



Statement of Significant Change: 2025-26 Charging Arrangements for New Connection Services

Thames Water Utilities Limited (TWUL)
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Thames Water Utilities Limited

Statement of Significant Change: 2025-26 Charging Arrangements for New Connection Services

Introduction

1. The Statement of Significant Change for the 2025-26 Charging Arrangements for New Connections sets out any significant changes in charging policy for the Financial Year 2025-26 and whether the bill for typical developments is expected to increase by more than 10% from the previous year.
2. This statement is made in accordance with Ofwat Information notice (IN 24/08 October 2024) and New Connections Charging Rules A2 and confirms:
 - a. what size increase is expected; and
 - b. what types of typical developments are likely to be affected; and
 - c. the handling strategies adopted by the water company or why the water company considered that no handling strategies are required.
 - d. That Thames Water's Board of Directors has assessed the effects of the new charges on customers' bills for a range of different types of development and approves the impact assessments and handling strategies developed in instances where bill increases for particular types of new developments exceed 10%.

Significant changes to our new connections charging policy for 2025-26

3. The following changes have been made to our charging policies for 2025-26.

We have amended our charging arrangements for the new regulatory requirements in the charging rules.

- a. to include the new Environmental Component alongside our Infrastructure charges in line with charging rule 50, and
- b. to include the required policies and the water fittings eligibility table, in line with the new Environmental Incentives Common Framework. From April 2025 environmental incentives will be paid in arrears following the developer's submission of compliance evidence or an audit of their site.
- c. checked that our charges are within the new maximum allowed tether ratios as required by rule 19.

We have also introduced a fee to developers for pre-planning enquiries.

Information about significant changes on typical developments and handling strategies

4. Infrastructure charges and Environmental Component

The below tables reflect the significant changes to the infrastructure charges for 2025-26 and the impact introducing the Environmental Component. The increase in infrastructure charges is

calculated in line with the Final Determination from Ofwat for the Infrastructure charge revenue and the number of expected properties, for the 5-year period 2025-26 to 2029-30. The Environmental Component has also been set in line with the Final Determination. We note that the Final Determination has allowed a higher figure for Network Reinforcement expenditure, than the allowed revenue, which we will follow up separately with Ofwat, the outcome of which could lead to a further increase in charges next year.

We consulted with our developer customers on the infrastructure charge increase in 2024-25 and implemented a handling strategy to pass on 25% of the planned increase for 2024-25 charges, in response to the feedback received. We notified customers that the remaining increase would be passed on in 2025-26 when the outcome of the PR24 submission was known.

We also notified customers that the Environmental Component would be introduced in our consultation in 2025-26.

	2024/25	2025/26	Net change	% Change
Water Infrastructure Charge	£885	£1,475	£590	67%
Waste Infrastructure Charge	£455	£485	£30	7%
Combined Infrastructure Charge	£1,340	£1,960	£620	46%
Water Environmental Component	£0	£255	£255	New
Waste Environmental Component	£0	£40	£40	New
Combined Environmental Component	£0	£295	£295	New
Overall Infrastructure Charge inc Component	£1,340	£2,255	£915	68%

5. Volume

The economic climate and increase in development sites being awarded to NAVs continues to impact the volume of connections (4983 forecast connection volume for 2025-26 down from 5929 in our tariff model for 2024-25) and lengths of mains laid by Thames Water. This has resulting in higher prices of c8% as some of our overheads are fixed and do not move in line with volume changes.

6. Inflation

Inflation is included in all of our tariffs of between 2.5% to 3.5% depending on whether they are CPIH, RPI or Salary related activities. Salary inflation also includes the uplift for the change in NI contributions.

7. Traffic Management

Our connections fees include typical traffic management for the activity, and we are seeing a higher proportion of connections made to existing mains, and less in greenfield sites. This has resulted in a c2% increase in our tariffs.

8. Other cost drivers

Other contractual costs have increased by more than inflation, such as reinstatement. Materials costs have decreased slightly. Each customer scenario is impacted in different proportions depending on the quantities included in the activity and surface type.

Impact on customers

9. The combined impact of the price changes in sections 4,5,6,7 and 8 above exceeds 10% for all customers as follows

	2024/25	2025/26	% Increase	Connection Fee	App & Design/Other	Infra Charge PR24	Environmental Component
Single Property - Short Connection	7,590	9,815	29%	14%	3%	8%	4%
Single Property Conversion using 4 Port	12,560	16,645	33%	9%	2%	15%	7%
50 House Development - Customer excav/rein	131,340	194,515	48%	13%	0%	24%	11%
50 House Development - TW	259,640	338,115	30%	12%	0%	12%	6%
200 House Development - Customer excav/rein	436,190	695,515	59%	17%	0%	28%	14%
200 House Development - TW	896,790	1,223,715	36%	16%	0%	14%	7%
Block of 10 Flats	19,510	29,550	51%	3%	1%	32%	15%
Large Block of 200 Flats	211,900	399,390	88%	2%	0%	59%	28%

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. We have amended the worked examples to meet the requirements for unbundling our charges for Meters, Meter installation and traffic management. Traffic management is charged based on a typical value for the activity, not on a specific job basis.

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

Note: our pipelay charges are only applied after the 1st metre.

Scenario 1: Single connection to a house from an existing main

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

				Thames Water Delivered							
				2024/25				2025/26			
Item	Contestable (Y/N)	Unit	Quantity	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	N	per application	1	£100	£100	£100	£100	£105	£105	£105	£105
Administration Fee	Not charged by Thames Water										
Design Fee (Design checking for self lay)	Y	per connection	1	£100	£100	£100	£100	£105	£105	£105	£105
Subtotal					£200		£200		£210		£210
Construction Charges											
Connection 25/32mm	Road	Y	per connection	1	£4,180	£4,180	£4,780	£4,780	£3,540	£3,540	£3,960
Pipe 25/32mm	Road	Y	per metre	3	£670	£2,010	£780	£2,340	£480	£1,440	£540
Traffic Management	Traffic Management, Meter & Installation costs are included in your Connection/Pipelaying fee on your quote but shown separately here								£2,150		£2,580
Meter Installation	Road	Y	per connection	1					£40	£40	£40
Meters (Smart)	Road	N	per connection	1					£120	£120	£120
Subtotal					£6,190		£7,120		£7,290		£8,320
Other Charges											
Consent to connect (foul water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Consent to connect (surface water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Subtotal					£540		£540		£740		£740
Infrastructure Charges											
Infrastructure Charge (water)	N	per connection	1	£885	£885	£885	£885	£1,475	£1,475	£1,475	£1,475
Infrastructure Charge (wastewater)	N	per connection	1	£455	£455	£455	£455	£485	£485	£485	£485
Subtotal					£1,340		£1,340		£1,960		£1,960
Environmental Component Water	N	per connection	1					£255	£255	£255	£255
Environmental Component Waste	N	per connection	1					£40	£40	£40	£40
Environmental Discount Water Tier 1	N	per connection	1	-£400	-£400	-£400	-£400	-£400	-£400	-£400	-£400
Environmental Discount Waste	N	per connection	1	-£280	-£280	-£280	-£280	-£280	-£280	-£280	-£280
Subtotal					-£680		-£680		-£385		-£385
Total Scheme Cost including Environmental Incentive					£7,590		£8,520		£9,815		£10,845
										29.3%	27.3%

% change 2025-26 compared to 2024-25

Scenario 1A: Single connection from an existing main to four premises using a 4-port manifold

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

				Thames Water Delivered							
				2024/25				2025/26			
Item	Contestable (Y/N)	Unit	Quantity	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	N	per application	1	£100	£100	£100	£100	£105	£105	£105	£105
Administration Fee	Not charged by Thames Water										
Design Fee (Design checking for self lay)	Y	per connection	1	£100/£60	£280	£100/£60	£280	£105/£60	£285	£105/£60	£285
Subtotal					£380		£380		£390		£390
Construction Charges											
Connection 4 Port	Road	Y	per connection	1	£6,530	£6,530	£7,140	£7,140	£5,020	£5,020	£5,520
Pipe 50/63mm	Road	Y	per metre	3	£710	£2,130	£800	£2,400	£480	£1,440	£590
Pipe 50/63mm	Unmade	Y	per metre	4	£250	£1,000	£290	£1,160	£190	£760	£220
Traffic Management	Traffic Management, Meter & Installation costs are included in your Connection/Pipelaying fee on your quote but shown separately here								£3,050		£3,340
Meter Installation 4 Port	Road	Y	per connection	1				£40	£40	£40	£40
Meters (Smart)	Road	N	per connection	4				£120	£480	£120	£480
Subtotal					£9,660		£10,700		£10,790		£12,030
Other Charges											
Consent to connect (foul water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Consent to connect (surface water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Subtotal					£540		£540		£740		£740
Infrastructure Charges											
Infrastructure Charge (water)	N	per connection less 1 credit	3	£885	£2,655	£885	£7,965	£1,475	£4,425	£1,475	£4,425
Infrastructure Charge (wastewater)	N	per connection less 1 credit	3	£455	£1,365	£455	£4,095	£485	£1,455	£485	£1,455
Subtotal					£4,020		£12,060		£5,880		£5,880
Environmental Component Water	N	per connection less 1 credit	3					£255	£765	£255	£765
Environmental Component Waste	N	per connection less 1 credit	3					£40	£120	£40	£120
Environmental Discount Water Tier 1	N	per connection less 1 credit	3	-£400	-£1,200	-£400	-£1,200	-£400	-£1,200	-£400	-£1,200
Environmental Discount Waste	N	per connection less 1 credit	3	-£280	-£840	-£280	-£840	-£280	-£840	-£280	-£840
Subtotal					-£2,040		-£2,040		-£1,155		-£1,155
Total Scheme Cost including Environmental Incentive					£12,560		£21,640		£16,645		£17,885
									32.5%		-17.4%

% change 2025-26 compared to 2024-25

Scenario 2: Single connection to block of 10 flats from an existing main

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

				Thames Water Delivered							
				2024/25				2025/26			
Item	Contestable (Y/N)	Unit	Quantity	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	N	per application	1	£100	£100	£100	£100	£105	£105	£105	£105
Administration Fee	Not charged by Thames Water										
Design Fee (Design checking for self lay)	Y	per connection	10	£100/£60	£640	£100/£60	£640	£105/£60	£645	£105/£60	£645
Subtotal					£740		£740		£750		£750
Construction Charges											
Connection 50/63mmC	Road	Y	per connection	1	£6,400	£6,400	£7,050	£7,050	£4,820	£4,820	£5,230
Pipe 50/63mmC	Road	Y	per metre	3	£710	£2,130	£800	£2,400	£480	£1,440	£590
Pipe 50/63mmC	Unmade	Y	per metre	4	£250	£1,000	£290	£1,160	£190	£760	£220
Traffic Management	Included in Connection and Pipelaying fees in your quote but shown separately here								£3,130		£3,380
Meter Installation	Road	Y	per connection	1					£50	£50	£50
Meters (Smart) External	Road	N	per connection	1					£360	£360	£360
Internal Meters 20mm in line (Smart)		N	per meter	10	£210	£2,100	£210	£2,100	£175	£1,750	£175
Subtotal					£11,630		£12,710		£12,310		£13,420
Other Charges											
Consent to connect (foul water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Consent to connect (surface water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Subtotal					£540		£540		£740		£740
Infrastructure Charges											
Infrastructure Charge (water)	N	per connection	10	£885	8850	£885	£8,850	£1,475	£14,750	£1,475	£14,750
Infrastructure Charge (wastewater)	N	per connection	10	£455	£4,550	£455	£4,550	£485	£4,850	£485	£4,850
Subtotal					£13,400		£13,400		£19,600		£19,600
Environmental Component Water	N	per connection	10					£255	£2,550	£255	£2,550
Environmental Component Waste	N	per connection	10					£40	£400	£40	£400
Environmental Discount Water Tier 1	N	per connection	10	-£400	-£4,000	-£400	-£4,000	-£400	-£4,000	-£400	-£4,000
Environmental Discount Waste	N	per connection	10	-£280	-£2,800	-£280	-£2,800	-£280	-£2,800	-£280	-£2,800
Subtotal					-£6,800		-£6,800		-£3,850		-£3,850
Total Scheme Cost including Environmental Incentive					£19,510		£20,590		£29,550		£30,660
									51.5%		48.9%

% change 2025-26 compared to 2024-25

Scenario 3: Medium housing development requiring new mains and communication pipes (customer excavation and 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.

				Thames Water Delivered									
				2024/25				2025/26					
Item	Contestable (Y/N)	Unit	Quantity	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		N	per application	1	£180	£180	£180	£180	£200	£200	£200		
Administration Fee		Not charged by Thames Water											
Design Fee (Design checking for self lay)		Y	connection Band	50+	£3,580	£3,580	£3,580	£3,580	£4,015	£4,015	£4,015		
Subtotal					£3,760		£3,760		£4,215		£4,215		
Construction Charges													
Connection 180mm	Road	N (CA*)	per connection	1	£13,440	£13,440	£13,440	£13,440	£9,180	£9,180	£9,180		
Pipe 125mm	Road	Y	per metre	10	£770	£7,700	£800	£8,000	£800	£8,000	£840		
Pipe 125mm	Customer Excavation	Y	per metre	190	£160	£30,400	£180	£34,200	£170	£32,300	£190		
Pipe 80/90mm	Customer Excavation	Y	per metre	100	£130	£13,000	£160	£16,000	£130	£13,000	£160		
Traffic Management	Included in Connection and Pipelaying fees in your quote but shown separately here								£1,330		£1,330		
Subtotal Main					£64,540		£71,640		£63,810		£71,010		
Connection 25/32mm	Customer Excavation	Y	per connection	50	£530	£26,500	£690	£34,500	£720	£36,000	£1,280		
Pipe 25/32mm	Customer Excavation	Y	per metre	100	£30	£3,000	£40	£4,000	£30	£3,000	£40		
Traffic Management	Traffic Management, Meter & Installation costs are included in your Connection/Pipelaying fee on your quote but shown separately here								£0		£0		
Meter Installation	Road	Y	per connection	50					£40	£2,000	£40		
Meters (Smart)	Road	N	per connection	50					£120	£6,000	£120		
Subtotal Service Connections					£29,500		£38,500		£47,000		£76,000		
Subtotal Construction					£94,040		£110,140		£110,810		£147,010		
Other Charges													
Consent to connect (foul water)		N	per application	1	£270	£270	£270	£270	£370	£370	£370		
Consent to connect (surface water)		N	per application	1	£270	£270	£270	£270	£370	£370	£370		
Subtotal					£540		£540		£740		£740		
Infrastructure Charges													
Infrastructure Charge (water)		N	per connection	50	£885	£44,250	£885	£44,250	£1,475	£73,750	£1,475		
Infrastructure Charge (wastewater)		N	per connection	50	£455	£22,750	£455	£22,750	£485	£24,250	£485		
Subtotal					£67,000		£67,000		£98,000		£98,000		
Environmental Component Water		N	per connection	50					£255	£12,750	£255		
Environmental Component Waste		N	per connection	50					£40	£2,000	£40		
Environmental Discount Water Tier 1		N	per connection	50	-£400	-£20,000	-£400	-£20,000	-£400	-£20,000	-£400		
Environmental Discount Waste		N	per connection	50	-£280	-£14,000	-£280	-£14,000	-£280	-£14,000	-£280		
Subtotal					-£34,000		-£34,000		-£19,250		-£19,250		
Total Scheme Cost including Environmental Incentive					£131,340		£147,440		£194,515		£230,715		
										48.1%		56.5%	

% change 2025-26 compared to 2024-25

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

Scenario 4: Medium housing development requiring new mains and communication pipes (excavation and reinstatement by Thames)

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.

				Thames Water Delivered							
				2024/25				2025/26			
Item	Contestable (Y/N)	Unit	Quantity	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	N	per application	1	£180	£180	£180	£180	£200	£200	£200	£200
Administration Fee	Not charged by Thames Water										
Design Fee (Design checking for self lay)	Y	connection Band	50+	£3,580	£3,580	£3,580	£3,580	£4,015	£4,015	£4,015	£4,015
Subtotal					£3,760		£3,760		£4,215		£4,215
Construction Charges											
Connection 180mm	Road	N (CA*)	per connection	1	£13,440	£13,440	£13,440	£9,180	£9,180	£9,180	£9,180
Pipe 125mm	Road	Y	per metre	10	£770	£7,700	£800	£8,000	£800	£8,000	£840
Pipe 125mm	Footpath	Y	per metre	50	£670	£33,500	£700	£35,000	£610	£30,500	£630
Pipe 125mm	Unmade	Y	per metre	140	£330	£46,200	£350	£49,000	£300	£42,000	£320
Pipe 80/90mm	Unmade	Y	per metre	100	£300	£30,000	£310	£31,000	£270	£27,000	£280
Traffic Management	Included in Connection and Pipelaying fees in your quote but shown separately here								£5,230		£5,230
Subtotal Main					£130,840		£136,440		£121,910		£127,110
Connection 25/32mm	Unmade	Y	per connection	50	£1,370	£68,500	£1,430	£71,500	£1,580	£79,000	£1,820
Pipe 25/32mm	Unmade	Y	per metre	100	£230	£23,000	£280	£28,000	£170	£17,000	£200
Traffic Management	Traffic Management, Meter & Installation costs are included in your Connection/Pipelaying fee on your quote but shown separately here								£28,500		£32,500
Meter Installation	Road	Y	per connection	50				£40	£2,000	£40	£2,000
Meters (Smart)	Road	N	per connection	50				£120	£6,000	£120	£6,000
Subtotal Service Connections					£91,500		£99,500		£132,500		£151,500
Subtotal Construction					£222,340		£235,940		£254,410		£278,610
Other Charges											
Consent to connect (foul water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Consent to connect (surface water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Subtotal					£540		£540		£740		£740
Infrastructure Charges											
Infrastructure Charge (water)	N	per connection	50	£885	£44,250	£885	£44,250	£1,475	£73,750	£1,475	£73,750
Infrastructure Charge (wastewater)	N	per connection	50	£455	£22,750	£455	£22,750	£485	£24,250	£485	£24,250
Subtotal					£67,000		£67,000		£98,000		£98,000
Environmental Component Water	N	per connection	50					£255	£12,750	£255	£12,750
Environmental Component Waste	N	per connection	50					£40	£2,000	£40	£2,000
Environmental Discount Water Tier 1	N	per connection	50	-£400	-£20,000	-£400	-£20,000	-£400	-£20,000	-£400	-£20,000
Environmental Discount Waste	N	per connection	50	-£280	-£14,000	-£280	-£14,000	-£280	-£14,000	-£280	-£14,000
Subtotal					-£34,000		-£34,000		-£19,250		-£19,250
Total Scheme Cost including Environmental Incentive					£259,640		£273,240		£338,115		£362,315
									30.2%		32.6%

% change 2025-26 compared to 2024-25

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

Scenario 5: Large housing development requiring new mains and communication pipes (customer excavation and 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.

				Thames Water Delivered							
				2024/25				2025/26			
Item	Contestable (Y/N)	Unit	Quantity	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	N	per application	1	£180	£180	£180	£180	£200	£200	£200	£200
Administration Fee	Not charged by Thames Water										
Design Fee (Design checking for self lay)	Y	connection Band	50+	£3,580	£3,580	£3,580	£3,580	£4,015	£4,015	£4,015	£4,015
Subtotal					£3,760		£3,760		£4,215		£4,215
Construction Charges											
Connection 250mm	Road	N (CA*)	per connection	1	£14,690	£14,690	£14,690	£14,690	£11,050	£11,050	£11,050
Pipe 180mm	Road	Y	per metre	20	£920	£18,400	£960	£19,200	£980	£19,600	£1,010
Pipe 180mm	Customer Excavation	Y	per metre	100	£200	£20,000	£230	£23,000	£210	£21,000	£240
Pipe 125mm	Customer Excavation	Y	per metre	480	£160	£76,800	£180	£86,400	£170	£81,600	£190
Pipe 80/90mm	Customer Excavation	Y	per metre	400	£130	£52,000	£160	£64,000	£130	£52,000	£160
Traffic Management	Included in Connection and Pipelaying fees in your quote but shown separately here								£2,310		£2,510
Subtotal Main					£181,890		£207,290		£187,560		£212,960
Connection 25/32mm	Customer Excavation	Y	per connection	200	£530	£106,000	£690	£138,000	£720	£144,000	£1,280
Pipe 25/32mm	Customer Excavation	Y	per metre	400	£30	£12,000	£40	£16,000	£30	£12,000	£40
Traffic Management	Traffic Management, Meter & Installation costs are included in your Connection/Pipelaying fee on your quote but shown separately here								£0		£0
Meter Installation	Road	Y	per connection	200				£40	£8,000	£40	£8,000
Meters (Smart)	Road	N	per connection	200				£120	£24,000	£120	£24,000
Subtotal Service Connections					£118,000		£154,000		£188,000		£304,000
Subtotal Construction					£299,890		£361,290		£375,560		£516,960
Other Charges											
Consent to connect (foul water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Consent to connect (surface water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Subtotal					£540		£540		£740		£740
Infrastructure Charges											
Infrastructure Charge (water)	N	per connection	200	£885	£177,000	£885	£177,000	£1,475	£295,000	£1,475	£295,000
Infrastructure Charge (wastewater)	N	per connection	200	£455	£91,000	£455	£91,000	£485	£97,000	£485	£97,000
Subtotal					£268,000		£268,000		£392,000		£392,000
Environmental Component Water	N	per connection	200					£255	£51,000	£255	£51,000
Environmental Component Waste	N	per connection	200					£40	£8,000	£40	£8,000
Environmental Discount Water Tier 1	N	per connection	200	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000
Environmental Discount Waste	N	per connection	200	-£280	-£56,000	-£280	-£56,000	-£280	-£56,000	-£280	-£56,000
Subtotal					-£136,000		-£136,000		-£77,000		-£77,000
Total Scheme Cost including Environmental Incentive					£436,190		£497,590		£695,515		£836,915
										59.5%	68.2%

% change 2025-26 compared to 2024-25

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

Scenario 6: Large housing development requiring new mains and communication pipes (excavation and reinstatement completed by Thames)

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.

				Thames Water Delivered								
				2024/25				2025/26				
Item	Contestable (Y/N)	Unit	Quantity	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	N	per application	1	£180	£180	£180	£180	£200	£200	£200	£200	
Administration Fee	Not charged by Thames Water											
Design Fee (Design checking for self lay)	Y	connection Band	50+	£3,580	£3,580	£3,580	£3,580	£4,015	£4,015	£4,015	£4,015	
Subtotal					£3,760		£3,760		£4,215		£4,215	
Construction Charges												
Connection 250mm	Road	N (CA*)	per connection	1	£14,690	£14,690	£14,690	£14,690	£11,050	£11,050	£11,050	£11,050
Pipe 180mm	Road	Y	per metre	20	£920	£18,400	£960	£19,200	£980	£19,600	£1,010	£20,200
Pipe 180mm	Footpath	Y	per metre	100	£830	£83,000	£860	£86,000	£760	£76,000	£790	£79,000
Pipe 125mm	Unmade	Y	per metre	480	£330	£158,400	£350	£168,000	£300	£144,000	£320	£153,600
Pipe 80/90mm	Unmade	Y	per metre	400	£300	£120,000	£310	£124,000	£270	£108,000	£280	£112,000
Traffic Management	Included in Connection and Pipelaying fees								£15,110		£15,310	
Subtotal Main						£394,490		£411,890		£373,760		£391,160
Connection 25/32mm	Unmade	Y	per connection	200	£1,370	£274,000	£1,430	£286,000	£1,580	£316,000	£1,820	£364,000
Pipe 25/32mm	Unmade	Y	per metre	400	£230	£92,000	£280	£112,000	£170	£68,000	£200	£80,000
Traffic Management	Traffic Management, Meter & Installation costs are included in your Connection/Pipelaying fee on your quote but shown separately here								£114,000		£130,000	
Meter Installation	Road	Y	per connection	200					£40	£8,000	£40	£8,000
Meters (Smart)	Road	N	per connection	200					£120	£24,000	£120	£24,000
Subtotal Service Connections						£366,000		£398,000		£530,000		£606,000
Subtotal Construction						£760,490		£809,890		£903,760		£997,160
Other Charges												
Consent to connect (foul water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370	
Consent to connect (surface water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370	
Subtotal						£540		£540		£740		£740
Infrastructure Charges												
Infrastructure Charge (water)	N	per connection	200	£885	£177,000	£885	£177,000	£1,475	£295,000	£1,475	£295,000	
Infrastructure Charge (wastewater)	N	per connection	200	£455	£91,000	£455	£91,000	£485	£97,000	£485	£97,000	
Subtotal						£268,000		£268,000		£392,000		£392,000
Environmental Component Water	N	per connection	200					£255	£51,000	£255	£51,000	
Environmental Component Waste	N	per connection	200					£40	£8,000	£40	£8,000	
Environmental Discount Water Tier 1	N	per connection	200	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000	
Environmental Discount Waste	N	per connection	200	-£280	-£56,000	-£280	-£56,000	-£280	-£56,000	-£280	-£56,000	
Subtotal						-£136,000		-£136,000		-£77,000		-£77,000
Total Scheme Cost including Environmental Incentive						£896,790		£946,190		£1,223,715		£1,317,115
									36.5%		39.2%	

% change 2025-26 compared to 2024-25

* 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.

				Thames Water Delivered							
				2024/25				2025/26			
Item	Contestable (Y/N)	Unit	Quantity	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	£100	£100	£100	£100	£105	£105	£105	£105
Administration Fee	Not charged by Thames Water										
Design Fee (Design checking for self lay)	Y	per connection	200	£100/£60	£12,040	£100/£60	£12,040	£105/£60	£12,045	£105/£60	£12,045
Subtotal					£12,140		£12,140		£12,150		£12,150
Construction Charges											
Connection 180mm	Road	N (CA*)	per connection	1	£15,380	£15,380	£15,920	£15,920	£12,505	£12,505	£13,005
Pipe 180mm	Road	N (CA*)	per metre	7	£1,050	£7,350	£1,050	£7,350	£750	£5,250	£750
Pipe 180mm	Footpath	N (CA*)	per metre	3	£830	£2,490	£890	£2,670	£590	£1,770	£620
Traffic Management	Included in Connection and Pipelaying fees in your quote but shown separately here								£9,220		£9,200
Meter Installation	Road	Y	per connection	1					£70	£70	£90
Meters (Smart) External	Road	N	per connection	1					£685	£685	£685
Internal Meters 20mm in line	N		per meter	200	£210	£42,000	£210	£42,000	£210	£42,000	£210
Subtotal					£67,220		£67,940		£71,500		£72,090
Other Charges											
Consent to connect (foul water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Consent to connect (surface water)	N	per application	1	£270	£270	£270	£270	£370	£370	£370	£370
Subtotal					£540		£540		£740		£740
Infrastructure Charges											
Infrastructure Charge (water)	N	per connection	200	£885	177000	£885	£177,000	£1,475	£295,000	£1,475	£295,000
Infrastructure Charge (wastewater)	N	per connection	200	£455	£91,000	£455	£91,000	£485	£97,000	£485	£97,000
Subtotal					£268,000		£268,000		£392,000		£392,000
Environmental Component Water	N	per connection	200					£255	£51,000	£255	£51,000
Environmental Component Waste	N	per connection	200					£40	£8,000	£40	£8,000
Environmental Discount Water Tier 1	N	per connection	200	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000	-£400	-£80,000
Environmental Discount Waste	N	per connection	200	-£280	-£56,000	-£280	-£56,000	-£280	-£56,000	-£280	-£56,000
Subtotal					-£136,000		-£136,000		-£77,000		-£77,000
Total Scheme Cost including Environmental Incentive					£211,900		£212,620		£399,390		£399,980
									88.5%		88.1%

% change 2025-26 compared to 2024-25

* 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 2025-26 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: 15 January 2025

Dated: 15 January 2025

Signed:



Alastair Cochran, Chief Financial Officer

Signed:



Cathryn Ross, Strategy & External Affairs Director

Dated: 17 January 2025

Signed:



Nick Land, Senior Independent Non-Executive Director

For and on behalf of Thames Water Utilities Limited

