



Information on indicative wholesale charges

2026/2027

Information about this document

This document is being published in advance of our indicative wholesale charges for 2026/27 which are due to be made available from 13 October 2025. This document gives an early view of our indicative wholesale price rises for 2026/27.

Please note that at this stage, these charges have not been subject to Board approval which is due to be provided in early October. As such, the content of this document is still subject to change.

Indicative wholesale charges 2026/27

Our indicative wholesale price rises for 2026/27 are set out in the table below. These figures are inclusive of an inflation (CPIH) assumption of 3.5% and reflect the revenue allowances set out in the PR24 Final Determination (“FD”) adjusted for our Outcome Delivery Incentive (“ODI”) performance in 2024/25.

Table 1: Bill impact for typical non-household customers 2026/27

Customer type	Non-Household	
	Unmeasured	Metered
Water-only	10.0%	10.0%
Wastewater-only	(3.9%)	(3.9%)
Dual service	4.2%	4.1%

Use of the Blind Year Adjustment

The Blind Year Adjustment (“BYA”) trues up the assumptions for 2024/25 that were included in the PR24 FD for actual performance across metrics such as revenue recovery, totex and developer services. Points to note regarding the BYA are:

- Ofwat will be publishing its final decision on the BYA by 15 December 2025.
- The BYA can be profiled over the final four years of the AMP (2026/27 to 2029/30) at the discretion of each water company.
- For Thames Water, we have a negative BYA to process into our AMP8 wholesale allowed revenues for both water and wastewater.
- We are currently proposing to take £33m of the BYA for wholesale water to limit the bill increases generated by our 2026/27 charges.
- This will reduce the impact on water-only customers to the figures shown in Table 1 (the typical water-only increases before application of the BYA were c.12.2%).
- It also results in a reduction in typical dual service bill increases to below the 5% threshold deemed to be ‘significant’ per Ofwat’s charging rules (before application of the BYA, typical dual service bill increases were c.5.5%).

Changes to metered tariff structures

The Retailer Wholesaler Group (“RWG”) published a Good Practice Guide in February 2025 setting out the common charging structure that wholesalers should use as best practice for their metered tariffs. The implementation of the proposed structure is to commence from 2026/27 and finish within five tariff cycles, ready for the 2030/31 charging year.

For Thames Water, the changes involve removing the tariff structure currently applied to our intermediate water users with annual usage of 20,000m³ to 50,000m³. Affected customers will be moved across to our standard user rates for non-household wholesale charges. This will result in an increase to the overall bills of our existing intermediate water users.

In light of the underlying increase in indicative wholesale water charges for 2026/27, we are currently considering whether or not to commence the removal of the intermediate water user tariff in 2026/27, as we are aware this would lead to further bill increases for the affected customers.

Next steps

In accordance with Ofwat’s wholesale charging rules, our indicative wholesale charges for 2026/27 will be published on our website by 13 October 2025. Our final wholesale charges for 2026/27 will be published by 13 January 2026.