

Statement of Significant Changes in relation to the Anglian Water Services Charges Scheme 2026/27

Our tariff structure for 2026/27 is unchanged from our 2025/26 scheme.

Charges seek to recover, at 2026/27 prices, the revenue allowed to us by the Regulator, Ofwat.

The calculation of allowed revenue for 2026/27 has four elements:

1. the wholesale revenue per control based on the “K” factors per service area set out in the Final Determination published on 19 December 2024;
2. the published CPIH for November 2025;
3. the results of those mechanisms set out in the PR24 Rulebook that adjust those allowed revenues for performance in prior years; and
4. the allowed retail revenue expressed as an average cost to serve per customer.

Published “K” Factors

The K factors set out a percentage increase to the prior year allowed revenues on a consistent price base. For the 2026/27 charging year the published K factors are as set out in the table below:

Price Control	K Factor
Water Resources	24.05%
Water Network Plus	1.53%
Wastewater Network Plus	3.86%
Bioresources	1.39%*

*Bioresources = deduced K based on adjusted usage

A substantial proportion of the increase to next year’s bills is driven by the step change in investment that supports us meeting the challenges from a rapidly changing climate, a growing population and the environmental and quality obligations agreed with our Environmental Regulators.

CPIH

Reflects the upward cost pressures resulting from inflation and allows us to recover these costs in order to maintain delivery of our service obligations to our customers.

Our charges are based on the November CPIH figure of 3.57%.

PR24 Rulebook

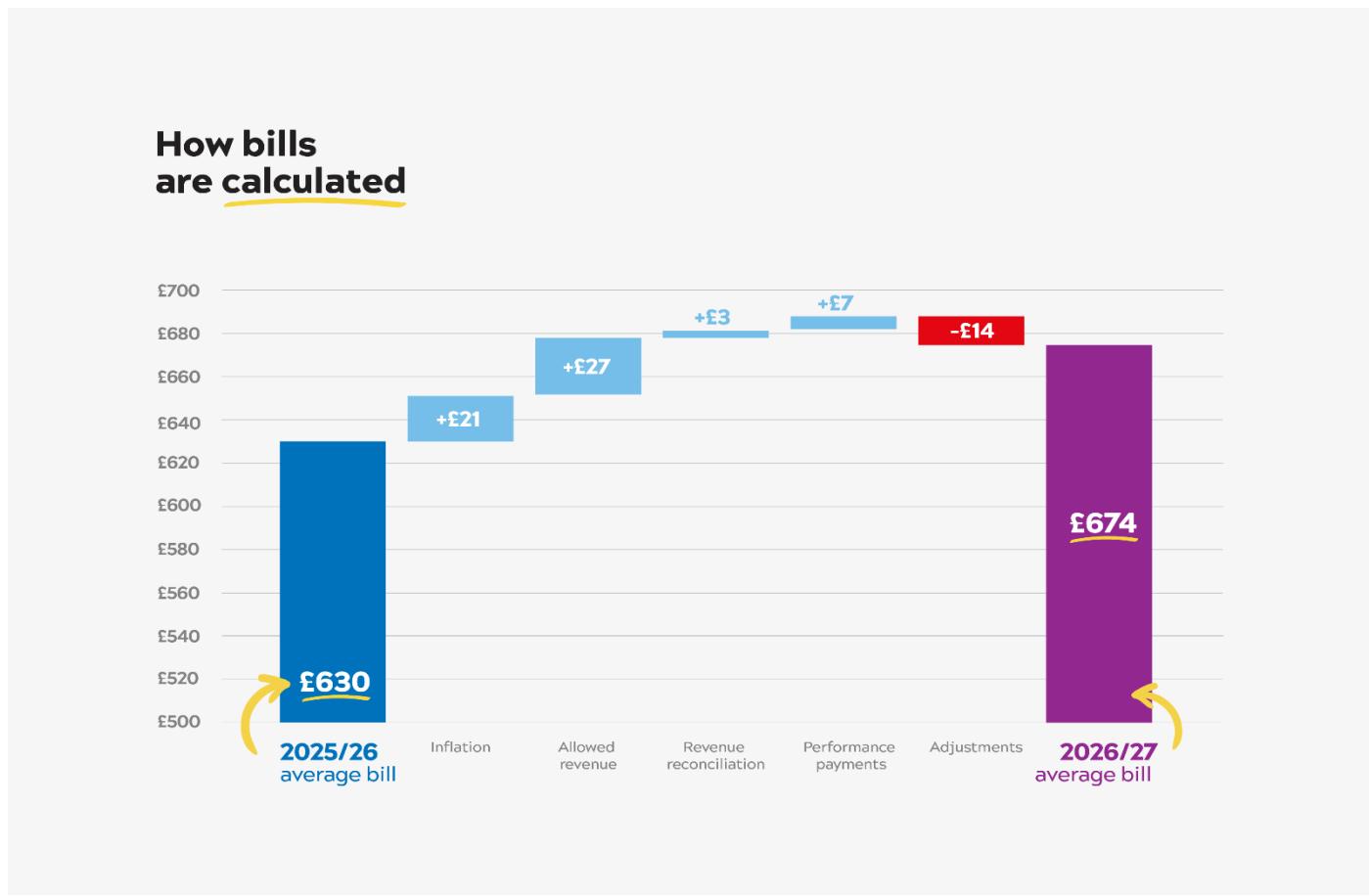
Application of the PR24 Rulebook mechanisms results in three types of adjustment: the first for under or over recovery of allowed wholesale revenue in the 2024/25 charging year under the Revenue Forecasting Incentive mechanism; the second for under or over performance of the outcome performance commitments set out in the Final Determination; and the third for the under or over recovery of allowed revenue in the final year of AMP7. For the charging year the resulting adjustments per revenue control are set out in the following table:

Price Control	Revenue Forecasting Incentive	Outcome Performance	AMP7 Blind Year Adjustment
Water Resources	-	-£0.0m	£2.4m
Water Network Plus	-	£4.0m	£3.3m
Wastewater Network Plus	-	£18.0m	£2.5m
Bioresources	-	£0.0m	-
Retail Revenue	-	£3.0m	-

Bill incidence effects

As a consequence of the calculation of allowed revenue, and our forecast of customer numbers and demand, we expect all customer classes to experience bill increases that exceed five per cent, based on a constant level of usage.

The following graph illustrates the key movements between the average bills for 2025/26 and 2026/27.



Average household bill 2025/26	The average household bill for 1 April 2025 to 31 March 2026
Inflation	We use a range of materials to supply water and wastewater services, including chemicals, fuel and energy. Inflation is how much the prices of these things go up by year on year and is based on the Consumer Price Index including Housing (CPIH) for November 2025.
Allowed Revenue	This is the amount set by Ofwat to cover the cost of providing the water and wastewater service, as well as helping with billing enquiries and customer services. It also covers our ongoing investment in providing you with the best service we can and maintaining our equipment and infrastructure.
Revenue reconciliation	Includes a correction for 2024/25 where we collected less revenue from customers than Ofwat allowed. This will be due to variations in demand and/or growth in customer numbers compared to those forecast when we set charges.
Performance payments	These are adjustments to our charges and are based on our performance against targets set out by Ofwat for each year. Where we perform above our targets and deliver an increased quality service to our customers, the business will be able to claim a financial reward, but if we perform below target, we'll receive a financial penalty.
Adjustments	This rebalances revenue across different types of customer based on year on year changes in the cost to serve different groups. It also includes movements caused by changes in average water usage.
Average household bill 2026/27	The average household bill for 1 April 2026 to 31 March 2027

Household Customers Handling Strategy

For Household customers we're maintaining and raising awareness of our affordability support services through a number of communication channels. We continue to use and expand our bank of content using Anglian Water employees to bring to life practical and tangible ways we're able to help customers needing support with their bills. These are deployed across a number of channels including multiple social media platforms, pay-per-click search activity as well as direct to customer channels such as email and on bill messaging.

We maintain a drumbeat of messages through organic social media and through our 6-weekly email newsletter to showcasing the customer support available alongside standalone opportunities such as Talk Money week. We also provide bespoke personalised signposting via their online MyAccount on how to access support if concerned about paying their bill. We have clear content navigation from the homepage of our website to the relevant support. For 2026/27 we're using additional customer insight to improve the information provided around where the charges are spent and invested, and how we explain to customers the drivers behind the increases as we progress into year two of AMP8.

Our research into the extent of water poverty in our region demonstrates that we have in place direct tariff support sufficient to provide discounted charges to all those eligible for support.

Typical bill incidence effects are as set out in the tables below:

Line description	WATER			SEWERAGE			COMBINED (WITH SWD)			
	2025/26	2026/27	% Change	2025/26	2026/27	% Change	2025/26	2026/27	% Change	£ Change
ANGLIAN WATER										
Measured - standard										
75 m3 pa	£253.87	£281.54	10.9%	£274.42	£302.80	10.3%	£528.28	£584.33	10.6%	£56.05
100 m3 pa	£321.07	£355.38	10.7%	£327.14	£360.41	10.2%	£648.21	£715.79	10.4%	£67.58
150 m3 pa	£455.48	£503.07	10.4%	£432.58	£475.64	10.0%	£888.06	£978.71	10.2%	£90.65
250 m3 pa	£724.30	£798.45	10.2%	£643.47	£706.11	9.7%	£1,367.77	£1,504.56	10.0%	£136.79
Measured - watersure										
	£310.00	£335.00	8.1%	£323.00	£346.00	7.1%	£633.00	£681.00	7.6%	£48.00
Measured - aquacare plus										
75 m3 pa	£253.87	£281.53	10.9%	£274.42	£302.80	10.3%	£528.28	£584.33	10.6%	£56.05
100 m3 pa	£286.82	£318.31	11.0%	£297.22	£328.06	10.4%	£584.04	£646.37	10.7%	£62.33
150 m3 pa	£352.73	£391.87	11.1%	£342.84	£378.59	10.4%	£695.57	£770.46	10.8%	£74.89
250 m3 pa	£484.55	£538.98	11.2%	£434.06	£479.65	10.5%	£918.61	£1,018.63	10.9%	£100.02
Unmeasured										
100 rv	£485.19	£542.67	11.8%	£448.90	£499.31	11.2%	£934.09	£1,041.98	11.6%	£107.89
180 rv	£506.18	£566.05	11.8%	£466.06	£518.00	11.1%	£972.24	£1,084.04	11.5%	£111.80
250 rv	£524.55	£586.50	11.8%	£481.08	£534.35	11.1%	£1,005.63	£1,120.85	11.5%	£115.23
300 rv	£537.67	£601.11	11.8%	£491.80	£546.03	11.0%	£1,029.47	£1,147.14	11.4%	£117.67
HARTLEPOOL WATER										
Measured - standard										
75 m3 pa	£156.89	£169.27	7.9%							
100 m3 pa	£194.68	£209.61	7.7%							
150 m3 pa	£270.27	£290.29	7.4%							
250 m3 pa	£421.45	£451.65	7.2%							
Measured - watersure										
	£185.00	£202.00	9.2%							
Measured - aquacare plus										
75 m3 pa	£156.89	£169.27	7.9%							
100 m3 pa	£179.68	£193.53	7.7%							
150 m3 pa	£225.27	£242.05	7.4%							
250 m3 pa	£316.45	£339.08	7.1%							
Unmeasured										
Licence Fee	£210.00	£230.65	9.8%							