

## Statement of significant changes

### 2025-26 Wholesale Non-Household Scheme of Charges

These indicative wholesale charges are based on [Ofwat's Draft Determination](#) (DD) for next year and thus it is likely that bills may change in the Final Determination, due to be published on 19 December. Based on the DD, wholesale bills for the majority of combined service non-households would likely rise between 9 and 15% next year, depending on the level of inflation in November. The vast majority of business customers are metered, but there will be different impacts on the few that are still charged on an unmetered basis. You can read more about [why bills are changing](#) further on in this document.

### Illustrative bills – wholesale non-household

Customers will see different bill changes depending on whether they are metered or unmetered and the amount of water they use. Illustrative bill changes for a range of customers in our water and wastewater areas are set out below.

#### Wholesale bills for typical combined customers in Powys and Monmouthshire

| Wholesale <sup>1</sup>      | 24-25<br>Water | Waste <sup>2</sup> | Total           | 25-26<br>Water | Waste    | Total           | Incr<br>% | £ per<br>month |
|-----------------------------|----------------|--------------------|-----------------|----------------|----------|-----------------|-----------|----------------|
| <i>Unmetered</i>            |                |                    |                 |                |          |                 |           |                |
| Low                         | £178           | £190               | <b>£368</b>     | £188           | £276     | <b>£464</b>     | 26.0%     | +£8.00         |
| Average                     | £225           | £238               | <b>£463</b>     | £236           | £350     | <b>£587</b>     | 26.7%     | +£10.25        |
| High                        | £280           | £293               | <b>£573</b>     | £292           | £437     | <b>£729</b>     | 27.2%     | +£13.00        |
| <i>Metered</i>              |                |                    |                 |                |          |                 |           |                |
| V Small (60m <sup>3</sup> ) | £117           | £239               | <b>£355</b>     | £113           | £274     | <b>£388</b>     | 9.1%      | +£2.75         |
| Small (160m <sup>3</sup> )  | £319           | £386               | <b>£705</b>     | £308           | £488     | <b>£796</b>     | 13.0%     | +£7.50         |
| 1,000m <sup>3</sup>         | £1,936         | £1,806             | <b>£3,742</b>   | £1,869         | £2,427   | <b>£4,295</b>   | 14.8%     | +£46.25        |
| 5,000m <sup>3</sup>         | £9,651         | £9,926             | <b>£19,577</b>  | £9,316         | £12,957  | <b>£22,273</b>  | 13.8%     | +£225          |
| 25,000m <sup>3</sup>        | £45,354        | £37,999            | <b>£83,353</b>  | £40,565        | £53,636  | <b>£94,201</b>  | 13.0%     | +£904          |
| 75,000m <sup>3</sup>        | £88,840        | £87,164            | <b>£176,004</b> | £78,203        | £118,203 | <b>£196,406</b> | 11.6%     | +£1,700        |
| <i>Trade effluent</i>       |                |                    |                 |                |          |                 |           |                |
| Small (160m <sup>3</sup> )  | £319           | £426               | <b>£745</b>     | £308           | £518     | <b>£826</b>     | 10.9%     | +£6.75         |
| 1,000m <sup>3</sup>         | £1,936         | £6,793             | <b>£8,728</b>   | £1,869         | £9,572   | <b>£11,441</b>  | 31.1%     | +£226          |
| 5,000m <sup>3</sup>         | £9,651         | £6,793             | <b>£16,444</b>  | £9,316         | £9,572   | <b>£18,888</b>  | 14.9%     | +£204          |
| 25,000m <sup>3</sup>        | £45,354        | £33,100            | <b>£78,454</b>  | £40,565        | £46,986  | <b>£87,551</b>  | 11.6%     | +£758          |

- Note that these are all **wholesale bills** for retailers. Final bills for customers will depend on retailer charges.
- Only water services for customers using more than 50,000m<sup>3</sup> per year are eligible for competition in Wales. No wastewater charges are included within the market.

For non-households with very low [Rateable Values](#) (RVs), bills will rise by higher percentages, but starting from a low base; in monetary terms unmetered bills are lower than all but the smallest metered business customers as illustrated above.

We provide water services in the Wrexham area. We don't provide sewerage services there, so the wastewater charges for these customers will usually be set by Dŵr Cymru Welsh Water (DCWW). We've estimated overall bills in Wrexham including DCWW wastewater bills.

## Wholesale bills for typical customers in the Wrexham area

| Wholesale <sup>1</sup>      | 24-25   |                    |                 | 25-26   |                    |                 | Incr  | £ per month |
|-----------------------------|---------|--------------------|-----------------|---------|--------------------|-----------------|-------|-------------|
|                             | Water   | Waste <sup>2</sup> | Total           | Water   | Waste <sup>2</sup> | Total           | %     |             |
| <i>Unmetered</i>            |         |                    |                 |         |                    |                 |       |             |
| Low                         | £231    | £290               | <b>£521</b>     | £212    | £335               | <b>£547</b>     | 5.1%  | +£2.25      |
| Average                     | £379    | £345               | <b>£724</b>     | £352    | £399               | <b>£751</b>     | 3.7%  | +£2.25      |
| High                        | £478    | £403               | <b>£880</b>     | £446    | £466               | <b>£911</b>     | 3.5%  | +£2.50      |
| <i>Metered</i>              |         |                    |                 |         |                    |                 |       |             |
| V Small (60m <sup>3</sup> ) | £109    | £451               | <b>£561</b>     | £118    | £522               | <b>£640</b>     | 14.1% | +£6.50      |
| Small (160m <sup>3</sup> )  | £274    | £665               | <b>£939</b>     | £296    | £769               | <b>£1,065</b>   | 13.4% | +£10.50     |
| 1,000m <sup>3</sup>         | £1,655  | £2,463             | <b>£4,118</b>   | £1,793  | £2,848             | <b>£4,640</b>   | 12.7% | +£43.50     |
| 5,000m <sup>3</sup>         | £8,247  | £11,366            | <b>£19,612</b>  | £8,936  | £13,139            | <b>£22,075</b>  | 12.6% | +£205       |
| 25,000m <sup>3</sup>        | £41,125 | £54,180            | <b>£95,304</b>  | £44,568 | £62,632            | <b>£107,200</b> | 12.5% | +£991       |
| 75,000m <sup>3</sup>        | £88,840 | £171,555           | <b>£260,395</b> | £78,203 | £198,317           | <b>£276,520</b> | 6.2%  | +£1,344     |

1. Hafren Dyfrdwy bills are wholesale – DCWW bills are based on end-customer charges as DCWW wastewater services are not open to competition.
2. Estimate based on applying a uniform increase to Dŵr Cymru charges.
3. Only water services for customers using more than 50,000m<sup>3</sup> per year are eligible for competition in Wales. No wastewater charges are included within the market.

Overall bill increases for customers in Wrexham will depend on Dŵr Cymru sewerage bills – the values for 2025-26 are estimates because we don't have their final charges at the time of publication. We've taken their charges from last year, adjusting for inflation and our estimate of in-period adjustments that could apply.

For the majority of customers in the Wrexham area HD water charges would increase by around 8%, but there could be higher overall increases for most small businesses in the area because (based on [Ofwat's Draft Determination](#)) we think that Dŵr Cymru wastewater bills will rise by more than this.

## Why bills are changing

Each year the revenue controls set by [Ofwat](#) (our regulator) allow us to recover a fixed amount of revenue from our customers. For most of our charges this is modified by inflation, adjustments for performance and any past over or under-recovery in previous years.

For 2025-26:

- We forecast inflation on the Consumer Price Index with Housing (CPIH) of 3.4%.
- All adjustments for past performance are included within [Ofwat's Draft Determination](#) for the year, which set an effective reduction of -0.6% for wholesale water, but an increase of +13.1% for wholesale wastewater.

## Stakeholder views

Our research<sup>1</sup> tells us that an increase of £5 per month would have little or no impact on 39% of household customers, but a big impact on 23% of households. An increase of £5 per month is equivalent to around 14.1% of an average household bill in our area. Non-households are much more varied in size so there is no “average” non-household, but small business customers (the vast majority, by number) have usage similar to households.

Because changes in our bills affect some customers that receive either water or sewerage services from another company, we made sure that we included some single-service customers in our research. We also showed a draft of this statement to an online panel of customers and have taken account of their views regarding the way we communicate bill changes.

Unfortunately, due to the high level of inflation, it has not been possible for us to keep bill rises below £2 per month for small business customers with a combined bill. Our single service customers in Wrexham are also likely to see increases above £2 per month. As we don't provide sewerage services in the Wrexham area, we've estimated the overall bill impact with indicative figures for Dŵr Cymru Welsh Water bills. Our assessment of the impact is [here](#).

We showed a draft view of our charges to [CCW](#), who represent the views of water customers. Our retail account managers also engage with retailers directly and we talk to retailers at a national level regarding the way our charges are structured in CMOS<sup>2</sup>. Note that only wholesale water charges that could apply to non-households using more than 50,000m<sup>3</sup> of water per year are included within CMOS for Hafren Dyfrdwy.

## Managing changes in wholesale bills

We operate within a fixed revenue cap. If we over-recover then there will be a reduction in future charges and if we under-recover then there will be an increase due to [revenue correction](#). The changes next year are almost entirely driven by the [Draft Determination](#) (DD), which in turn reflects the need for significant investment in the sector.

### *Metered customers in Powys (combined service)*

Metered water charges for the majority of non-household customers in the area would be expected to reduce by 2-4% compared to last year. To a large extent, this reduction is due to the way in which we profiled revenue allowances over the previous five years; this has helped to moderate the bill increases that we expected at the start of the new price control period (AMP8). This action has helped to mitigate the impact of bill rises for wastewater services, which are driven by the investment programme for the next five years.

### *Unmetered customers in Powys (combined service)*

There are few business customers that still have unmetered bills as we encourage all non-households to have a meter fitted. Unmetered bills in the area will rise more quickly than metered, but remain lower than equivalent unmetered bills in the Wrexham area (for both water and wastewater).

---

<sup>1</sup> This research was carried out through a regular customer tracker surveys involving household customers.

<sup>2</sup> Central Market Operating System

In 2020-21 we introduced a fixed charge for water and a separate highway drainage charge for wastewater. Since then we have been progressively increasing these fixed charges, and reducing the element of the bill that is tied to [RV](#). We encourage non-households to opt for a meter. If a meter cannot be fitted we can offer an assessed charge based on the characteristics of their business or organisation.

#### *Metered customers in the Wrexham area (water only)*

For the majority of our customers in the Wrexham area, we only provide water. Our metered water charges for most customers in the area would increase by around 8% but they could see higher combined bill rises due to Dŵr Cymru wastewater charges (based on Ofwat's DD). Wastewater charges comprise well over half of the combined bill for most customers.

#### *Unmetered customers in Wrexham (water only)*

Charges for unmetered business customers are tied to the wholesale bill for residential customers and water bills will reduce slightly because we have revised our estimate of the volume that the average unmetered customer uses. This helps to mitigate expected increases in Dŵr Cymru wastewater charges

## Bills for sewerage only customers

We have a small number of sewerage customers on the borders of our Powys area that are billed on our behalf by Dŵr Cymru Welsh Water (DCWW). Most small business customers will see increases of 26-34% in their wastewater bills, although on average our wastewater bills are still the lowest in Wales. The total bill will depend on changes in Dŵr Cymru water bills.

## Glossary

### Revenue correction

We are regulated by Ofwat, which sets our revenue controls. We are allowed to collect a fixed overall amount to cover the cost of running the network, supplying water, collecting waste water and treating sewage. When we set charges, we try to make sure that they will recover the correct amount in the next charging year, but we need to forecast – for example, we don't know exactly how much water customers will use in advance. If we collect more than Ofwat allowed, we return this to customers by reducing future charges and vice versa.

[Go back](#)

### Bioresources

This is the name given to the part of our wastewater business that deals with sewage sludge. Ofwat's revenue control for the Bioresources business is adjusted for the amount of sludge that we produce. This is different from the other wholesale revenue controls, where the total allowed revenue is fixed in advance, irrespective of how much water we put into supply or how much wastewater we collect.

[Go back](#)

### Outcome Delivery Incentives (ODIs)

When Ofwat sets our revenue controls, we also agree a set of Performance Commitments with our regulator and other stakeholders. These are things that our customers tell us are important to them such as reducing bursts, leakage and sewer flooding. If we don't hit our targets then customers get a reduction in their bills; if we do really well and exceed the target then we are allowed to collect a little more revenue. Overall, ODIs are a small proportion of the average bill. You can read more about what your bills pay for on our website [here](#).

[Go back](#)

## Rateable Values (RVs)

A property's rateable value was originally assessed by the District Valuer on behalf of the Inland Revenue. The value was based on the size of the property, the number of rooms, the amenities available and the overall location. No new rateable values have been set since March 1990 following the introduction of the "Poll Tax" (Community Charge) which has since replaced by Council Tax. Water companies are still legally entitled to use rateable value as the basis for charges, but we are not able to use Council Tax banding. New properties built since 1990 do not have a rateable value and are metered. If you have a property with rateable values you can apply for a water meter, which could save you money.

[Go back](#)

## Blind Year Adjustment

Ofwat sets revenue controls for water companies every five years, with the last determination being finalised in December 2019. This was before the end of the financial year 2019-20, so there were some revenue and expenditure differences that could not be calculated when Ofwat made its decisions. Ofwat published its decisions on the [Blind Year Adjustment](#) in November 2020. Companies were given discretion over the time when these adjustments should be taken through charges, taking account of the profile of customer bills.

[Go back](#)