

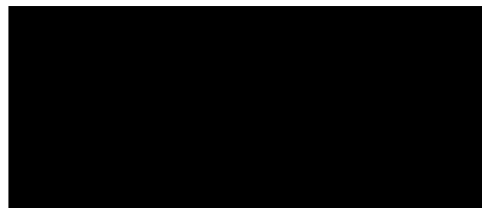
Statement of Board Assurance in relation to the 2026-27 Bulk Charges for New Appointments and Variations

Based on the results of independent third-party assurance provided by Frontier Economics, to the best of its ability the Board can confirm that:

- (a) the company complies with its legal obligations relating to the Bulk Charges it has published,
- (b) the company has appropriate systems and processes in place (including up-to date models and data) to make sure that the information published about its Bulk Supply Charges and Bulk Discharge Charges is accurate,
- (c) the company has consulted with relevant stakeholders in a timely and effective manner on its Bulk Charges, and
- (d) where the Avoided Costs are significantly different from the previous year's Avoided Costs, the Board has considered the reasons why those changes occurred and has issued a statement explaining why those changes were not anticipated and/or mitigated.



Lara Stoimenova
Non-Executive Director and
Chair of the Audit & Risk Committee



Chris Milner
Chief Financial Officer

9 January 2026

Appendix to Bulk Charges assurance statement

Statement on significant change in charges compared to previous years.

Ofwat's charging rules include a principle that bulk supply charges should reflect "stability and predictability". The Board notes that the company has substantially revised its methodology for setting bulk charges for NAVs in order to ensure cost reflectivity and ongoing compliance with Ofwat's updated charging rules (published in Nov 2025).

As a result of this change in methodology the charges levied for all sites in our region are expected to increase by greater than 10%.

The Board has therefore considered whether there is a need for transitional arrangements to full implementation of the new charges. It has also discussed with Ofwat the appropriateness of transitional arrangements and consulted with NAV customers on the proposed changes to its charges.

Based on these considerations, the changes in the charges will be phased in over a two-year period as set out below.

	Prior year methodology*	Full new methodology	2026-27 transition charge
Discount per property	£ (67.49)	£(39.11)	£ (50.00)

*the prior year's methodology was expressed as a volumetric discount (rather than per property). The conversion to a per property discount has been based on Ofwat's NAV worked examples.