

South Staffordshire Water PLC

Board Approval of Draft Wholesale Charges for 2026-27

Assurance Statement

In approving the indicative charges for 2026-27, the Directors confirm that they comply with the following provisions. This statement also sets out how the Board has assured itself of each provision.

1. The Company complies with its legal obligations (including competition law) relating to the wholesale charges published.

The water industry is subject to UK and EU competition law.

In order to ensure compliance, the Company has adhered to the Wholesale charging rules as set out by Ofwat in its Instrument of Appointment so that no undue preference or discrimination has been shown to any class of customer. Clear principles have been applied in setting tariffs such that customers pay the same amount for the same service, resulting in household and non-household tariffs being the same, except for any large user discount that could be justified, measured and unmeasured differentials represented by additional metering costs, and the historic differential between South Staffs and Cambridge regions being broadly maintained.

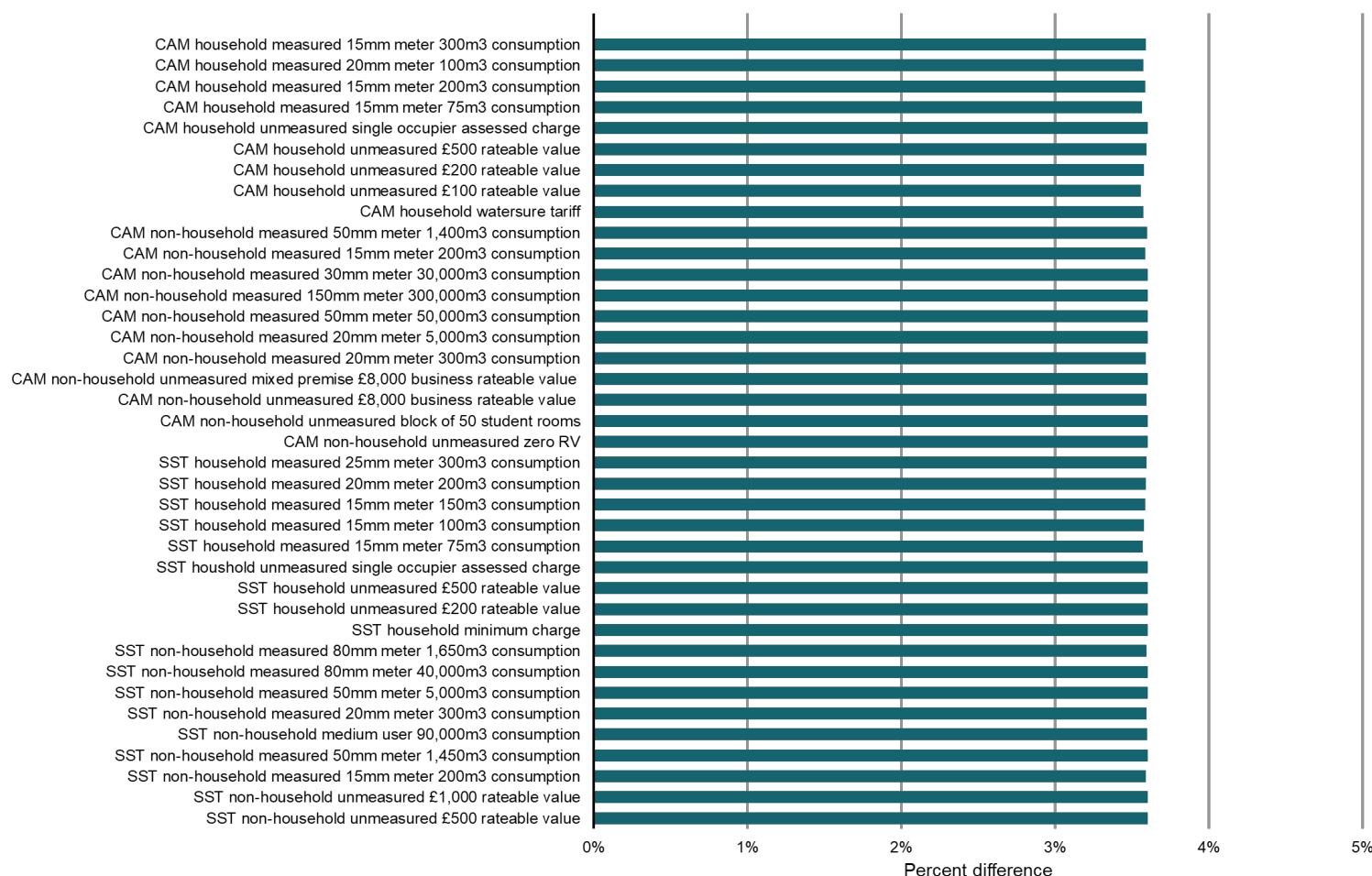
The Company's charges fully comply with these principles.

2. The Board has assessed the effects of the new charges on water supply 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%.

We have assumed that November 2025 CPIH is 3.9% and as such, typical charges are increasing by 3.6%.

A sample of customers on different tariffs has been chosen to demonstrate the impact and is set out graphically below:

Incidence effects on selected customers - Wholesale bill



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.

We have used information from established reports from the Company's billing system.

The individuals involved have been with the Company for a number of years and are familiar with the processes and information sources. In addition, although external assurance is not required, the Company's internal audit function has been used to give independent assurance on the data used. This approach is reviewed annually.

Finally, the Company has continued to use the same tariffs model as used in previous years to aid the setting of compliant charges.

4. The Company has consulted with relevant stakeholders in a timely and effective manner on its wholesale charges schemes.

A statement setting out the proposed Wholesale charges has been circulated to all retailers supplied by the Company. This confirmed that we will be aligning tariff bands of some large users to align to the MOSL RWG tariff simplification best practice recommendations. However, we will transition any impacted business customers over the period to 2030 so that no business will see an increase in wholesale charges greater than 5% each year.

We have also provided CCWater with details of the likely bill impacts on household customers and confirmed that we are not planning any changes to charges or rebalancing which will create bill shocks.

This statement was approved by the Board of Directors on 18 September 2025 and signed on its behalf.

A handwritten signature in dark ink, appearing to read 'Elena Karpathakis', is written over a faint, light blue rectangular stamp. The signature is fluid and cursive, with the first name 'Elena' being more prominent.

Elena Karpathakis
Managing Director
South Staffordshire Water PLC