

# New Connections Services Charging Arrangements 2020-21

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from  
**Southern  
Water** 

# Contents

|   |    |
|---|----|
| Charging Arrangements for new connection services.....                          | 4  |
| Introduction to our charges.....  | 4  |
| Key changes for 2020 .....  | 5  |
| Our area of operation .....   | 5  |
| Who pays for what?.....   | 6  |
| Who can deliver my connection work? .....                                       | 8  |
| Self-Lay Providers (water supply).....  | 8  |
| Developers and drainage contractors (wastewater) ..                             | 9  |
| Regional water companies and NAV's.....   | 9  |
| Guide to our charges .....  | 10 |
| Network Reinforcement.....  | 10 |
| Gross Infrastructure Charges .....  | 10 |
| Gross Water Infrastructure Charges – individually metered properties.....       | 10 |
| Gross Wastewater Infrastructure Charges – individually metered properties ..... | 11 |
| Income Offsets .....  | 11 |
| Net Infrastructure Charges .....  | 11 |
| Infrastructure Charges – general information .....                              | 12 |
| Infrastructure Charges – domestic use in other premises.....                    | 12 |
| Infrastructure Charge credits .....   | 12 |
| Timing of charges .....   | 12 |
| Upsizing new main or sewers for future use .....                                | 12 |
| Transfer to the point of available capacity .....                               | 13 |
| Site Specific Charges.....  | 14 |

|   |    |
|---|----|
| Water connection services – guide to our charges ..         | 16 |
| Wastewater connection services – guide to our charges ..... | 23 |
| Site Specific charges – general information.....            | 29 |
| Charges for diversion work .....                            | 30 |
| Transitional arrangements .....                             | 32 |
| 2020-21 transitional arrangements.....                      | 32 |
| Infrastructure Charges .....                                | 32 |
| Site Specific Charges .....                                 | 32 |
| Historic transitional arrangements .....                    | 32 |
| Infrastructure Charges .....                                | 32 |
| Site Specific Charges .....                                 | 33 |
| Timings and Methods of payment.....                         | 34 |
| Water.....  | 34 |
| Wastewater .....  | 34 |
| Methods of Payment .....                                    | 35 |
| How did we calculate the charges? .....                     | 36 |
| Water.....  | 36 |
| Wastewater .....  | 37 |
| Register of changes.....                                    | 40 |
| Changes to our charges for 2020-21 .....                    | 40 |
| Changes to our Charging Arrangements for 2020-21            | 41 |
| Changes to our charges for 2019-20 .....                    | 41 |
| Changes to our Charging Arrangements for 2019-20            | 43 |
| Appendix – worked examples .....                            | 44 |

# Charging Arrangements for new connection services

## Introduction to our charges

This document sets out our charges for new connection services that apply from 1 April 2020 to 31 March 2021.

Connections services cover the work that is needed to connect new homes and businesses to the existing water and wastewater network. Charges for connection services are split into two broad categories:

**Network Reinforcement charges** - the charges for work that is needed on the existing water or sewer network to provide for new development-related growth. These will be recovered through our “Infrastructure Charges”, which are fixed for both water and wastewater connections.

**Site Specific charges** - the charges for all work carried out on the development site and the pipework required to connect the new homes to the existing water main or sewer at a defined point of connection. These charges cover the cost of Site Specific work to provide any new pipework or pumping facilities that are needed to connect the new houses to the nearest practical point on the existing network – and **where the internal diameter of the new connecting pipework is no larger than the internal diameter of our existing network**. This category includes:

- New water service connections
- New water mains
- New drainage connections
- New sewers
- Diversions of existing water mains and sewers that need to be moved on a development site

In this document we publish fixed charges for most of the Site Specific activities that we carry out.

By publishing our charges upfront, our Developer Services customers should be able to confidently work out a reasonable estimate of the charges that will apply to their specific development project, at a much earlier stage, providing they know the parameters of the development. To support this, we also provide a New Connection Charging calculator to assist our customers in the generation of estimates for their developments. This can be found on our website alongside the New Connection Charging Arrangements.

There are a limited number of circumstances where the work needed is not fully covered by our published charges and this is made clear in this document. There may also be circumstances when charges will be estimated upfront and reassessed once the work is complete. Again, it will be made clear where this applies.

Our charges are developed in-line with a set of rules made by the water industry regulator, Ofwat, that apply to all water companies operating in England. They allow us some flexibility to develop our charges, so they reflect our company circumstances and the region we operate within. They have been developed through consultation and engagement with our customers.

A copy of Ofwat’s Charging Rules for New Connection Services is available at:

<https://www.ofwat.gov.uk/publication/charging-rules-for-new-connection-services-english-undertakers-from-april-2020/>



## Key changes for 2020

There are significant changes to how the Income Offset is treated from 2020-21. Historically, the Income Offset was a discounting mechanism associated with water and wastewater requisitions that reduced the cost to customers of constructing new mains and sewers by requisition. This discount was provided on the basis that income would be received by the newly connected properties. Over time, this approach evolved to incorporate Asset Payments for Self-laid mains and Income Offset equivalents for NAV (New Appointment and Variation) customers.

Ofwat has changed the approach for how the Income Offset is applied, and from 2020 onwards, it will apply to the Infrastructure Charges. This was to drive various benefits including:

- making the Income Offset fairer, in that it would be offered to all customers and developers making a connection, not just those building site specific mains
- provides a more transparent method of offering Income Offsets to NAV customers
- promotes efficiency through ensuring that site-specific activities are delivered based upon the best value or service approach for the scope, improving competition in the market at the same time

## Our area of operation

We are the water and wastewater supplier for large areas of the South East of the country. We are however a larger wastewater provider than a water provider. Within our wastewater area, various Water only Companies (WoC's) operate. It is important to note that you may need to pay charges to different Water Companies dependant on who the water and wastewater suppliers are for the area of your development. Each company will publish their respective charges within their Charging Arrangements document.

The map below details both the area that we operate and the different Water only Companies within the wider wastewater geographic area covered by us.

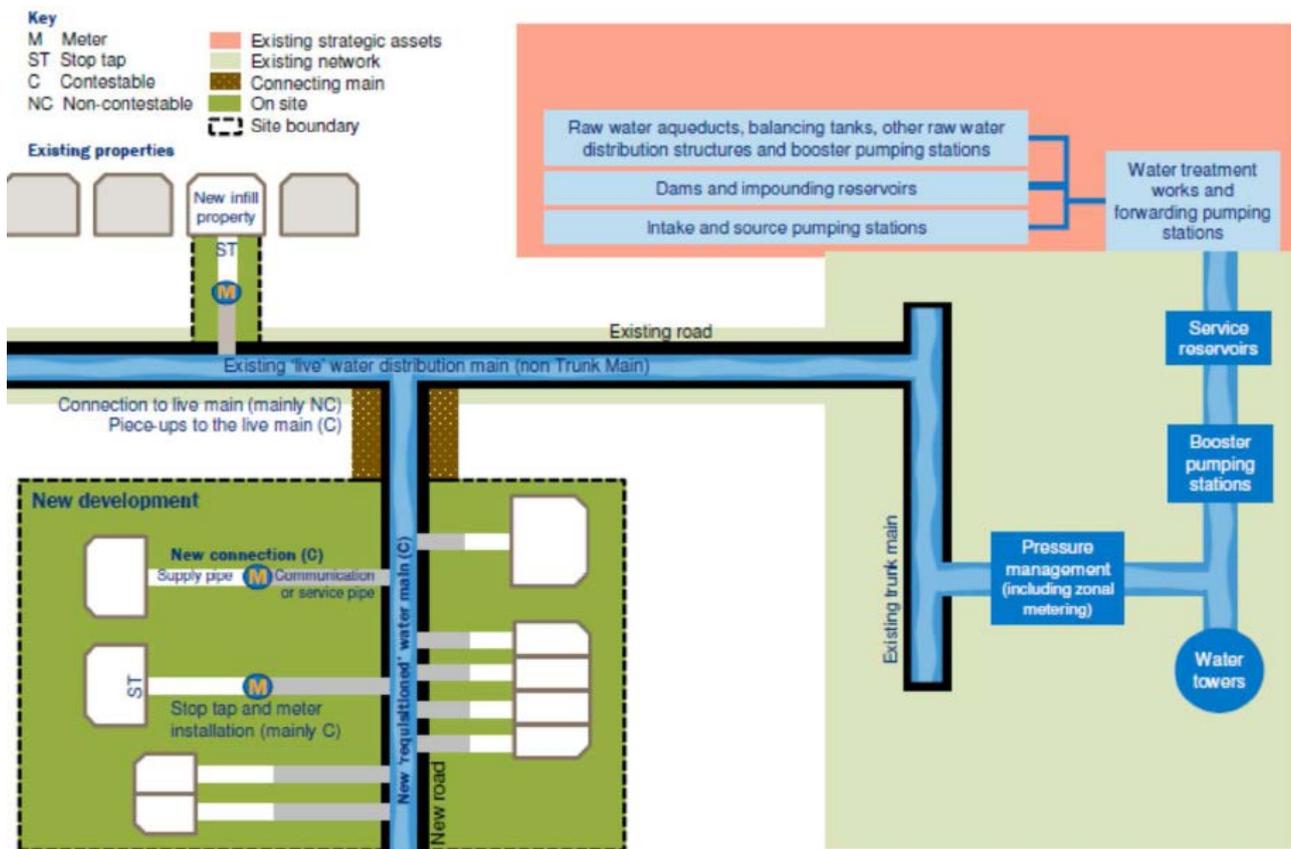


# Who pays for what?

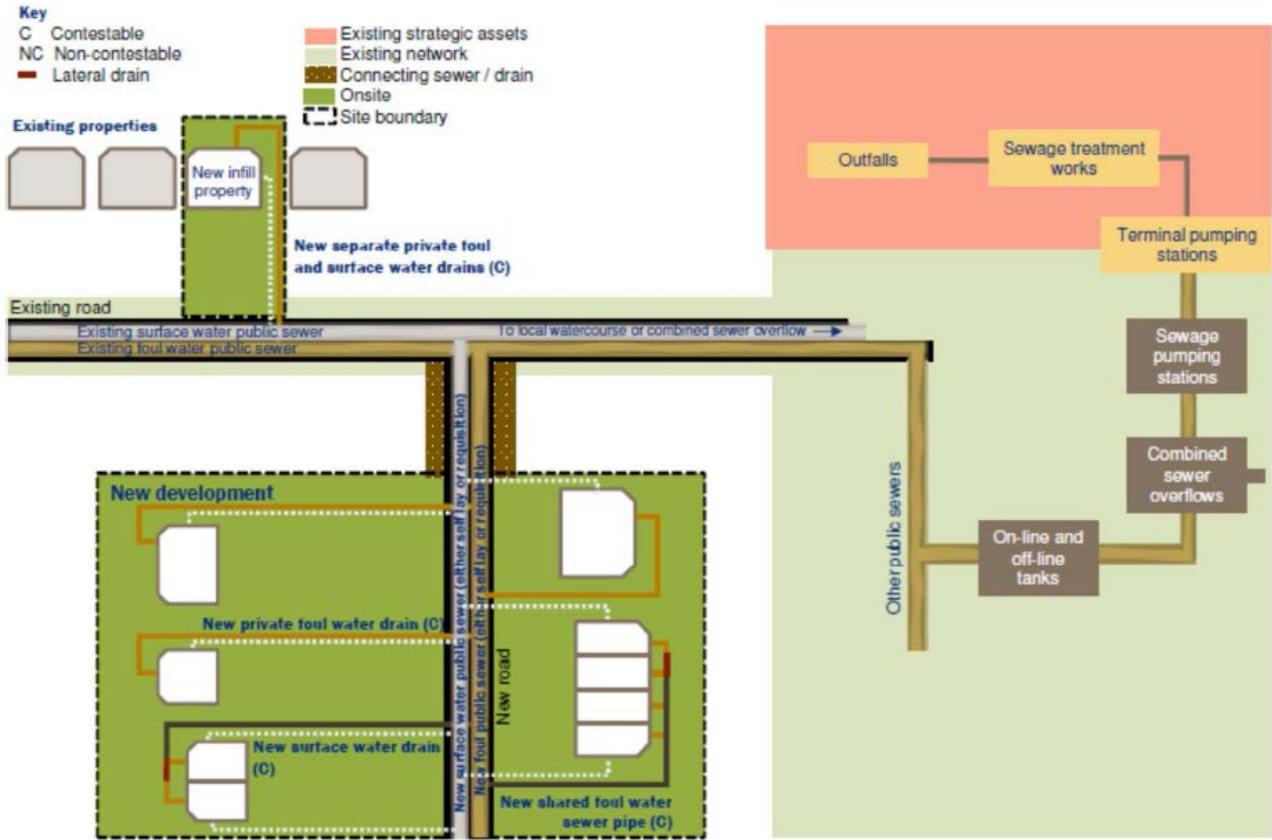
The following diagrams show who pays for what in relation to water and wastewater connection services. The diagrams are annotated as follows:

| Colour                           | Infrastructure  | Who pays and how?                                |
|----------------------------------|---|--|
| Dark green and brown shaded area | Site Specific work to connect to an appropriate point on the existing network               | Applicants through Site Specific charges         |
| Light green shaded area          | Network reinforcement including upgrades and increased capacity within the existing network | Applicants through the New Infrastructure Charge |
| Pink shaded area                 | New resources and treatment assets  | Us through our 5-year investment plan            |

Typical connections work and the location of existing water assets



Typical connections work and the location of wastewater assets



## Who can deliver my connection work?

Developer Services customers can choose who provides the majority of new connection services for their development and who owns and operates the new network once it has been constructed.

The areas where Developer Services customers have a choice over who provides the new infrastructure are known as “**Contestable Services**”. There are other services, such as those linked to application and administration processes or security of water supply and water quality that can only be provided by us. These are known as “**Non-Contestable Services**”.

Further information will be detailed in our Annual Contestability Summary which will be published later in 2020.

The table below details who can provide or deliver different elements of the services in this area.

| What service do I need?                                       | Who generally applies?                                  | Who can deliver?   |
|---|---|--|
| New water supply connections and mains                        | Existing customer / Developer / Self Lay Provider (SLP) | Self Lay Providers (SLP)<br>New Appointees (NAV)<br>Southern Water           |
| New sewers and laterals                                       | Existing customer / Developer                           | Developers or Drainage Contractors<br>New Appointees (NAV)<br>Southern Water |
| Adoption and operation of new water connection infrastructure | Developer / Self Lay Provider (SLP)                     | New Appointees (NAV)<br>Southern Water                                       |
| Adoption and operation of new wastewater infrastructure       | Developer   | New Appointees (NAV)<br>Southern Water                                       |

We encourage applicants to consider all potential delivery options and the following guide sets out further details on the options available to Developer Services customers.

### Self-Lay Providers (water supply)

Self-Lay Providers (SLPs) can install new water supply connections for a development. If you want to use a SLP, or compare their service to ours, you should contact them directly.

SLPs can provide many elements of water supply infrastructure (such as mains and service pipes) and when an applicant chooses to use an SLP, the SLP will agree with us the connection work it will carry out.

In most cases we will still need to carry out some work, for example design approvals or mains connections to the existing network. The SLP must include the cost of any work we need to carry out within the estimate it provides to the applicant.

The SLP can often choose who will own the new infrastructure. Once the work has been completed, they have the opportunity to transfer to a NAV or us, providing it reaches the required industry standards.

Water companies will adopt assets which are provided in accordance with the [Self Lay Code of Practice](#).

## Developers and drainage contractors (wastewater)

In most situations, the wastewater infrastructure needed for a new development is constructed by the developer or a suitable drainage contractor employed by the developer. We very rarely carry out these works.

Once complete, the developer can transfer ownership of the new network to either a NAV or us, Southern Water. We are obliged to take ownership of (“adopt”) these types of assets providing they are designed and constructed to meet water industry standards. For most works, these standards can be found in the Water UK/WRc publication, Sewers for Adoption.

For further guidance see: <http://sfa.wrcplc.co.uk/home.aspx>

## Regional water companies and NAV's

We, Southern Water, are what is known as a regional incumbent water company. All water companies can provide new connection services or agree to take ownership of new water and wastewater connection infrastructure provided by others, in accordance with the Water Industry Act 1991. Water companies are legally required to provide water mains, sewers and lateral drains, if requested by a developer, through a process known as requisitioning.

Alternatively, NAVs (New Appointees and Variations), also known as “inset” companies, can provide new connection services, or take ownership of the new water and wastewater connection infrastructure provided for a new development. NAVs are appointed by Ofwat and replace the regional water company. It is for the developer to choose whether to use a NAV or the regional water company to supply services for new sites, according to certain legal criteria.

For further guidance see: <https://www.ofwat.gov.uk/regulated-companies/markets/nav-market/>

Details of current NAVs can be found at:

<http://www.ofwat.gov.uk/publication/register-of-new-appointments-and-variations-granted-to-date/>

# Guide to our charges

## Network Reinforcement

Network Reinforcement is work that needs to be carried out to our existing network to support development-related growth. This work is needed to ensure there is enough capacity in both the water and wastewater network to serve the new homes that are built without impacting on the service to our existing customers.

Network Reinforcement may include the following activity:

- enlarging existing pipes or installing larger new pipes to increase capacity for a specific development, or further expected growth in the future
- upsizing existing or proposed pumping stations
- providing additional connections to improve network capacity under differing network conditions
- other infrastructure required to provide network capacity for growth resulting from new developments

Network Reinforcement work is paid for through a new **Infrastructure Charge**. Every new property that is connected to our network will be subject to this charge.

## Gross Infrastructure Charges

Each company will set 'gross' Infrastructure Charges for water and wastewater, which reflect their individual company circumstances. Applicants and customers will therefore see differences between companies. The 'gross' charges are designed to align overall income from Infrastructure Charges with expenditure on network reinforcement over a rolling 5-year investment period. Different companies will have different investment needs and costs dependant on individual circumstances.

This approach replaces the previous approach (pre 2018) where the charge was standard and the same for all companies. There will be circumstances where the old Infrastructure Charge still applies, which are set out below. If you are unsure about what charge will apply to your development, you can contact our Business Channels team via the routes available on the Developing section of the Southern Water website.

- New Infrastructure Charges - will apply to all new connections made to water mains or sewers laid before 1991 or after April 2018; and
- Old Infrastructure Charges –will apply if the connection is made to a water main or sewer which was requisitioned between 1991 and April 2018

We use the term 'gross' to mean before the application of any Income Offset. From 2020, the Income Offset will generally apply to the Infrastructure Charge, unless an Income Offset has been applied to previous work associated with the development. This could be in the form of Self-lay agreement or a requisition that have had an Asset Payment or Income Offset applied.

## Gross Water Infrastructure Charges – individually metered properties

Our gross Infrastructure Charges for water are detailed in the table below:

| Charge                    | Charge  | How is this applied? |
|---------------------------|---------|----------------------|
| New Infrastructure Charge | £0      | Per property         |
| Old Infrastructure Charge | £397.26 | Per property         |



## Gross Wastewater Infrastructure Charges – individually metered properties

Our gross Infrastructure Charges for wastewater are detailed in the table below:

| Charge                    | Charge  | How is this applied? |
|---------------------------|---------|----------------------|
| New Infrastructure Charge | £790    | Per property         |
| Old Infrastructure Charge | £397.26 | Per property         |

## Income Offsets

From 2020, the Income Offset will apply to the Infrastructure Charge. The Income Offset is set at a level that is designed to maintain the broad level of contributions the developers and other customers would have made when applying the pre-2018 approach to developer charging.

The Income Offsets are generally subtracted from the 'gross' Infrastructure Charge to provide a 'net' Infrastructure Charge payable by customers. Please see our transitional arrangements section for circumstances where this may not apply, and the gross charge is payable.

Our standard Income Offsets are detailed in the table below:

| Income Offset            | Charge | How is this applied? |
|--------------------------|--------|----------------------|
| Water Income Offset      | £335   | Per property         |
| Wastewater Income Offset | £225   | Per property         |

### Target 100 – promoting water efficiency

We operate in a water stressed region and are keen to work with developers and incentivise them to build new homes that are water efficient. Our aim is to reduce the average amount of water used by our customers to 100 litres per person per day. Currently our existing customers use about 130 litres per person per day on average. When new homes are built with water efficient fixtures and fittings that will achieve average water use of 110 litres per person per day, we will allow an enhanced Income Offset against the 'gross' Infrastructure Charge. This is detailed in the table below:

| Enhanced Income Offset                                     | Charge | How is this applied? |
|--|--------|----------------------|
| Enhanced water Income Offset (water efficient development) | £565   | Per property         |

We will measure this against the current optional Building Regulations standards, to take a consistent approach. At the application stage, evidence of the property construction to the optional Building Regulations standard should be provided to secure the discount.

## Net Infrastructure Charges

Our 'net' Infrastructure Charges (after the application of the Income Offset) for water and wastewater are detailed in the following table:

| Charge  | Charge | How is this applied? |
|---|--------|----------------------|
| Net Water Infrastructure Charge (non-water efficient development) | -£335  | Per property         |
| Net Water Infrastructure Charge (water efficient development)     | -£565  | Per property         |
| Net Wastewater Infrastructure Charge                              | £565   | Per property         |

## Infrastructure Charges – general information

### Infrastructure Charges – domestic use in other premises

Infrastructure Charges are applicable for domestic use in dwellings that are not individually metered, e.g. flats with a common billing arrangement, and non-dwellings, however they are calculated differently. We calculate this by working out the likely domestic use and how this equates to an equivalent number of domestic dwellings. We use the “**Relevant Multiplier**” approach which is the standard approach used throughout the water industry.

We will utilise the same Relevant Multiplier approach (and other relevant methods) to calculate equivalent Income Offset that is applicable for properties that do not attract the flat rate Infrastructure Charge.

Details of how we calculate the Relevant Multiplier can be found [here](#).

### Infrastructure Charge credits

If the development site contained homes that were connected to our network within the last five years, we will apply an Infrastructure Charge credit. This means that we will deduct the number of former homes from the total number of houses that are built as part of the new development, reducing the number of Infrastructure Charges that are due. For example, if a development takes place on a site where 20 homes previously existed, and the new development will result in 40 new homes being built in their place, Infrastructure Charges will only apply to 20 of the new homes that are connected.

In some cases, where the site was not previously housing, we may review the metered water consumption or sewer flows from the site and equate it to an average home within our area, so we can estimate how much water was used previously by the premises on the site and deduct that from the amount we expect to be used by the new properties. In the absence of metered information, other reasonable evidence will be used to estimate the prior demand on the network from the site.

### Timing of charges

Due to the changes to how Income Offsets are applied, from April 2020 we will generally collect Infrastructure Charges on connection. Payment upfront may be possible but only where both water and wastewater Infrastructure Charges are paid (when applicable).

### Upsizing new main or sewers for future use

Occasionally we may request that mains or sewers that developers or SLPs construct should be upsized to provide capacity for future growth. Where mains and sewers are upsized because of our request, we will repay any extra expense reasonably incurred and fund it from Infrastructure Charges. Our contribution will be based on assumed flow rates for the development relative to that of the other flows allowed for in the design.



## Transfer to the point of available capacity

Occasionally the most cost-effective form of network reinforcement is to transfer the default point of connection (i.e. from the point where the diameter of the new connecting pipework is no larger than the diameter of our existing network) to a different position known as the 'point of available capacity'. The 'point of available capacity' is the nearest point on our existing network where there is currently capacity to serve the proposed development.

In these cases, we are open to discussing with developers, NAVs and SLPs approaches where a commercial agreement can be entered for the applicant to undertake these activities. As the pipework from the 'point of available capacity' is only related to the development site, the risk is lower than most network reinforcement activities as the work is not modifying or changing the existing network.

As this work is considered network reinforcement, the Site Specific charges may not apply. The Site Specific charges are specifically generated for Site Specific activities. The applicability of our published charges to these activities will be considered on a case by case basis.

## Site Specific Charges

Our Site Specific charges cover all elements of work that may be needed to connect the new properties to our existing network.

What you pay will largely depend on the size of your development and its location. The cost will vary depending on the number of connections needed, the amount and size of the connecting pipework, the depth that it needs to be installed, the nature of the surface that the work is being carried out in and the size of the associated infrastructure required. We have set fixed charges that cover a range of options.

In addition, we have also set charges for other activities that we may need to carry out such as traffic management, work in the highways and working in areas of contaminated land.

In order to be able to make a reasonable estimate of the cost of the Site Specific work required, applicants do need to know the parameters of the development.

Below we have set out a guide to Site Specific work that explains the different types of infrastructure that might be needed and other factors that will need to be considered. This is followed by the charges that will apply to this work.

### Surface Categories

The type of surface has a big influence on construction costs because of the difference in techniques used, reinstatement required and co-ordination with other parties. Our charges vary depending on the type of surface and this is set out in the charging tables that follow. The different surface types are detailed below:

No excavation:

- These charges apply when the trench has been pre-excavated by the applicant in line with our standards. It does not include for any backfill or reinstatement.

Unmade ground:

- These charges apply to undisturbed or unfinished surfaces. These could include construction sites, fields or verges.

Footpaths:

- These charges apply when working in a footpath.

Side roads:

- These charges apply when working in/on a minor road. These are formally categorised as Type 3 and Type 4 roads (New Roads and Street Works Act 1991 - Code of Practice). Most local residential roads would fall into this category.

Main roads:

- These charges apply when working on major roads. Main Roads are formally categorised as Type 0, 1 and 2 roads. These roads are much busier, and examples include roads with an official A or B number (e.g. A27) or dual carriageways and higher speed single carriageway roads.

## Traffic Management

Standard traffic management approaches where we can keep traffic flowing, or install 2-way traffic lights, are included within our standard charges. If more complex traffic management is needed, or we incur additional local authority charges, we will apply an additional charge for extraordinary traffic management. Examples of where these charges apply include:

- 3 or 4 way temporary traffic lights when working at junctions
- Road closures
- Temporary closure of pedestrian crossings or traffic lights (often known as 'bagging' traffic lights)
- Lane rental charges

## Water Site Specific Design

For all Site Specific work that we deliver ourselves, the design costs are inclusive within the charges.

We provide an option for SLP's to either undertake design work themselves or for us to develop a reference outline design which will then be finalised by the SLP.

If the SLP undertakes the design directly, our application fee includes for the design approval process. We also have a separate charge for subsequent design approvals, should the scope or the technical details of the agreement change.

Where we undertake the collaborative design on behalf of an SLP, this is primarily to develop a scope and outline design. The design will be issued to the SLP who will finalise ahead of construction. The SLP becomes the Principal Designer in these circumstances. We are happy to work with and support competent designers. Later in 2020 our Design and Construction Standards will be issued which will detail fully the standards expected for the design of new water mains within our region. Our current Self-Lay Guidance documentation has design guidelines and we are happy to actively support SLPs that wish to undertake design work themselves.

## Income Offset

Income Offsets no longer apply to Site-specific elements of work.

## VAT

The charges set out in this document do not include VAT. If VAT is required on any elements of work, we will make it clear at the application stage or in the estimates we provide.

## Water connection services – guide to our charges

### New service connections

- New service connections involve a section of small diameter pipe, known as the communication pipe, laid from an existing water main to the boundary of a property where a water meter chamber and stop-tap (valve) is normally located
- New service connections can be completed by either us or a SLP
- A small diameter supply pipe within the boundary of a property links the communication pipe with the internal plumbing of the house. The supply pipe is the responsibility of the property owner
- Service connections are made under Section 45 or 51 of the Water Industry Act. There is an initial non-refundable application charge with further administration charge only if the applicant goes ahead
- The charges below should be combined to form the total costs associated with a particular application
- The costs for new connections are applied per property and measured by the number of meters installed
- The costs will vary depending on whether the work needs to be carried out in an existing road (side or main road) or in a new development site where the road is not yet surfaced or adopted
- On new development sites, connection types are known as short side or long side. Pipework up to 3 metres long is described as short side; pipework between 3 and 8 metres long is known as long side
- For Side Road and Main Road connections, each connection has up to 8 metres of pipework included within the standard charge
- The charges include connection to the water main, a new meter, stop-tap and meter chamber
- Larger diameter pipes may be needed to make connections to larger buildings such as flats and office blocks. We have set charges for a range of pipe diameters including up to 8 metres of pipework. Charges also include connection to the main, a new meter, valve and a boundary box
- If more than 8 metres of pipework is needed, we have set charges for additional pipework
- If the connections need to be made in an area of contaminated land, additional charges will apply to cover the cost of specialist fittings, pipework and management of ground conditions
- Standard traffic management where we can keep traffic flowing, or install 2-way traffic lights, are included within our standard charges
- If more complex traffic management is needed or we incur additional local authority charges, we will apply an additional charge for extraordinary traffic management. This is not always easy to predict but we will make our Developer Services customers aware as early as possible if this charge will apply
- The charge for 3 or 4 way lights is for when temporary 3 or 4 way lights are required. It will also apply where existing traffic lights or pedestrian crossings need to be temporarily disabled to facilitate the works
- The charge for road closures will apply when a road closure is mandated by the local authority
- The lane rental charge will apply when the working on a highway where these charges apply
- The charges associated with water connections are payable up-front, at the point of application, and at the provision of estimates for the work
- The supply meter rate is our charge for the supply of meters only. This applies predominantly to SLP's. The charge includes the procurement and ordering of the meters and delivery to one of our facilities. The meters require picking up from our facilities as the charge does not include delivery
- It is **not a requirement for SLP's to source water meters through Southern Water** providing the installer is utilising meters to our specification:
  - Supplier: Arad Metering Services, 21 Marys Lane, Burghill, Hereford, HR4 7QL
  - Type: Automated Meter Reading (AMR) type screw in concentric 15mm or 20mm meter (supplier ref: F389-10)

## Section 45 and 51 new service connections application and administration fees

| Service   | Charge | Contestable / Non-contestable | How is this applied?      |
|---|--------|-------------------------------|---------------------------|
| S45 - Application Fee (first connection)  | £72.14 | Non-contestable               | Per application           |
| S45 - Application Fee (subsequent connections)  | £43.75 | Non-contestable               | Per subsequent connection |
| S45 – Administration Fee (first connection)   | £33.16 | Non-contestable               | Per application           |
| S45 – Administration Fee (subsequent connections)   | £20.54 | Non-contestable               | Per subsequent connection |
| Water Regulations Inspection (External) – 1 <sup>st</sup> of every 10 plots (1 <sup>st</sup> , 11 <sup>th</sup> , 21 <sup>st</sup> etc)   | £82    | Non-contestable               | Per connection            |
| Water Regulations Inspection (External) – every other plot (2 <sup>nd</sup> – 10 <sup>th</sup> , 12 <sup>th</sup> – 20 <sup>th</sup> etc) | £5.69  | Non-contestable               | Per connection            |
| Reviewing Site-Specific water distribution systems design   | £204   | Non-contestable               | Per connection            |
| Point of connection enquiry   | £110   | Either                        | Per application           |
| Abortive Charges (site not ready – applied per 10 plots)  | £82    | N/A                           | Per occurrence            |
| Re-inspection fee (applied per 10 plots)  | £82    | N/A                           | Per occurrence            |
| Service   | Charge | Contestable / Non-contestable | How is this applied?      |
| S51 – Self-Laid Application Fee (first connection)  | £55.14 | Non-contestable               | Per application           |
| S51 – Self-Laid Application Fee (subsequent connections)  | £33.44 | Non-contestable               | Per subsequent connection |
| S51 – Self-Laid Administration Fee (first connection)   | £21.16 | Non-contestable               | Per application           |
| S51 – Self-Laid Administration Fee (subsequent connections)   | £13.11 | Non-contestable               | Per subsequent connection |

## Standard connection charges – new development sites

| Connection type                 | Charge | Excavation undertaken? | Contestable / Non-contestable | How is this applied? |
|---------------------------------|--------|------------------------|-------------------------------|----------------------|
| New development site short side | £230   | No excavation          | Contestable                   | Per property         |
| New development site short side | £290   | With excavation        | Contestable                   | Per property         |
| New development site long side  | £263   | No excavation          | Contestable                   | Per property         |
| New development site long side  | £348   | With excavation        | Contestable                   | Per property         |

## Standard connection charges – on existing highways

| Connection type | Charge | Excavation undertaken? | Contestable / Non-contestable | How is this applied? |
|-----------------|--------|------------------------|-------------------------------|----------------------|
| Side Road       | £737   | With excavation        | Either                        | Per property         |
| Main Road       | £866   | With excavation        | Either                        | Per property         |

## Large Diameter Metered Connections – on existing highways or new development sites

| Connection type  | Charge | Excavation      | Contestable / Non-contestable | How is this applied? |
|------------------|--------|-----------------|-------------------------------|----------------------|
| 63mm connection  | £2399  | With excavation | Either                        | Per property/premise |
| 90mm connection  | £6445  | With excavation | Non-contestable               | Per property/premise |
| 125mm connection | £6712  | With excavation | Non-contestable               | Per property/premise |

## Additional pipework (per metre)

| Pipe size \ Surface            | No excavation | Unmade ground | Footpath | Side Road | Main Road |
|--------------------------------|---------------|---------------|----------|-----------|-----------|
| Property connections (25/32mm) | £9            | £29           | £73      | £87       | £124      |
| 63mm                           | £38           | £64           | £92      | £115      | £153      |
| 90mm                           | £38           | £79           | £109     | £144      | £176      |
| 125mm                          | £44           | £88           | £116     | £154      | £187      |

## Contaminated Land

| Contaminated land                                      | Charge | Excavation type | How is this applied? |
|--|--------|-----------------|----------------------|
| Barrier connection - property connections (25/32/63mm) | £47    | No excavation   | Per property         |
| Barrier connection - property connections (25/32/63mm) | £122   | With excavation | Per property         |
| Barrier pipe – 25/32mm                                 | £20    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 63mm                                    | £35    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 90mm                                    | £35    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 125mm                                   | £39    | Not applicable  | Per metre of pipe    |

## Extraordinary traffic management

| Traffic Management                     | Charge | How is this applied?         |
|--|--------|------------------------------|
| Traffic management – 3 or 4 way lights | £1255  | Per installation if required |
| Traffic management – road closures     | £1565  | Per application if required  |
| Traffic management – lane rentals      | £600   | Per day required             |

## Supply meter only

| Supply Meter Only | Charge | How is this applied? |
|-------------------|--------|----------------------|
| Supply meter      | £70    | Per meter supplied   |

## Flats with internal meters

Following our development of standard charges, flats with internal meters do not fit easily into our standard charging arrangements, as there are lower levels of excavation. As a result, we are offering the option for a bespoke pricing option for those Developer Services customers who are developing flats with internal meters. This bespoke price will be offered as an alternative to the above standard charging approach. The Developer Services customer will then be able to choose which option to go with that offers best value. **We strongly advise Developer Services customers to take up this option** as it may offer better value in these circumstances.

## Disconnections

Our unit charge for disconnecting existing connections from our water mains (where chargeable) is **£409**.

## New water mains

- Water mains are pipes that will supply water to new homes within a development
- New water mains can be provided by us or by a SLP
- When carried out by a SLP it is done under Section 51 of the Water Industry Act. We will adopt the new infrastructure once it's complete, providing it meets the required industry standards and our published Self-Lay policy. There are set charges that relate to this process
- Some aspects of water main installation can only be carried out by us and we will provide an estimate to the SLP carrying out the work
- The SLP may request elements of contestable work to be delivered by us. These elements will be charged in accordance with the charges within this document
- From April 2020 we will no longer offer an Asset Payment to SLP's
- If the applicant would like us to provide the new water main, they can do so through an agreement called a **Requisition** under **Section 41** of the Water Industry Act
- The charges below should be combined to form the total costs for the application
- Our water main charges include all valves, hydrants, washouts and the costs involved in co-ordinating our work with the applicant's schedule
- Our no excavation (unmade) charge applies where there is not currently a surfaced hardstanding
- Our no excavation (made) charge applies where there is a surfaced hardstanding. Examples include existing roads and highways, brownfield sites or sites where the developer has constructed the highway surfacing
- Separate charges apply when a connection needs to be made to an existing water main. This includes one valve and one hydrant. The charge will depend on the size of the pipe being connected to the existing network
- Connections to Self-Lay Mains are simple pipe to pipe connections to mains laid under an adoption agreement
- On some occasions we may need to install (or be requested to install) pressure monitoring valves to reduce the risk of bursts, district meters that allow us to measure the amount of water being supplied to a specific area, or non-return valves to prevent backflow of water. These will be charged per installation and the cost will depend on the size of the pipe they are connected to
- If the site being developed is on an area of land that may be contaminated due to its previous use, we may need to install a specialist pipe known as a barrier pipe to avoid contamination of the water supply

- If these specialist pipes are required, they are charged in addition to the water main and the cost will vary depending on the pipe size
- Standard traffic management where we can keep traffic flowing, or install 2-way traffic lights, are included within our standard charges
- If more complex traffic management is needed, or we incur additional local authority charges, we will apply an additional charge for extraordinary traffic management. This is not always easy to predict but we will make our Developer Services customers aware as early as possible if this charge will apply
- The charge for 3 or 4 way lights is for when temporary 3 or 4 way lights are required. It will also apply where existing traffic lights or pedestrian crossings need to be temporarily disabled to facilitate the works
- The charge for road closures will apply when a road closure is mandated by the local authority
- The lane rental charge will apply when the working on a highway where these charges apply
- From April 2020 there will no longer be an Income Offset applied to water mains requisitions
- The charges associated with water mains laying are payable up-front and following the provision of estimates. Under our current charging approach there is an option to pay under the relevant deficit approach, where charges are payable over a 12-year period. Should this be attractive for applicants we will be able to offer a bespoke quotation on that basis. The final charges due may prove to be different to those calculated using the following charges due to the different calculation method
- The following table may assist in estimating the pipe sizes required for new mains:

| Number of properties | Pipe diameter (PE pipes) | Nominal bore (other pipe materials) |
|----------------------|--------------------------|-------------------------------------|
| 0-20                 | 63mm                     | 50mm                                |
| 20-40                | 90mm                     | 80mm                                |
| 40-95                | 125mm                    | 100mm                               |
| 95-300               | 180mm                    | 150mm                               |
| 300-700              | 250mm                    | 200mm                               |

### Section 51 SLP application, enquiry, administration and design charges

| Service  | Charge   | Contestable / Non-contestable | How is this applied?   |
|--|----------|-------------------------------|------------------------|
| S51 – Agreement, Design Check / Approval and Vesting Fee (SLP undertakes design)                             | £515     | Non-contestable               | Per adoption agreement |
| S51 – Water Mains Design Check / Approval Fee (re-designs)   | £204     | Non-contestable               | When required          |
| S51 – Mains Application / Administration / Collaborative Design Fee – 0 to 50 units (we undertake design)    | £1399.17 | Either                        | Per application        |
| S51 – Mains Application / Administration / Collaborative Design Fee – 51 to 250 units (we undertake design)  | £1475    | Either                        | Per application        |
| S51 – Mains Application / Administration / Collaborative Design Fee – 251 to 500 units (we undertake design) | £1653.33 | Either                        | Per application        |
| S51 – Mains Application / Administration / Collaborative Design Fee – 500+ units (we undertake design)       | £1909.17 | Either                        | Per application        |



## Section 41 application, enquiry and administration and design charges

| Service   | Charge   | Contestable / Non-contestable | How is this applied? |
|---|----------|-------------------------------|----------------------|
| S41 – Point of Connection Enquiry   | £110     | Contestable                   | Per enquiry          |
| S41 – Mains Application / Administration / Collaborative Full Design Fee – 0 to 50 units    | £1399.17 | Either                        | Per application      |
| S41 – Mains Application / Administration / Collaborative Full Design Fee – 51 to 250 units  | £1475    | Either                        | Per application      |
| S41 – Mains Application / Administration / Collaborative Full Design Fee – 251 to 500 units | £1653.33 | Either                        | Per application      |
| S41 – Mains Application / Administration / Collaborative Full Design Fee – 500+ units       | £1909.17 | Either                        | Per application      |

## New water mains installations charges (per metre)

| Surface<br>Pipe size | No excavation (unmade) | No excavation (made) | Unmade ground | Footpath | Side Road | Main Road |
|----------------------|------------------------|----------------------|---------------|----------|-----------|-----------|
| 63mm                 | £54                    | £88                  | £88           | £121     | £148      | £194      |
| 90mm                 | £54                    | £88                  | £105          | £141     | £183      | £220      |
| 125mm                | £56                    | £89                  | £112          | £145     | £189      | £228      |
| 180mm                | £69                    | £116                 | £137          | £176     | £208      | £248      |
| 250mm                | £99                    | £148                 | £158          | £212     | £245      | £303      |
| 315mm                | £146                   | £221                 | £208          | £289     | £325      | £379      |
| 355mm                | £171                   | £243                 | £236          | £318     | £357      | £415      |

## Connection to existing water main

| Connecting pipe size                    | Charge | Contestable / Non-contestable | How is this applied? |
|---|--------|-------------------------------|----------------------|
| 63mm                                    | £3340  | Either                        | Per connection       |
| 90mm                                    | £3375  | Either                        | Per connection       |
| 125mm                                   | £3532  | Either                        | Per connection       |
| 180mm                                   | £4912  | Either                        | Per connection       |
| 250mm                                   | £5447  | Either                        | Per connection       |
| 315mm                                   | £10457 | Either                        | Per connection       |
| 335mm                                   | £19497 | Either                        | Per connection       |
| Connection to Self Laid Main (any size) | £1330  | Contestable                   | Per connection       |

## Pressure monitoring valves

| Pressure reducing valves (with by-pass) | Charge | Contestable / Non-contestable | How is this applied? |
|---|--------|-------------------------------|----------------------|
| 63mm                                    | £9368  | Either                        | Per installation     |
| 90mm                                    | £9678  | Either                        | Per installation     |
| 125mm                                   | £10476 | Either                        | Per installation     |
| 180mm                                   | £12547 | Either                        | Per installation     |
| 250mm                                   | £18571 | Either                        | Per installation     |
| 315mm                                   | £34065 | Either                        | Per installation     |
| 335mm                                   | £34357 | Either                        | Per installation     |

## District meters

| District meters (with by-pass) | Charge | Contestable / Non-contestable | How is this applied? |
|--------------------------------|--------|-------------------------------|----------------------|
| 63mm                           | £8627  | Either                        | Per installation     |
| 90mm                           | £8938  | Either                        | Per installation     |
| 125mm                          | £9446  | Either                        | Per installation     |
| 180mm                          | £11218 | Either                        | Per installation     |
| 250mm                          | £17591 | Either                        | Per installation     |
| 315mm                          | £34065 | Either                        | Per installation     |
| 335mm                          | £34356 | Either                        | Per installation     |

## Non-return valves

| Non-return valves | Charge | Contestable / Non-contestable | How is this applied? |
|-------------------|--------|-------------------------------|----------------------|
| 63mm              | £2987  | Contestable                   | Per installation     |
| 90mm              | £2987  | Contestable                   | Per installation     |
| 125mm             | £3100  | Contestable                   | Per installation     |
| 180mm             | £3233  | Contestable                   | Per installation     |
| 250mm             | £6299  | Contestable                   | Per installation     |
| 315mm             | £7874  | Contestable                   | Per installation     |
| 335mm             | £7874  | Contestable                   | Per installation     |

## Contaminated land

| Contaminated land    | Charge | Excavation type | How is this applied? |
|----------------------|--------|-----------------|----------------------|
| Barrier pipe – 63mm  | £29    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 90mm  | £29    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 125mm | £34    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 180mm | £38    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 250mm | £72    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 315mm | £84    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 355mm | £94    | Not applicable  | Per metre of pipe    |

## Extraordinary traffic management

| Traffic Management                     | Charge | How is this applied?         |
|--|--------|------------------------------|
| Traffic management – 3 or 4 way lights | £1490  | Per installation if required |
| Traffic management – road closures     | £1859  | Per application if required  |
| Traffic management – lane rentals      | £708   | Per day required             |

## Asset Payments

From April 2020 we no longer offer Asset Payments associated with Self-laid mains. We will honour existing agreements that have been entered into ahead of that date or offers that have been made fall within the time boundaries articulated in our transitional arrangements.

## Wastewater connection services – guide to our charges

From April 2020 we have developed a single set of construction charges that apply to lateral drains, connections and new sewers. As we have historically undertaken very few wastewater lateral drains and connections, and the scope of the two activities overlap, we have decided to create a consistent, simplified charging approach for these activities.

### New lateral drains and connections

- Lateral drains are the part of the drain that runs from the edge of the property and connects with the sewer
- Sewer connections are usually undertaken under Section 106 of the Water Industry Act through an application for a connection made to us. If approved, work is usually carried out by a drainage contractor on behalf of the applicant
- There are charges associated with the Section 106 application process
- On very rare occasions, we may need to undertake connection work ourselves and we would notify you of this following review of your Section 106 sewer connection application
- If we need to carry out this work, we do so under Section 107 of the Water Industry Act and only in those specific circumstances would the fixed construction charges detailed below apply
- If we are required to make the connection, the cost will depend on size, depth and the nature of the surface the pipe is being constructed in
- The charges below should be combined to form the total costs associated with a particular application
- Connections are made by connecting a new pipe directly to an existing sewer, existing manhole or by constructing a new manhole
- If a new manhole is not needed, then the connection to the existing sewer or manhole is included in the pipe laying rate
- Highways charges may apply if we need to work with the local authority to allow us to carry out the construction work. These charges would cover any temporary road, parking bay and pedestrian crossing closures
- Traffic management is included within our standard charges
- We may need to reduce the flow in the existing sewer, so we can make the connection safely. A bespoke additional charge for over pumping the receiving sewer will be applied in these cases

- Sewer connections are deep and must be carried out safely. On some occasions, specialist ground support, such as interlocking sheet piles, may be needed to protect our construction teams and the surrounding areas and properties. If this needed, additional bespoke charges would apply
- In areas where groundwater levels are high, we may need to carry out specialist dewatering. In most cases we can manage this with a small pump, but in some conditions a more specialist approach will be needed. Customers will receive a bespoke estimate for this work should these circumstances arise
- The charges associated with wastewater connections are payable up-front on application and provision of estimates. Work will commence on receipt of payment

### Section 106/107 application and administration charges

| Service  | Charge  | Contestable / Non-contestable | How is this applied? |
|--|---------|-------------------------------|----------------------|
| S106/107 Application / Administration fee – Connection to existing sewer / manhole | £230.83 | Non-contestable               | Per application      |
| S106/107 Application / Administration fee – New manhole construction               | £295.83 | Non-contestable               | Per application      |

### New Site Specific sewers

- If new sewers are needed to drain the new properties, developers usually apply through the Section 104 process and work is carried out by a drainage contractor. Under this approach we will adopt the new sewer once it is complete, providing it meets the required industry standards
- There is a similar approach for adopting already constructed sewers under our Section 102 process
- There are fixed charges associated with the Section 104 and 102 application process
- If a developer requires us to carry out the construction of a new sewer, they can make an application through a Section 98 requisition
- The charges below should be combined to form the total costs associated with a particular application
- We have set fixed charges for gravity sewers, manhole construction and rising main construction. Costs will vary depending on the size and depth of the sewer
- Our charges include the costs of design, surveys, land-entry, management costs, traffic management and related administration
- The charges also include standard trench support – excavator driven sheet piles and support structures; and groundwater management – through the provision of a localised pump to remove water from a trench
- On some occasions, specialist approaches may be needed, including if the development site contains contaminated material. In such cases we will provide a bespoke estimate
- From April 2020 we will not offer an Income Offset on new wastewater requisitions
- The charges associated with new sewer infrastructure are payable up-front and following the provision of estimates. Under our current charging approach there is an option to pay under the relevant deficit approach, where charges are payable over a 12-year period. Should this be attractive for applicants we will be able to offer a bespoke quotation on that basis. The final charges due may prove to be different to those calculated using the following charges due to the different calculation method

## Section 104 /102 application and administration charges

| Service   | Charge                           | Contestable / Non-contestable | How is this applied? |
|---|----------------------------------|-------------------------------|----------------------|
| S102 - Application Fee (including initial administration)                 | £321.67                          | Non-contestable               | Per application      |
| S104 - Application Fee (including initial administration)                 | £515                             | Non-contestable               | Per application      |
| S102 / S104 - Technical / Inspection Fee (including final administration) | 2.5% of construction value       | Non-contestable               | Per application      |
| S102 / S104 - Legal Fee   | £400                             | Non-contestable               | Per application      |
| S104 - Security   | Bond – 10% of construction value | Non-contestable               | Per application      |

## Section 98 requisition application charges

| Service  | Charge                     | Contestable / Non-contestable | How is this applied? |
|--|----------------------------|-------------------------------|----------------------|
| S98 - Application fee (including initial Administration) | £3894                      | Non-contestable               | Per application      |
| S98 - Design fee*  | 10% of total project value | Either                        | Per application      |
| S98 - Point of connection enquiry                        | £110                       | Either                        | Per application      |

\* The design fee (or an element of it) will be refunded if, on agreement to proceed, the total cost of the construction works is less than the Income Offset

### New gravity sewers - unmade ground (per metre)

| Pipe size \ Pipe depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------|------------|-------------|-------------|-------------|
| 0 - 150mm              | £304       | £367        | £457        | £557        |
| >150 - 300mm           | £440       | £511        | £603        | £721        |
| >300 - 450mm           | £530       | £630        | £752        | £883        |
| >450 - 600mm           | £736       | £868        | £988        | £1120       |
| >600 - 900mm           | £1011      | £1132       | £1295       | £1415       |
| >900 - 1200mm          | £1350      | £1509       | £1675       | £1809       |

### New gravity sewers – footpath (per metre)

| Pipe size \ Pipe depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------|------------|-------------|-------------|-------------|
| 0 - 150mm              | £563       | £808        | £1094       | £1456       |
| >150 - 300mm           | £695       | £943        | £1181       | £1588       |
| >300 - 450mm           | £781       | £1045       | £1336       | £1748       |
| >450 - 600mm           | £1034      | £1359       | £1691       | £2058       |
| >600 - 900mm           | £1287      | £1664       | £2113       | £2611       |
| >900 - 1200mm          | £1641      | £2149       | £2647       | £3230       |

### New gravity sewers - side road (per metre)

| Pipe size \ Pipe depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------|------------|-------------|-------------|-------------|
| 0 - 150mm              | £596       | £1064       | £1064       | £1403       |
| >150 - 300mm           | £718       | £1184       | £1184       | £1537       |
| >300 - 450mm           | £794       | £1354       | £1354       | £1768       |
| >450 - 600mm           | £1058      | £1707       | £1707       | £2194       |
| >600 - 900mm           | £1334      | £2174       | £2174       | £2673       |
| >900 - 1200mm          | £1743      | £2725       | £2725       | £3311       |

### New gravity sewers - main road (per metre)

| Pipe size \ Pipe depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------|------------|-------------|-------------|-------------|
| 0 - 150mm              | £739       | £912        | £1181       | £1544       |
| >150 - 300mm           | £855       | £1057       | £1312       | £1682       |
| >300 - 450mm           | £945       | £1208       | £1502       | £1908       |
| >450 - 600mm           | £1216      | £1531       | £1869       | £2365       |
| >600 - 900mm           | £1509      | £1902       | £2322       | £2837       |
| >900 - 1200mm          | £1899      | £2426       | £2908       | £3505       |

### New manholes - unmade ground (per manhole)

| Manhole depth / Manhole size | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------------|------------|-------------|-------------|-------------|
| 1200mm                       | £5383      | £6394       | £8574       | £10435      |
| 1350mm                       | £5929      | £7032       | £9443       | £11549      |
| 1500mm                       | £6385      | £7518       | £10388      | £12505      |
| 1800mm                       | £8793      | £10435      | £13785      | £16685      |
| 2100mm                       | £12652     | £14910      | £18741      | £22574      |

### New manholes – footpath (per manhole)

| Manhole depth / Manhole size | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------------|------------|-------------|-------------|-------------|
| 1200mm                       | £6399      | £7508       | £9822       | £11968      |
| 1350mm                       | £6998      | £8229       | £10790      | £13197      |
| 1500mm                       | £7612      | £8799       | £11875      | £14192      |
| 1800mm                       | £10165     | £12143      | £14023      | £18532      |
| 2100mm                       | £14231     | £16636      | £20745      | £22494      |

### New manholes - side road (per manhole)

| Manhole depth / Manhole size | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------------|------------|-------------|-------------|-------------|
| 1200mm                       | £7322      | £8641       | £11151      | £13188      |
| 1350mm                       | £7941      | £9419       | £12169      | £14446      |
| 1500mm                       | £8592      | £9902       | £13151      | £15276      |
| 1800mm                       | £11307     | £13406      | £16585      | £19919      |
| 2100mm                       | £15393     | £17942      | £22107      | £25790      |

### New manholes - main road (per manhole)

| Manhole depth / Manhole size | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------------|------------|-------------|-------------|-------------|
| 1200mm                       | £8143      | £9497       | £12029      | £14069      |
| 1350mm                       | £8885      | £10403      | £13175      | £15455      |
| 1500mm                       | £9634      | £10984      | £14257      | £16385      |
| 1800mm                       | £12630     | £14737      | £18132      | £21297      |
| 2100mm                       | £16981     | £19542      | £23723      | £27797      |

### New rising main - unmade ground (per metre)

| Pipe size \ Pipe depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------|------------|-------------|-------------|-------------|
| 0 - 125mm              | £280       | £331        | £424        | £536        |
| >125 - 180mm           | £297       | £353        | £448        | £555        |
| >180 - 255mm           | £337       | £397        | £500        | £605        |
| >255 - 315mm           | £383       | £450        | £557        | £685        |
| >315 - 355mm           | £435       | £511        | £639        | £770        |
| >355 - 400mm           | £484       | £565        | £703        | £851        |

### New rising main – footpath (per metre)

| Pipe size \ Pipe depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------|------------|-------------|-------------|-------------|
| 0 - 125mm              | £503       | £714        | £985        | £1322       |
| >125 - 180mm           | £547       | £762        | £1006       | £1345       |
| >180 - 255mm           | £597       | £809        | £1039       | £1382       |
| >255 - 315mm           | £661       | £893        | £1087       | £1544       |
| >315 - 355mm           | £782       | £1010       | £1217       | £1629       |
| >355 - 400mm           | £841       | £1095       | £1376       | £1778       |

### New rising main – side road (per metre)

| Pipe size \ Pipe depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------|------------|-------------|-------------|-------------|
| 0 - 125mm              | £501       | £729        | £980        | £1310       |
| >125 - 180mm           | £519       | £786        | £1001       | £1333       |
| >180 - 255mm           | £570       | £824        | £1034       | £1382       |
| >255 - 315mm           | £681       | £907        | £1121       | £1543       |
| >315 - 355mm           | £741       | £1003       | £1330       | £1795       |
| >355 - 400mm           | £818       | £1118       | £1435       | £1859       |

### New rising main – main road (per metre)

| Pipe size \ Pipe depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|------------------------|------------|-------------|-------------|-------------|
| 0 - 125mm              | £658       | £825        | £1067       | £1412       |
| >125 - 180mm           | £653       | £860        | £1088       | £1436       |
| >180 - 255mm           | £697       | £888        | £1134       | £1474       |
| >255 - 315mm           | £790       | £1014       | £1240       | £1634       |
| >315 - 355mm           | £876       | £1131       | £1444       | £1897       |
| >355 - 400mm           | £956       | £1248       | £1550       | £1961       |

## Site Specific charges – general information

### Exceptions to fixed charges

The charges in this document are predominantly fixed charges. On some occasions, the costs associated with laying new water mains and sewers (requisitions) may be more complex and challenging, in which case it will be difficult to provide a fixed charge.

This could include circumstances where:

- The technical complexity of the work is high, or the type of work required is bespoke or carried out infrequently
- Third parties can legitimately recover their costs from companies and there is not a reasonable level of certainty of those costs in advance of connection work being undertaken
- Third parties have rights to protect their assets or interests in a way that affects the construction method. The third parties' requirements are unknown upfront
- The work is to be carried out on or close to land with particular environmental, historical or archaeological characteristics. These characteristics mean that specific measures are required during construction or reinstatement. The details of these measures may not be fully defined in advance of construction.

Where the above circumstances occur, we may be unable to provide a fixed upfront charge for the entire works, and will provide a budget estimate comprising a mixture of:

- Indicative or estimated charges for the elements of works affected by the circumstances above, and;
- Fixed upfront charges for the elements of the work where there is sufficient certainty and it is reasonable to do so.

There may be occasions where providing an indicative estimate is not possible or where the estimate will not meet the degree of confidence desired by the applicant. In these cases, we will work with the applicant to agree the best way to proceed.

Some specific examples of where exceptions could apply include:

- Management and disposal of contaminated material
- Extraordinary ground support such as interlocking sheet piles
- Extraordinary groundwater control such as deep wells or wellpointing
- Excavation of rock or artificial obstructions
- Excavation and reinstatement of concrete highways
- Extraordinary pipe bedding requirements (such as piling)
- Costs associated with land compensation or loss of profit
- Statutory undertakers' diversions
- Tunnelling and trenchless installation techniques such as directional drilling or auger-boring
- Pumping stations and installations
- Costs of permits, permissions and supervision associated with rail crossings, canal or river crossings, major highway crossings
- Costs associated with 'immune bodies' where our statutory powers may not apply
- Bespoke legal agreements such as Deed of Grant Easement or Transfer of Pumping Stations where not included within the routine agreements or processes

The above list is not exhaustive but reflects some typical examples that may fall into the principles outlined above. The examples are generally highly site and context specific. The frequency with which these occur is also difficult to predict. Including these types of circumstance in standard charges would be challenging and could adversely on the charges incurred by all applicants.

### **Recalculating the charges**

For all of the Site Specific charges, it is possible that we will need to recalculate the charges due on completion. This is often known as re-measuring. This will only be undertaken against the charges detailed within this document. Charges will only change if the quantities that have previously been estimated change.

### **Differences in the charges**

In the different categories of Site Specific charges there are different charges for what appear to be similar activities. There are two major reasons behind this:

- We use different delivery partners for different types of work. Connections and simple works are generally delivered using different partners to more complex, risky construction works. There are different costs associated with this
- For some simple items there are very low costs in terms of management effort, or the costs are in different charges. An example is water connections where the internal costs for managing the work are covered by our application and administration charges. For more complex elements of work, the charges include all costs associated with project management, design, site investigation, existing customer management, dealing with external stakeholders and permitting, securing planning permission and other similar activities. Due to the way that the charges have been developed these are included within the charge items to make the charges as user-friendly as possible.

### **Extract of our network plans**

To assist our Developer Services customers in planning their works, it is possible to request an extract of our network plan. We now partner with digdat to provide copies of our network plans. There are a range of pricing options dependant on the options selected by the customer.

Further information can be found via our website or the following link.

<https://www.southernwater.co.uk/property-searches/sewer-and-water-maps>

## **Charges for diversion work**

The below information relates to our charges where our existing assets require diverting to permit a development.

- Developers with an interest in land that contains existing water or sewerage assets can arrange for the alteration or removal those assets to allow development work to progress
- For both water mains and sewers this is undertaken under Section 185 of the Water Industry Act
- All or part of the diversion works may be contestable, in which case we will give the developer the opportunity to undertake the works, or employ a suitably qualified third-party contractor to undertake these elements
- The decision on who undertakes the construction is based on the risk of the work and asset criticality ratings
- Applicants can contact our Business Channels team for advice ahead of application
- Alternatively, should a developer delivered diversion be assessed as needing to be delivered by Southern Water, we will only charge the differential in application fees



- We do not offer published fixed charges for construction activities in this area. We will keep this under review
- We will provide a bespoke estimate for each project. The applicant will be free to choose how to proceed on provision of estimates at key stages
- We will utilise information from both our estimating database and supplier contracts at the early stages of the process to provide these bespoke estimates. As the design progresses, we will further engage with our suppliers to deliver an increasingly detailed and accurate quotation for the defined scope of the work required
- The estimates may be different to the requisition published charges due to the individual nature of each site
- The charges associated with diversions are payable up-front and following the provision of estimates.

| Service  | Charge                     | Contestable / Non-contestable | How is this applied? |
|--|----------------------------|-------------------------------|----------------------|
| S185 - Application Fee (water diversion)                     | £1450                      | Non-contestable               | Per application      |
| S185 - Application Fee (developer wastewater diversion)      | £311                       | Non-contestable               | Per application      |
| S185 - Application Fee (Southern Water wastewater diversion) | £1850                      | Non-contestable               | Per application      |
| S185 - Design Fee (Southern Water diversion)                 | 10% of total project value | Non-contestable               | Per application      |
| S185 – Technical Assessment Fee (developer diversion)        | £563                       | Non-contestable               | Per application      |
| S185 – Inspection Fees (developer wastewater diversion)      | 2.5% of construction value | Non-contestable               | Per application      |
| S185 – Legal Fees (developer wastewater diversion)           | £400                       | Non-contestable               | Per application      |
| S185 – Security requirements (developer diversions)          | See below                  | Non-contestable               | Per application      |

### Security requirements

For developer delivered diversion projects we require a 100% performance deposit. 80% is returned on completion of the works and the remaining 20% following a 1 year warranty period.

# Transitional arrangements

We understand that moving to new charging arrangements presents uncertainty for Developer Services customers, particularly where they may have already committed to a development based on previous charging arrangements.

## 2020-21 transitional arrangements

We worked with our stakeholders and customers to formulate the following transitional arrangements for projects and developments that straddle the implementation of the new charging approach.

### Infrastructure Charges

- Infrastructure Charges will be chargeable at the gross charge applicable for the year that the property connects to the network
- Income Offsets will be applied to the Infrastructure Charge in cases where the development has not previously received a form of Income Offset (associated with requisitions, Asset Payments or Income Offset equivalents for NAVs)
- The 'old' Infrastructure Charge will continue to apply in the circumstances detailed within 'Historic transitional agreements' detailed below

### Site Specific Charges

- We will provide quotations and estimates based on our 2019/20 Charging Arrangements until the 31<sup>st</sup> March 2020
- We will accept a 6 month validity period for estimates issued for Site Specific activities instead of our standard 3 months validity period. This will apply to estimates issued from the 1<sup>st</sup> January 2020 to 31<sup>st</sup> March 2020
- We will provide quotations and estimates based on our 2020/21 Charging Arrangements from the 1<sup>st</sup> April 2020
- Minor changes, updates or alterations to existing agreements will be based upon the Charging Arrangements that applied to the year that the agreement was made
- Minor changes, updates or alterations are considered to be a less than 15% change the primary quantities (properties connected, metres of pipe, value of order etc)
- Larger changes would result in the requirement for a new agreement based upon the current years Charging Arrangements
- Should a customer request a re-quotation under the 2020/21 Charging Arrangements, this will become the quote that the customer must accept

## Historic transitional arrangements

We worked with our stakeholders and Water UK to agree a set of principles by which we based our charges during the 2017-18 to 2018-19 transition period. The transition principles for this period are set out below.

### Infrastructure Charges

- After 1st April 2018, premises connecting to a main or sewer that was provided as a requisition under S98 or S41 of the WIA1991, between 1991 and April 2018, will be charged using the old



Infrastructure Charge in accordance with our Licence Condition C. The charges recovered in accordance with Condition C will be capped in line with the condition.

- After 1st April 2018, connections made to assets other than those above will be charged in accordance with the new Infrastructure Charge as defined in Ofwat's Charges Scheme Rules
- Any properties directly associated with a development where a network reinforcement requisition has been entered into, will be charged the old infrastructure charge in accordance with Condition C. The charges recovered in accordance with Condition C will be capped in line with the condition.

## Site Specific Charges

- Applications received between 1st February 2018, and the 31st March 2018 for Site Specific mains and sewer work that will be carried out after 1st April 2018, will be quoted on either the old rules, or Ofwat's Charging Rules for New Connection Services. Developers and SLPs will be invited to choose their preferred method
- Applications received between 1st February 2018, and the 31st March 2018 for Site Specific new property connections that will be carried out after 1st April 2018, will be quoted under the old approach due to the volumes of applications. From the 1<sup>st</sup> April 2018 quotations will be made under the new charging approach
- Developers or SLPs that have received a quotation or draft adoption agreement under the old rules, but have not formally accepted can re-apply after the 1st February 2018 for a quotation in accordance with Charging Rules for New Connection Services
- Quotations for some Site Specific work provided under the old rules, and accepted before 1st April 2018 are to continue to apply until 1st April 2023 unless the Developer Services customer and the company agree to vary the quotation
- Where a legal agreement is already in place in relation to charges for Site Specific work carried out as part of an adoption, then the charges defined within that agreement remain valid for the life of the agreement unless the Developer Services customer and the company agree to vary those charges
- Charges relating to the old charging rules, will be adjusted by inflation if the quotation or legal agreement includes an appropriate provision for adjusting the charges.
- All our quotations under the new charging arrangements have a fixed period of validity. This validity period is detailed on the quotation that is supplied to all Developer Services customers. Should the Developer Services customer not progress within the validity period, it may be necessary to issue an updated quotation for the application

# Timings and Methods of payment

## Water

### **Water Connections**

Water connection application fees are payable up-front at the time of application.

Administration fees are payable along with the construction fees on the acceptance of the quotation. These are again paid up-front.

### **Water Mains Laying**

Application fees are payable up-front at the time of application.

Any further fees are payable following the issue of the Site-Specific quotation. These fees are generally paid up-front ahead of construction work progressing.

### **Water Infrastructure Charges**

Water infrastructure charges are generally payable on connection. We are happy to discuss advance payment, but in these circumstances, customers must pay both Water and Wastewater Infrastructure Charges when we supply both services. Customers must also be aware that charges can go up and down and therefore there is an element of risk that customer is taking when paying in advance.

### **Water Income Offset**

The water Income Offset is payable at the same time as the Infrastructure Charge.

## Wastewater

### **Wastewater Connections**

Wastewater connection application fees are payable up-front at the time of application.

Construction fees (if applicable) are payable up-front on the acceptance of the quotation.

### **Wastewater Site Specific Sewer Laying**

Application fees are payable up-front at the time of application.

Any further fees are payable following the issue of the Site-Specific quotation. There is generally a two stage approach given the complexity of these projects.

### **Wastewater Infrastructure Charges**

Wastewater infrastructure charges are generally payable on connection. Invoices are issued on a routine basis during the lifespan of the development to the applicant. We measure connected properties via the registering of meters associated with the properties. We are happy to discuss advance payment, but in these circumstances, customers must pay both Water and Wastewater Infrastructure Charges when we supply both services. Customers must also be aware that charges can go up and down and therefore there is an element of risk that customer is taking when paying in advance.

### **Wastewater Income Offset**

The wastewater Income Offset is payable at the same time as the Infrastructure Charge.

## Methods of Payment

We accept BACs, credit and debit cards and cheques for payment for our services. Further details can be found on our 'Ways to Pay' information that is delivered with our quotations and on our customer portal.

# How did we calculate the charges?

## Water

### Site Specific charges - new property connections

For new individual property connections, we analysed 12 months of new connections data. This involved nearly 7000 property connections, ensuring a significant population of data to base the new charges upon. We categorised the costs into the new standard categories, along with the number of new water meters (aligned with properties). This allowed us to develop the per water meter (property) average costs.

For larger diameter connections (63mm and above), we undertook the same approach, but adjusted to consider those connections that were related to flats with internal meters, as these were increasing the unit costs.

The costs for additional pipework and barrier pipe for contaminated land closely correlate to the direct costs in providing these activities.

Traffic management costs were developed by using a selection of traffic management costs and building up a unit average. There was a high degree of cost fluctuation within this area. We will continue to collect data to ensure that this remains as representative as possible.

No general overheads are applied to the construction costs. All Southern Water related costs are recovered through the application and administration fees.

### Site Specific charges - water mains

The charges for laying new water mains were derived by analysing over 100 historic projects to develop all-inclusive unit charges for mains laying activities. The sites included nearly 90.000 metres of water mains installed, again generating a significant data set to drive accuracy. For each pipe size we recorded total length and how many valves and hydrants were installed. By applying our suppliers' standard rates, this allowed us to calculate a unit charge per metre.

Connections in most cases are a standard operation and the charges are based upon a bottom-up estimate. The charges include installation of a valve and hydrant per connection, at the request of the SLP community, so the same charge will apply to different classes of Developer Services customer.

Meters and pressure reducing valves are based on a bottom-up estimate. These include for a by-pass.

The costs for additional pipework and barrier pipe for contaminated land closely correlate to the direct costs in providing these activities.

Traffic management charges were developed by using a selection of traffic management costs and building up a unit average. There was a high degree of cost fluctuation within this area. We will continue to collect data to ensure that this remains as representative as possible.

Uplifts for project management, management of external constraints and administration costs are added to the base construction rates to ensure the charges cover all the costs associated with the provision of the infrastructure.

There is no general overhead applied to these charges. The charges apply to the direct costs of providing the infrastructure alone.

### **Network Reinforcement – Gross water Infrastructure Charge**

Our water infrastructure charge is based upon our forward looking PR19 business plan that covers the years 2020 to 2025.

We set an initial charge to recover our forecast expenditure over a 5 year period.

We then reviewed forecast income associated with the first 2 years of the updated infrastructure charge and compared with expenditure levels. We then made an adjustment to our gross charge to allow for a forecast over accrual in years 1 and 2 of the rolling 5-year period. This has resulted in the gross charge being set at £0.

Finally, we reduce the headline charge by a small amount to allow headroom for property connections where the charge is calculated using the Relevant Multiplier calculation. These are generally business and commercial properties that pay a higher overall charge as they provide increased demand per connected property. This ensures that overall grants and contribution income levels consider these connections that make a larger contribution than simple property connections.

### **Network Reinforcement – Water Income Offset**

The Income Offset is calculated through applying the typical pre-2018 recovery rates for the basket of services that are covered by the requirement to 'maintain the balance of contributions'. We applied these recovery rates across the forecast AMP7 expenditure and connection numbers that we developed for our PR19 plan. This allowed us to calculate the overall difference between our anticipated 'gross' revenues and the pre-2108 modelled revenues.

This overall difference is the Income Offset that is required.

This value was then broken down into a per connection Income Offset value, again reduced by a small amount to allow headroom for property connections where the Income Offset is calculated using the Relevant Multiplier calculation.

## **Wastewater**

### **Site specific charges - new lateral drains, connections and new sewers**

We very rarely construct new lateral drains and connections for our Developer Services customers. This work is generally undertaken directly by applicants and their drainage contractors. Due to this reason we have removed our bespoke Wastewater connections charges and combined into the updated new sewer (requisition) charges.

The charges for laying new sewers are categorised into 3 main areas – gravity pipe laying, manholes and rising main laying. Upper limits on pipe sizes and depths are included, which should cover most activities that Developer Services customers would request in this area.

The base construction rates are aggregated AMP7 suppliers' rates for the activities specified. We include uplifts for Southern Water activities including design, project management and the management of third party activities.

This allows for an all-inclusive charge that, in turn, allows the Developer Services customer to identify the total cost of an activity using information that they would be likely to possess, be able to estimate, or make sensible assumptions around (for example metres or pipe, sizes, depths and number of manholes).

In this case, as traffic management is often unavoidable, traffic management is included within the charges.

There are no general overheads applied to these charges. The charges only relate to the direct costs of undertaking the work.

### **Network Reinforcement – Gross wastewater Infrastructure Charge**

Our gross wastewater infrastructure charge is based upon our forward looking PR19 business plan that covers the years 2020 to 2025.

We set an initial charge to recover our forecast expenditure over a 5 year period.

We then reviewed forecast income associated with the first 2 years of the updated infrastructure charge and compared with expenditure levels. We then made an adjustment to our gross charge to allow for a small forecast over accrual in years 1 and 2 of the rolling 5-year period.

Finally, we reduce the headline charge by a small amount to allow headroom for property connections where the charge is calculated using the Relevant Multiplier calculation. These are generally business and commercial properties that pay a higher overall charge as they provide increased demand per connected property. This ensures that overall grants and contribution income levels consider these connections that make a larger contribution than simple property connections.

### **Network Reinforcement – Wastewater Income Offset**

The Income Offset is calculated through applying the typical pre-2018 recovery rates for the basket of services that are covered by the requirement to 'maintain the balance of contributions'.

Analysis of our pre-2018 spend and revenue levels indicated that there were two sources of revenue that contributed to network reinforcement activities. To broadly maintain the balance of contributions we need to include contributions that were made to network reinforcement through the requisition mechanism that was predominantly utilised to deliver the projects as well as infrastructure charges. In AMP6, requisitions that include an element of network reinforcement averaged a 35% developer contribution once the Income Offset discount was applied.

For Wastewater Network Reinforcement, overall pre-2018 contribution levels equate to:

#### **Historic Infrastructure Charge income + Network Reinforcement Requisition income**

This equation is used to calculate the total revenues that would have been received through grants and contributions for network reinforcement. We applied these recovery rates across the forecast AMP7 expenditure and connection numbers that we developed for our PR19 plan. This allowed us to calculate the overall difference between our anticipated 'gross' revenues and the pre-2108 modelled revenues.

This overall value was then broken down into a per connection Income Offset value, again reduced by a small amount to allow headroom for property connections where the Income Offset is calculated using the Relevant Multiplier calculation.

### **Network Reinforcement – ‘net’ Wastewater Infrastructure Charge**

The ‘net’ wastewater infrastructure charge is now at a similar level to our old lower tier infrastructure charge. As a result, we believe that there is no longer a requirement for the tiered approach that was originally designed to avoid significant bill increases for smaller customers. This is supported by our analysis of bill stability for developer customers under a range of scenarios.

# Register of changes

## Changes to our charges for 2020-21

### Inflation

All our Site Specific charges have been uplifted by inflation. This is in line with the contractual uplifts that apply within our delivery suppliers' contracts. The uplift is aligned with the CPI inflationary measure. The inflationary uplift reflects a direct increase in our costs associated with the delivery of this work.

The inflationary uplift for 2020/21 is 1.5%.

### Water connections

The predominant changes are the CPI inflationary uplift and savings associated with the new supplier delivery contract for the AMP7 period. These adjustments combined result in a small saving to customers between 2019-20 and 2020-21.

We also reviewed the open cut / trenchless ratio for 25mm/32mm pipe installation which has resulted in slightly more variation for these charges.

### Water mains laying

In the area of water mains laying, our consultation feedback continued to indicate a strong preference for cost reflectivity, especially by the SLP community. As a result, we increased the sample of developments that are incorporated within our cost model. This includes over 100 developments comprising nearly 12,000 property connections. This impacted slightly on the mains laying rates because the number of valves and hydrants per metre installed has changed with the increased sample size.

We have also adjusted our no-dig contract rates to not include for any backfill of the trench. This has lowered our no-dig charges and reviewed the rates utilised for larger diameter pipework.

We have made small changes to the pipe laying elements that are included within our connections, meters and PMV charges resulting in minor changes.

We adjusted our charges in line with the rates in our new AMP7 delivery frameworks.

All charges had the 1.5% CPI uplift applied.

The range of changes in charges between 2019-20 and 2020-21 is detailed within the table below:

| Installation type             | Range of change |
|-------------------------------|-----------------|
| Mains installation            | -4.8% to 12.79% |
| Connections to existing mains | -1.5% to 3.6%   |
| Meters and PMV's              | -2.0% to -0.4%  |

### Wastewater New Lateral Drains and Connections

To promote simplicity, we removed this bespoke section as it is rarely utilised, and the scope overlaps significantly with new sewer construction. The new sewer construction charges will be utilised should we need to utilise Section 107 to construct a sewer connection on a customer's behalf.

## Wastewater Site Specific Sewers

For 2020-21 we have replaced the previously estimated construction rates with rates that directly align with aggregated rates from our new AMP7 delivery partner frameworks. This has meant a relatively wide spread of change at the extreme end of the range, but broadly change is much lower across most charges.

Generally, between 2019-20 and 2020-21, savings are made when laying sewers and rising mains in unmade ground.

The largest rises are associated with laying rising mains in footpaths, side roads and main roads.

Importantly our charges are now closely linked with suppliers delivery rates, improving cost reflectivity for customers.

Our uplifts for design, project management and risk remain unchanged.

## Gross infrastructure charges

For 2020-21 we have adopted a forward looking approach around our gross infrastructure charges. These are now based on our AMP7 PR19 submission. The AMP7 Final Determination in December 2019 was issued too late in the process to be considered within these Charging Arrangements.

For 2020-21 we adjusted both our water and wastewater gross charges for the first time to allow for a forecast over-accrual on income in year 1 and 2 of the rolling 5 year reconciliation period.

## Income Offsets

For 2020-21 we published Income Offsets for the first time associated with the infrastructure charge.

These have been removed from requisition charges for 2020-21.

## Changes to our Charging Arrangements for 2020-21

Following internal reviews, external assurance and feedback from regulators and our stakeholder consultation, we have also made the following changes to the Charging Arrangements.

- Included a map of the region, including surrounding Water only Companies
- We have included a pipe-sizing guide for estimating pipe sizes for water mains

## Changes to our charges for 2019-20

### Inflation

All our Site Specific charges have been uplifted by inflation. This is in line with the contractual uplifts that apply within our delivery suppliers' contracts. The inflationary uplift reflects a direct increase in our costs associated with the delivery of this work.

The inflationary uplift for 2019/20 is 2.4%. This reflects a 2.3% increase forecast for next year and a 0.1% adjustment to the forecast that applied to the 2018/19 charges.

The inflationary measure used is CPI.



## Traffic Management

Following our post implementation review, it became clear that our traffic management charges were over simplistic and did not account for the combined costs of local authority and contractor charges for single traffic management arrangements (for example road closures).

We have now developed a new suite of charges that better reflect these circumstances. These do reflect an increase over our old charges, particularly in the case of road closures. They are however more cost reflective and therefore meet the consistent feedback received within our consultation.

## Water connections

The only changes are the CPI inflationary uplift and the revised traffic management charges. In general charges have increased by 2.4%.

## Water mains laying

In the area of water mains laying, our consultation feedback was indicating a strong preference for cost reflectivity, especially by the SLP community. As a result, we reviewed some of the assumptions made when developing our charges, particularly the number and size of connections to the existing mains. This impacted slightly on the mains laying rates because connections include a valve and hydrant as standard. This review slightly adjusted the valve and hydrant allowances within the standard pipe sizes.

We identified a need to update our charges for district meters and pressure monitoring valves to allow for the inclusion of an additional valve per installation.

We had also identified an error in one of the rate category selections for connections to existing mains. This error had a less than 1% impact on the charge but has now been corrected.

We developed new charges for laying water mains in pre-excavated trenches (no-dig) in areas of hardstanding, for example highways or brownfield sites.

We have developed new charges for in-line non-return valves should these be required.

All charges had the 2.4% CPI uplift applied.

The range of changes in charges between 2018-19 and 2019-20 is detailed within the table below.

| Installation type             | Range of change |
|-------------------------------|-----------------|
| Mains installation            | -0.4% to 3.2%   |
| Connections to existing mains | 2.8% to 3.2%    |
| Meters and PMV's              | 6.3% to 14.8%   |

## Wastewater New Lateral Drains and Connections

The only change is the CPI inflationary uplift. In general charges have increased by 2.4%.

## Wastewater Site Specific Sewers

The only change is the CPI inflationary uplift. In general charges have increased by 2.4%.

## Income Offset

Following both our consultation and ongoing engagement throughout the year with various stakeholders we have decided to clarify the development timeframe that we will offer an Income Offset for. This is now the first 5 years of any development. This is both to provide clarity to Developer Services customers and to ensure that the balance of contributions between Developer Services customers and customers in general paying water services charges is not impacted significantly by large scale, long duration developments.

## Changes to our Charging Arrangements for 2019-20

Following internal reviews, external assurance and feedback from regulators and our stakeholder consultation, we have also made the following changes to the Charging Arrangements.

- Separated out Section 51 charges into their own tables for increased clarity and ease of use
- Displayed all charges (including application fees) excluding VAT for consistency. Quotations and other correspondence will detail when VAT applies
- Strengthened our descriptions of how our charges have been derived, with a particular focus on the wastewater infrastructure charge
- Clarified when we are referring to Developer Services Customers or existing customers / bill payers more clearly
- Various spelling and grammatical corrections
- Added new sections on Income Offset, Traffic Management, Water Mains Design and VAT to describe our approach in greater detail
- Added in a new section of the potential for commercial agreements between ourselves and customers relating to network reinforcement when the solution is to transfer to the 'point of available capacity'
- Added detail within the newly added Register of Changes relating to the approach to inflationary updated to our Site Specific charges
- Added a note to Transitional Arrangements referencing that validity periods apply to quotations and that a requote may apply if a quote is not taken up with the required period
- Provided further clarity that the Income Offset is related to the typical annual water and wastewater customer bill over a 12 year period
- Added a section on method and timings of payments
- Added the Register of Changes to track year on year adjustments

## Appendix – worked examples

This appendix details how some of our common charges apply in real world scenarios. The examples detail the range of charges that would be payable by the customer for the scenarios that are detailed.

### Scenario 1

|                   |   |
|-------------------|---|
| Single connection | No new mains/sewer required;<br>25-32mm and 100mm water/lateral drain pipe as applicable;<br>Combination of footpath and road surface types in calculations;<br>Short and long connection and road crossing |
|-------------------|---|

| Service type                                    | Scenario 1       |                  |                 |
|---|------------------|------------------|-----------------|
|   | 2019/20          | 2020/21          | % change        |
| <b>Water</b>                                    |                  |                  |                 |
| <b>Service Connections - non-contestable</b>    | <b>£187.30</b>   | <b>£187.30</b>   | <b>0.0%</b>     |
| Application, admin and inspection fees          | £187.30          | £187.30          | 0.0%            |
| <b>Service Connections - contestable</b>        | <b>£740.00</b>   | <b>£737.00</b>   | <b>-0.4%</b>    |
| Contestable construction items                  | £740.00          | £737.00          | -0.4%           |
| <b>New mains - non-contestable</b>              | <b>£0.00</b>     | <b>£0.00</b>     | <b>N/A</b>      |
| Application, admin and design fees              | £0.00            | £0.00            | N/A             |
| Non-contestable connection to main              | £0.00            | £0.00            | N/A             |
| <b>New mains - contestable</b>                  | <b>£0.00</b>     | <b>£0.00</b>     | <b>N/A</b>      |
| Contestable construction items                  | £0.00            | £0.00            | N/A             |
| <b>Income offset - non-contestable</b>          | <b>£0.00</b>     | <b>-£335.00</b>  | <b>N/A</b>      |
| <b>Infrastructure Charges - non-contestable</b> | <b>£200.00</b>   | <b>£0.00</b>     | <b>-100.0%</b>  |
| <b>Water Total</b>                              | <b>£1,127.30</b> | <b>£589.30</b>   | <b>-47.7%</b>   |
|   |                  |                  |                 |
| <b>Wastewater</b>                               | <b>2019/20</b>   | <b>2020/21</b>   | <b>% change</b> |
| <b>Service connections - non-contestable</b>    | <b>£295.83</b>   | <b>£295.83</b>   | <b>0.0%</b>     |
| S106/107 Application / Administration fee       | £295.83          | £295.83          | 0.0%            |
| <b>New sewers - non-contestable</b>             | <b>£0.00</b>     | <b>£0.00</b>     | <b>N/A</b>      |
| S104 - Application Fee                          | £0.00            | £0.00            | N/A             |
| S102 / S104 - Technical / Inspection Fee        | £0.00            | £0.00            | N/A             |
| <b>Income offset - non-contestable</b>          | <b>£0.00</b>     | <b>-£225.00</b>  | <b>N/A</b>      |
| <b>Infrastructure Charges - non-contestable</b> | <b>£550.00</b>   | <b>£790.00</b>   | <b>43.6%</b>    |
| <b>Wastewater Total</b>                         | <b>£845.83</b>   | <b>£860.83</b>   | <b>1.8%</b>     |
|   |                  |                  |                 |
| <b>Non-contestable total</b>                    | <b>£1,233.13</b> | <b>£713.13</b>   | <b>-42.2%</b>   |
| <b>Contestable total</b>                        | <b>£740.00</b>   | <b>£737.00</b>   | <b>-0.4%</b>    |
|   |                  |                  |                 |
| <b>Overall total</b>                            | <b>£1,973.13</b> | <b>£1,450.13</b> | <b>-26.5%</b>   |

## Scenario 2

|                               |   |
|-------------------------------|---|
| New block of flats (10 units) | No new mains/sewer required;<br>Large diameter water connection and a single sewerage connection;<br>Combination of footpath and road surface types;<br>Short and long connection and road crossing |
|-------------------------------|---|

| Service type                                    | Scenario 2        |                   |                 |
|---|-------------------|-------------------|-----------------|
|   | 2019/20           | 2020/21           | % change        |
| <b>Water</b>                                    |                   |                   |                 |
| <b>Service Connections - non-contestable</b>    | <b>£187.30</b>    | <b>£187.30</b>    | <b>0.0%</b>     |
| Application, admin and inspection fees          | £187.30           | £187.30           | 0.0%            |
| <b>Service Connections - contestable</b>        | <b>£2,409.00</b>  | <b>£2,399.00</b>  | <b>-0.4%</b>    |
| Contestable construction items                  | £2,409.00         | £2,399.00         | -0.4%           |
| <b>New mains - non-contestable</b>              | <b>£0.00</b>      | <b>£0.00</b>      | <b>N/A</b>      |
| Application, admin and design fees              | £0.00             | £0.00             | N/A             |
| Non-contestable connection to main              | £0.00             | £0.00             | N/A             |
| <b>New mains - contestable</b>                  | <b>£0.00</b>      | <b>£0.00</b>      | <b>N/A</b>      |
| Contestable construction items                  | £0.00             | £0.00             | N/A             |
| <b>Income offset - non-contestable</b>          | <b>£0.00</b>      | <b>-£3,350.00</b> | <b>N/A</b>      |
| <b>Infrastructure Charges - non-contestable</b> | <b>£2,000.00</b>  | <b>£0.00</b>      | <b>-100.0%</b>  |
| <b>Water Total</b>                              | <b>£4,596.30</b>  | <b>-£763.70</b>   | <b>-116.6%</b>  |
|   |                   |                   |                 |
| <b>Wastewater</b>                               | <b>2019/20</b>    | <b>2020/21</b>    | <b>% change</b> |
| <b>Service connections - non-contestable</b>    | <b>£295.83</b>    | <b>£295.83</b>    | <b>0.0%</b>     |
| S106/107 Application / Administration fee       | £295.83           | £295.83           | 0.0%            |
| <b>New sewers - non-contestable</b>             | <b>£0.00</b>      | <b>£0.00</b>      | <b>N/A</b>      |
| S104 - Application Fee                          | £0.00             | £0.00             | N/A             |
| S102 / S104 - Technical / Inspection Fee        | £0.00             | £0.00             | N/A             |
| <b>Income offset - non-contestable</b>          | <b>£0.00</b>      | <b>-£2,250.00</b> | <b>N/A</b>      |
| <b>Infrastructure Charges - non-contestable</b> | <b>£5,500.00</b>  | <b>£7,900.00</b>  | <b>43.6%</b>    |
| <b>Wastewater Total</b>                         | <b>£5,795.83</b>  | <b>£5,945.83</b>  | <b>2.6%</b>     |
|   |                   |                   |                 |
| <b>Non-contestable total</b>                    | <b>£7,983.13</b>  | <b>£2,783.13</b>  | <b>-65.1%</b>   |
| <b>Contestable total</b>                        | <b>£2,409.00</b>  | <b>£2,399.00</b>  | <b>-0.4%</b>    |
|   |                   |                   |                 |
| <b>Overall total</b>                            | <b>£10,392.13</b> | <b>£5,182.13</b>  | <b>-50.1%</b>   |

## Scenario 3

Small house development  
(10 new connections)

New mains and sewer required – total length 50m each;  
Combination of unmade and road surface types

| Service type                                    | Scenario 3        |                   |                 |
|---|-------------------|-------------------|-----------------|
|   | 2019/20           | 2020/21           | % change        |
| <b>Water</b>                                    |                   |                   |                 |
| <b>Service Connections - non-contestable</b>    | <b>£817.12</b>    | <b>£817.12</b>    | <b>0.0%</b>     |
| Application, admin and inspection fees          | £817.12           | £817.12           | 0.0%            |
| <b>Service Connections - contestable</b>        | <b>£3,142.00</b>  | <b>£3,132.00</b>  | <b>-0.3%</b>    |
| Contestable construction items                  | £3,142.00         | £3,132.00         | -0.3%           |
| <b>New mains - non-contestable</b>              | <b>£4,789.17</b>  | <b>£4,774.17</b>  | <b>-0.3%</b>    |
| Application, admin and design fees              | £1,399.17         | £1,399.17         | 0.0%            |
| Non-contestable connection to main              | £3,390.00         | £3,375.00         | -0.4%           |
| <b>New mains - contestable</b>                  | <b>£5,668.00</b>  | <b>£5,736.13</b>  | <b>1.2%</b>     |
| Contestable construction items                  | £5,668.00         | £5,736.13         | 1.2%            |
| <b>Income offset - non-contestable</b>          | <b>-£9,058.00</b> | <b>-£3,350.00</b> | <b>-63.0%</b>   |
| <b>Infrastructure Charges - non-contestable</b> | <b>£2,000.00</b>  | <b>£0.00</b>      | <b>-100.0%</b>  |
| <b>Water Total</b>                              | <b>£7,358.29</b>  | <b>£11,109.42</b> | <b>51.0%</b>    |
|   |                   |                   |                 |
| <b>Wastewater</b>                               | <b>2019/20</b>    | <b>2020/21</b>    | <b>% change</b> |
| <b>Service connections - non-contestable</b>    | <b>£295.83</b>    | <b>£295.83</b>    | <b>0.0%</b>     |
| S106/107 Application / Administration fee       | £295.83           | £295.83           | 0.0%            |
| <b>New sewers - non-contestable</b>             | <b>£1,515.00</b>  | <b>£1,515.00</b>  | <b>0.0%</b>     |
| S104 - Application Fee                          | £515.00           | £515.00           | 0.0%            |
| S102 / S104 - Technical / Inspection Fee        | £1,000.00         | £1,000.00         | 0.0%            |
| <b>Income offset - non-contestable</b>          | <b>£0.00</b>      | <b>-£2,250.00</b> | <b>N/A</b>      |
| <b>Infrastructure Charges - non-contestable</b> | <b>£5,500.00</b>  | <b>£7,900.00</b>  | <b>43.6%</b>    |
| <b>Wastewater Total</b>                         | <b>£7,310.83</b>  | <b>£7,460.83</b>  | <b>2.1%</b>     |
|   |                   |                   |                 |
| <b>Non-contestable total</b>                    | <b>£5,859.12</b>  | <b>£9,702.12</b>  | <b>65.6%</b>    |
| <b>Contestable total</b>                        | <b>£8,810.00</b>  | <b>£8,868.13</b>  | <b>0.7%</b>     |
|   |                   |                   |                 |
| <b>Overall total</b>                            | <b>£14,669.12</b> | <b>£18,570.25</b> | <b>26.6%</b>    |

## Scenario 4

Medium house development (50 new connections)

New mains and sewer required – total length 300m each;  
Combination of unmade and road surface types

| Service type                                    | Scenario 4         |                    |                 |
|---|--------------------|--------------------|-----------------|
|   | 2019/20            | 2020/21            | % change        |
| <b>Water</b>                                    |                    |                    |                 |
| <b>Service Connections - non-contestable</b>    | <b>£3,921.56</b>   | <b>£3,921.56</b>   | <b>0.0%</b>     |
| Application, admin and inspection fees          | £3,921.56          | £3,921.56          | 0.0%            |
| <b>Service Connections - contestable</b>        | <b>£15,594.00</b>  | <b>£15,544.00</b>  | <b>-0.3%</b>    |
| Contestable construction items                  | £15,594.00         | £15,544.00         | -0.3%           |
| <b>New mains - non-contestable</b>              | <b>£4,789.17</b>   | <b>£4,774.17</b>   | <b>-0.3%</b>    |
| Application, admin and design fees              | £1,399.17          | £1,399.17          | 0.0%            |
| Non-contestable connection to main              | £3,390.00          | £3,375.00          | -0.4%           |
| <b>New mains - contestable</b>                  | <b>£31,668.00</b>  | <b>£32,084.82</b>  | <b>1.3%</b>     |
| Contestable construction items                  | £31,668.00         | £32,084.82         | 1.3%            |
| <b>Income offset - non-contestable</b>          | <b>-£35,058.00</b> | <b>-£16,750.00</b> | <b>-52.2%</b>   |
| <b>Infrastructure Charges - non-contestable</b> | <b>£10,000.00</b>  | <b>£0.00</b>       | <b>-100.0%</b>  |
| <b>Water Total</b>                              | <b>£30,914.73</b>  | <b>£39,574.55</b>  | <b>28.0%</b>    |
|   |                    |                    |                 |
| <b>Wastewater</b>                               | <b>2019/20</b>     | <b>2020/21</b>     | <b>% change</b> |
| <b>Service connections - non-contestable</b>    | <b>£295.83</b>     | <b>£295.83</b>     | <b>0.0%</b>     |
| S106/107 Application / Administration fee       | £295.83            | £295.83            | 0.0%            |
| <b>New sewers - non-contestable</b>             | <b>£4,515.00</b>   | <b>£4,515.00</b>   | <b>0.0%</b>     |
| S104 - Application Fee                          | £515.00            | £515.00            | 0.0%            |
| S102 / S104 - Technical / Inspection Fee        | £4,000.00          | £4,000.00          | 0.0%            |
| <b>Income offset - non-contestable</b>          | <b>£0.00</b>       | <b>-£11,250.00</b> | <b>N/A</b>      |
| <b>Infrastructure Charges - non-contestable</b> | <b>£38,250.00</b>  | <b>£39,500.00</b>  | <b>3.3%</b>     |
| <b>Wastewater Total</b>                         | <b>£43,060.83</b>  | <b>£33,060.83</b>  | <b>-23.2%</b>   |
|   |                    |                    |                 |
| <b>Non-contestable total</b>                    | <b>£26,713.56</b>  | <b>£25,006.56</b>  | <b>-6.4%</b>    |
| <b>Contestable total</b>                        | <b>£47,262.00</b>  | <b>£47,628.82</b>  | <b>0.8%</b>     |
|   |                    |                    |                 |
| <b>Overall total</b>                            | <b>£73,975.56</b>  | <b>£72,635.38</b>  | <b>-1.8%</b>    |

## Scenario 5

Large house development  
(200 new connections)

New mains and sewer required – total length 1,000m each;  
Combination of unmade and road surface types;

| Service type                                    | Scenario 5          |                    |                 |
|---|---------------------|--------------------|-----------------|
|   | 2019/20             | 2020/21            | % change        |
| <b>Water</b>                                    |                     |                    |                 |
| <b>Service Connections - non-contestable</b>    | <b>£15,563.21</b>   | <b>£15,563.21</b>  | <b>0.0%</b>     |
| Application, admin and inspection fees          | £15,563.21          | £15,563.21         | 0.0%            |
| <b>Service Connections - contestable</b>        | <b>£62,260.00</b>   | <b>£62,060.00</b>  | <b>-0.3%</b>    |
| Contestable construction items                  | £62,260.00          | £62,060.00         | -0.3%           |
| <b>New mains - non-contestable</b>              | <b>£6,409.00</b>    | <b>£6,387.00</b>   | <b>-0.3%</b>    |
| Application, admin and design fees              | £1,475.00           | £1,475.00          | 0.0%            |
| Non-contestable connection to main              | £4,934.00           | £4,912.00          | -0.4%           |
| <b>New mains - contestable</b>                  | <b>£112,356.00</b>  | <b>£114,012.24</b> | <b>1.5%</b>     |
| Contestable construction items                  | £112,356.00         | £114,012.24        | 1.5%            |
| <b>Income offset - non-contestable</b>          | <b>-£117,290.00</b> | <b>-£67,000.00</b> | <b>-42.9%</b>   |
| <b>Infrastructure Charges - non-contestable</b> | <b>£40,000.00</b>   | <b>£0.00</b>       | <b>-100.0%</b>  |
| <b>Water Total</b>                              | <b>£119,298.21</b>  | <b>£131,022.45</b> | <b>9.8%</b>     |
|   |                     |                    |                 |
| <b>Wastewater</b>                               | <b>2019/20</b>      | <b>2020/21</b>     | <b>% change</b> |
| <b>Service connections - non-contestable</b>    | <b>£295.83</b>      | <b>£295.83</b>     | <b>0.0%</b>     |
| S106/107 Application / Administration fee       | £295.83             | £295.83            | 0.0%            |
| <b>New sewers - non-contestable</b>             | <b>£15,515.00</b>   | <b>£15,515.00</b>  | <b>0.0%</b>     |
| S104 - Application Fee                          | £515.00             | £515.00            | 0.0%            |
| S102 / S104 - Technical / Inspection Fee        | £15,000.00          | £15,000.00         | 0.0%            |
| <b>Income offset - non-contestable</b>          | <b>£0.00</b>        | <b>-£45,000.00</b> | <b>N/A</b>      |
| <b>Infrastructure Charges - non-contestable</b> | <b>£153,000.00</b>  | <b>£158,000.00</b> | <b>3.3%</b>     |
| <b>Wastewater Total</b>                         | <b>£168,810.83</b>  | <b>£128,810.83</b> | <b>-23.7%</b>   |
|   |                     |                    |                 |
| <b>Non-contestable total</b>                    | <b>£113,493.04</b>  | <b>£83,761.04</b>  | <b>-26.2%</b>   |
| <b>Contestable total</b>                        | <b>£174,616.00</b>  | <b>£176,072.24</b> | <b>0.8%</b>     |
|   |                     |                    |                 |
| <b>Overall total</b>                            | <b>£288,109.04</b>  | <b>£259,833.28</b> | <b>-9.8%</b>    |