The development and subsequent construction of the Thames Tunnel project will be paid for by Thames Water’s wastewater customers, through their sewerage bills. This approach is standard across the UK water industry.

Major improvements to clean up rivers and beaches in other parts of the country have already been paid for by customers of the local water companies.

Ofwat, the water industry’s independent economic regulator, will scrutinise all aspects of the project to ensure costs are kept as low as possible.

The updated estimate for the capital cost of the project is £4.1bn, expressed in 2011 prices. The project will not have any impact on bills before 2013 at the earliest. The maximum impact is likely to come a few years later and is estimated to be in the range £70-80 per year, again expressed in 2011 prices.

This means that our average wastewater charges, which have for many years been among the lowest in the country, would rise to around the national average.

Why do all Thames Water customers have to pay for the project?

The costs of serving the Thames Water region are spread out over a very large number of customers, including all those in London. Those outside London are benefiting, and will continue to benefit from this fact.

It is only fair that bill increases are shared across our region.

Customers outside London have seen big improvements from local investment in sewage treatment, while paying the lowest water and sewerage bills in the country for most of the past 20 years.

While the Thames Tunnel is a very prominent example of a project taking place in one part of the region we serve, there are numerous examples of investment benefiting towns, villages and hamlets throughout the area we supply outside the capital. These are often projects costing several millions of pounds to improve pieces of infrastructure that serve tens of thousands or even just a few thousand people.
For instance, we are upgrading Crawley and nearby Merstham sewage works, which includes increasing their capacity to meet population growth, at a total cost of £36.5m. These sewage works serve a combined estimated population of just 169,000 people. As the diagram below shows, in the more rural areas that neighbouring water and sewage companies supply, bills are significantly higher.

Average wastewater charges 2011/12

For further information see our website: www.thamestunnelconsultation.co.uk or call us on 0800 0721 086.
Phase two consultation (Autumn 2011)