



Wessex Water Services Limited
Assurance Statement for the
2026-27 Wholesale Charges

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Introduction

Our Wholesale Charges scheme sets out the charges that, in the absence of any contractual agreement, our Licensed Providers must pay for services we provide in the course of carrying out our water and sewerage undertaker duties.

Our Wholesale Charges scheme sets out the terms and conditions of those charges. This statement provides assurance from the Wessex Water Services Ltd Board of those Wholesale Charges. Both documents are available on our website, at www.wessexwater.co.uk/our-charges.

Under the Water Industry Act our Wholesale Charges for 2026-27 must comply with the Wholesale Charges Rules most recently issued by Ofwat in October 2025 ("the Charges Rules"). In addition, our Wholesale Charges should comply with our obligations under our Operating Licence and law.

Board ownership

The Board owns and is accountable for the development of the Wholesale Charges.

On 28 July 2025 the Board considered our strategy for Wholesale Charges for 2026-27 and the associated governance processes. It also reviewed and approved the Indicative Wholesale Charges for 2026-27. These charges were subsequently published on 13 October 2025.

On 24 November 2025, the Board confirmed the decisions above and considered analysis of expected bill changes based on draft final charges under (i) Ofwat's PR24 Final Determination and (ii) the Competition and Markets Authority's (CMA's) provisional redetermination of our PR24 settlement. The Board noted that our final Wholesale Charges will be updated to reflect November CPIH, as well as the CMA's final redetermination if published in sufficient time.

The Board delegated authority for final sign-off of the charges documents to the Director of Finance, subject to review of November CPIH and the CMA's final redetermination (if published in sufficient time), and receipt of the final charges audit report with no material concerns.

As the CMA's final redetermination has not been published, final wholesale charges are based on Ofwat's PR24 Final Determination.

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The Assurance Statement

In making this Assurance Statement, the Board has considered the requirements set out by Ofwat in its Wholesale charging rules and confirms that, to the best of its knowledge and belief:

1. The Company complies with its legal obligations relating to the Wholesale Charges it has published.
2. The Board has assessed the effects of the new charges on water supply and sewerage licensees (as a whole or in groups) who are retailing wholesale services and on customers occupying Eligible Premises (as a whole or in groups) and approves the impact assessments and handling strategies developed in instances where bill increases for licensees (as a whole or in groups) who are retailing wholesale services and on customers occupying Eligible Premises (as a whole or in groups) exceed 5%.
3. The Company has appropriate systems and processes in place (including up-to-date models and data) to make sure that the information published about its Wholesale Charges is accurate.
4. The Company has consulted with relevant stakeholders in a timely and effective manner on its Wholesale Charges; and
5. Where final Wholesale Charges are significantly different from the indicative Wholesale Charges published for the same period, the Board has considered the reasons why those changes occurred and has issued a statement explaining why those changes were not anticipated and/or mitigated.

In addition, the Board considers the Wholesale Charges consistent with Ofwat's Wholesale charging rules.

The Board has made this statement based on the information available to it at the current time.

The Board authorised the Company's Director of Finance to sign the final Board Assurance Statement and Charges Scheme.

Signed:



Date: 09 January 2026

Andy Pymer
Director of Finance
(on behalf of the Board)

Board considerations

In making this Assurance Statement the Board has considered the following requirements set out by Ofwat in its Wholesale Charges Rules ("the Ofwat Assurance Requirements"):

1. *The Company complies with its legal obligations relating to the Wholesale Charges it has published*

The Company engaged AtkinsRéalis who reviewed and confirmed that:

a. Our Wholesale Charges for 2026-27 are appropriate to meet our obligations under:

- Ofwat's Wholesale Charging Rules, most recently issued in October 2025;
- The Water Industry Act 1991 (as amended in 1999 and 2014) – sections 93A (in so far as the Indicative Wholesale Charges do not derogate from the duty to promote the efficient use of water) and 142-149 (as currently in force);
- The Water Industry (Charges) (Vulnerable Groups) Regulations 1999;
- The Water (Prescribed Conditions) Regulations 1999;
- The Water (Meters) Regulations 1988; and
- The Flood and Water Management Act 2010 – section 43.

b. Our Wholesale Charges are consistent with the Company's obligations under licence conditions E and R.

c. Our charges calculations are consistent with the PR24 Final Determination and Notification.

2. *The Board has assessed the effects of the new charges on water supply and sewerage licensees (as a whole or in groups) who are retailing wholesale services and on customers occupying Eligible Premises (as a whole or in groups) and approves the impact assessments and handling strategies developed in instances where bill increases for licensees (as a whole or in groups) who are retailing wholesale services and on customers occupying Eligible Premises (as a whole or in groups) exceed 5%;*

In November 2025, the Board reviewed all proposed changes in charges compared to the previous charging year, based on the latest information at the time, and considered how these translated into bill changes for a selection of Eligible Premises. Wholesale bill incidence effects exceeded 5% for customers who we supply with wastewater services. They also exceeded 5% for some of the largest customers who we supply with water services, due to a change in our policy with regards to large users. We have developed a full customer communication strategy (summarised in our Statement of Significant Change) to mitigate the impacts of these greater than 5% increases in bills.

The Board delegated authority for final sign-off of charges to the Director of Finance, subject to review of November CPIH and receipt of the final charges audit report with no material concerns.

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Updating our charges to reflect November CPIH; Ofwat's final determinations on its 2024-25 blind year reconciliation and outcome delivery incentives; and other minor modelling updates has resulted in the following changes to wholesale bills:

| Non-household annual consumption/RV | Water | | Wastewater | | Combined | |
|-------------------------------------|-----------|-------|------------|-------|-----------|------|
| | £ | % | £ | % | £ | % |
| Measured | | | | | | |
| 100m ³ | 295 | -1.8% | 337 | 9.8% | 633 | 4.1% |
| 1,000m ³ | 2,909 | -1.8% | 2,887 | 10.8% | 5,795 | 4.1% |
| 50,000m ³ | 132,484 | 0.5% | 145,016 | 10.8% | 277,501 | 5.6% |
| 500,000m ³ | 1,003,583 | 7.1% | 1,422,767 | 10.9% | 2,426,350 | 9.3% |
| Unmeasured | | | | | | |
| £300 RV | 836 | -2.4% | 821 | 9.0% | 1,657 | 2.9% |

These estimated bills and incidence effects are not materially different to those which were presented to the Board in November 2025 (based on Ofwat's PR24 Final Determination).

The Director of Finance has reviewed these revised bill changes and incidence effects and is content that our handling strategy remains appropriate in respect of the final Wholesale Charges.

3. *The Company has appropriate systems and processes in place to make sure that the information published about its Wholesale Charges and additional information is accurate*

The Board reviewed and approved the governance and assurance processes and procedures for the setting of charges in July 2025.

In addition to the external assurance laid out above, the Company continues with its internal charges assurance processes including ensuring clear ownership of the process resides with a senior manager, in this case the Director of Strategy & Regulation.

The charges setting process requires the Economic Regulation Team to engage with internal and external stakeholders to ensure that the charges proposals are well rounded and practical, in particular there is significant engagement with the Company's internal lawyers and those responsible for billing and collecting charges.

4. *The Company has consulted with relevant stakeholders in a timely and effective manner on its Wholesale Charges; and*

The Board was informed that stakeholders have been engaged with in a timely manner. The Company discussed its charges strategy with its Customer Challenge Group (CCG) and CCW over summer 2025. It also communicated key changes with retailers via published correspondence in September 2025, in advance of the full publication of indicative wholesale charges. The Company also held follow-up engagement with individual retailers, particularly in respect of the two changes to the structure of wholesale charges that have been proposed for the 2026-27 charging year.

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Further engagement with the CCW as well as the Retailer and Wholesaler Group (RWG) Tariff Simplification sub-group also took place over autumn 2025.

Furthermore, the Company engaged with a number of Licensed Providers on an ad hoc basis throughout the year. Wholesale charging policy was a standing item on the agenda.

5. *Where final Wholesale Charges are significantly different from the indicative Wholesale Charges published for the same period, the Board has considered the reasons why those changes occurred and has issued a statement explaining why those changes were not anticipated and/or mitigated.*

Since publication of the indicative Wholesale Charges, we have made the following changes:

- Used the published November CPIH figure;
- Updated the blind year and ODI adjustments used in the calculation of 2026-27 allowed revenues, to reflect Ofwat's final determinations on its 2024-25 blind year reconciliation and outcome delivery incentives; and
- Updated our consumption forecasts taking account of more recent outturn information.

AtkinsRéalis has audited these changes.

The overall impact of these changes on our final Wholesale Charges is small, and does not result in charges which are significantly different from the indicative Wholesale Charges published in October 2025. Furthermore, the changes resulting from the first two of these changes have been fully anticipated. On this basis, the Director of Finance is content that our handling strategy remains appropriate in respect of the final Wholesale Charges, and has signed off the final Board Assurance Statement and Charges Scheme on behalf of the Board.