

NAV Charging Arrangements 2026–27

February 2026



from
**Southern
Water** 

Southern Water

NAV Charging Arrangements

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Section 1 – Introduction

1. This statement of NAV Charging Arrangements is published by Southern Water Services Limited as a wholesale supplier and shall come into operation from 1 April 2026 to 31 March 2027 inclusive.
2. These charging arrangements shall apply in respect of the supply of bulk services provided at a NAV Site to an appointed water and/or sewerage undertaker.
3. Nothing in this document shall affect the Company's powers or rights to enter into or be bound by agreements with persons to be charged, whether made before or after the coming into operation of this Statement.
4. The amounts now fixed by the Company in respect of the charges provided for in this Statement are those shown in the Schedule of Charges in Part 2 of Section 2 and Part 2 of Section 3.
5. The Southern Water NAV Charging Arrangements 2025-26 is hereby revoked with effect from 1 April 2026, without prejudice to the recovery of charges due in accordance with that and other revoked charging arrangements.
6. These charges relate to bulk services (bulk supply and/or bulk discharge) to a New Appointee. Charges for new connection activities related to the connection of bulk services, including infrastructure charges, are provided for in the New Connections Services Charging Arrangements.
7. These charges include an application fee to New Appointees to cover the cost of both water and waste capacity modelling, as set out in New Connections Services Charging Arrangements.
8. Charges for other wholesale services, such as trade effluent and non-primary activities, will be as published in the Southern Water Services Limited Wholesale Statement of Principles and Charges.

Section 1 Part 2 – Interpretation and Supplemental Provisions

1. Interpretation

1.1 In this NAV Charging Arrangements,

"the Company" means Southern Water Services Limited;

"Connected Premises" are any premises which

- (i) are drained by a sewer or drain connecting, either directly or through an intermediate sewer or drain, with a public sewer of the Company, or
- (ii) have a supply of water connecting, either directly or indirectly through an intermediate network, with the mains network of the Company.

"Non-household Premises" are any premises which are eligible to be switched to another Retailer in accordance with the eligibility guidance issued by the Water Services Regulation Authority;

"Sewerage Services" exclude services carried out in the course of trade effluent functions;

"Effluent" includes, where appropriate, the terms "sewage", "wastewater", "surface water", and "trade effluent";

"Surface Water" means rain water falling onto the curtilage of connected premises that drains directly or indirectly to a public sewer;

"Site" is the area, as defined in the variation of appointment under sections 7(2) and 7(4)(b) of the Water Industry Act 1991, provided with a bulk service.

"DPID" means Discharge Point Identifier as defined in the Market Operator Services Limited Wholesale-Retail Code Part 1: Objectives, Principles and Definitions.

"Central Market Operating System (CMOS)" means the core IT system of the Market Operator Services Limited;

"New Appointee" means the licensed water and/or sewerage undertaker that has been granted a variation of appointment for the Site;

"NAV" means New Appointment and/or Variation.

Section 2 – NAV Bulk Supply Charges

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Part 1 – NAV Bulk Water Supply Charges

1. Wholesale Charge

- 1.1 The relevant starting point for the NAV bulk water supply charges are based on the wholesale charge.
- 1.2 The wholesale charge shall be calculated as follows:
 - (i) The volume charge shall be calculated by multiplying a volumetric charge by the volume of water recorded by the bulk meter(s) supplying the site with an allowance provided for leakage.
 - (ii) Where for any reason a bulk meter is not available (predominantly for small sites) the volume of water supplied for the period will be based on the aggregate water supply (metered and assessed) consumption at all Connected Premises within the area of appointment without an allowance provided for leakage. The volume charge shall be calculated by multiplying a unit charge by the aggregate consumption. The New Appointee shall provide to Southern Water the aggregated and disaggregated consumption volumes of water recorded at all Connected Premises on a quarterly basis on 1 April, 1 July, 1 October and 1 January.
- 1.3 Where SWS Ltd provides a Back-Up Supply in circumstances where there are problems with providing the Bulk Supply, the Back-Up Supply shall be deemed to be provided at the unit rate applying for the Bulk Supply.

2. Leakage Allowance

- 2.1 A leakage allowance of 5% will be applied to the measured volume of water recorded at the bulk meter(s) as having been supplied.
- 2.2 No leakage allowance will be applied in cases where the measured volume is calculated by means of aggregated end consumer consumption.

3. NAV Bulk Water Supply Discount

- 3.1 The bulk supply charge shall be calculated as the wholesale volumetric charge (accounting for leakage) minus the bulk water supply discount. This discount is set annually and applied per property.
- 3.2 The discount applicable shall be determined by reference to the current number of Connected Premises.
- 3.3 The New Appointee shall provide details of each premises connected to the New Appointee's distribution network during the previous charging period, in a format requested by Southern Water as set out in clause 6.3 below.

4. Water Booster Pumping Station Discount

- 4.1 Where an on-site booster pumping station is operated by the new appointee, a bespoke discount will be provided by Southern Water based on the specification of the pump operated.
- 4.2 The discount band will be based on the size of the primary pump operated and maintained by the New Appointee.
- 4.3 Where appropriate, the site-specific booster pumping station avoided costs will be applied as a

proportion of the fixed annual discount each billing period.

5. Bespoke Wholesale Tariffs

- 5.1 The NAV bulk supply tariffs are calculated using the wholesale tariff as the relevant starting point. For simplicity, the relevant starting point is based on the household wholesale tariff.
- 5.2 For sites which have Non-household Premises where a large user tariff (LUT) is applicable, the relevant wholesale starting point will be calculated based upon the weighted average wholesale tariff. This would apply where there is a Non-household Premises within the NAV Site with a water consumption over 5Ml per annum.
- 5.3 The weighted average wholesale tariff would be calculated based on the following formulas:

Weighted Average Wholesale Tariff – Water

$$= \frac{[(V_{hh} * C_{hh}) + (V_5 * C_5 + F_5) + (V_{20} * C_{20} + F_{20}) + (V_{100} * C_{100} + F_{100})]}{[V_{hh} + V_5 + V_{20} + V_{100}]}$$

Where C is the volumetric charge, V is the assumed consumption and F is the fixed charge associated with the large user tariff.

- 5.4 In order to calculate the bespoke wholesale charge as the relevant starting point, New Appointees are required to provide the number of Non-household Premises on each large user tariff and the annual forecast volumes at 31 March each year. This forecast will be used to calculate the weighted average wholesale tariff for the upcoming year. We will also require the actual volumetric consumption for each customer on each large user tariff band on 31 March for the previous year. Should the actual volumes vary from the forecast by greater than 5% of the total billed large user volume, we reserve the right to apply a true-up adjustment.

6. Infrastructure Charges

- 6.1 A charge for network reinforcement will be due on each Connected Premises which ultimately connect to the Southern Water network that equates to the water infrastructure charge that would be payable to Southern Water under the Water Industry Act and the Charges Scheme for each premises connected to the New Appointee's water mains if Southern Water was the appointed water undertaker for the Premises in place of New Appointee.
- 6.2 This will include any environmental component and relevant environmental incentives provided for in the New Connection Services Charging Arrangements.
- 6.3 The New Appointee shall provide to Southern Water details of all Connected Premises on a quarterly basis on 1 April, 1 July, 1 October and 1 January.

7. Invoicing of Charges

- 7.1 Within ten (10) Business Days of the receipt of the meter reading, SWS Ltd will invoice for the charges.
- 7.2 The New Appointee shall pay the amount invoiced to SWS in full and without deduction within fifteen (15) Business Days of the date of the invoice.

8. Value Added Tax

- 8.1 Water services charges are within the scope of VAT. The charges in Part 2 of this section, Schedule of NAV Bulk Supply Charges, are shown exclusive of VAT, which will be charged in addition if applicable.

Part 2 – Schedule of NAV Bulk Supply Charges 2026-27

Water Wholesale Charges	Charges
Measured Charge for water (£/m ³)	£3.518

The measured charges are shown exclusive of VAT.

NAV Bulk Water Supply Discounts	Discount
Leakage Discount (%)	5% of measured volume at Bulk Meter ¹
NAV Bulk Supply Discount	£55.38 per property
Booster Pumping Station Discount (£/year)	See table below for details

Discount for On-Site Water Booster Pumping Station

Annual fixed discount applied to sites with on-site water booster pumping stations.

Pumping Station Size	Annual Discount
Band 1 (up to 2.2 kW)	£3,984
Band 2 (between 2.2kW - 5.5 kW)	£6,666

Where appropriate, the site-specific booster pumping station avoided costs will be applied as a proportion of the fixed annual discount each billing period.

The discount band will be based on the size of the primary pump operated and maintained by the New Appointee. A bespoke discount may be available for booster pumping stations larger than 5.5kW.

¹ No leakage allowance will be applied in cases where the measured volume is calculated by means of aggregated end consumer consumption

Section 3 – NAV Bulk Discharge Charges

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Part 1 – NAV Bulk Discharge Charges

9. Wholesale Charge

- 9.1 The relevant starting point for the NAV bulk wastewater charges are based on the wholesale charge which comprise of a volumetric charge and fixed charges for highway drainage and surface water where applicable.
- 9.2 The wholesale charge shall be calculated as follows:
- (i) The volumetric charge shall be calculated by multiplying a volumetric charge by the calculated volume of discharged effluent. The volume of discharge will equal 92.5% of the volume of water recorded by the bulk meter(s) supplying the Site with an allowance provided for leakage.
 - (ii) Where for any reason a bulk meter is not available (predominantly for small sites) the volume of discharge will equal 92.5% of the aggregate water supply (metered and assessed) consumption at all Connected Premises within the area of appointment without an allowance provided for leakage. The volumetric charge shall be calculated by multiplying a volumetric charge by the calculated volume of discharge. The New Appointee shall provide to Southern Water the aggregated and disaggregated consumption volumes of water recorded at all Connected Premises on a quarterly basis on 1 April, 1 July, 1 October and 1 January.
 - (iii) A fixed charge per property for highway drainage will be applied and calculated based on the number of total Connected Premises within the area of appointment.
 - (iv) Where surface water is discharged to the Southern Water network, a fixed charge per property for surface water drainage will be applied and calculated based on the number of total Connected Premises within the area of appointment.
- 9.3 Where any Connected Premises within the NAV site are supplied with water both through a meter and by private means, the charges for bulk discharge services shall be determined by Southern Water as though all water was supplied by a measured water supply. The New Appointee has an obligation to provide any such information regarding additional water supplies required to calculate the appropriate discharge volumes on a quarterly basis.

10. Leakage Allowance

- 10.1 A leakage allowance will be applied to the measured volume of water recorded at the bulk meter(s) as having been supplied.
- 10.2 No leakage allowance will be applied in cases where the measured volume is calculated by means of aggregated end consumer consumption.

11. NAV Wastewater Discount

- 11.1 The bulk wastewater charge shall be calculated as the wholesale volumetric charge (accounting for leakage) and any relevant fixed charges minus the NAV wastewater discount. This discount is set annually and applied per property.
- 11.2 The discount applicable shall be determined by reference to the current number of Connected Premises.
- 11.3 The New Appointee shall provide details of each premises connected to the New Appointee's distribution network during the previous charging period, in a format requested by Southern Water as set out in clause 17.3 below.

12. Highway Drainage Discount

- 12.1 A discount on the fixed highway drainage charge is included within the per property wastewater discount applied each billing period.

13. Surface Water Discount

- 13.1 The Effluent shall not contain surface run-off water, subsoil water or water draining from a street unless provided for in the site-specific bulk discharge agreement.
- 13.2 Where no surface water is returned to the Southern Water Network, there will be a full discount on the surface water fixed charge.
- 13.3 Where we do provide a connection for surface water, a per property discount for surface water will be applied each billing period.
- 13.4 We reserve the right to amend the wholesale starting point where a non-household customer is on-site and subject to a surface water tariff above the standard household surface water fixed charge

14. Wastewater Pumping Station Discount

- 14.1 Where an on-site pumping station is operated by the new appointee, a bespoke discount will be provided by Southern Water based on the specification of the pump operated.
- 14.2 The discount band will be based on the size of the primary pump operated and maintained by the New Appointee.
- 14.3 Where appropriate, the site-specific pumping station avoided costs will be applied as a proportion of the fixed annual discount each billing period.

15. Bespoke Wholesale Tariffs

- 15.1 The NAV bulk wastewater tariffs are calculated using the wholesale tariff as the relevant starting point. For simplicity, the relevant starting point is based on the household wholesale tariff.
- 15.2 For sites which have Non-household Premises where a large user tariff (LUT) is applicable, the relevant wholesale starting point will be calculated based upon the weighted average wholesale tariff. This would apply where there is a Non-household Premises within the NAV Site with a wastewater discharge of over 100Ml per annum.

The weighted average wholesale tariff would be calculated based on the following formulas:

Weighted Average Wholesale Tariff – Wastewater

$$= \frac{[(V_{hh} * C_{hh}) + (V_{100} * C_{100} + F_{100})]}{[V_{hh} + V_{100}]}$$

Where C is the volumetric charge, V is the assumed discharge volume and F is the fixed charge associated with the large user tariff.

- 15.3 In order to calculate the bespoke wholesale charge as the relevant starting point, New Appointees are required to provide the number of Non-household Premises on each large user tariff and the annual forecast volumes at 31 March each year. This forecast will be used to calculate the weighted average wholesale tariff for the upcoming year. Southern Water will also require the actual volumetric consumption for each Non-household Premises on each large user tariff band on 31 March for the previous year. Should the actual volumes vary from the forecast by greater than 5% of the total billed large user volume, we reserve the right to apply a true-up adjustment.

16. Trade Effluent Charges

- 16.1 Trade effluent charges are payable in pursuance of a trade effluent consent, for the discharge of trade effluent from trade premises either directly or through an intermediate sewer or drain, into the Southern Water sewerage network.
- 16.2 The charge for Trade Effluent consented by Southern Water and discharging to the Sewerage Network will be calculated in accordance with the Southern Water Services Limited Wholesale Statement of Principles and Charges.
- 16.3 For all DPIDs within the site, the new appointee shall submit all settlement information contained within the Retail Market D2 Settlement Report to SWS Ltd within five (5) Business Days after the Central Market Operating System monthly settlement report is issued.
- 16.4 Data for all settlement runs (P1, R1, R2, R3, R4 and RF) shall be provided for each DPID, along with a reconciliation report to identify and quantify any difference in charges between settlement runs for each DPID.

17. Infrastructure Charges

- 17.1 A charge for network reinforcement will be due on each Connected Premises which ultimately connect to the Southern Water network that equates to the wastewater infrastructure charge that would be payable to Southern Water under the Water Industry Act and the Charges Scheme for each Connected Premises connected to the New Appointee's sewerage network if Southern Water was the appointed sewerage undertaker for the premises in place of New Appointee.
- 17.2 This will include any environmental component or relevant environmental incentive provided for in the New Connection Services Charging Arrangements.
- 17.3 The New Appointee shall provide to Southern Water details of all Connected Premises on a quarterly basis on 1 April, 1 July, 1 October and 1 January.

18. Invoicing of Charges

- 18.1 Within ten (10) Business Days of the receipt of the meter reading, SWS Ltd will invoice for the charges.
- 18.2 The New Appointee shall pay the amount invoiced to SWS in full and without deduction within fifteen (15) Business Days of the date of the invoice.

19. Value Added Tax

- 19.1 Wastewater service charges are within the scope of VAT. The charges in Part 2 of this section, Schedule of NAV Bulk Discharge Charges, are shown exclusive of VAT, which will be charged in addition if applicable.

Part 2 – Schedule of NAV Bulk Discharge Charges 2026-27

Wastewater Wholesale Charges	Charges
Measured Charge for wastewater (£/m3)	£3.545
Highway Drainage	£19.16 per property
Surface Water Drainage	£50.00 per property

The measured charges are shown exclusive of VAT

NAV Bulk Discharge Discount	Discount
Leakage Discount (%)	5% of measured volume at Bulk Meter*
Return to Sewer Allowance (%)	92.5% of measured water volume
Bulk Wastewater Discount inclusive of Highway Drainage Discount	£29.88 per property
Surface Water Drainage Discount	
Where surface water is not returned to Southern Water Network	100% discount on surface water drainage charge
Where surface water is returned to Southern Water Network	£6.50 per property
Booster Pumping Station Discount (£/year)	See table below for details

*No leakage allowance will be applied in cases where the measured volume is calculated by means of aggregated end consumer consumption

Discount for on-site wastewater pumping stations

Annual fixed discount applied to sites with on-site wastewater pumping stations.

Pumping Station Size	Annual Discount
Band 1 (2 kW)	£1,590
Band 2 (5 kW)	£2,940
Band 3 (10 kW)	£5,270
Band 4 (20 kW)	£9,990
Band 5 (40 kW+)	£19,120

Where appropriate, the site-specific pumping station avoided costs will be applied as a proportion of the fixed annual discount each billing period.

The discount band will be based on the size of the primary pump operated and maintained by the New Appointee.

Section 4 – NAV Application Charges

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Part 1 – Schedule of Water NAV Application Charges 2026-27

NAV Bulk Supply Application Charge	Water
0-50 units	£183
51-250 units	£550
>251 units	£735

Part 2 – Schedule of NAV Wastewater Application Charges 2026-27

NAV Bulk Discharge Application Charges	Charge
0-50 units	£183
51-250 units	£550
>251 units	£735