**SES WATER – INDICATIVE WHOLESALE CHARGES 2026/27**
**STATEMENT OF SIGNIFICANT CHANGES**

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, Sutton and East Surrey Water (SES) 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 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.

**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 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.

| Nominal Bill Movement | SES |
|---|---|
| **2025/26 Average Bill** | **£248.78** |
| Inflation 4% | £9.05 |
| FD (K factors) | £20.21 |
| FD adjustments (ODI / RFI) | -£12.06 |
| Other | -£2.74 |
| **2026/27 Average Bill** | **£263.23** |
| Movement | 5.81% |

**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 and WaterSupport

We are actively engaging with customers through payment breaks, water efficiency advice, home visits, and debt support, including proactive interventions via our Breathing Space 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.

For the first time in the SES supply area, we are planning to include water efficiency incentives in our Tariffs. This is where customers receive a financial reward for collective water efficiency activity. We are also working to incorporate SES customers into our Watershare + incentive scheme, where Pennon shares its profits with customers by offering customers a share in Pennon or money off their bill. This gives customers both a stake and a say in their water company.

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