



Dear Customer,

Live Rateable Value and changes to your water charges

We are writing to inform you of important changes to your water charges and the way you are billed.

For the majority of supply points, the Water Industry currently uses historic Rateable Values to calculate unmeasured charges, some of which will have been assigned to premises as far back as 1995. The Scottish Government has determined that from 1st April 2018, water and sewerage charges that are based on Rateable Value will be calculated using the same valuation that the councils use for business rates.

Changes will be phased-in over three years from 1st April 2018, with all RV-based charges being completely based on the Live RV from 1st April 2020. To support the phased introduction of charging based on Live RV's, the Water Industry Commission for Scotland have specified a 2% per annum increase on all Wholesale Primary Charges from 2018-19 to 2020-21.

The change is being made to make charges fairer. This is not a revenue raising measure for the water industry. The unit price for Rateable Value based charges will be reduced to ensure that overall the business community does not pay more for the services it uses. As of 1st April 2018, your tariff will automatically be amended to account for these changes. Some customers will see increases in their bills, while other customers will see lower bills for their Rateable Value related services.

Further information about this decision can be found on our website, or directly on the Scottish Government website, where you can also find answers to frequently asked questions: <https://www.mygov.scot/unmeasured-water-and-sewerage-charges>.

As a further result of these changes, if you have previously been paying an annual invoice by monthly instalments, charges from 1st April 2018 will now be invoiced monthly, with payments due based on the actual invoice amount. This will allow you further clarity of your actual charges on a monthly basis. If you wish to explore other payment terms that may be available, please contact our sales team via customersupport@castlewater.co.uk.

We are happy to help guide you through these changes as much as possible, so if you have any queries, please do not hesitate to get in touch.

Yours faithfully,

Scott MacLeod

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