

Written Resolution of the Board of Leep Networks (Water) Limited

Statement of Assurance to Ofwat

Concerning the production of Leep Networks (Water) Limited's annual Wholesale Charges for 2025/26

After making enquiries, the Director named below confirm that:

1. Leep Networks (Water) Limited complies with its legal obligations relating to the Wholesale Charges it has published;
2. LNWL's Board has considered the effects of the new charges on water supply and sewerage licensees, which are retailing wholesale services and on customers occupying Eligible Premises. We have also considered instances where bill increases for licensees, which are retailing wholesale services and on customers occupying Eligible Premises exceed 5% and how this may impact household or non-household customers charges and have processes in place to support these customer groups should this be needed;
3. LNWL:
 - has appropriate systems and processes in place to make sure that the information published about its Wholesale Charges is accurate;
 - has consulted with relevant stakeholders in a timely and effective manner on its Wholesale Charges;
 - has levels of service at least comparable to the previous appointees' charges schemes.



Signed:

Louise Manfredi

CEO, Leep Networks (Water) Ltd.

Dated:27 January 2025

Assessment of changes in Wholesale Charges

As a NAV operating under relative price control, Leep Networks (Water) Ltd has limited scope for the adjustment or rebalancing of charges to different classes of customer affected by changes in wholesale pricing. We have assessed the impact of changes to charges by reference to the assurance statements issued by our bulk supply providers.

In most cases, the incumbent suppliers do not significantly change their charging structure, although there is general compliance with the Retail – Wholesale Group recommendations relating to aligning low to medium use customer into 0 – 0.5MI and 0.5 – 10MI bands. In some cases this has resulted in rebalancing of charges to higher users, for example by the removal of falling-block tariffs.

Our review indicates that, overall, price increases are expected to rise by more than 5% across all customers. The increases have been primarily driven by the revenues permitted by PR24, adjusted for inflation and the outcomes of in-period ODI performance as well as increases in end-to-end costs, such as energy. The Board recognises that the increase in wholesale prices may result in higher non-household charges and will continue to respond to customers who seek support where they have been significantly affected by the changes.