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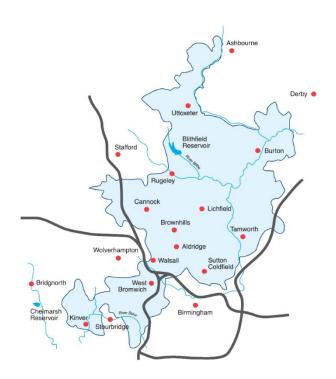




# Cambridge region



# South Staffs region



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## 1. Introduction

This document sets out and defines the way South Staffs Water (incorporating Cambridge Water) will charge developers<sup>1</sup> for everything associated with new developments and new connections to our network. These charges cover the period from 1 April 2019 to 31 March 2020.

Our charges, and the way we present them, build on the following documents from our regulator, Ofwat.

- <u>'Charging rules for new connections: decision document'</u>, published in December 2016.
- <u>'Charges scheme rules'</u>, published in July 2018.
- <u>'Charging rules for new connection services'</u>, also published in July 2018.

Its guidance to companies is to develop charges with the following key principles in mind.

- Stable and predictable charges where possible, we have fixed charges allowing developers to estimate how much their development may cost.
- Transparent and customer-focused charging we have set out how we have calculated the fixed charges and how some choices developers are able to make may affect their costs.
- Fairness and affordability our charges, adjustments and discounts do not differentiate between developers. This is to ensure they are fair to all.
- Environmental protection as the issue of water scarcity becomes more important, our infrastructure discount scheme allows developers to benefit from building sustainable homes for the future.

While we implemented many of these changes in our previous charges scheme, we have taken on board feedback from developers, Ofwat and the Consumer Council for Water (CCWater) to further improve the clarity of this document.

To inform our thinking, we held a Developer Services Forum in July 2018 where we met with various developers and regulatory bodies.

We took the comments we received from the Developer Services Forum on board, particularly around making our charges scheme more transparent and easier to understand. Where possible, we have fixed more charges and improved the clarity of the document. We will continue to monitor our performance to ensure seamless and timely processes and systems, and will work with developers to improve the content on our website and access to information.

<sup>&</sup>lt;sup>1</sup> Throughout this document, we use the term 'developer'. This means any person or organisation that is building and developing properties.

#### Developer Services Charges 2019 to 2020

We encourage developers to register their interest for future meetings at: Developerforum@south-staffs-water.co.uk.

Finally, we analysed our performance over the past 12 months to ensure we have the systems and processes in place to support our charging arrangements.

Our new charging arrangements will come into effect on 1 April 2019; we will next review the charges for publication for 1 April 2020.

# 2. Customer charges

This chapter explains our charges and how we have calculated each of them.

We assess each application from developers on an individual basis, taking the customer's requirements into account. These can vary from a simple connection to an existing water main outside a property to a large development that requires on-site mains and off-site reinforcement.

Where water mains are required for a household development, we will discount the cost of installation (what we call the 'income offset mechanism') to take account of the future income we will receive from customers on that development. This is a fixed amount, which makes it clear to the developer at the outset the charge they will have to pay.

Developers can ask accredited self-lay providers (SLPs)<sup>2</sup> to install the water supply infrastructure for their developments. There is a list of accredited SLPs on the Lloyds Register website<sup>3</sup>. Developers that choose to use an SLP can have their costs offset by an asset payment. Again, this makes the charges more predictable at the earliest stage of the development. We discuss asset values in more detail in section 2.3.3 below. The asset payment can be paid to either the SLP or the developer (their choice).

Developers have a further option; they can engage another licensed water company – a new appointment and variation ('NAV') to carry out the work. The NAV would replace the incumbent water company as the supplier of water only or water and sewerage services for a specific geographic area. This is known as an 'inset appointment'.

We have a number of charges for new connections to our water network. These are:

- application fees;
- water and sewerage infrastructure charges;
- water mains supply connection charges;
- site-specific charges;
- water service connection charges; and
- diversion charges.

We discuss each of these in more detail in the following sections and chapters.

<sup>&</sup>lt;sup>2</sup> If a building development needs a new water main, the developer can contract someone other than the local water company to do the work. This is known as 'self-lay' and the businesses that carry out this work are known as 'self-lay providers' or SLPs.

<sup>&</sup>lt;sup>3</sup> www.lr.org/en/utilities/water-industry-registration-scheme-wirs-wirsae/.

# 2.1 Application fees

We charge an application fee for every new developer services request. These are set out in table 1 below.

Table 1 Application fees

Application type	Cost	VAT	Total
Standard 25mm	£70.00	-	-
Non-standard 32mm	£70.00	£14.00	£84.00
Self-lay	£70.00	-	-
New appointment/variation (NAV)	£70.00	-	-
Asset enquiry	£40.00	£8.00	£48.00
Speculative enquiry*	£70.00	£14.00	£84.00
Diversions	£70.00	£14.00	£84.00
Replacement/separation supply	No fee	_	_

Note: All commercial supplies attract VAT.

If a developer requires an amendment to a quotation that represents a material change to the original design, we will consider this to be a new application and will apply the £70 application fee. In the event that a developer's offer has expired, they will need to re-apply and the appropriate application fee will be charged again.

# 2.2 Water and sewerage infrastructure charges

### 2.2.1 Water infrastructure charges

Depending on the location and scale of a new development, we may need to upgrade our network to meet the supply requirements of the new connections.

Infrastructure charges fund the expenditure required to provide the enhancements to the distribution system that are necessary to meet increased demand that results from new or additional connections to our water supply system.

All types of connections, household and non-household, incur infrastructure charges, regardless of whether a water company, SLP or a NAV delivers the connection.

We have calculated the infrastructure charge by:

<sup>\*</sup> This is a budget cost for a proposed development and will give the likely cost implications for any mains/service requirement, along with a copy of our asset record plan.

- taking the total cost of developer-driven, non-site specific work to our existing network over the next five-year period; and
- dividing this by the total number of property connections over the same fiveyear period.

This gives us a 'per property infrastructure charge'.

From 1 April 2019 the water infrastructure charge which funds off-site reinforcement works will be £325 per plot; it will apply across both our Cambridge and South Staffs regions.

#### 2.2.1.1 Infrastructure charge credit

We will apply infrastructure charge credits where the site has been connected to our network within the previous five years. This reflects the reduction in the need for network reinforcement.

We apply the credit by deducting the number of former dwellings connected on the site or by taking the metered water consumption of the site and equating that to an average dwelling within the company's area to arrive at an equivalent number of dwellings. In the absence of metered information, we use other reasonable evidence to estimate the previous demand on the network from the site.

#### 2.2.1.2 The relevant multiplier

In certain circumstances, if the water is used for purposes other than flats or houses (for example, in commercial premises, schools and hotels), we calculate the infrastructure charge according to the number and type of water fittings installed in the premises. We call this the 'relevant multiplier' or 'RM'.

We calculate the RM totalling the loading units<sup>4</sup> for all water fittings in the property and dividing that number by 24. This is the total number of loading units for a standard dwelling. We then multiply the RM by the current water and sewerage infrastructure charges to arrive at the total charges for the property.

Table 2 below sets out the loading units for non-standard properties.

Table 2 Loading units for calculating the relevant multiplier

Water fitting/appliance	Loading units
WC flushing cistern	2
Urinal	3
Wash basin in a house	1.5
Wash basin elsewhere	3

<sup>&</sup>lt;sup>4</sup> 'Loading units' are loadings attributed to each water fitting.

Water fitting/appliance	Loading units
Bath (tap nominal size ¾"/20mm)	10
Bath (tap nominal size >¾"/20mm)	22
Shower	3
Sink (tap nominal size ½"/15mm)	3
Sink (tap nominal size >½"/15mm)	5
Spray tap	0.5
Bidet	1.5
Domestic appliance	3
Communal or commercial appliance	10
Any other waste fitting or outlet	3

#### Notes:

- 1. 'Any fitting' includes any plumbing, outlet, dedicated space or planning, or other provision for that fitting.
- 2. 'House' means any building or part of a building which is, or will be, occupied as a private dwelling. This includes flats/apartments.
- 3. 'Wash basin elsewhere' is not within a house (including in communal facilities).
- 4. 'Bath' includes whirlpool baths or Jacuzzis.
- 5. 'Domestic appliance' means an appliance (including dishwashers, washing machines and waste disposal units) in a house; 'communal or commercial appliance' means an appliance (including dishwashers, washing machines and waste disposal units) in somewhere other than a house (including in communal facilities).
- 6. A minimum of six loading units is included for each house for domestic appliances (whether or not the house has any such appliances). This does not apply where neither a washing machine nor a dishwasher can be provided (and there is no plumbing, outlet, dedicated space, or planning or other provision for either appliance) in the house.
- 7. Where premises have only a sewerage connection and there are no water fittings, the relevant multiplier is one

The example in table 3 below shows how the RM is used on a new development – in this case, a 20-bedroom hotel in our Cambridge region.

Table 3 Relevant multiplier calculation – example

Water fitting/appliance	Number required	Loading units	Total proposed no. of loading units
WC flushing cistern	30	2	60
Urinal	3	3	9
Wash basin in a house	25	1.5	37.5
Wash basin elsewhere	3	3	9
Bath (tap nominal size ¾"/20mm)	5	10	50

Water fitting/appliance	Number required	Loading units	Total proposed no. of loading units
Bath (tap nominal size >¾"/20mm)	_	22	0
Shower	20	3	60
Sink (tap nominal size ½"/15mm)	3	3	9
Sink (tap nominal size >½"/15mm)	_	5	0
Spray tap	_	0.5	0
Bidet	_	1.5	0
Domestic appliance	_	3	0
Communal or commercial appliance	_	10	0
Any other waste fitting or outlet	_	3	0
Total			234.5
Total number of loading units divided	by 24		9.77

In this example, the water infrastructure charge would be  $9.77 \times £325 = £3,175.25$ . We will review this charge each year.

### 2.2.2 Sewerage infrastructure charges

We collect all sewerage charges on behalf of either <u>Anglian Water</u><sup>5</sup> (in our Cambridge region) or <u>Severn Trent Water</u><sup>6</sup> (in our South Staffs region). Queries about sewerage infrastructure charges or sewerage discount schemes should be referred directly to these companies.

The same RM, calculated using the methodology described above, will be applied to the sewerage infrastructure charge. As with water infrastructure charges, sewerage infrastructure charges are reviewed by the respective company each year.

# 2.3 Charges for site-specific, network reinforcement and other work

In this section, we explain:

- our charges for site-specific works;
- the income offset amount, which applies if we carry out the work; and
- the asset value, which applies if an SLP carries out the work.

<sup>&</sup>lt;sup>5</sup> www.anglianwater.co.uk/developers/

<sup>&</sup>lt;sup>6</sup> www.stwater.co.uk/building-and-developing/new-site-developments/developer-enquiry/

Site-specific charges are those for the connection work to or on a development site. These include things like installing a new water main, water booster station and other infrastructure needed to supply a new development. They also include on-site and off-site works – that is, those works between the site boundary and the existing water main. Where the works are contestable and carried out by an SLP, the SLP's charges are not included.

There are differences between site-specific works and network reinforcement works. This is because the latter delivers the additional capacity required as a result of a new development. The infrastructure charges will fund any network reinforcement work needed as a direct result of a new development.

Figure 1 below shows the different infrastructure. The site-specific works are those within the green shaded area and include all work carried out for any in-fill property.

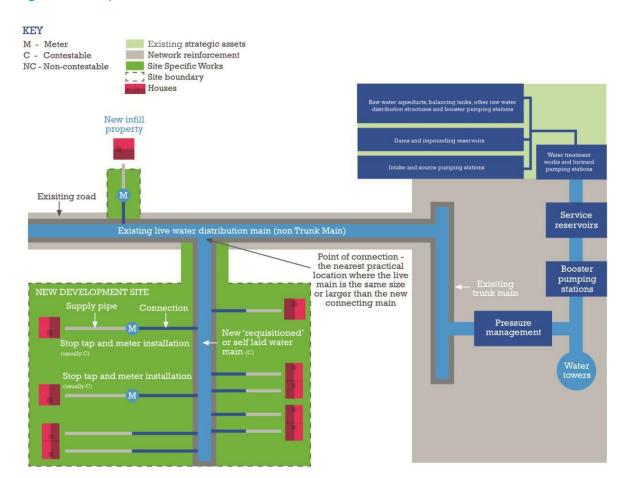


Figure 1 Site-specific and reinforcement definition

#### 2.3.1 On-site mains charge

This charge is for the work carried out within the site boundary, and between the site boundary and the existing water main – including the actual connection to our network. We have looked at all the schemes carried out over the past five years involving site-specific

work to determine our cost per property charge. We have established the total cost and divided that by the number of properties (plots) associated with those schemes to give the on-site mains (requisition)<sup>7</sup> charge per property. See table 4 below for more information.

We only included schemes involving open-cut main laying with mains up to 150mm nominal bore in our analysis. Any main laying above 150mm nominal bore will require a bespoke cost. The fixed charge per property for 2019/20 also includes:

- all on-site mains activities within the site boundary, including the connecting pipe work from the site boundary to the connection point;
- the works associated with making the actual connection and installing the assets; and
- all highway notices and requirements for the off-site connection pipe work and the connection works.

In some situations, we will require additional cross-connections and upsizing of the mains for network resilience and to support future development in the area above that is required to service a particular development. In such circumstances, we will fund the enhancements.

#### 2.3.1.1 Mains connection pipe work over 20m

We make an additional per metre charge for off-site mains connection pipe work more than 20 metres from the site boundary to the point of connection onto the existing network.

On sites where there are more than 20m of main before the first service connection, we will make an additional per metre charge. See table 4 below for more information.

Table 4 On-site mains requisition charges

On-site mains requisition charges	Charge	Unit
Open-cut option – including connecting pipe work	£974.00	Per property
Polyethylene (PE) main laying – depth not exceeding 2m, up to 150mm nominal bore in unmade ground, including excavation	£40.67	Per metre
PE main laying – depth not exceeding 2m, up to 150mm nominal bore in highway, including excavation	£98.09	Per metre
Barrier pipe main laying – depth not exceeding 2m, up to 150mm nominal bore in unmade ground, including excavation	£60.20	Per metre
Barrier pipe main laying – depth not exceeding 2m, up to 150mm nominal bore in highway, including excavation	£117.62	Per metre

<sup>&</sup>lt;sup>7</sup> If a development requires a new water main, the developer can ask us to install the pipe work and connect it to the network. We call this 'requisition'.

The charges set out above will be fixed until 31 March 2020; we will review them each year.

#### 2.3.1.2 Mains connection – non-household developments

For purely commercial developments, we will charge the full cost of any required mains laying.

#### 2.3.1.3 Exceptions to the on-site mains requisition charge per property

For simplicity, we will offer a fixed price per property for mains infrastructure whenever possible. But there are circumstances where external factors can impact the costs we incur. Ofwat recognises this and has agreed that we do not have to provide a fixed charge for a water mains requisition where it would be unreasonable to expect us to do so.

There will also be occasions when a development will require non-standard work – for example, when there are specific engineering difficulties. In these circumstances, and where our fixed charges may not be reasonably reflective, we will set bespoke requisition charges for the development. See chapter 4 for more information.

#### 2.3.2 Income offset

We use the term 'income offset' to describe the reduction in our charges we offer to reflect the income that we will receive from the new properties over a 12-year period. We will apply an income offset amount per property.

#### 2.3.3 Self lay providers' asset payments

As there is competition in the connections market, customers can ask an SLP to install connections infrastructure. Where this arrangement exists, we will make an asset payment to the agreed party as the infrastructure is adopted. The income offset amount is equal to the asset value as shown in figure 2 below.

Figure 2 Calculating asset payments

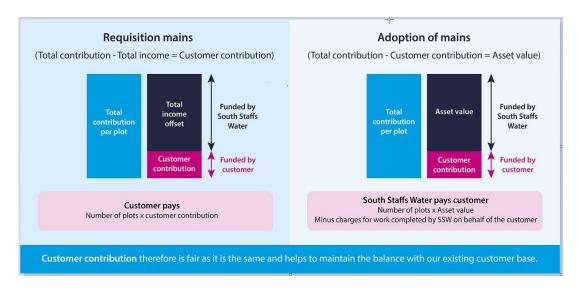


Table 5 below sets out the per plot income offset and gross asset values in more detail.

#### 2.3.4 Calculating the income offset amount

We have reviewed projects that have been completed over the past five years where mains have been requisitioned. We established that, on average, developers have received income offset of 78.5%.

So, from 1 April 2019, we will apply an income offset of 78.5% of the total charges. The remaining 21.5% will be the developer's contribution. It is important to note that this will only apply when we carry out the work.

We set out the income offset amounts in the table below.

Table 5 Income offset amounts

Income offset/gross asset value (78.5%)	Amount	Unit
Open-cut option – including connecting pipe work	£765.00	Per property
PE main laying – depth not exceeding 2m, up to 150mm nominal bore in unmade ground, including excavation	£31.93	Per metre
PE main laying – depth not exceeding 2m, up to 150mm nominal bore in highway, including excavation	£77.00	Per metre
Barrier pipe main laying – depth not exceeding 2m, up to 150mm nominal bore in unmade ground, including excavation	£47.26	Per metre
Barrier pipe main laying – depth not exceeding 2m, up to 150mm nominal bore in highway, including excavation	£92.33	Per metre

The income offset amounts above will be fixed until 31 March 2020.

The worked examples in appendix 1 show how we will apply these fixed charges in practice.

#### 2.3.5 Self-lay

If the developer chooses an SLP to install the water supply infrastructure, we will pay an asset value as we adopt it. The asset value is equivalent to the income offset shown in figure 2 above.

We have calculated the asset value as follows.

- For a connecting main less than 20 metres, the gross asset value = the number of plots x the asset value per plot.
- For a connecting main greater than 20 metres, the gross asset value = the number of plots x the asset value per plot + the income offset per metre charge x the number of metres.

The net asset value payable will be the gross asset value minus the non-contestable costs. The asset payment is made when the mains are adopted.

### 2.4 Non-contestable charges

### 2.4.1 Charges for the source of water connection

The only non-contestable work we have is the physical connection between the newly-laid water mains and our existing distribution system. We call this the 'source of water connection'. This is usually a branch connection which may feed a spur, or an extension, from which an SLP may make a routine/in-line mains connection. Importantly, this provides the source of water for pressure and bacteriological testing.

There is a bespoke charge for this, which may be subject to VAT.

### 2.5 Contestable charges

Although a developer can choose to use a third party contractor or an SLP to carry out all contestable works, they can also ask us to complete them. We will provide a bespoke charge for any contestable works that a developer or SLP asks us to carry out.

#### **2.6 NAV**

A developer can choose to use a NAV to provide the water supply infrastructure for their development. In these cases, we will charge the full cost of providing the connection onto our network, less the cost of the meter. The NAV will be liable for infrastructure charges and we will apply the same income offset/asset value that we offer to developer and SLP customers. See appendix 1 for some worked examples.

For 2019/20, this will be £765 per plot. These charges will remain fixed until 31 March 2020.

# 2.7 Charges for new or replacement service connections

The charges for new connections depend on a number of factors, including:

- the type of ground in which the pipe is to be installed;
- the length and diameter of the service pipe as it applies to the developer's requirements, which we assess based on the number of water-using appliances or required flow rates;
- whether the ground is contaminated; and
- the traffic management or local authority requirements of any highways that must be crossed.

We used a range of standard costs to put together a quotation for the service connection. In the following sections, we set out a range of these costs as they relate to the different requirements of a developer's site.

We will provide complete quotations within a maximum of 28 days of receiving an application and the associated fee.

Please note that all connections are subject to us carrying out a regulations inspection of the customer-side pipe work and that all charges are net of VAT, where applicable.

#### 2.7.1 Service connections up to 32mm

These connections are best suited for in-fill or small new developments, or on larger sites that connect to existing mains.

A standard service connection applies to connections in adopted and other surfaced roads. The developer excavates and lays the service pipe to the highway boundary, leaving at least one metre of labelled pipe to be connected to the main. We then:

- provide and fit a boundary box;
- excavate to the main;
- lay the service pipe;
- tap the main;
- backfill and reinstate the highway; and
- fit the meter.

Table 6 Standard service connections up to 32mm

Standard service connection in the highway, up to 32mm	Made ground	Unmade ground
Single connection, up to 2m in length	£812.53	£291.20
Each additional metre of pipe work	£186.15	£150.60
Single connection, up to 2m in length (contaminated ground)	£863.83	£342.14
Each additional metre of pipe work (contaminated ground)	£189.91	£154.27
Standard size 15mm meter	£45.19	
20mm meter (where larger demands are present)	£57.40	
25mm meter (where larger demands are present)	£87.86	

Note: The rates above apply to connections where there is an existing main located in the public highway. Additional fees may apply.

#### 2.7.2 Manifold service connections

These are best suited to situations where a number of new service connections are required on in-fill or small new developments. To avoid the need for multiple service connections, we will use a manifold in the form of a twin, four-way or six-way connection.

Table 7 Manifold service connections

Manifold service connection	Made ground	Unmade ground
Twin connection, up to 2m in length	£942.25	£377.26
Each additional metre of pipe work	£186.34	£150.79
Twin connection, up to 2m in length (contaminated ground)	£1,032.77	£487.47
Each additional metre of pipe work (contaminated ground)	£189.91	£154.27
Four-way connection, up to 2m in length	£1,713.78	£1,433.35
Each additional metre of pipe work	£220.39	£152.20
Four-way connection, up to 2m in length (contaminated ground)	£1,841.48	£1,540.85
Each additional metre of pipe work (contaminated ground)	£256.87	£162.34
Six-way connection, up to 2m in length	£2,033.16	£1,752.73
Each additional metre of pipe work	£220.39	£166.65
Six-way connection, up to 2m in length (contaminated ground)	£2,185.65	£1,884.18
Each additional metre of pipe work (contaminated ground)	£256.87	£162.34

Note: The rates above apply to connections where there is an existing main located in the public highway. Additional fees may apply.

### 2.7.3 Domestic sprinkler connection charges

These apply where there is a requirement for water for fire sprinklers. For more information about fire sprinkler arrangements for household properties, please see our <u>policy</u> <u>document</u><sup>8</sup>.

<sup>&</sup>lt;sup>8</sup> 'Policy for the supply of water to automatic fire sprinkler systems', South Staffs Water (incorporating Cambridge Water), October 2014. <a href="www.south-staffs-water.co.uk/media/1557/domestic\_sprinklers.pdf">www.south-staffs-water.co.uk/media/1557/domestic\_sprinklers.pdf</a>

Table 8 Domestic 32mm sprinkler connection charges

Domestic sprinkler connection charges in the highway	Made ground	Unmade ground
Single connection, up to 2m in length	£1,168.78	£647.45
Each additional metre of pipe work	£186.34	£150.79
Single connection, up to 2m in length (contaminated ground)	£1,258.22	£736.54
Each additional metre of pipe work (contaminated ground)	£190.41	£154.76
Standard size 15mm internal meter	£45.19	
20mm meter (where larger demands are present)	£57.40	

Note: The rates above apply to connections where there is an existing main located in the public highway. Additional fees may apply.

### 2.7.4 Services connections larger than 32mm

These connections are most suitable for commercial premises or where water for firefighting may be a requirement. For these connections, we will install a temporary hydrant to allow for charging of the new pipe, and pressure and water quality testing by the customer. Once the tests have been completed successfully, we will remove the temporary hydrants and make the final connection to the premises.

Table 9 Service connections larger than 32mm

Service connections in the highway, larger than 32mm	Made ground	Unmade ground	
40-63mm single connection, up to 2m in length	£1,989.57	£1,745.31	
Each additional metre of pipe work	£234.84	£166.65	
40–63mm single connection, up to 2m in length (contaminated ground)	£2,138.79	£1,875.98	
Each additional metre of pipe work (contaminated ground)	£256.87	£246.36	
90–125mm connection, up to 2m in length	£2,082.80	£1,719.57	
Each additional metre of pipe work	£230.97	£53.66	
30mm meter	£87.12		
40mm meter	£150.83		
50mm meter	£260.85		
80mm meter	£368.32		
100mm meter	£435.24		

Note: The rates above apply to connections where there is an existing main located in the public highway. Additional fees may apply.

# 2.7.5 Charges for connections on larger development sites up to 32mm

These apply where new on-site mains are installed.

Table 10 Charges for connections on larger development sites

Standard service connection on sites, up to 32mm	Unmade ground
Single connection, up to 2m in length	£450.00
Each additional metre of pipe work	£25.65
Single connection, up to 2m in length (contaminated ground)	£479.00
Each additional meter of pipe work (contaminated ground)	£27.70
Standard size 15mm meter	£45.19
20mm meter (where larger demands are present)	£57.40
25mm meter (where larger demands are present)	£87.86
Standard service connection on sites, 40-63mm	Unmade ground
Single connection, up to 2m in length	£597.00
Each additional metre of pipe work	£27.65
Single connection, up to 2m in length (contaminated ground)	£633.00
Each additional metre of pipe work (contaminated ground)	£40.96
30mm meter	£87.12
40mm meter	£150.83
50mm meter	£260.85
Manifolds	Unmade ground
Twin connection, up to 2m in length	£536.00
Each additional metre of pipe work	£25.65
Twin connection, up to 2m in length (contaminated ground)	£624.00
Each additional metre of pipe work (contaminated ground)	£27.70
Four-way connection, up to 2m in length	£2,191.36
Each additional metre of pipe work	£24.58
Four-way connection, up to 2m in length (contaminated ground)	£2,232.32
Each additional metre of pipe work (contaminated ground)	£40.96
Six-way connection, up to 2m in length	£2,360.32
Each additional metre of pipe work	£24.58
Six-way connection, up to 2m in length (contaminated ground)	£2,401.28
Each additional metre of pipe work (contaminated ground)	£40.96

### 2.7.6 Traffic management/local authority costs

The following traffic management costs apply both to the service connections completed in the highway and mains laying schemes, where appropriate.

Table 11 Traffic management/local authority costs

Local authority permitting schemes*	Cambridge region	South Staffs region, where applicable
Permit to work in a non-traffic sensitive highway (as defined by the local authority)	£45.00	£75.00
Permit to work in a traffic sensitive area (as defined by the local authority)	£65.00	£105.00
Traffic management – lights	Cost	Unit
Two-way lights	Included in connections costs	Per day
Three-way lights	£542.08	Per day
Four-way lights	£591.72	Per day
Two-way lights (under manual control)	£350.10	Per day
Three-way lights (under manual control)	£892.18	Per day
Four-way lights (under manual control)	£941.82	Per day

<sup>\*</sup> These costs are set by the local authorities in each region and are subject to change.

Where a new service connection has to cross the public highway, the local Highways Authority may dictate that the work requires a road closure. This is to ensure the safety both of the general public and the people carrying out the work. The charges for road closures vary by local authority. Where circumstances allow, we may be able to work collaboratively with others that have a road closure in place. We will advise developers in advance if a road closure is needed – the minimum notice period that local authorities require is three months. The timeframe begins when payment has been made, underground and regulation checks are complete, and we have received the council-confirmed addresses (provided by the developer).

The costs for closing a road comprise:

- the Temporary Traffic Regulation Order, which the local authority sets and which may be subject to change;
- engaging with stakeholders for example, through notifications or advertising;
   and
- signage and notice posting.

Table 12 Traffic management – road closures

Traffic management – Temporary Traffic Regulation Orders (road closures)	Cost		
Cambridge region	£1,904.55		
South Staffs region	£2,061.40-£2,751.40		
Out of hours closure (weekday)	+33%		
Out of hours closure (weekend)	+52%		
Cycle lane suspension	Cost		
Cambridge region	£1,000.00		
Parking bay suspension	Cost		
Cambridge region	£25 per bay per day		
South Staffs region	Up to £1,408.00		

Note: Road closure costs may vary. This is because an element of the price is set by the local authority and is subject to change.

# 2.7.7 Miscellaneous charges

Table 13 Miscellaneous charges

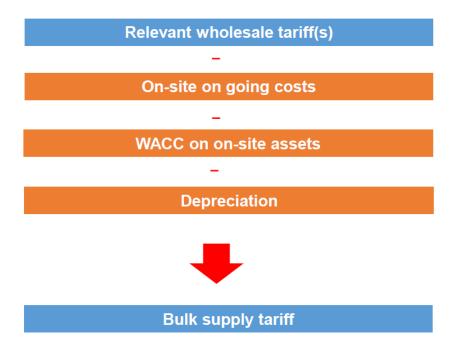
Miscellaneous charges	Cost
Re-inspection fee where pipe work does not meet regulations or is not ready for inspection	£40.80
Aborted site visit to carry out a service connection	£600.00

# 3. Indicative bulk charges for NAVs

When a NAV is appointed as a water company for a site, it may have its own water supply, which it could use to supply its customers. Alternatively, it may wish to purchase a supply of water from us. This is known as a 'bulk supply'.

In May 2018, Ofwat published its <u>decision document</u> on how water companies should set bulk supply charges when providing this service to NAVs<sup>9</sup>. We have adopted Ofwat's principles to help us arrive at our bulk supply charge. This is set out below and taken from Ofwat's decision document.

Figure 3 Setting bulk supply charges for NAVs



Source: Ofwat. Note: 'WACC' is the weighted average cost of capital. This is the average rate of return a company expects to compensate all its different investors.

"The starting position in deriving the bulk charge is the standard volumetric wholesale charge published in this indicative wholesale charges scheme. This charge is the same for both business and residential customers. Our standing charges only represent the cost of the meter and any associated maintenance at the customer's property. This is provided by the NAV and so should not be part of the bulk charge.

<sup>&</sup>lt;sup>9</sup> 'Bulk charges for NAVs: final guidance', Ofwat, May 2018. <a href="www.ofwat.gov.uk/wp-content/uploads/2018/05/Bulk-charges-for-NAVs-final-guidance.pdf">www.ofwat.gov.uk/wp-content/uploads/2018/05/Bulk-charges-for-NAVs-final-guidance.pdf</a>

"We then deduct the costs included in our wholesale charge which relate to on-site costs that we avoid as this is the responsibility of the NAV. This has been calculated by taking the proportion of distribution costs that relate to the local network of infrastructure and dividing this by the total volume of water supplied to give a £/m<sup>3</sup>.

"The return earned by the incumbent for any on-site assets should not be included in the bulk charge as these assets are owned and paid for by the NAV. This return has been calculated by taking the value of local mains as a percentage of our total asset base and using this to work out the proportion of our regulatory capital value (RCV), which would relate to local mains. The allowed return on this proportion has been calculated using Ofwat's guidance on the return for a NAV of 4.74%. This has then been divided by the total volume of water supplied to give a £/m³.

"Finally, the depreciation incurred on local mains is deducted using an average asset life of 80 years."

We set out our NAV charges for 2019/20 below.

Table 12 Indicative NAV charges, 2019/20

	South Staffs region (£/m³)	Cambridge region (£/m³)
Standard wholesale tariff	£0.9913	£0.7997
Less on-site ongoing costs	(£0.327)	(£0.327)
Less incumbent WACC (4.74%) on on-site assets	(£0.058)	(£0.058)
Less depreciation	(£0.015)	(£0.015)
NAV bulk charge	£0.5913	£0.3997

Note: As our wholesale tariffs differ across regions due to different treatment and distribution costs, there is a NAV bulk tariff for each region.

## 4. Non-standard works

Because of the varying nature of connections, circumstances sometimes arise where external factors can affect the costs we incur. These external factors may be outside our immediate knowledge or control. In exceptional cases, they could lead to a significant variance in costs.

For this reason, Ofwat has confirmed that water companies should not have to provide fixed up-front charges for mains requisitions in the following situations where it would be unreasonable to expect us to do so.

- Diversion works (see section 185 of the <u>Water Industry Act 1991</u><sup>10</sup>).
- Water infrastructure work requested by the developer (see sections 41 and 98 of the Water Industry Act 1991) where "it would be unreasonable to expect an undertaker to do so". In this context, 'undertaker' is a water company.

It may not be reasonable or practical for us to provide an up-front fixed charge for the work in the following circumstances.

- The work is technically complex, bespoke, or only carried out infrequently.
- Third parties can legitimately recover their costs and there is not a reasonable level of certainty about those costs before the connection work is carried out.
- The requirements of third parties are not known up front they have rights to protect their assets or interests in a way that could affect the construction method.
- The work is to be carried out on or close to land that has 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 before the work starts.

We will provide an estimate for any non-standard work using the best information available and based on the recovery of reasonable costs. The actual cost of the work may be higher or lower than this and we will set out any variances in the final invoice.

<sup>&</sup>lt;sup>10</sup> www.legislation.gov.uk/ukpga/1991/56/contents.

# 5. Diverting water mains

If an existing water main is in the vicinity of planned works, we can divert the main if it is practical for us to do so. We call the process of altering or removing assets in this way a 'diversion'.

In cases where we carry out some or all of the diversion work, we will provide an invoice based on our best estimate of costs; we are only entitled to recover any reasonable costs. All or part of the diversion works may be constructed by a suitably qualified third party contractor (SLP); this applies to contestable elements and requires prior agreement.

We set out our approach to charging for diversions below.

### 5.1 Water company

We will carry out major diversion work as required by highway/transport authorities in accordance with the New Roads and Streetworks Act 1991<sup>11</sup>. We will provide a response to:

- C2 Preliminary Enquiries;
- C3 Budget Estimates; and
- C4 Detailed Estimates in accordance with the Code of Practice timescales (unless an extension is obtained with mutual agreement).

With a C4 response, this estimate is valid for six months from the date it is issued.

The estimated cost refers only to the scope of works detailed within the request for diversion of apparatus. If the scope of works changes in any way, it is possible that variations will apply. Payment will be in accordance with regulation 8(1), including any adjustments for betterment or deferment where applicable.

# 5.2 Self-lay

Developers can choose an accredited SLP to carry out the water main diversion on our behalf. It is necessary for developers to have agreement before the work starts – and that we and the SLP understand clearly the contestable and non-contestable elements of the project, and can work together to deliver this in the required manner.

In all other cases, where we do not receive a C3 and C4 and the required diversion is not covered by the New Roads and Streetworks Act, the allowable costs of the mains diversion work must be paid in full.

<sup>&</sup>lt;sup>11</sup> www.legislation.gov.uk/ukpga/1991/22/contents.

# 6. Water efficiency incentives

### 6.1 Developer rebates

Following feedback from the Developer Services Forum, we have changed the percentage on the water efficiency incentives. This is to make the scheme more appealing to developers.

When developers build new homes in the UK, they must comply with Part G of the <u>Building</u> Regulations 2010<sup>12</sup>. This states that any new homes must be built to provide no more than 125 litres of water per person per day (I/p/d).

We want to go further than this. So, if a developer presents us with certification from an accredited assessor proving that the buildings on its development meets a target of 110 l/p/d, we will issue a rebate of 40 % of the water infrastructure charges paid per plot within 30 days. The developer is obliged to pay 100% of the infrastructure charge in the first instance.

We will next review the water efficiency incentives on 1 April 2020.

### 6.2 Water metering

Water metering is an important consideration on any new development. This is mandatory regardless of whether we are providing the connections to our network, or an SLP or NAV is providing them. Water meters are chargeable for both household and non-household developments, and the charge depends on meter size and configuration.

# 6.3 Consumption monitoring for major new sites

For developments comprising more than 300 properties, we reserve the right to install a new meter chamber, meter and associated logging equipment for the new site. This equipment is required to monitor the consumption data in the new development so that we can make adequate provision to monitor and identify any subsequent leakage levels in the area. We will bear the costs of this work.

<sup>&</sup>lt;sup>12</sup> www.legislation.gov.uk/uksi/2010/2214/contents/made.

# 7. Payments

### 7.1 Water company scheme

Once we have carried out our surveys and provided our offer, developers will need to make the following payments.

- Payment for water mains (on-site) will be required 100% in advance.
- Payment for water connections will be required 100% in advance.

We can invoice water and sewerage infrastructure charges after the connection(s) are completed on the development. Most developers choose to pay these in advance for convenience, but can defer payment until the date of connection.

### 7.2 Self-lay

When the connections are made to our network, we can invoice the SLP or the developer (as agreed) for water meters and infrastructure charges. Most developers pay the infrastructure and meter charges in advance, but payment of the infrastructure charges can be deferred until after the connection is made.

We will pay a gross asset value of £765 per property; the actual asset value payable will be £765 x the number of properties less the non-contestable costs. Once the non-contestable works are complete, we will perform a reconciliation and we will adjust the asset value payable to take account of the actual non-contestable cost incurred.

As new water mains are commissioned we will agree with the SLP the actual asset value payable and upon receipt of an invoice to the agreed value we will make payment.

For developments where mains laying is to be phased, we will make phased payment of the asset value providing meter and infrastructure charges for the phase concerned have been paid.

#### **7.3 NAV**

When a NAV engages with us, the following payment terms will apply.

- The NAV is advised on the non-contestable costs that are to be paid in advance.
- The infrastructure charge will be deducted from the asset payment once the NAV has connected the service(s) to the new site main.
- £765 £325 = £440 will be paid upon request via an invoice. This can be done on a per plot basis, in groups or upon completion of the site.

# 7.4 Payment methods

Our preferred payment method is bank transfer (BACS or CHAPS). BACS payments can be made into our account using the details below.

Bank: HSBC
Sort code: 40-11-18
Account number: 63987183
UTR number: 6751065210
Company registration number: 2662742

We also accept all major debit and credit cards. Payment by card can be made by phoning 0845 456 1030.

In addition, we accept cheques. These should be made payable to 'South Staffs Water' and sent to us at the following addresses.

Cambridge Water South Staffs Water

90 Fulbourn Road Green Lane
Cambridge Walsall
CB1 9JN WS2 7PD

We ask developers to quote a reference number when making payments. This should be an application number, job number or scheme number. Applications may be delayed if developers do not provide this information.

#### **7.5 VAT**

Where water mains and water connection services are requested solely for household purposes, VAT will be zero rated (0%). For non-household developments, VAT will be charged at the current rate at the time of the quote and invoice.

Further information is available from the HM Revenue & Customs (HMRC) website 13.

<sup>&</sup>lt;sup>13</sup> www.gov.uk/government/organisations/hm-revenue-customs.

# 8. Transitional arrangements

Moving to new charging arrangements can mean uncertainty for some customers, particularly where they may have already committed to a development based on previous charging arrangements.

We are committed to providing the following transitional arrangements with our customers in relation to infrastructure charges.

- Applications received between 1 February 2019 and 31 March 2019 for sitespecific work that will be carried out after 1 April 2019 can be quoted on either the 2018/19 charging rules or the new 2019/20 charging rules.
- Developers and SLPs will be able to choose their preferred method.
- Any application submitted after 1 April 2019 will automatically be charged under the 2019/20 charging rules.

# 9. Contacting us

Our dedicated Developer Services teams can be contacted about any queries relating to current and future water requirements for new developments.

## 9.1 Cambridge region

Developer Services Cambridge Water 90 Fulbourn Road Cambridge CB1 9JN

Phone: 01223 403115

Email: <a href="mailto:networkdevelopment@cambridge-water.co.uk">networkdevelopment@cambridge-water.co.uk</a> Website: <a href="mailto:www.cambridge-water.co.uk">www.cambridge-water.co.uk</a>/developers

### Sewerage enquiries – Cambridge region

Anglian Water
Lancaster House
Lancaster Way
Ermine Business Park
Huntingdon
PE29 6YJ

Phone: 01480 323000

Website: www.anglianwater.co.uk/developers/

# 9.2 South Staffs region

Developer Services South Staffs Water Green Lane Walsall WS2 7PD

Phone: 0845 345 1399

Email: <a href="mailto:developerservices@south-staffs-water.co.uk">developerservices@south-staffs-water.co.uk</a>/developer

### Sewerage enquiries – South Staffs region

Severn Trent Water Severn Trent Centre 2 St Johns Street Coventry CV1 2LZ

Phone: 0800 707 6600

Website: www.stwater.co.uk/building-and-developing/new-site-developments/developer-

enquiry/

# 9.3 Disputes and complaints

#### 9.3.1 Disputes

Concerns should be raised with the Developer Services team in the appropriate region in the first instance.

#### 9.3.2 Complaints

If we are unable to provide a satisfactory response to an initial query, concerns can be reported to our Customer Relations team at the following address.

Customer Relations South Staffs Water Green Lane Walsall WS2 7PD

Phone: 0345 607 0456

#### 9.3.3 Water Redress Scheme (WATRS)

WATRS has been designed to complement CCWater's mediation and investigation. If CCWater is unable to settle a customer's dispute, WATRS will provide a final resolution that is binding upon water and sewerage companies.

# 10. Our performance

In line with the rest of the water sector, we currently report customer service statistics in accordance with Water UK's requirements. We publish our performance statistics on our website<sup>14</sup>.

### 10.1 Redress scheme

We offer a redress scheme, which covers the following metrics. The below can be applied for on request.

			Volantary Redress (in addition to target days)			
SLA measure	Ref no	Service Target days	1-7days	8-14days	14-30days	30days+
Pre development enquiry	W1.1	21	£15.00	£35.00	£70.00	£150.00
S45 quote acknowledgement	W2.1	5				
S45 prepare quote	W3.1	28	£15.00	£35.00	£70.00	£150.00
S45 connection	W4.1	21	£15.00	£35.00	£70.00	£150.00
Mains design < 500 plots acknowledgement	W5.1	5				
Mains design < 500 plots design and offer	W6.1	28	£15.00	£35.00	£70.00	£150.00
Mains design > 500 plots design and offer	W7.1	90				
S185 main diversion application acknowledgement	W16.1	5				
S185 main diversion quote (without constraints)	W17.1	42	£15.00	£35.00	£70.00	£150.00
S185 main diversion quote (with constraints)	W17.2	By agreement				
5185 main diversion construction/commissioning	W18.1	90	£15.00	£35.00	£70.00	£150.00
SLPOC application acknowledgement	W19.1	5				
Self-lay POC report for < 500	W20.1	21	£15.00	£35.00	£70.00	£150.00
Self-lay POC report for > 500	W21.1	28				
Self-lay design and terms request application acknowledgement	W22.1	5				
Self-lay design and terms request application for <500 plots no off site reinforcement or engineering difficult	ies W23.1	14	£15.00	£35.00	£70.00	£150.00
Self-lay design and terms request application for >500 plots no off site reinforcement or engineering difficulties	W24.1	28				
Self-lay signed agreement acknowledgement	W25.1	5				
Self-lay source of water for pressure/bacteriological testing	W26.1	28	£15.00	£35.00	£70.00	£150.00
Self-lay provision of permanent supply of water	W27.1	14	£15.00	£35.00	£70.00	£150.00
Self-lay issue of vesting certificate	W28.1	7				
Self-lay asset payment	W29.1	35				£150.00
Self-lay provision of plot reference and costing details	W30.1	14				

For further details and definition of the above SLA measures go to: <a href="mailto:developerservices.org.uk/public/metrics">developerservices.org.uk/public/metrics</a>

<sup>&</sup>lt;sup>14</sup> www.south-staffs-water.co.uk/developer/performance.

# Appendix 1: Worked examples

To aid understanding of how to apply the charges described in this document, we have included some worked examples below.

## Example 1 – five-plot development

In this example, it is assumed that the proposed development is for five properties with a short length on-site main and point of connection within 20m of the site boundary. For the purposes of this example, the non-contestable costs are £1,000; the connection costs for the NAV are £500 (excluding the cost of a meter).

### Water company carrying out mains laying

Under this charges scheme the developer would be asked to pay:

(Per plot on site main charge – per plot income offset) x 5

$$(£974 - £765) \times 5 = £1,045$$

Per plot infrastructure charge:

£325 x 5 = £1,625

Total payable: £ 1,625 + £1,045 = £ 2,670

#### SLP carrying out the work

We will pay an asset value = per plot asset value x 5 - non-contestable costs

£  $2,825 = £765 \times 5 - £1,000$ 

#### **NAV**

In this example, the NAV would pay the infrastructure charges and the point of connection costs (excluding the meter); we would pay the per plot income offset.

NAV pays:

Per plot infrastructure charge x number of plots + non-contestable connection charge

£325 x 5 = £1,625 + £500 = £2,125

Company pays:

Per plot income offset x number of plots

£765 x 5 = £3,825

### Example 2 – 250-plot development

In this example, we have assumed that the proposed development is for 250 properties; there are on-site mains and the nearest main available to supply water to the site is 100m from the boundary of the site, so 100m of connecting main is required. For the purposes of the example, the non-contestable costs are £5,000; the connection costs for the NAV are £50,000 (excluding meter costs).

#### Water company carrying out mains laying

Under this charges scheme the developer would be asked to pay:

((main laying charge/plot – income offset/plot) x 250) + (PE main laying in highway/m – income offset/m x length of main laying required)

$$((£974 - £765) = £209 \times 250) = £52,250 + (£98.09 - £77.00 \times 80 = £1,687.20)$$

Total payable: £52,250 + £1,687.20 = £53,937.20

Per plot infrastructure charge:

£325 x 250 = £81,250

Total payable: £53,937.20+ £81,250 = £135,187.20

#### SLP carrying out the work

(asset value/plot) x 250 + (income offset/m x length of main laying required) – (non-contestable costs)

We will pay an asset value = per plot asset value x 250 + income offset value of the off-site main laying – non-contestable costs

£765 x 250 = £191,250 + 
$$(77.00 \times 80 = £6,160.00) - £5,000^{15}$$

Total payable: £191,250 + £6,160.00 - £5,000 = £192,410.00

#### **NAV**

In this example, the NAV would pay the infrastructure charges and the point of connection costs (excluding meters); we would pay the per plot income offset.

<sup>&</sup>lt;sup>15</sup> Note: The £5,000 non-contestable cost is included in the company lay cost per plot scheme as shown in example 1.

NAV pays:

Per plot infrastructure charge x 250

£325 x 250 = £81,250

Company pays:

£765 x 250 = £191,250 + (£77.00 x 80 = £6,160.00)

Total payable: £191,250 + £6,160.00 = £197,410.00

Total payable by company: £197,410.00

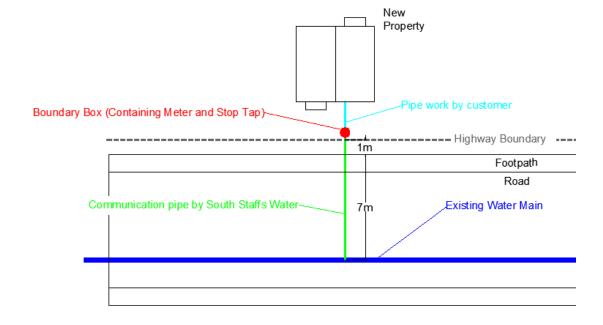
Total payable by NAV: £81,250 + £50,000 = £131,250

### Example 3 – service connection quote

The following shows a typical arrangement of a single new dwelling located adjacent to a public highway. In this example, it is assumed:

- there is no ground contamination present;
- two-way traffic lights will effectively manage the traffic flow; and
- the boundary box is located within the property boundary 16.

Below, we illustrate the service connection arrangement for this example.

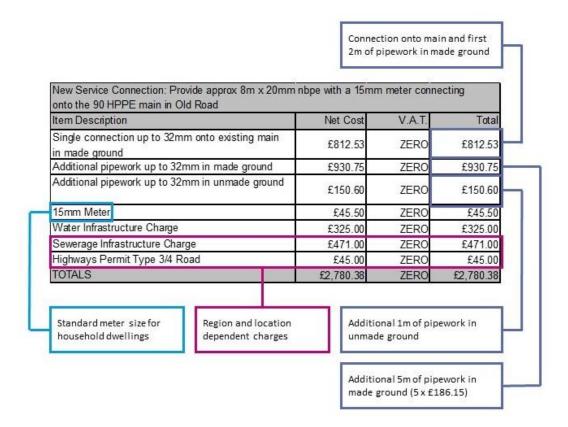


<sup>&</sup>lt;sup>16</sup> South Staffs Water will always opt to install the meter in the footpath where possible.

For this example, our quote would be based on the costs detailed below as follows.

- The company water main is located within the highway; this is classed as 'made ground', so the standard service connection (including the first 2m) in made ground rate will apply £812.53.
- There is an additional 5m of pipe work required to reach the edge of the footpath in made ground – 5 x £186.15.
- An additional 1m of pipe work will then be required through unmade ground to
  just inside the property boundary at £150.60 a metre, where the boundary box
  will be located<sup>17</sup>.
- A 15mm meter will be installed in the boundary box at a cost of £45.19.
- Every new standard size domestic property that is connected to the network has a water infrastructure charge levied at £325.
- A sewerage infrastructure charge is collected on behalf of the sewerage provider. (Applications for sewerage connections should be made directly to the sewerage provider.) This cost varies depending on the area.
- A permit to work is required from the local authority to work in the highway.
   This cost varies depending on the area.

Below we set out an example of how the quote issued can look.



<sup>&</sup>lt;sup>17</sup> South Staffs Water will always opt to install the meter in the footpath where possible.

# Appendix 2: Steps to connection for a water company scheme

# What developers need to do

# Step 1 – submit an application form and pay the application fee

This can be done by email or post, depending on the option selected on 'Your application'. The quote will take up to 28 days to prepare. Please note that complex jobs take longer.

# Step 2 – pay for the quote

This can be done by BACS or cheque, or debit/credit card – phone 0845 456 1030.

# Step 3 – complete the pipe work

The developer (or a plumber) can complete the pipe work within the property's boundaries.

# Step 4 – provide a postal address

We require the postal address confirmed by the local authority for each plot (unless it is an existing property). This enables us to create new billing accounts.

#### What we will do

# Step 1 – lay the mains

If mains laying is required, we will liaise with the developer directly following payment.

# Step 2 – carry out an inspection

Once notified, we will carry out the underground water inspection, checking depth, ducting into the building, insulation, capping and tagging.

# Step 3 – carry out a connection within 21 days\*

Once we have received payment, postal addresses and a passed inspection, we can make the connection.

\* Unless we have agreed an extension with the developer

# Step 4 – account set up

Once the connection is completed, a new billing account will be created.

To register, phone our contact centre on 0345 607 0456.

# Appendix 3: Steps to connection for self-lay

#### What the SLP needs to do

# Step 1 – submit application form

Provide an auto-CAD plan, site layout, full soil report and application fee.

# Step 4 – complete the pipe work

The SLP's contractor needs to complete the pipe work within the property's boundaries and notify us to inspect it.

# Step 2 – we will require...

Payment, legal agreement, Liability document, operatives NVQ qualifications and health screening.

# Step 5 – provide a postal address

We require the postal address confirmed by the local authority for each plot to create new billing accounts.

# Step 3 – pay for the service quote

This can be done by BACS or cheque, or by debit/credit card – phone 0845 456 1030.

# Step 6 – Notify the connection

Once the service has been connected to the main, the SLP notifies us by email of the connection.

#### What we will do

# Step 1 – produce the quotation

We will issue the quotation within 14 days of receiving the information set out in step 1

# Step 4 – fitting the meter

We will arrange to fit the meter once we have received the notification of connection form.

# Step 2 – connection to out existing main

When we receive the information set out in step 2 above, we will arrange the connection.

# Step 5 – mains recording

When we receive the SLP's programme of works, we will visit the site and record the 'as laid' mains as the installation goes ahead.

#### Step 3 – inspection

We will carry out the underground water inspection, checking depth, ducting into the building, insulation, capping and tagging.

# Step 6 – Asset payment

When we receive the SLP's asset payment invoice, we will arrange a site audit. After a satisfactory visit, we will arrange payment within 35 days.

# Appendix 4: Glossary

Asset value The asset value – or AV – is the allowance we offer for revenue

against new water main construction.

**Connection charges** The cost of a new connection to an existing main.

Contestable charges Charges for work that any accredited organisation can carry out,

with no risk to water company assets or existing customers.

**Developer** A person/company that builds new properties.

**Diversion** The realignment of an existing main.

**Household** Residential accommodation.

**I&C** An industrial and commercial building, such as a fire station,

factory or shop.

Infrastructure .

charges

These charges help us pay for the costs of adapting our network to

meet the demand of new developments.

Made ground A maintained road or footpath where a permanent reinstatement

will be required.

**New appointments** 

and variations

A new appointment and variation – or NAV – involves one water company replacing another as the supplier of water only or water

and sewerage services for a specific geographic area.

Non-contestable

charges

Charges for work that we must carry out on our assets to mitigate

any risk to customers or the said asset.

Non-household Non-residential accommodation.

Ofwat The Water Services Regulation Authority (Ofwat) is the economic

regulator of the water sector in England and Wales. It protects

customers' interests by setting limits on the prices charged for water and sewerage services, taking into account proposed capital investment schemes and expected operational efficiency gains.

Point of connection

The point of connection – or POC – is the point on the water network where the connection of mains/connections can be accommodated.

Protective pipe work

A barrier pipe for use in contaminated land.

Rebate

A refund.

Requisition

A request for a new main to serve a development.

**Self-lay provider** 

A self-lay provider – or SLP – is an organisation accredited by the Lloyd's Water Industry Registration Scheme to carry out contestable works in relation to the provision of new water connections – that is, mains, services and associated works.

**Unmade ground** 

Ground that will not be finally reinstated at the time the works are

carried out.

**VAT** 

The current rate of VAT may apply in certain circumstances and will be added, as appropriate, to the prices shown. New household properties are zero rated for VAT.

WACC

The weighted average cost of capital. It is the rate that a company is expected to pay on average to all its investors to finance its assets. The WACC is determined by the external market, not a company's management.

Water meter

A device for measuring water consumption.