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Dear Ms Creasy

Surface Water Drainage Charges

Thank you for your letter dated 5 January 2009. We have received similar letters from Church representatives who share your concerns about increases in bills.

You say that community groups and sports halls are not at present charged for the removal and disposal of the surface water that runs into sewers from their buildings due to their charitable status. That is not in fact correct. There has never been an exemption from water charges under law. No customer is exempt from paying water and sewerage charges if they receive a service from their water company.

As a general rule, our Licence as a water supplier does not allow us to unduly discriminate between groups of customers. This would mean we would find it difficult to treat the Scout Association or Churches differently purely because they are charitable organisations.

Customers who discharge surface water into the public sewer must pay for that service. The charge is a fixed annual amount included in the sewerage standing charge for metered customers. For unmetered customers the charge is linked to the rateable value of the property.

The issue is that premises occupied by the Scout Association tend to have very small rateable values or if they are metered, pay the smallest standing charge so the charges for surface water drainage are relatively small. For example in 2008/09, our domestic metered sewerage standing charge included £18 to cover the costs of surface water drainage.

Our regulator, Ofwat, is encouraging water companies to introduce charging for surface water based on the area of the site because they believe this better reflects the costs that we incur. Four water companies have already made the change such as the ones you quote.



This has led in some cases to significant increases in bills for some customers. However the increase is because of a change in the method of allocating the charge across customers, not because an exemption has been removed.

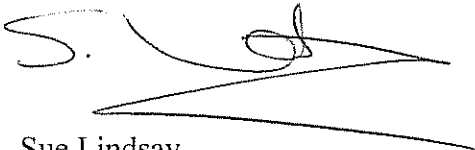
We have no proposals to introduce charging for surface water based on the area of the site at the moment. If we decide to move to this form of charging it would not be until some time after 2010.

In any change to charging method there are likely to be winners and losers. We appreciate the concerns being expressed by yourself and Churches and we will take these into consideration. In order to limit incidence effects we would probably introduce it on change of occupancy so it is unlikely to affect your organisation.

There is a really useful information article on the Ofwat website which provides answers to the questions you have raised. The frequent queries/comments section is particularly useful. The article can be found at:
http://www.ofwat.gov.uk/consumerissues/chargesbills/prs_web_sw_dpos#background

I hope this information is helpful. If you would like to discuss this further then please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sue Lindsay', with a long horizontal line extending to the right from the end of the signature.

Sue Lindsay
Head of Consumer Affairs