount	£/m ³			1.0717	1.0717	1.0717
500 MI/yr	Wholesale price	£/m ³			0.2313	0.2313	0.2313
	Combined supply price	£/m ³			1.1122	1.1122	1.1122
	Combined supply discount	£/m ³			0.8810	0.8810	0.8810

Table A-4.2.4 (cont'd) – Indicative prices for combined supply

Suffolk; Blyth, Hartismere, Central Water Resource Zones			2020-21 prices				
			2020-21	2021-22	2022-23	2023-24	2024-25
Entry in 2023-24							
5 MI/yr	Wholesale price	£/m ³				1.4412	1.4412
	Combined supply price	£/m ³				1.2099	1.2099
	Combined supply discount	£/m ³				0.2313	0.2313
25 MI/yr	Wholesale price	£/m ³				1.3297	1.3297
	Combined supply price	£/m ³				1.0985	1.0985
	Combined supply discount	£/m ³				0.2313	0.2313
50 MI/yr	Wholesale price	£/m ³				1.3029	1.3029
	Combined supply price	£/m ³				1.0717	1.0717
	Combined supply discount	£/m ³				0.2313	0.2313
500 MI/yr	Wholesale price	£/m ³				1.1122	1.1122
	Combined supply price	£/m ³				0.8810	0.8810
	Combined supply discount	£/m ³				0.2313	0.2313
Entry in 2024-25							
5 MI/yr	Wholesale price	£/m ³					1.4412
	Combined supply price	£/m ³					1.2099
	Combined supply discount	£/m ³					0.2313
25 MI/yr	Wholesale price	£/m ³					1.3297
	Combined supply price	£/m ³					1.0985
	Combined supply discount	£/m ³					0.2313
50 MI/yr	Wholesale price	£/m ³					1.3029
	Combined supply price	£/m ³					1.0717
	Combined supply discount	£/m ³					0.2313
500 MI/yr	Wholesale price	£/m ³					1.1122
	Combined supply price	£/m ³					0.8810
	Combined supply discount	£/m ³					0.2313

Notes:

1 Wholesale prices

Prices for 2020-21 onwards reflect Ofwat's Final Determination of price limits for 2020-25. It should be taken into account that, within these limits, the rates of price change will vary between the North East operating area and Essex & Suffolk. Actual Wholesale prices (at 2020-21 price levels) in these later years may vary from those shown and will also include allowance for inflation (CPIH).

2 Additional discount for payment of combined supply charges in advance

Combined supply prices shown in the table assume payment in arrears. Where licensees agree to pay Provisional Monthly Charges at least 5 working days prior to the commencement of each billing period, combined supply prices will be reduced by a percentage equivalent to an annual rate of Bank Rate plus 2%. At the time of publication, this equated to a reduction in combined supply prices of 0.3%.

Table A-4.2.5 – Indicative prices for combined supply

North East, Kielder, Berwick Water Resource Zones			2020-21 prices				
			2020-21	2021-22	2022-23	2023-24	2024-25
Entry in 2020-21							
5 MI/yr	Wholesale price	£/m ³	1.1568	1.1568	1.1568	1.1568	1.1568
	Combined supply price	£/m ³	0.9255	0.9255	0.9255	0.9255	0.9255
	Combined supply discount	£/m ³	0.2313	0.2313	0.2313	0.2313	0.2313
25 MI/yr	Wholesale price	£/m ³	1.0482	1.0482	1.0482	1.0482	1.0482
	Combined supply price	£/m ³	0.8169	0.8169	0.8169	0.8169	0.8169
	Combined supply discount	£/m ³	0.2313	0.2313	0.2313	0.2313	0.2313
50 MI/yr	Wholesale price	£/m ³	1.0270	1.0270	1.0270	1.0270	1.0270
	Combined supply price	£/m ³	0.7957	0.7957	0.7957	0.7957	0.7957
	Combined supply discount	£/m ³	0.2313	0.2313	0.2313	0.2313	0.2313
500 MI/yr	Wholesale price	£/m ³	0.7983	0.7983	0.7983	0.7983	0.7983
	Combined supply price	£/m ³	0.5670	0.5670	0.5670	0.5670	0.5670
	Combined supply discount	£/m ³	0.2313	0.2313	0.2313	0.2313	0.2313
Entry in 2021-22							
5 MI/yr	Wholesale price	£/m ³		1.1568	1.1568	1.1568	1.1568
	Combined supply price	£/m ³		0.9255	0.9255	0.9255	0.9255
	Combined supply discount	£/m ³		0.2313	0.2313	0.2313	0.2313
25 MI/yr	Wholesale price	£/m ³		1.0482	1.0482	1.0482	1.0482
	Combined supply price	£/m ³		0.8169	0.8169	0.8169	0.8169
	Combined supply discount	£/m ³		0.2313	0.2313	0.2313	0.2313
50 MI/yr	Wholesale price	£/m ³		1.0270	1.0270	1.0270	1.0270
	Combined supply price	£/m ³		0.7957	0.7957	0.7957	0.7957
	Combined supply discount	£/m ³		0.2313	0.2313	0.2313	0.2313
500 MI/yr	Wholesale price	£/m ³		0.7983	0.7983	0.7983	0.7983
	Combined supply price	£/m ³		0.5670	0.5670	0.5670	0.5670
	Combined supply discount	£/m ³		0.2313	0.2313	0.2313	0.2313
Entry in 2022-23							
5 MI/yr	Wholesale price	£/m ³			1.1568	1.1568	1.1568
	Combined supply price	£/m ³			0.9255	0.9255	0.9255
	Combined supply discount	£/m ³			0.2313	0.2313	0.2313
25 MI/yr	Wholesale price	£/m ³			1.0482	1.0482	1.0482
	Combined supply price	£/m ³			0.8169	0.8169	0.8169
	Combined supply discount	£/m ³			0.2313	0.2313	0.2313
50 MI/yr	Wholesale price	£/m ³			1.0270	1.0270	1.0270
	Combined supply price	£/m ³			0.7957	0.7957	0.7957
	Combined supply discount	£/m ³			0.2313	0.2313	0.2313
500 MI/yr	Wholesale price	£/m ³			0.7983	0.7983	0.7983
	Combined supply price	£/m ³			0.5670	0.5670	0.5670
	Combined supply discount	£/m ³			0.2313	0.2313	0.2313

Table A-4.2. (cont'd) – Indicative prices for combined supply

North East, Kielder, Berwick Water Resource Zones			2020-21 prices				
			2020-21	2021-22	2022-23	2023-24	2024-25
Entry in 2023-24							
5 MI/yr	Wholesale price	£/m ³				1.1568	1.1568
	Combined supply price	£/m ³				0.9255	0.9255
	Combined supply discount	£/m ³				0.2313	0.2313
25 MI/yr	Wholesale price	£/m ³				1.0482	1.0482
	Combined supply price	£/m ³				0.8169	0.8169
	Combined supply discount	£/m ³				0.2313	0.2313
50 MI/yr	Wholesale price	£/m ³				1.0270	1.0270
	Combined supply price	£/m ³				0.7957	0.7957
	Combined supply discount	£/m ³				0.2313	0.2313
500 MI/yr	Wholesale price	£/m ³				0.7983	0.7983
	Combined supply price	£/m ³				0.5670	0.5670
	Combined supply discount	£/m ³				0.2313	0.2313
Entry in 2024-25							
5 MI/yr	Wholesale price	£/m ³					1.1568
	Combined supply price	£/m ³					0.9255
	Combined supply discount	£/m ³					0.2313
25 MI/yr	Wholesale price	£/m ³					1.0482
	Combined supply price	£/m ³					0.8169
	Combined supply discount	£/m ³					0.2313
50 MI/yr	Wholesale price	£/m ³					1.0270
	Combined supply price	£/m ³					0.7957
	Combined supply discount	£/m ³					0.2313
500 MI/yr	Wholesale price	£/m ³					0.7983
	Combined supply price	£/m ³					0.5670
	Combined supply discount	£/m ³					0.2313

Notes:

1 Wholesale prices

Prices for 2020-21 onwards reflect Ofwat's Final Determination of price limits for 2020-25. It should be taken into account that, within these limits, the rates of price change will vary between the North East operating area and Essex & Suffolk. Actual Wholesale prices (at 2020-21 price levels) in these later years may vary from those shown and will also include allowance for inflation (CPIH).

2 Additional discount for payment of combined supply charges in advance

Combined supply prices shown in the table assume payment in arrears. Where licensees agree to pay Provisional Monthly Charges at least 5 working days prior to the commencement of each billing period, combined supply prices will be reduced by a percentage equivalent to an annual rate of Bank Rate plus 2%. At the time of publication, this equated to a reduction in combined supply prices of 0.3%.

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