

## South Staffordshire Water PLC

### 2025/26 charges for Non-Household Customers

#### The main components of our 2025/26 charges

Wholesale charges have been calculated in accordance with the allowed revenue set by Ofwat in its Final Determination of price limits for 2025 to 2030. Inflation of 3.5% has been applied to wholesale tariffs, in line with the CPIH figure published by the Office of National Statistics.

Most customers will experience a bill increase of around 25.3%, although individual customers may experience a higher or lower increase depending on their own characteristics.

#### Key areas of expenditure and investment and the benefits it will deliver

In delivering our Business Plan, we have engaged with more than 3,000 business customers through our strategic research and ongoing business-as-usual insight programmes. This was to ensure all our decisions are grounded in their views and priorities.

Our plans will deliver significant investment and improved outcomes for customers including:

- Investing £40m to ensure excellent water quality and reliable assets.
- Investing £16m to enhance and protect the environment.
- Investing £55m to achieve 76% metering coverage by 2030 and help customers to reduce water use.
- Delivering our ambition to meet net zero emissions by 2050.
- Delivering an ambitious 17% leakage reduction.

Although we are one of the most efficient companies in the industry, as assessed by Ofwat, we are not immune to the substantial increase in energy costs that has emerged since 2022. We use a significant amount of energy to transport our treated water to homes and businesses in our region and will require additional funding. There is also a knock-on effect on other areas such as the chemicals we use to treat raw water and the pipes we lay. In our plans, we challenged ourselves to deliver further efficiencies over the 2025-30 period, which will help to partly offset the impact from energy costs.

## **How our charges are likely to move over the period to 2030**

Ofwat reprofiled our revenues so that average bills will remain flat in real terms from 2026/27 to 2029/30. This means that charges would be expected to increase by the annual rate of CPIH inflation each year. However, this could change depending on certain other factors including:

- How we perform against our Performance Commitments which could result in a revenue reward or penalty.
- Whether we collect all the revenue we are allowed to in a particular year. Any difference is recovered in two years' time and could impact future charges.

## **Support available to Business customers**

Working with retailers and business customers

- To undertake water efficiency audits,
- To advise on opportunities to make efficiency savings and to help identify leakage for repair.
- We are fitting AMI meters at all NHH properties which currently do not have this in Cambridge by 2030 and in South Staffs by 2035. This will support our water efficiency audits but will also help us to identify areas of continuous use, which we will work with retailers and non-householders to address where this is not for business purposes.