



Statement of significant change: 2024-25 Charging Arrangements for New Connection Services

Thames Water Utilities Limited (TWUL)
Published date: 9 February 2024
Version 1.1

Thames Water Utilities Limited

Statement of Significant Change: 2024/25 Charging Arrangements for New Connection Services

Introduction

1. The Statement of Significant Change for the 2024-25 Charging Arrangements sets out any significant changes in charging policy for the Financial Year 2024-25 and whether the bill for typical developments is expected to increase by more than 10% from the previous year. This document was republished on 9 February 2024 to correct the charges for consent to connect included in the worked examples for the Alternative Delivery Method.
2. This statement is made in accordance with Ofwat Information notice (IN 23/09 September 2023) and New Connections Charging Rules A2 and A3 and confirms:
 - a. what changes have been made to charging policy in 2024-25
 - b. the size of the price increase expected and the impacts this has had on typical developments (using worked examples)
 - c. the handling strategies, if appropriate, that have been adopted
 - d. that the TWUL Board of Directors has assessed and approved the impacts on customers' bills and the handling strategies that have been adopted

Significant changes to our new connections charging policy for 2024-25

3. The following changes have been made to our charging policies for 2024-25

On 13 December 2022, Ofwat published the methodology for the next Price Review (PR24). Appendix 3 refers to Thames Water's interpretation of Network Reinforcement being "too narrow". We have reviewed and updated our policy resulting in more spend being classified as Network Reinforcement. The impact of this was included in our PR24 submission to Ofwat which also included further significant increases in the required level of Network Reinforcement as planned developments occur where there is insufficient headroom in capacity. These increases are reflected in the calculation of our Infrastructure Charge prices for 2024-25, however a handling strategy has been put in place for passing on these increases as detailed below.

We have elected to remove lateral drain connections at a depth greater than 10m from our fixed prices as we had not delivered any jobs of this nature since 2018-19. Whilst these are a technical deviation from the rules, the exceptional nature of this type of connection and low frequency means that it is fairer and more proportionate to exclude this work from our fixed prices.

Information about significant changes on typical developments and handling strategies

4. Infrastructure charges

The below tables reflect the significant changes to the infrastructure charges for 2024-25 for the changes outlined above. We consulted with our developer customers on

these increases and have included a handling strategy to pass on 25% of the planned increase in 2024-25 reducing the price increase from 115% to 28% to meet the charging rules principle of “stability and predictability, in response to the feedback received.

Ofwat have not yet responded to Water companies PR24 proposals and have consulted on further changes to the infrastructure charge methodology for 2025-26. Thames will review the outcome of these before setting the prices for 2025-26 and will consult with customers again before doing so.

Price increase BEFORE handling Strategy	2023/24	2024/25	Net change	% Change
Water Infrastructure Charge	£660	£1,555	£895	136%
Waste Infrastructure Charge	£380	£680	£300	79%
Combined	£1,040	£2,235	£1,195	115%

Price Increase AFTER handling Strategy	2023/24	2024/25	Net change	% Change
Water Infrastructure Charge	£660	£885	£225	34%
Waste Infrastructure Charge	£380	£455	£75	20%
Combined	£1,040	£1,340	£300	29%

5. Environmental Incentives

The below tables reflect the changes to the Environmental discounts for 2024-25.

Thames has made significant increases in discount available for Water Tier 2 and the Waste discount to encourage the building of water and wastewater efficient properties, whilst still remaining in line with the overall balance of charges rule, due to low take up in prior years.

	2023/24	2024/25	Net change	% change
WaterTier 1	£400	£400	£0	-
WaterTier 2	£1,000	£2,500	£1,500	150%
WaterTier 3	£1,800	£3,200	£1,400	78%
Waste	£30	£280	£250	833%

6. Overheads

Due to the current economic climate resulting in a slowdown in Developer Activity we are having to increase the percentage uplift for overheads in 2024-25 by 4.8% as these tend to be more of a fixed nature and do not move in line with volume changes. Thames Water has calculated the level of overhead over a 5-year period to avoid price volatility year to year as activity levels may fluctuate. This will keep the overheads included in tariffs flatter year on year and help to smooth price changes.

7. Inflation

Inflation remains high impacting tariffs by c5% depending on whether they are CPIH, RPI or Salary related activities.

Impact on customers

8. The combined impact of the price changes in sections 4,5,6, and 7 above is as follows (assuming environmental incentives for Water tier 1 and Waste are applied):

	2023/24	2024/25	% Increase	Breakdown of increase for 2024-25			
				Connection Fee	App & Design/Other	Infra Charge 25% Option	Environmental Discount
Single Property - Short Connection	6,760	7,590	12%	12%	-0%	4%	-4%
50 House Development - Customer excav/rein	115,900	131,340	13%	9%	2%	13%	-11%
50 House Development - TW	219,900	259,640	18%	16%	1%	7%	-6%
200 House Development - Customer excav/rein	388,570	436,190	12%	9%	1%	15%	-13%
200 House Development - TW	758,500	895,540	18%	16%	0%	8%	-7%
Block of 10 Flats	17,825	19,510	9%	6%	1%	17%	-14%
Large Block of 200 Flats	193,545	208,530	8%	0%	3%	31%	-26%

Additional information

Worked examples

These examples have been prepared in line with OFWAT guidance regarding typical scenarios and includes an additional scenario that we also consider a typical development for our business. All relevant ancillary charges have been included such as traffic management.

Alternative provider scenarios assume all non-contestable activities are carried out by others.

Scenario 1: Single property – Short connection

25/32mm service connections to an existing main, in the road with 4 metres of pipelaying.

				Thames Water Delivered				Alternative Delivery Method	
				2024/25				2024/25	
Item	Contestable (Y/N)	Unit	Quantity	Rate	Charge	Barrier pipe uplift rate	Barrier Pipe Total Charge	Self-Lay Rate	Self-Lay Charge
Pre-construction Charges									
Application Fee	N	per application	1	£100	£100	£100	£100	£100	£100
Administration Fee	Not charged by Thames Water								
Design Fee (Design checking for self lay)	Y	per property	1	£100	£100	£100	£100	£60	£60
Subtotal					£200		£200		£160
Construction Charges									
Connection 25/32mm	Road	Y	per connection	1	£4,180	£4,180	£4,780	£4,780	
Pipe 25/32mm	Road	Y	per metre	3	£670	£2,010	£780	£2,340	
Traffic Management	Included in Connection and Pipelaying fees								
Meters	Meter included in Connection fee								
Subtotal					£6,190		£7,120		£0
Other Charges									
Consent to connect (foul water)	N	per connection	1	£270	£270	£270	£270	£270	£270
Consent to connect (surface water)	N	per connection	1	£270	£270	£270	£270	£270	£270
Subtotal					£540		£540		£540
Infrastructure Charges									
Infrastructure Charge (water)	N	per property	1	£885	£885	£885	£885	£885	£885
Infrastructure Charge (wastewater)	N	per property	1	£455	£455	£455	£455	£455	£455
Subtotal					£1,340		£1,340		£1,340
Income Offset									
Income Offset (water)	N	per property	1	£0	£0	£0	£0	£0	£0
Income Offset (wastewater)	N	per property	1	£0	£0	£0	£0	£0	£0
Subtotal					£0		£0		£0
Total Scheme Cost before Environmental Incentive					£8,270		£9,200		£2,040
					15.0%		13.4%		
Environmental Discount Water Tier 1	N	per property	1	-£400	-£400	-£400	-£400	-£400	-£400
Environmental Discount Waste	N	per property	1	-£280	-£280	-£280	-£280	-£280	-£280
Subtotal					-£680		-£680		-£680
Total Scheme Cost including Environmental Incentive					£7,590		£8,520		£1,360
					12.3%		10.9%		

Note: the external meter and first metre of pipelaying is included in the published connection charge. Charges also include typical traffic management.

Scenario 2: Block of 10 flats – Short connection

50/63mm service connections to an existing main, with 4 metres of pipelaying in the road and 4m in unmade ground.

Item	Contestable (Y/N)	Unit	Quantity	Thames Water Delivered								Alternative Delivery Method			
				2023/24				2024/25				2024/25			
				Rate	Charge	Barrier pipe uplift rate	Barrier Pipe Total Charge	Rate	Charge	Barrier pipe uplift rate	Barrier Pipe Total Charge	Self-Lay Rate	Self-Lay Charge	Nav Rate	Nav Charge
Pre-construction Charges															
Application Fee	N	per application	1	£55	£55	£55	£55	£100	£100	£100	£100	£100	£100	£100	£100
Administration Fee	Not charged by Thames Water														
Design Fee (Design checking for self lay)	Y	per property	10	£55/£35	£370	£55/£35	£370	£100/£60	£640	£100/£60	£640	£60/£40	£420	£60	£60
Subtotal					£425		£425		£740		£740		£520		£160
Construction Charges															
Connection 50/63mmC	Road	Y	per connection	1	£5,630	£5,630	£6,410	£6,410	£6,400	£6,400	£7,050	£7,050			
Pipe 50/63mmC	Road	Y	per metre	3	£650	£1,950	£730	£2,190	£710	£2,130	£800	£2,400			
Pipe 50/63mmC	Unmade	Y	per metre	4	£240	£960	£280	£1,120	£250	£1,000	£290	£1,160			
Traffic Management	Included in Connection and Pipelaying fees														
Internal Meters 20mm in line	N	per meter	10	£210	£2,100	£210	£2,100	£210	£2,100	£210	£2,100	£210	£2,100	£210	£2,100
Subtotal					£10,640		£11,820		£11,630		£12,710		£2,100		
Other Charges															
Consent to connect (foul water)	N	per connection	1	£330	£330	£330	£330	£270	£270	£270	£270	£270	£270	£0	£270
Consent to connect (surface water)	N	per connection	1	£330	£330	£330	£330	£270	£270	£270	£270	£270	£270	£0	£270
Subtotal					£660		£660		£540		£540		£540		£540
Infrastructure Charges															
Infrastructure Charge (water)	N	per property	10	£660	6600	£660	£6,600	£885	£8,850	£885	£8,850	£885	£8,850	£885	£8,850
Infrastructure Charge (wastewater)	N	per property	10	£380	£3,800	£380	£3,800	£455	£4,550	£455	£4,550	£455	£4,550	£455	£4,550
Subtotal					£10,400		£10,400		£13,400		£13,400		£13,400		£13,400
Income Offset															
Income Offset (water)	N	per property	10	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Income Offset (wastewater)	N	per property	10	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Subtotal					£0		£0		£0		£0		£0		£0
Total Scheme Cost before Environmental Incentive					£22,125		£23,305		£26,310		£27,390		£16,560		£14,100
									18.9%		17.5%				
Environmental Discount Water Tier 1	N	per property	10	-£400	-£4,000	-£400	-£4,000	-£400	-£4,000	-£400	-£4,000	-£400	-£4,000	-£400	-£4,000
Environmental Discount Waste	N	per property	10	-£30	-£300	-£30	-£300	-£280	-£2,800	-£280	-£2,800	-£280	-£2,800	-£280	-£2,800
Subtotal					-£4,300		-£4,300		-£6,800		-£6,800		-£6,800		-£6,800
Total Scheme Cost including Environmental Incentive					£17,825		£19,005		£19,510		£20,590		£9,760		£7,300
									9.5%		8.3%				

Note: the external meter and first metre of pipelaying is included in the published connection charge. Charges also include typical traffic management.

Scenario 3: Medium housing development 50 properties – customer excavation & reinstatement

50 service connections off new mains, each with 3 metres of pipelaying in customer excavation. Plus, a total of 300m of New Mains of which 10m of 125mm pipelaying in road, 190m of 125mm pipe and 100m of 90mm pipe laid in customer excavated and reinstated ground.

Item	Contestable (Y/N)	Unit	Quantity	Thames Water Delivered 2024/25				Alternative Delivery Method 2024/25			
				Rate	Charge	Barrier pipe uplift rate	Barrier Pipe Total Charge	Self-Lay Rate	Self-Lay Charge	Nav Rate	Nav Charge
Pre-construction Charges											
Application Fee	N	per application	1	£180	£180	£180	£180	£180	£180	£180	£180
Administration Fee	Not charged by Thames Water										
Design Fee (Design checking for self lay)	Y	Property Band	50+	£3,580	£3,580	£3,580	£3,580	£550	£550	£895	£895
Subtotal					£3,760		£3,760		£730		£1,075
Construction Charges											
Connection 125mm	Road	N (CA*)	per connection	1	£13,440	£13,440	£13,440	£13,440	£13,440	£13,440	£13,440
Pipe 125mm	Road	Y	per metre	10	£770	£7,700	£800	£8,000			
Pipe 125mm	Customer Excavation	Y	per metre	190	£160	£30,400	£180	£34,200			
Pipe 80/90mm	Customer Excavation	Y	per metre	100	£130	£13,000	£160	£16,000			
Traffic Management	Included in Connection and Pipelaying fees										
Subtotal Main					£64,540		£71,640		£13,440		£13,440
Connection 25/32mm	Customer Excavation	Y	per connection	50	£530	£26,500	£690	£34,500			
Pipe 25/32mm	Customer Excavation	Y	per metre	100	£30	£3,000	£40	£4,000			
Traffic Management	Included in Connection and Pipelaying fees										
Meters	Meter included in Connection fee										
Subtotal Service Connections					£29,500		£38,500				
Subtotal Construction					£94,040		£110,140		£13,440		£13,440
Other Charges											
Consent to connect (foul water)	N	per connection	1	£270	£270	£270	£270	£270	£270	£270	£270
Consent to connect (surface water)	N	per connection	1	£270	£270	£270	£270	£270	£270	£270	£270
Subtotal					£540		£540		£540		£540
Infrastructure Charges											
Infrastructure Charge (water)	N	per property	50	£885	£44,250	£885	£44,250	£885	£44,250	£885	£44,250
Infrastructure Charge (wastewater)	N	per property	50	£455	£22,750	£455	£22,750	£455	£22,750	£455	£22,750
Subtotal					£67,000		£67,000		£67,000		£67,000
Income Offset											
Income Offset (water)	N	per property	50	£0	£0	£0	£0	£0	£0	£0	£0
Income Offset (wastewater)	N	per property	50	£0	£0	£0	£0	£0	£0	£0	£0
Subtotal					£0		£0		£0		£0
Total Scheme Cost before Environmental Incentive					£165,340		£181,440		£81,710		£82,055
					20.3%		12.3%				
Environmental Discount Water Tier 1	N	per property	50	-£400	-£20,000	-£400	-£20,000	-£400	-£20,000	-£400	-£20,000
Environmental Discount Waste	N	per property	50	-£280	-£14,000	-£280	-£14,000	-£280	-£14,000	-£280	-£14,000
Subtotal					-£34,000		-£34,000		-£34,000		-£34,000
Total Scheme Cost including Environmental Incentive					£131,340		£147,440		£47,710		£48,055
					13.3%		5.3%				

Note: the external meter and first metre of pipelaying is included in the published connection charge. Charges also include typical traffic management.

* Mains Connection is contestable depending on accreditation. This example assumes no accreditation and Thames Water carries out the connection.

Scenario 4: Medium housing development 50 properties – Thames’s excavation & reinstatement

50 service connections off new mains, each with 3 metres of pipelaying in customer excavation. Plus, a total of 300m of New Mains of which 10m of 125mm pipelaying in road, 50m of 125mm pipe in footpath, 140m of 125mm pipe and 100m of 90mm pipe in unmade ground.

Item	Contestable (Y/N)	Unit	Quantity	Thames Water Delivered 2024/25				Alternative Delivery Method 2024/25			
				Rate	Charge	Barrier pipe uplift rate	Barrier Pipe Total Charge	Self-Lay Rate	Self-Lay Charge	Nav Rate	Nav Charge
Pre-construction Charges											
Application Fee	N	per application	1	£180	£180	£180	£180	£180	£180	£180	
Administration Fee	Not charged by Thames Water										
Design Fee (Design checking for self lay)	Y	Property Band	50+	£3,580	£3,580	£3,580	£3,580	£550	£550	£895	
Subtotal					£3,760		£3,760	£730		£1,075	
Construction Charges											
Connection 125mm	Road	N (CA*)	per connection	1	£13,440	£13,440	£13,440	£13,440	£13,440	£13,440	
Pipe 125mm	Road	Y	per metre	10	£770	£7,700	£800	£8,000			
Pipe 125mm	Footpath	Y	per metre	50	£670	£33,500	£700	£35,000			
Pipe 125mm	Unmade	Y	per metre	140	£330	£46,200	£350	£49,000			
Pipe 80/90mm	Unmade	Y	per metre	100	£300	£30,000	£310	£31,000			
Traffic Management	Included in Connection and Pipelaying fees										
Subtotal Main					£130,840		£136,440	£13,440		£13,440	
Connection 25/32mm	Unmade	Y	per connection	50	£1,370	£68,500	£1,430	£71,500			
Pipe 25/32mm	Unmade	Y	per metre	100	£230	£23,000	£280	£28,000			
Traffic Management	Included in Connection and Pipelaying fees										
Meters	Meter included in Connection fee										
Subtotal Service Connections					£91,500		£99,500				
Subtotal Construction					£222,340		£235,940	£13,440		£13,440	
Other Charges											
Consent to connect (foul water)	N	per connection	1	£270	£270	£270	£270	£270	£270	£270	
Consent to connect (surface water)	N	per connection	1	£270	£270	£270	£270	£270	£270	£270	
Subtotal					£540		£540	£540		£540	
Infrastructure Charges											
Infrastructure Charge (water)	N	per property	50	£885	£44,250	£885	£44,250	£885	£44,250	£44,250	
Infrastructure Charge (wastewater)	N	per property	50	£455	£22,750	£455	£22,750	£455	£22,750	£22,750	
Subtotal					£67,000		£67,000	£67,000		£67,000	
Income Offset											
Income Offset (water)	N	per property	50	£0	£0	£0	£0	£0	£0	£0	
Income Offset (wastewater)	N	per property	50	£0	£0	£0	£0	£0	£0	£0	
Subtotal					£0		£0	£0		£0	
Total Scheme Cost before Environmental Incentive					£293,640		£307,240	£81,710		£82,055	
					21.6%		15.7%				
Environmental Discount Water Tier 1	N	per property	50	-£400	-£20,000	-£400	-£20,000	-£400	-£20,000	-£20,000	
Environmental Discount Waste	N	per property	50	-£280	-£14,000	-£280	-£14,000	-£280	-£14,000	-£14,000	
Subtotal					-£34,000		-£34,000	-£34,000		-£34,000	
Total Scheme Cost including Environmental Incentive					£259,640		£273,240	£47,710		£48,055	
					18.1%		12.0%				

Note: the external meter and first metre of pipelaying is included in the published connection charge. Charges also include typical traffic management.

* Mains Connection is contestable depending on accreditation. This example assumes no accreditation and Thames Water carries out the connection.

Scenario 5: Large housing development 200 properties – customer excavation & reinstatement
 200 service connections off new mains, each with 3 metres of pipelaying in customer excavation. Plus, a total of 1000m of New Mains of which 20m of 180mm pipelaying in road, 100m of 180mm pipe, 480m of 125mm pipe and 400m of 90mm pipe laid in customer excavated and reinstated ground.

Item	Contestable (Y/N)	Unit	Quantity	Thames Water Delivered 2024/25				Alternative Delivery Method 2024/25			
				Rate	Charge	Barrier pipe uplift rate	Barrier Pipe Total Charge	Self-Lay Rate	Self-Lay Charge	Nav Rate	Nav Charge
Pre-construction Charges											
Application Fee	N	per application	1	£180	£180	£180	£180	£180	£180	£180	
Administration Fee	Not charged by Thames Water										
Design Fee (Design checking for self lay)	Y	Property Band	50+	£3,580	£3,580	£3,580	£3,580	£550	£550	£895	
Subtotal					£3,760		£3,760		£730	£1,075	
Construction Charges											
Connection 180mm	Road	N (CA*)	per connection	1	£14,690	£14,690	£14,690	£14,690	£14,690	£14,690	
Pipe 180mm	Road	Y	per metre	20	£920	£18,400	£960	£19,200			
Pipe 180mm	Customer Excavation	Y	per metre	100	£200	£20,000	£230	£23,000			
Pipe 125mm	Customer Excavation	Y	per metre	480	£160	£76,800	£180	£86,400			
Pipe 80/90mm	Customer Excavation	Y	per metre	400	£130	£52,000	£160	£64,000			
Traffic Management	Included in Connection and Pipelaying fees										
Subtotal Main						£181,890		£207,290		£14,690	
Connection 25/32mm	Customer Excavation	Y	per connection	200	£530	£106,000	£690	£138,000			
Pipe 25/32mm	Customer Excavation	Y	per metre	400	£30	£12,000	£40	£16,000			
Traffic Management	Included in Connection and Pipelaying fees										
Meters	Meter included in Connection fee										
Subtotal Service Connections						£118,000		£154,000			
Subtotal Construction						£299,890		£361,290	£14,690	£14,690	
Other Charges											
Consent to connect (foul water)	N	per connection	1	£270	£270	£270	£270	£270	£270	£270	
Consent to connect (surface water)	N	per connection	1	£270	£270	£270	£270	£270	£270	£270	
Subtotal						£540		£540	£540	£540	
Infrastructure Charges											
Infrastructure Charge (water)	N	per property	200	£885	£177,000	£885	£177,000	£885	£177,000	£177,000	
Infrastructure Charge (wastewater)	N	per property	200	£455	£91,000	£455	£91,000	£455	£91,000	£91,000	
Subtotal						£268,000		£268,000	£268,000	£268,000	
Income Offset											
Income Offset (water)	N	per property	200	£0	£0	£0	£0	£0	£0	£0	
Income Offset (wastewater)	N	per property	200	£0	£0	£0	£0	£0	£0	£0	
Subtotal						£0		£0	£0	£0	
Total Scheme Cost before Environmental Incentive						£572,190		£633,590	£283,960	£284,305	
						20.6%		11.6%			
Environmental Discount Water Tier 1	N	per property	200	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000	-£80,000	
Environmental Discount Waste	N	per property	200	-£280	-£56,000	-£280	-£56,000	-£280	-£56,000	-£56,000	
Subtotal						-£136,000		-£136,000	-£136,000	-£136,000	
Total Scheme Cost including Environmental Incentive						£436,190		£497,590	£147,960	£148,305	
						12.3%		3.3%			

C = Contestable, CA = Contestable depending on accreditation, NC = Non-Contestable

Note: the external meter and first metre of pipelaying is included in the published connection charge. Charges also include typical traffic management.

** Mains Connection is contestable depending on accreditation. This example assumes no accreditation and Thames Water carries out the connection.*

Scenario 6: Large housing development 200 properties – Thames’s excavation & reinstatement

200 service connections off new mains, each with 3 metres of pipelaying in customer excavation. Plus, a total of 1000m of New Mains of which 20m of 180mm pipelaying in road, 100m of 180mm pipe in footpath, 480m of 125mm pipe and 400m of 90mm pipe laid in unmade ground.

Item	Contestable (Y/N)	Unit	Quantity	Thames Water Delivered 2024/25				Alternative Delivery Method 2024/25			
				Rate	Charge	Barrier pipe uplift rate	Barrier Pipe Total Charge	Self-Lay Rate	Self-Lay Charge	Nav Rate	Nav Charge
Pre-construction Charges											
Application Fee	N	per application	1	£180	£180	£180	£180	£180	£180	£180	£180
Administration	Not charged by Thames Water										
Design Fee (Design checking for self lay)	Y	Property Band	50+	£3,580	£3,580	£3,580	£3,580	£550	£550	£895	£895
Subtotal					£3,760		£3,760		£730		£1,075
Construction Charges											
Connection 180mm	Road	N (CA*)	per connection	1	£13,440	£13,440	£13,440	£13,440	£13,440	£13,440	£13,440
Pipe 180mm	Road	Y	per metre	20	£920	£18,400	£960	£19,200			
Pipe 180mm	Footpat	Y	per metre	100	£830	£83,000	£860	£86,000			
Pipe 125mm	Unmade	Y	per metre	480	£330	£158,400	£350	£168,000			
Pipe 80/90mm	Unmade	Y	per metre	400	£300	£120,000	£310	£124,000			
Traffic Management	Included in Connection and Pipelaying fees										
Subtotal Main						£393,240		£410,640		£13,440	£13,440
Connection 25/32mm	Unmade	Y	per connection	200	£1,370	£274,000	£1,430	£286,000			
Pipe 25/32mm	Unmade	Y	per metre	400	£230	£92,000	£280	£112,000			
Traffic Management	Included in Connection and Pipelaying fees										
Meters	Meter included in Connection fee										
Subtotal Service Connections						£366,000		£398,000			
Subtotal Construction						£759,240		£808,640		£13,440	£13,440
Other Charges											
Consent to connect (foul water)	N	per connection	1	£270	£270	£270	£270	£270	£270	£270	£270
Consent to connect (surface water)	N	per connection	1	£270	£270	£270	£270	£270	£270	£270	£270
Subtotal						£540		£540		£540	£540
Infrastructure Charges											
Infrastructure Charge (water)	N	per property	200	£885	£177,000	£885	£177,000	£885	£177,000	£885	£177,000
Infrastructure Charge (wastewater)	N	per property	200	£455	£91,000	£455	£91,000	£455	£91,000	£455	£91,000
Subtotal						£268,000		£268,000		£268,000	£268,000
Income Offset											
Income Offset (water)	N	per property	200	£0	£0	£0	£0	£0	£0	£0	£0
Income Offset (wastewater)	N	per property	200	£0	£0	£0	£0	£0	£0	£0	£0
Subtotal						£0		£0		£0	£0
Total Scheme Cost before Environmental Incentive						£1,031,540		£1,080,940		£282,710	£283,055
						22.1%		17.7%			
Environmental Discount Water Tier 1	N	per property	200	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000
Environmental Discount Waste	N	per property	200	-£280	-£56,000	-£280	-£56,000	-£280	-£56,000	-£280	-£56,000
Subtotal						-£136,000		-£136,000		-£136,000	-£136,000
Total Scheme Cost including Environmental Incentive						£895,540		£944,940		£146,710	£147,055
						18.1%		13.6%			

Note: the external meter and first metre of pipelaying is included in the published connection charge. Charges also include typical traffic management.

* Mains Connection is contestable depending on accreditation. This example assumes no accreditation and Thames Water carries out the connection.

Scenario 7: Large block of 200 flats

180mm Connection to an existing main in the road. 8 metre of pipework in the road, and 3 metres in the footpath.

Item	Contestable (Y/N)	Unit	Quantity	Thames Water Delivered								
				2023/24				2024/25				
				Rate	Charge	Barrier pipe uplift rate	Barrier Pipe Total Charge	Rate	Charge	Barrier pipe uplift rate	Barrier Pipe Total Charge	
Pre-construction Charges												
Application Fee ^{NC}	N	per application	1	£55	£55	£55	£55	£100	£100	£100	£100	
Administration Fee	Not charged by Thames Water											
Design Fee (Design checking for self lay)	Y	per property	200	£55/£35	£7,020	£55/£35	£7,020	£100/£60	£12,040	£100/£60	£12,040	
Subtotal					£7,075		£7,075		£12,140		£12,140	
Construction Charges												
Connection 180mm	Road	N (CA*)	per connection	1	£15,740	£15,740	£16,660	£16,660	£15,380	£15,380	£15,920	£15,920
Pipe 180mm	Road	N (CA*)	per metre	7	£970	£2,910	£970	£6,790	£1,050	£3,150	£1,050	£7,350
Pipe 180mm	Footpath	N (CA*)	per metre	3	£790	£3,160	£830	£2,490	£830	£3,320	£890	£2,670
Traffic Management	Included in Connection and Pipelaying fees											
Internal Meters 20mm in line	N	per meter	200	£210	£42,000	£210	£42,000	£210	£42,000	£210	£42,000	
Subtotal					£63,810		£67,940		£63,850		£67,940	
Other Charges												
Consent to connect (foul water)	N	per connection	1	£330	£330	£330	£330	£270	£270	£270	£270	
Consent to connect (surface water)	N	per connection	1	£330	£330	£330	£330	£270	£270	£270	£270	
Subtotal					£660		£660		£540		£540	
Infrastructure Charges												
Infrastructure Charge (water)	N	per property	200	£660	132,000	£660	£132,000	£885	£177,000	£885	£177,000	
Infrastructure Charge (wastewater)	N	per property	200	£380	£76,000	£380	£76,000	£455	£91,000	£455	£91,000	
Subtotal					£208,000		£208,000		£268,000		£268,000	
Income Offset												
Income Offset (water)	N	per property	200	£0	0	£0	£0	£0	£0	£0	£0	
Income Offset (wastewater)	N	per property	200	£0	0	£0	£0	£0	£0	£0	£0	
Subtotal					£0		£0		£0		£0	
Total Scheme Cost before Environmental Incentive					£279,545		£283,675		£344,530		£348,620	
								23.2%			22.9%	
Environmental Discount Water Tier 1	N	per property	200	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000	
Environmental Discount Waste	N	per property	200	-£30	-£6,000	-£30	-£6,000	-£280	-£56,000	-£280	-£56,000	
Subtotal					-£86,000		-£86,000		-£136,000		-£136,000	
Total Scheme Cost including Environmental Incentive					£193,545		£197,675		£208,530		£212,620	
								7.7%			7.6%	

Note: the external meter and first metre of pipelaying is included in the published connection charge. Charges also include typical traffic management.

* All of the activity in this scenario is contestable depending on accreditation. This example assumes no accreditation and Thames Water carries out all the activity, so there are no alternate provider scenarios.

Declaration

- 1. We confirm on behalf of the Board, that the Company has followed robust and rigorous procedures in developing and approving the 2024-25 Charging Arrangements for new connections.
- 2. We have assessed and approved the impacts on customers' bills and the handling strategies that have been adopted.
- 3. This document is signed by Alastair Cochran (Chief Financial Officer), Cathryn Ross (Strategy & External Affairs Director) and Nick Land (Senior Independent Non-Executive Director) on behalf of the Board.

Dated: 24 January 2024

Dated: 25 January 2024

Signed: 

Alastair Cochran, Chief Financial Officer

Signed: 

Cathryn Ross, Strategy & External Affairs Director

Dated: 24 January 2024

Signed: 

Nick Land, Senior Independent Non-Executive Director

For and on behalf of Thames Water Utilities Limited

