



Wessex Water Services Limited  
Further information on 2026-27 Wholesale Charges

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## Version history

<b>Version number</b>	<b>Summary of changes</b>	<b>Publication date</b>
1.0	Original document	March 2025
1.1	Updated document for 2026-27	January 2026

## Introduction

This information sheet has been prepared for retailers and non-household customers at the request of the Retailer Wholesaler Tariff Simplification sub-group ('the RWG Tariff Group'), alongside the publication of our 2026-27 wholesale charges and Wholesale Charges Scheme on 13 January 2026. It summarises the following:

- Headline changes to wholesale charges from 1 April 2026
- The main drivers of the change in these charges, including key areas of expenditure / investment.
- Future changes in charges over the rest of AMP8.
- Further information and support available.

This information is intended to assist retailers in communicating the forthcoming changes in charges to their customers; and to help customers plan for and manage the impact of the increase in their bills, both this year and over the rest of AMP8.

We will update this document as and when new information becomes available.

## How are wholesale charges changing in 2026-27?

From 1 April 2026, our wholesale charges are changing as follows:

For **water supply** charges:

- The standard volumetric charge for water customers will fall by 2%. This is primarily due to a reduction in revenues for the water network plus price control allowed by our regulator, Ofwat, as part of its PR24 Final Determination. This is partly offset by the impact of inflation.
- However, the volumetric charges for our 20 MI / 100 MI / 150 MI decreasing block tariffs are all increasing, from around 2% (for the 20 MI tariff) to 15% (for the 150 MI tariff). This is due to our decision to begin phasing out these volumetric consumption bands over AMP8, beginning from 1 April 2026. This means that these tariffs will increase over and above the standard wholesale volumetric tariff, in order to progressively reduce the discounts on these bands, until there is a single volumetric wholesale rate for potable water

We wrote to all retailers about this change in September 2025, and set out the impacts of this change in our [Statement of significant changes for wholesale charges](#) in October 2025.

For **sewerage** charges:

- The standard volumetric charge for wastewater will increase by 11%. This is primarily due to an increase in revenues for the wastewater network plus price control allowed by Ofwat as part of its PR24 Final Determination. This reflects that there is a greater step change in investment requirements in this area over the course of AMP8 as we improve our wastewater services. The increase also reflects the impact of inflation.
- Trade effluent charges are also increasing by a similar amount.

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The changes in tariffs for unmeasured customers are broadly aligned to measured charges, though the increase in sewerage charges is slightly lower (while the fall in water supply charges is slightly higher). This is because we forecast that the estimated differential between unmeasured and measured consumption will be slightly narrower, compared to the assumption used to set this year's charges. All other things equal, this means that to ensure we continue to reflect differences in the relative costs of serving these customer groups, the percentage increase (decrease) in measured charges is slightly higher (lower) than for unmeasured customers.

Overall, this means that sewerage-only customers can expect to see an increase in bills next year, while water-only customers not on a decreasing block tariff can expect to see a fall in bills. A combined customer would expect to see an increase in bills, as the percentage change in sewerage charges is larger than the change in water supply charges.

The precise impact of these changes will vary from customer to customer, depending on the services we supply (water, sewerage, trade effluent); the specific tariff the customer is on (metered, unmetered, assessed or interruptible); and their total usage of water (or in the case of an unmeasured customer, their rateable value).

### **Summary of changes**

The table below presents a range of typical wholesale water and sewerage bills for 2026-27 (and the percentage increase compared to 2025-26). As the table shows, water bills are generally falling (except for larger users) and combined bill increases are generally lower than 5%. However, bill incidence effects of more than 5% are expected for all types of wastewater-only customer.

Overall, we expect to see bill increases ranging from -2.4% (for an unmeasured water-only customer) to 10.9% (for larger wastewater customers). However, a customer's actual change in charges could lie outside of this range, as it will depend on the specific volume of water that is consumed.

Non-household annual consumption/RV	Water		Wastewater		Combined	
	£	%	£	%	£	%
<b>Measured</b>						
100m <sup>3</sup>	295	-1.8%	337	9.8%	633	4.1%
1,000m <sup>3</sup>	2,909	-1.8%	2,887	10.8%	5,795	4.1%
50,000m <sup>3</sup>	132,484	0.5%	145,016	10.8%	277,501	5.6%
500,000m <sup>3</sup>	1,003,583	7.1%	1,422,767	10.9%	2,426,350	9.3%
<b>Unmeasured</b>						
£300 RV	836	-2.4%	821	9.0%	1,657	2.9%

Our full charges to apply from 1 April 2026 are set out in Section 1 of our Wholesale charges scheme for 2026-27 – available on our website<sup>1</sup>. These should be used to estimate specific bill changes for a given customer / consumption level.

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<sup>1</sup> [Our charges | Wessex Water](#)

## What are the key drivers of the changes in wholesale charges?

Our final Statement of significant changes for wholesale charges 2026-27 sets out further details of the various drivers of the changes in charges and their relative contribution to these changes – including: inflation; changes in allowed revenues; changes in consumption and customer numbers; and other regulatory adjustment mechanisms. We have not replicated this information here<sup>2</sup>.

As set out above, and illustrated in our Statement of significant changes, there are two main areas where charges are increasing significantly in 2026-27.

1. Water supply charges for large users. This is due to our decision to begin phasing out our existing 20 MI / 100 MI / 150 MI volumetric consumption bands over AMP8.
2. Sewerage charges for all customers. This is primarily due to a further increase in revenues for the wastewater network plus price control allowed Ofwat as part of its PR24 Final Determination. This reflects the step up in investment required in this area over the course of AMP8, as well as the impact of inflation.

In respect of (2), the rest of this section provides further information on the key expenditure and investment areas that is driving the increase in charges. We have included information on the major investment programmes across AMP8 (which underpins the general increase in bills expected over the 2025-2030 period), but we have also updated this document with information on (i) what we have delivered in the first year of AMP8; and (ii) what major investments will be delivered in year 2.

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### Key areas of expenditure and investment

Over the **next five years**, some of the biggest investment areas in our water network are:

- Taking forward critical planning and design work for new **regional water resource projects** (known as SROs) to ensure we have enough water for years to come. This includes two new reservoirs in Cheddar and the Mendips, and an innovative scheme to transfer water via a new pipeline from Poole to other parts of our region.
- Rolling out **smart meters** to more than 15,000 non-household properties. Smart meters will help us to detect leaks more quickly as well as giving customers more information about their own water use. This will help us to reduce leakage rates and meet environmental targets to reduce overall water demand in our region by 20% by 2038.
- Spending more than £60 million to maintain our industry-leading record on **drinking water quality**, including replacing a further 8,000 lead pipes across our network.

Over the next five years, some of the biggest sewerage investment areas are:

- Spending around £1 billion on **reducing nutrients** in treated wastewater discharges. Excess nutrients can result in high algal growth, which can deprive the waterways of oxygen, destroy habitats and kill wildlife. To address this, we will be removing 1,550 tonnes of nutrients from

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<sup>2</sup> This Statement of significant changes for 2026-27 is published alongside this document: [Our charges](#).

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rivers by 2030, helping us to achieve our long-term target of restoring the health of our river and coastal waters. We are also rolling out more than 400 devices which will continuously monitor river water quality to ensure we can detect and address problems quickly.

- Committing £500m to tackle the worst **storm overflow issues** in our region, more than double what we are currently spending. This will reduce the number of spills at 143 overflow sites. In doing so, we will be maximising the use of nature-based solutions such as wetlands, which can treat overflows in a more cost-effective and more environmentally friendly way.
- Investing more than £100 million to increase the **capacity of our water recycling centres**, to ensure we can accommodate new development in our region.

#### AMP8 Year 1 investment highlights

By March 2026, we **expect** to have delivered:

- The replacement of 1,140 lead pipes as part of our water quality improvement measures
- The installation of 46,000 smart meters for households, and a further 1,900 smart meters for non-households
- 20 water quality monitors at various locations in our region, as part of our Smart Waters programme
- 'Gate 3' submissions for our major regional water resource projects (or SROs) in Poole and Cheddar. This is the precursor to a full planning application and involves collection of environmental data as well as extensive consultation with local stakeholders. We have also commissioned a pilot plant at Poole WRC to simulate on a smaller scale the proposed processes we are intending to utilise to further treat the water for the Poole SRO
- Design and partial build work on four new wetlands to treat storm overflow discharges. One of these wetlands nearing completion is in Post Green, a 2-hectare site in Dorset, where we are installing three lagoons book-ended by a pond and a wet woodland as part of a £2 million investment.



*Aerial view of Post Green wetland project taking shape*

In addition to completing optioneering and planning work at several water recycling centres where we intend to increase capacity and / or upgrade treatment to reduce nutrients in wastewater discharges.

## Key AMP8 Year 2 investments

By March 2027, we **plan** to deliver:

- The replacement of a further 1,140 lead pipes
- A further 44,000 smart meters for households and a further 3,000 smart meters for non-households
- A further 90 water quality monitors at various locations in our region
- The construction of two further wetlands across the region, on top of design and build work for several traditional storm overflow storage (primarily storage tanks to address spills).
- Five capacity upgrades, and 13 treatment upgrades to reduce phosphorous discharges, at water recycling centres
- Further ground investigation, environmental surveys and market engagement with potential suppliers for our SROs in Poole and Cheddar. For the Cheddar SRO, we will also deliver full scale trial embankment and compaction trials

These investments are on top of around £1 billion in ongoing capital investment over the next five years, to maintain our existing assets and ensure our network remains fit for purpose into the future.

## How will wholesale charges change during the rest of AMP8?

We cannot say exactly how bills will change in future years, as they will be affected by things such as inflation; changes in customer numbers / consumption patterns; and our regulatory performance.

However, we have set out in the table below the expected real terms percentage change in allowed revenues in years 3 – 5 of AMP8 for the water and wastewater price controls, based on Ofwat's PR24 Final Determination but updated to take account of past performance. This provides an indication of the profile of wholesale charges to 2030. As the table shows, the increase in sewerage charges over the rest of AMP8 is generally higher than the increase in water charges, reflecting the larger expenditure and investment areas described above.

### Indicative change in revenues in AMP8 (based on Ofwat PR24 Final Determination)

	2027-28	2028-29	2029-30	Notes
Water	1%	1%	-2%	This is the sum of the water resources and water network plus price controls
Wastewater	6%	3%	6%	This is the sum of the wastewater network plus and bioresources price controls.

It is important to note that this is the trajectory of allowed revenues *before* inflation and the application of other in-period adjustments (e.g. regulatory rewards / penalties for performance, adjustments for prior year over or under-recovery). The nominal increase in revenues and charges would be expected to be higher than this.

### **Impact of CMA redetermination**

The change in allowed revenues from 2027-28 onwards will also be affected by the outcome of the Competition and Markets Authority (CMA)'s ongoing [review of our PR24 settlement](#). This means that, while the table above provides an indication of future movements in wholesale charges *based on Ofwat's PR24 Final Determination*, future changes in charges will deviate from these values.

The CMA issued its provisional findings on 9 October 2025. This proposed a 3.8% increase in allowed revenues, over and above Ofwat's PR24 Final Determination, across the whole of AMP8. All other things equal, based on the CMA's provisional findings, we would therefore expect to see larger increases in allowed revenues than those presented above.

However, the CMA's review has not yet concluded and there will likely be further changes between its provisional and final determinations. In particular, the CMA said it was specifically giving further consideration to bill profiling across AMP8.<sup>3</sup> Furthermore, the CMA's provisional findings assumed that any changes to Ofwat's PR24 settlement would take effect from year 2 of AMP8, which is not the case. Therefore, if the provisional determination doesn't change this will further increase the bill impact over 2027-30.

We will seek to update retailers with more up-to-date information on the trajectory of charges when the CMA's review concludes later in 2026.

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### **What support is available to manage bills?**

The best way to manage the impact of increased water charges is by making sure that water isn't being wasted, thereby reducing overall usage.

Water efficiency advice, information and services are becoming increasingly available to businesses. Our plans for 2025-30 include supporting non-household water users to reduce their usage. We anticipate facilitating around 160 water efficiency visits a year. The bulk of these will be delivered through a targeted programme of visits to fit water saving devices and the identification and fix, wherever possible, of plumbing leaks on site. We have also offered a leakage management training course aimed at sites with complex networks.

We will also shortly be launching a NHH water efficiency innovation fund. This will support further collaboration with a range of retailers, businesses, community organisations and other third parties. We will welcome applications to work with us on NHH water efficiency initiatives that do not meet the criteria for the targeted water wastage reduction programme but may provide opportunity for

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<sup>3</sup> We also note that the CMA has since issued a [Working Paper](#) on base cost modelling which affects its provisional findings.

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innovation within the sector. We expect to publish further information, including details on how to apply to this Fund, on our website by the end of February 2026.

Furthermore, we have now begun the rollout of smart meters to more than 15,000 non-household properties, a programme of work that will continue over the next four years. Installation activity commenced in mid-2025 and is progressing well. We are prioritising deployment in the most water-stressed parts of our region – particularly the Hampshire Avon area – to ensure the greatest possible benefit in reducing demand and improving network insight.

### **Where can I find out more?**

Our full wholesale charges scheme is available on our [website](#). Further information on the key drivers underpinning the changes in charges for 2026-27 is available in our Statement of Significant Changes, also published alongside our charges scheme.

Our full suite of wholesale charges documents for 2026-27, and for previous charging years, can be found on our [Retailer page](#). If you have a question, please email us at: [wholesalefinance@wessexwater.co.uk](mailto:wholesalefinance@wessexwater.co.uk).

You can also find out more about our [PR24 business plan](#) and the work we will be doing over the next five years to maintain and improve our services for all our customers.