# Statement of Significant Changes

In relation to the Wholesale Charging Structures 2022/2023

October 2021



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#### In Relation to the Wholesale Charging Structures 2022/2023

### Primary Wholesale Charges 2022/2023

This statement of significant changes is published in line with the "Wholesale charging rules issued by the Water Services Regulation Authority under sections 66E and 117I of the Water Industry Act 1991" section A2.

We are required, no later than three months before publishing our final Wholesale Charges, to inform stakeholders if we intend to make any significant changes to our Primary charges.

As defined by Ofwat in the Wholesale Charging Rules, Wholesale Charges relate to the charges water and sewerage undertakers can impose on retailers for wholesale water and wastewater services.

We do not intend to make any changes to the wholesale charging structure or methodology for calculating such charges for 2022/2023.

We would like to highlight that the Covid-19 situation is still ongoing in 2021/2022 and we have included assumptions within our forecasts for 2022/2023 based on the best information we have to date with regards to customer and consumption forecasts. 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 2020/2021 Annual Performance Report (APR), which may change following the outcome of Ofwat's inperiod determination process.

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.

#### Gap Sites and Vacant Premises Initiatives

The Gap Site and Vacant Premises initiatives planned for introduction in April 2020, which included a combination of wholesale new ways of working and retailer incentive schemes, have been put on hold due to Covid-19. We aim to introduce these now from 1 April 2022 which will allow time for wholesalers and retailers to complete a review of Covid-19 vacancies following the intervention by Ofwat/MOSL and the associated market code changes.

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