

Thames Water Utilities Limited (TWUL) Wholesale

Published date: 13 January 2026



Statement of assurance 2026/27

Final wholesale charges for the supply of
water and wastewater services

Introduction

1. The purpose of this document is to provide a statement of our assurance in relation to our 2026/27 final wholesale tariffs (the “Charges”).
2. The Charges covered by this statement have been set based on the allowed revenues as published by Ofwat in the Price Review 2024 (“PR24”) Final Determination (“FD”) adjusted for the in-period determination that reflects Outcome Delivery Incentive (“ODI”) payments relating to our actual performance from 2024/25, published by Ofwat on 13 November 2025.
3. The Charges therefore take account of:
 - the publication of the PR24 FD which fixes the revenue we can collect from customers in 2026/27;
 - the in-period determination that reflects ODI payments relating to our actual performance from 2024/25;
 - the Thames Tideway Tunnel (“TTT”) Infrastructure Provider charge that we collect on behalf of Bazalgette Tunnel Limited from our wastewater service customers;
 - inflation (CPIH) as published by the Office for National Statistics¹, at 3.5%; and
 - the forecast changes in the levels of water usage by our household and non-household customers.

Board endorsement of this assurance statement

4. The Board of Thames Water Utilities Limited (the “Company”) accepts ownership of, and accountability for, the development of the Charges.
5. This statement has been approved by the Board and signed by Cathryn Ross (Strategy & External Affairs Director), Steve Buck (Chief Financial Officer) and Nick Land (Senior Independent Non-Executive Director and Chair of our Audit and Risk Committee) on behalf of the Board of the Company.
6. In approving the Charges, the Board has made the following key considerations which are discussed in more detail below:
 - all relevant legal obligations and guidance;
 - bill movements, impact assessments and the associated approach (“handling strategies” as referred to by Ofwat) that, if appropriate, we may adopt to mitigate impact on customer bills;
 - the existence of appropriate systems and processes used to set our charges;
 - engagement with relevant stakeholders; and

¹ [“Consumer price inflation, UK: November 2025”](#), Office for National Statistics, 17 December 2025

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- the reasons for any significant changes to our Charges since the publication of our indicative wholesale charges in October 2025.

[Legal Obligations and Guidance](#)

7. Thames Water's Charges have been prepared in accordance with its legal obligations and the Wholesale Charging Rules published on 1 October 2025 by the Water Services Regulation Authority under sections 66E and 117I of the Water Industry Act 1991.
8. The Charges also comply with information requirements as set out in Ofwat's Information Notice IN25/04 ('Expectations, assurance and information requirements for water company charges for 2026-27') published on 2 October 2025.
9. Thames Water has also taken into account the Company's statutory obligations relating to charging.

[Bill movements, impact assessments and mitigating actions](#)

10. The Board has assessed the effects of the Charges on water supply and sewerage licensees (as a whole or in groups) who are retailing wholesale services and on customers occupying Eligible Premises (as a whole or in groups) for a range of customer types.
11. Based on our modelling for 2026/27 charges, prior to applying any reductions to our allowed revenues due to the BYA, we anticipate that year-on-year bill increases will exceed five per cent when compared to 2025/26 for all water-only customers and most dual service customers occupying Eligible Premises.
12. Our BYA represents a significant negative adjustment to our allowed revenues, primarily due to the revenue over-recovery recorded in 2024/25 which is compared to a zero over-recovery assumption in the PR24 FD. The BYA can be profiled over the period 2026/27 to 2029/30 at the discretion of each water company.
13. In considering how to use the BYA to smooth bill impacts for customers across the 2026 – 2030 period, we are applying a reduction of £10m to our wholesale water allowed revenue in setting our Charges for 2026/27.
14. The effect of this is that all wastewater-only and dual service customers as well as our business retail customers will see year-on-year bill movements of less than five per cent when compared to 2025/26. Price rises for water-only customers will however remain above the five per cent threshold.
15. In Table 1 below, we set out the maximum wholesale bill increases for non-household customers relative to 2025/26 bills, both before and after the application of the BYA.

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Table 1: Maximum bill increases for non-household customers 2026/27

	Customer type		
	Water-only	Wastewater-only	Dual service
Maximum wholesale bill increases before BYA	12.4%	(4.9%)	5.3%
Maximum wholesale bill increases after BYA	11.7%	(4.9%)	4.9%

Source: *Thames Water tariff model 2026/27*

16. Other options for the BYA profile were considered (such as front or back-loading the adjustment), however a phased approach will increase the likelihood of keeping year-on-year bill increases to below five per cent for as many years as possible between 2026 and 2030.
17. The figures in Table 1 showing maximum wholesale bill movements and our impact assessment of all customer groups seen in Appendix 1 confirm that after application of the BYA, water-only customers will experience bill increases in excess of five per cent for 2026/27.
18. The primary driver for the increase in our water prices that will impact bills in 2026/27 is the level of allowed revenue included within the PR24 FD as published by Ofwat. This recognises the significant and ambitious investment that is needed in our network to deliver improved services to our customers and to protect the environment.
19. The Board recognises the ongoing cost-of-living pressures that are still being felt by customers and therefore appreciates the need to identify actions to mitigate against significant price rises. We are therefore proposing to apply enough of the BYA in 2026/27 to bring price rises to below five per cent for all wastewater-only and dual service customers, retaining the remainder of the BYA to allow bill profiles in the latter part of the 2025 – 2030 period to follow a smoother trajectory.
20. For our c.50,000 water-only household and non-household customers, price rises for services provided by Thames Water will be in excess of five per cent. Around 70% of these customers are not in receipt of mains sewerage services and, as our prices for Cess services typically follow the movements in our wholesale wastewater charges, the combined bill impact for these customers is likely to be in line with our own dual service customer base.
21. For the remaining customers that receive mains sewerage services from another water company, based on the indicative wholesale wastewater price increases for the three companies in question (Anglian Water, Severn Trent and Wessex Water) that range between 7% and 15%, taking further proportionate mitigating action on our wholesale water charges would have only a limited impact on the combined bill increase for these customers.
22. We therefore do not consider further mitigating action to be appropriate or practicable at this time, also given the inclusion of price increases of this magnitude within the PR24 FD published by Ofwat.

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23. We will be communicating with our customers on price rises for 2026/27 through information published on our website and, where relevant, on customers' bills.

Appropriate systems and processes

24. In assessing whether there are systems and processes in place (including up-to-date models and data) to make sure the information published about our Charges is accurate, the Board has considered:

- the rigorous system for compiling, collating and managing the data and information required to produce the Charges;
- the governance framework detailing the assurance approach adopted and the outcome of the independent review of the tariff model by Internal Audit;
- the process of internal review and formal sign off by approved appropriately qualified members of staff;
- confirmation of the degree of assurance undertaken on the source information / data used in the tariff calculations;
- the dedicated and assured charge multiplier and tariff models used to determine wholesale and retail tariffs;
- confirmation that the Charges have been calculated in a manner compliant with the individual price controls; and
- confirmation that there are no material issues outstanding arising from the assurance work undertaken.

Engagement with stakeholders

25. We are in regular contact with our Retailers, and engage with them via various channels, to gain insight on a range of topics. We participate in the Retailer Wholesaler Group ("RWG") project to review non-household tariff structures, so will also continue to engage with Retailers in this way regarding potential changes to wholesale charges.

26. In October 2025, we issued a consultation to Retailers seeking views on the timelines for implementing the RWG Good Practice Guide² on metered consumption bands. Whilst responses were mixed with no clear consensus, we have decided to start the process of unwinding intermediate water user discounts in 2026/27 to align to the proposed structure, whilst still ensuring that dual service price rises for any affected customers do not exceed the "significant" five per cent threshold set out within the wholesale charging rules.

27. We have had regular meetings with the Consumer Council for Water ("CCW") to discuss the impact of our Charges on customers occupying Eligible Premises. This consultation process continued when we met with CCW on 19 December 2025 to discuss our proposed Charges,

² [Simplification and harmonisation of metered consumption bands](#), RWG, February 2025

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the impact on bills to customers and updates to charging documentation. CCW were supportive of our proposed approach to our Charges, acknowledging the impact of the PR24 FD on customer bills and the mitigating action we are taking in partially applying the BYA.

Changes since the publication of our indicative wholesale charges

28. Since our indicative wholesale charges were published in October 2025, further review of our forecast chargeable customer base for 2026/27 has been undertaken to reflect the most up-to-date information available. This has resulted in a decrease in the level of BYA that we need to apply in 2026/27 in order to keep dual service bill increases to below five per cent for all customer groups. The resultant net impact on customer bills in 2026/27 relative to our indicative wholesale charges is therefore minor.

Board approval process

29. In satisfying Ofwat's requirements specified in the Wholesale Charging Rules (published on 1 October 2025) and Information Notice IN25/04 ('Expectations, assurance and information requirements for water company charges for 2026-27') published on 2 October 2025, the Board confirms that the Company has followed robust and rigorous procedures in developing and approving the Charges.

30. At the Board meeting on 1 October 2025, Cathryn Ross (Strategy & External Affairs Director), Steve Buck (Chief Financial Officer) and Nick Land, our Senior Independent Non-Executive Director and Chair of our Audit and Risk Committee, were authorised to sign assurance statements on the Board's behalf, and in doing so confirm that:

- the Charges are consistent with Thames Water's legal obligations in relation to wholesale charges;
- the Board has considered the impact of the Charges on customer bills for different customer groups and approves the approach to mitigating this customer bill impact;
- the Board has satisfied itself that appropriate systems and processes are in place to ensure that the Charges are accurate;
- the Company has consulted with relevant stakeholders in a timely and effective manner on its Charges; and
- the reasons for any significant changes to our Charges since the publication of our indicative wholesale charges 2026/27 have been considered and explained.

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Signed by, and on behalf of the Board:

Dated: 9 January 2026

Signed



Nick Land
Senior Independent Non-Executive Director

Dated: 9 January 2026

Signed



Steve Buck
Chief Financial Officer

Dated: 9 January 2026

Signed



Cathryn Ross
Strategy & External Affairs Director

For and on behalf of Thames Water Utilities Limited

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Appendix 1: Non-household 2026/27 typical bill movements

Table 2: Typical bill values of non-household customers

	2025-26 (£)	2026-27 (£)	Change (%)
NHH unmeasured bill water - area 4 £500 RV	815	899	10.3%
NHH unmeasured bill wastewater - area 4 £500 RV	1,774	1,687	-4.9%
Combined bill - unmeasured (area 4 £500 RV)	2,589	2,586	-0.1%
NHH metered bill water - 8,000m ³	19,794	21,877	10.5%
NHH metered bill wastewater - 8,000m ³	13,095	12,453	-4.9%
Combined bill - metered (40mm pipe)	32,890	34,330	4.4%
NHH metered bill water - 25,000m ³	60,806	67,435	10.9%
NHH metered bill wastewater - 25,000m ³	41,545	39,508	-4.9%
Combined bill - metered (80mm pipe)	102,351	106,943	4.5%
NHH metered bill water - 150,000m ³	302,976	336,250	11.0%
NHH metered bill wastewater - 150,000m ³	228,102	216,920	-4.9%
Combined bill - metered (150mm pipe)	531,078	553,170	4.2%
NHH metered bill water - 500,000m ³	859,696	951,550	10.7%
NHH metered bill wastewater - 500,000m ³	681,776	648,356	-4.9%
Combined bill - metered (1 x 250mm pipe)	1,541,472	1,599,906	3.8%
Bus assessed - water - 3,000m ³	7,423	8,204	10.5%
Bus assessed - wastewater band - 3,000m ³	5,138	4,886	-4.9%
Combined bill - business assessed (30mm pipe)	12,561	13,090	4.2%
TRADE EFFLUENT			
R (m ³)	740	703	-4.9%
V (m ³)	865	822	-4.9%
B (kg)	1,162	1,105	-4.9%
S (kg)	526	500	-4.9%
Wholesale fixed charge	-51	0	100.0%
Total TE bill (3,000m ³)	3,242	3,131	-3.4%
R (m ³)	40,060	38,100	-4.9%
V (m ³)	46,240	43,980	-4.9%
B (kg)	33,290	31,660	-4.9%
S (kg)	50,658	48,174	-4.9%
Annual large user charge	33,313	31,681	-4.9%
Total TE bill (200,000m ³)	203,561	193,595	-4.9%

Source: Thames Water tariff model 2026/27

N.B. The Rateable Value ("RV") of a property was last set by the Government in 1990 and is based on their assessment of how much the property could be let for annually. The unmeasured areas are as per the geographical 'Charge Areas' seen on table A.3-8 in Part A of the Wholesale Tariff Document 2026/27, as published on our website.