

Thames Water Utilities Limited (TWUL) Wholesale
Published date: 13 October 2026



Statement of Significant Change

2027/28

Indicative wholesale charges for the supply
of water and wastewater services

Introduction

1. The purpose of this Statement of Significant Change is to provide our stakeholders with information as to the significant changes we are making to our primary wholesale charges for the 2027/28 charging year (the “Charges”), compared with the 2026/27 charging year.
2. This statement is made in accordance with Ofwat Information Notice IN 26/04 (‘Expectations, assurance and information requirements for water company charges for 2027-28’) published on 1 October 2026 and section A4 of the Annex to the Wholesale Charging Rules published by Ofwat on 1 October 2025. It confirms:
 - i. what changes are expected;
 - ii. how water supply and sewerage licensees (as a whole or in groups) and customers occupying Eligible Premises (as a whole or in groups) are likely to be affected; and
 - iii. the approach (“handling strategies” as referred to by Ofwat) that, if appropriate, we may adopt to mitigate impact on customer bills.
3. The Wholesale Charging Rules require that the Board of Thames Water Utilities Limited (“the Company”) evaluates our impact assessment of any bill increases for Retailers or customers occupying Eligible Premises exceeding five per cent. The Board must also assess any approach developed to mitigate significant bill increases.
4. The Charges covered by this statement have been set based on the allowed revenues as published by Ofwat in the PR24 Final Determination (“FD”) adjusted for our forecast view of the in-period determination that reflects Outcome Delivery Incentive (“ODI”) payments relating to our actual performance from 2025/26.
5. Ofwat is due to publish the in-period determination of 2025/26 performance by 15 December 2026. This final view will be reflected in our final Charges due for publication in January 2027. In the meantime, we are basing our Charges on allowed revenues derived from the in-period adjustments model that we provided to Ofwat in July 2026 alongside our Annual Performance Report (“APR”) for 2025/26.
6. We have factored in the ODI deferral request¹ made to Ofwat to defer a proportion of our ODI payments that relate to our actual performance from 2025/26 to apply in 2028/29 instead of 2027/28. We also include revenues resulting from the Cost Change process that relates to the funding of our Strategic Resource Options (“SRO”) programme, for which Ofwat has provisionally approved an in-period adjustment to revenues in its draft determination².

Our Charges

7. Our Charges generally include an annual standing charge and/or a variable charge (reflecting the rateable value (‘RV’) of our customer’s property or the volume of

¹ [‘Request for deferral of ODI payments’](#), Thames Water, July 2026

² [‘Cost Change draft determination 2026 – Thames Water’](#), Ofwat, August 2026

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consumption) that relate to the supply of water services and the supply of sewerage services, on an enduring or temporary basis.

8. Our Charges also include services provided under a special agreement (as notified to Ofwat under section 142(6A) of the WIA91).

Information about changes to our Charges for 2027/28

9. There are no significant changes in charging policy from the previous year.
10. The process of removing a legacy unmeasured wholesale water fixed charge, instead recovering the associated revenue through our variable charges, is recommencing in 2027/28. This process commenced in 2025/26 and was to be phased over three years, however, due to the significant increases in our wholesale water charges in 2026/27, the process was paused for one year. We are now continuing with the phased removal to limit the impact that it will have on customers with a higher Rateable Value.
11. For the purposes of our indicative Charges, we are using a November 2026 inflation (CPIH) forecast³ of 3.6%. Our final Charges due for publication in January 2027 will be based on actual November 2026 CPIH, due to be published by the Office for National Statistics on 16 December 2026.

Impact of our Charges for 2027/28 on customer bills

12. Based on our modelling for 2027/28 charges, we do not anticipate that year-on-year bill increases will exceed five per cent when compared to 2026/27 for any customers occupying Eligible Premises.
13. In Table 1 below, we set out the typical wholesale bill increases for non-household customers relative to 2026/27 bills.

Table 1: Typical indicative bill increases for non-household customers 2027/28

	Customer type		
	Water-only	Wastewater-only	Dual service
Typical indicative wholesale bill increases	0.5%	2.6%	1.3%

Source: Thames Water tariff model 2027/28 draft v1.0

14. In accordance with the common metered tariff structure for the industry as set out in the Retailer Wholesaler Group ("RWG") Good Practice Guide⁴ published in February 2025, we anticipate completing the phased removal of our intermediate water user tariff for customers using between 20,000m³ and 50,000m³ per annum.
15. The discounts historically afforded to customers in this usage band are being unwound so that the standard water user unit rates are applied. This means that a small number of non-household users will experience larger increases than those shown in Table 1. The

³ Our CPIH consensus uses an average of forecasts from Barclays, HSBC, Morgan Stanley and Natwest Markets.

⁴ ['Simplification and harmonisation of metered consumption bands Good Practice Guide'](#), RWG, February 2025

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maximum increase for water service charges is anticipated to be 4.8% with a maximum dual service increase of 4.0%.

16. Appendix 1 shows a range of typical non-household bill movements for 2027/28 relative to 2026/27 bills.
17. The figures in Table 1 showing typical wholesale bill movements, and our impact assessment of all customer groups seen in Appendix 1, indicate that no customers will experience bill increases in excess of five per cent for 2027/28.

[Approach to address significant changes to our Charges for 2027/28](#)

18. The requested deferral of ODI payments will help to smooth the bill profile for customers across the remaining years of the 2025 – 2030 period. Primarily due to the increase in the level of ODI penalty payments relating to performance in AMP8, in the absence of any smoothing of bill profiles, bills would likely reduce in 2027/28 before significantly increasing in 2028/29. Our request to defer ODI payments will smooth the bill increases, which previous customer research shows is preferable to avoid unnecessary bill volatility.
19. The Board recognises the ongoing cost-of-living and economic pressures that are still being felt by customers and therefore appreciates the need to identify actions to mitigate against significant price rises, however, even with the deferral of ODI payments and the inclusion of revenue relating to our SRO programme, bill increases are not anticipated to be significant in 2027/28.
20. We will be communicating with our customers on price rises for 2027/28 through information published on our website and, where relevant, on customers' bills.

[Stakeholder engagement on changes to our Charges for 2027/28](#)

21. 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 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.
22. As mentioned in paragraphs 14 and 15 above, we anticipate completing the phased removal of the intermediate water user tariff through our 2027/28 charges to align to the RWG Good Practice Guide. This is consistent with the plans previously consulted on with Retailers in October 2025.
23. We have had discussions with the Consumer Council for Water ("CCW") who are supportive of our proposed approach to our Charges, acknowledging the relevance of the requested ODI deferral to smooth bills for customers. CCW has emphasised the importance of clear and transparent communications to customers regarding the deferral of ODI payments, which we are proactively working on ahead of our final publication of charges for 2027/28. As required by the Wholesale Charging Rules, we will consult with CCW further in advance of publishing our Wholesale Tariff Document 2027/28 in January 2027.

Declaration

24. In satisfying the requirements of the Wholesale Charging Rules, we confirm, on behalf of the Board, that the Company has followed robust and rigorous procedures in developing and considering the potential approach that we may adopt to mitigate impact on customer bills, as discussed in this Statement of Significant Change. This was achieved through a series of meetings of the Executive Committee and the Board of the Company.
25. At the Board meeting on 30 September 2026, 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 the Statement of Assurance on the Board's behalf.
26. In order for them to do this, they must be able to confirm a review has taken place of whether any customer groups will experience bill increases in excess of five per cent and that any relevant mitigating actions have been appropriately reviewed and approved. This Statement of Significant Change provides the review required and confirms that mitigating actions have been considered and are not deemed to be necessary for the purposes of our indicative Charges. As such, this document is also being signed by the same three directors on behalf of the Board.

Dated: 6 October 2026

Signed



Nick Land
Senior Independent Non-Executive Director

Dated: 6 October 2026

Signed



Steve Buck
Chief Financial Officer

Dated: 5 October 2026

Signed



Cathryn Ross
Strategy & External Affairs Director

For and on behalf of Thames Water Utilities Limited

Appendix 1: Non-household 2027/28 typical bill movements

Table 2 - Typical bill values of non-household customers

	2026-27 (£)	2027-28 (£)	Change (%)
NHH unmeasured bill water - area 4 £500 RV	899	912	1.5%
NHH unmeasured bill wastewater - area 4 £500 RV	1,687	1,730	2.6%
Combined bill - unmeasured (area 4 £500 RV)	2,586	2,642	2.2%
NHH metered bill water - 8,000m ³	21,877	21,990	0.5%
NHH metered bill wastewater - 8,000m ³	12,453	12,772	2.6%
Combined bill - metered (40mm pipe)	34,330	34,763	1.3%
NHH metered bill water - 25,000m ³	67,435	68,720	1.9%
NHH metered bill wastewater - 25,000m ³	39,508	40,520	2.6%
Combined bill - metered (80mm pipe)	106,943	109,240	2.1%
NHH metered bill water - 150,000m ³	336,250	343,600	2.2%
NHH metered bill wastewater - 150,000m ³	216,920	222,466	2.6%
Combined bill - metered (150mm pipe)	553,170	566,066	2.3%
NHH metered bill water - 500,000m ³	951,550	962,085	1.1%
NHH metered bill wastewater - 500,000m ³	648,356	664,928	2.6%
Combined bill - metered (1 x 250mm pipe)	1,599,906	1,627,013	1.7%
Bus assessed - water - 3,000m ³	8,204	8,246	0.5%
Bus assessed - wastewater band - 3,000m ³	4,886	5,011	2.6%
Combined bill - business assessed (30mm pipe)	13,090	13,258	1.3%
TRADE EFFLUENT			
R (m ³)	703	721	2.6%
V (m ³)	822	843	2.6%
B (kg)	1,105	1,134	2.6%
S (kg)	500	513	2.6%
Wholesale fixed charge	0	0	0.0%
Total TE bill (3,000m ³)	3,131	3,211	2.6%
R (m ³)	38,100	39,080	2.6%
V (m ³)	43,980	45,100	2.5%
B (kg)	31,660	32,470	2.6%
S (kg)	48,174	49,410	2.6%
Annual large user charge	31,681	32,492	2.6%
Total TE bill (200,000m ³)	193,595	198,552	2.6%

Source: Thames Water tariff model 2027/28 draft v1.0