

Statement of significant changes

Scheme of Charges 2024/25

This statement of significant changes has been completed in accordance with the information requirements of the Charges Scheme Rules published by Ofwat in December 2022.

We confirm that we do not expect there to be any bill increases in 2024/25 of more than 5% from the previous year, 2023/24.

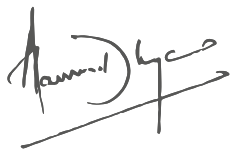
Allowed revenues for water and sewerage companies are set by the industry economic regulator, Ofwat, at five yearly price reviews. These are then subject to annual adjustments for the level of inflation (as measured by the consumer price index including housing costs, known as CPIH; for the Company's performance in delivering service measures agreed at the price review, and to correct for any over-recovery of revenue in previous years.

There have been no changes to the charges methodology and/or charging policy from the 2023/24 Scheme of Charges.

The November CPIH figure, which is applied to our charges for 2024/25, is 4.2%. This increase has been offset to a large extent by the reduction in allowed revenue reflecting the net ODI under-performance payment in respect of 2022/23, largely relating to water measures, as set out in Ofwat's published final in-period determination.

As a result, household bills for unmeasured dual service customers reduce by 0.1% and measured dual services customers reduce by 1.3%. Our water-only customers will see reductions in their water bills of 6-8%, whilst our wastewater-only customers will see increases in the range 2-4%.

Whilst all bill increases are lower than 5%, for any customers struggling to pay their bill, the Company currently will provide support through its social tariffs (currently 131,000 supported). In addition, a new support scheme has been implemented to provide temporary bill relief to those customers who do not qualify for social tariffs, but who may face short-term crises in their household finances. These schemes will be promoted through our billing literature and other communications to customers.



Alastair Lyons
Chair

On behalf of the Board
22 December 2023