

Albion Water Ltd Scheme of Charges Statement of Board Assurance, 2026 -2027

This Statement covers the following sites supplied by Albion Water Ltd;

- Knowle Village nr. Fareham,
- Upper Rissington (incorporating Rissington Camp and Victory Fields),
- Chigwell (Five Oaks Lane, Oaklands) and
- Castle Hill (Ebbsfleet).

1. Compliance with Ofwat Charging Rules

The Board of Albion Water Ltd confirms that the Charges Schemes have been prepared in accordance with:

- Ofwat's Charging Rules for New Appointments and Variations (NAVs);
- The Company's Instrument of Appointment; and
- All relevant statutory requirements.

The Charges Scheme will be published in line with regulatory timescales and made available to customers in an accessible format.

2. Benchmarking Against Incumbent Undertakers

The Board confirms that, in setting domestic tariffs, the Company has:

- Compared its charges against those of the relevant incumbent water and/or sewerage undertakers.
- Assessed combined water and sewerage bills (where relevant) to understand overall customer impact.
- Considered both fixed and volumetric elements of charges when undertaking comparisons.

The Board is satisfied that Albion Water's domestic customers are not unduly disadvantaged relative to customers served directly by the relevant incumbent undertaker in comparable circumstances.

3. Cost Reflectivity and Bulk Arrangements

The Board confirms that domestic charges reflect:

- Bulk supply and/or bulk discharge tariffs payable to incumbent undertakers;
- Site-specific operating and maintenance costs;
- Efficient corporate and administrative costs; and
- Appropriate financing costs consistent with a small NAV structure.

The Board has reviewed bulk tariff movements and ensured these are appropriately reflected in customer charges where applicable.

4. Cross-Subsidy and Fairness

The Board confirms that:

- There is no undue cross-subsidy between different sites operated by the Company.
- There is no inappropriate cross-subsidy between domestic and non-household customers.
- Any variation in charges between sites reflects genuine differences in:
 - Bulk tariffs;
 - Infrastructure configuration;
 - Asset ownership responsibilities; or
 - Efficient cost to serve.

The Board is satisfied that charges are applied consistently within each site.

5. Financing and Return

The Board confirms that:

- Financing costs reflected in charges are appropriate for a company of Albion Water's size and risk profile.
- Charges are not structured to generate excessive returns.
- The Company's pricing approach supports long-term operational resilience and service delivery.

6. Transparency and Customer Protection

The Board confirms that:

- The Charges Scheme clearly explains tariff structures, including fixed and volumetric elements.
- Customers are provided with clear billing information.
- The Company maintains appropriate policies to support customers in financial difficulty and customers in vulnerable circumstances.
- Charging practices are aligned with the Company's complaints, debt management, and customer protection policies.

7. Governance and Internal Assurance

The Board confirms that:

- Appropriate financial modelling and validation checks have been undertaken.

- Management has provided sufficient evidence and assurance regarding regulatory compliance.
- Regulatory and reputational risks associated with charging have been reviewed.

The Board is satisfied that the Charges Scheme is compliant, fair, transparent and proportionate for a NAV of Albion Water's size.

The Board can confirm, in line with the charging rules set out by Ofwat, the following statements to be true.

- Albion Water Ltd complies with its legal obligations relating to the charges set out in its charging schemes.
- The Board has assessed the effects of the new charges on customers' bills for a range of different customer types, and approves the impact assessments and handling strategies developed in instances where bill increases for particular customer types exceed 5%
- Albion Water Ltd has appropriate systems and processes in place to make sure that the information contained in the charges scheme, and the additional information covered by this annex is accurate.
- Albion Water Ltd has consulted the Consumer Council for Water (CCW) in a timely and effective manner on its charging schemes.
- Albion Water delivers levels of service at least comparable to the previous appointee's charges Scheme.
- Albion Water's Prices do not exceed those in the previous appointee's charges scheme for similar services; and
- Prices equivalent to those specified in the new appointee's application for each individual appointment or variation area.

Signed on behalf of the Board



Adam Shore

Managing Director, Albion Water Ltd.

February 2026