



Wessex Water Services Ltd
Assurance Statement for
Charging Arrangements for New Connections Services 2025-26

Introduction

Our Charging Arrangements for New Connection Services 2025-26 present the fixed charges for services provided to those developing land and laying new water and sewerage infrastructure for domestic purposes between 1 April 2025 and 31 March 2026.

These charges are set in accordance with the provisions of the Water Industry Act 1991 (the Act), the Instrument of Appointment (Licence) and other applicable laws. The charges also comply with the Charging Rules for New Connection Services (English Undertakers) issued by the Water Services Regulation Authority under sections 51CD, 105ZF, 143B and 144ZA of the Water Industry Act 1991 issued by Ofwat in October 2021 and other relevant guidance. Charges to Licensed Providers and Household Premises are fixed under separate charges schemes.

This Scheme does not apply to charges required by the Company from another water or sewerage undertaker (including any potential new or replacement undertaker within the contemplation of section 7 of the Act) for the supply of water in bulk or bulk removal of wastewater. Such charges will be fixed by agreement between the parties having regard to sections 40 and 110A of the Act and any relevant Ofwat guidance.

Board ownership

The Board is accountable for the development of the Charging Arrangements for New Connection Services.

On 30 September 2024, the Board considered and approved the strategy and proposals for customer charges and the associated governance processes, to be implemented from 1 April 2025.

On 25 November 2024, the Board confirmed the decisions above and considered an analysis of expected bill changes.

The Board further confirmed that, to the best of its knowledge and belief, Ofwat's requirements for Board assurance of charges were met and duly approved this Assurance Statement.

The Board therefore authorised the Company's Director of Finance to sign the final Assurance Statement for Charging Arrangements for New Connection Services, the Charging Arrangements for New Connection Services, and the Statement of Significant Changes.

Assurance Statement

In making this Assurance Statement, the Board has considered the requirements set out by Ofwat in its New Connection Services charging rules and confirms that, to the best of its knowledge and belief:

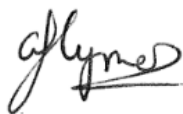
1. The Company complies with its obligations relating to the Charging Rules for New Connection Services set out in its New Connection Services Charging Arrangements;
2. The Company has appropriate systems and processes in place to make sure that the information contained in the New Connection Services Charging Arrangements and additional information is accurate;
3. The Board has assessed the effects of the new charges on customers' bills for a range of different types of development, and approves the impact assessments and handling strategies developed in instances where bill increases for particular types of new developments exceed 10%; and
4. The Company has consulted with its stakeholders in a timely and effective manner on its New Connection Services Charges.

In addition, the Board considers the New Connection Services charges consistent with Ofwat's New Connection Services charging rules.

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 the final Assurance Statement, Charging Arrangements and Statement of Significant Changes.

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:

1. *The Company complies with its obligations relating to the Charging Rules for New Connection Services (English Undertakers)*

The Company engaged Mott MacDonald who reviewed and confirmed that:

- our Charging Arrangements for 2025-26 are appropriate to meet our obligations under the Water Industry Act 1991 (as amended in 1999 and 2014)
- our Charging Arrangements are consistent with:
 - Charges Scheme Rules from April 2023 (dated Dec 2022),
 - Wholesale Charging Rules (dated October 2021), and
 - Revised Charging Rules for New Connection Services (English Undertakers) (dated December 2024);
 - Environmental Incentives Common Framework – English New Connection Rules Effective April 2025
 - Common Terms and Worked Examples Effective from April 2025
- our Charging Arrangements are consistent with the Company's obligations under licence conditions D and E.

2. *The Company has appropriate systems and processes in place to make sure that the information contained in the charges scheme, and the additional information covered by this annex is accurate*

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 technical assurance detailed above, the Company continues with its internal assurance processes as detailed in the Regulatory Assurance Manual including:

- a requirement for the compiler, owner and reviewer to certify the accuracy of their data and associated calculations; and
- ensuring clear ownership of the process resides with a senior manager, in this case the Director of Strategy & Regulation.

The charges setting process requires the Economic Regulation team to engage with internal and external stakeholders to ensure that the charges proposals are well rounded and practical. In particular, there is significant engagement with the Company's legal team and those responsible for billing and collecting charges.

3. The Board has assessed the effects of the new charges on customers' bills for a range of different types of development, and approves the impact assessments and handling strategies developed in instances where bill increases for particular types of new developments exceed 10%

The Board was informed that the Company expects a bill for typical developments to increase by more than 10% from the previous year as summarised below.

Scenario	2025-26	2024-25	% change	% change net of income offset
Single connection	£3.3	£2.7	25%	19%
*Single connection to 4 properties (4-port manifold)	£6.4	£4.9	30%	20%
Single connection to a block of flats	£9.1	£5.9	54%	24%
Medium development (Excavation: Others)	£86.8	£66.6	30%	17%
Medium development (Excavation: Wessex Water)	£139.1	£119.0	17%	10%
Large development (Excavation: Others)	£277.9	£203.3	37%	19%
Large development (Excavation: Wessex Water)	£474.8	£401.8	18%	10%
Medium development (SLP)	£28.7	£16.7	72%	19%
Medium development (NAV)	£22.4	£10.7	108%	24%
Large development (SLP)	£72.8	£30.0	142%	23%
Large development (NAV)	£60.2	£17.6	241%	28%

Details of the mitigations and handling strategies to minimise the impact on our customers were presented to the Board in the Statement of Significant Changes in Charges for New Connections and New Developments, and these were approved.

4. The Company has consulted with its stakeholders in a timely and effective manner on its charging arrangements

The Board was informed that internal and external stakeholders have been engaged in a timely manner. The Company has engaged with its external stakeholders throughout the year and their feedback has been considered when formulating proposals for 2025-26.

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In addition, we published indicative charges in November 2024 to give early indications of what we would be charging, and an opportunity for feedback and engagement.

Further details of our customer communications strategy is set out in our Statement of Significant Changes.