Portsmouth Water

Water Resources Management Plan

Annual Review

June 2026

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Executive Summary

The need for annual review

The Water Act 2003 places a duty on all water companies to prepare an updated Water Resources Management Plan (WRMP) every five years. As part of the WRMP process, it is a statutory requirement to review progress against the Plan and report it to the Secretary of State (SoS) in an Annual Review.

This Annual Review 2026 assesses our performance during 2025–26 against our Water Resources Management Plan 2024 (WRMP24), using the reporting approach set out in Environment Agency guidance. It reviews both the outturn position for the year and an adjusted dry year scenario to test how the supply-demand balance would have performed under more severe drought conditions.

Weather conditions in 2025-26 and our drought plan

The year began with prolonged dry weather and below-average rainfall from October 2024 to July 2025, including exceptionally warm summer conditions. Although groundwater levels approached our first drought trigger, rainfall in late summer and very high rainfall in January and February 2026 replenished the chalk aquifer. As a result, we did not need to activate our Drought Plan, did not require Temporary Use Bans, and entered 2026–27 in a healthy water resource position.

Our annual review confirms that we are not proposing changes to our published Drought Plan 2022 as a result of the 2025–26 dry weather, and current modelling indicates that the Source S drought permit is not expected to be required in summer 2026.

Supply demand balance and what this means for our customers

The outturn supply-demand balance for 2025–26 is reported as zero for both annual average and critical period conditions, as expected under the Annual Review guidance. This confirms we abstracted and supplied the water required to maintain customer supplies and support bulk supplies to Southern Water and New Appointments and Variation companies during the year.

Under the adjusted dry year scenario, we remained in surplus, indicating **no risk to security of supply in a 1-in-200 year drought scenario based on 2025–26 performance**. Our adjusted annual average supply-demand balance was a surplus of 3.32 Ml/d and the adjusted critical period balance was a surplus of 3.95 Ml/d. However, both positions were below the WRMP24 forecast surpluses of 15.00 Ml/d and 24.11 Ml/d respectively, demonstrating the need for us to continue improving alignment with WRMP24 assumptions. The 'waterfall' figures below demonstrate the key differences between our adjusted outturn performance and our published WRMP24.

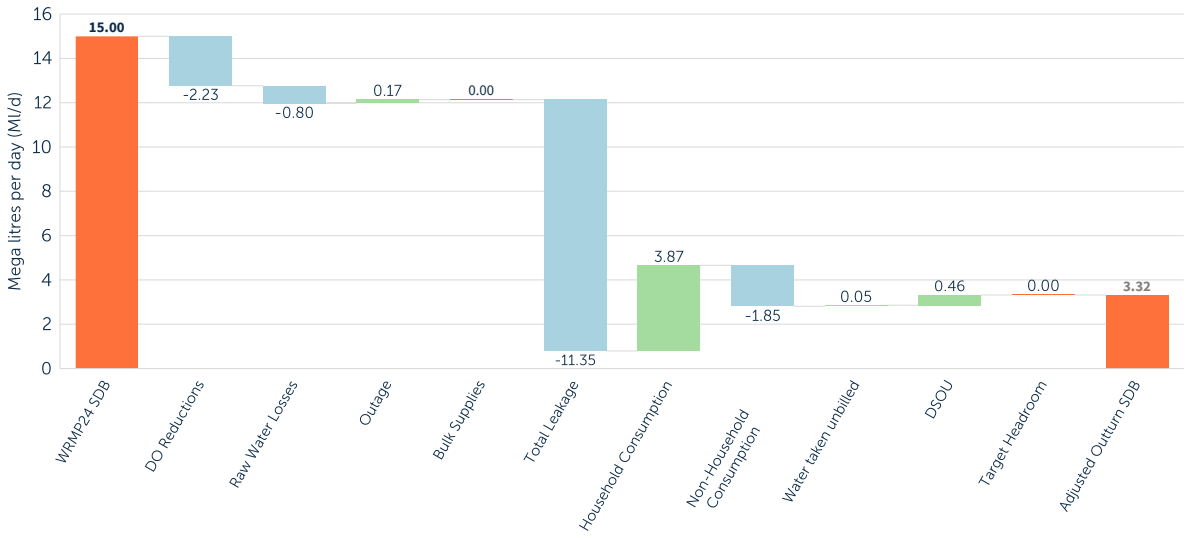
On the supply side, adjusted Water Available for Use was lower than forecast by 2.86 Ml/d under annual average conditions and 13.28 Ml/d during the critical period. The principal drivers were deployable output reductions associated with long-term source outages and the overrun of the AMP7 Source C scheme, together with higher critical period outage. Portsmouth Water has action plans in place to return key sources to service, complete the Source C scheme and reduce outage.

On the demand side, our adjusted Distribution Input was higher than WRMP24 forecasts by 8.82 Ml/d under annual average conditions and 6.88 Ml/d during the critical period. This was mainly driven by leakage, which was reported at 33.35 Ml/d against a WRMP24 assumption of 22.00 Ml/d,

although this increase partly reflects the agreed change to a more data-led leakage methodology. Non-household consumption was also above forecast, while household consumption and per-capita consumption (PCC) were below forecast in the adjusted annual average scenario.

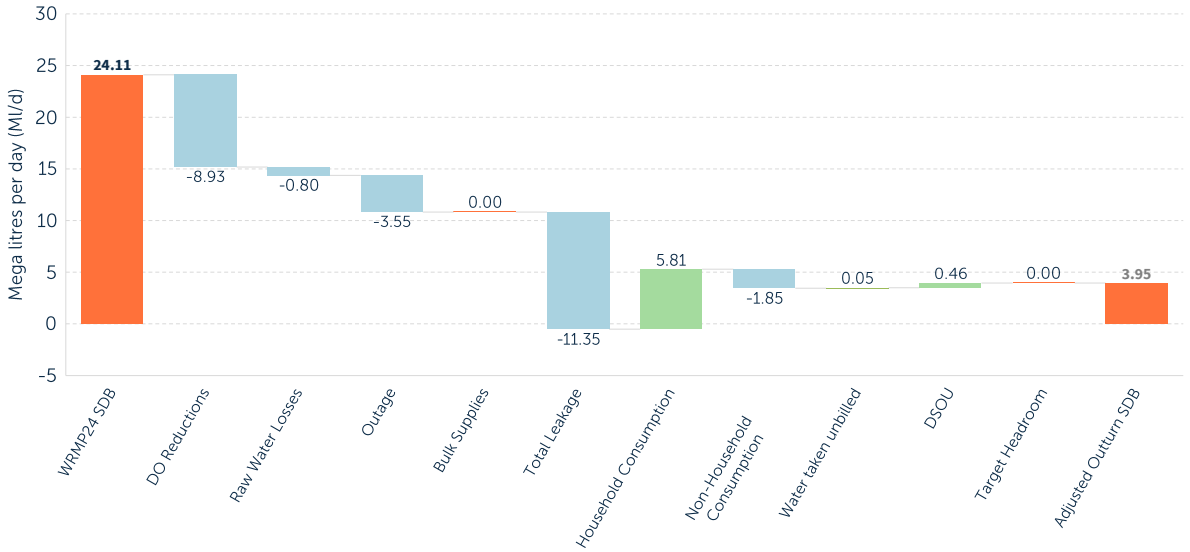
We made strong progress on management of household consumption during 2025–26, particularly through our accelerated smart metering programme. A total of 14,386 smart meters were installed against a WRMP24 assumption of 4,056, increasing household meter penetration to 46%. We also completed 3,337 household water efficiency audits and continued to develop customer engagement, pressure control and leakage reduction activities.

Figure A: 2025-26 Performance compared against updated WRMP24 (Annual Average)



*DSOU = Distribution system operational use

Figure B: 2025-26 Performance compared against updated WRMP24 (Critical Period)



*DSOU = Distribution system operational use

Forward look

Overall, our Annual Review concludes that there was no risk to customer supplies or agreed bulk supplies during 2025–26, even under the adjusted dry year scenario.

Despite this, we would like to reassure our customers, regulators and stakeholders that we are doing everything within our capabilities to further safeguard services to our customers and support regional supplies to Southern Water now and in the future.

We recognise that further work is required to return individual elements of our water balance to the forecast WRMP24 over the remainder of AMP8 so that we can ensure we are in a position to supply Southern Water with up to 30 Ml/d in a dry weather scenario by the start of AMP9. To that end, we are following detailed action plans for each key component of the Supply Demand Balance and expect the main areas of misalignment to be broadly on track by the end of 2027, while continuing to refine our plans through updated data, regulatory engagement and operational learning.

As AMP8 progresses, our smart metering programme is expected to reduce household and non-household consumption and help identify customer-side leakage, which may account for a significant share of total leakage. We are also continuing work on Drought Plan 2027, WRMP29 preparation, WINEP investigations, time-limited licence assessments, Havant Thicket Reservoir and wider regional interdependencies with Southern Water.

Our published WRMP24 is our most ambitious and collaborative plan yet. It will increase our resilience to increasingly severe drought events, while reducing our reliance on, and impact to, the precious chalk-based environment that characterises our supply area. We remain acutely aware of the need to continue with our action plans and will continue working closely with all relevant stakeholders to further improve our Supply Demand Balance in a robust and achievable way as we continue through AMP8.

1. Introduction

1.1. Reporting requirements

1.1.1. Water resources management plans and annual reviews

Our Water Resources Management Plan (WRMP) is updated every five years to make sure it reflects the latest situation and especially our customers' needs whilst protecting our environment. Our current WRMP24 (published in October 2024, with tables updated in December 2025) details the actions we need to take throughout Asset Management Period 8 (AMP8) (2025-2030) and beyond to build a resilient and sustainable future up to 2075.

Our performance against this plan is reviewed every year through the Annual Review process. This report reviews our performance in 2025-26 against the forecast assumptions made in WRMP24, following Environment Agency Guidance.

1.1.2. Environment agency guidance

Updated Environment Agency guidance published in March 2026 sets out the expectation of the Annual Review and the submission procedure. In accordance with this guidance, our review will assess our performance in 2025-26 against WRMP24. We will also set out whether we are proposing any changes to our drought plan because of dry weather.

The guidance requires us to present our supply, demand and resulting supply demand balance (SDB) for 2025-26 in two ways:

- Outturn position – a 'real-world' scenario demonstrating what has occurred throughout the year using verified and audited data for the various components of supply and demand, aligned where applicable to values reported to Ofwat. The outturn scenario is designed to output a supply demand balance that is close to zero i.e. the amount of water we take from the boreholes, springs and river should be equivalent to the amount we delivered to customers, once factors such as leakage and treatment process losses are considered. The outturn values are provided as a baseline for the adjusted scenario described below.
- Adjusted (uplifted) position – a 'what-if' scenario where we adjust the outturn data to demonstrate what our supply demand balance would have been if 2025-26 had been a dry/drought year (1-in-20 year level of demand and 1-in-200 year level of supply). For example, we estimate how much additional water our customers might have used under warmer and drier weather conditions. This 'dry year uplift' uses the same methodology as in our WRMP24 and this scenario provides the best comparison with our WRMP24 forecasts.

In addition, this Annual Review 2026 (AR26) also provides a forward look for our WRMP24 programme and how we are positioned as we enter the second year of AMP8.

1.1.3. Reported scenarios

For our outturn and adjusted scenarios, we report values as an annual average and critical period. Our "critical period" scenario represents the week during which our outturn Distribution Input (DI) was at its maximum. For 2025-26, this was the week of 24th June 2025. All critical period values are therefore representative of our position during the summer peak demand. The data tables for both scenarios, including outturn and adjusted positions (i.e. four tables in total), are presented in Appendix A.

1.1.4. WRMP24 monitoring plan

Our published WRMP24 Monitoring Plan sets out the thresholds, triggers, actions and timelines that apply at both our company level and regional level, necessary to understand our progress through our adaptive planning scenarios.

The preferred supply and demand options in our WRMP24 mean that our key adaptive trigger point is the year 2039-40. Up to that point, our preferred options are chosen in all scenarios, effectively giving us a single plan. However, in addition to the Environment Agency's AR26 guidance and in accordance with our WRMP24 Monitoring Plan, Appendix B of this AR26 also provides an update on:

- Whether we will be required to implement our supply-side drought permit in 2026,
- Consistency with Southern Water Services (SWS's) WRMP24,
- Management of short-term Water Framework Directive (WFD) 'no deterioration' related risks,
- Time Limited Licence variation assessments,
- Review of SWS demand management progress to create headroom to allow a potential bulk supply in 2039/40,
- Our outturn headroom assessment,
- Progress made on the regional schemes linked to our future decisions.

The output of our AR26 will be provided to WRSE to support the monitoring of the regional plan.

1.1.5. Joint regulators requirements

Following the submission of our AR24, we received feedback from the Joint Regulators (Defra, Environment Agency and Ofwat) highlighting concerns with our security of supply and the associated risks to customers and the environment resulting from that performance. The five key topics highlighted in that feedback were leakage, per capita consumption (PCC), metering, supply side scheme delivery and overall supply demand balance (SDB).

We provided a response document in November 2024 which detailed our action plans to improve both our SDB and our alignment with our WRMP24. Furthermore, we have met with the Joint Regulators to provide updates on progress against these actions, with meetings scheduled to take place every six months. The next meeting would take place in October 2026.

This AR26 presents further updates on our action plans originally presented in November 2024. An amalgamated update is provided in Appendix C.

1.1.6. Ofwat annual performance report

All the data sources used to obtain the values within this report align with the Ofwat Annual Performance Report (APR), which has been independently assured. The APR will be published on our website in due course.

1.1.7. WRMP24 tables and updates

In December 2025, we updated our WRMP24 tables to reflect a change in planned bulk supplies to Southern Water during AMP8. Further information on these changes can be found within Appendix E of our updated Annual Review 2025. We received confirmation that our updated tables had been accepted by the Environment Agency on 6th February 2026 and therefore this Annual Review 2026 reports against this latest version of the WRMP24 tables.

We will discuss our Annual Review 2026 submission with our regulators to confirm whether any further updates to our WRMP24 tables are required prior to Annual Review 2027.

1.2. Our company

1.2.1. Supply area and levels of service

Our supply area is shown in Figure 1 and is made up of a single Water Resource Zone (WRZ). On average, we distribute around 175 million litres of water each day to over 750,000 customers in around 335,000 properties. We also provide water to Southern Water (SWS), our neighbouring water supply company in the South East and to New Appointments and Variation companies (NAVs). We are a "water only" company. That means we only supply drinking water to customers. SWS provide the wastewater service to our customers.

Figure 1 Portsmouth Water supply area

The distribution system includes significant strategic treated water storage and a spine main that runs East to West across our region. This system helps to ensure that all our customers experience the same levels of service (LoS), which are consistent between our WRMP24 and our current Drought Plan:

- Temporary Use Bans > 1 in 20 years, representing an annual risk of 5%.
- Non-Essential Use Bans > 1 in 80 years, representing an annual risk of 1.25%.
- Emergency Drought Orders > 1 in 200 years, representing an annual risk of 0.5%.

We are currently reviewing the integrity of our WRZ towards the development of our next Water Resources Management Plan, due to be finalised by 2029 ('WRMP29').

1.2.2. Drought planning

In addition to our WRMP, we have a statutory requirement to produce a Drought Plan every five years which is an operational document setting out the steps required within the company during a developing drought.

We are not proposing any changes to our existing published Drought Plan 2022 in response to the dry weather experienced in 2025-26, as groundwater levels remained sufficiently high and they did not trigger the implementation of our drought plan. However, we have been developing our next Drought Plan ('Drought Plan 2027') and this must align with the current WRMP24.

The draft 'Drought Plan 2027' was submitted to regulators in March 2026 and we commenced our public consultation in May 2026. Further details can be found on our website[1].

We have continued to work closely with SWS on a joint project to review drought triggers pertaining to the River Itchen, from which both companies extract water. The outputs of this project may influence our final Drought Plan 2027.

1.2.3. Regional context

Throughout the last plan period (2020-25), our role supplying water to the Southeast has evolved. We have increased our support to SWS, our neighbouring water company, with larger bulk supplies of wholesome water. In addition, we also began the construction of the Havant Thicket winter storage reservoir, which is due to enter service in AMP9. The reservoir will enable us to provide a further bulk supply into SWS's Hampshire zone to help reduce abstraction from sensitive chalk rivers.

Our WRMP24 explores potential further uses for the reservoir to maximise its potential as a major water asset and further support the reduction in abstraction from Chalk groundwater and surface water sources.

Additional information on regional schemes is provided in Appendix B.

1.3. Our water resource position during 2025-26

As previously identified, for this AR26 we are guided to report on the outturn scenario (what happened in 2025-26) and an adjusted scenario ('what if' there had been a severe drought in 2025-26). In this section we identify the water resources position in 2025-26 and whether this was representative of a 'normal', 'wet' or 'dry year'.

We continue to manage our system in the face of long-term pressures, including a growing population, increasing weather extremes, and the need to protect sensitive chalk stream habitats. These challenges mean we must adapt how we source, store and use water to ensure resilient supplies for our customers now and in the future.

Across the UK, summer 2025 was the UK's hottest on record, marked by exceptional warmth, persistent dry spells and well below average rainfall. In the Portsmouth Water supply area, we had a period of below average rainfall for 9 consecutive months (October 2024 up until July 2025). This meant that autumn and winter recharge was limited, reducing the volume of water entering the chalk aquifer during a period that is typically critical for recovery. Despite this, the rainfall in late August 2025 and in September 2025 meant that although we came close to our Level 1 (L1) Trigger, we did not need to activate our Drought Plan and we were able to continue maintaining

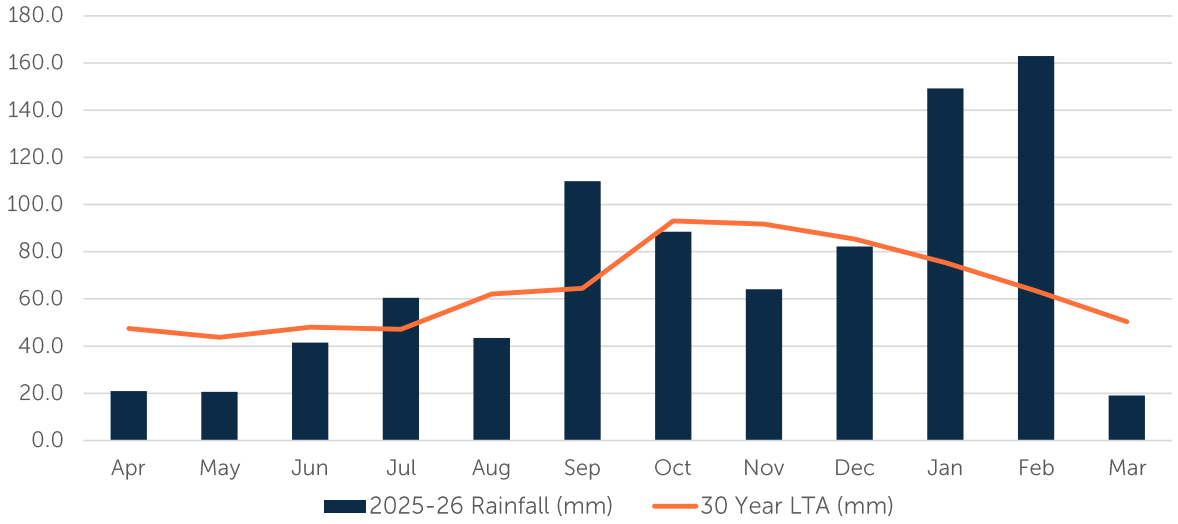
[1] https://www.portsmouthwater.co.uk/drought-plan/

reliable water supplies for our customers without the need for Temporary Use Bans (TUBs), commonly referred to as hosepipe bans.

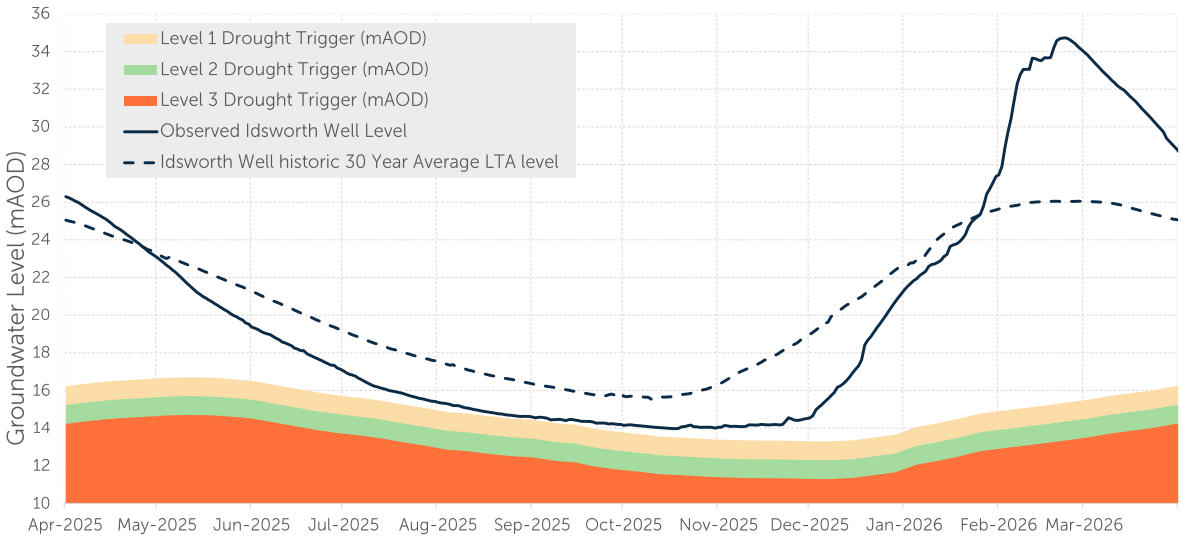
We get most of our water for supply from groundwater. The exceptionally high volume of rainfall received during January and February 2026 meant that the overall rainfall received for 2025-26 was 12% higher than long term average, which replenished our aquifer. This has put us in a healthy water resource position as we enter 2026-27.

Figure 2 Monthly rainfall, groundwater levels and drought trigger levels in 2025-26

Total Monthly Rainfall 2025-26



Idsworth Well groundwater Levels and Drought Trigger Levels



Despite the relatively high average rainfall, we use Distribution Input (DI) as the indicator of how 'dry' the year was, to align with WRMP24 methodologies. Based on the analysis of DI over the reporting year, the outturn scenario for 2025-26 was in fact drier than the 'normal year' condition, but not quite the 'dry year' condition within WRMP24. It means that for the adjusted scenario within this AR26, we need to apply an uplift factor to the annual average and critical period data to enable a comparison with the dry year data in our WRMP24.

1.4. Presentation of the annual review 2026

The following sections within this report provide further detail on the outturn and adjusted scenarios for the annual average and critical period conditions that have been introduced in the sections above:

- Section 2 describes the **supply-side** components including raw water abstracted, deployable output reductions, water losses, bulk supplies and outage.
- Section 3 describes the **demand-side** components including household and non-household consumption, leakage, water taken unbilled and distribution system operational use.
- Section 4 identifies the **headroom** allowance, which takes into account the uncertainties inherent within the supply and demand forecast.
- Section 5 confirms the **supply and demand balance**.
- Section 6 provides a forward look and conclusions.

The appendices for this Annual Review provide the data tables (Appendix A) and further information on our WRMP24 monitoring plan (Appendix B) and our action plans (Appendix C).

2. Supply

2.1. Supply side summary

In this section we review the elements of our balance that collectively account for our supply capability, represented by the **total water into supply** in the outturn scenario and by our **theoretical total water available for use (total WAFU)** in the adjusted (dry year) scenario. These values are calculated as follows:

- Total water into supply is the volume of raw water abstracted, less losses and bulk supplies (water sent to SWS and NAVs). This reflects the quantity of water available to deliver to our customers.
- Our total WAFU models a 1 in 200 year drought by starting with the WRMP24 forecast Deployable Output (DO), applying any DO reductions for sites unavailable in such a drought, and then deducting our adjusted losses, maximum contractual bulk supplies and adjusted outages. This reflects the total water availability for our customers in a drought scenario.

Table 1 shows how each of these components contribute to the total water into supply (outturn scenario), or the Total WAFU (adjusted scenario).

Table 1: Components contributing to total Water into Supply and Total WAFU

Supply components (Ml/d)	Outturn		Adjusted Dry Year Scenario		WRMP24 Dry Year Scenario	
	Annual Average	Critical Period	Annual Average	Critical Period	Annual Average	Critical Period
Raw Water Abstracted	191.27	216.52	n/a	n/a	n/a	n/a
WRMP DO	n/a	n/a	221.57	275.91	221.57	275.91
DO Reductions	n/a	n/a	2.23	8.93	0.00	0.00
Losses	3.20	3.20	3.20	3.20	2.40	2.40
Adjustment for utilising water storage	n/a	0.14	n/a	n/a	n/a	n/a
Bulk Supplies	7.78	5.21	17.09	17.09	17.09	17.09
Outage	n/a	n/a	6.43	10.15	6.60	6.60
Total Water into Supply or Total WAFU	180.29	208.26	192.61	236.54	195.47	249.82

The key observations to make are as follows:

- Our WAFU in the adjusted scenario for annual average conditions is 192.61 Ml/d, which is **2.86** Ml/d **(around 1 %) less** than we had forecast we would be able to supply in a 1 in 200 year drought event in WRMP24.
- Our WAFU in the adjusted scenario for critical period conditions is 236.54 Ml/d, which is **13.28** Ml/d **(around 5 %) less** than we had forecast in WRMP24.

The impact of having less WAFU on the supply demand balance is considered later in Section 5 in the context of the wider supply demand balance. The gap between our WRMP and performance is predominantly driven by:

- 'Deployable Output (DO) Reductions': This is the result of a few sites experiencing long term outage (>6 months), in addition to a project overrun for one of our supply-side AMP7 schemes, and
- 'Outages': This is the result of additional sites experiencing shorter term outages.

All supply side components are explained in further detail below and an update of the action plans designed to return our Total WAFU back in line with WRMP24 assumptions is provided in Appendix C.

2.2. Raw water abstracted

Raw Water Abstracted has only been considered for the outturn scenario. It represents the volume of water that we abstracted throughout the year from our sources. The abstraction data are the starting point for the 'Total water into supply' calculation.

Our total annual average raw water abstraction was 192.49 Ml/d for 2025-26 and this is the same as that externally assured and reported to Ofwat in the Annual Performance Report (APR). However, this included 1.22 Ml/d from a site that is used for river flow augmentation purposes during dry conditions and not public water supply. The raw water abstracted has been revised down to 191.27 Ml/d.

For the critical period condition, the value represents the weekly raw water abstraction at the time when our customers had the greatest demand for water (216.52 Ml/d on 24th June 2025). No adjustment has been made in relation to river flow augmentation as the scheme was not in full operation until July 2025.

2.3. WRMP Deployable output and reductions

2.3.1. WRMP Deployable output

The WRMP Deployable Output (DO) represents the forecasted total DO of our Water Resource Zone (WRZ) within the WRMP24. It is used as the base to then deduct any changes to DO (as described below) to obtain our 'WRMP adjusted DO' calculation. As such this value is not an outturn value but is transcribed directly from the WRMP24. The following should be noted:

- Drought Options: We included drought plan related supply side schemes within our WRMP24 for 2025-26. These comprised implementation of a Drought Permit at Source S, and the use of Temporary Use Bans (TUBs) and Non-Essential Use Bans (NEUBs) to lower the demand for water and conserve supplies as a drought develops. We did not use any of our drought plan related supply schemes during 2025-26, although for the adjusted 'uplifted' scenario representing a severe drought condition, we assume they would have been required.
- Havant Thicket Reservoir: This scheme remains a key component of our long-term commitment to providing sustainable water supplies in the Southeast. It is currently scheduled for implementation during AMP9, as per our WRMP24. An update on this project is provided in Appendix B. The scheme was not forecast to provide a DO benefit during 2025-26 within the WRMP24 and therefore it is excluded from calculations in this report.

The sections below provide additional detail on the DO reductions we have applied in this Annual Review.

2.3.2. Deployable output reductions

Summary of reductions

The DO reductions value represents the theoretical reduction of available DO in a 1 in 200 year dry weather scenario caused by the unavailability of production processes on sites.

DO reductions for 2025-26 fall into two categories, long-term outages (> 6 month duration) and supply-side scheme overruns. These are then deducted from the WRMP24 DO value, to obtain the 'adjusted WRMP24 DO', as presented in row 6.1FP in the data tables. This is illustrated in Table 2.

DO reductions may also occur if there have been sustainability reductions beyond those predicted by the WRMP24 i.e. changes to our abstraction licences. However, there are no sustainability reductions that impacted the 2025-26 reporting year.

Table 2: Adjusted WRMP deployable output

Components (Ml/d)	Annual Average	Critical Period
WRMP24 DO	221.57	275.91
Long term outages	2.23	3.43
Supply side scheme overruns	0.00	5.50
Sustainability reductions	0.00	0.00
Adjusted WRMP DO	**219.34**	**266.98**

The total DO reductions contribute negatively towards the SDB by 2.23 Ml/d and 8.93 Ml/d under the annual average and critical period conditions respectively, as they represent a reduction compared to the WRMP forecast. The long-term outages and the supply side scheme overruns are explained further below. Whilst there were no sustainability reductions in 2025-26, we also present information on our environmental investigations that could influence reductions in future years.

Deployable Output reductions from long term outages

Three sources were offline for the entire 2025–26 year due to long-term outages:

- Source G – We have been periodically running the source to waste to enable the collection of water quality data. Initial expectations indicated potential completion by January 2026; however, constraints related to land access and ground conditions resulted in a reprogramming of delivery to July 2026. Subsequent detailed project review and routine water quality risk assessment identified additional remediation requirements, including significant renewal of air valves and above-ground treatment assets to ensure compliance with Drinking Water Safety Plan (DWSP) requirements.

We are expecting planning that the site will be back into supply by **end of April 2027.**

- Source D – The programme for this source reflects the need for extended commissioning and an enhanced water quality sampling regime following a prolonged period of inactivity at the site. The scheme is currently progressing.

We are planning that the site will be back into supply by the **end of October 2027.**

- Source I – This source remains out of supply following raw water quality issues. Assessments identified the need to improve the condition of the associated trunk main and the need for the redesign of treatment measures to mitigate the raw water quality risks. These findings have resulted in changes to the scheme scope, alongside the requirement for significant trunk main replacement works prior to construction.
  The scheme is currently progressing, and we are planning to return the site to supply by the **end of February 2027.**

A further source was offline for over 6 months:

- Source S – This site has experienced an extended outage exceeding six months during the reporting period, due to pump failure and subsequent repair requirements. It is therefore being reflected as a deployable output (DO) reduction in this report.

The source was returned to service in **May 2026** and is currently operational.

To reflect a 1 in 200 year drought scenario, we have applied assumptions for each site experiencing long term outage, and the subsequent DO reductions for the adjusted scenario are presented in Table 3. In summary, we assume that Sources 'S' and 'G' would have been fast-tracked back into supply in a severe drought year.

Table 3: Adjusted deployable output reductions from long term outages

Site	WRMP24 Site DO		Assumed action in drought	DO reductions in 2025-26	
	Annual Average	Critical Period		Annual Average	Critical Period
Source G	1.52	2.48	Drought contingency funding would have been made available in early 2025. The site would have been fast tracked into supply upon completion of water quality sampling and classification of the site from April 2025. Therefore, no DO reduction applied.	0.00	0.00
Source S	1.93	2.38	Long term outage was due to failure of the BAU pump. In severe drought conditions the drought permit at this site would have been in place and therefore the different, larger drought pump would have been installed from April 2025. Therefore, no DO reduction applied.	0.00	0.00
Source D	0.81	1.62	Due to extended commissioning and water quality assurance requirements, the site is assumed to remain offline, 100% DO reduction	0.81	1.62
Source I	1.42	1.81	Due to ongoing water quality risks and infrastructure constraints, the site is assumed to remain offline, 100% DO reduction	1.42	1.81
Total DO reductions from long term outages for 2025-26 (Ml/d)				2.23	3.43

AMP7 Supply side scheme challenges

Within our previous Water Resources Management Plan (WRMP19) we included groundwater schemes for delivery in AMP7. The final scheme due for completion, Source C, is included as a DO reduction for this AR26.

Historically, Source C has encountered air and turbidity impacts when running at full capacity. The purpose of the WRMP19 scheme was to mitigate these issues and make the site more resilient in dry weather scenarios. The identified scheme was to commission new Variable Speed Drive (VSD) pumps to allow for the mitigation of turbidity issues through the control of water velocities, allowing us to increase abstraction and improve DO during the critical period by 5.5 Ml/d (noting there is no benefit to the annual average scenario).

Delivery of the Source C scheme was delayed from December 2025 and initially reprofiled to April 2026 following project review. While hardware and VSD installation have been completed, commissioning has subsequently been constrained by elevated metazachlor levels in the raw water, which have limited output and prevented full capacity testing and VSD optimisation. As a result, commissioning remains dependent on raw water quality, and the **completion date has been deferred to July 2026**.

Deployable Output loss from sustainability reductions

There were no DO losses from sustainability reductions implemented in the reporting year. However, we have commenced Water Industry National Environment Programme (WINEP) investigations that may have a DO impact in future years.

Our programme includes seven river catchment investigations—covering the Hamble, Meon, Wallington, Fishbourne Stream, Ems, Lavant, and the West Sussex Western Streams (Aldingbourne Rife and Pagham Rife)—as well as a region-wide appraisal of sustainable abstraction 'environmental destination' scenarios. We are also undertaking a water resources investigation for the Gaters Mill source on the River Itchen. The findings will play a key role in informing our next Water Resources Management Plan (WRMP29).

2.4. Outage

2.4.1. Outage summary

For the purpose of this report and in accordance with WRMP24, outage is defined as events lasting more than one day, but less than six months and include both water quality outages and asset outages.

According to the updated AR26 guidance:

- **Outturn Outage:** Total outage experienced should be reported for the reporting year to provide context on supply impacts. Planned and unplanned outage breakdowns may be provided where available but are optional. These metrics are for information only and are not included in supply-demand balance calculations.
- **Adjusted outage:** This value should reflect the total level of outage we would have experienced if 2025-26 was a dry year, equivalent to the WRMP24 scenario, using the same methodology as we applied in AR25 within the 'uplift' scenario. This provides a realistic view of our outage performance that can be compared against WRMP24. Total outage does not need to be separately presented as planned and unplanned outage in the data tables, as these components are optional. However, to obtain the total adjusted outage, we have assessed our unplanned and planned outage separately to determine which outage events would have still occurred in a drought scenario. With respect to the critical period condition, if an outage event occurred over the peak week of 18th to 24th June (or two weeks either side), and could not have been avoided, then the event has been assumed to contribute to the adjusted dry year value.

The outturn total outage experienced for 2025-26 was 9.77 Ml/d (annual average) and 13.75 Ml/d (critical period) and these are reported in the EA outturn data tables.

The adjusted outage values for a severe drought scenario in 2025-26 are 6.43 Ml/d (annual average) and 10.15 Ml/d (critical period), as shown in Table 4. The annual average scenario is lower than our outage assumption of 6.6 Ml/d and contributes positively to our overall SDB, whilst the critical period outage is higher than our WRMP24 outage assumption of 6.6 Ml/d and contributes negatively to our overall SDB. Further detail on the planned and unplanned outage components is provided in the next sections. This includes an update on Drinking Water Inspectorate (DWI) notices.

Table 4: Adjusted outage for the dry year annual average and critical period scenarios

	DYAA	DYCP
Unplanned Outage	5.83	9.16
Planned Outage	0.60	0.99
Totals	**6.43**	**10.15**

2.4.2. Planned outage

The planned outage events that we have excluded from our adjusted outage values are those that would not have occurred if 2025-26 had been a drought year. For example, certain Drinking Water Inspectorate (DWI) actions and non-urgent replacement of equipment would have been deferred until we had recovered from drought.

It has been assessed that planned outages for an MCC upgrade at Source M and contact tank cleaning related work at Source K would not have occurred in a severe drought year. However, planned outages at Source A (flow meter, maintenance to membrane valves and washwater upgrades) and Source J (PLC replacement) would have still occurred.

Table 5 shows the impact on adjusted planned outage from each of these sites.

Table 5: Adjusted planned outage for 2025-26

Planned Adjusted Outage (Ml/d)	Annual Average	Critical Period
Source A	0.44	0.85
Source K	0.16	0.14
Total adjusted outage for 2025-26 (Ml/d)	**0.60**	**0.99**

2.4.3. Unplanned outage

All unplanned outages throughout 2025-26 would have still occurred in the event of a drought except for outage events at Sources Q and R (linked to resource constraints) and Source K (related to the planned event of contact tank cleaning).

The remaining unplanned outages included in the adjusted outage value are related to various causes. The greatest contributor to adjusted unplanned outage is Source A, due to a treatment related failure that restricted the output for 89 days (including over the critical period).

The resulting unplanned adjusted outage values are 5.83 Ml/d for the annual average scenario and 9.16 Ml/d for the critical period scenario (see Table 6).

Table 6: Adjusted unplanned outage for 2025-26

Unplanned Adjusted Outage (Ml/d)	Annual Average	Critical Period
Source Q	0.53	0.67
Source K	0.38	0.48
Source R	0.16	0.20
Source T	0.12	0.15
Source M	0.40	0.28
Source P	0.07	0.08
Source A	2.89	5.56
Source L	0.04	0.04
Source C	0.63	0.82
Source F	0.41	0.65
Source H	0.20	0.24
Total adjusted outage for 2025-26 (Ml/d)	5.83	9.16

2.4.4. Drinking water inspectorate legal instruments and outage

Drinking Water Inspectorate (DWI) Legal Instruments (Undertakings and Notices) can impact the number and duration of outage events recorded within the year. We currently have 18 live DWI Legal Instruments and whilst they have not significantly impacted the adjusted outage during 2025-26, it is important to recognise the potential for impact during AMP8. These Legal Instruments are related to:

- the company's management and training practices,
- NIS cyber assessment framework,
- SEMD Physical Security
- AMP8 PFAS Strategy,
- AMP8 Lead Strategy,
- drinking water safety plans,
- reservoirs and networks (specifically associated with metals); and
- treatment works for parameters including cryptosporidium, metals, nitrate, and risks to disinfection.

A team of specialists has been established to deliver the programme of works developed to meet the requirements of the Legal Instruments. This programme includes increasing water quality monitoring, particularly for PFAS, reviewing incoming risks to water quality and the controls available, updating documentation and procedures, and increasing structured training across the business.

Several Legal Instruments require planned shutdown of treatment works to undertake remedial works, upgrades, or install new treatment processes. These planned shutdowns will be programmed to take place outside peak demand periods and will therefore have limited impact on resilience to supply from a WRMP perspective. However, if any parameters are detected above permissible limits at any site across our supply system, this could lead to a temporary impact on

available supplies. We will proactively monitor and manage these activities so that we reduce losses to a minimum whilst ensuring the safety of supply.

We have undertaken extensive monitoring for PFAS across all our abstractions. Three of the abstractions have elevated levels of PFAS and have been designated as Tier 2 sites, the rest are designated Tier 1. A DWI undertaking has been issued to undertake further assessment, including an enhanced catchment assessment to understand whether any sources historic or current sources exist in those catchments.

We have also experienced elevated levels of a pesticide detected at one of our abstractions. The water from this site is blended with other sources to ensure the safety of our supplies to customers. This is a repeat seasonal event first detected in 2024. Extensive catchment investigations have been undertaken without concluding the source and associated agricultural practises from where this pesticide originated. Engagement with farmers and agronomists continues to raise the awareness of the water quality concerns.

New Legal Instruments were issued by the Drinking Water Inspectorate (DWI) in 2025-26.

2.4.5. Actions taken to reduce outage in the long term

We are actively maintaining our sites to help reduce outage in the long term. Our key focus is on returning our long-term outage (deployable output reduction) sites back into supply (Sources D, I and G), as detailed in Section 2.3.2.

2.5. Raw water losses, treatment works losses and operational use

Raw water losses, treatment works losses and operational use ('Losses') capture the unaccounted volume between water abstracted from the environment for the purpose of public water supply and water entering our potable distribution network. It is calculated by:

Raw Water Abstracted – (Distribution Input + Bulk Supplies) = Losses

In 2025–26, our annual average outturn Losses are calculated as 3.2 Ml/d, which is reduction on the 3.6 Ml/d reported in the previous Annual Review. Note that we have not made any adjustments for service reservoir or raw water storage, because when considering changes in storage on an annual basis they have a minimal impact on the result.

If we use the same calculation for our critical period outturn Losses, we obtain a value of 3.06 Ml/d. Over the shorter peak week, the role of reservoir storage becomes a key factor. For the critical period condition, we have assumed that losses were the same as for the annual average condition (3.2 Ml/d) and 0.14 Ml/d is assigned to the 'adjustment for utilising water storage' in the AR26 outturn tables.

Our WRMP24 allows for a value of 2.4 Ml/d in both the annual average and critical period scenarios, which means that the Losses component has contributed negatively to our SDB by 0.80 Ml/d.

Following last year's report, our System Monitoring Strategy has progressed and is now supporting improved data collection from source to tap. This enables us to better monitor losses, understand their root causes, and target mitigation activities more effectively. Further detail is provided in Appendix C.

2.6. Bulk supplies

2.6.1. Types of bulk supply

We have two types of external potable bulk supplies, exports to Southern Water Services (SWS) and the export of supplies to New Appointments and Variations, otherwise known as NAVs. In 2025-26, we supplied an annual average total of 7.78 Ml/d of water to these bulk supplies, with 5.21 Ml/d being supplied during the critical period. The sections below provide further information.

2.6.2. Bulk supplies to Southern Water

We currently operate two bulk supplies to SWS. One is feeding east into their Sussex Zone, with a maximum capacity of 15 Ml/d and with a 1 Ml/d 'sweetening flow' maintained all year round. The volume on this supply is contracted on a 'reasonable endeavours basis', with notice periods required to ramp up/down supplies.

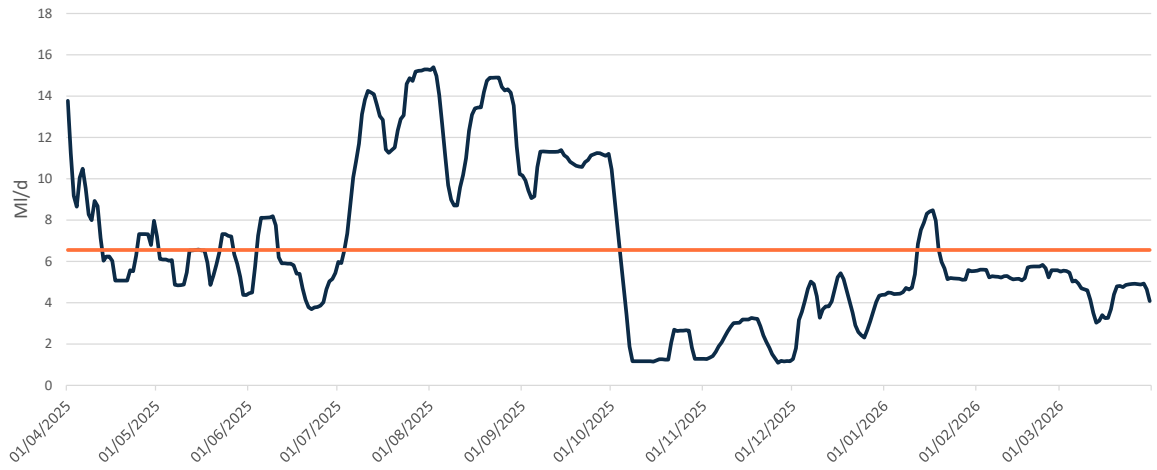
The second bulk supply sends water west into SWS's Hampshire Zones. It has a maximum capacity of 15 Ml/d, and a 'sweetening flow' of 0.4 Ml/d maintained all year round. The volume is contracted on both a guaranteed reserved and best endeavours basis. Notice periods are 6 months to reserve the water for Business As Usual (BAU) purposes, or at least 5 days due to unforeseen circumstances.

Despite these contracting terms, we commit that we will always seek to provide water to SWS if requested. Our only reason for not doing this, is if we are unable to without jeopardising the supply to our own customers (due to site outage or other network constraints) or environmental needs.

Figure 3 below shows the volume of water we supplied to SWS throughout the year, and the red line is the annual average of 6.55 Ml/d. During the critical period peak week (18th to 24th June 2025), we only supplied an average of 3.79 Ml/d. This is because the peak week demand from our customers in the reporting year does not necessarily align with the period when SWS required higher bulk supplies from us.

A sustained peak during July to September is immediately obvious on Figure 3. Higher bulk supply volumes to SWS were driven by their operational requirements, associated with peak summer demand conditions and planned maintenance activities.

Figure 3 Annual outturn profile of bulk supplies to Southern Water in 2025-26



In December 2025, we updated our WRMP24 tables to reflect a change in planned bulk supplies to Southern Water during AMP8. Further information on these changes can be found within Appendix E of our updated Annual Review 2025[2]. The planned target within the updated WRMP24 tables (and therefore proxy for the 'maximum contractual' rate) is to provide 15 Ml/d in total to Southern Water during 2025-26 (if 2025-26 had been a drought year), not the full potential transfer capacity of 30 Ml/d.

2.6.3. New Appointments and Variations (NAVs)

A growing number of new housing estates within our supply zone are supplied their drinking water by New Appointments and Variation companies (NAVs). There are 5 NAVs operating on our supply zone: Leep Utilities, IWNL, AWIN and Icosa water (now known as 'Last Mile'). The water we supply these companies is included as bulk supplies in the WRMP24 and Annual Review tables.

The outturn values for the NAV bulk supplies are 1.23 Ml/d for the annual average condition and 1.42 Ml/d for the critical period condition. The volume of NAV supplies in the adjusted scenario tables reflects the relevant contractual values for 2025-26 as per the WRMP24 (2.09 Ml/d).

2.7. Supply-side conclusions

This chapter has demonstrated that our adjusted scenario calculations suggest that in the event of a 1 in 200 year drought event we would have had 2.86 Ml/d (annual average) and 13.28 Ml/d (critical period) less Total Water Available for Use (WAFU) than our WRMP24 assumption. This equates to approximately a 1 % variance and 5 % variance respectively.

The gap between our WRMP24 forecast and 2025-26 outturn is predominantly driven by Deployable Output Reductions and Outage. An update of the action plans designed to return our Total WAFU back in line with WRMP24 assumptions is provided in Appendix C. The impact of having less WAFU on the supply demand balance is also considered later in Section 5 in the context of the wider supply demand balance.

The next sections summarise the demand side components of our annual review.

[2] https://www.portsmouthwater.co.uk/wp-content/uploads/2026/03/PRT-Annual-Review-25-Updated-Dec-2025-final.pdf

3. Demand

3.1. Demand side summary

In this section we review the elements of our balance that collectively account for water demand, indicated by our Distribution Input (DI). Table 7 shows how each component contributes to DI for the outturn and adjusted scenarios. The data are based on post 'Maximum Likelihood Estimation' (MLE) distribution input and align with assured data prepared for the Ofwat APR.

Our **Outturn DI** is the amount of treated wholesome water that we put into our network to supply our customers during 2025-26. Our **Adjusted DI** models a 1 in 200 year drought by uplifting household consumption to reflect the anticipated increase in demand that we would have experienced due to dry weather, which uses the same uplift methodology as our WRMP24. Comparing the adjusted DI to the WRMP24 forecasts for the dry weather scenario in the plan allows us to assess our performance over the last year.

Table 7: Component contributing to distribution input (new AMP8 methodology)

Demand Components (Ml/d)	Outturn		Adjusted Dry Year Scenario		WRMP24 Dry Year Scenario	
	Annual Average	Critical Period	Annual Average	Critical Period	Annual Average	Critical Period
Household Consumption	112.89	140.86	117.69	159.32	121.56	165.14
Non-Household Consumption	31.41	31.41	31.41	31.41	29.57	29.57
Leakage	33.35	33.35	33.35	33.35	22.00	22.00
Water Taken Unbilled	2.57	2.57	2.57	2.57	2.62	2.62
Distribution system operational use	0.06	0.06	0.06	0.06	0.52	0.52
Distribution Input	**180.29**	**208.26**	**185.09**	**226.72**	**176.27**	**219.85**

The key observations to make are as follows:

- Our DI in the adjusted scenario for the annual average condition is 185.09 Ml/d, which is **8.82 Ml/d higher (5%)** than we had forecast the DI to be in a 1 in 200 year drought event in WRMP24.
- Our DI in the adjusted scenario for the critical period condition is 226.72 Ml/d, which is **6.88 Ml/d (3%)** higher than we had forecast in WRMP24.

The impact of higher DI on the supply demand balance is considered later in Section 5 in the context of the wider supply demand balance. The gap between our WRMP24 and 2025-26 performance is predominantly driven by:

- **Leakage** which contributed +11.35 Ml/d to our adjusted DI.
- **Non-Household consumption** which reflects the total water consumed from non-residential properties and was +1.85 Ml/d (annual average) more than forecast.

This is mitigated by **household consumption**, which reflects the total water consumed by residential properties. This metric was -3.87 Ml/d less than forecast as an annual average, and -5.81 Ml/d less than forecast in the critical period.

It is important to note that our leakage calculation methodology has been updated as agreed with Ofwat in March 2026 and this has influenced the wider water balance figures. We have agreed to shadow report our old methodology water balance to Ofwat, and further information is provided in Appendix D.

All demand side components are explained in further detail below and an update of the action plans designed to return our DI back in line with WRMP24 assumptions is provided in Appendix C.

3.2. Household consumption

3.2.1. Summary of household consumption for 2025-26

Household consumption refers to the volume of water consumed within a household, excluding any supply pipe leakage at the property. Table 8 below provides a breakdown of our performance in 2025-26 for both measured and unmeasured household properties.

Annual average outturn data are based on post 'Maximum Likelihood Estimation' (MLE) DI and align with assured data prepared for the Ofwat APR. For the critical period, the outturn data reflect the peak week DI (24th June 2025). The adjusted values are calculated using the same methodology as used in the development of WRMP24, with measured and unmeasured household demand uplifted based on analysis of historic DI data.

The breakdown in Table 8 shows that, expressed as an annual average, the adjusted outturn values were 11.74 Ml/d above forecast for measured households and 15.60 Ml/d below forecast for unmeasured households. For the critical period condition, the adjusted measured household value is 14.65 Ml/d above forecast whereas the unmeasured household value is 20.46 Ml/d below forecast. The net impact for both the annual average and critical period scenarios is that household consumption is lower than the WRMP24 target.

Table 8: Measured and unmeasured household consumption (new AMP8 methodology)

Household consumption (Ml/d)	Outturn		Adjusted Dry Year Scenario		WRMP24 Dry Year Scenario	
	Annual Average	Critical Period	Annual Average	Critical Period	Annual Average	Critical Period
Unmeasured Households	63.35	81.28	66.52	93.89	82.13	114.35
Measured Household	49.53	59.57	51.17	65.43	39.43	50.79
Totals	112.89	140.86	117.69	159.32	121.56	165.14

A key reason for the differences between adjusted outturn and WRMP24 target values is the significant number of meters that have been installed during 2025-26, including smart meters.

A major part of our strategy is the rollout of our smart metering programme, which commenced in April 2025. We have made substantial progress by installing 8,950 new smart meter installations in 2025-26, of which 3,740 are meter optants and 5,210 are compulsory metering. Against targets of 1,494 optants and 1,691 compulsory meters, we have achieved a percentage progress of 250% and 308%, respectively.

Furthermore, we have installed 5,436 household meter upgrades against a target of 871, achieving a percentage progress of 624%. That means we installed a total of 14,796 smart meters in 2025-26 against a WRMP24 assumption of 4,922, a percentage progress of 301%.

3.2.2. Household per capita consumption

A further measure of household consumption is average per capita consumption (PCC) in litres per head per day (l/h/d). Table 9 below highlights how we performed in terms of PCC, calculated as consumption in Ml/d divided by population served – this places great importance on ensuring that population figures are accurate.

Our 2025-26 adjusted average PCC of 160.36 l/h/d is 1.54 l/h/d (around 1 %) lower than our WRMP24 assumption of 161.90 l/h/d. Population data is derived from an April 2026 refresh of forecast data obtained via the Water Resources South East (WRSE) regional planning group, which has been assured for inclusion within the Ofwat APR.

Table 9: Household per capita consumption (new AMP8 methodology)

PCC (l/h/d)	Outturn		Adjusted		WRMP24	
	Annual Average	Critical Period	Annual Average	Critical Period	Annual Average	Critical Period
Population served	733,905				750,815	
Unmeasured PCC	167.12	214.41	175.48	247.67	170.57	237.49
Measured PCC	139.61	167.91	144.21	184.42	146.40	188.57
Average PCC	**153.82**	**191.93**	**160.36**	**217.09**	**161.90**	**219.95**

We remain firmly committed to reducing PCC to below 110 l/h/d by 2050 for domestic households. As described in the WRMP24, this improvement will be delivered both by our own actions and through our engagement with customers, and with the assumption that government interventions will be timely and support our efforts. Within Appendix C we provide an update of our current position and progress with the action plans, for both measured and unmeasured households.

As described in the previous section, we have made significant progress on metering during 2025-26, such that household meter penetration is now 46 %, compared with 38 % last year. With smart metering being rolled out at pace, we are approaching a tipping point and for the first time, we will have a greater number of measured customers than unmeasured. Furthermore, as the proportion of metered customers with a smart meter increases, the availability of accurate consumption data will also increase, allowing us to provide tailored support to customers whilst providing them with greater control over their usage.

This transition forms a cornerstone of our demand reduction strategy and long-term resilience planning.

3.3. Non-household consumption

3.3.1. Summary of non-household consumption for 2025-26

Non-household consumption is the amount of water consumed by properties that are not occupied as domestic premises, for example, factories, offices and commercial premises. Table 10

below provides a breakdown of our performance in 2025-26 for both measured and unmeasured properties.

Table 10: Measured and unmeasured non-household consumption (new AMP8 methodology)

Non-Household consumption (Ml/d)	Outturn /Adjusted	WRMP24
	Annual Average & Critical Period	
Unmeasured Non-Households	0.87	0.61
Measured Non-Household	30.55	28.96
Totals	31.41	29.57

In 2025-26, non-household consumption accounted for 31.41 Ml/d of our adjusted DI which was 1.85 Ml/d greater than estimated in WRMP24. Within Appendix C we provide an update of our current position and progress with the action plans.

3.4. Total leakage

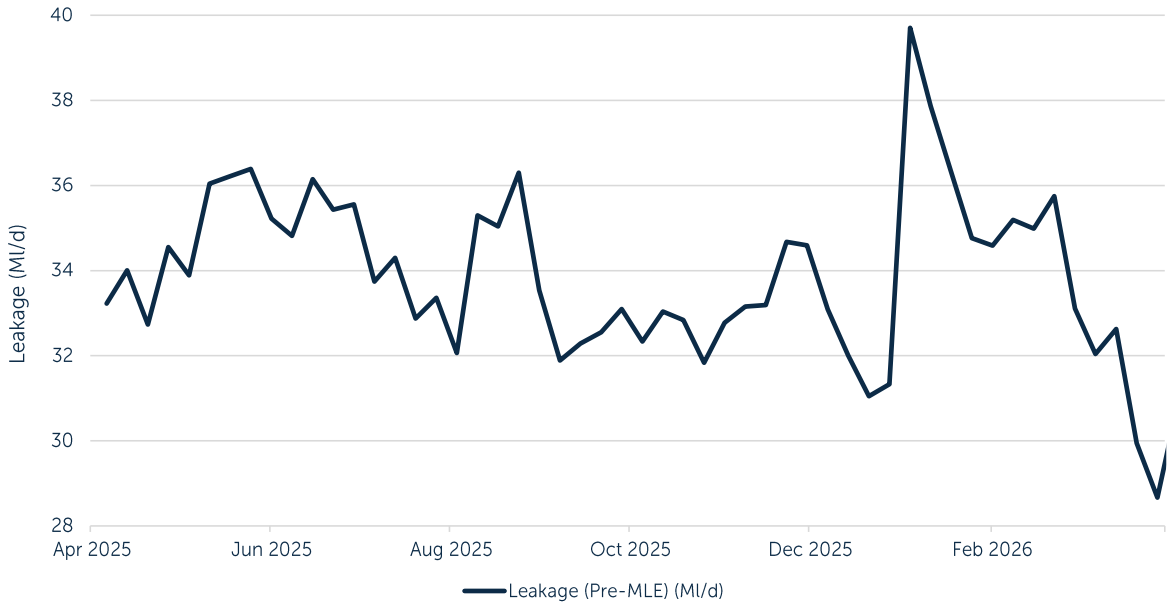
Leakage includes any potable water that is lost from the network, including Underground Supply Pipe Leakage (USPL) and other distribution losses. The leakage value is the same for the outturn and adjusted scenarios, as well as for annual average and critical period conditions, as per the WRMP methodology. Unlike customer consumption, leakage is an element of demand that is mostly in the control of companies but is heavily influenced by the weather, typically extremes of temperature and rainfall.

As described in previous sections, with Ofwat's support, we have rebased our leakage reporting using a more data-led methodology. This provides a stronger basis for reporting but has also increased the level of leakage now recognised. Outturn leakage for 2025/26 was 33.35 Ml/d against a WRMP24 assumption of 22 Ml/d, a variance of 11.35 Ml/d with a negative impact on our SDB.

The increase in reported leakage is partially reflective of the methodology change rather than underlying operational performance.

Using the previous AMP7 leakage methodology, our outturn leakage for 2025/26 was 29.50 Ml/d, which is higher than our 2024/25 outturn leakage of 28.10 Ml/d on a consistent (old) methodology basis. This is the result of a challenging year, including both summer and winter breakouts of leakage. Despite the annual average value, spot leakage is lower than the same point last year (see Figure 4), demonstrating our efforts to control the breakouts.

Figure 4: Leakage profile over 2025-26



In November 2024 we provided the Joint Regulators (Defra, Ofwat and the Environment Agency) with a detailed action plan timeline which can be found on our website[3]. In summary, we revisited our PALMR model which sets out our leakage activities in terms of Prevent, Aware, Locate, Mend and Report.

Within Appendix C we provide an update of our current position and progress with the action plan for leakage reduction.

3.5. Water taken unbilled & distribution system operational use

"Water taken unbilled" contains two elements: Legally unbilled water which includes water used for firefighting purposes, whilst water illegally unbilled includes use from occupied void properties.

Distribution System Operational Use (DSOU) refers to water that has entered our network, but which is intentionally run to waste, such as water used for the purpose of mains flushing. It is different to that included in the process losses as it has already entered the network.

These two components account for a combined 3.14 Ml/d in our WRMP24. Our outturn total value of 2.64 Ml/d is lower than this assumption, so positively contributes to our SDB by 0.5 Ml/d via the DI value. No uplift is applied for the adjusted outturn (dry year) scenario.

Network flushing is an important maintenance activity to ensure the quality of water we supply our customers and must be guided by our water quality sampling programme. We will continue to train our operational teams in the most efficient techniques for flushing that will minimise the water lost for the outcome the operation needs to achieve.

[3] https://www.portsmouthwater.co.uk/wp-content/uploads/2024/11/2024-11-29-PRT-WRMP-AR24-Defra-Letter-Response.pdf

3.6. Demand-side conclusions

This chapter has demonstrated that our adjusted scenario calculations suggest that in the event of a 1 in 200 year drought event we have demand (Distribution Input) that **is 8.82 Ml/d or 5% (annual average) and 6.88 Ml/d or 3% (critical period) higher than our WRMP24 forecasts.** The gap is predominantly driven by higher than forecast leakage, but recognising that in part, this is a result of leakage methodology change. The NHH consumption is also higher than forecast.

Our WRMP24 set out an ambitious programme of demand-side measures, centred around achieving a 50% reduction in leakage by 2040 and reducing per capita consumption (PCC) by around 26% by 2050, relative to 2021–22 levels. These measures were selected as part of our 'High Plus' basket of demand options and represent a significant step-change in how we manage water demand across our supply area.

Key actions identified in the WRMP include:

- The roll-out of universal household and non-household smart metering, beginning in 2025–26, with an 8-year implementation window.
- Upgrades and replacements of existing 'analogue' meters to smart technology, ensuring that, where practicable, all meters will be smart by 2035.
- Company efforts to drive water efficiency, complemented by government-led initiatives such as mandatory water labelling and tighter building regulations.

These actions remain the foundation of our long-term demand reduction strategy, but as with all strategies we recognise the need for continuous refinement, particularly for leakage, to reflect our ongoing position and improvements required to maintain our targets.

Importantly, we report our progress and evolving action plans every six months to the Joint Regulators (Ofwat, Environment Agency, and Defra) and will continue to do so to improve confidence that we can deliver the challenging demand reductions set out in our WRMP24, while adapting to new opportunities as they arise.

An update of the action plans designed to return our Distribution Input back in line with WRMP24 assumptions is provided in Appendix C. The impact of having greater Distribution Input on the supply demand balance is also considered later in Section 5 in the context of the wider supply demand balance.

The next sections describe our 'headroom' assumptions and report upon the overarching supply demand balance for this Annual Review.

4. Headroom assessment

In accordance with the Water Resources Planning Guidance, our supply-demand balance includes a margin between supply and demand to allow for uncertainties inherent within the supply and demand forecasts. This margin is known as 'headroom.' The headroom value determined for each year across the planning horizon is termed the "target headroom allowance". The aim of calculating a target headroom allowance is to provide a reasonable margin to cover the combined impact of factors leading to uncertainty on the supply-demand balance at a defined level of risk.

The target headroom allowance in our WRMP24 is 4.21 Ml/d and 5.86 Ml/d for the annual average and critical period conditions respectively. These are retained within the presentation of our supply demand balances for the adjusted scenario i.e. we have not amended our target headroom forecast since the publication of the WRMP24 and so these values remain.

The next sections present our outturn and adjusted supply demand balances for this Annual Review. They draw together the supply and demand component information presented within the previous chapters so that we can understand our position relative to the WRMP.

5. Supply demand balance

As previously identified, for this AR26 we are guided to report on the outturn scenario and an adjusted scenario:

- **Outturn position** – a 'real-world' scenario demonstrating what has occurred throughout the year using verified and audited data for the various components of supply and demand, aligned where applicable to values reported to Ofwat. The outturn scenario provides a baseline for the adjusted (uplifted) scenario, and it is designed to output a supply demand balance that is close to zero i.e. the amount of water we take from the boreholes, springs and river should be equivalent to the amount we delivered to customers, once factors such as leakage and treatment process losses are considered.
- **Adjusted (uplifted) position** – a 'what-if' scenario where we adjust the outturn data to demonstrate what our supply demand balance would have been if 2025-26 had been a dry/drought year. For example, we estimate how much additional water our customers might have used owing to warmer weather conditions. This scenario provides the best comparison with our WRMP forecasts.

This section describes the overall summary of the Supply Demand Balance (SDB) situation considering our performance for the year. The SDB is calculated by subtracting the Distribution Input (DI) and the Target Headroom from the Total Water Available For Use (WAFU). The sections below present the following SDBs:

- Outturn SDBs (annual average and critical period conditions), which the Environment Agency expects to be close to zero.
- Adjusted SDBs (annual average and critical period conditions) to reflect a WRMP dry year scenario based on our WRMP24.

The next chapter then goes on to present the conclusions of this Annual Review.

5.1. Outturn supply demand balance

The outturn SDB for this Annual Review is reported as zero for both the critical period and annual average conditions, as expected based on guidance from the Environment Agency.

Section 2.1 shows that our total water into supply was 180.29 Ml/d for the annual average condition and 208.26 Ml/d for the critical period. The same values are reported in Section 3.1 for the Distribution Input (demand) for each condition which therefore nets off as zero.

A zero SDB shows that we abstracted the water we needed to maintain supplies to our customers, and the bulk supplies to SWS and NAVs.

5.2. Adjusted outturn supply demand balance against our WRMP24

Table 11 below shows our adjusted outturn values compared to our WRMP24 forecasts for 2025-26.

As described in the chapters above, our available supply (Total WAFU) is lower than forecast and the demand for water (Distribution Input) is higher than forecast. Despite this, our 2025-26 SDB is in surplus in the annual average and critical period scenarios **which means that there is no risk to security of supply**. However, there are still improvements to be made to align with the WRMP24 SDB forecasts.

- We are reporting an annual average SDB surplus of 3.32 Ml/d, which is 11.68 Ml/d below our WRMP24 forecast for 2025-26 of 15 Ml/d.
- We are also reporting a critical period SDB surplus of 3.95 Ml/d, which is 20.16 Ml/d below our WRMP24 forecast for 2025-26 of 24.11 Ml/d.

Table 11: Adjusted outturn supply demand balance relative to our WRMP24 Forecast

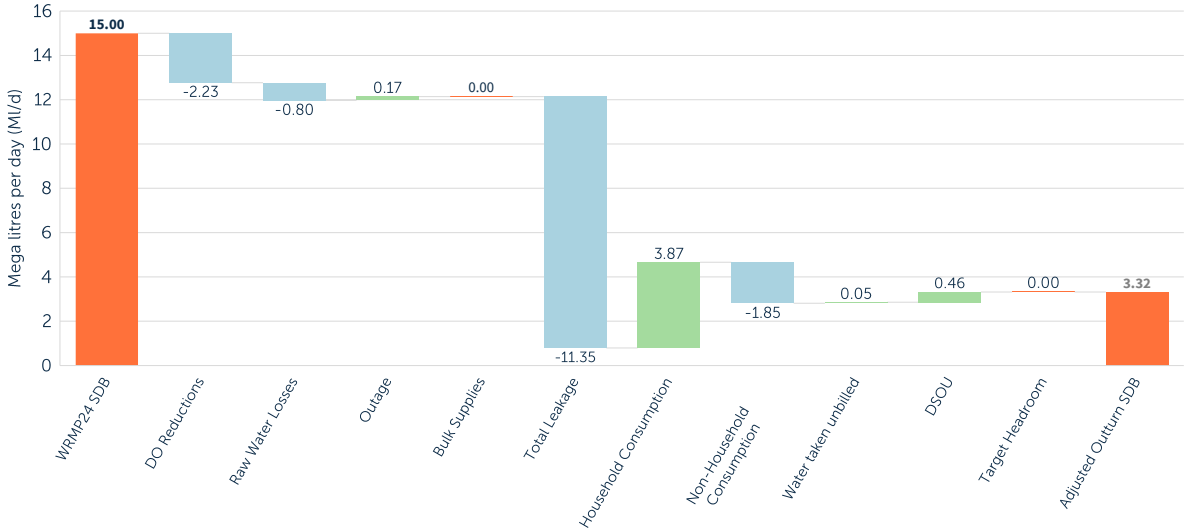
Supply Demand Balance	Annual Average (Ml/d)			Critical Period (Ml/d)		
	Adjusted Outturn	WRMP24	Variance	Adjusted Outturn	WRMP24	Variance
Total Water Available for Use	192.61	195.47	-2.86	236.54	249.82	-13.28
Distribution Input	185.09	176.27	8.82	226.72	219.85	6.88
Target Headroom	4.21	4.21	0.00	5.86	5.86	0.00
Supply Demand Balance	3.32	15.00	-11.68	3.95	24.11	-20.16

The 'waterfall' charts presented in Figure 5 and Figure 6 below show how each component contributes to the differences between our updated WRMP24 forecast SDB (the left-most column on the charts) and our updated 2025-26 SDB (the right-most column on the charts).

These demonstrate that:

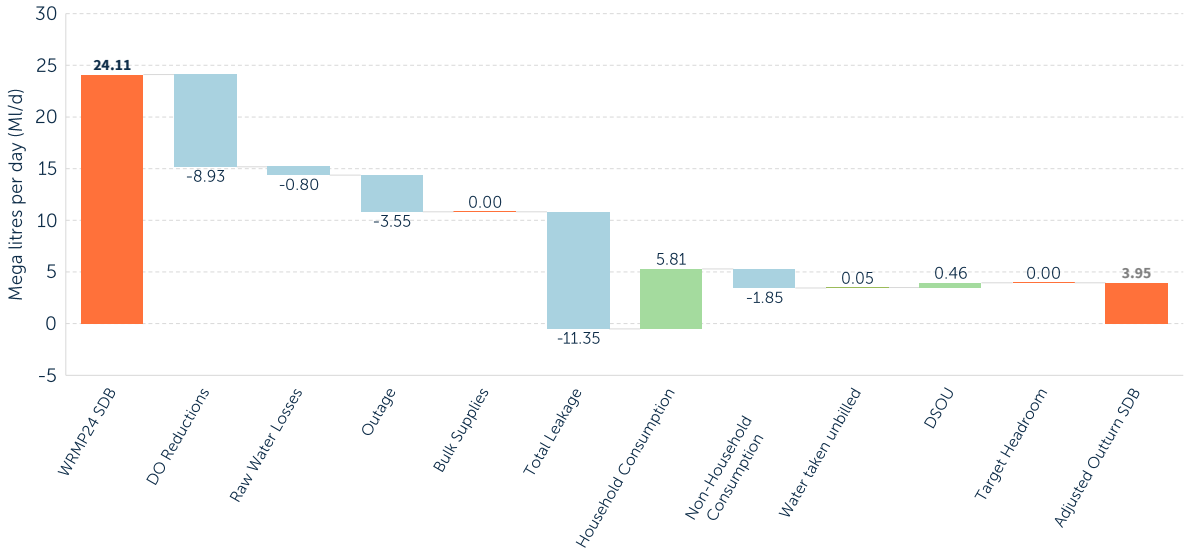
- For the annual average condition, the most significant negative contributors to the SDB are leakage (-11.35Ml/d) and DO reductions (-2.23 Ml/d). Household consumption provides a positive contribution to the SDB (3.87 Ml/d).

Figure 5: 2025-26 Performance compared against updated WRMP24 (Annual Average)



- For the critical period condition, the most significant negative contributors to the SDB are, again, leakage (-11.35 Ml/d) and DO reductions (-8.93 Ml/d). As per the annual average condition, household consumption provides a positive contribution to the SDB (5.81 Ml/d).

Figure 6: 2025-26 Performance compared against updated WRMP24 (Critical Period)



The supply demand balances suggest that if 2025-26 had experienced a prolonged period of dry weather equivalent to a 1 in 200 year event, there was no risk to supply for our customers or to the bulk supplies to Southern Water due to the surplus in the supply demand balance.

6. Forward look and conclusions

The purpose of this Annual Review 2026 is to assess our performance against our WRMP24 and look ahead to what's next. A key conclusion is that there was no risk to supply for our customers or to the bulk supplies to Southern Water.

Despite this, we would like to reassure our customers, regulators and stakeholders that we are doing everything within our capabilities to further safeguard services to our customers and support regional supplies to Southern Water now and in the future. We recognise that further work is required to return individual elements of our water balance to the forecast WRMP24 over the remainder of AMP8 so that we can ensure we are in a position to supply Southern Water with up to 30 Ml/d in a dry weather scenario by the start of AMP9. To that end, we are following detailed action plans for each key component of the Supply Demand Balance.

A major part of our strategy is the rollout of our smart metering programme, which commenced in April 2025. We have made substantial progress by installing 8,950 new smart meter installations in 2025-26, of which 3,740 are meter optants and 5,210 are compulsory metering. Against targets of 1,494 optants and 1,691 compulsory meters, we have achieved a percentage progress of 250% and 308%, respectively.

Furthermore, we have installed 5,436 household meter upgrades and 410 non-household meter upgrades (basic to smart). Against targets of 871 household and 866 non-household meters, we have achieved a percentage progress of 624% and 47%, respectively. That means we installed a total of 14,796 smart meters in 2025-26 against a WRMP24 assumption of 4,922, a percentage progress of 301%.

Our smart metering journey is expected to significantly reduce household and non-household consumption and tackle customer-side leakage — a relatively untouched area that may represent a significant share of our total leakage.

The outlook for 2026–27 includes further positive developments. We expect to continue delivering smart meter installs at a rate that exceeds that planned within WRMP24. The completion of the AMP7 peak DO scheme at Source C in July 2026 and return of Source I to service in February 2027 will provide benefit to the supply demand balance in the next annual review. Progress also continues at pace on the Havant Thicket winter storage reservoir.

Looking ahead, we expect those components that are not aligned with WRMP24 forecasts to be broadly on track by the end of 2027. However, we do not operate in a static world. We will continue to refine our plans using the latest data and experiences, and we are committed to delivering our action plans in Appendix C without complacency. In particular, during 2026-27 there will be a key focus on leakage reduction opportunities associated with pressure optimisation, DMA segregation and trialling of new innovative technology.

WRMP24 is our most ambitious and collaborative plan yet. It will increase our resilience to increasingly severe drought events, while reducing our reliance on, and impact to, the precious chalk-based environment that characterises our supply area. We remain acutely aware of the need to continue with our action plans and will continue working closely with all relevant stakeholders to further improve our Supply Demand Balance in a robust and achievable way as we continue through AMP8.

Appendix A: Data tables

AR Outturn data – Annual average

WRMP ANNUAL REVIEW DATA TEMPLATE - WATER BALANCE COMPONENTS

Required scenario and submission information	
Water company:	Portsmouth Water
Year of data submission:	2025-26
Reporting against WRMP:	WRMP24
WRMP pathway reporting against:	Preferred plan (Situation 4)
Scenario:	Outturn Annual Average

WRMP24 FP data tables row reference	Annual Review row reference	Component	Derivation and type of data	Units	DP	Data requirement	Page or section reference in AR narrative or report	Notes on data provided	Water company totals	RZ1
									Portsmouth Water	PWSPRT
		SUPPLY								
		Resources								
1FP	1AR	Raw water abstracted	Input outturn data	Ml/d	2dp	Required	Section 2.2		191.27	191.27
N/A	1.1AR	Additional abstraction through drought permits or orders that were implemented in the reporting year	Input outturn data	Ml/d	2dp	Required				
N/A	2.1AR	Internal raw water imported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required				
N/A	3.1AR	Internal potable water imported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required				
N/A	5.2AR	Internal raw water exported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required				
N/A	6.1AR	Internal potable water exported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required				
N/A	2.2AR	External raw water imported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required				
N/A	3.2AR	External potable water imported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required				
N/A	5.3AR	External raw water exported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required				
N/A	6.2AR	External potable water exported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required	Section 2.6		7.78	7.78
1.1FP	5.1AR	Non-potable water supplied	Input outturn data	Ml/d	2dp	If applicable				
N/A	10.4AR	Adjustment for utilising water storage	Input outturn data (+ve where additional stored water was used to supplement raw water abstracted, -ve where raw water abstracted was used to increase stored water)	M/d	2dp	If applicable				
N/A	10.5AR	Water into supply (own sources)	Input outturn data: = Raw water abstracted + Adjustment for utilising water storage – raw water treatment work losses and operational use	Ml/d	2dp	Required	Section 2.1		188.07	188.07
N/A	10.6AR	Total water into supply	Water into supply (own sources) + (total water imported) - (total water exported)	Ml/d	2dp	Required	Section 2.1		180.29	180.29
		Process Losses								
8FP	9AR	Raw water losses, treatment works losses and operational use	Input outturn data	Ml/d	2dp	Required	Section 2.5	Top down' calculation rather than 'bottom up' as per the previous WRMP AR submission	3.20	3.20
9FP	10AR	Total outage experienced (for information only)	Input outturn data	Ml/d	2dp	Required	Section 2.4		9.77	9.77
N/A	10.1AR	Unplanned outage (for information only)	Input outturn data (10.1AR and 10.2AR should sum to 10AR)	Ml/d	2dp	Optional	Section 2.4.3		7.41	7.41
N/A	10.2AR	Planned outage (for information only)	Input outturn data (10.1AR and 10.2AR should sum to 10AR)	Ml/d	2dp	Optional	Section 2.4.2		2.37	2.37
		DEMAND								
45FP	11AR	Distribution input (in reporting year)	Input outturn data: Total household and non-household consumption + water taken unbilled + distribution system operational losses + total leakage	Ml/d	2dp	Required	Section 3.1	Calc (Note: Reflects new AMP8 leakage methodolgy.)	180.29	180.29
12.1FP	11.1AR	Non-potable water demand/consumption	Input outturn data	Ml/d	2dp	If applicable		n/a		
		Consumption								
12FP - 23FP	23AR	Measured non-household - consumption	Input outturn data	Ml/d	2dp	Required	Section 3.3		30.55	30.55
13FP - 24FP	24AR	Unmeasured non-household - consumption	Input outturn data	Ml/d	2dp	Required	Section 3.3		0.87	0.87
14FP - 25FP	25AR	Measured household - consumption	Input outturn data	Ml/d	2dp	Required	Section 3.2		49.53	49.53
15FP - 26FP	26AR	Unmeasured household - consumption	Input outturn data	Ml/d	2dp	Required	Section 3.2		63.35	63.35
18FP	29AR	Measured household - pcc	Input outturn data: (Measured household consumption * 1,000,000) / (measured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3	Calc	139.61	139.6
19FP	30AR	Unmeasured household - pcc	Input outturn data: (Unmeasured household consumption * 1,000,000) / (Unmeasured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3	Calc	167.12	167.1
20FP	31AR	Average household - pcc	Input outturn data: (Measured and unmeasured household consumption * 1,000,000) / (measured and unmeasured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3	Calc	153.82	153.8
21FP	32AR	Water taken unbilled	Input outturn data	Ml/d	2dp	Required	Section 3.5		2.57	2.57
22FP	33AR	Distribution system operational use	Input outturn data	Ml/d	2dp	Required	Section 3.5		0.06	0.06
		Leakage								
23FP	34AR	Measured non-household - USPL	Input outturn data	Ml/d	2dp	Required			0.46	0.46
24FP	35AR	Unmeasured non-household - USPL	Input outturn data	Ml/d	2dp	Required			0.06	0.06
25FP	36AR	Measured household - USPL	Input outturn data	Ml/d	2dp	Required			5.84	5.84
26FP	37AR	Unmeasured household - USPL	Input outturn data	Ml/d	2dp	Required			5.32	5.32
27FP	38AR	Void properties - USPL	Input outturn data	Ml/d	2dp	Required			0.46	0.46
28FP	39AR	Distribution losses	Input outturn data	Ml/d	2dp	Required			21.20	21.20
29FP	40AR	Total leakage	Input outturn data: Total USPL + distribution losses	Ml/d	2dp	Required	Section 3.4		33.35	33.35
		CUSTOMERS								
		Properties								
31FP	42AR	Measured non-household - properties	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end v	11.68	11.679
32FP	43AR	Unmeasured non-household - properties	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end v	1.45	1.450
33FP	44AR	Void non-household - properties	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end v	2.16	2.161
34FP	45AR	Measured household - properties (excl. voids)	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end v	145.72	145.718
34.7FP	45.7AR	Measured void household - properties	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end v	6.06	6.055
35FP	46AR	Unmeasured household - properties (excl. voids)	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end v	155.73	155.733
35.1FP	47AR	Unmeasured void household - properties	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end v	6.43	6.426
36FP	48AR	Total resource zone properties (inc voids)	Input end of reporting year data : Total non-household properties + total void non-household properties + total household properties + total void household properties	000's	3dp	Required		Calc	329.22	329.222
		Population								
37FP	49AR	Measured non-household - population	Input end of reporting year data	000's	3dp	Required			14.960	14.960
38FP	50AR	Unmeasured non-household - population	Input end of reporting year data	000's	3dp	Required			1.857	1.857
39FP	51AR	Measured household - population	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (mid-year	354.812	354.812
40FP	52AR	Unmeasured household - population	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (mid-year	379.092	379.092
41FP	53AR	Total resource zone population	Input end of reporting year data: Unmeasured and measured household population + Unmeasured and measured non-household population	000's	3dp	Required	Section 3.2.3	Calc	750.721	750.721
		Metering								
44FP	57AR	Total measured household metering penetration (incl. voids)	Input outturn data: Measured household properties exc. voids / (measured household properties exc. voids + unmeasured household properties exc. voids + measured and unmeasured household void properties)	%	1dp	Required	Section 3.2.2	Calc	46.4	46.4
		SUPPLY-DEMAND BALANCE								
49.1FP	17AR	Observed non-potable balance (if applicable)	Non-potable water supplied - Non-potable water demand/consumption	Ml/d	2dp	If applicable			0.00	0.00
50FP	18AR	Observed supply-demand balance (in reporting year)	Total water into supply - DI	Ml/d	2dp	Required	Section 5.1	Calc	0.00	0.00

AR Outturn data – Critical period

WRMP ANNUAL REVIEW DATA TEMPLATE - WATER BALANCE COMPONENTS

Required scenario and submission information	
Water company:	Portsmouth Water
Year of data submission:	2025-26
Reporting against WRMP:	WRMP24
WRMP pathway reporting against:	Preferred plan (Situation 4)
Scenario:	Outturn Critical Period

WRMP24 FP data tables row reference	Annual Review row reference	Component	Derivation and type of data	Units	DP	Data requirement	Page or section reference in AR narrative or report	Notes on data provided	Water company totals	RZ1
									Portsmouth Water	PWSPRT
		SUPPLY								
		Resources								
1FP	1AR	Raw water abstracted	Input outturn data	Ml/d	2dp	Required	Section 2.2	Uses abstraction value during the Peak Week (24/6/2025)	216.52	216.52
N/A	1.1AR	Additional abstraction through drought permits or orders that were implemented in the reporting year	Input outturn data	Ml/d	2dp	Required		n/a		
N/A	2.1AR	Internal raw water imported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required		n/a		
N/A	3.1AR	Internal potable water imported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required		n/a		
N/A	5.2AR	Internal raw water exported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required		n/a		
N/A	6.1AR	Internal potable water exported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required		n/a		
N/A	2.2AR	External raw water imported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required		n/a		
N/A	3.2AR	External potable water imported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required		n/a		
N/A	5.3AR	Additional abstraction through drought permits or orders that were implemented in the reporting year	Input outturn data	Ml/d	2dp	Required		n/a		
N/A	6.2AR	External potable water exported (in the reporting year)	Input outturn data (Observed/recorded transfer volumes)	Ml/d	2dp	Required	Section 2.6	Uses BS value during the Peak Week (24/6/2025) SWS + NAV	5.21	5.21
1.1FP	5.1AR	Non-potable water supplied	Input outturn data	Ml/d	2dp	If applicable		n/a		
N/A	10.4AR	Adjustment for utilising water storage	Input outturn data (+ve where additional stored water was used to supplement raw water abstracted, -ve where raw water abstracted was used to increase stored water)	M/d	2dp	If applicable		Adjustment to account for additional abstraction into storage reservoir during peak week	0.14	0.14
N/A	10.5AR	Water into supply (own sources)	Input outturn data: = Raw water abstracted + Adjustment for utilising water storage – raw water treatment work losses and operational use	Ml/d	2dp	Required	Section 2.1	Formula does not include outage as per latest EA guidance	213.47	213.47
N/A	10.6AR	Total water into supply	Water into supply (own sources) + (total water imported) - (total water exported)	Ml/d	2dp	Required	Section 2.1	Calc	208.26	208.26
		Process Losses								
8FP	9AR	Raw water losses, treatment works losses and operational use	Input outturn data	Ml/d	2dp	Required	Section 2.5	Same as Annual Average	3.20	3.20
9FP	10AR	Total outage experienced (for information only)	Input outturn data	Ml/d	2dp	Required	Section 2.4		13.75	13.75
N/A	10.1AR	Unplanned outage (for information only)	Input outturn data (10.1AR and 10.2AR should sum to 10AR)	Ml/d	2dp	Optional	Section 2.4.3		11.13	11.13
N/A	10.2AR	Planned outage (for information only)	Input outturn data (10.1AR and 10.2AR should sum to 10AR)	Ml/d	2dp	Optional	Section 2.4.2		2.62	2.62
		DEMAND								
45FP	11AR	Distribution input (in reporting year)	Input outturn data: Total household and non-household consumption + water taken unbilled + distribution system operational losses + total leakage	Ml/d	2dp	Required	Section 3.1	Calc	208.26	208.26
12.1FP	11.1AR	Non-potable water demand/consumption	Input outturn data	Ml/d	2dp	If applicable		n/a		
		Consumption								
12FP - 23FP	23AR	Measured non household - consumption	Input outturn data	Ml/d	2dp	Required	Section 3.3		30.55	30.55
13FP - 24FP	24AR	Unmeasured non household - consumption	Input outturn data	Ml/d	2dp	Required	Section 3.3		0.87	0.87
14FP - 25FP	25AR	Measured household - consumption	Input outturn data	Ml/d	2dp	Required	Section 3.2		59.57	59.57
15FP - 26FP	26AR	Unmeasured household - consumption	Input outturn data	Ml/d	2dp	Required	Section 3.2		81.28	81.28
18FP	29AR	Measured household - pcc	Input outturn data: (Measured household consumption * 1,000,000) / (measured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3	Calc	167.9	167.9
19FP	30AR	Unmeasured household - pcc	Input outturn data: (Unmeasured household consumption * 1,000,000) / (Unmeasured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3	Calc	214.4	214.4
20FP	31AR	Average household - pcc	Input outturn data: (Measured and unmeasured household consumption * 1,000,000) / (measured and unmeasured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3	Calc	191.9	191.9
21FP	32AR	Water taken unbilled	Input outturn data	Ml/d	2dp	Required	Section 3.5		2.57	2.57
22FP	33AR	Distribution system operational use	Input outturn data	Ml/d	2dp	Required	Section 3.5		0.06	0.06
		Leakage								
23FP	34AR	Measured non household - uspl	Input outturn data	Ml/d	2dp	Required			0.46	0.46
24FP	35AR	Unmeasured non-household - uspl	Input outturn data	Ml/d	2dp	Required			0.06	0.06
25FP	36AR	Measured household - uspl	Input outturn data	Ml/d	2dp	Required			5.84	5.84
26FP	37AR	Unmeasured household - uspl	Input outturn data	Ml/d	2dp	Required			5.32	5.32
27FP	38AR	Void properties - uspl	Input outturn data	Ml/d	2dp	Required			0.46	0.46
28FP	39AR	Distribution Losses	Input outturn data	Ml/d	2dp	Required			21.20	21.20
29FP	40AR	Total leakage	Input outturn data: Total USPL + distribution losses	Ml/d	2dp	Required	Section 3.4		33.35	33.35
	46AR	CUSTOMERS								
		Properties								
31FP	42AR	Measured non-household - properties	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end values)	11.679	11.679
32FP	43AR	Unmeasured non-household - properties	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end values)	1.450	1.450
33FP	44AR	Void non household - properties	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end values)	2.161	2.161
34FP	45AR	Measured household - properties (excl. voids)	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end values)	145.718	145.718
34.7FP	45.7AR	Measured void household - properties	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end values)	6.055	6.055
35FP		Unmeasured household - properties (excl. voids)	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end values)	155.733	155.733
35.1FP	47AR	Unmeasured void household - properties	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (year end values)	6.426	6.426
36FP	48AR	Total resource zone properties (inc voids)	Input end of reporting year data : Total non-household properties + total void non-household properties + total household properties + total void household properties	000's	3dp	Required		Calc	329.222	329.222
		Population								
37FP	49AR	Measured non-household - population	Input end of reporting year data	000's	3dp	Required			14.960	14.960
38FP	50AR	Unmeasured non-household - population	Input end of reporting year data	000's	3dp	Required			1.857	1.857
39FP	51AR	Measured household - population	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (mid-year values)	354.812	354.812
40FP	52AR	Unmeasured household - population	Input end of reporting year data	000's	3dp	Required		Aligned with APR 26 Table 4R (mid-year values)	379.092	379.092
41FP	53AR	Total resource zone population	Input end of reporting year data: Unmeasured and measured household population + Unmeasured and measured non-household population	000's	3dp	Required	Section 3.2.3	Calc	750.721	750.721
		Metering								
44FP	57AR	Total measured household metering penetration (incl. voids)	Input outturn data: Measured household properties exc. voids / (measured household properties exc. voids + unmeasured household properties exc. voids + measured and unmeasured household void properties)	%	1dp	Required	Section 3.2.2	Calc	46.4	46.4
		SUPPLY-DEMAND BALANCE								
49.1FP	17AR	Observed non-potable balance (if applicable)	Non-potable water supplied - Non-potable water demand/consumption	Ml/d	2dp	If applicable			0.00	0.00
50FP	18AR	Observed supply-demand balance (in reporting year)	Total water into supply - DI	Ml/d	2dp	Required	Section 5.1	Calc	0.00	0.00

DYAA Adjusted data – Annual average

WRMP ANNUAL REVIEW DATA TEMPLATE - WATER BALANCE COMPONENTS

Required scenario and submission information	
Water company:	Portsmouth Water
Year of data submission:	2025-26
Reporting against WRMP:	WRMP24
WRMP pathway reporting against:	Preferred plan (Situation 4)
Scenario:	DYAA Adjusted Outturn

WRMP24 FP data tables row reference	Annual Review row reference	Component	Derivation and type of data	Units	DP	Data requirement	Page or section reference in AR narrative or report	Notes on data provided	Water company totals	RZ1
									Portsmouth Water	PWSPRT
		SUPPLY								
		Resources								
1FP	1AR	Raw water abstracted	Not required	Ml/d	2dp					
N/A	2.1AR	Internal raw water imported (in the reporting year)	Input outturn data (DYAA adjusted observed transfer volumes)	Ml/d	2dp	Required				
N/A	3.1AR	Internal potable water imported (in the reporting year)	Input outturn data (DYAA adjusted observed transfer volumes)	Ml/d	2dp	Required				
N/A	5.2AR	Internal raw water exported (in the reporting year)	Input outturn data (DYAA adjusted observed transfer volumes)	Ml/d	2dp	Required				
N/A	6.1AR	Internal potable water exported (in the reporting year)	Input outturn data (DYAA adjusted observed transfer volumes)	Ml/d	2dp	Required				
N/A	2.2AR	External raw water imported (in the reporting year)	Input most challenging contractual volumes	Ml/d	2dp	Required				
N/A	3.2AR	External potable water imported (in the reporting year)	Input most challenging contractual volumes	Ml/d	2dp	Required				
N/A	5.3AR	External raw water exported (in the reporting year)	Input most challenging contractual volumes	Ml/d	2dp	Required				
N/A	6.2AR	External potable water exported (in the reporting year)	Input most challenging contractual volumes	Ml/d	2dp	Required	Section 2.6	Aligns with WRMP24 tables	17.09	17.09
1.1FP	5.1AR	Non-potable water supplied	Input outturn data (DYAA adjusted observed transfer volumes)	Ml/d	2dp	If applicable				
6.1FP	7AR	WRMP24 Deployable Output (DYAAFP)	Input dry year DYAAFP figure set out in 6.1FP, that includes the benefit of options delivered and any levels of service adjustment	Ml/d	2dp	Required	Section 2.3	WRMP24 WRZ DO minus DO reductions from long term outages & scheme delays	219.34	219.34
7.2BL + 7.3BL	7.4BLARDY	DO loss from sustainability reductions implemented in the reporting year	Estimated volume of DYAA DO loss from delivery of WINEP/ED abstraction reductions set out in 7.2BL + 7.3BL (please enter negative values)	Ml/d	2dp	Required		No reductions in 2025-26	0.00	0
10FP	12AR	Water Available For Use (Own sources)	(Deployable Output + changes to DO) - (DYAA adjusted raw water losses, treatment works losses and operational use + DYAA adjusted outage experienced).	Ml/d	2dp	Required			209.71	209.71
11FP	13AR	Total Water Available For Use	WAFU (own sources) + (total water imported) - (total water exported) Total WAFU is based on external transfers reported as maximum contractual volumes as stated in WRMP24 and internal transfers reported as DYAA adjusted outturn volumes.	Ml/d	2dp	Required	Section 2.1		192.61	192.61
		Process Losses								
8FP	9AR	Raw water losses, treatment works losses and operational use	Input outturn data (DYAA adjusted observed volumes)	Ml/d	2dp	Required	Section 2.5	No uplift applied. AR outturn data template assumed to be representative of a 1 in 200 year Dry Year scenario.	3.20	3.20
9FP	10AR	Total outage experienced	Input outturn data (DYAA adjusted observed volumes)	Ml/d	2dp	Required	Section 2.4		6.43	6.43
N/A	10.1AR	Unplanned outage	Input outturn data (DYAA adjusted observed volumes). 10.1AR and 10.2AR should sum to 10AR.	Ml/d	2dp	Optional	Section 2.4		5.83	5.83
N/A	10.2AR	Planned outage	Input outturn data (DYAA adjusted observed volumes). 10.1AR and 10.2AR should sum to 10AR	Ml/d	2dp	Optional	Section 2.4		0.60	0.60
		DEMAND								
45FP	11AR	Distribution input (in reporting year)	Input outturn data (DYAA uplifted observed volumes): Total household and non-household consumption + water taken unbilled + distribution system operational losses + total leakage	Ml/d	2dp	Required	Section 3.1	Reflects new AMP8 leakage methodolgy.	185.09	185.09
12.1FP	11.1AR	Non-potable water demand/consumption	Not required	Ml/d	2dp					
		Consumption								
12FP - 23FP	23AR	Measured non-household - consumption	Input outturn data (DYAA uplifted observed volumes)	Ml/d	2dp	Required	Section 3.3	No uplift applied as per the WRMP24 methodology.	30.55	30.55
13FP - 24FP	24AR	Unmeasured non-household - consumption	Input outturn data (DYAA uplifted observed volumes)	Ml/d	2dp	Required	Section 3.3	No uplift applied as per the WRMP24 methodology.	0.87	0.87
14FP - 25FP	25AR	Measured household - consumption	Input outturn data (DYAA uplifted observed volumes)	Ml/d	2dp	Required	Section 3.2	Uplifted by factor of 1.033 following the WRMP24 uplift methodology. Uplifted to 1 in 20 year DYAA scenario.	51.17	51.17
15FP - 26FP	26AR	Unmeasured household - consumption	Input outturn data (DYAA uplifted observed volumes)	Ml/d	2dp	Required	Section 3.2	Uplifted by factor of 1.050 following the WRMP24 uplift methodology. Uplifted to 1 in 20 year DYAA scenario.	66.52	66.52
18FP	29AR	Measured household - PCC	Input DYAA adjusted outturn data: (Measured household consumption * 1,000,000) / (measured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3		144.2	
19FP	30AR	Unmeasured household - PCC	Input DYAA adjusted outturn data: (Unmeasured household consumption * 1,000,000) / (Unmeasured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3		175.5	
20FP	31AR	Average household - PCC	Input DYAA adjusted outturn data: (Measured and unmeasured household consumption * 1,000,000) / (measured and unmeasured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3		160.4	
21FP	32AR	Water taken unbilled	Input outturn data (DYAA adjusted observed volumes)	Ml/d	2dp	Required	Section 3.5	No uplift applied as per the WRMP24 methodology.	2.57	2.57
22FP	33AR	Distribution system operational use	Input outturn data (DYAA adjusted observed volumes)	Ml/d	2dp	Required	Section 3.5	No uplift applied as per the WRMP24 methodology.	0.06	0.06
		Leakage								
23FP	34AR	Measured non-household - USPL	Not required	Ml/d	2dp					
24FP	35AR	Unmeasured non-household - USPL	Not required	Ml/d	2dp					
25FP	36AR	Measured household - USPL	Not required	Ml/d	2dp					
26FP	37AR	Unmeasured household - USPL	Not required	Ml/d	2dp					
27FP	38AR	Void properties - USPL	Not required	Ml/d	2dp					
28FP	39AR	Distribution losses	Input outturn data (DYAA adjusted observed volumes)	Ml/d	2dp	Required		No uplift applied as per the WRMP24 methodology.	21.20	21.20
29FP	40AR	Total leakage	Input DYAA adjusted outturn data: Total USPL + distribution losses	Ml/d	2dp	Required	Section 3.4	No uplift applied as per the WRMP24 methodology.	33.35	33.35
		CUSTOMERS								
		Properties								
31FP	42AR	Measured non-household - properties	Duplicate of outturn data	000's	3dp				11.679	11.679
32FP	43AR	Unmeasured non-household - properties	Duplicate of outturn data	000's	3dp				1.450	1.450
33FP	44AR	Void non-household - properties	Duplicate of outturn data	000's	3dp				2.161	2.161
34FP	45AR	Measured household - properties (excl. voids)	Duplicate of outturn data	000's	3dp				145.718	145.718
34.7FP	45.7AR	Measured void household - properties	Duplicate of outturn data	000's	3dp				6.055	6.055
35FP	46AR	Unmeasured household - properties (excl. voids)	Duplicate of outturn data	000's	3dp				155.733	155.733
35.1FP	47AR	Unmeasured void household - properties	Duplicate of outturn data	000's	3dp				6.426	6.426
36FP	48AR	Total resource zone properties (inc voids)	Duplicate of outturn data : Total non-household properties + total void non-household properties + total household properties + total void household properties	000's	3dp				329.222	329.222
		Population								
37FP	49AR	Measured non-household - population	Duplicate of outturn data	000's	3dp				14.960	14.960
38FP	50AR	Unmeasured non-household - population	Duplicate of outturn data	000's	3dp				1.857	1.857
39FP	51AR	Measured household - population	Duplicate of outturn data	000's	3dp				354.812	354.812
40FP	52AR	Unmeasured household - population	Duplicate of outturn data	000's	3dp				379.092	379.092
41FP	53AR	Total resource zone population	Duplicate of outturn data: Unmeasured and measured household population + Unmeasured and measured non-household population	000's	3dp				750.721	750.721
		Metering								
44FP	57AR	Total measured household metering penetration (incl. voids)	Duplicate of outturn data: Measured household properties exc. voids / (measured household properties exc. voids + unmeasured household properties exc. voids + measured and unmeasured household void properties)	%	1dp				46.4	46.4
		SUPPLY-DEMAND BALANCE								
48FP	16AR	Target headroom	Input adjusted reporting year figure or DYAA WRMP value	Ml/d	2dp	Required			4.21	4.21
49.1FP	17AR	Non-potable balance	Non-potable water supplied - Non-potable water demand/consumption	Ml/d	2dp	Not required				
50FP	18AR	Observed supply-demand balance (in reporting year)	(Total WAFU - DI) - target headroom	Ml/d	2dp	Required			3.32	3.32

DYCP Adjusted data – Critical period

WRMP ANNUAL REVIEW DATA TEMPLATE - WATER BALANCE COMPONENTS

Required scenario and submission information	
Water company:	Portsmouth Water
Year of data submission:	2025-26
Reporting against WRMP:	WRMP24
WRMP pathway reporting against:	Preferred plan (Situation 4)
Scenario:	DYCP Adjusted Outturn

WRMP24 FP data tables row reference	Annual Review row reference	Component	Derivation and type of data	Units	DP	Data requirement	Page or section reference in AR narrative or report	Notes on data provided	Water company totals	RZ1
									Portsmouth Water	PWSPRT
		SUPPLY								
		Resources								
1FP	1AR	Raw water abstracted	Not required	Ml/d	2dp					
N/A	2.1AR	Internal raw water imported (in the reporting year)	Input outturn data (DYCP adjusted observed transfer volumes)	Ml/d	2dp	Required				
N/A	3.1AR	Internal potable water imported (in the reporting year)	Input outturn data (DYCP adjusted observed transfer volumes)	Ml/d	2dp	Required				
N/A	5.2AR	Internal raw water exported (in the reporting year)	Input outturn data (DYCP adjusted observed transfer volumes)	Ml/d	2dp	Required				
N/A	6.1AR	Internal potable water exported (in the reporting year)	Input outturn data (DYCP adjusted observed transfer volumes)	Ml/d	2dp	Required				
N/A	2.2AR	External raw water imported (in the reporting year)	Input most challenging contractual volumes	Ml/d	2dp	Required				
N/A	3.2AR	External potable water imported (in the reporting year)	Input most challenging contractual volumes	Ml/d	2dp	Required				
N/A	5.3AR	External raw water exported (in the reporting year)	Input most challenging contractual volumes	Ml/d	2dp	Required				
N/A	6.2AR	External potable water exported (in the reporting year)	Input most challenging contractual volumes	Ml/d	2dp	Required	Section 2.6	Aligns with WRMP24 tables	17.09	17.09
1.1FP	5.1AR	Non-potable water supplied	Input outturn data (DYCP adjusted observed transfer volumes)	Ml/d	2dp	If applicable				
6.1FP	7AR	WRMP24 Deployable Output (DYAAFP)	Input dry year DYCPFP figure set out in 6.1FP, that includes the benefit of options delivered and any levels of service adjustment	Ml/d	2dp	Required	Section 2.3	WRMP24 WRZ DO minus DO reductions from long term outages & scheme delays	266.98	266.98
7.2BL + 7.3BL	7.4BLARDY	DO loss from sustainability reductions implemented in the reporting year	Estimated volume of DYCP DO loss from delivery of WINEP/ED abstraction reductions set out in 7.2BL + 7.3BL (please enter negative values)	Ml/d	2dp	Required		No reductions in 2024-25	0.00	0.00
10FP	12AR	Water Available For Use (own sources)	(Deployable Output + changes to DO) - (DYCP adjusted raw water losses, treatment works losses and operational use + DYCP adjusted outage experienced).	Ml/d	2dp	Required			253.63	253.63
11FP	13AR	Total Water Available For Use	WAFU own sources + (total water imported) - (total water exported). Total WAFU is based on external transfers reported as maximum contractual volumes as stated in WRMP24 and internal transfers reported as DYCP adjusted outturn volumes.	Ml/d	2dp	Required	Section 2.1		236.54	236.54
		Process Losses								
8FP	9AR	Raw water losses, treatment works losses and operational use	Input outturn data (DYCP adjusted observed volumes)	Ml/d	2dp	Required	Section 2.5	No uplift applied. AR outturn data template assumed to be representative of a 1 in 200 year Dry Year scenario.	3.20	3.20
9FP	10AR	Total outage experienced	Input outturn data (DYCP adjusted observed volumes)	Ml/d	2dp	Required	Section 2.4	Accounts only for outages that would have happened in a 1:200 year drought scenario during the critical period	10.15	10.15
N/A	10.1AR	Unplanned outage	Input outturn data (DYCP adjusted observed volumes). 10.1AR and 10.2AR should sum to 10AR.	Ml/d	2dp	Optional	Section 2.4		9.16	9.16
N/A	10.2AR	Planned outage	Input outturn data (DYCP adjusted observed volumes). 10.1AR and 10.2AR should sum to 10AR	Ml/d	2dp	Optional	Section 2.4		0.99	0.99
		DEMAND								
45FP	11AR	Distribution input (in reporting year)	Input outturn data (DYCP uplifted observed volumes): Total household and non-household consumption + water taken unbilled + distribution system operational losses + total leakage	Ml/d	2dp	Required	Section 3.1		226.72	226.72
12.1FP	11.1AR	Non-potable water demand/consumption	Not required	Ml/d	2dp					
		Consumption								
12FP - 23FP	23AR	Measured non household - consumption	Input outturn data (DYCP uplifted observed volumes)	Ml/d	2dp	Required	Section 3.3	No uplift applied as per the WRMP24 methodology.	30.55	30.55
13FP - 24FP	24AR	Unmeasured non household - consumption	Input outturn data (DYCP uplifted observed volumes)	Ml/d	2dp	Required	Section 3.3	No uplift applied as per the WRMP24 methodology.	0.87	0.87
14FP - 25FP	25AR	Measured household - consumption	Input outturn data (DYCP uplifted observed volumes)	Ml/d	2dp	Required	Section 3.2	Uplifted by factor of 1.321 following the WRMP24 uplift methodology. Uplifted to 1 in 20 year DYCP scenario.	65.43	65.43
15FP - 26FP	26AR	Unmeasured household - consumption	Input outturn data (DYCP uplifted observed volumes)	Ml/d	2dp	Required	Section 3.2	Uplifted by factor of 1.482 following the WRMP24 uplift methodology. Uplifted to 1 in 20 year DYCP scenario.	93.89	93.89
18FP	29AR	Measured household - pcc	Input DYCP adjusted outturn data: (Measured household consumption * 1,000,000) / (measured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3		184.4	
19FP	30AR	Unmeasured household - pcc	Input DYCP adjusted outturn data: (Unmeasured household consumption * 1,000,000) / (Unmeasured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3		247.7	
20FP	31AR	Average household - pcc	Input DYCP adjusted outturn data: (Measured and unmeasured household consumption * 1,000,000) / (measured and unmeasured household population * 1,000)	l/h/d	1dp	Required	Section 3.2.3		217.1	
21FP	32AR	Water taken unbilled	Input outturn data (DYCP uplifted observed volumes)	Ml/d	2dp	Required	Section 3.5	No uplift applied as per the WRMP24 methodology.	2.57	2.57
22FP	33AR	Distribution system operational use	Input outturn data (DYCP uplifted observed volumes)	Ml/d	2dp	Required	Section 3.5	No uplift applied as per the WRMP24 methodology.	0.06	0.06
		Leakage								
23FP	34AR	Measured non household - uspl	Not required	Ml/d	2dp					
24FP	35AR	Unmeasured non-household - uspl	Not required	Ml/d	2dp					
25FP	36AR	Measured household - uspl	Not required	Ml/d	2dp					
26FP	37AR	Unmeasured household - uspl	Not required	Ml/d	2dp					
27FP	38AR	Void properties - uspl	Not required	Ml/d	2dp					
28FP	39AR	Distribution Losses	Input outturn data (DYCP adjusted observed volumes)	Ml/d	2dp	Required		No uplift applied as per the WRMP24 methodology.	21.20	21.20
29FP	40AR	Total leakage	Input DYCP adjusted outturn data: Total USPL + distribution losses	Ml/d	2dp	Required	Section 3.4	No uplift applied as per the WRMP24 methodology.	33.35	33.35
		CUSTOMERS								
		Properties								
31FP	42AR	Measured non-household - properties	Duplicate of outturn data	000's	3dp				11.679	11.679
32FP	43AR	Unmeasured non-household - properties	Duplicate of outturn data	000's	3dp				1.450	1.450
33FP	44AR	Void non household - properties	Duplicate of outturn data	000's	3dp				2.161	2.161
34FP	45AR	Measured household - properties (excl. voids)	Duplicate of outturn data	000's	3dp				145.718	145.718
34.7FP	45.7AR	Measured void household - properties	Duplicate of outturn data	000's	3dp				6.055	6.055
35FP	46AR	Unmeasured household - properties (excl. voids)	Duplicate of outturn data	000's	3dp				155.733	155.733
35.1FP	47AR	Unmeasured void household - properties	Duplicate of outturn data	000's	3dp				6.426	6.426
36FP	48AR	Total resource zone properties (inc voids)	Duplicate of outturn data : Total non-household properties + total void non-household properties + total household properties + total void household properties	000's	3dp				329.222	329.222
		Population								
37FP	49AR	Measured non-household - population	Duplicate of outturn data	000's	3dp				14.960	14.960
38FP	50AR	Unmeasured non-household - population	Duplicate of outturn data	000's	3dp				1.857	1.857
39FP	51AR	Measured household - population	Duplicate of outturn data	000's	3dp				354.812	354.812
40FP	52AR	Unmeasured household - population	Duplicate of outturn data	000's	3dp				379.092	379.092
41FP	53AR	Total resource zone population	Duplicate of outturn data: Unmeasured and measured household population + Unmeasured and measured non-household population	000's	3dp				750.721	750.721
		Metering								
44FP	57AR	Total measured household metering penetration (incl. voids)	Duplicate of outturn data: Measured household properties exc. voids / (measured household properties exc. voids + unmeasured household properties exc. voids + measured and unmeasured household void properties)	%	1dp				46.4	46.4
		SUPPLY-DEMAND BALANCE								
48FP	16AR	Target headroom	Input adjusted reporting year figure or DYCP WRMP value	Ml/d	2dp	Required			5.86	5.86
49.1FP	17AR	Non-potable balance	Non-potable water supplied - Non-potable water demand/consumption	Ml/d	2dp	Not required				
50FP	18AR	Observed supply-demand balance (in reporting year)	(Total WAFU - DI) - target headroom	Ml/d	2dp	Required			3.95	3.95

Appendix B: WRMP24 monitoring plan reporting

Our WRMP24 monitoring plan

Our published Water Resources Management Plan 2024 (WRMP24) Monitoring Plan[4] sets out the thresholds, triggers, actions and timelines that apply at both our company level and Regional level, necessary to understand our progress through our adaptive planning scenarios.

The preferred supply and demand options in our WRMP24 mean that our key adaptive trigger point is the year 2039-40. Up to that point, our preferred options are chosen in all scenarios, effectively giving us a single plan. However, in addition to the Environment Agency's AR26 guidance and in accordance with our WRMP24 Monitoring Plan, this AR26 appendix also provides an update on:

1. Whether we will be required to implement our drought permit in 2026,
2. Consistency with SWS's WRMP24,
3. Review of SWS demand management progress,
4. Progress made on the regional schemes linked to our future decisions.
5. Management of short-term Water Framework Directive (WFD) 'no deterioration' related risks,
6. Time Limited Licence variation assessments,
7. Our outturn headroom assessment.

The output of our AR26 will be provided to WRSE to support the regional plan monitoring.

Our need for a Drought Permit at Source S in 2026

In March 2026 we submitted our latest drought prospects report to the Environment Agency, which provides a forward look on the likelihood of implementing our Drought Plan across the coming summer. Modelling has indicated that we do not expect to implement our Drought Plan during this summer even under a severe 40% long-term average rainfall scenario. At the time of writing, we are therefore forecasting a negligible probability of implementing our drought plan during Summer 2026 and this means we are not expecting to require the Source S drought permit in 2026.

Whilst there is a lack of need for the drought permit, there are on-going workstreams that will impact how and when we use the permit:

- We submitted our draft Drought Plan 2027 to regulators in March 2026 and we began our public consultation in May 2026. As part of the development of our drought plan we have undertaken work to make sure we are 'Application Ready' for the drought permit, should it be required in the future. This has included an update of our Environmental Assessment Report (EAR) which includes a monitoring plan.
- We have also included Source S as part of a joint Water Industry National Environment Programme (WINEP) investigation scheme with Southern Water, contributing to the restoration of the Arundel Park SSSI to 'favourable' condition.

These workstreams will help to inform our next WRMP (WRMP 2029, referred to as 'WRMP29').

[4] https://www.portsmouthwater.co.uk/wp-content/uploads/2024/10/10A-fWRMP24-App-Monitoring-Plan_published_final.pdf

Consistency with Southern Water's WRMP24 and future bulk supply arrangements

When the current contractual arrangements are due for renewal, our intention is to negotiate any future arrangements to reflect our company's respective WRMP24 plans. In the preparation of those plans we wrote a joint appendix setting out our common understandings around the future use of bulk supplies, which is appended to both company plans. It can be found on our website as part of our published WRMP24[5].

More recently we worked with Southern Water to agree revisions to AMP8 bulk supply assumptions within our WRMP24 tables. Further information can be found within the appendix to our updated WRMP AR25 (December 2025).

Going forward, Portsmouth Water and Southern Water will continue to work with other Water Resources South East (WRSE) member companies to develop WRMP29. A key part of this work will be to develop new options which will include the review and refinement of bulk supply assumptions, options and opportunities.

Southern Water demand management

Our WRMP24 describes our first adaptive option in 2039-40 – a new import from Southern Water. This is used in six of the nine adaptive planning pathways and therefore has a relatively high probability of being required in the future. Our WRMP24 monitoring plan requires a review of Southern Water progress with demand reductions, which will help to unlock the headroom for this potential future import. This review will be completed for WRMP29 and again for WRMP34 and so is not required for Annual Reviews, but we continue to work closely with Southern Water due to the interlinked nature of our plans.

Regional scheme updates

Our WRMP24 is intricately linked with other WRMPs across the WRSE region, particularly Southern Water's WRMP, due to our shared infrastructure, planned exports, and the role we play in supporting their environmental ambitions. We have documented these interdependencies in greater detail within:

- Appendix 1C of our WRMP24: outlining the full programme of planned and baseline imports and exports between our companies over the planning period.
- Section 7.8 and Appendix 7F of our WRMP24: which provide further technical detail on the Hampshire Water Transfer and Water Recycling Project — a major Southern Water scheme that links directly into our network. This project involves the introduction of highly treated recycled water into Havant Thicket Reservoir, ultimately supporting additional bulk transfers from our network to Southern Water's supply area.

We continue to work closely with Southern Water and our regional planning body, WRSE, to ensure that our plans align, and that shared schemes are delivered in a coordinated, efficient, and sustainable manner.

We have committed in the WRMP24 Monitoring Plan to providing updates on WRMP regional schemes – specifically the Havant Thicket Winter Storage Reservoir, South East Strategic Reservoir Option (SESRO), Thames to Southern transfer (T2ST) and Hampshire Water Transfer and Water Recycling Project (HWTWRP). We have provided these below.

[5] https://www.portsmouthwater.co.uk/wp-content/uploads/2024/10/1C-fWRMP24-App-SWS-PRT-common_published_final.pdf

Havant Thicket winter storage reservoir

The Havant Thicket Winter Storage Reservoir remains a key strategic scheme within WRMP24, enhancing regional water resilience, reducing abstraction from sensitive chalk streams, and enabling future resource options such as water recycling, while improving resilience to 1 in 500 year drought events.

The current earthworks season commenced in March 2026 and is progressing well, with a number of key construction activities underway. This will include completing all Ground Improvement Zones across the site and the completion and backfilling of the culvert. In parallel, substantial progress will be made on the construction of the western embankment, marking the first phase of above-ground embankment works. Construction activity is increasing during peak periods, with approximately 200 people and 125 heavy plant machinery operating on site.

Environmental performance has seen significant progress over the reporting year. This includes the planting and enhancement of more than 200 hectares of habitat both on- and off-site, alongside continued protection of wildlife during construction, including the successful translocation of over 590 newts. In 2025, over 380 wetland plants were established with support from volunteers and specialists from Kew's Millennium Seed Bank. The 80-hectare rewilding project is continuing, with new calves born last year. In addition, approximately 1.5 km of public footpaths have been improved within Havant Thicket Woodland, alongside ongoing enhancements to local watercourses and streams.

In addition to the environmental commitments made in 2021, as part of our pipelines scheme we have also committed to delivering a Biodiversity Net Gain. These plans are currently under review by the Local Planning Authority, with updated commitments expected to be published later in 2026.

The reservoir delivery programme has been refined and currently indicates completion in 2034, aligning with Strategic Resource Option (SRO) programme assumptions, with updated Outcome Delivery Incentive (ODI) milestones expected to be confirmed by Ofwat later in 2026. Integration with Southern Water systems also forms an important part of the scheme, with a recycled water quality standard established to ensure that reservoir operations maintain 'good status' under environmental regulations, alongside the development of an integrated commissioning strategy, expected by October 2026, to coordinate the introduction of reservoir storage and associated system operations.

This ongoing work ensures that the reservoir will operate effectively as part of a wider regional system, supporting both water supply resilience and environmental objectives.

Our published WRMP24 assumes the scheme will be implemented in 2031-32. Adjustments to the programme will be considered during the development of our WRMP29 based on the latest available information.

'South East Strategic Reservoir Option' and 'Thames to Southern Transfer' update

Thames Water is proposing a new reservoir near Abingdon in Oxfordshire to help supply water to around 15 million people across the South East. It would play a critical role in tackling expected water shortages and would also bring lasting local benefits, including new spaces for nature, leisure, and community use[6].

From January 2026, the South East Strategic Reservoir Option (SESRO) project name changed to White Horse Reservoir. The proposed reservoir is a critical drought insurance policy for the next century and beyond, while also being designed as a place for people to use and enjoy for many years to come[6].

Thames Water ran a statutory public consultation from 28th October 2025 to 13th January 2025. The Consultation Report will be submitted, alongside all other relevant documentation required to support the Development Consent Order (DCO) application, in late 2026. If granted, construction is forecast to begin in 2029 with the reservoir planned to begin operating in 2040[6].

A timeline for the associated Thames to Southern Transfer (T2ST) scheme is given on the Southern Water website[7]. The planned 2040 implementation year for both the White Horse Reservoir and T2ST schemes aligns with the assumptions in our published WRMP24. We will consider any future adjustments to the programme during the development of our WRMP29.

Hampshire water transfer and water recycling project update

Southern Water completed its Spring 2025 Consultation on the HWTWRP, which ran from 5th March to 4th April 2025[8]. This focused on the possible water quality impacts of the scheme on the Havant Thicket Reservoir, connected downstream water bodies, and the Solent, and how they could be mitigated. It also set out proposed refinements to the design of the Project that consider feedback from the Summer 2024 Consultation and on-going project development and stakeholder engagement.

Following feedback from its Spring 2025 Consultation and ongoing engagement with affected landowners, Southern Water is running a targeted consultation on eight further design refinements. The design refinements are minor, localised in nature and are principally aimed at reducing potential impacts on affected landowners. Southern Water is expecting to submit its DCO application during 2026.

Southern Water's WRMP24[9] identifies that the scheme is planned for implementation in 2034, which aligns with the assumptions in our published WRMP24. Any future adjustments to the programme will be considered during the development of our WRMP29.

[6] https://thames-sro.co.uk/projects/white-horse-reservoir-previously-known-as-south-east-strategic-reservoir-option-sesro/
[7] https://www.southernwater.co.uk/about-us/our-plans/water-for-life-hampshire/water-transfers/thames-to-southern-transfer-project/
[8] https://www.hampshirewtwrp.co.uk/
[9] https://www.southernwater.co.uk/about-us/our-plans/water-resources-management-plan/

Time limited licences

We have five time-limited licence variations which expire on 31st March 2028. Within our WRMP24 baseline we have assumed these are renewed. There is an interdependency with the findings of our WINEP catchment investigations, as these would be key in providing evidence to support the renewal applications.

Non-renewal of the licence conditions has the potential to impact our Supply Demand Balance which will be assessed through the updates of our WINEP investigations and eventual outcomes.

Water Framework Directive (WFD) risks

We have provided information in Appendix 5B of our WRMP24 to describe how we will manage short term Water Framework Directive (WFD) 'no deterioration' related risks. This includes monitoring our levels of abstraction from the Meon catchment and the QRST Group licence group prior to the conclusion of WINEP investigations in AMP8.

In our undertaking to monitor and manage no deterioration risks we would reiterate the caveats we have included in WRMP24. Namely:

- Our recent levels of abstraction are compliant with limits on our abstraction licences.
- We need to maintain flexibility in our abstraction operations to ensure we are able to carry out the necessary maintenance works at our sites, to maintain safe treatment ability and operational resilience. This means abstraction rates from catchments will vary over the short-term and risks must be considered in the context of longer-term trends and in the context of the scale of natural flow variations caused by the weather.

Our monitoring has shown that abstraction levels in the Meon catchment and at the QRST Group are marginally higher than the levels defined by the Environment Agency as 'recent actual abstraction' (the average annual abstraction between 2010 and 2015), which they consider to be a trigger to consider the risk of WFD water body deterioration.

The conclusions arrived at within our WINEP investigation programme later this reporting year will provide an understanding of WFD water body deterioration risks prior to 2030 and in the longer term.

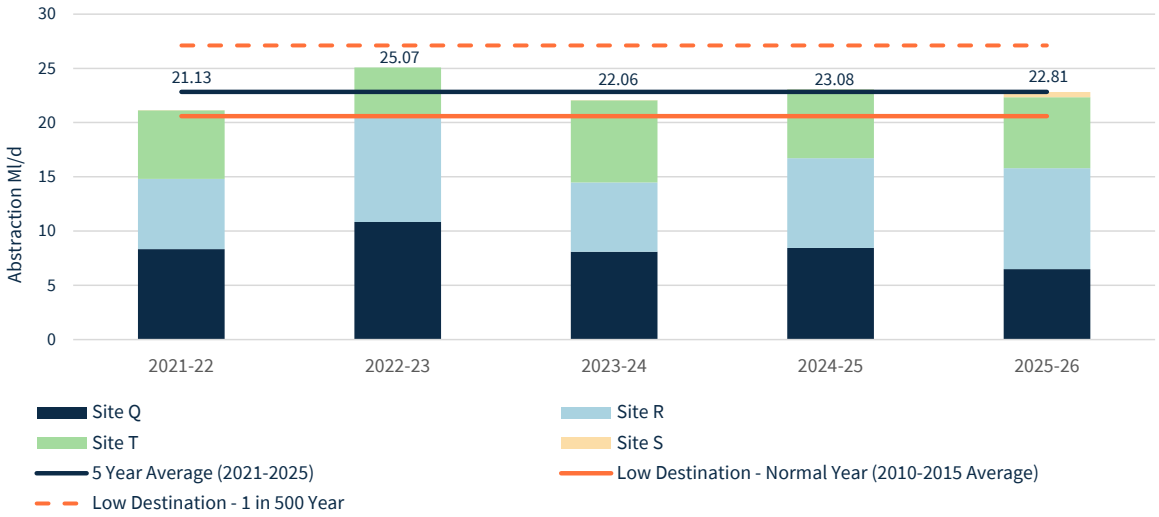
QRST Group abstraction monitoring

The combined abstraction from the QRST Group (sources 'QRST') over the last 5 years is shown on Figure 7. The dark blue line represents the running average for total water abstracted. The golden line ('low destination – normal year') represents 'recent actual' average abstraction (2010-2015), which is a key focus for understanding WFD 'no deterioration' risks.

Abstractions from the QRST Group support the transfer of potable water to Southern Water, which in turn supports Southern Water's resilience and provides them with more time to react to issues experienced at their sites.

As shown on Figure 7, in 2025-26 we abstracted at a rate that was approximately 2.21 Ml/d higher than the 2010-2015 average. During last 5 years (2021-2025) abstractions have been relatively consistent (i.e. no year on year increases in abstraction), and on average we abstracted 2.23 Ml/d (about 11 %) above the 2010-2015 average.

Figure 7: QRST Group abstractions compared to the 2022-2026 average and the low environmental destination

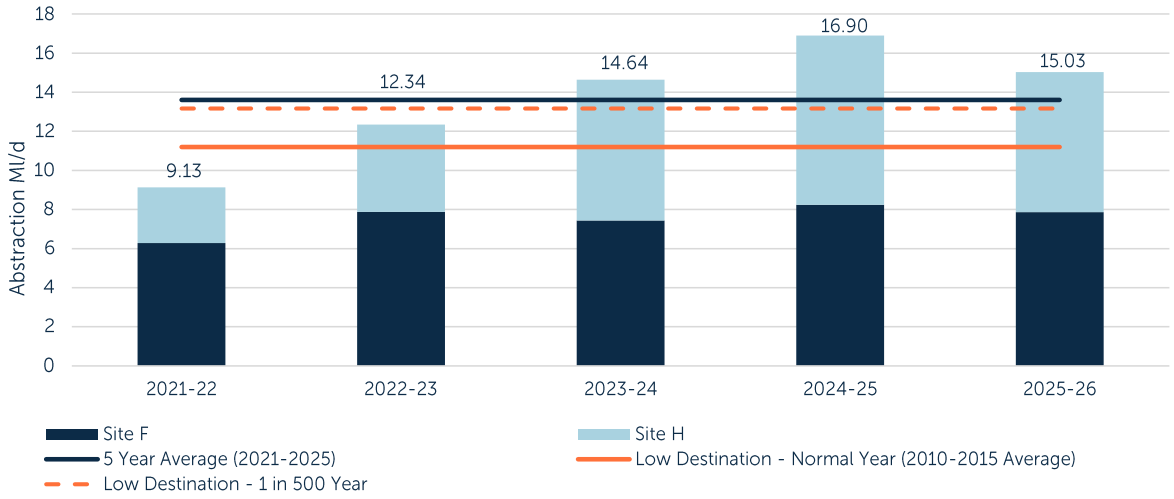


We note that future licence assumptions for the QRST Group will be reviewed again for WRMP29 to reflect the outcome of AMP8 WINEP investigations and options appraisals. We are also implementing significant demand reductions over AMP8 and AMP9 which will reduce abstraction and therefore reduce the risk of deterioration of WFD water bodies.

Meon abstraction monitoring

The combined abstraction from Source F and Source H over the last 5 years is shown on Figure 8. The dark blue line represents the running average for total water abstracted. The golden line ('low destination – normal year') represents 'recent actual' average abstraction (2010-2015), which is a key focus for understanding WFD 'no deterioration' risks.

Figure 8: Sources F and H 2022-2026 average compared to environmental destination scenarios



As shown on Figure 8, in 2025-26 we abstracted at a rate that was approximately 3.83 Ml/d higher than the 2010-2015 average. However, in 2025-26 we abstracted less than in 2024-25.

In part, the increased abstraction reflects the return to service of Site H following the AMP7 groundwater scheme. Abstractions have also been higher in 2025-26 to support planned and unplanned outage events at other sources within the western part of our supply area, including the long-term outage at Site I.

We note that future licence assumptions for Source F and Source H will be reviewed again for WRMP29 to reflect the outcome of AMP8 WINEP investigations and options appraisals. We are also implementing significant demand reductions over AMP8 and AMP9 which will reduce abstraction and therefore reduce the risk of deterioration of WFD water bodies.

Our outturn headroom assessment

Our Annual Review 2026 has set out and reported on the key components of our supply demand balance, including Distribution Input (DI) and Total Water Available for Use (WAFU). These are not reproduced within this Appendix, although we provide the key conclusions below.

Our adjusted outturn supply demand balances suggest that if 2025-26 had experienced a prolonged period of dry weather equivalent to a 1 in 200 year event, there would have been no risk to security of supply.

We recognise that we have further improvements to make to get individual elements of our water balance back to our forecast WRMP24 balance over AMP8. We have provided action plans for each of the key components of our Supply Demand Balance within the Annual Review.

We expect that we will be largely re-aligned with our WRMP24 by the end of 2027. However, we do not operate in a static world, and we will continue to refine our plans with the latest data and experiences and deliver our action plans without complacency.

WRMP24 is our most ambitious and collaborative plan yet. It will increase our resilience to increasingly severe drought events, while reducing our reliance on, and impact to, the precious chalk-based environment that characterises our supply area. We remain acutely aware of the need to continue with our action plans and will continue working closely with all relevant stakeholders to further improve our Supply Demand Balance in a robust and achievable way as we continue through AMP8.

Appendix C: Action plan updates

Introduction

Following the submission of our Annual Review 2024 (AR24), we received feedback from the Joint Regulators (Defra, Environment Agency and Ofwat) expressing their concerns with our reported security of supply, and their perceived risk to the environment resulting from that performance. The five key topics highlighted in that feedback were leakage, PCC, metering, supply side scheme delivery and overall supply demand balance (SDB).

We provided a response document in November 2024 which detailed our action plans to improve both our SDB and our alignment with our WRMP24[10]. Since then, we have held meetings with our Joint Regulators every six months. This appendix presents further updates on our action plans originally presented in November 2024, including a summary table of actions and dates.

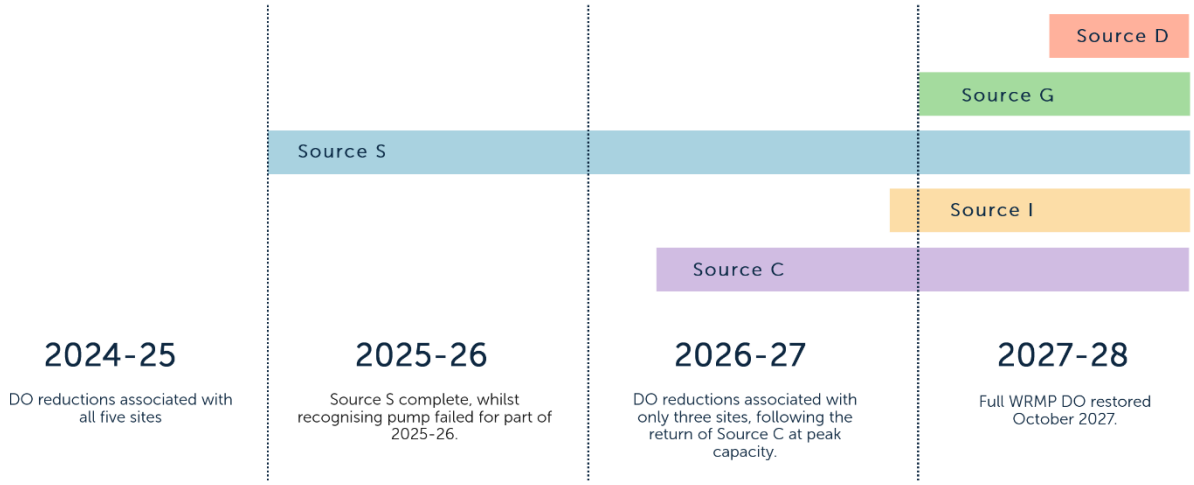
We are not anticipating any medium-term consequences for customers or the environment because of our action plans as we are still planning to meet end of AMP8 targets within WRMP24 targets. With respect to AMP9 and beyond, baseline and forecast data are being revisited for our next Plan, WRMP29, using the most up to date knowledge and data.

Supply-side – Action plan updates

Deployable Output Reductions – Action plan update

We have active plans in place to bring our long-term outage sites back online and to complete the work at Source C by July 2026. Following the reinstatement of Source D in October 2027, we expect to have restored full DO and align with our WRMP24 (see Figure 9).

Figure 9: DO Improvement timeline



System monitoring strategy – Action plan update

System Monitoring Strategy - We have committed to improving the losses calculation in the future by applying a bottom-up approach, which involves an increased level of data collection to accurately quantify the losses according to specific category. Our Asset Performance and Production Technical teams continue to review the company wide needs for specific monitoring

[10] https://www.portsmouthwater.co.uk/wp-content/uploads/2024/11/2024-11-29-PRT-WRMP-AR24-Defra-Letter-Response.pdf

around our network to ensure our full understanding of water use, from the raw water abstracted to the customers taps.

Hydraulic Modelling - The System Monitoring Strategy work is also feeding into our project to update the hydraulic model of our network. Calibration is now completed. Once fully implemented, the model will provide improved insight into how our assets are operating and support more accurate measurement and understanding of system losses.

At this stage, we have not assigned a specific Mega litre per day (Ml/d) saving to this work, but both the monitoring strategy and the model will help us identify and assess the best options for reducing losses in the future.

Outage – Action plan update

We continue to refine our AMP8 outage programme, which is mostly driven by our ambitious asset maintenance and water quality standard commitments. The plan will require us to efficiently carry out Capital Maintenance, Enhancement, Refurbishment and Reinforcement schemes at many of our sites within AMP8. The work will require some level of shutdown at each of these sites over the course of the AMP. The long-term benefits of this programme will be an increase in the operational resilience of our sites, leading to a reduction in unplanned outage going forwards.

We will continue to report our adjusted outage in our future Annual Reviews and will be reviewing and updating the outage allowance for our WRMP29.

Bulk supplies – Action plan update

In December 2025, we updated our WRMP24 tables to reflect a change in planned bulk supplies to Southern Water during AMP8. Further information on these changes can be found within Appendix E of our updated Annual Review 2025. We received confirmation that our updated tables had been accepted by the Environment Agency on 6th February 2026 and therefore this Annual Review 2026 reports against this latest version of the WRMP24 tables.

We will continue to work with Southern Water on bulk supply options during the development of WRMP29.

Demand-side – Action plan updates

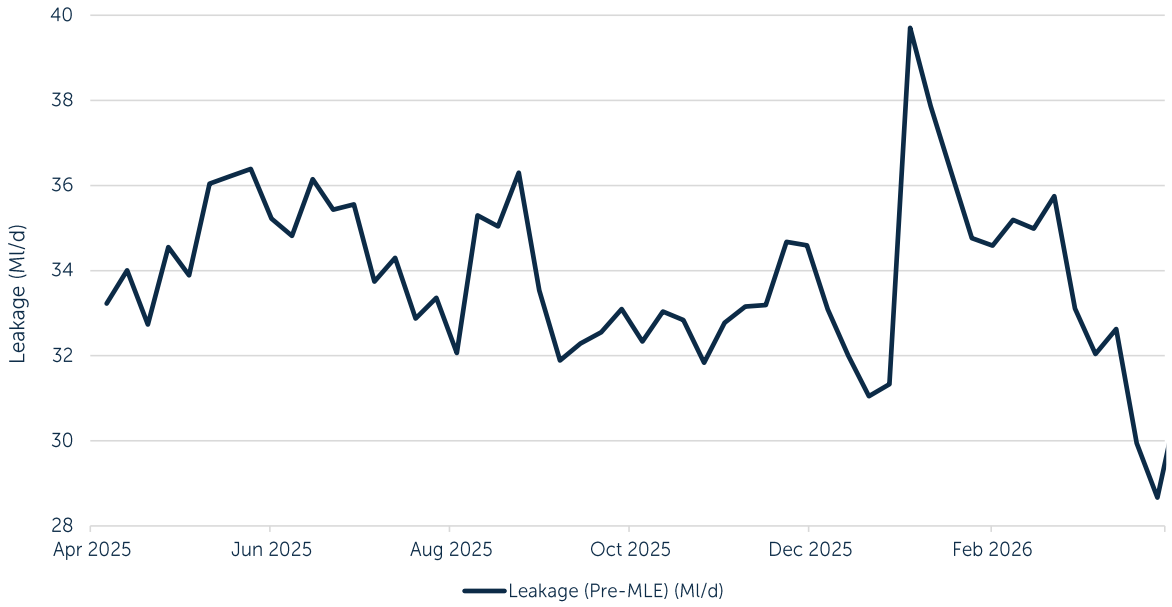
Leakage Reduction - Action plan update

With Ofwat's support, we have rebased our leakage reporting using a more data-led methodology (completing a key action within our November 2024 action plan). This provides a stronger basis for reporting but has also increased the level of leakage now recognised. Outturn leakage for 2025-26 was 33.35 Ml/d against a WRMP24 assumption of 22 Ml/d, a variance of 11.35 Ml/d with a negative impact on our SDB.

The increase in reported leakage is partially reflective of the methodology change rather than underlying operational performance.

Using the previous AMP7 leakage methodology, our outturn leakage for 2025/26 was 29.50 Ml/d, which is higher than our 2024/25 outturn leakage of 28.10 Ml/d on a consistent (old) methodology basis. This is the result of a challenging year, including both summer and winter breakouts of leakage. Despite the annual average value, spot leakage is lower than the same point last year (see Figure 10), demonstrating our efforts to control the breakouts.

Figure 10: Leakage profile over 2025-26



Key successes have been:

- Out performance of our delivery on mains renewal is supporting leakage reduction.
- Acceleration of our Smart Metering is providing useful insights on network vs customer side leakage.
- AI logging technology, satellite sweeps and the leakage dogs are all supporting leakage find and fix activity.
- Enhanced pressure control is driving improved network resilience and leakage reduction.

We are continuing to refine our leakage reduction strategy, including PALM model activities, to deliver the objectives and targets in the agreed PR24 business plan. Our key focus and opportunities for 2026-27 are as follows:

- Pressure optimisation: Calming our network reduces the likelihood of bursts and asset failure, whilst simultaneously reducing leakage.
- DMA segregation: Improving the efficiency of finding leaks via better leak localisation capability.
- Leakage Performance Contract: We plan to tender a new find contract in support of our in-house capability, drawing on market expertise in leak detection and incorporating performance incentives.
- Innovative technology: We are trialling machine-learning technology (Hulo) using pressure and flow data to pinpoint leakage, alongside exploring fibre-optic monitoring to detect leaks across all pipe materials, with Portsea Island as a potential trial area.

Restoring leakage performance remains a strategic priority.

Household PCC and metering - Action plan update

The actions within our November 2024 action plan have either been completed or are superseded by our smart metering roll out. There were two outstanding actions that have been completed during 2025-26:

- We have brought 18,828 previously installed (AMP7) 'not-for-revenue' meters into charge.
- We have also developed a virtual water efficiency visit for customers. We completed 3,337 household customer audits in 2025-26. Against targets of 1,000 household audits we have achieved a percentage progress of 334%.

Moving forwards, our key focus is on deploying and evolving the water efficiency strategy within our Final WRMP24 and further information is provided below.

We have significantly increased our water efficiency approach with customers in 2025-26 with a broader range of initiatives. Whilst our plan is to fully mobilise and implement ongoing change through the AMP, we have worked hard to deliver in year 1 and our key initiatives are summarised as:

1) Compulsory and Optant Metering

At the end of AMP7 we had a household meter penetration of 38%. Year 1 of AMP8 has enabled us to commence our universal metering programme to drive usage reductions through behavioural change. By the end of 2025-26 we achieved a household meter penetration of 46%, primarily through:

- Installation of 5,210 new smart meter installations in 2025-26. Against a target of 1,691 compulsory meters, we have achieved a percentage progress of 308%.
- Installation of 3,740 meters for optants. Against a target of 1,494 optants, we have achieved a percentage progress of 250%.
- Installation of 5,436 household meter upgrades (basic to smart) against a target of 871 household meters. We have achieved a percentage progress of 624%.
- Installation of a total of 14,386 household smart meters against a WRMP24 assumption of 4,056, a percentage progress of 355%.

In summary, meter installation has outperformed WRMP targets and by achieving a meter penetration (including voids) of **46 % compared to a WRMP24 assumption of 40%**. This will have contributed to reduced household consumption, although with the timing of the meter installs being predominantly towards the end of the year, the full benefit on our reported SDB may not be recognised until 2026-27.

Our key focus for 2026-27:

- The original WRMP24 plan was to deliver 172,000 smart meters by April 2030. We are now aiming to deliver 250,000 meters in the same period.
- We intend to install 36,600 smart meters in year 2 which is forecast to create an additional 18,300 newly metered properties (the remainder already have analogue meters).
- This ambition will continue to outperform our metering assumptions in WRMP24.
- We will continue to deliver our meter optants (an area which is purely reactive through our own promotions and often driven by the combined impact of water and wastewater bill increases).
- We will be using NB-Iot technology in the short term for any meter optants that are temporarily outside our smart radio coverage areas, so the meters can be 'smart enabled' from day 1.

We note that we have not progressed WRMP24 activities associated with 'leak alarms' owing to a focus on the smart metering roll-out, pressure control device installations and hyper-care. Towards the end of 2025- 26 we embedded a Demand Reduction Admin team to review smart

meter data and proactively contact customers who have high continuous flow (indicative of leaks in the home). The aim for 2026-27 is to automate this comms process, which would effectively negate the initial use case for the leak alarms as initially envisaged.

2) Pressure Control devices

Following the data from early trials demonstrating significant demand benefits, we have accelerated our programme for household pressure control devices and installed 4,641 devices in 2026-26 against the plan for 500 devices by 2030 in WRMP24. These devices are installed at the same time as new customer meters to make this the most efficient and effective impact on our water efficiency work. We will continue to accelerate the delivery of these devices in future years.

3) Household efficiency work

A key aspect of supporting our customers was always the provision of water efficiency visits at their own homes, but additionally we aimed to provide a capability to also support customers through virtual methods. Whilst in WRMP24 we had initially planned to deliver 1,000 visits, we initially had some challenges engaging with customers about the services that we offer. One reason for this might be the low price for water services making the savings achievable from water efficiency potentially quite modest. This makes it harder to engage with customers. We are refining our approach to establishing engagement with customers and are committed to making this service work for customers. We have therefore continued to undertake the necessary mobilisation for provision of this work, including:

- Setting up a 3rd party contractor to support face to face visits – whilst this has been low volume currently this supports readiness for 2026-27 capabilities and growth.
- Development of our own field capability and working with the Water Research Centre to develop a bespoke water efficiency process by our own teams.
- Implementation of phone-based support calls focused on customers with continuous flow and potential leaks.
- The development in readiness for launch of our water efficiency virtual hub launched in partnership with Vyntelligence and being the first AI based self-serve product launched for customers to self-serve and learn about their usage.

As well as these newly mobilised products we have also been able to continue the usage of our embedded Get Water Fit platform. In the 12 months of 2025–26 we can report the following progress:

- Community Reward (sign-ups to GetWaterFit): There were 3,048 registrations in 2025-26 relative to a target of 5,000, indicating a percentage progress of 61%.
- Retrofit gadgets: A total of 1,680 households ordered GetWaterFit devices relative to a target of 300, resulting in a percentage progress of 560%.

In addition, for 2026-27 we will run a virtual water efficiency support platform to coincide with our in-person water efficiency support approach whereby customers will submit their water consumption behaviours, which will be reviewed by a member of the Demand Reduction team, and tailored water efficiency advice will be delivered. For in-person support visits we will also leave water efficient fittings with customers for them to install and trial.

4) Marketing campaigns

We ran seasonal marketing campaigns to drive uptake, supported by a significantly strengthened in-house marketing and comms team. This has enabled:

- Improved brand consistency and messaging
- Active promotion through social media, paid ads, local press, and community events
- Awareness campaigns: Social media messaging is estimated to have reached 8,600 people in 2025-26 relative to a target of 20,000, indicating a percentage progress of 43%.
- Multi-channel proactive comms: General seasonal messaging is estimated to have reached 125,400 people in 2025-26 relative to a target of 18,000, indicating a percentage progress of 697% (enhanced by the dry weather conditions).

Non-household consumption and metering - Action plan update

The action within our November 2024 action plan was completed for our previous annual review (AR25) and our focus is now on deploying and evolving the water efficiency strategy within our Final WRMP24. Progress during 2025-26 included:

- Delivery of 14 significant water efficiency support visits during 2025-26, notably including a one-week review on a large MOD barracks site. Against a target of 20 non-household audits, we have achieved a percentage progress of 70%.
- Installation of 410 non-household meter upgrades (basic to smart). Against a target of 866 non-household meters, we have achieved a percentage progress of 47%, respectively.

Smart meter data is beginning to show that the same levels of Customer Side Leakage (CSL) occur on non-household connections that we see on household properties. Our teams are closely linked to ensure that we can work with Retailers and direct with business customers to ensure smart insights are being realised. We have now partnered with retailers on a number of schemes (water efficiency in schools, for example), which will be delivered during 2026-27.

Action plan summary table

The table below provides a summary of our actions, timescales and estimated benefits.

Table 12: Supply demand balance delivery actions

Supply demand balance delivery actions	Original Target date (Dec '24)	Updated Target Date (June '26)	Status	WRMP24 estimated benefit (annual average)
Actions towards limiting future DO reductions				
Source G: Complete water quality sampling and bring this source back into supply.	April 2025	April 2027	On-going	1.52 Ml/d
Source S: Following the completion of maintenance works, bring this source back into supply for 2025-26.	April 2025	n/a	Completed for AR25	1.93 Ml/d
Source O: Following the completion of a water quality improvement scheme, bring this source back into supply for 2025-26.	April 2025	n/a	Completed for AR25	2.84 Ml/d
Sources I: Continue to explore options to bring this source back into supply.	Early AMP8	February 2027	On-going	1.41 Ml/d
Source D: Lower priority for return to supply. Consider need via drought forecasting.	During AMP8	October 2027	On-going	0.81 Ml/d
Actions towards limiting future water losses				

Supply demand balance delivery actions	Original Target date (Dec '24)	Updated Target Date (June '26)	Status	WRMP24 estimated benefit (annual average)
System monitoring strategy project: Complete review of our most complex sites.	January 2025	n/a	Completed for AR25	-
Hydraulic modelling: Full update (100%) of hydraulic models.	January 2026	January 2026	Completed for AR26	-
System monitoring strategy project & hydraulic modelling: Identification of best value options to reduce water losses.	March 2027	March 2027	On-going	TBC
Actions towards limiting future outage				
Outturn outage for 2024-25: We are currently forecasting that we will outperform the forecast outage allowance (i.e. on track). Provide an update for the Joint Regulators meeting.	January 2025	n/a – 2024-25 outage lower than forecast	Completed for AR25	Up to 3Ml/d
Reporting unplanned outage in AMP8: Discuss with the Environment Agency a pragmatic approach around how to report outage in future annual reviews.	March 2025	n/a – change in guidance for AR25	Completed for AR25	-
Actions to explore risks to, and availability of, bulk supplies				
Review, with the Environment Agency and Southern Water, how the bulk supplies should be represented within our AR25 and in the calculation of the Supply Demand Balance Index (SDBI)	April 2025	AR25 narrative and tables revised	Completed for AR25	15 Ml/d in AR25 (and AR26)
Continue to work with Southern Water to explore bulk supply related risks via our next annual review, and through the development of our next drought plan, revision of the WRMP24 tables, and development of WRMP29.	2024-25 and during AMP8	During AMP8 (for Drought Plan and WRMP29 updates)	On-going (WRMP24 tables updated in December 2025 to reflect new bulk supply profile)	-
Actions towards reducing leakage				
PALM model activities (2024-25): Continue with our existing suite of successful activities and overall approach to leakage reduction until the end of 2024-25, with a spot value target of 24 Ml/d at the end of the year, representing a 4 Ml/d improvement on the 2023-24 annual average value.	March 2025	n/a – activities have been continued but expected benefit not seen. Updated action plan to be discussed within AMP8 programme	Complete / superseded	4 Ml/d (not yet realised)
Re-basing leakage: Continue to communicate our progress to Ofwat on our intention to re-base leakage in Year 1.	March 2025	New methodology agreed with Ofwat and being applied for Year 1 reporting	Completed for AR26	
PALM model activities (AMP8): Continue with our AMP8 strategy as outlined in this response document.	During AMP8	July 2025: Updated action plan to be discussed	On-going	Annual target In line with WRMP24
Actions towards reducing non-household consumption				
Engagement with non-households: Target the top 1% of water users to collectively reduce their water consumption.	April 2025	n/a	Completed for AR25	2.85 Ml/d (1.05 Ml/d realised to date)
Actions towards reducing Per Capita Consumption (PCC)				

Supply demand balance delivery actions	Original Target date (Dec '24)	Updated Target Date (June '26)	Status	WRMP24 estimated benefit (annual average)
Engagement platform & broadcast communications: Target an additional 900 registrations by the end of this reporting year	End of March 2025	n/a	Completed for AR25	15.1 l/h/d for participating households
Smart meter trials: Install 500 meters, install 100 flow control devices, engage with customers, and where identified, incentivise the repair of leaks.	End of March 2025	n/a	Completed for AR25	Between 15 and 30 l/h/d for participating households
Home visits: Complete 1,000 water efficiency home visits	End of March 2025	End of March 2026	Completed for AR26 (3,337 household audits)	60l per day for participating households
Future PCC reductions (AMP8): Deliver our water efficiency strategy as set out in our Final WRMP24.	During AMP8	During AMP8	-	Annual target In line with WRMP24 to achieve 147.1 l/h/d by the end of AMP8
Actions towards increasing metering				
COO, Optant and void metering: Continue with our metering programme to achieve at least 4,341 'in-charge' meter installs during 2024-25.	End of March 2025	n/a – superseded by Smart Meter Rollout	Completed for AR25	+ 1.2 % meter penetration
COO, Optant and void metering: Continue sharing the water scarcity message on our social media platforms and direct customers to our water efficiency page, where they can opt in for a meter.	End of March 2025	n/a – superseded by Smart Meter Rollout	Completed for AR25	-
Not-for-revenue meter conversion: Move 20,000 meters into our CRM system	End of March 2025	n/a	Completed for AR25	-
Not-for-revenue meter conversion: Initiate customer communications and begin reading the meters depending on where they fall in the 6 monthly read routes.	From April 2025	From April 2025	Completed for AR25	
Not-for-revenue meter conversion: Transition 20,000 customers to metered charges by June 2026	By June 2026	By June 2026	Completed as far as practical for AR26 (18,828 converted)	+ 3.9 % meter penetration
Actions towards supply scheme delivery				
Source C: Maintain existing outputs owing to the avoid the risk of supply issues during summer 2023 and to support Southern Water with bulk supplies in autumn 2023.	June to October 2024	n/a	Completed for AR25	-
Source C: Commission two new Variable Speed Drives (VSDs) and pumps following the resolution of issues experienced in early 2024.	November 2024	July 2026	On-going	-
Source C: Test Source C to demonstrate that the WRMP target rate of 28 Ml/d can be achieved without water quality issues and put into supply.	December 2024 to March 2025	July 2026	On-going	5.5 (DYCP)

Supply demand balance delivery actions	Original Target date (Dec '24)	Updated Target Date (June '26)	Status	WRMP24 estimated benefit (annual average)
Source S drought permit: Continue to monitor and forecast our water resources permission. If there is a risk of triggering our Drought Plan, begin enhanced engagement with the Environment Agency regarding the Source S drought permit and 'More Before 4' options.	January 2025 to March 2025	n/a – not forecasting to use Source S Drought Permit or More Before 4 options in 2026-27	On-going Monitoring of situation	-
Source S drought permit: Further develop the 'More Before 4' options for the next Drought Plan, which will be consulted upon in Autumn 2025	By Autumn 2025	By March 2026	Completed for AR26 via commence-ment of consultation on the draft Drought Plan 2027	-
Havant Thicket Reservoir: As the construction of the scheme progresses, continue to monitor the forecast implementation year with Southern Water. Ensure that the most up-to-date assumptions are incorporated within the development of the next WRMP.	During AMP8	During AMP8	On-going	0

Appendix D: Old Leakage Methodology

It is important to note that our leakage calculation methodology has been updated as agreed with Ofwat in March 2026 and this has influenced the wider water balance figures. We have agreed to shadow report our old methodology water balance to Ofwat, and data is provided in the tables below with the headline figures in Table 13.

Table 13 Component contributing to distribution input (old AMP7 methodology)

Demand Components (Ml/d)	Outturn		Adjusted Dry Year Scenario		WRMP24 Dry Year Scenario	
	Annual Average	Critical Period	Annual Average	Critical Period	Annual Average	Critical Period
Household Consumption	117.95	144.89	123.00	166.75	121.56	165.14
Non-Household Consumption	31.21	31.21	31.21	31.21	29.57	29.57
Leakage	29.50	29.50	29.50	29.50	22.00	22.00
Water Taken Unbilled	2.14	2.14	2.14	2.14	2.62	2.62
Distribution system operational use	0.51	0.51	0.51	0.51	0.52	0.52
Distribution Input	**181.32**	**208.26**	**186.37**	**230.12**	**176.27**	**219.85**

The updated leakage methodology has led to an overall decrease in 'household consumption' and 'distribution system operational use', alongside an increase in 'non-household consumption', 'leakage', and 'water taken unbilled'. However, the net impact is only a minor decrease in distribution input (1.03 Ml/d) with a slightly positive impact on our supply demand balance, suggesting there is no significant driver for us to update our WRMP24 tables.

A further breakdown of consumption components for the old AMP7 methodology is provided in the tables below.

Table 14 Measured and unmeasured household consumption (old AMP7 methodology)

Household consumption (Ml/d)	Outturn		Adjusted		WRMP24	
	Annual Average	Critical Period	Annual Average	Critical Period	Annual Average	Critical Period
Unmeasured Households	67.91	85.48	71.30	100.64	82.13	114.35
Measured Household	50.05	59.41	51.70	66.11	39.43	50.79
Totals	**117.95**	**144.89**	**123.00**	**166.75**	**121.56**	**165.14**

Table 15 Household per capita consumption (old AMP7 methodology)

PCC (l/h/d)	Outturn		Adjusted		WRMP24	
	Annual Average	Critical Period	Annual Average	Critical Period	Annual Average	Critical Period
Population served	733,905				750,815	
Unmeasured PCC	179.13	225.48	188.09	265.47	170.57	237.49
Measured PCC	141.05	167.45	145.71	186.33	146.40	188.57
Average PCC	160.72	197.42	167.60	265.22	161.90	219.95

Table 16 Measured and unmeasured non-household consumption (old AMP7 methodology)

Non-Household consumption (Ml/d)	Outturn /Adjusted	WRMP24
	Annual Average & Critical Period	
Unmeasured Non-Households	0.50	0.61
Measured Non-Household	30.72	28.96
Totals	31.21	29.57

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