

## **Statement of Significant Changes to Household Charges 2024-25**

In accordance with the Charges Scheme Rules issued by the Water Services Regulation Authority (Ofwat) under sections 143(6A) and 143B of the Water Industry Act 1991, this statement is to notify stakeholders on the proposed significant changes to our household charges for 2024-25.

Household charges refer to charges levied and recoverable from domestic premises for any services provided while carrying out our functions as a water and sewerage undertaker. Domestic premises, as defined by Ofwat in the Charges Scheme Rules, means any premises used wholly or partly as a dwelling or intended for such use, such as a house or flat.

We have made no changes to the structure of our charges, the methodology for calculating household charges, or our charging policy this year.

### **Calculation of allowed revenues**

Charges seek to recover the revenue allowed through the final determination.

The calculation of allowed revenue for 2024-25 has three elements:

1. the wholesale revenue per control based on the “K” factors or allowed revenues set out in the most recent in-period determination (Autumn 2023),
2. CPIH for November 2023, and
3. the results of mechanisms set out in the PR19 Reconciliation Rulebook that adjust allowed revenues for performance in prior years.

This year bills are increasing due to three main factors:

1. inflation remains high (although not as high as last year),
2. collection of financial reward for our industry leading performance in 2021-22, and
3. adjustments through the RFI reflecting under recovery of revenue in 2022-23.

This will result in bill incidence effects of over 5% on both our primary wholesale and our household charges.

### **Handling Strategies and Mitigations**

The allowed revenues support investment that allows us to meet the challenges of a rapidly changing world while providing excellent and resilient service.

We are continuing our approach to make it easier for customers to receive assistance with paying their bills. They will continue to be able to go directly onto our Assist tariff while they seek debt advice instead of having to go through debt advice before receiving support.

For those on our assist tariff, we will not be passing through the full bill increase, instead only increasing bills in line with rises to benefits, 6.7%.

At the same time, we have limited the increase in fixed charge elements, this gives customers more scope to save money through meter switching and water efficiency savings which we will continue to promote.

We have actively engaged with and received support from stakeholders, including CCW, our Customer Challenge Group, and our Vulnerability and Affordability Panel about the changes, our handling strategies and mitigations and our customer communications.

Wessex Water Services Ltd  
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**Customer Communications**

To help give early notice to customers of the bill increases we have:

- Included information in our November magazine and expanded its circulation to all our customers (as opposed to just dual-service customers);
- Published an article on our website; and
- Included an update in our January electronic newsletter.

These communications include information on likely bill increases (based on our indicative charges), how to save water and save money and how we can help customers who are struggling to pay.

Alongside this, we have made it clear on our charges webpages how customers can save water and money, promoting our water efficiency and metering offerings to help all customers mitigate the impact of increasing charges. We have also made it clear why bills have increased and the reasons for this, including where customers can go to get more information about their bills.

**Bill incidence effects**

Taking account of our allowed revenues, the proposed mitigations above, and latest forecasts for consumption we expect to see typical bill increases ranging from £1.60 to £10.48 per month. All customer groups are likely to be affected.

The range of likely changes are presented in the table below:

Household customer type	Water		Sewerage		Combined	
	per year	per month	per year	per month	per year	per month
Average bill	£29.15	£2.43	£29.90	£2.49	£59.05	£4.92
Metered 1 person	£19.19	£1.60	£19.04	£1.59	£38.22	£3.19
Metered 2 person	£29.22	£2.44	£28.43	£2.37	£57.65	£4.80
Metered 3 person	£34.86	£2.91	£33.72	£2.81	£68.58	£5.72
Metered 4 person	£41.14	£3.43	£39.59	£3.30	£80.73	£6.73
Metered 5 person	£49.29	£4.11	£47.23	£3.94	£96.52	£8.04
Metered 6 person	£55.87	£4.66	£53.40	£4.45	£109.27	£9.11
Unmetered "low" 100 RV	£29.68	£2.47	£27.47	£2.29	£57.15	£4.76
Unmetered "medium" 160 RV	£47.79	£3.98	£44.23	£3.69	£92.02	£7.67
Unmetered "high" 220 RV	£65.31	£5.44	£60.43	£5.04	£125.74	£10.48