

South Staffordshire Water PLC

Statement of Significant Change to End User Customers

Under the charges scheme rules issued by the Water Services Regulation Authority (Ofwat), specifically sections 143(6A) and 143B of the Water Industry Act 1991, the Company is required to provide a statement summarising significant changes to 2023-24 charges. These are outlined below:

(a) The Company is required to advise whether there are any charge increases of more than 5%.

Wholesale charges have been calculated in accordance with the allowed revenue set by Ofwat in its Final Determination of price limits for 2025 to 2030 after adjusting for in-period ODIs and Green Recovery funding. Inflation of 9.3% has been applied to wholesale tariffs, in line with the CPIH figure published by the Office of National Statistics.

Retail charges have been recovered in line with revenue allowance per customer allowed in the 2019 Final Determination for residential customers after adjusting for an in-period reward for C-Mex.

Most customers will experience a bill increase of around 8.2%, although individual customers may experience a higher or lower increase depending on their own characteristics.

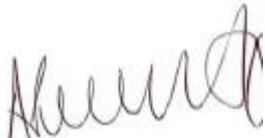
We have increased the income threshold of our social tariff; "Assure", which provides discounted water bills, so that more customers can benefit from financial support. We are already the third-highest provider of social tariffs among the water industry and now, recognising the issues that the cost-of-living crisis is causing, we want to ensure that anyone who needs help is aware of the support available. The Assure tariff was available for households with an income of less than £17,005 per year but this has now been increased to £19,050. By increasing the income threshold, more customers are eligible for a 60% discount on their water charge in the first year and 40% in the second year.

We continue to explore innovative ways to proactively identify and support vulnerable customers, we have trialled open banking through Equifax early this year which resulted in 70% of approved Assure applications supported by open banking. We continue to review and build from the learning and will be looking to undertake further trials to seek new ways to support customers. We are also leading a proposal as part of the Ofwat innovation fund to better understand how water is used differently in diverse faith communities, which also aims to open doors to new channels of engagement and communication to support hard-to-reach vulnerable customers.

(b) The Company will be making the following change to charging policy.

The Company has made no changes to its charging policy.

Approved by the Board of Directors on 9 January 2023 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Andy Willicott', written in a cursive style.

Andy Willicott
Managing Director
South Staffordshire Water PLC