

New Connection Charging Arrangements - Statement of Significant Changes

2024-25

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from
**Southern
Water** 

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Statement of Significant Changes 2024-25 charges for new connection services

In line with Annex A2 of the Charging Rules for New Connections - Effective April 2022, the Company, under the direction of the Board, has assessed the impact of new charges on developer customer bills and has approved the handling strategies where bill increases exceed 10%. The Company has:

- Assessed the possible impact on customer bills of new charges using the worked example scenarios set out in the document entitled "Common Terms and Worked Examples – English New Connection Rules" published by Ofwat.
- Identified that, for a limited number of scenarios, bills will increase by over 10%. This document will set out the size of the changes and which developments are likely to be affected.
- Approved the proposed handling strategy to reduce the overall size of price changes and decrease the number of scenarios where changes in bills exceed the 10% threshold.



Lawrence Gosden
Chief Executive Officer

Summary

This Statement of Significant Changes sets out any significant changes in charging policy for 2024-25 and whether the bill for typical developments will increase by more than 10% from the previous year.

Bill stability and price predictability remain key principles within our charging scheme. Therefore, we have sought to keep changes to our Charging Arrangements to a minimum. Equally, however, as an incumbent water company with competition law obligations it is important that our prices reflect the fair market rate to promote fair competition with other service providers such as NAVs and SLPs. This year a number of factors have combined to create substantial upwards pressure on customer bills. We have worked hard to reduce the impact on customer bills while also ensuring that our services offer fair prices. We have developed handling strategies which balance the competing principles of price stability and fair, cost-reflective prices by freezing or reducing non-contestable charges where appropriate and tracking market rates on contestable main laying services.

These handling strategies include:

- The freezing of non-contestable application and admin fees for service connections
- Providing a higher income offset than originally proposed to counteract inflationary cost pressures on site-specific services
- Offering a new wastewater incentive to reduce the impact of increases to the non-contestable gross infrastructure charge

Combined these handling strategies will limit price increases for developer customers and reduce the number of potential developments exceeding the 10% threshold.

Changes to Site-Specific Charges

Site-specific Wastewater Charges

Cost-reflectivity remains a key principle in our charges scheme. Cost-reflective pricing will promote a competitive market for alternative service providers as demonstrated in the RISE report published by Ofwat¹. We have carried out a number of reviews including benchmarking and seeking external assurance to confirm that our charges are cost reflective. Inflation, as measured by CPI, for FY2024-25 is 3.9% and, in order to ensure cost reflectivity, we have aligned our Charging Arrangements with the prevailing rate of inflation contained within our contractor rates.

¹ *Review of incumbent company support for effective markets* (Ofwat, 2020). <https://www.ofwat.gov.uk/wp-content/uploads/2020/08/Review-of-incumbent-company-support-for-effective-markets.pdf>

Site-Specific Water Charges

In a recent Ofwat review² commissioned study our charges were consistently among the lowest in the industry for water connections. In recent years, we have increased our charges based on CPI reflecting the underlying framework we have with our supply chain who deliver onsite main laying. Internal review has indicated that material costs for pipes and fittings have risen quicker than CPI. We have therefore agreed a one-off correction with our supply chain to account for recent price increases. This correction amounts to 19% and will ensure we offer a fair market rate for site-specific main laying services. We regularly benchmark our rates and will align our charges with the going market rate including any potential deflation.

To offset the effect of this increase on site-specific services for water connections we have developed a number of handling strategies. These strategies include the freezing of our application fees and administration fees for service connections and the postponement of the phase out of the income offset. Maintaining the income offset at current levels will amount to an additional credit of £135 per plot to the developer. Changes to the infrastructure charge and income offset are explained in more detail below.

Developers are also able to obtain these contestable main laying services from a NAV or SLP. In this scenario, the developer would still be able to benefit from the environmental efficiency incentives and income offset.

Changes to the Infrastructure Charge:

The infrastructure charge recovers the costs of increasing network capacity to accommodate new development. The infrastructure charge is calculated using Ofwat's methodology where 5-year's of forecast costs are shared evenly between the anticipated number of connections and levied per plot.

The wastewater gross infrastructure charge is increasing slightly from £563 to £583 reflecting the increased investment in our network.

The water infrastructure charge will see a larger increase. This change is due to increased investment in our Business Plan for the next Asset Management Plan (AMP8). Forecast spend is increasing from an average of £1.7m/yr for the remainder of this AMP to an average of £5.6m/yr in AMP8. This reflects the fact that developers have previously benefited from available capacity within our network resulting from a reduction in demand from heavy industry. Next AMP, new development is expected to exceed available capacity and will require a step change in investment.

² *Connection Charges for Developer Services in England* <https://www.ofwat.gov.uk/wp-content/uploads/2021/08/SIA-Partners-Connection-Charges-Analysis-%E2%80%93-Final-Report.pdf>

We submitted our investment plans to Ofwat for approval in the recent Price Review. Using the 5-year rule and the data in our business plan, we calculate our water infrastructure charge to be £480 per plot. We consider this too rapid a change for a single charging year as it would dramatically increase customer bills. We have therefore developed a handling strategy by taking a phased approach to the increased charges. Under this approach the gross water infrastructure charge will amount to £241. This handling strategy generates increased funding for the necessary network reinforcement while promoting bill stability for customers while we await final approval from Ofwat on our investment plans. Next year, after Ofwat's Final Determination we will have more certainty on our spend profiles and be in a better position to recommend any possible bill changes necessary to fund network reinforcement and ensure sufficient capacity for new development.

Even with this handling strategy, the combined gross infrastructure charge will increase from £713 to £824 per plot. We have therefore developed a new silver wastewater incentive worth £300 to reduce the bill impact for customers. This new incentive is more easily achievable than our existing gold incentive and will offer developers the chance to substantially reduce their bill.

Changes to the income offset will also impact the net infrastructure charge for customers. The income offset is a credit issued to developers against the gross infrastructure charge. Ofwat have confirmed that the income offset will be removed from April 2025. Last year we introduced a strategy to gradually phase out the income offset over the remainder of this AMP and replace it with environmental efficiency incentives in preparation for the new charging framework.

We will pause the phase out of the income offset to counteract the spike in water requisition charges associated with inflationary cost pressures on the supply chain. Instead of reducing the income offset to £144 per plot we will maintain the current credit of £279 while also maintaining and enhancing our offering of environmental incentives.

Fig 1. The dampening effect on infrastructure charges of introducing Silver wastewater incentive

	2023/24	2024/25	Change
Gross	£713	£824	£111
Income Offset	-£279	-£279	£0
Net Charge	£434	£545	£111
Silver Wastewater	£0	-£300	-£300
Net Charge including incentives	£434	£245	-£189

Handling strategy

To support bill stability and minimise bill increases we have introduced the following handling strategies:

- The freezing of non-contestable application and admin fees for service connections
- A higher income offset than originally proposed to counteract inflationary cost pressures on site-specific services
- A new wastewater incentive to reduce the impact of increases to the gross infrastructure charge

The new silver wastewater incentive will apply to developments which reduce the surface water run-off rate to our sewer network beyond the minimum planning obligations. Developments which return surface water to our network will be required to evidence that the run-off rate has been

reduced by 10% or more under the Greenfield 1-in-1 year run-off rate calculation. Developers can use a Greenfield run-off rate calculator to determine the flow of the greenfield site, and based on their proposal, calculate the proposed flow to our network. Developers will need to show a 10% reduction in the Greenfield 1-in-1 year run-off rate through their calculation. We will monitor the success of the incentive and review it next year.

These handling strategies support competition in the new connections market and customer choice. Developers who choose to work with SLPs and NAVs will be able to redeem the income offset and incentives while avoiding the site-specific bill increases we have been forced to implement.

This handling strategy of increased environmental incentives and maintaining the income offset reduces the likelihood of sites experiencing a 10% change.

Impact Assessment

The table below demonstrates the year-on-year percentage change for each scenario and the dampening effect of our handling strategies.

Fig 2. Total site cost change from 2023-24 to 2024-25.

	With Handling Strategy
Scenario 1 – Single Connection	0%
Scenario 2 – Connection to Block of 10 Flats	-13%
Scenario 3 – Medium Site with 50 connections	8%
Scenario 4 – as above, with excavation	10%
Scenario 5 – Large Site with 200 connections	2%
Scenario 6 – as above, with excavation	5%

The handling strategy significantly reduces the size of bill increases for all customers and limits the scenarios where changes would exceed the 10% threshold.

Worked Examples

The table below set out a summary of bill changes between charging years with the full detail following on the pages below. These charges listed below are exclusive of VAT.

Fig 3. Summary of the worked examples

	2023/24	2024/25
Scenario 1 – Single Connection	£1,762	£1,755
Scenario 2 – Connection to Block of 10 Flats	£9,208	£8,027
Scenario 3 – Medium Site with 50 connections	£132,491	£143,645
Scenario 4 – as above, with excavation	£156,543	£172,265
Scenario 5 – Large Site with 200 connections	£390,307	£399,269
Scenario 6 – as above, with excavation	£472,763	£497,409

New Connections Charging Arrangements - Statement of Significant Changes

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Scenario 1

Scenario 1: Single connection to a house from an existing main									Alternative Delivery Method	
Application Charge	Item	Unit	Qty	Rate (£)	Total Charge (£)	Barrier Pipe Uplift/Rate	Barrier Pipe Total Charge (£)	Contestable? (Y/N)	Self-Lay Rate (£)	Self-Lay Total Charge (£)
	Pre-Construction Charge									
Y	Application Fee per application	Per Application	1	£71.63	£71.63	NA	0	N	£55.14	£55.14
Y	Administration Fee	Per Application	1	£32.93	£32.93	NA	0	N	£17.63	£17.63
Y	Design Fee	Per Application	0		£0.00	NA	0	Y	NA	£0.00
	Construction Charges									
Y	Connection	Per Connection	1	£1,029	£1,029.00	£170.00	£170.00	Y	NA	£0.00
Y	Pipework Road	Per meter	0	NA	£0.00	NA	£0.00	Y	NA	£0.00
Y	Traffic Mngmt	Per TM Usage	0	NA	£0.00	NA	£0.00	Y	NA	£0.00
Y	Meters	Per Connection	0	NA	£0.00	NA	£0.00	Y	NA	£0.00
	Other Charges									
Y	Water Regs		1	£98.91	£98.91	NA	£0.00	Y	NA	£0.00
Y	S106 vetting fee Admin & Application Fee		1	£279.00	£279.00	NA	£0.00	N	NA	£0.00
	Infrastructure Charges									
Y	Infrastructure Charges - Water		1	£241.00	£241.00	NA	£0.00	N	£241.00	£241.00
Y	Infrastructure Charges - Sewerage		1	£582.00	£582.00	NA	£0.00	N	£582.00	£582.00
	Income Offset									
Y	Income Offset Water		1	-£150.00	-£150.00	NA	£0.00	N	-£150.00	-£150.00
	Income Offset Sewerage		1	-£129.00	-£129.00	NA	£0.00	N	-£129.00	-£129.00
Y	Silver Wastewater Incentive		1	-£300.00	-£300.00	NA	£0.00	N	-£300.00	-£300.00
	Totals				£1,755.47		£1,925.47			£316.77

In this example and all others, it is assumed the SLP will not request a sewer connection.

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Scenario 2:

Scenario 2: Single connection to a block of flats from an existing main									Alternative Delivery Method	
Application Charge	Item	Unit	Qty	Rate (£)	Total Charge (£)	Barrier Pipe Uplift/Rate	Barrier Pipe Total Charge (£)	Contestable? (Y/N)	Self-Lay Rate (£)	Self-Lay Total Charge (£)
	Pre-Construction Charge									
Y	Application Fee (First Connection)	Per Application	1	£71.63	£71.63	NA	£0.00	N	£55.14	£55.14
Y	Application Fee (Subsequent Conns)	Per Additional Conn	9	£43.73	£393.57	NA	£0.00	N	£33.44	£300.98
Y	Administration Fee (First Connection)	Per Application	1	£32.93	£32.93	NA	£0.00	N	£17.63	£17.63
Y	Administration Fee (Subsequent Conns)	Per Additional Conn	9	£20.10	£180.90	NA	£0.00	N	£10.93	£98.33
Y	Design Fee	Per Application	1	£246.14	£246.14	NA	£0.00	Y	£0.00	£0.00
	Construction Charges									
Y	Large Diameter Connection 63mm	Per Connection	1	£3,349.00	£3,349.00	£170.00	£128.00	Y	NA	£0.00
	Traffic Mngmt	Per TM Usage	0	£0.00	£0.00	£0.00	£0.00	Y	NA	£0.00
Y	Meters	Per Connection	9	£97.00	£873.00	£0.00	£0.00	Y	NA	£0.00
	Other Charges									
Y	Water Regs (first of every ten plots)	Per Plot	1	£98.91	£98.91	NA	£0.00	Y	NA	£0.00
Y	Water Regs (subsequent conns)	Per Plot	9	£6.90	£62.11	NA	£0.00	Y	NA	£0.00
Y	S106 vetting fee Admin&Application Fee	Per Application	1	£279.00	£279.00	NA	£0.00	N	NA	£0.00
	Infrastructure Charges									
Y	Infrastructure Charges - Water	Per Plot	10	£241.00	£2,410.00	NA	£0.00	N	£241.00	£2,410.00
Y	Infrastructure Charges - Sewerage	Per Plot	10	£582.00	£5,820.00	NA	£0.00	N	£582.00	£5,820.00
	Income Offset									
Y	Income Offset Water	Per Plot	10	-£150.00	-£1,500.00	NA	£0.00	N	-£150.00	-£1,500.00
	Income Offset Sewerage	Per Plot	10	-£129.00	-£1,290.00	NA	£0.00	N	-£129.00	-£1,290.00
Y	Silver Wastewater Incentive	Per Plot	10	-£300.00	-£3,000.00	NA	£0.00	N	-£300.00	-£3,000.00
	Totals				£8,027.19		£8,155.19			£2,912.08

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Scenario 3

Scenario 3: Medium Development 50 Houses									Alternative Delivery Method			
Applicable Charge	Item	Unit	Qty	Rate (£)	Total Charge (£)	Barrier Pipe Uplift/Rate (£)	Barrier Pipe Total Charge (£)	Contestable? (Y/N)	Self-Lay Rate (£)	Self-Lay Total Charge (£)	NAV Rate (£)	NAV Total (£)
Pre-Construction Charge Connection												
Y	Application Fee (First Connection)	Per Application	1	£71.63	£71.63	NA	£0.00	N	£55.14	£55.14	NA	£0.00
Y	Application Fee (Subsequent Conns)	Per Additional Conn	49	£43.73	£2,142.77	NA	£0.00	N	£33.44	£1,638.64	NA	£0.00
Y	Administration Fee (First Connection)	Per Application	1	£32.93	£32.93	NA	£0.00	N	£17.63	£17.63	£32.93	£32.93
Y	Administration Fee (Subsequent Conns)	Per Additional Conn	49	£20.10	£984.90	NA	£0.00	N	£10.93	£535.33	NA	£0.00
	NAV Application fee	Per Design	0	£0.00	0	NA	£0.00	Y	NA	£0.00	£171.00	£171.00
Pre-Construction Charge Mains												
Y	Mains Application, Administration, Collaborative Design	Per Application	1	£1,691.00	£1,691.00	NA	£0.00	Y	£622.00	£622.00	NA	£0.00
Y	Design Fee	Per Design	0	£0.00	£0.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	POC	Per Application	1	£133.00	£133.00	NA	£0.00	Y	£622.00	£622.00	NA	£0.00
Construction Charges Connection												
Y	Service Connection	Per Connection	50	£320.00	£16,000.00	£66.00	£3,300.00	Y	NA	£0.00	NA	£0.00
	Pipe Work	Per Meter	0	NA	£0.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
	Meter Installation	Per Installation	0	NA	£0.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Construction Charges Mains												
Y	Mains Connection to 180mm Main	Per Installation	1	£6,857.00	£6,857.00	NA	£0.00	N	£6,857.00	£6,857.00	£6,857.00	£6,857.00
Y	180mm PRV Unmade Ground	Per Installation	1	£17,514.00	£17,514.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	125mm PRV Unmade Ground	Per Installation	3	£14,623.00	£43,869.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	90mm PRV Unmade Ground	Per Installation	1	£13,510.00	£13,510.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	125mm in road including excavation	Per Meter	10	£264.00	£2,640.00	£48.00	£480.00	Y	NA	£0.00	£230.00	£2,300.00
Y	125mm PE in unmade surface with excavation by others	Per Meter	190	£78.00	£14,820.00	£48.00	£9,120.00	Y	NA	£0.00	NA	£0.00
Y	90mm PE in unmade surface with excavation by others	Per Meter	100	£75.00	£7,500.00	£41.00	£4,100.00	Y	NA	£0.00	NA	£0.00
Y	Road Closure	Per TM Usage	1	£2,595.00	£2,595.00	NA	£0.00	Y	NA	£0.00	£2,595.00	£2,595.00
Other Charges												
Y	Water Regs (first of every ten plots)	Per Plot	5	£98.91	£494.57	NA	£0.00	Y	NA	£0.00	NA	0
Y	Water Regs (subsequent conns)	Per Plot	45	£6.90	£310.55	NA	£0.00	Y	NA	£0.00	NA	0
Y	S106 vetting fee Admin&Application Fee	Per Application	1	£279.00	£279.00	NA	£0.00	N	NA	£0.00	£279.00	£279.00
	NAV Application fees for Sewerage	Per Application	NA	£0.00	£0.00	NA	£0.00	Y	NA	£0.00	£171.00	£171.00
Infrastructure Charges												
Y	Infrastructure Charges - Water	Per Plot	50	£241.00	£12,050.00	NA	£0.00	N	£241.00	£12,050.00	£241.00	£12,050.00
Y	Infrastructure Charges - Sewerage	Per Plot	50	£582.00	£29,100.00	NA	£0.00	N	£582.00	£29,100.00	£582.00	£29,100.00
Income Offset												
Y	Income Offset Water	Per Plot	50	-£150.00	-£7,500.00	NA	£0.00	N	-£150.00	-£7,500.00	-£150.00	-£7,500.00
	Income Offset Sewerage	Per Plot	50	-£129.00	-£6,450.00	NA	£0.00	N	-£129.00	-£6,450.00	-£129.00	-£6,450.00
Y	Silver Wastewater Incentive	Per Plot	50	-£300.00	-£15,000.00	NA	£0.00	N	-£300.00	-£15,000.00	-£300.00	-£15,000.00
Totals					£143,645.35		£160,645.35			£22,547.74		£24,605.93

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Scenario 4

Scenario 4: Medium Development 50 Houses Water Company Excavates									Alternative Delivery Method			
Applicable Charge	Item	Unit	Qty	Rate (£)	Total Charge (£)	Barrier Pipe Uplift/Rate (£)	Barrier Pipe Total Charge (£)	Contestable? (Y/N)	Self-Lay Rate (£)	Self-Lay Total Charge (£)	NAV Rate (£)	NAV Total (£)
Pre-Construction Charge Connection												
Y	Application Fee (First Connection)	Per Application	1	£71.63	£71.63	NA	£0.00	N	£55.14	£55.14	NA	£0.00
Y	Application Fee (Subsequent Conns)	Per Additional Conn	49	£43.73	£2,142.77	NA	£0.00	N	£33.44	£1,638.64	NA	£0.00
Y	Administration Fee (First Connection)	Per Application	1	£32.93	£32.93	NA	£0.00	N	£17.63	£17.63	£32.93	£32.93
Y	Administration Fee (Subsequent Conns)	Per Additional Conn	49	£20.10	£984.90	NA	£0.00	N	£10.93	£535.33	NA	£0.00
	NAV Application fee for supply	Per Design	0	£0.00	0	NA	£0.00	Y	NA	£0.00	£171.00	£171.00
Pre-Construction Charge Mains												
Y	Mains Application, Administration, Collaborative Design	Per Application	1	£1,691.00	£1,691.00	NA	£0.00	Y	£622.00	£622.00	NA	£0.00
Y	Design Fee	Per Design	0	£0.00	£0.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	POC	Per Application	1	£133.00	£133.00	NA	£0.00	Y	£310.00	£310.00	NA	£0.00
Construction Charges Connection												
Y	Service Connection	Per Connection	50	£405.00	£20,250.00	£170.00	£8,500.00	Y	NA	£0.00	NA	£0.00
	Pipe Work	Per Meter	0	NA	£0.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
	Meter Installation	Per Installation	0	NA	£0.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Construction Charges Mains												
Y	Mains Connection to 180mm Main	Per Connection	1	£6,857.00	£6,857.00	NA	£0.00	N	£6,857.00	£6,857.00	£6,857.00	£6,857.00
Y	150mm PRV Unmade Ground	Per Installation	1	£17,514.00	£17,514.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	100mm PRV Unmade Ground	Per Installation	3	£14,623.00	£43,869.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	80mm PRV Unmade Ground	Per Installation	1	£13,510.00	£13,510.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	125mm PE in road with excavation	Per Meter	10	£264.00	£2,640.00	£48.00	£480.00	Y	NA	£0.00	£264.00	£2,640.00
Y	125mm in footpath with excavation	Per Meter	50	£203.00	£10,150.00	£48.00	£2,400.00	Y	NA	£0.00	NA	£0.00
Y	125mm PE in unmade surface with excavation	Per Meter	140	£156.00	£21,840.00	£48.00	£6,720.00	Y	NA	£0.00	NA	£0.00
Y	90mm PE in unmade surface with excavation	Per Meter	100	£147.00	£14,700.00	£41.00	£4,100.00	Y	NA	£0.00	NA	£0.00
Y	Traffic Mngmt	Per TM Usage	1	£2,595.00	£2,595.00	NA	£0.00	Y	NA	£0.00	£2,595.00	£2,595.00
Other Charges												
Y	Water Regs (first of every ten plots)	Per Plot	5	£98.91	£494.57	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	Water Regs (subsequent conns)	Per Plot	45	£6.90	£310.55	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	S106 vetting fee Admin&Application Fee	Per Application	1	£279.00	£279.00	NA	£0.00	N	NA	£0.00	£279.00	£279.00
	NAV Application fees for Sewerage	Per Application	0	£0.00	£0.00	NA	£0.00	N	NA	£0.00	£171.00	£171.00
Infrastructure Charges												
Y	Infrastructure Charges - Water	Per Plot	50	£241.00	£12,050.00	NA	£0.00	N	£241.00	£12,050.00	£241.00	£12,050.00
Y	Infrastructure Charges - Sewerage	Per Plot	50	£582.00	£29,100.00	NA	£0.00	N	£582.00	£29,100.00	£582.00	£29,100.00
Income Offset												
Y	Income Offset Water	Per Plot	50	-£150.00	-£7,500.00	NA	£0.00	N	-£150.00	-£7,500.00	-£150.00	-£7,500.00
	Income Offset Sewerage	Per Plot	50	-£129.00	-£6,450.00	NA	£0.00	N	-£129.00	-£6,450.00	-£129.00	-£6,450.00
Y	Silver Wastewater Incentive	Per Plot	50	-£300.00	-£15,000.00	NA	£0.00	N	-£300.00	-£15,000.00	-£300.00	-£15,000.00
Totals					£172,265.35		£194,465.35			£22,235.74		£24,945.93

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Scenario 5

Scenario 5: Large housing development requiring new mains and communication pipes (excavation and reinstatement completed by others)									Alternative Delivery Method			
Applicable Charge	Item	Unit	Qty	Rate (£)	Total Charge (£)	Barrier Pipe Uplift/Rate (£)	Barrier Pipe Total Charge (£)	Contestable? (Y/N)	Self-Lay Rate (£)	Self-Lay Total Charge (£)	NAV Rate (£)	NAV Total (£)
Pre-Construction Charge Connection												
Y	Application Fee (First Connection)	Per Application	1	£71.63	£71.63	NA	£0.00	N	£55.14	£55.14	NA	£0.00
Y	Application Fee (Subsequent Conns)	Per Additional Conn	199	£43.73	£8,702.27	NA	£0.00	N	£33.44	£6,654.89	NA	£0.00
Y	Administration Fee (First Connection)	Per Application	1	£32.93	£32.93	NA	£0.00	N	£17.63	£17.63	£33.00	£33.00
Y	Administration Fee (Subsequent Conns)	Per Additional Conn	199	£20.10	£3,999.90	NA	£0.00	N	£10.93	£2,174.08	NA	£0.00
	NAV Application fee	Per Design	0	£0.00	£0.00	NA	£0.00	Y	NA	£0.00	£533.00	£533.00
Pre-Construction Charge Mains												
	Mains Application, Administration, Collaborative Design	Per Application	1	£1,783.00	£1,783.00	NA	£0.00	Y	£622.00	£622.00	NA	£0.00
	Design Fee	Per Design	0	£0.00	£0.00	NA	£0.00	Y	£0.00	£0.00	NA	£0.00
Y	POC	Per Application	1	£133.00	£133.00	NA	£0.00	Y	£310.00	£310.00	NA	£0.00
Construction Charges Connection												
Y	Service Connection	Per Connection	200	£320.00	£64,000.00	£66.00	£13,200.00	Y	NA	£0.00	NA	£0.00
	Pipe Work	Per meter	0	£0.00	£0.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
	Meter Installation	Per Installation	0	£0.00	£0.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Construction Charges Mains												
Y	Mains Connection to 250mm Main	Per Connection	1	£7,603.00	£7,603.00	NA	£0.00	N	£7,603.00	£7,603.00	£7,603.00	£7,603.00
Y	180mm in road with excavation	Per Meter	20	£290.00	£5,800.00	£53.00	£1,060.00	Y	NA	£0.00	£290.00	£5,800.00
Y	180mm Excavation by others unmade ground	Per Meter	100	£96.00	£9,600.00	£53.00	£5,300.00	Y	NA	£0.00	NA	£0.00
Y	125mm Excavation by others unmade ground	Per Meter	480	£78.00	£37,440.00	£48.00	£23,040.00	Y	NA	£0.00	NA	£0.00
Y	90mm Excavation by others unmade ground	Per Meter	400	£75.00	£30,000.00	£41.00	£16,400.00	Y	NA	£0.00	NA	£0.00
Y	150mm PRV Unmade Ground	Per Installation	1	£17,514.00	£17,514.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	100mm PRV Unmade Ground	Per Installation	5	£14,623.00	£73,115.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	80mm PRV Unmade Ground	Per Installation	2	£13,510.00	£27,020.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	Traffic Mngmt	Per TM Usage	1	£2,595.00	£2,595.00	NA	£0.00	Y	£2,595.00	£2,595.00	£2,595.00	£2,169.00
Other Charges												
Y	Water Regs (first of every ten plots)	Per Plot	20	£98.91	£1,978.30	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	Water Regs (subsequent conns)	Per Plot	180	£6.90	£1,242.19	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	S106 vetting fee Admin&Application Fee	Per Application	1	£279.00	£279.00	NA	£0.00	N	NA	£0.00	£279.00	£242.50
Y	S98 Requisition Application	Per Application	1	£4,707.00	£4,707.00	NA	£0.00	N	NA	£0.00	NA	£0.00
Y	S98 POC Application	Per Application	1	£133.00	£133.00	NA	£0.00	N	NA	£0.00	NA	£0.00
Y	20m of 600mm gravity sewer in side road @2.5m deep	Per Meter	20	£2,636.00	£52,720.00	NA	£0.00	Y	NA	£0.00	£2,636.00	£52,720.00
	NAV Sewerage Application Form	Per Application	0	NA	£0.00	NA	£0.00	N	NA	£0.00	£533.00	£533.00
Infrastructure Charges												
Y	Infrastructure Charges - Water	Per Plot	200	£241.00	£48,200.00	NA	£0.00	N	£241.00	£48,200.00	£241.00	£48,200.00
Y	Infrastructure Charges - Sewerage	Per Plot	200	£582.00	£116,400.00	NA	£0.00	N	£582.00	£116,400.00	£582.00	£116,400.00
Income Offset												
				0								
Y	Income Offset Water	Per Plot	200	-£150.00	-£30,000.00	NA	£0.00	N	-£150.00	-£30,000.00	-£150.00	-£30,000.00
	Income Offset Sewerage	Per Plot	200	-£129.00	-£25,800.00	NA	£0.00	N	-£129.00	-£25,800.00	-£129.00	-£25,800.00
Y	Silver Wastewater Incentive	Per Plot	200	-£300.00	-£60,000.00	NA	£0.00	N	-£300.00	-£60,000.00	-£300.00	-£60,000.00
Totals					£399,269.21		£458,269.21			£68,831.74		£118,433.50

For this scenario, we have assumed a sewerage requisition has been requested from the existing main to the site boundary to demonstrate our sewerage requisition fees. This includes 20m of sewerage pipe in the road aligning with the specification in the worked example.

New Connections Charging Arrangements - Statement of Significant Changes

2024-25

Scenario 6

Scenario 6: Large housing development requiring new mains and communication pipes (excavation and reinstatement completed by Water Company)									Alternative Delivery Method			
Applicable Charge	Item	Unit	Qty	Rate (£)	Total Charge (£)	Barrier Pipe Uplift/Rate	Barrier Pipe Total Charge (£)	Contestable? (Y/N)	Self-Lay Rate (£)	Self-Lay Total Charge (£)	NAV Rate (£)	NAV Total (£)
Pre-Construction Charge Connection												
Y	Application Fee (First Connection)	Per Application	1	£71.63	£71.63	NA	£0.00	N	£55.14	£55.14	NA	£0.00
Y	Application Fee (Subsequent Conns)	Per Additional Conn	199	£43.73	£8,702.27	NA	£0.00	N	£33.44	£6,654.89	NA	£0.00
Y	Administration Fee (First Connection)	Per Application	1	£32.93	£32.93	NA	£0.00	N	£17.63	£17.63	£33.00	£33.00
Y	Administration Fee (Subsequent Conns)	Per Additional Conn	199	£20.10	£3,999.90	NA	£0.00	N	£10.93	£2,174.08	NA	£0.00
	NAV Application fee	Per Design	0	£0.00	£0.00	NA	£0.00	Y	NA	£0.00	£533.00	£533.00
Pre-Construction Charge Mains												
Y	Mains Application, Administration, Collaborative Design	Per Application	1	£1,783.00	£1,783.00	NA	£0.00	N	£622.00	£622.00	NA	£0.00
	Design Fee	Per Design	0	£0.00	£0.00	NA	£0.00	N		£0.00	NA	£0.00
Y	POC	Per Application	1	£133.00	£133.00	NA	£0.00	N	£926.00	£926.00	NA	£0.00
Construction Charges Connection												
Y	Service Connection	Per Connection	200	£405.00	£81,000.00	£170.00	£34,000.00	Y	NA	£0.00	NA	£0.00
	Pipe Work	Per Meter	0	£0.00	£0.00	£0.00	£0.00	Y	NA	£0.00	NA	£0.00
	Meter Installation	Per installation	0	£0.00	£0.00	£0.00	£0.00	Y	NA	£0.00	NA	£0.00
Construction Charges Mains												
Y	Mains Connection to 250mm Main	Per Connection	1	£7,603.00	£7,603.00	£0.00	£0.00	Y	£7,603.00	£7,603.00	£7,603.00	£7,603.00
Y	180mm in road with excavation	Per Meter	20	£290.00	£5,800.00	£53.00	£1,060.00	Y	NA	£0.00	£290.00	£5,800.00
Y	180mm with Excavation in footpath	Per Meter	100	£245.00	£24,500.00	£53.00	£5,300.00	Y	NA	£0.00	NA	£0.00
Y	125mm with Excavation in unmade ground	Per Meter	480	£156.00	£74,880.00	£48.00	£23,040.00	Y	NA	£0.00	NA	£0.00
Y	90mm with Excavation in unmade ground	Per Meter	400	£147.00	£58,800.00	£41.00	£16,400.00	Y	NA	£0.00	NA	£0.00
Y	150mm PRV Unmade Ground	Per installation	1	£17,514.00	£17,514.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	100mm PRV Unmade Ground	Per installation	5	£14,623.00	£73,115.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	80mm PRV Unmade Ground	Per installation	2	£13,510.00	£27,020.00	NA	£0.00	Y	NA	£0.00	NA	£0.00
Y	Traffic Mngmt	Per TM Usage	1	£2,595.00	£2,595.00	NA	£0.00	Y	£2,595.00	£2,595.00	£2,595.00	£2,595.00
Other Charges												
Y	Water Regs (first of every ten plots)	Per Plot	20	£98.91	£1,978.30	NA	£0.00	N	NA	£0.00	NA	£0.00
Y	Water Regs (subsequent conns)	Per Plot	180	£6.90	£1,242.19	NA	£0.00	N	NA	£0.00	NA	£0.00
	S106 vetting fee Admin&Application Fee	Per Application	1	£279.00	£279.00	NA	£0.00	N	NA	£0.00	£279.00	£279.00
	S98 Requisition Application	Per Application	1	£4,707.00	£4,707.00	NA	£0.00	N	NA	£0.00	NA	£0.00
	S98 POC Application	Per Application	1	£133.00	£133.00	NA	£0.00	N	NA	£0.00	NA	£0.00
	20m of 600mm gravity sewer in side road @2.5m deep	Per Meter	20	£2,636.00	£52,720.00	NA	£0.00	Y	NA	£0.00	£2,660.00	£53,200.00
Y	NAV Sewerage Application fee	Per Application	0	NA	£0.00	NA	£0.00	N	NA	£0.00	£533.00	£533.00
Infrastructure Charges												
Y	Infrastructure Charges - Water	Per Plot	200	£241.00	£48,200.00	NA	£0.00	N	£241.00	£48,200.00	£241.00	£48,200.00
Y	Infrastructure Charges - Sewerage	Per Plot	200	£582.00	£116,400.00	NA	£0.00	N	£582.00	£116,400.00	£582.00	£116,400.00
Income Offset												
Y	Income Offset Water	Per Plot	200	-£150.00	-£30,000.00	NA	£0.00	N	-£150.00	-£30,000.00	-£150.00	-£30,000.00
	Income Offset Sewerage	Per Plot	200	-£129.00	-£25,800.00	NA	£0.00	N	-£129.00	-£25,800.00	-£129.00	-£25,800.00
Y	Silver Wastewater Incentive	Per Plot	200	-£300.00	-£60,000.00	NA	£0.00	N	-£300.00	-£60,000.00	-£300.00	-£60,000.00
Totals					£497,409.21		£577,209.21			£69,447.74		£119,376.00

For this scenario, we have assumed a sewerage requisition has been requested from the existing main to the site boundary to demonstrate our sewerage requisition fees. This includes 20m of sewerage pipe in the road aligning with the specification in the worked example.