

HOUSEHOLD CUSTOMERS SCHEME OF CHARGES 2026 TO 2027

Addendum: Alternative Charge Trials

Portsmouth Water wishes to develop alternative tariff structures that engage customers and allow them to become more aware of their water usage. In the next few years, we intend to develop and trial alternative charge structures to allow us to understand which are most beneficial in helping customers manage their consumption and water bills.

This Appendix forms part of our 2026-27 Scheme of Charges and sets out the charges we may introduce within the 2026-27 charging year. We are required to include any charges we wish to trial within this Scheme of Charges. The inclusion allows us to trial these charges but does not oblige us to introduce these charges or to offer them to all customers.

The charges that we may trial are:

- Trial 1. Pre-pay bundle charges
- Trial 2. Water efficiency challenge charges

Trial customers

Customers will be invited to participate in the trials, but no customers will be obliged to participate. We will seek to ensure that we have a representative sample of customers included in the trials, so inclusion of customers will be at the discretion of Portsmouth Water.

To participate in the trials, we require customers to have a smart meter installed and not be on our 'Watersure' tariff or our Social Tariff. Customers may be removed from the trial if (during the trial period):

- They move to a property outside of our area,
- They move to a property without a smart meter.
- The account becomes an Executor account.
- They go onto a 'Watersure' or Social tariffs.
- The Company considers their participation is no longer appropriate for other reasons.

We expect household customers to participate for the full trial period but will consider any requests by any household customer to be removed from the trial. Household customers who choose to take part in any trial will be liable to pay charges in line with the tariff trial rules. Customers selected to participate in any trial will be billed in accordance with the trial scheme.

Trial 1. Pre-pay bundle charges

Our pre-pay bundle charges trial will offer customers the opportunity to buy a fixed price bundle of water which reflects their expected household usage.

This will provide customers with the certainty of a fixed charge, subject to them not exceeding the usage allowance for their chosen bundle. The size of each bundle will reflect the efficient use of a household based on the number of occupants.

The price of each bundle will be based on the standard measured volumetric charge, less a discount. We may consider trialling discounts of between 3-10%, applied to the maximum consumption allowed within the bundle. For example, if a bundle size is 100m³/a, and the discount 5%, the volumetric charge will be 100 m³*(117.83 pence*95%).

Normal standing charges would be applied in addition in all cases, with no discount.

Consumption in excess of the chosen bundle limit will be charged at a premium rate. We may consider premium rates of 20-50% higher than our standard measured wholesale charge.

As part of the trial, we may consider offering bundles which last for different periods of time. These may include:

- (i) Monthly
- (ii) Half-yearly
- (iii) Annual

In order that customers are able to regularly monitor their own consumption to ensure they remain within their consumption bundle, only customers who have a smart meter fitted will be eligible to join the trial. They must also register for our app or portal so that they have easy access to their consumption data.

Eligible customers will be invited to take part in the trial. If a customer is removed from the trial, or the specified trial period is complete, their charges will revert to the standard measured charges set out in this Scheme of Charges.

Trial 2. Water efficiency challenge charges

Our water efficiency incentive charges trial will offer customers a financial incentive to reduce their own consumption. This trial will help us understand how personalised incentives can support long-term reductions in water use while keeping bills clear, predictable and easy to manage.

Customers will be incentivised to reduce their consumption each month, relative to their personalised baseline consumption. Their personalised baseline consumption will reflect their historic consumption levels.

Where customers consumption is lower than their baseline consumption they will earn a discount on their volumetric charges for that period. We may consider offering discounts of 10-20% as part of the trial. If consumption is the same or higher than the baseline consumption, standard volumetric charges will be applied.

Normal standing charges would be applied in addition in all cases, with no discount.

As part of the trial, we may consider different periods for setting the baseline. These may include:

- (i) Monthly
- (ii) Half-yearly
- (iii) Annual

In order that customers are able to monitor regularly their own consumption to track their progress, only customers who have a smart meter fitted will be eligible to join the trial. They must also register for our app or portal so that they have easy access to their consumption data.

Eligible customers will be invited to opt in to take part in the trial. If a customer is removed from the trial, or the specified trial period is complete, their charges will revert to the standard measured charges set out in this Scheme of Charges.