

Changes in our charges¹

2026-27 Wholesale Non-Household Scheme of Charges

There will be some significant increases in wholesale charges this year. You can read more about [why bills are changing](#) and the steps we have taken to reduce the impact on customers this year ([mitigation](#)) further on in this document.

Illustrative bills – wholesale non-household

Typical 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 are set out below.

Table 1 - Wholesale non-household bills for typical customers in Powys and Monmouthshire

Wholesale ¹	25-26 Water	Waste ²	Total	26-27 Water	Waste ²	Total	Incr %	£ per month
<i>Unmetered</i>								
Low	£227	£297	£524	£263	£416	£680	29.6%	+£13.00
Average	£286	£377	£663	£324	£525	£849	28.1%	+£15.50
High	£354	£470	£823	£394	£651	£1,045	26.9%	+£18.50
<i>Metered</i>								
V.Small (60m ³)	£135	£309	£443	£145	£337	£482	8.8%	+£3.25
Small (120m ³)	£370	£552	£922	£399	£591	£990	7.4%	+£5.75
1,000m ³	£2,255	£2,759	£5,013	£2,436	£2,909	£5,346	6.6%	+£27.75
5,000m ³	£11,247	£14,713	£25,960	£12,153	£15,592	£27,744	6.9%	+£148.75
25,000m ³	£53,040	£61,122	£114,162	£58,835	£63,859	£122,694	7.5%	+£711
75,000m ³	£144,908	£193,663	£338,571	£162,954	£205,425	£368,379	8.8%	+£2,484
<i>Trade effluent</i>								
Small (120m ³)	£370	£598	£968	£399	£638	£1,038	7.2%	+£5.75
1,000m ³	£2,255	£11,496	£13,751	£2,436	£11,990	£14,427	4.9%	+£56.25
5,000m ³	£11,247	£11,496	£22,743	£12,153	£11,990	£24,143	6.2%	+£116.75
25,000m ³	£53,040	£56,532	£109,571	£58,835	£58,899	£117,734	7.4%	+£680

- 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 50,000m³ per year are eligible for competition in Wales. No wastewater charges are included within the market. This is represented by the grey shading.

Wholesale water charges for customers that are eligible for the market are increasing by around 12.5%. We provide wastewater services for around 1 in 6 of our non-household customers. For these customers, combined charges are rising more slowly because our wastewater charges are not rising as quickly this year.

We also 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.

¹ Statement of Significant Changes in wholesale non-household charges

Table 2 - Wholesale non-household bills for typical customers in the Wrexham area

Wholesale ¹	25-26			26-27			Incr	£ per
	Water	Waste ²	Total	Water	Waste ²	Total	%	month
<i>Unmetered</i>								
Low	£256	£377	£633	£280	£420	£700	10.7%	+£5.75
Average	£426	£450	£875	£455	£502	£957	9.3%	+£6.75
High	£539	£525	£1,064	£572	£586	£1,158	8.8%	+£7.75
<i>Metered</i>								
V.Small (60m ³)	£140	£303	£443	£154	£340	£493	11.2%	+£4.25
Small (120m ³)	£356	£571	£927	£390	£642	£1,032	11.4%	+£8.75
1,000m ³	£2,165	£5,194	£7,359	£2,378	£5,772	£8,150	10.7%	+£66.00
5,000m ³	£10,798	£23,826	£34,624	£11,861	£26,837	£38,697	11.8%	+£339.50
25,000m ³	£53,878	£116,982	£170,860	£59,187	£132,159	£191,346	12.0%	+£1,707
75,000m ³	£144,908	£356,762	£501,670	£162,954	£402,821	£565,775	12.8%	+£5,342

1. Estimate based on information shared by Dŵr Cymru with an adjustment for the actual value of inflation.
2. Only water services for customers using more than 50,000m³ per year are eligible for competition in Wales. No wastewater charges are included within the market. This is represented by the grey shading.

Dŵr Cymru sewerage bills for 2026-27 are estimates because we didn't have their final charges at the time of publication. We've based these values on information they have shared with us, adjusting for known differences such as the final value of inflation and [Ofwat](#)'s final determination for "[Blind Year Adjustments](#)".

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. This covers the cost of treating water, running and maintaining our network and cleaning wastewater before it is discharged to the environment (you can read more about what your bill pays for [here](#)). For most of our charges this is modified by inflation, adjustments for performance and any past over or under-recovery in previous years.

The level of charges is also influenced by **volume**. When we set our charges, we divide our allowed revenue over the properties we serve and the volume we expect them to use. When the volume increases, this lowers our average charges and if it falls then we need to increase charges to raise the same level of revenue.

If business demand falls, this leads to a lower contribution to the cost of running the services we provide and upward pressure on bills for all customers. We also expect some household and business customers to move to lower tariffs, which reduces their contribution. This will inevitably lead to increases for customers that continue to be billed in the same way as they were last year.

For the **majority of our customers**, the factors affecting wholesale non-household **water bills** for a typical customer are:

- Inflation added **+3.5%** to bills.
- Ofwat revenue controls allowed for an effective real increase of **+9.1%**
- "[Blind Year Adjustments](#)" to revenue and expenditure reduced bills by **-3.9%**
- Ofwat "Outcome Delivery Incentives" ([ODIs](#)) increased bills by **+1.4%**
- Volume effects reduced average bills by **-4.0%**

Around one sixth of our non-household customers receive wastewater services from Hafren Dyfrdwy. The factors affecting a **combined water and wastewater** for an average household customer are:

- Inflation added **+3.5%** to bills.
- Ofwat revenue controls allowed for an effective real increase of **+7.3%**
- [“Blind Year Adjustments”](#) to revenue and expenditure reduced bills by **-1.8%**
- Ofwat “Outcome Delivery Incentives” ([ODIs](#)) increased bills by **+0.9%**
- Volume effects reduced bills by **-0.3%**

This overall increase funds a huge increase in [investment over the next five years](#). We will be making significant improvements in rivers and the environment, which means that it is heavily weighted towards the wastewater service. As a result, wastewater bills are going up more quickly than water.

Stakeholder views

As part of our “customer tracker”, we survey a group of customers to understand the level of increase that might have a significant impact on their household finances. Around 60% of household customers thought that an increase of £5 per month would have some impact on their household finances and that this would have a big effect on around 20% of households. This would equate to an increase of about 13% on the average household bill. There is no average non-household customer, but the largest group are small businesses with usage similar to metered households.

Our illustrative bills above show that increase for small business customers will be significant next year. This is necessary in order to deliver on [customer priorities for improvement](#) to service and the environment. We talked to households and business customers across our region when we were putting together our plans. When we explained what our plan would deliver, customers generally thought that our [plan was acceptable](#) and focussed on the right things.

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 on bills is [here](#).

We showed a draft view of our charges to the Consumer Council for Water ([CCW](#)), who represent the views of water customers. Given the level of change in bills for most customers, CCW was concerned about the level of increases for customers who might struggle to pay. We discussed the increase in charges this year and the profile of future bills in light of our investment proposals for the years after 2025 (you can read more about this in our [Business Plan](#)). CCW believe that customers prefer a more stable bill profile without sharp increases from one year to the next, and this was supported by our own customer research. We have therefore deferred some revenue that we could have included within charges this year; this reduced wastewater bills by around 25% and a combined bill by around 14%.

Our retail account managers engage with retailers directly and we also engage with retailers at a national level through the RWG². In recent years we have implemented a number of RWG recommendations to harmonise and simplify tariff structures:

- We have applied the common 95% “return to sewer” assumption;
- We have reduced the number of meter-based standing charges from 11 to 4 broad size bands;

² Retailer Wholesaler Group

- We have organised our volumetric charges into five broad thresholds (aligned to the revenue controls for retailers) and aim to simplify this further in future.

Our industry regulator [Ofwat](#) has been fully involved in all RWG discussions.

Note that only wholesale water charges that could apply to non-households using more than 50,000m³ of water per year are included within CMOS for Hafren Dyfrdwy.

Managing changes in wholesale bills

In the future, we will need to make significant investment in our services, as we've set out in our [plan for the next five years](#). Engaging with [CCW](#), we've used the levers available to us to smooth out price rises so that customers do not see sudden increases in charges wherever possible. We have deferred some wastewater revenue and will spread this out over the next three years; if we had applied the full value of our "[Blind Year Adjustments](#)" this year, wastewater bills would have been around 24.8% higher. We think it is better to avoid price shocks like this where we are able to do so.

Unmetered customers

We are gradually reducing the proportion of the unmetered customers bill that is linked to the [Rateable Value](#) (RV) of their property and replacing this with fixed charges. There are few non-household customers that are still charged on the basis of RV and the wholesale unit rate is the same as for residential properties. Non-households charged in this way can ask for a metered charge and where it is not practical to install a meter they can opt for an assessed charge.

Volumetric charges

We are gradually harmonising the volumetric rates paid by non-household customers at different levels of consumption. This will better reflect the increasing scarcity of water resources and will reduce the complexity of our charges in future, in line with RWG recommendations. However, we expect this transition to take a significant period of time and the pace of change will depend on other factors influencing customer bills such as inflation and future investment.

There are no changes to the structure of charges that apply to eligible customers.

Glossary

Revenue correction

Every five years, Ofwat sets revenue controls for Severn Trent. We are allowed to collect a fixed overall amount to cover the cost of running the network, supplying water, collecting wastewater 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.

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Blind year adjustments

Ofwat sets revenue allowances every five years; revenue controls for the period from April 2025 to March 2030 were set in December 2024. At that point, Ofwat's determinations included some forecast revenue and expenditure for the financial year 2024-25. Once the actual results are known, we apply an adjustment to bills which takes account of the difference. We try to spread this out over the control period to limit the effect on price changes from year to year.

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Outcome Delivery Incentives (ODIs)

When Ofwat sets our revenue controls, we also agree a set of Performance Commitments with Ofwat. These are things that our customers tell us are important to them such as reducing interruptions to supply, 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 some 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](#).

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Rateable Value

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 Community Charge (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.

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