



SES Water's 2025-26 Charges

Statement of Significant Year-on-Year Changes of Indicative Charges

Our charging year runs from 1 April to 31 March. We will publish our household charges scheme for the next year, beginning 1 April 2025, on 13 January 2025.

Our charges have been calculated using the forecast revenue for the Financial Year 2025-26 based on SES Water's response published on 28 August 2024 to Ofwat's PR24 draft determination. The increase in charges of c12% is primarily due to the step-up in revenue associated with the activities detailed in our PR24 business plan.

Factors affecting the level of our charges

In addition to the receipt of Ofwat's PR24 final determination in December 2024, other factors that will impact the level of our charges are:

1. Inflation and price limit

Our final charges will reflect both the allowed cost and revenue set by Ofwat as part of the PR24 final determination. The final allowed revenue will be based on the inflation rate published by the Office of National Statistics for November 2024.

2. Forecast consumption and connection

In setting charges for the 2025-26 tariff year, we need to forecast the number of properties and consumption for the year ahead, to ensure that our charges recover the allowed revenue from the price control. Change in these forecast property and consumption numbers will occur prior to finalisation of charges in January 2025

3. Reconciliation of allowed revenue for PR19 period

Based on Ofwat's reconciliation rulebook, any over/under-performance in terms of expenditure, revenue, outcome deliveries, etc. should be reconciled at the end of the price control period. At this stage, we use our best estimates of the amount to be reconciled in order to set the indicative charges. The final reconciliation will be published by Ofwat in November 2025.

Overall level of expected bill increase


These proposals are subject to review and approval by the Board of SES Water of the charges for final publication in our Non-household and Household Charges Schedule for 2025-26, required by 13 January 2025. The level of final charges may vary from those of the indicative charges.

The Company has assessed the effect of the charges that will apply from April 2025 on a range of different customer types. Given that the increases in charges from prior year are

above 5%, the Company will ensure a handling plan is in place to communicate and engage with stakeholders and help customers with financial vulnerability. Changes in the bills will depend on individual circumstances, for example whether a customer is metered and corresponding levels of water usage.

Signed on behalf of the Board of Directors, 11 October 2024.

Ian Cain



(Group Chief Executive Officer)

Paul Kerr



(Group Chief Financial Officer)