

Indicative Wholesale Charges Scheme 2026/2027

Board Assurance Statement



Published October 2025



YorkshireWater

How to view this document

Contents page

Our contents page links to every section within this document. Clicking on a specific section will instantly take you to it.

- 1 Click on the contents button to return to the contents page.
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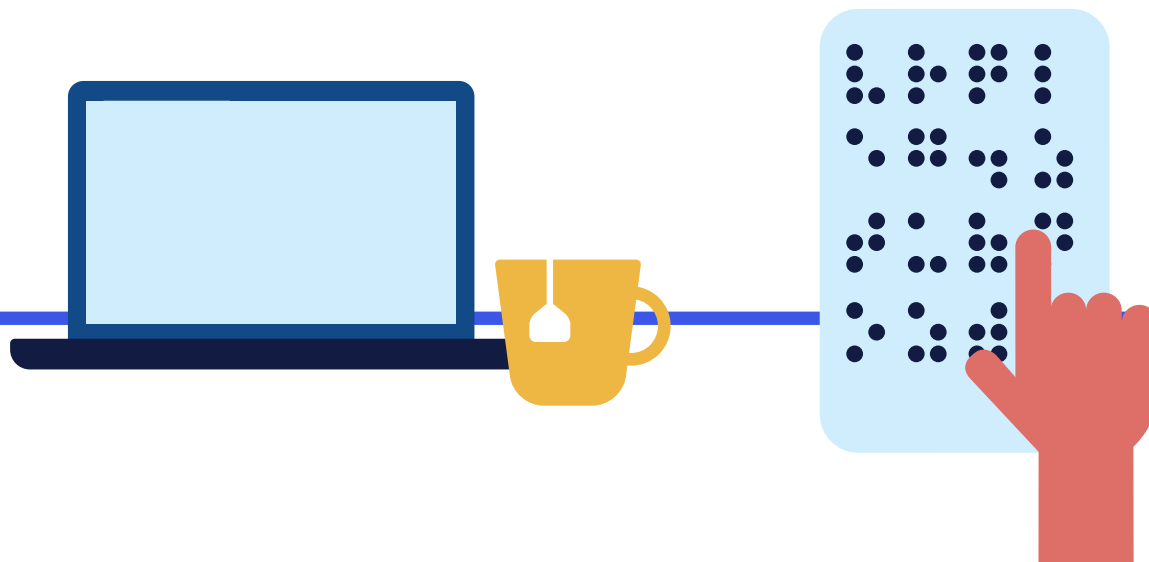
There are also many other clickable links within this document which we've made easy to spot by underlining and **highlighting** them in blue.

Accessibility matters. That's why we want all of our customers to be able to engage, navigate, and understand our Indicative Wholesale Charges Scheme.

By using assistive technology like screen readers, text-to-text speech programmes and Braille displays, we can provide equal access to anyone with visual, mobility, or cognitive impairments.

We've taken steps to ensure this document supports additional accessibility needs:

- Screen readers will recite content in a logical order, as well as identifying headers and providing alternative text for images.
- Table of contents and bookmarks to aid navigation.
- Easy-to-read text that's structured using headings, clear paragraphs and tables.
- Comfortable colour contrast.



Contents

We've created colour-coded sections to help you to navigate this report easily. Just click on the section you are interested in on the contents page, and it will navigate you to that section.

The report is structured as follows:

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2026/2027 Indicative Wholesale Charges Board Assurance Statement



2026/2027 Indicative Wholesale Charges Board Assurance Statement

In making this assurance statement, the Board has considered the requirements set out by Ofwat in its Wholesale Charging Rules, published in October 2021, and confirms that, to the best of its knowledge, having made all due inquiries and based on appropriate sources of evidence, that:

- a. the company complies with its legal obligations relating to the indicative Wholesale Charges it has published;
- b. the Board has assessed the effects of the new charges on water supply and sewerage licensees (as a whole or in groups) who are retailing wholesale services and on customers occupying Eligible Premises (as a whole or in groups) and approves the impact assessments and handling strategies developed in instances where bill increases for licensees (as a whole or in groups) who are retailing wholesale services and on customers occupying Eligible Premises (as a whole or in groups) exceed 5%;
- c. the company has appropriate systems and processes in place (including up-to-date models and data) to make sure that the information published about its indicative Wholesale Charges is accurate;
- d. the company has consulted with relevant stakeholders in a timely and effective manner on its indicative Wholesale Charges;

We set out below an overview of the 6.0% increase in wholesale revenue allowances from 2025/2026 (£1,547m) to 2026/2027 (£1,641m) to illustrate this:

£m	Water	Waste	Wholesale total	% variance in wholesale revenue
2025/2026 Revenue allowances	666	881	1,547	–
Inflation – November 2025 forecast 3.80%	25	33	59	3.80%
2026/2027 changes in allowed revenue contained within FD 24:				
Changes in allowed revenue from the impact of price review (large increase in investment obligations)	5	63	69	4.44%
PR24 – blind year reconciliation ODI	4	(22)	(18)	1.14%
PR24 – blind year reconciliation others	(20)	4	(16)	1.05%
2026/2027 PR24 Revenue sacrifice for Company contribution towards customer support tariffs				
Total in year movement	14	79	93	–
2026/2027 Revenue allowances	680	960	1,641	6.0%
% revenue movement	2.2%	9.0%	6.0%	–

We have set our indicative Wholesale Charges using a reasonable expectation of the allowed revenues that we will receive using the information as published within our 2024/2025 Annual Performance Report (APR) and end of AMP7 reconciliation models, which may change following the outcome of Ofwat's in-period determination process.

Whilst we have not made any significant changes to methodology or introduced any new tariffs, we have seen an increase in our bill assessment impact of between 6.0% to 6.7% for dual Yorkshire Water customers.

We also note that there is an outstanding consultation on changes to the charging rules, which would take effect on 1 April 2027 if implemented. We have set our indicative Wholesale Charges on the rules currently in place and have not adjusted for proposed changes.

After taking the considerations noted above, we anticipate that the final Wholesale Charges will differ by more than an indexation variance to the indicative Wholesale Charges. As per the Wholesale Charging guidance we will publish the explanation of movements within the Board Assurance Statement, which will accompany the Final Wholesale Charges.

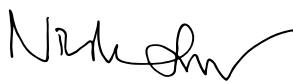
The Board owns and is accountable for the development of the indicative Wholesale Charges document. The indicative Wholesale Charges document and this supporting assurance statement was approved collectively by the Board in October 2025.

2026/2027 indicative Wholesale Charges Board Assurance Statement

Signed by Yorkshire Water Services Limited Board of Directors



Vanda Murray
Independent Non-Executive Chair



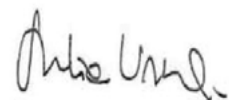
Nicola Shaw
Chief Executive Officer



Martin Gee
Chief Finance Officer



Andrew Merrick
Independent Non-Executive Director



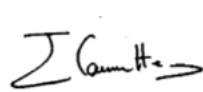
Julia Unwin
Independent Non-Executive Director



Andrew Wyllie
Senior Independent Director



Andrew Dench
Non-Executive Director



Isabelle Caumette
Non-Executive Director



Wendy Barnes
Independent Non-Executive Director



Simon Beer
Non-Executive Director



Furqan Alamgir
Independent Non-Executive Director



Nicola Medalova
Independent Non-Executive Director



Ray O'Toole
Non-Executive Director

Charges data assurance summary



Charges data assurance summary

The governance in place and the assurance process detailed below in the production of the indicative Wholesale Charges, allows the Board to review and provide confidence in the charges we publish and the assurance processes we have followed.

The Board of Directors sign the 'Board Assurance Statement' which confirms:

- The Charges comply with our legal requirements.
- The Board has reviewed the effects of the 2026/2027 charges on customer bills for a range of customer types to assess if bill increases have exceeded 5%.
- We have consulted with the relevant stakeholders in a timely and effective manner.
- Appropriate systems and processes are in place to ensure the data and information contained in the Charges and additional information is accurate.

Whilst we have not made any significant changes to methodology or introduced any new tariffs, we have seen an increase in our indicative Wholesale Charges bill assessment impact of between 6.0% to 6.7% for dual service Yorkshire Water customers.

We also note that there is an outstanding consultation on changes to the charging rules, which would take effect on 1 April 2027 if implemented. We have set our indicative Wholesale Charges on the rules currently in place and have not adjusted for proposed changes.

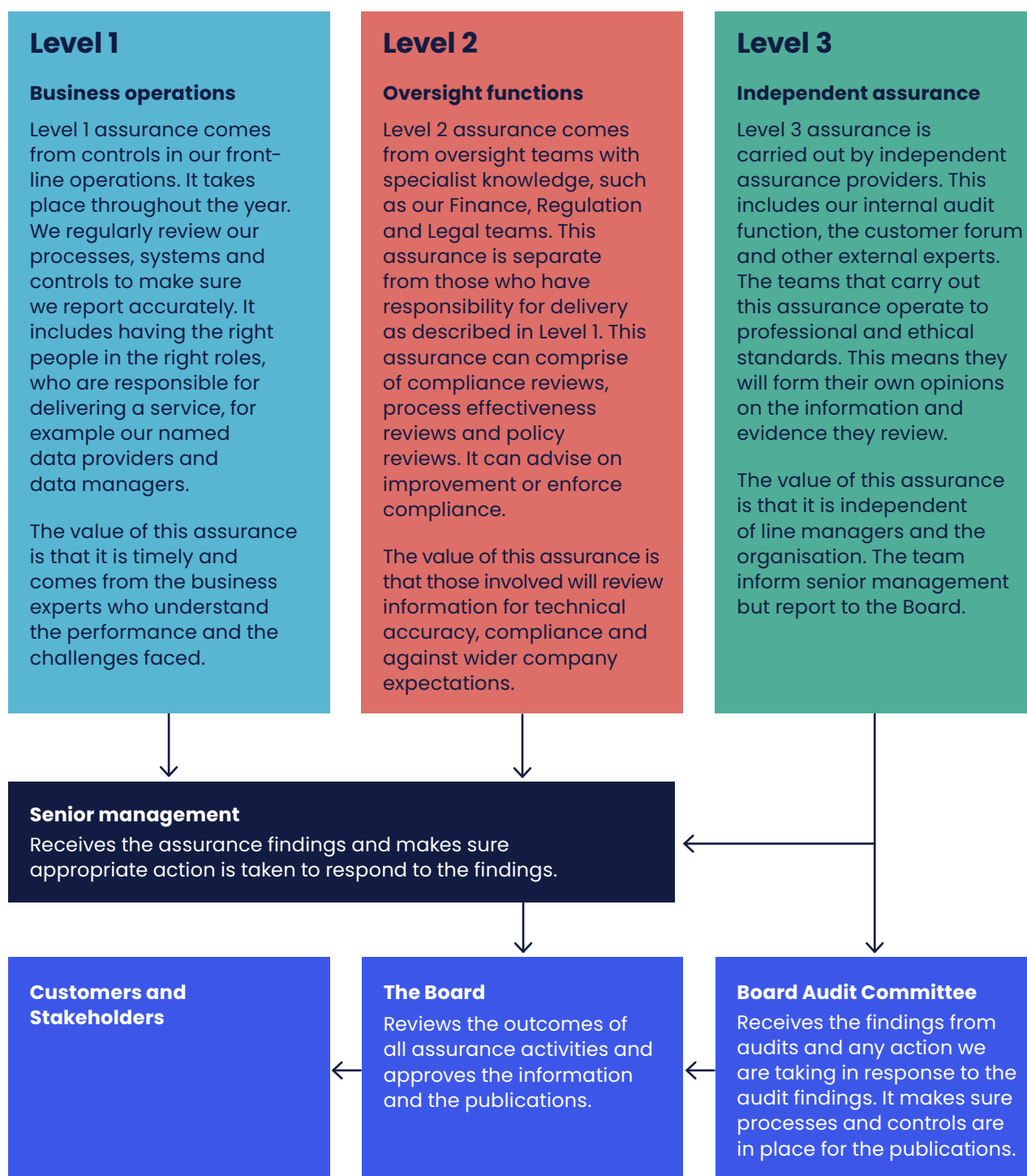
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After taking the considerations noted above, we anticipate that the final Wholesale Charges will differ by more than an indexation variance to the indicative Wholesale Charges. As per the Wholesale Charging guidance we will publish the explanation of movements within the Board Assurance Statement, which will accompany the Final Wholesale Charges.

Completed assurance levels explained

By mapping our assurance activities into three levels, the Board are given confidence that sufficient assurance is provided at the right time. Challenges can be investigated and an explanation provided at the earliest opportunity. A description of the levels of assurance is provided in the diagram on the next page. This includes both internal and external review.

Charges assurance levels explained



Level 1:

- All data inputs into the tariff model are from assured data sources, internal experts or forecasted.
- The tariff model is updated, and calculation input checks are reviewed.
- All movements in tariffs are reviewed and bill impacts assessed.
- Level 1 assurance ensures we remain compliant with the relevant revenue controls.
- Level 1 assurance confirms we are compliant with the published charges, principles and guidelines.

Level 2:

- The Tariff Steering Group, which included internal business experts in regulatory finance, retail services and tariffs held several meetings to discuss charging policy, strategy and governance.
- A qualified member of our internal legal team is asked to agree any changes to the charges scheme book.
- The Tariff Steering Group has confirmed that the methodology has been followed, the resulting charges comply with the charging guidance requirements, the proposed tariffs meet regulatory requirements and the assurance process has been completed.

Level 3:

- External independent assurance was provided by our assurance provider AtkinsRéalis they;
 - assured the charges model to ensure the calculations are robust and the model is fit for purpose.
 - assured the charges model for compliance with charging principles and guidelines.
- A paper is submitted to the Board which contains;
 - a summary of the assurers findings – this allows a check to the Charging principles and guidelines;
 - the timetable for completion – this gives confidence the process is under control and all reporting requirements will be achieved;
 - tables comparing charges – this provides a transparent review of the movements in charges.
- Internal Audit complete an annual billing audit, to confirm that the tariffs have been included within the billing system correctly.

Stakeholder consultation table



Stakeholder consultation table

Date	Overview	Details of correspondence	Stakeholder	Yorkshire Water Response
Sep 2025	Post-RF Policy	We are now looking to implement a new system for processing Post-RF refunds, and redraft our existing policy alongside this. We are asking retailers in particular for their feedback on our current policy and how we might seek to improve this.	Retailers, MOSL	Expecting full feedback by 10/10/2025
Sep 2025	Alternative Eligible Credit/ Alternative Payment Terms	In line with an Ofwat review of the market's position on AEC/APT practice, we are reviewing our own provision and seeking stakeholder input on how this compares to the rest of the market.	Retailers, Ofwat	Expecting full feedback by 10/10/2025
Sep 2025	RWG Tariff Harmonization	Retailers and RWG have requested we align to the Good Practice proposed earlier this year. Previous retailer engagement suggests retailers are in favour of our alignment to this. Given the complexity, we have proposed breaking this into two parts, and have requested retailer feedback on our proposed approach.	Retailers, RWG	Expecting full feedback by 10/10/2025

Stakeholder consultation table

Date	Overview	Details of correspondence	Stakeholder	Yorkshire Water Response
22/09/2025	CCWater request for information on 2026/2027 impacts.	We received a request for information from CCWater for an update on our plans for 2026/2027 charges with respect to whether we are planning any changes to our charges or attempting any rebalancing of charges that could potentially create bill shocks (or changes in charges which are significantly different from the norm) for some customers.	CCW	We completed the CCWater template to reflect the impacts on bills are assessed as being between 6.0% and 6.7%.
06/10/2025	Teams meeting with CCWater to discuss the indicative Wholesale Charges for October 2025.	YW met with CCWater to discuss the approach to the publication of indicative Wholesale Charges. The impacts on bills are assessed as being between 6.0% and 6.7%.	CCW	

Thank you for reading



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yorkshirewater.com



YorkshireWater