

NORTHUMBRIAN WATER LIMITED

Statement of significant changes to primary wholesale charges 2027/28

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 proposed significant changes to our primary wholesale charges for 2027/28.

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 amended our metered volumetric consumption bands to align with the proposed standard bandings being adopted across the market.

Trade Effluent (TE) Charges

We have reviewed the structure of our published Trade Effluent charges with a view to incorporating a standard ammonia charge. The intention is that the charge will apply to new large industrial discharges and to Special Agreements as existing agreements expire, where effluent ammonia concentrations exceed the threshold specified by NWL.

We are engaging with holders of Special Agreements to discuss implementation options and potential handling strategies associated with this change.

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 they support the efficient use of water and encourage sustainable consumption.

Raw Water

Raw water volumes have stabilised following a period of decline. While the charging structure will remain unchanged, charges need to increase to ensure recovery of the fixed costs of the raw water system.

Vacant premises

We have the highest vacancy rate in the non-household market, and the absolute number of vacant premises across our regions have continued to rise over recent years. Increasing numbers of vacant premises and unbilled consumption result in higher prices for the remaining customer base.

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. No change is proposed at this stage for 2027/28. However, we continue to review our approach to vacant premises, and we may consult on potential changes in the future.

Handling Strategies

As part of the final tariff-setting process, NWL intends to work with retailers to identify large users most affected by bill increases and engage with them regarding water efficiency grants and site visits that may help reduce consumption.

NWL's account managers will contact retailers individually to discuss our indicative charges.

13 October 2026