



Wessex Water Services Limited
Assurance Statement for 2026-27 Indicative 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.

Ofwat's Wholesale Charging Rules, published in October 2021, requires undertakers to publish their 2026-27 Indicative Wholesale Charges no later than 13 October 2025.

This document sets out our assurance for Indicative Wholesale Charges for 2026-27.

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 the Indicative Wholesale Charges for 2026-27. The Board noted that published indicative charges will be updated to reflect updated inflation forecasts; the latest available information on 2026-27 consumption forecasts; and the CMA's provisional findings on its PR24 redetermination, should this be published in sufficient time.

The Board further confirmed that to the best of its knowledge and belief the Ofwat assurance requirements were met.

On this basis, the Board delegated sign-off of the indicative wholesale charges documents to the Director of Finance, subject to confirmation of the points above, and receipt of the external assurance report with no material concerns.

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Assurance Statement for 2026-27 indicative charges

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 indicative Wholesale Charges it has published.
2. The Board has assessed the effects of the new charges on water supply and sewerage licensees who are retailing wholesale services and on customers occupying Eligible Premises and approves the impact assessments and handling strategies developed in instances where bill increases for licensees who are retailing wholesale services to eligible customers and on customers occupying Eligible Premises 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 indicative Wholesale Charges is accurate; and
4. The Company has consulted with relevant stakeholders in a timely and effective manner on its indicative Wholesale Charges.

In addition, the Board considers the indicative 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.

We will be monitoring the economic and regulatory outlook and when new information becomes available, including that received through stakeholder engagement and consultation, the 2026-27 wholesale charges will be updated accordingly before their final approval.

Signed:



Date: 10 October 2025

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 Indicative Wholesale Charges it has published*

The Company engaged AtkinsRéalis who reviewed and confirmed that:

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

- Ofwat’s Wholesale Charging Rules published in October 2021;
- 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 Indicative 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 (or, where it deviates from this, that this is reasonable).

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

In July 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.

The Board delegated authority for final sign-off of charges to the Director of Finance, subject to review of (1) updated inflation forecasts; (2) the latest available information on 2026-27 consumption forecasts; and (3) the CMA’s provisional findings on its PR24 redetermination, should this be published in sufficient time.

The CMA’s provisional redetermination has not been published in sufficient time to consider as part of indicative Wholesale Charges. Updating our charges to reflect the first two factors has resulted in the following forecast changes to wholesale bills:

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Non-household annual consumption/RV	Water		Wastewater		Combined	
	£	%	£	%	£	%
Measured						
100m ³	298	-0.8%	338	9.9%	636	4.6%
1000m ³	2,939	-0.8%	2,889	10.9%	5,829	4.7%
50,000m ³	133,841	1.5%	145,161	10.9%	279,003	6.2%
500,000m ³	1,012,759	8.1%	1,431,252	11.0%	2,444,011	9.8%
Unmeasured						
£300 RV	836	-2.4%	808	7.2%	1,643	2.1%

These incidence effects are based on a forecast November CPIH of 3.7%, based on recent forecasts published by three leading banks.

As shown in the table above, expected incidence effects for some groups of customers exceed 5%. We have developed a full customer communication strategy (summarised in our Statement of Significant Change) to mitigate the impacts of these expected changes in bills.

3. The Company has appropriate systems and processes in place to make sure that the information published about its Indicative 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 and 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, including 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 Indicative Wholesale Charges

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. Further engagement with CCG and CCW will take place over autumn 2025.

The Company also met with a number of Licensed Providers on an ad hoc basis throughout the year. We have not received any specific proposals on or changes to our Wholesale Charges.