

STATEMENT OF SIGNIFICANT CHANGES TO CHARGES SCHEME CHARGES FOR 2026/27

This statement is published in accordance with the Charges Scheme Rules issued by the Water Services Regulation Authority under sections 143(6A) and 143B of the Water Industry Act 1991.

We confirm that:

- a) Some of our customer types will see bill increases of greater than 5% from the 2025/26 charges (for a given customer type assuming a constant level of consumption). See Appendix 1 for more information.

The increases are due to several items including average K factor increases (average 4.6%), inflation (3.6%), the impact of the in-period ODI Final Determination (-2.5%) and other regulatory changes (2.2%). We have increased our forecast for income from Grants and Contributions which fall within the Price Controls, and this reduces the impact of the increases mentioned above.

Our handling strategies continue to be based around detailed communications with our customers. We started our Affordability/PSR/Digital Conversion integrated marketing communication campaign activity in early November, and that will continue to run through to April. During January and February we will increase the volume of activity alongside the billing communications that lead with the support we have available, including envelope support messages. We currently support 179,000 customers and anticipate a significant increase in 2026/27, with support projected to reach 220,000 customers by the end of the year.

This will be funded in 2026/27 by the shareholder contribution of £4m and a small increase to customer contributions.

We are also now working with local authorities and third-party organisations like Policy in Practice to help us proactively identify those customers in need.

- b) During 2026/27 we will be introducing innovative tariff trials in accordance with the change in Charging Rules issued by Ofwat in December 2022.
- c) There have been no significant changes in our charging policy.

13 January 2026

Appendix 1

Average bill information across customer types split by Northumbrian Water (NW) and Essex & Suffolk Water (ESW)

NW COMBINED WATER AND SEWERAGE	2024/25	2025/26	% Increase
Measured	427	459	7.3%
Unmeasured	579	610	5.3%
Overall	504	536	6.3%

ESW WATER ONLY	2024/25	2025/26	% Increase
Measured	282	296	4.8%
Unmeasured	404	420	4.0%
Overall	318	333	4.7%

Drivers of average bill increases for NW and ESW

	NW COMBINED WATER AND SEWERAGE
Bill in 25/26	504
Bill in 26/27	536
INCREASE	6.3%
CPIH	3.57%
Operating costs	3.8%
New investments	3.1%
ODI Changes	-1.7%
Developer income	-2.4%
Customer changes	-0.1%
INCREASE	6.3%

	ESW WATER ONLY
Bill in 25/26	318
Bill in 26/27	333
INCREASE	4.7%
CPIH	3.57%
Operating costs	5.2%
New investments	2.5%
ODI Changes	-1.0%
Developer income	-4.6%
Customer changes	-1.0%
INCREASE	4.7%

Summary of Household Bill changes in £ for NW and ESW Customers

NORTHUMBRIAN WATER - MEASURED CUSTOMERS			
 Low volume	 £5.78	 Low volume	 £11.81
 Average volume	 £10.35	 Average volume	 £24.80
 High volume	 £28.65	 High volume	 £76.76
WATER		SEWERAGE	
INCREASE		INCREASE	

NORTHUMBRIAN WATER - UNMEASURED CUSTOMERS			
 Low rateable value	 £11.10	 Low rateable value	 £12.55
 Average rateable value	 £13.97	 Average rateable value	 £23.65
 High rateable value	 £25.42	 High rateable value	 £68.08
 Assessed charge	 £11.44	 Assessed charge	 £29.70
 Assessed charge (single occupier)	 £6.39	 Assessed charge (single occupier)	 £14.40
WATER		SEWERAGE	
INCREASE		INCREASE	

ESSEX & SUFFOLK WATER - MEASURED CUSTOMERS	
 Low volume	 £6.00
 Average volume	 £10.73
 High volume	 £29.67
WATER	
INCREASE	

ESSEX & SUFFOLK WATER - UNMEASURED CUSTOMERS	
 Low rateable value	 £11.24
 Average rateable value	 £18.46
 High rateable value	 £47.34
 Assessed charge	 £11.40
 Assessed charge (single occupier)	 £6.70
WATER	
INCREASE	

KEY

 Water  Sewerage  Increase