

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



Statement of assurance 2027/28

Indicative wholesale charges for the supply of
water and wastewater services

Statement of Board Assurance for indicative non-household wholesale charges 2027/28

Introduction

1. The purpose of this document is to provide a statement of our assurance in relation to our indicative 2027/28 wholesale tariffs (the “Charges”).
2. 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.
3. 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.
4. 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.

Board endorsement of this assurance statement

5. The Board of Thames Water Utilities Limited (the “Company”) accepts ownership of, and accountability for, the development of the Charges.
6. This statement has been approved by the Board and signed by Cathryn Ross (Strategy & External Affairs Director), Steve Buck (Chief Financial Officer) and Nick Land (Senior Independent Non-Executive Director and Chair of our Audit and Risk Committee) on behalf of the Board of the Company.
7. In approving the Charges, the Board has made the following key considerations which are discussed in more detail below:
 - all relevant legal obligations and guidance;
 - bill movements, impact assessments and the associated approach (“handling strategies” as referred to by Ofwat) that, if appropriate, we may adopt to mitigate impact on customer bills;
 - the existence of appropriate systems and processes used to set our charges; and
 - engagement with relevant stakeholders.

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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Legal Obligations and Guidance

8. Thames Water's Charges have been prepared in accordance with its legal obligations and the Wholesale Charging Rules published on 1 October 2025 by the Water Services Regulation Authority under sections 66E and 117I of the Water Industry Act 1991.
9. The Charges also comply with information requirements as set out in Ofwat's Information Notice IN 26/04 ('Expectations, assurance and information requirements for water company charges for 2027-28') published on 1 October 2026.
10. Thames Water has also taken into account the Company's statutory obligations relating to charging.

Bill movements, impact assessments and mitigating actions

11. The Board has assessed the effects of the Charges on water supply and sewerage licensees (as a whole or in groups) who are retailing wholesale services and on customers occupying Eligible Premises (as a whole or in groups) for a range of customer types.
12. 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.
13. 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.
14. 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

15. 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.
16. 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 maximum

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

17. The figures in Table 1 showing typical wholesale bill movements, and our impact assessment of all customer groups seen in Appendix 1 of our Statement of Significant Change for indicative wholesale charges 2027/28, indicate that no customers will experience bill increases in excess of five per cent 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.

Appropriate systems and processes

21. In assessing whether there are systems and processes in place (including up-to-date models and data) to make sure the information published about our Charges is accurate, the Board has considered:
 - the rigorous system for compiling, collating and managing the data and information required to produce the Charges;
 - the governance framework detailing the assurance approach adopted and the outcome of the independent review of the tariff model by Internal Audit;
 - the process of internal review and formal sign off by approved appropriately qualified members of staff;
 - confirmation of the degree of assurance undertaken on the source information / data used in the tariff calculations;
 - the dedicated and assured charge multiplier and tariff models used to determine wholesale and retail tariffs;
 - confirmation that the Charges have been calculated in a manner compliant with the individual price controls; and
 - confirmation that there are no material issues outstanding arising from the assurance work undertaken.

Engagement with stakeholders

22. 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.
23. As mentioned in paragraphs 15 and 16 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.
24. 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.
25. In order to comply with the Consumer Involvement Rule, and in line with Ofwat’s requirements, we have engaged with CCW and our Independent Challenge Group (“ICG”) to obtain customer views on the proposal to defer ODI payments for the purposes of smoothing customer bills. Customer research and preference insight was also reviewed. Previous customer research at PR19 and PR24 has highlighted that customers prefer smoother bill profiles and that a more consistent bill profile is preferable to a profile that has price reductions followed by more significant price increases.
26. Customers have consistently expressed a preference for smooth bills. We considered these views and the preferences of customers, which influenced the decision to request that Ofwat defers a proportion of our ODI payments for the purposes of bill smoothing. More generally, our proposed bill increases and bill profiles for the remainder of AMP8 were also discussed with CCW and our ICG, who were satisfied with the resultant impact on customers, thus supporting our decision to continue with the setting of charges as proposed.
27. Whilst supportive of the concept of smoothing customer bills and acknowledging that such action is warranted in setting our 2027/28 charges, both CCW and ICG highlighted the need for clear communications to customers on the reasons for such a deferral being appropriate and the fact that customers would not lose out, nor would Thames Water gain, from the deferred application of performance-related penalties. Work on customer messaging has commenced with plans to have messaging ready for inclusion on our website and in customer billing information.

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Board approval process

28. In satisfying Ofwat's requirements specified in the Wholesale Charging Rules (published on 1 October 2025) and Information Notice IN 26/04 ('Expectations, assurance and information requirements for water company charges for 2027-28') published on 1 October 2026, the Board confirms that the Company has followed robust and rigorous procedures in developing and approving the Charges.

29. 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 assurance statements on the Board's behalf, and in doing so confirm that:

- the Charges are consistent with Thames Water's legal obligations in relation to wholesale charges;
- the Board has considered the impact of the Charges on customer bills for different customer groups; and
- the Board has satisfied itself that appropriate systems and processes are in place to ensure that the Charges are accurate.

Signed by, and on behalf of the Board:

Dated: 6 October 2026

Dated: 6 October 2026

Signed



Signed



Nick Land

Senior Independent Non-Executive Director

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