

NORTHUMBRIAN WATER LIMITED

Statement of significant changes to primary wholesale charges 2026/27

In accordance with the Wholesale Charging Rules issued by the Water Services Regulation Authority (Ofwat) under sections 66E and 117I of the Water Industry Act 1991, this notice is to update stakeholders on any significant changes to our primary wholesale charges for 2026/27.

Wholesale charges, as defined by Ofwat in the Wholesale Charging Rules, relate to the charges water and sewerage undertakers can impose on retailers for wholesale water and wastewater services.

We do not intend to change the structure of our standard charges or the methodology for calculating primary wholesale charges currently. We continue to prefer to provide stability and consistency for our end customers and retailers.

Simplification and harmonisation of metered consumption bands

In accordance with the RWG Good Practice Guide we have changed our metered volumetric consumption bands to align with the proposed bandings across the market.

0 – 0.5ML per annum

0.5 – 50ML per annum

50 – 100ML per annum

100 – 250ML per annum

250+ML per annum

Trade Effluent (TE) Charges

We have reviewed the structure of our published TE charges and incorporated a standard ammonia charge see para 150 in our Wholesale Charges Schedule 2026/27. This charge will apply to new large industrial discharges and to our Special Agreements when current contracts end, where effluent has an ammonia content which breaches the threshold set by NWL. We therefore do not consider handling strategies are required for this change at this stage.

Promoting water efficiency in wholesale charges

Following the publication of the Cunliffe report (Independent Water Commission Recommendation 38) and the subsequent Ofwat consultation and IN 25/04, we continue to review our tariffs to ensure we promote water efficiency.

Raw Water

Raw water volumes have stabilised after a period of decline, but the charges still need to be increased to ensure recovery of the fixed costs of the raw water system.

Vacant premises

We continue to have the highest vacancy rate in the non-household market. As part of our vacant property management strategy, we have previously created an exercisable option to charge for consumption recorded at vacant non-household premises. We have not yet exercised this option to charge but we continue to reserve the right to consult on this matter in the future.

Competition and Markets Authority referral

On 18 February 2025, NWL formally rejected the Final Determination (FD24) published by Ofwat in December 2024 and requested Ofwat to refer it to the Competition and Markets Authority (CMA) for redetermination in accordance with the procedures under the Water Industry Act 1991 and our Licence. Ofwat referred our FD24 to the CMA on 18 March 2025 and we submitted our Statement of Case on 21 March 2025. We received our draft redetermination from the CMA on 9 October 2025.

The final outcomes from the CMA redetermination of the FD24 are not due for publication until March 2026, at the latest, the charges for 2026/27 have therefore been set using the FD24 to ensure we meet our charges publication deadlines.

More information about our referral can be found [here](#).

Handling Strategies

The impact of the higher K factors combined with indexation means our indicative charges are increasing by greater than 5% from 2025/26 charges, assuming a similar level of consumption.

Our Wholesale Services team will contact retailers individually to advise of any anticipated tariff changes relating to the consumption threshold changes and discuss the price increases.

13 January 2026