

Thames Water Utilities Limited (TWUL) Wholesale
Published date: 13 July 2021



Statement of Indicative Scope

2022-23

Indicative wholesale charges for the supply of
water and wastewater services

Statement of Indicative Scope for 2022-23 Wholesale Charges

Introduction

1. The purpose of this Statement of Indicative Scope is to provide our customers and stakeholders with information as to what, if any, significant changes we are considering making to our primary wholesale charges for the 2022-23 charging year, compared with the 2021-22 charging year.

Primary wholesale charges

2. Our primary wholesale charges are set out in Parts A and B of our Wholesale Tariff Document, as published on the wholesale pages of our website (www.thameswater.co.uk/wholesale/our-charges).
3. Our primary wholesale charges also include services provided under a special agreement (as notified to Ofwat under section 142(6A) of the WIA91).

Information about significant changes to our primary wholesale charges 2022-23

4. Ofwat's wholesale charging rules require that our Board evaluates whether year-on-year bill increases for water supply and sewerage licensees (as a whole or in groups) and/or customers occupying eligible premises (as a whole or in groups) will exceed five per cent. The Board must also assess any handling strategies developed to address any such significant bill increases.
5. Based on our early modelling for 2022-23 charges (which uses an inflation (CPIH) forecast of 2.6%), we do not anticipate that year-on-year bill increases will exceed five per cent for any water supply and sewerage licensees nor for any customers occupying eligible premises.
6. A Retailer Wholesaler Group ("RWG") project looking at the potential for simplifying and aligning non-household wholesale tariff structures across the industry is underway and could lead to structural changes being made for 2022-23 (where incidence effects and bill impacts are not prohibitively significant).
7. There may therefore be some minor structural changes made to our primary wholesale charges for 2022-23. Further details will be made available in our Statement of Significant Change for primary wholesale charges due for publication in mid-October 2021.
8. As required by the Ofwat charging rules, engagement with stakeholders such as CCW will be undertaken to ensure that any changes and our proposed approach to addressing them are clearly communicated, explained and justified.

Status of our primary wholesale charges and Statement of Significant Change

9. The indicative primary wholesale charges for 2022-23 to be published in mid-October 2021 and the final wholesale charges to be published in mid-January 2022 are subject to the review and final approval of the Board of Thames Water Utilities Limited.
10. Our Statement of Significant Change due to be published in mid-October 2021 will confirm:

Statement of Indicative Scope for 2022-23 Wholesale Charges

- i. what significant changes, if any, are expected to our primary wholesale charges;
- 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 handling strategies, if appropriate, that we may adopt.

Declaration

11. At the Board meeting on 30 June 2021, the Chief Financial Officer, the Regulation Director and the Senior Independent Non-Executive Director were authorised to sign the Statement of Indicative Scope for 2022-23 Wholesale Charges on the Board's behalf.

12. This document is signed by Brandon Rennet (Chief Financial Officer), Nicola Cocks (Regulation Director) and Nick Land (Senior Independent Non-Executive Director) on behalf of the Board.

Dated: 6 July 2021

Dated: 6 July 2021

Signed 
Nick Land, Senior Independent
Non-Executive Director

Signed 
Nicola Cocks, Regulation Director

Dated: 7 July 2021

Signed 
Brandon Rennet, Chief Financial Officer

For and on behalf of Thames Water Utilities Limited