

2021/22 New connection charges

Information requirement on Bill Stability

1 February 2021

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Worked examples of typical development bills for new connection services

In this section, we articulate the typical bills associated with a range of development scenarios. The development scenarios correlate closely with Ofwat's "Expectations, assurance and information requirements for water company charges 2021-22.

The scenarios detail typical customer charges for the 2020/21 charging year, typical customer charges for the 2021/22 charging year and the percentage difference. *Please note that we have included 8 Worked Examples in the 2021/22 Charging Arrangements including full charge breakdown.*

Standard scenario 1

Single connection	No new mains/sewer required; 25-32mm and 100mm water/lateral drain pipe as applicable; Combination of footpath and road surface types in calculations. Short and long connection and road crossing
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Service type	Scenario 1		
	2020/21	2021/22	% change
Water			
Service Connections - non-contestable	£187.30	£187.30	0.0%
Application, admin and inspection fees	£187.30	£187.30	0.0%
Service Connections - contestable	£737.00	£739.00	0.3%
Contestable construction items	£737.00	£739.00	0.3%
New mains - non-contestable	£0.00	£0.00	N/A
Application, admin and design fees	£0.00	£0.00	N/A
Non-contestable connection to main	£0.00	£0.00	N/A
New mains - contestable	£0.00	£0.00	N/A
Contestable construction items	£0.00	£0.00	N/A
Income offset - non-contestable	-£335.00	-£335.00	0.0%
Infrastructure Charges - non-contestable	£0.00	£0.00	N/A
Water Total	£589.30	£591.30	0.3%
Wastewater	2019/20	2020/21	% change
Service connections - non-contestable	£295.83	£295.83	0.0%
S106/107 Application / Administration fee	£295.83	£295.83	0.0%
New sewers - non-contestable	£0.00	£0.00	N/A
S104 - Application Fee	£0.00	£0.00	N/A
S102 / S104 - Technical / Inspection Fee	£0.00	£0.00	N/A
Income offset - non-contestable	-£225.00	-£128.00	75.7%
Infrastructure Charges - non-contestable	£790.00	£574.00	-27.3%
Wastewater Total	£860.83	£741.83	-13.8%
Non-contestable total	£713.13	£594.13	-16.7%
Contestable total	£737.00	£739.00	0.3%
Overall total	£1,450.13	£1,333.13	-8.1%

Standard scenario 2

New block of flats (10 units)	No new mains/sewer required; Large diameter water connection and a single sewerage connection; Combination of footpath and road surface types; Short and long connection and road crossing
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Service type	Scenario 2		
	2020/21	2021/22	% change
Water			
Service Connections - non-contestable	£187.30	£187.30	0.0%
Application, admin and inspection fees	£187.30	£187.30	0.0%
Service Connections - contestable	£2,399.00	£2,406.00	0.3%
Contestable construction items	£2,399.00	£2,406.00	0.3%
New mains - non-contestable	£0.00	£0.00	N/A
Application, admin and design fees	£0.00	£0.00	N/A
Non-contestable connection to main	£0.00	£0.00	N/A
New mains - contestable	£0.00	£0.00	N/A
Contestable construction items	£0.00	£0.00	N/A
Income offset - non-contestable	-£3,350.00	-£3,350.00	0.0%
Infrastructure Charges - non-contestable	£0.00	£0.00	N/A
Water Total	-£763.70	-£756.70	-0.9%
Wastewater			
Service connections - non-contestable	£295.83	£295.83	0.0%
S106/107 Application / Administration fee	£295.83	£295.83	0.0%
Doesn't New sewers - non-contestable	£0.00	£0.00	N/A
S104 - Application Fee	£0.00	£0.00	N/A
S102 / S104 - Technical / Inspection Fee	£0.00	£0.00	N/A
Income offset - non-contestable	-£2,250.00	-£1,280.00	75.7%
Infrastructure Charges - non-contestable	£7,900.00	£5,740.00	-27.3%
Wastewater Total	£5,945.83	£4,755.83	-20.0%
Non-contestable total	£2,783.13	£1,593.13	-42.8%
Contestable total	£2,399.00	£2,406.00	0.3%
Overall total	£5,182.13	£3,999.13	-22.8%

Standard 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		
	2020/21	2021/22	% change
Water			
Service Connections - non-contestable	£817.12	£817.12	0.0%
Application, admin and inspection fees	£817.12	£817.12	0.0%
Service Connections - contestable	£3,132.00	£3,142.00	0.3%
Contestable construction items	£3,132.00	£3,142.00	0.3%
New mains - non-contestable	£4,774.17	£4,784.17	0.2%
Application, admin and design fees	£1,399.17	£1,399.17	0.0%
Non-contestable connection to main	£3,375.00	£3,385.00	0.3%
New mains - contestable	£5,690.00	£5,720.00	0.5%
Contestable construction items	£5,690.00	£5,720.00	0.5%
Income offset - non-contestable	-£3,350.00	-£3,350.00	0.0%
Infrastructure Charges - non-contestable	£0.00	£0.00	0.0%
Water Total	£11,063.29	£11,113.29	0.5%
Wastewater	2019/20	2020/21	% change
Service connections - non-contestable	£295.83	£295.83	0.0%
S106/107 Application / Administration fee	£295.83	£295.83	0.0%
New sewers - non-contestable	£1,515.00	£1,515.00	0.0%
S104 - Application Fee	£515.00	£515.00	0.0%
S102 / S104 - Technical / Inspection Fee	£1,000.00	£1,000.00	0.0%
Income offset - non-contestable	-£2,250.00	-£1,280.00	-43.1%
Infrastructure Charges - non-contestable	£7,900.00	£5,740.00	-27.3%
Wastewater Total	£7,460.83	£6,270.83	-15.9%
Non-contestable total	£9,702.12	£8,522.12	-12.2%
Contestable total	£8,822.00	£8,862.00	0.5%
Overall total	£18,524.12	£17,384.12	-6.2%

Standard 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		
	2020/21	2021/22	% change
Water			
Service Connections - non-contestable	£3,921.56	£3,921.56	0.0%
Application, admin and inspection fees	£3,921.56	£3,921.56	0.0%
Service Connections - contestable	£15,544.00	£15,594.00	0.3%
Contestable construction items	£15,544.00	£15,594.00	0.3%
New mains - non-contestable	£4,774.17	£4,784.17	0.2%
Application, admin and design fees	£1,399.17	£1,399.17	0.0%
Non-contestable connection to main	£3,375.00	£3,385.00	0.3%
New mains - contestable	£32,690.00	£32,940.00	0.8%
Contestable construction items	£32,690.00	£32,940.00	0.8%
Income offset - non-contestable	-£16,750.00	£16,750.00	0.0%
Infrastructure Charges - non-contestable	£0.00	£0.00	0.0%
Water Total	£40,179.73	£40,489.73	0.8%
Wastewater	2019/20	2020/21	% change
Service connections - non-contestable	£295.83	£295.83	0.0%
S106/107 Application / Administration fee	£295.83	£295.83	0.0%
New sewers - non-contestable	£4,515.00	£4,515.00	0.0%
S104 - Application Fee	£515.00	£515.00	0.0%
S102 / S104 - Technical / Inspection Fee	£4,000.00	£4,000.00	0.0%
Income offset - non-contestable	-£11,250.00	-£6,400.00	75.7%
Infrastructure Charges - non-contestable	£39,500.00	£28,700.00	-27.3%
Wastewater Total	£33,060.83	£27,110.83	-18.0%
Non-contestable total	£25,006.56	£19,066.56	-23.8%
Contestable total	£48,234.00	£48,534.00	0.6%
Overall total	£73,240.56	£67,600.56	-7.7%

Standard 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		
	2020/21	2021/22	% change
Water			
Service Connections - non-contestable	£15,563.21	£15,563.21	0.0%
Application, admin and inspection fees	£15,563.21	£15,563.21	0.0%
Service Connections - contestable	£62,060.00	£62,260.00	0.3%
Contestable construction items	£62,060.00	£62,260.00	0.3%
New mains - non-contestable	£6,387.00	£6,402.00	0.2%
Application, admin and design fees	£1,475.00	£1,475.00	0.0%
Non-contestable connection to main	£4,912.00	£4,927.00	0.3%
New mains - contestable	£117,410.00	£118,100.00	0.6%
Contestable construction items	£117,410.00	£118,100.00	0.6%
Income offset - non-contestable	-£67,000.00	-£67,000.00	0.0%
Infrastructure Charges - non-contestable	£0.00	£0.00	0.0%
Water Total	£134,420.21	£135,325.21	0.7%
Wastewater	2019/20	2020/21	% change
Service connections - non-contestable	£295.83	£295.83	0.0%
S106/107 Application / Administration fee	£295.83	£295.83	0.0%
New sewers - non-contestable	£15,515.00	£15,515.00	0.0%
S104 - Application Fee	£515.00	£515.00	0.0%
S102 / S104 - Technical / Inspection Fee	£15,000.00	£15,000.00	0.0%
Income offset - non-contestable	-£45,000.00	-£25,600.00	
Infrastructure Charges - non-contestable	£158,000.00	£114,800.00	-27.3%
Wastewater Total	£128,810.83	£105,010.83	-29.1%
Non-contestable total	£83,761.04	£59,976.04	-28.4%
Contestable total	£179,470.00	£180,360.00	0.5%
Overall total	£263,231.04	£240,336.04	-8.7%

Non-standard scenario 6

Small house development (21 new connections)	New mains and sewer required – total length 105m each; Combination of unmade and road surface types;
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Service type	Scenario 6		
	2020/21	2021/22	% change
Water			
Service Connections - non-contestable	£1,739.52	£1,739.52	0.0%
Application, admin and inspection fees	£1,739.52	£1,739.52	0.0%
Service Connections - contestable	£6,496.00	£6,517.00	0.3%
Contestable construction items	£6,496.00	£6,517.00	0.3%
New mains - non-contestable	£4,789.17	£4,774.17	-0.3%
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%
New mains - contestable	£11,388.00	£11,532.84	1.3%
Contestable construction items	£11,388.00	£11,532.84	1.3%
Income offset - non-contestable	-£7,035.00	-£7,035.00	0.0%
Infrastructure Charges - non-contestable	£0.00	£0.00	0.0%
Water Total	£17,377.69	£17,528.53	0.9%
Wastewater	2019/20	2020/21	% change
Service connections - non-contestable	£295.83	£295.83	0.0%
S106/107 Application / Administration fee	£295.83	£295.83	0.0%
New sewers - non-contestable	£2,515.00	£2,515.00	0.0%
S104 - Application Fee	£515.00	£515.00	0.0%
S102 / S104 - Technical / Inspection Fee	£2,000.00	£2,000.00	0.0%
Income offset - non-contestable	-£4,725.00	-£2,688.00	75.7%
Infrastructure Charges - non-contestable	£16,590.00	£12,054.00	-27.3%
Wastewater Total	£14,675.83	£12,176.83	-17.0%
Non-contestable total	£14,169.52	£11,655.52	-17.7%
Contestable total	£17,884.00	£18,049.84	0.9%
Overall total	£32,053.52	£29,705.36	-7.3%

Self- Lay Providers (SLP)

We consider there will be insignificant impact on the SLP's with the changes in rates between 2020/21 to 2021/22. However, in 2021/22 Southern Water will no longer be offering a design service for S51 applications. SLP's will be required to undertake the design themselves in accordance with the Design and Construction with the introduction of the Design and Construction Specification (DCS) document. The 2021/22 charges have been amended to reflect this change in working. The current and new charges are detailed below. More information is available in the 2021/22 Charging Arrangement document.

2020/21 Applications	Charge	2021/22 Applications	Charge
S51 – Mains Application/Administration / Collaborative Design Fee – 0-50 units (we undertake design)	£1,399.17	S51 – Point of Connection Application including level 2 capacity check application – 0 to 50 units (SLP undertake design)	£256.00
S51 – Mains Application/Administration / Collaborative Design Fee – 51 to 250 units (we undertake design)	£1,475.00	S51 – Point of Connection Application including level 2 capacity check application – 51 to 250 units (SLP undertake design)	£766.00
S51 – Mains Application/Administration / Collaborative Design Fee – 251 to 250 (we undertake design)	£1,653.33	S51 – Point of Connection Application including level 2 capacity check application – 251 to 500 units (SLP undertake design)	£1,020.00
S51 – Mains Application/Administration / Collaborative Design Fee – 0-50 units (we undertake design)	£1,909.17	S51 – Point of Connection Application including level 2 capacity check application – >500 units (SLP undertake design)	£1,276.00

Bill increases of over 10%

There are no scenarios where costs increase by more than 10% between 2020/21 and 2021/22 charges. There are savings on all Scenarios ranging from 8.1% to 22.8%. The key driver for the savings is a reduction in the Wastewater Net charge whilst other charges remain unchanged or there are minimal increases. Below is a summary of the changes in the charges from 2020/21 to 2021/22.

Charge type	2020-21 current value	2021-22 proposal	Year on year impact
Infrastructure Charge - Water	Gross IC - £0 / property Net IC - -£335 / property	Gross IC - £0 / property Net IC - -£335 / property	No change - methodology remains the same as 2020/21
Infrastructure Charge - Wastewater	Gross IC - £790 / property Net IC - £565 / property	Gross IC - £574 / property Net IC - £446 / property	Methodology remains the same but Infrastructure reduced in line with revised AMP 7 profile.
Water connections	Various charges	CPI Inflation increase	0.3% inflationary increase
Water mains laying	Various charges	CPI Inflation increase	0.3% inflationary increase
Wastewater sewer laying	Various charges	CPI Inflation increase	0.3% inflationary increase
Application and Administration Fees	Various charges	No changes	No impact
Income offset	Water - £335 Water T100 - £565 Wastewater - £225	Water - £335 Water T100 - £565 Wastewater - £128	Wastewater Offset reduced