

Dear Customer,

## Changes to your 2025/26 charges

We recently got in touch to let you know about the anticipated annual price increases for your water and waste water charges, which come into effect from 1 April 2025. As previously signalled, based on Ofwat's recently published price controls for the next five-year period, and the publication of regional wholesalers' charges for 2025/26, the increases are significantly higher than in recent years. We have raised concerns with Ofwat and the wholesalers about the scale of the increases and the impact this will have on affordability for our customers. We have been assured that the scale of charge increases has been robustly challenged and that the increases have been phased to minimise the overall impact on customer charges over the five-year period.

You can view the average wholesale price increases for the Southern Water region in the tables on the next page. We recognise that the increases are exceptionally high and that these increases come at a time when many businesses are already facing increased cost pressures. We're committed to doing everything we can to help our customers minimise the impact and we've included information on the ways we can provide support on the last page of this letter.

## More detail

Ofwat, the water regulator in England, published their final determinations in December 2024, confirming the price controls for each wholesaler region in England for the next five-year price review period. The determinations included provision for £104billion of investment to support the delivery of better outcomes for customers and the environment, including improved service, reduced pollution and improved resilience to climate change and population growth. As a result, price increases are significantly higher over this price control period, in comparison to previous years. To read Ofwat's final determinations, please visit [ofwat.gov.uk](https://ofwat.gov.uk) and enter 'PR24 final determinations' into the search field.

## Your charges

Your charges are made up of two elements - a wholesale charge and a retail charge. From 1 April 2025 your charges will be adjusted in line with Ofwat's regulatory price controls which vary by region and service.

## Wholesale charges

The wholesale charge is the same for all water retailers and is determined by Southern Water, who are the regional water company. The revenue from these charges is used to manage and maintain the water and sewerage infrastructure which supplies your services.

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## Measured wholesale charges

The 2025/26 average measured wholesale charge increases for the Southern Water region are detailed in the table below. These charge increases will be effective from 1 April 2025.

	Metered water	Measured sewerage	Surface Water drainage	Highway drainage	Trade effluent
<b>Southern Water</b>	40.7%	54.2%	57.4%	57.4%	54.3%

## Unmeasured wholesale charges

The 2025/26 average unmeasured wholesale charge increases for the Southern Water region are detailed in the table below. These charge increases will be effective from 1 April 2025.

	Assessed water	Unmeasured water	Assessed sewerage	Unmeasured sewerage	Surface water drainage	Highway drainage
<b>Southern Water</b>	46.2%	40.6%	54.2%	53.1%	57.4%	57.4%

## Retail charges

The retail charge is a small uplift, which is added to the wholesale charge to cover the services we provide, like billing, meter reading, account management and customer support.

## Important points to note

- If you have more than one site in the Southern area, these changes apply to all of them.
- These changes will be applied automatically for bills covering periods from 1 April 2025.
- You can find more detailed information about your new charges, and charges for all other wholesaler regions, at [business-stream.co.uk/charges](https://business-stream.co.uk/charges).
- Where we only supply one of your services, i.e. water or waste water; the retailer for your other service will confirm those rates.
- If you have a site in the Yorkshire Water region and you receive trade effluent services from us, we'll send you a separate letter detailing the changes related to your trade effluent charges.

## An update on the phasing out of the Large User Tariff

In our recent communication to you, we confirmed that if you benefit from a Large User Tariff, Southern Water were planning to continue to phase these tariffs out over the next two years so that all customers will eventually pay the same single volumetric rate, regardless of how much water they use. This is part of a drive to encourage businesses to use water more sustainably.

Following our appeal to Southern Water on behalf of our Large User customers, they have since confirmed that they will be delaying the planned phase out of these tariffs for 12 months, with the next change effective from 1 April 2026. This is due to concerns about the impacts of upcoming price increases on customers' bills.

## Trade effluent charges in the Southern Water region

Wholesale charges for trade effluent are increasing by an average of 54% in the Southern region for 2025/26. Southern Water have confirmed that this increase reflects higher costs associated with the transportation and treatment of the effluent, and the disposal of any residual waste at the end of the process.

## Supporting information from Southern Water

If you'd like to find out more about what Southern Water will be investing in to support the water and waste water infrastructure for businesses in the Southern Water region, please visit their website at [southernwater.co.uk/improvements](https://southernwater.co.uk/improvements).

## Ways we can support you

We recognise that these increases come at a time when many businesses are already facing increased cost pressures. We have a team of experts on hand to advise you on our range of additional services that can help you reduce your water usage, including leak detection, automated meter reading and water audits, so you only pay for the water you need.

If you would like to discuss how we can support you, please get in touch with one of our friendly advisers from Monday to Friday, 9.00am to 5.00pm on **0330 123 2000** and we'll be happy to help.

Additionally:

- it's always worth checking to make sure you're on the best deal for your business water services. Get in touch with us today on **0330 123 2000** and we'll help to ensure you're receiving our best rates.
- If you're not already using our online portal, My Business Stream, you can sign up at [business-stream.co.uk/mbs](https://business-stream.co.uk/mbs) to view your bills, monitor your consumption, submit meter readings and more.
- If you have any concerns about making payments, please get in touch with one of our friendly advisers on **0330 123 2000** to discuss the options we can offer you.
- Or, if you have a query about your trade effluent charges and would like to know more about how we can help, please get in touch with our dedicated Trade Effluent team by emailing [TradeEffluent@business-stream.co.uk](mailto:TradeEffluent@business-stream.co.uk).

## We're here to help

If you have a more general query, or want to find out more about making payments, please visit [business-stream.co.uk/customer-support](https://business-stream.co.uk/customer-support).

Yours faithfully,



Douglas McLaren  
Chief Operating Officer