



STATEMENT OF SIGNIFICANT CHANGES

As required under section A4 of the Wholesale Charging Rules issued by the Water Services Regulation Authority under sections 66E and 117I of the Water Industry Act 1991, South West Water (SWW) is publishing details of any significant changes to our indicative primary wholesale charges for 2024/25, including where bill increases are expected to be greater than 5% from the previous year

Our wholesale charges, published alongside this statement, have been developed using best available information and assumptions, notwithstanding ongoing uncertainty around the economic environment.

Our Charges Schemes, to be published separately, will set out charges for all customer tariffs for 2024/25.

Key assumptions underpinning charge movements

The changes in primary charges for 2024/25 include the following assumptions:

- November CPIH inflation (4.2%) using Government and independent sources.
- Changes in allowed revenue arising from SWW's Final Determination
- Estimated future consumption.

Charging policy

For 2024/25 we have restructured the SWW non household (NHH) large user charges (water and wastewater) to remove the falling block structure and reflect that the region is no longer in water surplus. The full details of this change are published in the Wholesale Charges Document.

A review of surface water drainage costs has identified a need to rebalance the recovery between household and non-household customers. This is being phased in over several years.

During 2024/25 we plan to run a number of progressive charging trials. Full details of the proposed trials and charges applicable to each trial are published in the Appendix of the Wholesale Charges Document for each region.

There are no other significant changes anticipated to the charging policy or structures between 2023/24 and 2024/25.

Bill increases of more than 5% from the previous year

Due to the rebalancing of the larger tariff and the surface water drainage charges, most SWW NHH customers will see bill movements slightly in excess of 5%. Some SWW Unmeasured household (HH) customers are also seeing a bill increase slightly greater than 5%.

The highest adverse bill impact currently is NHH large users (c.6% - 13%). Other NHH impacts are c.5% - 7%. To mitigate the LU impacts the change is being phased in over several years.



Handling strategies will focus on supporting these customers through their retailers to maximise water efficiency saving measures to reduce consumption and therefore bills. This will include specific focus on the greatest impacted customers in advance of the charging year commencing in order to tailor support where necessary.

For unmeasured HH customers we continue to offer the option to switch to a meter, where installation isn't possible an assessed charge is available which also provides access to the social tariffs if required.

Further review of handling strategies and engagement with CCW will be developed between indicative and final tariffs to ensure every possible support is available to our customers.