

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).

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.