



STATEMENT OF SIGNIFICANT CHANGES – INDICATIVE WHOLESALE CHARGES 2026/27 (Covers Bristol Water, Bournemouth Water and South West Water)

As required under section A4 of the Wholesale Charging Rules issued by the Water Services Regulation Authority under sections 66E and 117I of the Water Industry Act 1991, South West Water (SWW) is publishing details of any significant changes to our indicative primary wholesale charges for 2026/27, including where bill increases are expected to be greater than 5% from the previous year.

Our indicative wholesale charges, published alongside this statement, have been developed using best available information and assumptions, notwithstanding ongoing uncertainty around the economic environment.

Our Indicative Charges Schemes, to be published separately, will set out indicative wholesale charges for all customer tariffs for 2026/27.

Key assumptions underpinning charge movements

The changes in primary charges for 2026/27 include the following assumptions:

- Current CPIH inflation (4.0%) using Government and independent sources.
- PR24 Final Determination allowed revenue alongside relevant reconciliation items and estimation of blind year adjustments
- Estimated future consumption and customer numbers.

Charging policy

In recent years we have undertaken significant work to remove water poverty in the region, encourage water efficiency and make our charges progressive.

In 2024/25 we restructured the SWW non household (NHH) large user charges (water and wastewater) to remove the falling block structure and reflect that the region is no longer in water surplus. This is being phased in across the AMP and the third tranche has been applied in 2026/27. For 2024/25 we also identified a need to rebalance the recovery of surface water drainage costs between household and non-household customers. This is also being phased in across the AMP and the third tranche has been applied in 2026/27.

During 2024/25 we commenced a number of progressive charging trials – these are ongoing as the trial period crosses several financial years. Full details of the proposed non-household trials and charges applicable to each trial are published in the Appendix of the Indicative Wholesale Charges Document for each region. (Household trial charges will be included in the final End User charge document to be published in January 2026).

We committed to a target of zero customers in water poverty by 2025 and we remain committed to maintaining that position. We have plans and processes in place to support customers in need through water efficiency, metering and social tariffs as well as our ongoing charge trials and reviews to refine our charging structure.

Fundamentally we aim for our charges to be as fair as possible. Fairer charging means that customers who use more water pay more, whilst those who use less water have this reflected in their bills. We also aim to ensure that our bills are progressive, and support tariffs are available to ensure bills are affordable for those who might struggle to pay for an essential service.

Bill movement from previous year

The table below shows the underlying drivers of the movement in the average household bill between prior and current year.



The main uplift is due to the funding for the business plan submitted for PR24 (k factors) – this funding will be utilised to deliver our customer's top priorities, including securing safe, clean drinking water, reducing the use of storm overflows across the regions' bathing waters, and protecting the environment.

Expected inflation (CPIH) and estimated regulatory adjustments (RFI balances for prior over or under recovery / ODI penalties or rewards for performance) are also contributing factors.

Changes in customer numbers, expected consumptions and tariff rebalancing are reflected within the "Other" line. These impacts tend to interact with each other and are difficult to disaggregate, particularly for indicative charges.

Whilst there will be some adjustments to customer bills, we are committed to keeping our bills affordable for all. We will continue to offer support programmes for those in financial difficulty and work on initiatives to improve efficiency and reduce costs. During the 2025-2030 period we plan to increase our package of financial support to over £200m and are doubling down on our commitment to eradicate water poverty by 2030.

Nominal Bill Movement	SWW	BW	BRL
2025/26 Average Bill	£685.63	£190.91	£234.36
Inflation 4%	£26.05	£7.25	£8.51
FD (K factors)	£32.36	£9.01	£11.71
FD adjustments (ODI / RFI)	£0.09	£0.03	£11.10
Other	£4.07	£0.35	£5.74
2026/27 Average Bill	£748.20	£207.55	£271.42
Movement	9.13%	8.72%	15.81%

Bill increases of more than 5% from the previous year

Primarily due to the uplift in revenue in the Final Determination, all customers are expected to see a bill increase greater than 5% in 2026/27.

To support customers with their bills, we offer a range of assistance measures beyond opting for a meter. These include domestic support tariffs such as WaterSure, WaterCare, and Assist.

We are actively engaging with customers through payment breaks, water efficiency advice, home visits, and debt support, including proactive interventions via our Restart scheme. For benefit recipients, we offer Water Direct, enabling bill payments to be made directly from benefits. Additionally, we assist customers in identifying benefit entitlements to ensure they are accessing all available financial support.

Our Watershare+ incentive scheme has returned financial efficiencies to customers, allowing them to either receive a bill credit or become a shareholder in Pennon Group Plc. Campaigns such as Stop the Drop and Water is Precious have further supported customers by offering financial rewards for collective water-saving efforts and we are now including water efficiency incentives in all our Tariffs.

For non-household (NHH) customers, we are working through retailers to promote water efficiency measures aimed at reducing consumption and lowering bills. This includes targeted support for the most impacted customers ahead of the new charging year to ensure tailored assistance is in place.

Finally, we will undertake a further review of our handling strategies between indicative and final tariffs to ensure every possible avenue of support is available to our customers.