

SOUTH STAFFORDSHIRE WATER PLC

2021-22 CHARGES

STATEMENT OF SIGNIFICANT CHANGE TO END USER CHARGES

Under the charges scheme rules issued by the Water Services Regulation Authority (Ofwat), specifically sections 143(6A) and 143B of the Water Industry Act 1991, the Company is required to provide a statement summarising significant changes to 2021-22 charges. These are outlined below:

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

Wholesale charges have been calculated in accordance with the allowed revenue set by Ofwat in its Final Determination of price limits for 2025 to 2030. Inflation of 0.6% has been applied to wholesale tariffs, in line with the CPIH figure published by the Office of National Statistics. Finally, an adjustment to charges has been made to reflect the blind year adjustments that reconcile 2019-20 actual performance compared to that forecast in the 2019 Final Determination.

Retail charges have been recovered in line with revenue allowance per customer allowed in the 2019 Final Determination for residential customers.

No customer type will experience a bill increase of greater than 5%, although individual customers may experience an increase greater than 5% depending on their own characteristics.

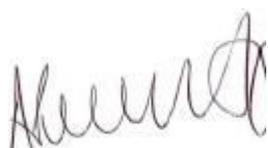
(b) The Company will be making the following change to charging policy.

As part of its affordability, strategy the Company has had a Social Tariff in the South Staffs and Cambridge regions since 2016.

In setting charges for 2020-21, customers were contributing £4 to support 36,000 low-income families by offering a discount to their annual bill. Due to the financial impact of covid-19 on customers, the Company agreed to fund further support to an additional 8,000 customers.

In advance of setting charges for 2021-22, the Company had 59% acceptability from customers to increase the tariff contribution to £5. The Company has also secured CCWater's support following consultation on the results of the research findings. This increase will take effect from the 1 April 2021.

Approved by the Board of Directors on the 7th January 2021 and signed on its behalf.



Andy Willicott
Managing Director
South Staffordshire Water PLC