



Wessex Water Services Ltd
Assurance Statement for the
2025-26 Bulk Charges for NAVs

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Introduction

Our Bulk Charges for NAVs Method Statement sets out the approach to determine the bulk charges for services provided to a NAV (a newly appointed water company that supplies a previously unserved site). A copy of our Bulk Charges for NAVs Method Statement is available on our website¹.

Ofwat consulted on potential changes to how they regulate the bulk supply or discharge charges paid by NAVs in July 2020 and issued guidance in January 2021, which revised the previous May 2018 guidance.

Our Bulk Charges for NAVs should also comply with our obligations under our Operating Licence and law.

Board ownership

The Board owns and is accountable for the development of the Bulk Charges for NAVs Scheme.

On 30 September 2024 the Board considered our strategy for customer charges and the associated governance processes.

On 25 November 2024, the Board confirmed the decisions above and considered analysis of expected bill changes, based on draft final charges.

The Board further confirmed that to the best of its knowledge and belief the Ofwat Assurance Requirements were met and duly approved the signing of this Assurance Statement.

The Board therefore authorised the Company's Director of Finance to sign-off the final Assurance Statement and Bulk Charges for NAVs Scheme.

¹www.wessexwater.co.uk/our-charges

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The Assurance Statement

In making this Assurance Statement, the Board has considered the requirements set out by Ofwat in its Guidance (“the Ofwat Guidance”).

The Board confirms that:

1. The company complies with its legal obligations and the Ofwat Guidance relating to the charges set out in its Bulk Charges for NAVs document;
2. 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 Bulk Charges for NAVs is accurate; and
3. The company has consulted with relevant stakeholders in a timely and effective manner on its Bulk Charges for NAVs.

The Board has made this statement based on the information available to it at the current time.

The Board authorised the Company’s Director of Finance to sign-off of the final Assurance Statement and Bulk Charges for NAVs scheme.

Signed



Date 29 January 2025

Andy Pymer
Director of Finance
(on behalf of the Board)

Board considerations

In making this Assurance Statement the Board has considered the following requirements set out by Ofwat in its Bulk Charges for NAVs guidance:

1. *The Company complies with its legal obligations and the Ofwat guidance relating to the charges set out in its Bulk Charges for NAVs documents*

The Company engaged Mott MacDonald who reviewed and confirmed that our Bulk Charges for NAVs document for 2025-26 is appropriate to meet our obligations under our legislation, including the Water Industry Act 1991 (as amended in 1999 and 2014) – section 93A (in so far as the Bulk Charges for NAVs do not derogate from the duty to promote the efficient use of water), 142/149;

- a. Our Bulk Charges for NAVs document is consistent with Ofwat's revised guidance (published in January 2021).
- b. Our Bulk Charges for NAVs document is consistent with the Company's obligations under licence conditions E, R and S.
- c. That our charges calculations are:
 - based on observed cost data and use reasoned approaches to calculate the deducted costs, and
 - consistent with the Company's wholesale charges for 2025-26.

2. *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 Bulk Charges for NAVs is accurate; and*

The Board reviewed and approved the governance and assurance processes and procedures for the setting of charges in September 2024.

In addition to the external assurance laid out above, the Company continues with its internal assurance processes. The charges setting process requires the Economic Regulation team to engage with relevant internal stakeholders to ensure that the charges proposals are well rounded and practical. Clear ownership of the overall process resides with a senior manager, in this case the Director of Strategy & Regulation.

The Company also engaged Frontier Economics in October 2022 to peer review the bulk charges model and methodology to ensure alignment with the Ofwat guidance and progress towards aligning to the current industry best practice. The conclusions from this review have been implemented in previous charging years, and no further methodological changes have been made since then.

3. *The Company has consulted with relevant stakeholders in a timely and effective manner on its Bulk Charges for NAVs.*

The Board was informed that stakeholders have been engaged with in a timely manner. The Company has engaged with its external stakeholders in the following ways:

- The Company originally consulted on proposals for Bulk Charges for NAVs in September 2020, before the outcome of Ofwat's consultation, which resulted in the updated January 2021 Ofwat guidance.
- Since then, the Company has fully engaged with the bulk charges for NAVs working group that has been set up. Discussions at this group have been highly productive in defining best practice for setting our bulk charges.
- In relation to changes for this charging year, the Company wrote to stakeholders in October 2024 notifying them about likely changes in bulk charges, and inviting an opportunity for discussions.² The Company subsequently published indicative bulk charges on its website in November 2024 and notified all relevant stakeholders, to provide a further opportunity to comment. These charges were based on the same methodology and approach that has previously been used to set these charges.

² This letter was published on our [website](#).