

south east water

Charging Arrangements for New
Connection Services

2023/2024

Pure knowh₂ow

About South East Water Developer Services

Developer Services Department

For any new connections requests or issues please contact our Developer Services Team.

Our Service Desk is open between 8am and 4pm, Monday to Friday.

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Publications

You can download information on our charges, applications and policies using the following web link:

<https://wholesale.southeastwater.co.uk/help-advice/developer-services/>

Online pre-application estimate

If you would like a pre-application estimate, please follow the link below, we simply need a few details and an estimate will be generated online. If you wish to continue, you can then complete the online application.

<https://www.developers.southeastwater.co.uk/application-form-portal?form=household-and-non-supply>



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Introduction

This document sets out the charging arrangements of South East Water Ltd for new connection services for 2023/24. It is made in accordance with charging rules for new connection services (English Undertakers) published by Ofwat and relevant provisions of the Water Industry Act 1991 (the “Act”).

It relates primarily to:

- Charges for the provision of water mains under the duty set out in section 41 of the Act (water mains to supply buildings for domestic purposes) and service pipe connections under the duty set out in section 45 of the Act (service pipe connections to a building for domestic purposes);
- Charges imposed by us under a self-lay agreement made under section 51A of the Act;
- Charges for the alteration or removal of a relevant pipe under the duty set out in section 185 of the Act (“diversions”); and
- Infrastructure charges as described in section 146(2) of the Act.

This document also explains how our new connection charges are applied and calculated and how and when they must be paid.

In accordance with part 2 of the wholesale charging rules, and as set out in our wholesale tariff document for 2023/24, the charges set in this document may also apply to the provision of new connections under the duty set out in section 66A of the Act and in accordance with the terms of a section 66D agreement with a water supply licensee with a retail authorisation.

We may agree to apply the charges or payments set out in this document, to the provision of water mains or service pipe connections or an adoption agreement where the duties referred to above do not apply (provided that we are able to secure any rights necessary to carry out the relevant works).

These charging arrangements have effect in relation to charges imposed on or after 1 April 2023 and until 31 March 2024 subject to transitional provisions set out in the Water Act 2014 (Commencement No 9 and Transitional Provisions) Order 2017 only where these remain applicable on or after 1 April 2023.

The charges that we will set out in our quotations for new connection services issued in the period commencing on 1 April 2023 and ending on 31 March 2024 when we are asked to provide relevant infrastructure under the duties referred to above (or otherwise when we agree to apply the charges set out in this document) will be determined using the methods of charging set out in these charging arrangements.

These charging arrangements also set out the period of validity of our quotations and information on which charges will apply where a quotation includes charges set out in the charging arrangements for the current charging year (i.e. 1 April to 31 March) but works are actually carried out on or after 1 April in the following charging year or subsequent charging year(s).

This document supersedes any prior charges schemes or charging arrangements made by us for new connections and related services but previous years’ charges as set out in these other documents continue to apply where appropriate subject to provisions relating to the validity of quotations and the application of charges across charging years and relevant transitional provisions. Information on transitional provisions is set out in Appendix 6.

In setting our charges we followed the principle that the new connection charges in this document should reflect:

- Fairness and affordability;
- Environmental protection;
- Stability and predictability;
- Transparency and customer-focused service; and
- Costs of the relevant service.

In setting our charges we also ensure that no undue preference is shown to, and that there is no undue discrimination against, any class of customers or potential customers.

In this document the words “we”, “us” and “our” refer to South East Water Ltd.

This document must be interpreted in a manner that is consistent with relevant provisions in legislation, our licence and the charging rules for new connection services, and to the extent that this document is inconsistent with them, these provisions prevail.

The relevant charges are set out in the Appendices.

Definition of relevant terms and details on worked examples that appear in Appendix 5 of these charging arrangements are set out in the **Common Terms and Worked Examples - English New Connection Rules** published by Ofwat with the new connection charging rules which is available at:

<https://www.ofwat.gov.uk/publication/common-terms-and-worked-examples-english-new-connection-rules-effective-from-april-2022/>

Statement of significant change

The purpose of this statement is to provide our stakeholders with information on any changes to our tariff structures and increases for 2023/2024 in respect of charges for new connection services.

This information is provided in accordance with the requirements of the charging rules for new connection services.

We have made no significant changes to the structure of the new connection services charges set out in these charging arrangements for 2023/2024.

The Board has assessed the costs of new connections for a range of different types of developments through worked examples for typical developments following the methodology defined by Ofwat to determine whether charges would increase by more than 10% and approves the impact assessments carried out.

Worked examples of typical development charges for new connection services are included in Appendix 5.

We carried out a number of road shows for developer, SLP's and NAVs, as well as telephone surveys and one to one meetings with stakeholders who were not able to make any of our road shows. We have also previously highlighted the risk to customers in engagement sessions regarding the potential rise in infrastructure charges.

We have also introduced in 2020/21 new instalments plans for the payment of requisition charges to address concerns raised by developers that with the transfer of the income offsetting to the infrastructure charges, requisition charges would mechanically increase and the application of the income offset to infrastructure charges would necessarily only be applied at a later stage of the development process which would affect their cash flow. These have been maintained this year.

Following the PR19 price determination, we introduced changes to the calculation of our infrastructure charges that reflected, to the extent permitted by the relevant charging rules, the assumptions made by Ofwat in their final determination at PR19. This was done by including zonal schemes' costs in the calculation of our infrastructure charges which significantly increased the percentage of contribution recovered from developers.

For 2023/24 we are expecting a bill increase greater than 10% for five out of six of the worked examples. The rise is predominately due to an increase in CPIH as well as a rise in fuel costs and some traffic management rates. The table below provides details of the percentage rise for each scenario.

	% increase from 2022/23 – 2023/24
Worked example 1	9.1%
Worked example 2	10.3%
Worked example 3	10.6%
Worked example 4	10.7%
Worked example 5	10.6%
Worked example 6	10.7%
Infrastructure Charge	1%

As part of our handling strategies we will monitor traffic management and the relevant service connection charges. We will also encourage collaborative working with other utilities and highways departments to keep the requirement for traffic management costs to a minimum.

We do not expect a rise in infrastructure charges of greater than 10% this year.

In order to broadly maintain the balance of charges between developers and other customers as it existed pre-April 2018 (to ensure that the percentage of the works paid for by developers remains broadly the same compared with what it was before April 2018), and to compensate for the impact of the increases in the infrastructure charge explained above, we have increased the percentage of income offset that is applied against infrastructure charges.

This statement must be read in conjunction with the board assurance statements we have published in accordance with the charging rules for new connection services.

Part 1 – Service connections

This part relates to all service connections to individual premises whether off a new water main on a development or an existing water main. Service connection charges are payable for each individual service connection to relevant premises.

Where service connections are provided under section 45 and 46 of the Act, the service connection is made in order to provide a supply of water for domestic use to a building or part of a building.

Supplies for domestic use are for drinking, washing, cooking, central heating, and sanitary purposes and other purposes connected with the occupation of a house. (This is defined in section 218 of the Act.)

This new connection service includes the laying of the section of service pipe usually up to the boundary of the premises on which the building to be connected is located, and the physical connection of the service pipe to our water main.

1 What you need to know about service connections

1.1 Information you must give us on new premises

You must request a separate service connection from us to any new individual premises you build in our area.

You must notify us of the conversion of any premises into a larger number of premises or into a smaller number of premises, or where there is a change of use of premises affecting the water supply. All new premises resulting from any conversion of existing premises (including each new subdivision of an existing building) must have a separate service connection and you must apply to us for one or more connection as appropriate.

All new service connections must be metered and we will install the meter when completing the connection.

1.2 Meter and Trickle flow plug

Please note that when the service connection is made, a trickle flow plug may be installed into the boundary box. The trickle flow plug will give adequate flow and pressure for the testing of the internal plumbing system, but will not be adequate to supply an occupied property.

Where it has been installed, a trickle flow plug will be removed once the plot to postal information has been received and verified by us.

In respect of connections to blocks of flats or similar buildings with multiple premises, only one external meter will be installed and only one meter account will be set up unless it is agreed to install internal meters that will allow individual billing of the occupiers of the flats or other premises within the building. Internal meters will only be installed and individual accounts set up, if the following conditions are met:

- The internal meters must be installed in public areas outside of flats or individual premises to be accessible at all times;
- The plot to postal information for each flat or premises must be provided to us prior to meter installation in order to set up the individual accounts for each flat or premises.

- The locks must be able to accommodate an F1 key which is to be shared with South East Water.
- Internal meters that are fitted within communal accessible areas must be fitted no higher than eye level.

1.3 Regulation inspection (external regulation check)

We will lay the “communication pipe”. This is usually the section of the service pipe from our water main to the boundary of the premises on which the building that needs to be connected is located.

You are responsible for laying the section of the service pipe from the boundary of the premises to the building that needs to be connected. This is the “supply pipe”.

You must lay each supply pipe before we lay the communication pipe and connect it to our water main. All supply pipes will need to have the trench and external pipe work inspected before we will make the connection to our water main.

We also carry out an inspection before we allow the connection to be made to ensure the supply pipe complies with the Water Supply (Water Fittings) Regulation 1999. The main purpose of this inspection is to ensure water quality is protected and that the pipe is at a sufficient depth to ensure it will not freeze.

If you use an approved WIAPS plumber (WIAPS stands for Water Industry Approved Plumbers’ Scheme), a WIAPS approved underground installer or a WIAPS approved site agent to self-certify that the installation complies with the Water Supply (Water Fittings) Regulation 1999, we will not need to inspect the trench. For further details please visit: www.waterregsuk.co.uk/WIAPS/

If you do not use a WIAPS approved plumber, ground worker or site agent, we will need to arrange for a technician to carry this out for you. A single regulation inspection is included in the connection charge you will pay; however, if your inspection fails and a revisit is required, a fee per visit is applicable as set out in Appendix 1.

All the following conditions must be met for the trench inspection to pass:

- The material used must be the material detailed in your quotation. If a site has a risk of contamination we will not pass a trench inspection unless appropriate barrier pipe has been laid.
- The trench must be at a minimum depth of 750 mm and a maximum depth of 1350 mm.
- The water service pipe must be a minimum of 350 mm away from any gas supply.
- An internal stop valve must be installed within any premises, close to the where the supply pipe enters the property.
- The supply pipe must be ducted, and where needed insulated, through the point of entry of the building.

If an installer wishes to install a service pipe either deeper or shallower than these depths they must notify us before they do the work to obtain permission.

All standpipes must be fitted with a double check valve and must be boxed and lagged in accordance with the Water Supply (Water Fittings) Regulations 1999.

1.4 Regulation inspection (Internal or external optional regulation check)

We may carry out water fittings inspections to confirm the compliance of your external and/or internal pipework with the Water Supply (Water Fittings) Regulations 1999 on request.

In the case of inspections of external pipework, this optional service does not relate to trench inspections (described in paragraph 1.3 above) which are charged as part of the Installation Charge (please refer to paragraph 2.3.1 below).

The charge for this optional service is £86.00 per installation.

1.5 Replacement of private service pipe and reconnection of supplies

You must also apply for a new connection if you replace or renew part of your private supply pipe. In order to protect water quality, you must also contact us before reconnecting a supply pipe which has been disconnected or turning on a supply which has been turned off for a period of twelve months or more.

1.6 Disconnection of service connection – temporary building supply

If we have made a temporary service connection for building purposes, and it is not subsequently used as a permanent service connection to supply a building on the site, we will charge for disconnecting the building supply.

1.7 Excavation and reinstatement

We distinguish between two main types of service connections depending on whether or not we carry out the excavations and reinstatement.

- “A Type” (or “service connection with excavation by others”): where we are not performing any excavation and any reinstatement; and
- “B Type” (or “service connection with excavation by water company”): where we are performing excavations and/or reinstatement.

Where we undertake reinstatement works, this will be in line with the New Roads and Street Works Act 1991.

1.8 Pipe diameter

Most service connections such as connections to a house or other household premises will have a diameter of 25 mm (22 mm internal diameter) and are designed for a flow capacity of 1 cubic metre/hour (0.27 litres/second) at the highway boundary. The minimum standard pressure at the highway boundary is no more than 10 metres/head (1 bar).

Please note that household premises will not be allowed a meter size greater than 25 mm unless hydraulic justification can be given.

If you believe that the flow rate of a standard service connection is not sufficient for your requirements, we will require your anticipated peak instantaneous demand in litres per second to enable us to size both the meter and the communication pipe to our main for a non-standard

connection. We will also require details of the calculations used. We will provide advice if you need assistance with this.

The range of external diameters for service connections is as follows: 25 mm, 32 mm, 50 mm, 63 mm and 90 mm.

Where possible a manifold connection will be installed for groups of connections of up to six. The possible use of a manifold connection will be ascertained at the point of the desktop study/survey but is always subject to the actual physical conditions on site which may prevent the installation of a manifold connection (e.g. because of the presence of other utilities assets not previously identified or for safety reasons). The ability to use a manifold connection and the size and location of the manifold will be agreed with you taking account of the requirements of third parties and in particular the Highway Authority's requirements relating to the adoption of the highway.

Certain configurations of service connections require the use of pipes of a specific diameter or a combination of pipes with specific diameters. This is explained below.

Barrier pipe is not available in 50 mm and where a smaller diameter is not suitable a 63 mm diameter service pipe will be used instead.

2 Charges relating to service connections

2.1 Application Fee (fixed fee per connection)

A non-refundable application fee is payable on application for a quotation for all service connections other than service connections to a new requisitioned water main. This application fee is applied for each individual service connection included in the application. (The application fee is different when the service connections are required as part of an application for a new main.)

The application fee above covers the cost of assessing the application, providing a quotation, processing payment, making a site visit and site survey where required (including to determine the need for traffic management), and the cost of any required design.

The fixed standard amount of the application fee applies for a single service connection or for the first of several service connections. A reduced fixed application fee applies for the second and each subsequent connection required on the same site.

Information on the validity of quotations and the application of charges across charging years (1 April to 31 March) is set out in section 2.7 below.

The amount of the application fee per service connection is set out in Appendix 1.

Online calculator

Please refer to our online budget calculator where you can obtain a budget cost for the works, following this link:

<https://www.developers.southeastwater.co.uk/application-form-portal?form=household-and-non-supply>

Payment: This fee is payable at the time of application for a new connection and must be paid before we can start processing your application. (Please see Part 5 for more details on the methods of payment available).

For details on the application fee which applies in respect of new developments where the application relates to both water mains and associated new connections please see Part 2, section 3.

2.2 Administration Fee (fixed fee per connection)

An administration fee is payable for each service connection and covers our cost of general administration of the provision of the new connection(s) including scheduling and supervision, liaising with the customer and the contractor, setting-up the service connection(s) in our works management and billing system and the administration of payment(s).

The standard fixed amount of the administration fee applies for a single service connection or for the first of several service connections. A reduced fixed administration fee applies for the second and each subsequent service connection required on the same site.

The amount of the administration fee per service connection is set out in Appendix 1.

Payment: This fee is payable at the same time as the service connection charge (and in the case of payment option 2 at the same time as the payment of the first instalment). (Please see Part 5 for more details on the methods of payment available).

2.3 Service Connection Charges - method of charging

This section relates to our method of charging for service connections.

Our charges for service connections that are requested since 1 April 2018 are calculated using this method of charging.

Our service connection charges cover the cost of laying the communication pipe and making the connections to our water main and the private supply pipe(s). This charge includes the costs of materials used, labour costs and other related costs we incur in making the service connection such as those relating to highways notices and permits, traffic management, compliance with environmental or archaeological requirements and consents required from third parties including other utilities, railway undertakers and landowners.

Where service connections have been requested before 1 April 2018 transitional arrangements specify when the old method of charging may apply in certain circumstances. We may also have agreed with you that the old method of charging would continue to apply where appropriate in relation to requests made before 1 April 2018.

For more details on transitional arrangement from our legacy method of charging to the current method of charging, please refer to Appendix 6.

2.3.1 Service Connection Charge – Upfront Fixed Costs

Our **service connection charges** are based on the physical characteristics of the service connection.

They include the following fixed charge:

- The **Installation Charge**

And where applicable one or more of the following fixed charges:

- The **Lane Rental Fee / Lane or Road Closure Fee**

- The **Traffic Management Fee**
- The **Highway Permit Fee**
- The **Land Agent Charge**
- The **Railway Undertaker Charge**
- The **Environmental Management Charge**
- The **Archaeological Management Charge**
- The **Watercourse Crossing Charge**
- The **Major Road or Railway Crossing Charge**

Explanations on each of these charges/fees are provided below.

An infrastructure charge is also normally payable in relation to each service connection. You can find detail on the infrastructure charge and how it is calculated in Part 7.

Installation Charge

The **installation charge** includes:

- The **Connection Charge (fixed charge per connection)**: This is the charge we apply for making the connections to our water main and to the private supply pipe(s), installing the external meter(s) and/or the manifold where applicable and other apparatus required. It also includes the first metre of excavation and reinstatement. It includes the relevant labour costs and costs of materials, the costs of excavation and reinstatement when we are carrying these works (i.e. for “B Type” service connections or “service connection with excavation by water company”), fees payable under a local authority permit scheme and standard traffic management. It also includes the trench inspection.

This is a fixed charge which is based on the following characteristics of the service connection(s).

For “A Type” service connections (or “service connection with excavation by others”):

- Pipe material (standard HPPE or barrier material where there is a risk of contamination); and
- Diameter of the pipe

For “B Type” service connections (or “service connection with excavation by water company”):

- Pipe material (standard HPPE or barrier material where there is a risk of contamination);
- Diameter of the pipe and
- Surface type (unmade, footpath and road).

Where we install internal meters on the premises (e.g. in a block of flats in accessible locations such as public areas of the building), in addition to the external meter (the costs of which is already

included in the Connection Charge), an additional charge per internal meter installed will be included in the Connection charge.

- The **Communication Pipe Charge (fixed cost per metre)**: This is the charge we apply for laying the communication pipe(s). It is based on a fixed cost per metre of communication pipe. The relevant fixed costs per metre of communication pipe are based on the following characteristics of the service connection.

For “A Type” service connections (or “service connection with excavation by others”):

- Pipe material (standard HPPE or barrier material where there is a risk of contamination); and
- Diameter of the communication pipe.

For “B Type” service connections (or “service connection with excavation by water company”):

- Pipe material (standard HPPE or barrier material where there is a risk of contamination);
- Diameter of the pipe; and
- Surface type (unmade, footpath and road).

Where the communication pipe is laid in different surface types, the relevant fixed cost for the length in each surface type is applied. This only applies in respect of “B Type” service connections (or “service connection with excavation by water company”) where we carry out the excavation and reinstatement.

Example: If the communication pipe is laid in 2 metres of road and then 2 metres of footpath, the cost of the first meter of excavation in the road will be included in the connection cost. The communication pipe charge will cover 1 meter of excavation in the road and 2 metres of excavation in the footpath.

The length of communication pipe used to calculate the **communication pipe charge** is the length from the point of connection to the water main to the far end of the meter chamber or manifold less an allowance of 2 metres. This allowance is applied to both “A Type” service connections (or “service connection with excavation by others”) and “B Types” service connections (or “service connection with excavation by water company”) and for measurement purposes is applied to the first metre from the point of connection to the water main and to the last metre on property side).

The total length (after deducting the allowance) is rounded up to the next metre 1/2 metre.

Where we have determined that it is possible to install a manifold, we will apply the **communication pipe charge** for “B Type” service connections (or “service connection with excavation by water company”) for the first communication pipe in each shared trench (or trenches) and the **communication pipe charge** for “A Type” service connections (or “service connection with excavation by others”) for each additional communication pipe laid in the shared trench (or trenches).

Lane Rental Fee / Land or Road Closure Fee (fixed fee per day)

The Lane Rental Scheme is a scheme which the Highways Authorities have in place to reduce unnecessary disruption on designated roads in their area. Under the scheme we must pay charges set by the Highway Authority to carry out works that require a lane or road closure on designated roads during certain periods and times. The charges imposed by local authorities are based on the category of the road that is defined under the scheme. This is a charge per day.

The amount of the lane rental fee for each category is set out in Appendix 1.

You can find more details on the Kent scheme at:

www.kent.gov.uk/roads-and-travel/highway-permits-and-licences/kent-lane-rental-scheme

There are additional requirements imposed under the Kent scheme in respect of the Canterbury - Area of Archaeology Importance. For more information please see website below:

<https://www.canterbury.gov.uk/planning-and-building/archaeology-and-scheduled-monuments/>

You can find more details on the West Sussex scheme at:

www.westsussex.gov.uk/roads-and-travel/traffic-regulation-orders

You can find more details on the Surrey scheme at:

www.surreycc.gov.uk/roads-and-transport/roadworks-and-maintenance/highways-information-team/enquiry-charges

We may introduce similar **lane rental fees** as other highways authorities introduce similar schemes. It is anticipated that East Sussex and Hampshire County Council will introduce a scheme.

Traffic Management Fee (fixed fee per day)

The **traffic management fee** may include one or more of the following components depending on the requirements of the highways authority for the site:

- Two, three or four way lights (automatic);
- Two, three or four way lights with manual operation;
- Bus stops and parking bay suspension;
- Bagging off existing traffic lights or any other bagging off requirement.

Two, three or four way lights are required to comply with our traffic management obligations under the New Roads and Street Works Act 1991 and associated legislation and guidance.

The fees for three or four way lights are based on:

- the category of the road (i.e. minor road or main road); and
- whether the works are for near side connections (3 day notice) or far side connections (5 day notice).

The fees relating to bus stops and parking bay suspensions and bagging off are also based on whether the works are for near side connections (3 day notice) or far side connections (5 day notice).

The amount of the traffic management fees for each category is set out in Appendix 1.

Highway Permit Fee (fixed fee)

We have to pay all highways departments a fee for a permit to work in the highway. This fee is not included in the other traffic management fees described above. Our area is covered by nine different highways authorities. In order to provide a fixed cost we have used an average of all the authorities' permits fees.

The amount of the highway permit fee for the different permit types is set out in Appendix 1.

Land Agent Charge (fixed charge)

If we need to carry out works in third party land to make a service connection, we are required to serve notices to gain entry to private land and to carry out work there. We may also in certain cases need to agree rights of entry. We will need to liaise with the land owner in order to access the land and make the connection. We will also need to serve required notices to and liaise with the street

manager when carrying out works in streets that are not adopted by a Highway Authority. The land agent charges covers the land agents fees in relation to these activities.

The amount of the land agent charge is set out in Appendix 1.

Railway Undertaker Charge (fixed charge)

If we need to work near (usually within 100m) the railway, level crossings or other railway land or asset, we must work with the railway undertaker (e.g. Network Rail or HS1) to assess the risk and any mitigation we need to put in place before we start work. We may also be required to carry out the works in a particular way and to enter into an agreement with them. This charge covers the fee we are required to pay the railway undertaker to cover the cost of any survey they carry out, and the costs of complying with their requirements when we carry out the works.

The amount of the railway undertaker charge is set out in Appendix 1.

You can find more details on our obligations when working near the railway at: www.networkrail.co.uk/communities/lineside-neighbours/working-by-the-railway/

Environmental Management Charge (fixed charge per category)

We may be required to carry out an environmental survey and put in place mitigation before making a service connection and to carry out works in a particular way. This may be required in order to comply with environmental legislation relating to protected species, designated sites or trees and hedgerow protection. The survey will look at a number of factors and determine what we need to do to proceed. For example, the survey may identify the presence of Great Crested Newts which may require installing newt fencing or doing the works at a particular time of the year. We will inform you if there are any potential environmental risks as early as possible. This charge covers the costs of environmental surveys and putting in place any measures necessary to comply with legislative requirements.

The amount of the environmental management charges for each category is set out in Appendix 1.

Archaeological Management Charge (fixed charge per category)

In areas of historical interest we may need to carry out an archaeological survey to determine how we will proceed with excavating the area. We may also be required to carry out surveys and carry out the works in a particular way when archaeological features are present in an area or found. If archaeological remains are found during the connection work we would need to work with the local authority and our archaeological consultants to determine how to proceed. This charge covers the costs of archaeological surveys and in putting in place any measures necessary to comply with legislative requirements.

The amount of the archaeological management charges for each category is set out in Appendix 1.

Watercourse Crossing Charge (fixed charge per category)

In some exceptional circumstances, a connection may only be possible through a river crossing due to the location of the water main. This would only be the case where there is no other alternative route to lay the service pipe. However, in the unlikely event that no other practical option can be identified a charge covering the costs of additional works relating to a watercourse crossing would apply.

The amount of the watercourse crossing charges for each category is set out in Appendix 1.

Major Road or Railway Crossing Charge (fixed charge per category)

In some exceptional circumstances, a connection may only be possible through a major road or railway crossing due to the location of the water main. This would only be the case where there is no other alternative route to lay the service pipe. However, in the unlikely event that no other practical option can be identified, a charge covering the costs of a major road or railway crossing would apply.

The amount of the major road or railway crossing charges for each category is set out in Appendix 1.

2.3.2 Service Connection Charge – Alternative Charging Option

You can choose an alternative method of charging where any of the following charges apply to any of your service connections:

- The **Land Agent Charge**
- The **Railway Undertaker Charge**
- The **Environmental Management Charge**
- The **Archaeological Management Charge**
- The **Watercourse Crossing Charge**
- The **Major Road or Railway Crossing Charge**

Where one or more of the charges above apply to any of your service connections you can choose the alternative charging option. Under that option the amount of any of the charges listed above that apply to your service connection(s) will be equal to the actual costs we have reasonably incurred. This will be either the amount we have paid the relevant third party or the costs we have reasonably incurred in carrying out relevant works. There is no difference to the way the **Installation Charge**, the **Lane Rental Fee**, the **Traffic Management Fee** and the **Highway Permit Fee** are calculated under that option compared with the upfront fixed cost option.

The extent of third party services, works or requirements or additional works will depend on the specific characteristics of the works and this option will give you the certainty that you only pay for the actual costs we have incurred. However, this will mean that the amount of this charge will vary and it will only be known after we have completed the works.

When you choose this charging option, we will calculate the initial service connection including only the **Installation Charge** and, if applicable, the **Lane Rental Fee**, the **Traffic Management Fee** and the **Highway Permit Fee**. The payment options which are explained in the next section 2.4 will apply to that amount.

Any of the charges listed above which apply to your connection(s) will be invoiced separately after we have completed the relevant connection(s) and the amount we will invoice will be based on actual costs we have reasonably incurred. This amount must be paid within 30 days of receipt of our final invoice.

2.4 Payment of the service connection charge

You can choose between two options for the payment of the **service connection charge** subject to some conditions set out below.

You can pay:

Option 1:

- the full **service connection charge(s)** costs upfront on acceptance of our quotation. If you choose option 1, we will not be able to start planning the connection works until the funds have been received in our account.

Option 2:

- the **service connection charge(s)** in two instalments:
 - The first instalment corresponding to 20% of the **service connection charge(s)**. A **processing fee of £42.00** will be added to this amount to cover our additional cost of payment processing under option 2. The first instalment must be paid on acceptance of our quotation and we will not be able to start planning the connection works until the funds have been received in our account. When you have selected option 2, the administration fee(s) will be payable at the same time as the first instalment. (This means that you will need to pay the first instalment plus the processing fee plus the administration fee at the same time).
 - The second instalment corresponding to the remaining 80% of the **service connection charge(s)**. The second instalment must be paid within 30 days of receipt of our final invoice.

The processing fee is payable as follows:

- once in respect of a single service connection; or
- once where the first instalment relates to all the service connections included in the same quotation; or
- once in respect of the first instalment relating to each group of service connections, where multiple service connections were included in the same quotation and different groups of services connections among them are requested and paid for at different times.

Conditions relating to option 2: You are only able to choose option 2 if you do not owe us any amount after the date it was payable to us. If you owe us any amount after the date it should have been paid to us, you will only be able to use option 1 (and we reserve the right to commence recovery actions to collect the amounts due to us).

2.5 Missed appointment, abortive visit and cancellation charges

Technician site visit

You must ensure that you, or your contractor(s) or representative(s) attend any appointment with our technician for the performance of the new connection services, otherwise a missed appointment charge may apply.

Where an appointment for a site visit by our technician is required, an appointment will not be kept, and a missed appointment charge may apply where you, or your contractor(s) or representative(s) fail

to attend within 15 minutes from the start of the appointment or where we receive a cancellation less than one hour before the start of the appointment.

You must ensure that you, or your contractor(s) or representative(s) provide:

- access to the premises where this is required to perform any aspect of the new connection services, and
- a safe working environment for our employees and those of our contractors.

Where safe access is not provided a missed appointment charge may apply. We or our contractor(s) will determine whether or not there is a safe working environment in accordance with health and safety requirements and our health and safety practices and methods.

The amount of the no access/missed appointment charge is set out in Appendix 1.

Abortive site attendance to carry out new connection works

Where we attend or our contractor attends your site to carry out new connection works and:

- any agreed enabling works to be carried out or arranged by you have not been completed by you or your contractor;
- access to the premises which is required from you to perform any aspect of the new connection works is not provided;
- a safe working environment for our employees and those of our contractors is not provided in an area you are responsible for,

a demobilisation charge may apply.

We or our contractor(s) will determine whether or not there is a safe working environment in accordance with health and safety requirements and our health and safety practices and methods.

We may also charge you for the abortive costs we have reasonably incurred in relation to the new connection works up to that time and/or additional costs resulting from the abortive visit. These costs may include for example our costs relating to any permit or other traffic management measures, additional administrations required for method statements and updating our work management system.

The amount of the demobilisation charge is set out in Appendix 2.

Cancellation of technician site visit

A technician visit cancelled appointment charge may apply where we receive the written cancellation on the day of the appointment, except that where the cancellation notice is received less than one hour before the start of the appointment a missed appointment charge may apply.

Cancellations should only be made in writing. If a cancellation is confirmed in writing after being notified to us orally, the time of the cancellation will be the time of receipt of the cancellation in writing.

The amount of the technician visit cancelled appointment charge is set out in Appendix 1.

Cancellation/postponement of planned new connection works

A new connection cancellation/postponement of works charge may apply where we receive the written cancellation/postponement notice less than 24 hours before the planned commencement of the new connection works.

We may charge you for the abortive costs we have reasonably incurred in relation to the cancelled/postponed new connection services up to the time of cancellation/postponement and/or additional costs resulting from it. These costs may include for example our costs relating to any permit or other traffic management measures, additional administrations required for method statements and updating our work management system.

Cancellations should only be made in writing. If a cancellation is confirmed in writing after being notified to us orally, the time of the cancellation will be the time of receipt of the cancellation in writing.

The amount of the new connection cancellation/postponement of works charge is set out in Appendix 1.

2.6 How we apply the installation charges in different configurations

2.6.1 Service connection in an individual trench

This configuration applies to a single service connection with a communication pipe of any diameter where only one service connection has been requested or when one of several service connections must be laid individually.

In this configuration the **installation charge** is calculated as follows:

- **“A type” service connection (or “service connection with excavation by others”)**

The **connection charge** is based on the fixed cost per connection without excavation or reinstatement.

The **communication pipe charge** is based on the fixed cost per metre without excavation or reinstatement for the full length of communication pipe (after deducting a 1 metre allowance).

- **“B Type” service connection (or “service connection with excavation by water company”)**

The **connection charge** is based on the fixed cost per connection with excavation and reinstatement.

The **communication pipe charge** is based on the relevant fixed cost per metre in each section of the communication pipe that is laid in a different surface type (as applicable).

In the majority of circumstances we are now accepting photos of your trench. Please provide a minimum of 4 photos displaying, point of entry, end tail pipes, inside stop tap and depth of trench with a minimum of 750mm showing a tape measure.

2.6.2 Shared trench

This configuration applies where up to three communication pipes can be laid in a shared trench and have a diameter that does not exceed 32 mm. Communication pipes with a greater diameter cannot be laid in a shared trench.

In this configuration the **installation charge** is calculated as follows:

- **“A type” service connection (or “service connection with excavation by others”)**

The **connection charge** is based on the fixed cost per connection without excavation or reinstatement.

The **communication pipe charge** is based on the fixed cost per metre without excavation or reinstatement for the full length of communication pipe (after deducting the 1 metre allowance) multiplied by the number of communication pipes that are laid in the shared trench.

- **“B Type” service connection (or “service connection with excavation by water company”)**
The **connection charge** is based on the fixed cost per connection with excavation and reinstatement.

The **communication pipe charge** is the total of one communication charge for a “B Type” service connection based on the relevant fixed cost per metre in each section of the communication pipe that is laid in a different surface type (as applicable) and the communication charge for “A Type” connections for each additional communication pipe that is laid in the shared trench.

In the majority of circumstances we are now accepting photos of your trenches. Please provide a minimum of 4 photos displaying: point of entry, end tail pipes, inside stop tap and depth of trench with a minimum of 750mm showing a tape measure.

2.7 Validity of quotations and application of charges across charging years

Our charges are updated every charging year (1 April to 31 March). This section provides detail on how long you have to accept our quotation and how charges may be subject to change following acceptance our quotations.

2.7.1 Acceptance of quotations

You are able to accept our quotations within a period of 3 months commencing on the date of the quotation. If you do not accept the quotation within that time, it will expire and you will be required to make a new application and to pay any relevant fee in relation to the new application. Where you confirm in writing that there are no changes to the connections services required and pay the application fee, you will not be required to fill in a new application form and we will issue the new quotation using the same reference number. A quotation will only be validly accepted if any payment required upon acceptance has been received by us.

2.7.2 How charges apply across charging years

Charges will be maintained as set out in the quotation for a period of 3 months commencing on the date of acceptance of the quotation provided that no less than 5 working days before the end of that period you have met all of the following conditions:

- laid the supply pipe (i.e. the section of service pipe that you are responsible for laying);
- completed any other agreed enabling works (for example excavation where you have agreed to do this work);
- ensured that the trench inspection is passed (which includes providing safe access for the purpose of the trench inspection); and
- asked us to complete the service pipe connection.

If you do not meet all the conditions set out above within the time required, our charges will be subject to changes and will be based on the charging arrangements that apply when the works are actually carried out.

Any additional amount payable to us as a result of a change to charges following quotation:

- will be invoiced following completion of the works, if you have selected payment option 1; or

- will be included in the invoice for the second instalment, if you have selected payment option 2.

We will only be able to carry out works in a given charging year (and before the start of the next charging year) if they are requested in time to allow completion within the relevant service levels. Where this is not the case, works carried out in the next charging year will be charged on the basis of the charging arrangements for that year.

Part 2 – Water mains

1 Options available to procure new water mains

You have several options available to procure new water mains.

Requisition

You can ask us to lay the water main. When the requisition relates to a development site, we will lay the new water main(s) from the point(s) of connection to our existing network to the site and the water main(s) on the site. Under a requisition, we will carry out the network modelling, design and lay the water main and you will pay the **requisition charge** which is equal to the total cost of the site specific works. We may require you to enter into an undertaking with us and provide a security

Self-Lay

You can ask an accredited self-lay provider to lay the water main on the site and also the water main from our existing network to the site. A self-lay provider can carry out any of the contestable works (please see below for more details on contestable works). We will carry out the connection to our existing network ourselves. The self-lay provider that you have contracted will enter into a self-lay agreement with us. Under this agreement we agree to adopt the water main if it has been laid in accordance with the relevant design and specifications. The self-lay provider will pay us the relevant self-lay charges.

To find out more about using self-lay, visit Ofwat's website: <https://www.ofwat.gov.uk/regulated-companies/markets/connections-market/self-laying-a-connection/>

Inset Appointment or new appointment and variation (NAV)

You can enter into an agreement to procure the water infrastructure on a development site with a provider that will provide or arrange for the installation of any water infrastructure on the site directly with you and will subsequently be responsible for managing that infrastructure. Under this arrangement, if the site satisfies the relevant criteria (in most cases the site must not already be served by us) then Ofwat will appoint the provider you have contracted for the supply of the water infrastructure on the site as the new water undertaker for the site. Our role will be to provide a bulk supply to the new water undertaker for the site where required.

<http://www.ofwat.gov.uk/regulated-companies/markets/nav-market/>

Contestable works and non-contestable works

We allow self-lay provider to carry out all contestable works. We will carry out all non-contestable works ourselves.

We refer to the self-lay code of practice to identify works that are contestable and non-contestable. Our annual contestability summary and other relevant information on self-lay is available at:

<https://www.developers.southeastwater.co.uk/self-lay>

As an illustration, the following are non-contestable works:

- Sizing of water pipes
- Checking on-site water distribution system designs

- Design work for network reinforcement and network reinforcement works (where there is a risk to existing assets or risk of interruption of supply to existing customers)
- Connecting a new main to our existing network (where there is a risk to existing assets or risk of interruption of supply to existing customers)
- Connecting a service pipe directly to an existing main, where this could affect supplies to existing customers
- Decommissioning redundant mains following a diversion

2 What you need to know about water mains requisitions

This section relates to the requisition charges payable when we lay new water mains for multiple premises or new developments.

It applies primarily to the provision of water mains and associated infrastructure that we lay in order to provide supplies of water for domestic use to multiple premises in a locality.

Supplies for domestic use are for drinking, washing, cooking, central heating, and sanitary purposes and other purposes connected with the occupation of a house. (This is defined in section 218 of the Act.)

This new connection service includes the design of the new water main(s), carrying out the works for laying new water mains and any associated infrastructure and all related activities. We will provide a quotation for the requisition charge and a comparison with the self-lay option.

2.1 What has changed - On-site, off-site and site specific works & reinforcement

As of 1st April 2018 with the introduction of new charging rules there have been changes to the way requisition charges are calculated.

You can find more details in the charging rules for new connection services (English undertakers).

A key change which relates to the calculation of requisition charges and also infrastructure charges is that the costs of any network reinforcement that may be required in consequence of a development are no longer included in the calculation of the requisition charges.

As of 1st April 2020 the income offset previously applied to the requisition charge (which relates to site specific works) is applied to the infrastructure charges.

The costs of network reinforcement are recovered through the infrastructure charge which is set using a new methodology. You can find more information on the infrastructure charge and the new way of offsetting in Part 7.

Only the cost of site specific works are used for the calculation of requisition charges. Site specific is defined in the charging rules for new connection services as the carrying on or the product of off-site and/or on-site work as these terms are defined in the new connection charging rules.

Site specific works typically include laying the new water main(s) from the point(s) of connection to our existing network to the site and the water main(s) on the site and the connection of the new water main to our existing network.

Network reinforcement refers to works on our network that are not site specific works and that we need to carry out in consequence of providing the new water main(s). These include any water mains, tanks, service reservoirs and pumping stations that are required as a result of the additional demand on the network.

2.2 Link between network reinforcement and infrastructure charges

In accordance with the new connection charging rules, the cost of network reinforcement is recovered through a revised infrastructure charge. There is therefore also a new way of calculating the infrastructure charge. Our infrastructure charge is set out in Part 7.

2.3 Requisition Application Process

You can find more details on the application process for a pre-development check and an application for a main requisition on page 28 and 29. This guide also sets out the information you should provide with your applications.

You may be required to sign an undertaking and provide a security. Where required, you should return the undertaking signed by you and we will not be able to commence the works until the undertaking has been completed.

2.4 Payment of Requisition charges

You can choose between two options for the payment of the requisition charge subject to some conditions set out below.

Option 1:

You can pay the full requisition charge upfront on acceptance of our quotation.

If you choose option 1 we will not be able to commence the requisition works until the funds have been received in our account.

Under option 1, the administration fee is payable at the same time as the requisition charge.

Option 2:

You can pay the requisition charge in instalments. The number of instalments will depend on the size of the development as set out in the table below:

Size of site		Payment 1	Payment 2	Payment 3	Payment 4
Small	Up to 50 plots	25%	75%	-	-
Medium	51 – 150 plots	25%	25%	50%	-
Large	150+ plots	25%	25%	25%	25%

We will send an instalments plan template under option 2 with your application form to be completed with a proposed date for each relevant instalment (for the size of the development as set out in the table above) and reflecting the expected phasing of the main laying works on site. We will include the final instalments plan (with the final dates for each instalment) with your quotation for the requisition charge.

Under this option, the first instalment corresponding to 25% of the requisition charge is payable on acceptance of the quotation. We will not be able to commence the requisition works until the signed quotation has been returned to us and the funds have been received in our account.

Subsequent instalments will become due on the date set out in the instalments plan accepted with our quotation. Each subsequent instalment must be paid within 30 days of receipt of our invoice. An invoice for the amount of each subsequent instalment will be sent in advance of the due date for the relevant instalment.

A processing fee of **£42.00** will be added to the amount of each subsequent instalment to cover our additional cost of payment processing under option 2.

Under option 2, the administration fee is payable at the same time as the first instalment.

Conditions relating to option 2: You are only able to choose option 2 if you do not owe us any amount after the date it was payable to us. If you owe us any amount after the date it should have been paid to us, you will only be able to use option 1 (and we reserve the right to commence recovery actions to collect the amounts due to us).

2.5 Phasing

We will carry out the main laying works in different sections within a requisition phase as may be required to accommodate the construction activities on the site. When large sites are developed in successive phases of construction, we will normally require a separate requisition for the water main(s) relating to each phase (a requisition phase).

To determine which part of a development should be included in the same requisition phase we will consider the availability of final planning permission and whether lines and levels for laying the water mains on site, and the location of houses and service connections has been determined and can be provided to us when we need to commence work on site.

As a general rule if the development plan is not sufficiently defined to provide lines and levels and the location of service connections when we commence work, the part of the development in respect of which this information cannot be provided will need to be dealt with under a separate requisition phase at a later date.

Pre-planning enquiry – Information requirements

We have 21 calendar days to provide a budget (capacity) estimate. We will provide indicative costings for the scheme alongside a plan.

Please provide the following information to start the process:

- A site location plan showing identifiable roads within the area.
- The total number of new connections that are required for the development
- A Site layout: scale 1: 500, which identifies:
 - the extent of the land in the developer's or other land owner's ownership
 - the number individual plots and the number of bin stores and/or landlord supplies
 - the extent of the area proposed for adoption by the Highway Authority

The plan must include the proposed development footprint.

Application for a water main requisition – Information requirements and process

Details of application form can be found at <https://www.developers.southeastwater.co.uk/water-connections/new-service-connection>

Information we will need from you on application

To help us process your application as quickly as possible please provide the following information.

A Site layout: scale 1: 500 or 1:1000, which identifies:

- the extent of the land in the developer's or other land owner's ownership
- Any variance in land levels
- the number individual plots and the number of bin stores and/or landlord supplies
- the service entry positions for each plot and bin store and/or landlord supplies (Bin Stores and landlord supplies and water for firefighting purposes will be separately metered)
- the extent of the area proposed for adoption by the Highway Authority
- any designated service strips

Please provide a site layout plan in DWG and PDF format. You can send these via CD or by email. The plan must include the proposed development footprint along with all details set out above, as well as a section of Ordnance Survey background for the area upon which it is located. The background must be substantial and varied enough, dependent upon its location being urban or rural, to include either surrounding field, fence and road lines, if possible buildings as well which then may be used as location reference points.

A Build Programme of Works and plan identifying any construction phasing with the number of properties associated with any construction phase of the site.

The house build rate per year and the occupation rate.

A Soil Investigation in accordance with British Standard Institution BS 10175:2011+A1:2013 Code of Practice for Investigation of potentially contaminated land Sites - Code of Practice. The soils investigation should include any potential risk of petroleum hydrocarbons.

Further details can be found at <https://wholesale.southeastwater.co.uk/media/1681/guideline-for-contaminated-land.pdf>

Details of any consultation with all known parties on archaeological and environmental issues.

Type of hot system installation, i.e. vented or unvented systems.

Details of the landowner(s), together with the details of their solicitors where any infrastructure will need to be constructed on private land or on streets that have not been adopted by the relevant Highway Authority.

Confirmation of the required flow rate in litres per second, plus completed fittings list, for any non-standard connection with a flow rate of more than one cubic metre per hour.

Should there be any requirement to install sprinkler systems, hose reels or fire-fighting equipment within the new units, this should be highlighted in the application. You should also confirm the required flow rate for the fire-fighting supply to enable the effects on design to be assessed and the relevant quotation to be provided.

We do not permit the cross connection of water for domestic and fire-fighting or other non-domestic supplies and a separate metered service connection will be required as appropriate.

Quotation

Once we have received your quotation requests, we have 28 calendar days to provide a detailed quotation. However, if there are engineering difficulties this will be increased to 52 calendar days, commencing on the day after the receipt of full application or no later than the date agreed with you.

We will send you a quotation with your NARS reference number, details of the person coordinating the delivery of your scheme, a full detailed design, the full costs for the scheme.

Information on the validity of quotations and the application of charges across charging years (1 April to 31 March) is set out in section 8 below.

The exceptions due to engineering difficulties are those detailed under Water UK levels of Service as follows:

- Geotechnical conditions
- Water Courses crossing
- Mains pressure (site higher than reservoir/gravity fed)
- Highways (Major road crossing) – and where a site meeting with the Highway Authority is needed to determine when the works can be carried out.
- Environmental issues, especially in respect of SSSI or other designated sites of archaeological interest
- Third party and Crown Estate land
- Protected undertakers (Network rail, CTRL)

We will make you aware if any of the above issues which may affect the site-specific works as soon as reasonably practicable.

Acceptance, undertaking and security

Once you have accepted the quotation and provided the security we will provide you with an invoice with payment details and a reference number. We will also require the signed undertaking at this point.

Pre-commencement meeting

Once payment has been made or security provided we will contact you to arrange the pre-commencement meeting, this meeting is where we will review the program of works, agree dates for delivery and discuss any issues relating to the site.

3 Charges relating to the requisition of water mains

3.1 Application fee (fixed fee per application)

A non-refundable fixed application fee is payable on application for all water main requisitions and associated service connections. This fee covers the preparation of a quotation for both water main(s) and service connections relating to the same site (and the application fee set out in section 2.1 of Part 1 is not payable in this case.)

There are two types of application fees:

- An application fee for a pre-planning enquiry response. This pre-planning enquiry response includes a confirmation of capacity requirements and network capacity at the time of the pre-planning enquiry and includes a budget cost for the site specific works and for the related service connections.
- An application fee for a detailed quotation which is applied for a water main requisition and associated service connections. This detailed quotation includes a detailed design and costs of all site specific works and related service connections.

Please note that another application fee will be payable if we are asked to redesign the water main at the request of the applicant for example following changes to the layout of the site.

The amount of the application fees for pre-development enquiry responses and for detailed requisition quotations are set out in Appendix 2.

Payment: This application fee is payable at the time of application for a pre-development enquiry and/or at the time of the requisition application. It must be paid before we can start processing your application. (Please see Part 5 for more details on the methods of payment available).

The application fee is different for service connections required separately. For details on the application fee which applies in respect of separate service connections please see section 2.1 Part 1.

Information on the validity of quotations and the application of charges across charging years (1 April to 31 March) is set out in section 8 below.

3.2 Administration fee (fixed fee per requisition)

A fixed administration fee is payable in respect of each water main requisition. This administration fee covers our cost of general administration of the requisition including scheduling and supervision, liaising with the customer and the contractor and the administration of payment(s).

The amount of the administration fee is set out in Appendix 2.

Payment: This fee is payable at the same time as the requisition charge. (Please see Part 5 for more details on the methods of payment available).

3.3 Requisition charge (upfront fixed charge*)

From 1st April 2020 the income offset is no longer applied to the requisition charge but is instead applied to infrastructure charges. For further details please refer to Part 7.

From 1st April 2020 our requisition charge is equal to the total costs we incur in carrying out the site specific works. The costs of the site specific works include the cost of laying the water main(s) and making the connections to our existing network. This charge includes the costs of materials used, labour costs and other related costs we incur in relation to the site specific works such as those relating to highways notices and permits, traffic management, compliance with environmental or archaeological requirements and consents required from third parties including other utilities, railway undertakers and landowners.

We provide more details on the requisition charge in the next section.

The requisition charge is usually determined using fixed charges. (Exceptionally, where it is not reasonably practicable to fix all the charges, we will recalculate the requisition charge once we are able to ascertain the relevant actual costs as explained below.)

***Important Note:** The requisition charge is an upfront fixed charge. However, this is subject to any variation to the works that you may request and which must be signed with us before any change to the works can be carried out on site. If you request a variation we will recalculate the requisition charge on completion of the works to take account of the changes to the works.

It is also subject to a limited number of specific circumstances where we cannot calculate an upfront fixed costs because specific works and/or third party costs cannot be fully ascertained until completion of the works. Where this is the case we will recalculate the requisition charge using the actual final costs for these costs components once they have been ascertained following completion of the main(s). This is explained in more detail in section 4 and 5 of this Part. In this case the initial requisition charge which we will use to determine the amount of the security you may be required to provide will be calculated using only the charges that can be fixed.

Payment of the requisition charge: The requisition charge (or the balance of the requisition charge where a cash deposit has been paid under option 2) is payable within a period of 30 days commencing on the date of receipt of our invoice. We will deduct any interest due on a cash security deposit on our invoice. We will issue the invoice following completion of the site specific works.

4 Determining the cost of the site specific works

The following fixed charges are used to determine the requisition charge:

- **Network Connection Charge**
- **Main Laying Charge**
- **On-site Tee Connection Charge**

and one or more of the following fixed charges where applicable (which may apply in relation to either or both of the network connection and the main laying elements of the works):

- The **Lane Rental Fee / Lane or Road Closure Fee**
- The **Traffic Management Fee**
- The **Highway Permit Fee**

In certain limited circumstances specific works and/or third party costs cannot be fully and accurately ascertained until completion of the works. This would apply in exceptional cases. The extent of third party services, works or requirements or additional works to be carried out by us will depend on the specific characteristics of the new connection works required and may only be ascertained following surveys, investigations, and may also require us to conduct a tendering process with specialist contractors. For these reasons it would be difficult to ascertain precisely the nature and extent of such works and costs in advance. This would compromise our ability to achieve costs reflectivity of the relevant fixed upfront charges and may mean that fixed upfront charges would result in some developers paying potentially significantly more or less than would be ascertainable after completion of the works. In the case of environmental management works, setting an upfront charges may not reflect the actual environmental impact of the required works and the environmental mitigation measures will also depend on seasonal factors. The following charges may not therefore be fixed upfront and where we must use them we will recalculate the requisition charge using the actual final costs we have reasonably incurred following completion of the main(s). This is explained in more detail in section 5 of this Part.

The following are variable charges that require post-completion final assessment:

- The **Land Agent Charge**
- The **Railway Undertaker Charge**
- The **Environmental Management Charge**
- The **Archaeological Management Charge**
- The **Watercourse Crossing Charge**
- The **Major Road Crossing or Railway Crossing Charge**

Explanations on each cost charge are provided below.

Network Connection Charge (fixed charge per connection)

This is a fixed charge which is based on the following characteristics of a connection to our existing network:

- Diameter of the pipe;
- Whether the excavation is carried out by you or us; and
- Surface type (unmade, footpath and road) and depth of excavation.

This charge includes the connection to our water main, all valves and fittings and all associated labour and administration.

Where we carry out the excavation, the cost for the relevant length of excavation and the reinstatement is not included in the Network Connection Charge but is included instead in the Main Laying Charge.

Different rates are applicable for different depths of excavation to reflect different methods of working and health and safety requirements that apply for work in deep excavations.

The amount of the network connection charge is set out in Appendix 2.

Note: Where in rare cases, the depth of the excavation is greater than 3 metres, a variable charge may apply instead as set out in section 5.1 below.

There may be additional third party costs that are relevant, such as for additional traffic management, details of these can also be found below and in Appendix 2.

Main Laying Charge (fixed charge per metre)

This is a fixed charge per metre based on the following characteristics:

- Pipe material (standard HPPE or barrier material where there is a risk of contamination);
- Diameter of the pipe;
- Whether the excavation is carried out by you or us; and
- Surface type (unmade, footpath and road) and depth of excavation.

This charge includes the laying of the water main, excavation (where it is carried out by us) and reinstatement, all valves and fittings and all associated labour and administration.

Different rates are applicable for different depths of excavation to reflect different methods of working and health and safety requirements that apply for work in deep excavations.

The amount of the main laying charge is set out in Appendix 2.

There may be additional third party costs that are relevant, such as for additional traffic management, details of these can also be found below and in Appendix 2.

Note: Where in rare cases, the depth of the excavation is greater than 3 metres, a variable charge may apply instead as set out in section 5.1 below.

On-site Tee Connection Charge (fixed charge per branch connection)

This is a fixed charge per onsite tee connection. It includes the cost of all fixtures and fittings and associated labour.

The amount of the tee connection charge is set out in Appendix 2.

Lane Rental Fee / Lane or Road Closure Fee (fixed fee per day)

The Lane Rental Scheme is a scheme which the Highways Authorities have in place to reduce unnecessary disruption on designated roads in their area. Under the scheme we must pay charges set by the Highway Authority to carry out works that require a lane or road closure on designated roads during certain periods and times. The charges imposed by local authorities are based on the category of the road that is defined under the scheme. It is a charge per day.

The amount of the lane rental charges for each category is set out in Appendix 2.

You can find more details on the Kent scheme at:

www.kent.gov.uk/roads-and-travel/highway-permits-and-licences/kent-lane-rental-scheme

There are additional requirements imposed under the Kent scheme in respect of the Canterbury - Area of Archaeology Importance. For more information please see website below:

<https://www.canterbury.gov.uk/planning-and-building/archaeology-and-scheduled-monuments/>

You can find more details on the West Sussex scheme at:

www.westsussex.gov.uk/roads-and-travel/traffic-regulation-orders/

You can find more details on the Surrey scheme at:

www.surreycc.gov.uk/roads-and-transport/roadworks-and-maintenance/highways-information-team/enquiry-charges

We may introduce similar charges as other highways authorities introduce similar schemes. It is anticipated that East Sussex and Hampshire County Council will introduce a scheme.

Traffic Management Fee (fixed fee per day)

The traffic management fee may include one or more of the following components depending on the requirements of the highways authority for the site:

- Two, three or four way lights (automatic);
- Two, three or four way lights with manual operation;
- Bus stops and parking bay suspension;
- Bagging off existing traffic lights or any other bagging off requirement.

Two, three or four way lights are required to comply with our traffic management obligations under the New Roads and Street Works Act 1991 and associated legislation and guidance.

The fees for two, three or four way lights are based on:

- the category of the road (i.e. minor road or main road); and
- whether the works are for near side connections (3 day notice), or far side connections (5 day notice).

The charges relating to bus stops and parking bay suspensions and bagging off are also based on whether the works are for near side connections (3 day notice), or far side connections (5 day notice).

The amount of the traffic management fee for each category is set out in Appendix 2.

Highway Permit Fee (fixed fee)

We have to pay all highways departments a fee for a permit to work in the highway. This fee is not included in the other traffic management fees described above. Our area is covered by nine different highways authorities. In order to provide a fixed cost we have used an average of all the authorities' permits fees.

The amount of the highway permit fee is set out in Appendix 2.

Land Agent Charge (variable charge)

If we need to carry out works in third party land to make a connection, we are required to serve notices to gain entry to private land and to carry out work there. We may also in certain cases need to agree rights of entry. We will need to liaise with the land owner(s) in order to access the land and to carry out the works. We will also need to serve required notices to and liaise with the street manager(s) when carrying out works in streets that are not adopted by a highway authority. The land agent charge covers the land agents fees we reasonably incur in relation to these activities. The extent of the work required in respect of main laying scheme will vary for example depending on the number of parcels of land that need to be accessed in order to lay the required main(s).

An example of typical land agent charges is set out in Appendix 2.

Railway Undertaker Charge (variable charge)

If we need to work near (usually within 100m) the railway, level crossings or other railway land or asset, we must work with the railway undertaker (e.g. Network Rail or HS1) to assess the risk and any mitigation we need to put in place before we start work. We may also be required to carry out the works in a particular way and to enter into an agreement with them. This charge covers the fee we are required to pay the railway undertaker to cover the cost of any survey they carry out, and the costs we reasonably incur to comply with their requirements when we carry out the works (other than railway crossings).

The amount of the railway undertaker charge is set out in Appendix 2.

You can find more details of our obligations when working near the railway at www.networkrail.co.uk/communities/lineside-neighbours/working-by-the-railway/

Environmental Management Charge (variable charge)

We may be required to carry out an environmental survey and put in place mitigation before carrying out works and to carry out works in a particular way. This may be required in order to comply with environmental legislation relating to protected species, designated sites or trees and hedgerow protection. The survey will look at a number of factors and determine what we need to do to proceed. For example, the survey may identify the presence of Great Crested Newts which may require installing newt fencing or doing the works at a particular time of the year. We will inform you if there are any potential environmental risks as early as possible. This charge covers the costs we reasonably incur in carrying out environmental surveys and in putting in place any measures necessary to comply with legislative requirements.

An example of typical environmental management charges is set out in Appendix 2.

Archaeological Management Charge (variable charge)

In areas of historical interest we may need to carry out an archaeological survey to determine how we will proceed with excavating the area. We may also be required to carry out surveys and carry out the works in a particular way when archaeological features are present in an area or found. If archaeological remains are found during the works we will need to work with the local authority and our archaeological consultants to determine how to proceed. This charge covers the costs we reasonably incur in carrying out archaeological surveys and in putting in place any measures necessary to comply with legislative requirements.

An example of typical archaeological management charges is set out in Appendix 2.

Watercourse Crossing Charge (variable charge)

In some exceptional circumstances, works may require a river crossing due to the location of the site relative to our existing network. This would only be the case where there is no other alternative route to lay the relevant water main(s). However, in the unlikely event that no other practical option can be identified a charge covering the costs we reasonably incur in relation to a watercourse crossing would apply.

An indicative range of possible watercourse crossing charges is set out in Appendix 2.

Major Road or Railway Crossing Charge (variable charge)

In some exceptional circumstances, works may require a major road or railway crossing due to the location of the site relative to our existing network. This would only be the case where there is no other alternative route to lay the relevant water main(s). However, in the unlikely event that no other practical option can be identified a charge covering the costs we reasonably incur in relation to a major road or railway crossing would apply.

An indicative range of possible major road or railway crossing charges is set out in Appendix 2.

5 Exception to charging based on fixed charges

5.1 Exceptional circumstances

Cases where charges cannot be fixed

External factors may affect requisition works and the costs of these works in such a way that it is not possible to accurately determine upfront fixed charges. These external factors may be outside our immediate knowledge or control and in certain circumstances could lead to significant cost variance.

We may not be able to provide an upfront fixed charge for the following work (or similar circumstances):

- The technical complexity of the work is high or the type of work required is bespoke or carried out infrequently, this would include for example works involving tunnelling, watercourse crossings, railway crossings, major road crossing or works in marsh land or with similar difficult and unusual conditions or non-standard depth of excavation (such as excavation depth greater than 3 metres that require a specific quotation from one of our contractors);
- Third parties can legitimately recover their costs from us and there is not a reasonable level of certainty of those costs in advance of the requisition works being undertaken;
- Third parties have rights to protect their assets or interests that affect the construction method and the third parties' requirements are unknown upfront or the impact on costs of compliance with their requirements in the course of construction cannot be ascertained in advance;
- The works must be carried out on or close to land with particular environmental, historical or archaeological characteristics. These characteristics mean that specific measures are required during construction or reinstatement. The details of these measures may not be fully defined in advance of construction.

The main types of charges that cannot normally be ascertained are described in section 4 above and identified as variable charges.

5.2 How we will calculate charges when external factors affect the works

Where circumstances such as those above occur, we will be unable to provide a fixed upfront charge for the entire works.

Where this is the case we will:

Quotation and undertaking

Issue a quotation using the fixed charges set out in these charging arrangements. The security will be set on the basis of the requisition charge calculated using the fixed charges only.

We will advise in advance of any third party costs or additional works that may be required. Where these may be significant (such as in exceptional circumstances requiring river crossing, major road crossings, railway crossing or significant archaeological costs) we will agree with you the course of action to follow before we issue a tender or engage specialist contractors to carry out the necessary works.

The cost of the site specific works will be assessed post-completion in order to calculate the final requisition charge. The method of calculation of the requisition charge will otherwise be as set out in these charging arrangements.

Post-completion reconciliation and recalculation

Following completion of the works we will provide a break down with appropriate supporting evidence of the actual costs incurred in relation to the parts of the works that were identified as requiring a post completion final assessment.

Once the final costs have been ascertained, we will recalculate the requisition charge in accordance with the method set out in these charging arrangements.

6 Upsizing – additional capacity in water mains

When we provide a water main (and associated infrastructure) under a requisition and we increase the size of the water main (and associated infrastructure) to provide additional capacity, the cost of that main used for the calculation of the requisition charge will be a proportion of the total cost of the actual works carried out.

We will apportion the total cost (determined in accordance with these charging arrangements) based on the proportion of the total capacity (in cubic metres per day) of the main actually constructed that is required for the development.

7 Missed appointment, abortive visit and cancellation charges

Technician site visit

You must ensure that you, or your contractor(s) or representative(s) attend any appointment with our technician for the performance of the new connection services, otherwise a missed appointment charge may apply.

Where an appointment for a site visit by our technician is required, an appointment will not be kept, and a missed appointment charge may apply where you, or your contractor(s) or representative(s) fail to attend within 15 minutes from the start of the appointment or where we receive a cancellation less than one hour before the start of the appointment.

You must ensure that you, or your contractor(s) or representative(s) provide:

- access to the premises where this is required to perform any aspect of the new connection services, and
- a safe working environment for our employees and those of our contractors.

Where safe access is not provided, a missed appointment charge may apply. We or our contractor(s) will determine whether or not there is a safe working environment in accordance with health and safety requirements and our health and safety practices and methods.

The amount of the no access/missed appointment charge is set out in Appendix 2.

Abortive site attendance to carry out new connection works

Where we attend or our contractor attends your site to carry out new connection works and:

- any agreed enabling works to be carried out or arranged by you have not been completed by you or your contractor (e.g. on-site excavation);
- access to the premises which is required from you to perform any aspect of the new connection works is not provided;
- a safe working environment for our employees and those of our contractors is not provided in an area you are responsible for,

a demobilisation charge may apply.

We or our contractor(s) will determine whether or not there is a safe working environment in accordance with health and safety requirements and our health and safety practices and methods.

We may also charge you for the abortive costs we have reasonably incurred in relation to the new connection works up to that time and/or additional costs resulting from the abortive visit. These costs may include for example our costs relating to any permit or other traffic management measures, additional administrations required for method statements and updating our work management system.

The amount of the demobilisation charge is set out in Appendix 2.

Cancellation of technician site visit

A cancelled appointment charge may apply where we receive the written cancellation on the day of the appointment, except that where the cancellation notice is received less than one hour before the start of the appointment a missed appointment charge may apply.

Cancellations should only be made in writing. If a cancellation is confirmed in writing after being notified to us orally, the time of the cancellation will be the time of receipt of the cancellation in writing.

The amount of cancelled appointment charge is set out in Appendix 2.

Cancellation/postponement of planned new connection works

A cancellation/postponement of works charge may apply where we receive the written cancellation/postponement notice less than 24 hours before the planned commencement of the new connection works.

We may charge you for the abortive costs we have reasonably incurred in relation to the cancelled/postponed new connection services up to the time of cancellation/postponement and/or

additional costs resulting from it. These costs may include for example our costs relating to any permit or other traffic management measures, additional administrations required for method statements and updating our work management system.

Cancellations should only be made in writing. If a cancellation is confirmed in writing after being notified to us orally, the time of the cancellation will be the time of receipt of the cancellation in writing.

The amount of the cancellation/postponement of works charge is set out in Appendix 2.

8 Validity of quotations and application of charges across charging years

Our charges are updated every charging year (1 April to 31 March). This section provides detail on how long you have to accept our quotation and how charges may be subject to change following acceptance our quotations.

8.1 Validity of quotations

You are able to accept our quotations within a period of 3 months commencing on the date of the quotation. If you do not accept the quotation within that time, it will expire and you will be required to make a new application and to pay any relevant fee in relation to the new application. A quotation will only be validly accepted if any payment required upon acceptance has been received by us.

8.2 How charges apply across charging years

8.2.1 Requisition charges

Charges will be maintained as set out in the quotation for a period of 3 months commencing on the date of the quotation but will be subject to change thereafter. Charges relating to any works carried out after the expiry of the period mentioned above will be based on the charging arrangements that apply when the works are carried out.

Please refer to our explanations on phasing at page 28 which provide more details on the scope of our quotations in respect of sites that may include multiple phases.

Any additional amount payable to us as a result of a change to charges following quotation:

- will be invoiced following completion of the works, if you have selected payment option 1; or
- will be included in the invoice for the last instalment, if you have selected payment option 2.

Notwithstanding the above, quotations issued between 1 February and 31 March in any year will show the charges under the current charging arrangements (“year 1 charges”) and under the next charging arrangements (“year 2 charges”). Where the greater proportion of the works is carried out in year 1, the year 1 charges will apply. Where the greater proportion of the works is carried out in year 2, the year 2 charges will apply. If an equal proportion of the works is carried out in year 1 and year 2 then the year 1 charges will apply.

We will only be able to carry out works in a given charging year (and before the start of the next charging year) if they are requested in time to allow completion within the relevant service levels. Where this is not the case, works carried out in the next charging year will be charged on the basis of the charging arrangements for that year.

8.2.2 Service connection charges

Charges will be maintained as set out in the quotation for a period of [3] months commencing on the date of acceptance of the quotation provided that no less than 5 working days before the end of that period you have met all of the following conditions:

- laid the supply pipe (i.e. the section of service pipe that you are responsible for laying);
- completed any other agreed enabling works (for example excavation where you have agreed to do this work);
- ensured that the trench inspection is passed (which includes providing safe access for the purpose of the trench inspection); and
- asked us to complete the service pipe connection.

If you do not meet all the conditions set out above within the time required, our charges will be subject to changes and will be based on the charging arrangements that apply when the works are actually carried out.

We will only be able to carry out works in a given charging year (and before the start of the next charging year) if they are requested in time to allow completion within the relevant service levels (and taking account of the number of service connection requested at the same time). Where this is not the case, works carried out in the next charging year will be charged on the basis of the charging arrangements for that year.

Any additional amount payable to us as a result of a change to charges following quotation:

- will be invoiced following completion of the works, if you have selected payment option 1; or
- will be included in the invoice for the second instalment, if you have selected payment option 2.

Part 3 – Self-lay

This part relates to the charges that may be payable by a self-lay provider in respect of works and services we provide in relation to a self-lay site.

From 1st April 2020 we no longer pay an asset payment to self-lay providers but instead apply the income offset to the infrastructure charge payable in respect of the self-lay site. Please refer to our explanations on transitional arrangements in Appendix 6 for more details on the changes from 1st April 2020.

1 What you need to know about self-lay

1.1 Self-lay process

The works for the installation of a water main for adoption can be undertaken by providers registered under the Water Industry Registration Scheme (WIRS). Details on the scheme operated by LRQA can be found here <https://www.lrqa.com/en/utilities/water-industry-registration-scheme-wirs-wirsae/>

You can find more details on the application process for self-lay on page 43. This guide also sets out the information you should provide with your applications. Once a quotation has been issued and accepted the self-lay provider will be required to enter into a 'Self Lay Agreement' with us. This agreement provides the process and conditions for the adoption by us of the water main(s) laid by the self-lay provider in accordance with our design specification and the Water UK Codes for Adoption.

1.2 Contestable works and non-contestable works

Self-lay providers are able to carry out all contestable works on and off the site of development. We will carry out all non-contestable works ourselves.

We refer to the self-lay code of practice to identify works that are contestable and not contestable. Our annual contestability summary and other relevant information on self-lay is available at:

<https://www.developers.southeastwater.co.uk/self-lay>

As an illustration, the following are non-contestable works:

- Sizing of water pipes
- Checking on-site water distribution system designs
- Design work for network reinforcement and network reinforcement works (where there is a risk to existing assets or risk of interruption of supply to existing customers)
- Connecting a new main to our existing network (where there is a risk to existing assets or risk of interruption of supply to existing customers)
- Connecting a service pipe directly to an existing main, where this could affect supplies to existing customers
- Decommissioning redundant mains following a diversion

Self-Lay Application – Information and process

The application form and other self-lay documentation can be found at:

<https://www.developers.southeastwater.co.uk/self-lay>

The self-lay application portal is accessible at:

<https://www.developers.southeastwater.co.uk/application-form-portal?form=self-lay>

Information we will need from you on application

South East Water to design the site:

Site layout: scale 1: 500 or 1: 1000, PDF & DWG format which identifies:

- the extent of the land in the developer's or other land owner's ownership
- any variance in land levels
- the number individual plots and the number of bin stores and/or landlord supplies
- the service entry positions for each plot and bin store and/or landlord supplies (Bin Stores and landlord supplies and water for firefighting purposes will be separately metered)
- the extent of the area proposed for adoption by the Highway Authority
- any designated service strips

Self-Lay Provider to Design the site:

Proposed Water Network design: scaled 1: 500 or 1: 1000, PDF & DWG format which identifies:

- the extent of the land in the developer's or other land owner's ownership
- any variance in land levels
- the number individual plots and the number of bin stores and/or landlord supplies
- the service entry positions for each plot and bin store and/or landlord supplies (Bin Stores and landlord supplies and water for firefighting purposes will be separately metered)
- the extent of the area proposed for adoption by the Highway Authority
- any designated service strips

Please provide a site layout plan in DWG and PDF format. You can send these via CD or by email. The plan must include the proposed development footprint along with all details set out above, as well as a section of Ordnance Survey background for the area upon which it is located. The background must be substantial and varied enough, dependent upon its location being urban or rural, to include either surrounding field, fence and road lines, if possible buildings as well which then may be used as location reference points.

A Build Programme of Works and plan identifying any construction phasing with the number of properties associated with any construction phase of the site. The house build rate per year and the occupation rate.

A Soil Investigation in accordance with British Standard Institution BS 10175:2011+A1:2013 Code of Practice for Investigation of potentially contaminated land sites - Code of Practice. The soils investigation should include any potential risk of petroleum hydrocarbons.

Further details can be found at:

<https://cdn.southeastwater.co.uk/SewDevelopers/Documents/Soils+Guidance/Soils+Guidance+Report.pdf>

Details of any consultation with all known parties on archaeological and environmental issues.

Type of hot system installation, i.e. vented or unvented systems.

Details of the landowner(s), together with the details of their solicitors where any infrastructure will need to be constructed on private land or on streets that have not been adopted by the relevant Highway Authority.

Confirmation of the required flow rate in litres per second, plus completed fittings list, for any non-standard connection with a flow rate of more than one cubic metre per hour.

Should there be any requirement to install sprinkler systems, hose reels or fire-fighting equipment within the new units, this should be highlighted in the application. You should also confirm the required flow rate for the fire-fighting supply to enable the effects on design to be assessed and the relevant quotation to be provided.

We do not permit the cross connection of water for domestic and fire-fighting or other non-domestic supplies and a separate metered service connection will be required as appropriate.

Quotation

Once we have received your quotation requests, we have 28 calendar days to provide a detailed quotation. However if there are engineering difficulties this will be increased to 52 calendar days, commencing on the day after the receipt of full application or no later than the date agreed with you.

We will send you a quotation with your NARS reference number, details of the person coordinating the delivery of your scheme, a full detailed design, the full costs for the scheme.

Information on the validity of quotations and the application of charges across charging years (1 April to 31 March) is set out in section 4 below.

The exceptions due to engineering difficulties are those detailed under Water UK levels of Service as follows:

- Geotechnical conditions
- Water Courses crossing
- Mains pressure (site higher than reservoir/gravity fed)
- Highways (Major road crossing) – and where a site meeting with highway to determine when the works can be carried out.
- Environmental issues, especially in respect of SSSI or other designated sites of archaeological interest
- Third party and crown estate land
- Protected undertakers (Network rail, CTRL)

We will make you aware if any of the above issues will affect the site-specific works as soon as reasonably practicable.

Acceptance and self-lay agreement

Once we have received signed acceptance of the self-lay quotation and you have confirmed the Self-Lay Providers details we will issue a Self-Lay Agreement. We will also issue a full CAD drawing of the agreed design. Please note we can also review SLPs own designs for acceptance.

SEW will then arrange for a source of water connection from our existing network to serve your development and will provide a representative to act as a liaison for any on site queries that might arise.

To complete the back to back connection a site walkover will need to be arranged with the SEW representative and the SLP must submit an As-Laid drawing along with valid test and chlorination certificates. On submission of these and the completion of the site walkover we will complete the connection to our network and issue a vesting certificate.

Individual Service Meters

SEW will provide and install meters on completed service connections within 7 days of notification from the SLP of the plots required along with the full postal address for the dwelling. Alternatively the SLP can arrange to collect and install these themselves and submit the meter details along with the plot to postal information. Please note an administration, meter and meter housing fee is applicable, please refer to Appendix 3.

2 Self-Lay charges

2.1 Undertaker's works charge

This is the charge we apply for making the connection to our network and where required main laying works from the connection point on our network to the self-lay site (or part of it).

The **Undertaker's Works Charge** include:

- The **Network Connection Charge** which is a fixed charge (except where the depth of excavation is greater than 3 metres when a variable charge may apply)

and one or more of the following fixed charges where applicable:

- The **Main Laying Charge**
- The **Lane Rental Fee / Lane or Road Closure Fee**
- The **Traffic Management Fee**
- The **Highway Permit Fee**

In certain limited circumstances specific works and/or third party costs cannot be fully ascertained until completion of the works. This would apply in exceptional cases. Where this is the case we will recalculate the undertaker's works charge using the actual final costs for these costs components once they have been ascertained following completion of the undertaker's works. In this case the initial undertaker's works charge will be calculated using only the charges that can be fixed.

The following are charges that may require post-completion final assessment:

- The **Land Agent Charge**
- The **Railway Undertaker Charge**
- The **Environmental Management Charge**
- The **Archaeological Management Charge**
- The **Watercourse Crossing Charge**
- The **Major Road or Railway Crossing Charge**

For more details on charges requiring post-completion final assessment please refer to sections 4 and 5 of Part 2.

Network Connection Charge (fixed charge/Non-contestable)

This is the charge we apply for making the connections to our water main in order to supply the self-lay site. It includes the connection to our water main, all valves and fittings and all associated labour and administration.

It should be noted that only the connection to our existing main is non-contestable, the self-lay provider is entitled to lay the main from the self-lay site to the point of connection to our existing main (contestable).

This charge is based on the following characteristics of a connection to our existing network:

- Diameter of the pipe;
- Whether the excavation is carried out by you or us; and
- Surface type (unmade, footpath and road) and depth of excavation.

Where we carry out the excavation, the cost for the relevant length of excavation and the reinstatement is not included in the Network Connection Charge but is included instead in the Main Laying Charge.

Different rates are applicable for different depths of excavation to reflect different methods of working and health and safety requirements that apply for work in deep excavations.

The amount of the network connection charge is set out in Appendix 3.

Note: Where in rare cases, the depth of the excavation is greater than 3 metres, a variable charge may apply instead as set out in section 5.1 of Part 2.

Main Laying Charge (fixed charge)

This is a fixed charge per metre based on the following characteristics:

- Pipe material (standard HPPE or barrier material where there is a risk of contamination);
- Diameter of the pipe;
- Whether the excavation is carried out by you or us; and
- Surface type (unmade, footpath and road) and depth of excavation.

This charge includes the laying of the water main, excavation (where it is carried out by us) and reinstatement, all valves and fittings and all associated labour and administration.

Different rates are applicable for different depths of excavation to reflect different methods of working and health and safety requirements that apply for work in deep excavations.

The amount of the main laying charge is set out in Appendix 3.

Note: Where in rare cases, the depth of the excavation is greater than 3 metres, a variable charge may apply instead as set out in section 5.1 below.

Other fixed charges

The Lane Rental Fee / Lane or Road Closure Fee, the Traffic Management Fee, the Highway Permit Fee, the Land Agent Charge and the Railway Undertaker Charge are as described in section 4 of Part 2 and their amounts are as set out in Appendix 3.

2.2 Application fee: Point of connection enquiry (fixed charge)

There are two types of application fee depending whether or not we carry out the design.

2.2.1 Application including Design Fee

The application fee is a fixed charge which covers the cost of producing a design drawing, uploading your proposed drawings to our Geographical Information System and confirming the point of connection.

2.2.2 Application without Design Fee

The application fee is a fixed charge which covers the cost of confirming the point of connection.

The amount of the application fee is set out in Appendix 3.

2.3 Administration fee (fixed fee)

The administration fee is a fixed fee which covers the cost of administration for ordering your meters, logging them onto our works management system and setting up the new meters onto our billing system. For the first meter you will pay the administration fee (initial meter) and for all subsequent meters for your site you will pay the administrative fee (subsequent meter).

The amount of the administration fee is set out in Appendix 3.

2.4 Pre-Commencement fee (fixed fee)

The pre-commencement fee is a fixed fee which covers the cost of responding to a self-lay providers' request for an adoption agreement and preparing the agreement.

The amount of the pre-commencement fee is set out in Appendix 3.

2.5 Mains Design Checking Fee (fixed fee)

The mains design checking fee is a fixed fee which covers the cost of providing a detailed design for your site. The standard mains design approval fee applies in respect of up to 100 properties and the incremental mains design fee applies in respect of each group of 100 additional properties or part thereof to reflect the additional design work required. It also includes the cost of uploading your design drawing onto our Geographical Information System.

The amount of the main design approval fee is set out in Appendix 3.

2.6 Pressure testing and chlorination charge (fixed charge per test)

If you would like us to carry out the pressure testing and chlorination on your new main, there will be a charge for each activity. This is a fixed charge for each pressure test and chlorination carried out.

The amount of these charges is set out in Appendix 3.

2.7 Sampling charge (fixed charge per sample)

If you would like us to carry out the sampling of your new main we will apply a sampling charge. This is a fixed charge per sample which covers the cost of taking the sample, laboratory testing and a certificate to confirm whether the samples have passed.

The amount of the sampling charge is set out in Appendix 3.

2.8 Meter charge (fixed charge per meter)

The meter charge (SLP installation) is a fixed charge which covers the cost of the meter for your new connections where you install the meter. The amount of the meter charge (SLP installation) is set out in Appendix 3.

The meter charge (SEW installation) is a fixed charge which covers the cost of the meter for your new connections and the cost of installing the meter. The amount of the meter charge (SEW installation) is set out in Appendix 3.

Important Note: Relevant charges will be applied where we need to address any defect relating to the installation of meters.

2.9 Missed appointments, abortive visits and cancellation charges

Technician site visit

You must ensure that you, or your contractor(s) or representative(s) attend any appointment with our technician for the performance of new connection services, otherwise a missed appointment charge may apply.

Where an appointment for a site visit by our technician is required, an appointment will not be kept, and a missed appointment charge may apply where you, or your contractor(s) or representative(s) fail to attend within 15 minutes from the start of the appointment or where we receive a cancellation less than one hour before the start of the appointment.

You must ensure that you, or your contractor(s) or representative(s) provide:

- access to the premises where this is required to perform any aspect of the new connection services, and
- a safe working environment for our employees and those of our contractors.

Where safe access is not provided a missed appointment charge may apply. We or our contractor(s) will determine whether or not there is a safe working environment in accordance with health and safety requirements and our health and safety practices and methods.

The amount of the no access/missed appointment charge is set out in Appendix 3.

Abortive site attendance to carry out new connection works

Where we attend or our contractor attends your site to carry out new connection works and:

- any agreed enabling works to be carried out or arranged by you have not been completed by you or your contractor;
- access to the premises which is required from you to perform any aspect of the new connection works is not provided;

- a safe working environment for our employees and those of our contractors is not provided in an area you are responsible for,

Demobilisation and remobilisation charges may apply.

We or our contractor(s) will determine whether or not there is a safe working environment in accordance with health and safety requirements and our health and safety practices and methods.

We may also charge you for the abortive costs we have reasonably incurred in relation to the new connection works up to that time and/or additional costs resulting from the abortive visit. These costs may include for example our costs relating to any permit or other traffic management measures, additional administrations required for method statements and updating our work management system.

The amount of the demobilisation and remobilisation charges are set out in Appendix 3.

Cancellation of technician site visit

A technician visit cancelled appointment charge may apply where we receive the written cancellation on the day of the appointment, except that where the cancellation notice is received less than one hour before the start of the appointment a missed appointment charge may apply.

Cancellations should only be made in writing. If a cancellation is confirmed in writing after being notified to us orally, the time of the cancellation will be the time of receipt of the cancellation in writing.

The amount of the technician visit cancelled appointment charge set out in Appendix 3.

Cancellation/postponement of planned new connection works

A connection cancellation/postponement of works charge may apply where we receive the written cancellation/postponement notice less than 24 hours before the planned commencement of the new connection works.

We may charge you for the abortive costs we have reasonably incurred in relation to the cancelled/postponed new connection services up to the time of cancellation/postponement and/or additional costs resulting from it. These costs may include for example our costs relating to any permit or other traffic management measures, additional administrations required for method statements and updating our work management system.

Cancellations should only be made in writing. If a cancellation is confirmed in writing after being notified to us orally, the time of the cancellation will be the time of receipt of the cancellation in writing.

The amount of the connection cancellation/postponement of works charge is set out in Appendix 3.

Important note: Where As-laid plans have not been provided, we reserve the right to arrange for our contractor to carry out this element of the work, after confirming with you whether you will meet this requirement within a reasonable time or whether we will carry out this work and apply the appropriate charge. An estimate can be provided upon request when we carry out this work. Please note that this is contestable work. For further details of the As-laid plans requirements please see details on our website:

<https://cdn.southeastwater.co.uk/SewDevelopers/Documents/Codes+for+adoption/design-construction-specification.pdf>

3 Upsizing – additional capacity in water mains

If we request upsizing of the self-lay main to create additional capacity, we will fund the additional cost of the works as agreed with you in the self-lay agreement.

4 Validity of quotations and application of charges across charging years

Our charges are updated every charging year (1 April to 31 March). This section provides detail on how long you have to accept our quotation and how charges may be subject to change following acceptance our quotations.

4.1 Validity of quotations

You are able to accept our quotations within a period of 3 months commencing on the date of the quotation. If you do not accept the quotation within that time, it will expire and you will be required to make a new application and to pay any relevant fee in relation to the new application. A quotation will only be validly accepted if any payment required upon acceptance has been received by us.

4.2 How charges apply across charging years

New infrastructure

Charges for new connection services relating to self-lay sites are recorded in the relevant self-lay agreement and in accordance with the provisions of the standard self-lay agreement (clause 15.1) charges for Water Company Works (as this term is defined in the self-lay agreement) are fixed for the first twelve (12) months of the self-lay agreement and thereafter are subject to change and are payable at the rate set out in the published charging arrangements prevailing. Charges relating to any works carried out after the expiry of the period mentioned above will be based on the charging arrangements that apply when the works are carried out.

Infrastructure charge and income offset

All infrastructure charges in respect of new service connections made on a self-lay site in a given charging year are charged on the basis of the charging arrangements for that charging year and the offset amount is also as set out in the charging arrangements for that charging year.

Part 4 – Diversions of assets

This section relates to the diversion charges payable when we are required to relocate our pipe and/or apparatus due to a new developments or other constructions or alterations on a property.

1 What you need to know about diversions

1.1 When to request a diversion

As a water undertaker, we have statutory powers to lay and keep pipes and apparatus in streets and in land other than streets.

Where required to enable the development of land (other than a street) in which our pipes and/or apparatus are located, we will alter or divert them at the expense of the person who applies by notice in writing for the alteration or diversion in accordance with section 185 of the Act.

An application for alteration or diversion should always be made when construction is envisaged near or over our pipes or apparatus.

Diversions due to highways works are dealt with in accordance with the relevant statutory provisions

1.2 Diversion application process

You can find more details on the application process for a diversion on page 54, including on the information you should provide with your application.

1.3 Security

We require that you provide a security in respect of the diversion charge. You should provide your security at the same time as you accept the diversion quotation. We will not be able to start planning for the works until you have provided the required security.

Security

You can choose to provide either a deposit or a bond as security for the payment of the diversion charge. If you choose to provide a bond we will provide a standard form of bond acceptable to us.

You can provide a security equal to 75% of the diversion charge as set out in the quotation:

- in the form of a cash deposit; or
- in the form of a bond if the diversion charge is greater than £60,000.

A **processing fee** of **£42.00** will be payable at the same time as the payment of the balance of the diversion charge.

If you owe us any amount after the date it should have been paid to us, you will be required to pay a cash deposit of the full amount of the estimated diversion charge (and we reserve the right to commence any recovery action to recover the amounts due to us).

We will calculate interests on every 50p deposited for every three months during which it remains with us up to the date we invoice the final diversion charge. We calculate the interest rate on cash deposit following a methodology previously set by Ofwat.

We will deduct the amount of interest when we invoice the balance of the diversion charge.

2 Diversion charges

2.1 Application fee (fixed fee)

A non-refundable fixed application fee is payable for all applications for diversions. The application fee covers the preparation of the estimate and issuing a design plan.

Application fee	
Application fee – Diversion	£540

2.2 Diversion Charge

The diversion charge is equal to the costs we reasonably incur in complying with our duty under section 185 of the Act.

Due to the nature of diversionary work which may relate to different types of assets on private land and to ensure that only cost reasonably incurred are recovered, we do not provide fixed up front charges for diversions works.

Quotation

In relation to diversion works we will issue a quotation with an estimated diversion charge which will be calculated using any of the relevant charges listed below (as described Part 2 of these charging arrangements):

- **Network Connection Charge**
- **Main Laying Charge**
- **Branch Connection Charge**
- **The Lane Rental Charge**
- **The Traffic Management Fee**
- **The Highway Permit Fee**
- **The Railway Undertaker Charge**

Any security we require will be set on the basis of the estimated cost of the diversion works calculated using the relevant charges set out above.

Our quotation will also indicate whether any of the relevant variable charges listed below (as described in Part 2 of these charging arrangements) may apply (and require post-completion final assessment):

- **The Land Agent Charge**
- **The Environmental Management Charge**

- The **Archaeological Management Charge**
- The **Watercourse Crossing Charge**
- The **Major Road Crossing or Railway Crossing Charge**

The actual cost of any applicable charge above will be finally ascertained following completion of the diversion works.

Information on the validity of quotations and the application of charges across charging years (1 April to 31 March) is set out in section 3 below.

Post-completion reconciliation

The cost of the diversion works we have reasonably incurred will be assessed post-completion in order to calculate the final diversion charge.

Following completion of the works we will provide a break down with appropriate supporting evidence of the actual costs incurred in relation to the diversion works.

The final diversion charge will be equal to the costs reasonably incurred by us as ascertained following the post-completion final assessment.

Payment of the diversion charge

The balance of the diversion charge is payable within a period of 30 days commencing on the day of receipt of our invoice. We will deduct any interest due on a cash security deposit on our invoice.

Please see Part 5 for information on the payment options available.

Diversions – Process and Information requirements

Application process

Once we have received your quotation requests, we have 28 calendar days to provide a detailed estimate. However if there are engineering difficulties this will be increased to 52 calendar days, commencing on the day after the receipt of full application or no later than the date agreed with you.

We will send you a quotation with your NARS reference number details of the person coordinating the delivery of your scheme, a full detailed design, and the estimated costs for the scheme.

Information on the validity of quotations and the application of charges across charging years (1 April to 31 March) is set out in section 3 below.

The exceptions due to engineering difficulties are those detailed under Water UK levels of Service as follows:

- Geotechnical conditions
- Water Courses crossing
- Mains pressure (site higher than reservoir/gravity fed)
- Highways (Major road crossing) – and where a site meeting with highway to determine when the works can be carried out.
- Environmental issues, especially in respect of SSSI or other designated sites of archaeological interest
- Third party and crown estate land
- Protected undertakers (Network rail, CTRL)

We will make you aware if any of the above issues will affect the site-specific works as soon as reasonably practicable.

Information we will need from you on application

To help us process your application as quickly as possible please provide the following information.

A Site layout: scale 1: 500, which identifies:

- the extent of the land in the developer's or other land owner's ownership
- Any alterations to the lines and levels of cover of our asset.
- Any building or structure which will be sited at a distance of less than 1.5 metres.

Please provide a plan in DWG format. You can send these via CD or by email. The plan must include the proposed alterations or structures along with all details set out above, as well as a section of Ordnance Survey background for the area upon which it is located. The background must be substantial and varied enough, dependent upon its location being urban or rural, to include either surrounding field, fence and road lines, if possible buildings as well which then may be used as location reference points.

Details of any consultation with all known parties on archaeological and environmental issues.

3 Validity of quotations and application of charges across charging years

Our charges are updated every charging year (1 April to 31 March). This section provides detail on how long you have to accept our quotation and how charges may be subject to change following acceptance of our quotations.

3.1 Validity of quotations

You are able to accept our quotations within a period of 6 months commencing on the date of the quotation. If you do not accept the quotation within that time, it will expire and you will be required to make a new application and to pay any relevant fee in relation to the new application. A quotation will only be validly accepted if any payment required upon acceptance has been received by us.

3.2 How charges apply across charging years

Our quotations for diversion works show the charges as set out in our charging arrangement at the date of the quotation but are subject to changes depending on when the works are actually carried out. Charges relating to diversion works carried out during a given charging year will be based on the charging arrangements for that charging year.

Any additional amount payable to us as a result of a change to charges following quotation will be included in the final invoice following completion of the works.

We will only be able to carry out works in a given charging year (and before the start of the next charging year) if they are requested in time to allow completion within the relevant service levels. Where this is not the case, works carried out in the next charging year will be charged on the basis of the charging arrangements for that year.

Part 5 – Payment and VAT

1 Methods of Payment (all charges)

We accept the following methods of payments:

- Cash
- Cheque – please make cheques payable to South East Water Limited
- Electronic banking – Please ensure you use your reference number (e.g. NARSxxxxx) so we know where the payment has come from.

Our bank details:

Account Name:	South East Water Limited
Sort Code:	40-11-60
Account Number:	81029940

- Credit Card - we can take payment in person or over the phone.

2 Value Added Tax

Our quotations will specify whether or not the charges are subject to VAT and whether the relevant new connection services are zero rated, lower rated or standard rated.

The provision of new infrastructure and connections described in these charging arrangements relating to dwellings and residential buildings are generally zero rated.

A lower rate may apply where the new infrastructure and connections relate to conversions or renovations of dwelling or residential buildings and relevant conditions are satisfied.

The provision of new infrastructure and connections described in these charging arrangements relating to non-household premises are generally standard rated.

Fees and similar administrative charges are standard rated.

Part 6 – Other infrastructure for non-domestic use or premises other than buildings

This part relates to the provision of infrastructure for the non-domestic purposes or to premises other than a building.

Where a supply for non-domestic use or to premises other than a building is requested under section 55 of the Act, provided that certain conditions set out in the Act are satisfied, the infrastructure and supplies will be provided in accordance with the terms and conditions that we agree with you.

We will charge the cost reasonably incurred in providing the infrastructure required as explained below.

Pipes with a diameter of up to 63 mm

Where the pipe required has a diameter of up to (and including) 63 mm:

- We will apply the same charges as for service connections under Part 1 of this document and as set out in Appendix 1 (the same payment options will also apply where possible); and
- An infrastructure charge will also be payable which will be calculated using the relevant multiplier (and we will not charge for any reinforcement cost in relation to the infrastructure provided).

Details on the calculation of the infrastructure charge with the relevant multiplier are set out in Section 2.2 of Part 7.

Pipes with a diameter greater than 63 mm

Where the pipe provided has a diameter greater than 63 mm, the total charge payable to us will be:

- The actual cost of the works determined following completion of the works and a water eligibility infrastructure charge, where the supply from the new pipe does not exceed 10 litres/second (and we will not charge for any reinforcement cost in relation to the infrastructure provided); or
- The actual cost of the works and of any network reinforcement that is required in consequence of providing the new supply determined following completion of the works, where the supply from the new pipe exceeds 10 litres/second.

We will require that you provide a security in respect of the estimated charges described above. You should provide your security at the same time as you accept the quotation for the work. We will not be able to start planning for the works until you have provided the required security and entered into any required agreement which will also set out the relevant payment terms.

Security

You can choose to provide either a deposit or a bond as security for the payment of the estimated charge. If you choose to provide a bond we will provide a standard form of bond acceptable to us.

You can provide a security equal to 75% of the estimated charge as set out in the quotation:

- In the form of a cash deposit; or
- in the form of a bond if the diversion charge is greater than £60,000.

A **processing fee of £42.00** will be payable at the same time as the payment of the balance of the charge.

If you owe us any amount after the date it should have been paid to us, you will be required to pay a cash deposit of the full amount of the estimated charge (and we reserve the right to commence recovery actions to collect the amounts due to us).

We will calculate interests on every 50p deposited for every three months during which it remains with us up to the date we invoice the final charge. We calculate the interest rate on cash deposit following a methodology previously set by Ofwat.

We will deduct the amount of interest when we invoice the balance of the charge.

Validity of quotation and application of charges across charging years

Our charges are updated every charging year (1 April to 31 March). This section provides detail on how long you have to accept our quotation and how charges may be subject to change following acceptance our quotations.

Validity of quotations

You are able to accept our quotations within a period of 3 months commencing on the date of the quotation. If you do not accept the quotation within that time, it will expire and you will be required to make a new application and to pay any relevant fee in relation to the new application. A quotation will only be validly accepted if any payment required upon acceptance has been received by us.

How charges apply across charging years

Our quotations for diversion works show the charges as set out in our charging arrangement at the date of the quotation but are subject to changes depending on when the works are actually carried out. Charges relating to diversion works carried out during a given charging year will be based on the charging arrangements for that charging year.

Any additional amount payable to us as a result of a change to charges following quotation will be included in the final invoiced following completion of the works.

We will only be able to carry out works in a given charging year (and before the start of the next charging year) if they are requested in time to allow completion within the relevant service levels. Where this is not the case, works carried out in the next charging year will be charged on the basis of the charging arrangements for that year.

Part 7 – Infrastructure charge and income offset

Since April 2018 we have been setting our own infrastructure charges to cover the cost of developer related growth using a new methodology. These changes have been implemented in conjunction with other changes to our charges for new connection services. An explanation of the successive change to new connection charging in recent years is set out in Appendix 6.

1 Our methodology to calculate the infrastructure charge

The infrastructure charge is a fixed charge per new service connection. The infrastructure charge is applied in respect of the connection to a water supply of premises which have never at any previous time been connected to a supply of water provided for domestic use.

We determine our infrastructure charges in accordance with the principle that the amount of such charges will over a period of five consecutive charging years (i.e. from 1 April to 31 March) cover the costs of network reinforcement that we reasonably incur.

For the calculation of the infrastructure charges for 2023-2024 we have considered the period to 31 March 2028.

When determining reinforcement costs used for calculating infrastructure charges, we include relevant costs relating to reinforcement required in consequence of new connections and new development sites, or the cost of any additional capacity in an earlier main (including relevant strategic reinforcement schemes) that falls to be used in consequence of the provision of a new water main. To meet the requirements of our regulator's price determination, we are also including relevant costs of our zonal strategy (i.e. investment in our network necessary to respond to additional demand) in the calculation of infrastructure charges.

We explain below the methodology we have used to follow the principle explained above and how we have calculated our infrastructure charges.

To calculate the infrastructure charge we:

- Determine the total cost of reinforcement directly as a result of new development each years in the relevant five year period
- Determine the total cost of the proportion of strategic reinforcement schemes that is attributable to new developments each year in the relevant five year period
- Determine the total cost of the proportion of zonal schemes that is attributable to new developments each year for the relevant five year period
- Determine the forecasted number of new connections to be provided each year in the relevant five year period.

Our forecast on reinforcement costs and new connections numbers are reassessed every year using actual data in previous years and the assessment of information available on future development.

For each year in the relevant five year period we calculate the infrastructure charge per connection dividing the total reinforcement cost for that year by the forecast number of connections for that year.

Our standard infrastructure charge is equal to the average infrastructure charge over the relevant five year period.

2 Infrastructure charges

2.1 Standard infrastructure charge and eco-connection infrastructure charge

A standard infrastructure charge is payable for all first time 25mm (22mm internal) connections for domestic purposes.

We have also introduced a reduced eco-connection infrastructure charge in respect of smaller connections to drive water efficiency in new build properties. This eco-connection infrastructure charge for connection with a diameter of 20mm (external) is a reduced infrastructure charge recognising the lower impact of these smaller connections on our network.

First time connections include connection to new premises which have been created as a result of the alteration or conversion of existing premises.

These infrastructure charges are applied where the meter capacity is suitable for a supply of 1m³ per hour. The standard infrastructure rate is calculated on a flow rate of 0.27 litres per second.

The standard infrastructure charge and the eco-connection infrastructure charge are set out in Appendix 4.

2.2 Relevant multiplier

To ensure that the base rate of infrastructure is kept as low as possible we will continue to apply the relevant multiplier to encourage water efficiency and smaller connection sizes, when possible.

The infrastructure charge payable for (a) all first time connections for domestic purposes to any house subject to a common billing agreement; and (b) all first time connections for domestic purposes to any premises other than a house which are connected with a connection with a diameter larger than 25mm (22mm internal), is the standard water infrastructure charge multiplied by the relevant multiplier.

The relevant multiplier is calculated in accordance with the methodology originally set out in our instrument of appointment which takes account of the number of water fittings used on the premises and of their respective loading units.

The indicative loading units attributable to each appliance are as follows:

WC flushing cistern	2.0
Wash basin in house	1.5
Wash basin elsewhere	3.0
Bath (tap size to 20mm)	10.0
Bath (tap size above 20mm)	22.0
Shower	3.0
Sink (tap size to 15mm)	3.0
Sink (tap size above 15mm)	5.0
Spray tap	0.5
Bidet	1.5
Domestic appliance	3.0
Communal or commercial appliance	10.0

Any other water fitting or outlet (including a tap but excluding a urinal or water softener)	3.0
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We will work with you to ensure that the flow rate and connection size are reasonable and to ensure that your infrastructure is as low as possible.

For the meaning of 'house', 'common billing agreement', 'relevant multiplier' please refer to the glossary of this document.

2.3 Development and redevelopment

Where a site is developed or redeveloped (including by altering or converting existing premises), the total amount of infrastructure charges we will recover, in respect of all the new premises resulting from the development or redevelopment, will take account of the number of premises which had a water connection in the period of five years before the development or redevelopment.

For example, for a development including houses only, the total number of infrastructure charges applied will be the number of new premises connected on the site less the number of premises which already had a water connection in the period of five years before the development or redevelopment.

2.4 Temporary building supplies and infrastructure charges

We will only apply infrastructure charges in respect of a temporary building supply if you will keep that connection to supply new premises once building works are completed.

Please be aware, as of 1st April 2017, if you are a non-household customer or applying for a temporary building supply, at the point of connection you will need to have selected a retailer.

To read more and for guidance on selecting a retailer go to <https://www.open-water.org.uk/>

3 Income offset

From 1 April 2020, the way we apply the income offset has changed. Previously we applied the income offset to the requisition charge; from April 2020 the income offset has been applied against the infrastructure charge.

In calculating the average percentage of offset, we had regard to the need to maintain the balance of charges between developers and other customers.

We have calculated our income offset per connection for 2023/2024 using the average percentage of income offset applied over the last 5 years.

We have then applied this average percentage to our forecasted total cost of onsite mains in 2023/2024 and divided the result by the forecasted number of new connections in 2023/2024 to obtain an income offset per plot.

To ensure we are maintaining the accuracy of the data we use to calculate the income offset and to maintain the balance of charges between developers and other customers, from 1 April 2020 we continue to calculate the income offset (and equivalent asset value for self-lay) using the pre-April 2020 methodology for each development scheme alongside applying the new methodology for offsetting to determine the actual charges applied.

On 1 April 2020, we have introduced changes to the calculation of our infrastructure charges that reflect, to the extent permitted by the relevant charging rules, the assumptions made by Ofwat in their final determination at PR19 in respect of the recovery of the costs related to our zonal strategy schemes.

This was done by including zonal schemes' costs in the calculation of our infrastructure charges which would have significantly increased the levels of contribution recovered from developers.

In order to broadly maintain the balance of charges between developers and other customers as it existed pre-April 2018 (to ensure that the percentage of the works paid for by developers remains broadly the same compared with what it was before April 2018), we have increased the percentage of income offset that is applied against infrastructure charges to compensate for the effect of the inclusion of zonal schemes in the calculation of our infrastructure charges.

Our standard income offset per plot is set out in Appendix 4.

For connections larger than 25mm we first calculate the infrastructure charge using the relevant multiplier as set out in section 2.2 above. We then calculate the income offset by multiplying the standard offset per plot by the relevant multiplier (using the same relevant multiplier as was determined for the calculation of the infrastructure charges).

4 Payment of infrastructure charges

The infrastructure charge less the income offset is payable by either:

- (i) the person who makes the application for the connection,
- (ii) the occupier of the premises connected,
- (iii) any person other than us, our contractor or agent, who makes the connection or is responsible for payment of the infrastructure charges under an agreement with us.

Where there is more than one occupier of the premises, all occupiers are jointly and severally liable for the payment of the infrastructure charges (less the income offset).

Where a customer requests a connection, the infrastructure charges (less the income offset) become due when the connection is made and a supply of water is available to the premises and must be paid in full within a period of 14 days commencing on the date of completion of the connection.

The infrastructure charges (less the income offset) are also due in respect of any irregular connection made without our consent and becomes due and payable when the connection is made, and a supply of water is available to the premises.

5 Legacy Infrastructure Charge

In certain cases, a legacy infrastructure charge (as calculated before 1 April 2018) continues to apply. This legacy infrastructure charge is a fixed sum increased each year through indexation. This legacy infrastructure charge is designed to maintain an appropriate overall level and balance of charges in circumstances where related requisition charges would have been calculated following the methodology that applied before 1 April 2018 and therefore where the amount of any reinforcement costs would have been included in the calculation of the requisition charge and the income offset would have been applied to the requisition charge. If the new infrastructure charge and income offset methodology were used in the circumstances referred to above, this would result in discrepancies in charges and in particular in income offsetting as this would result in the income offset being applied

both to the requisition charge and to the new infrastructure charge. The application of a legacy infrastructure charge is subject to transitional provisions described in Appendix 6.

The amount of the legacy infrastructure charge is set out in Appendix 4.

Service connections associated with a new requisitioned water main for the development of a site

The legacy infrastructure charge applies (in relation to new service connections to a new requisitioned water main) where the requisition charge (or the asset payment) for a water main on a new development site has been calculated using the method of charging that applied before 1 April 2018 by virtue of the transitional provisions described in Appendix 6.

Service connection(s) not associated with a new requisitioned main (e.g. single connection to a new house)

The legacy infrastructure charge applies where the service connection charge for a new service connection that was not associated with the requisition of a new water main has been calculated using the method of charging that applied before 1 April 2018 by virtue of the transitional provisions set out in Appendix 6 (i.e. all relevant conditions were satisfied before 1 April 2018).

Legacy infrastructure charge and offsetting

Where this legacy infrastructure charge applies, no income offset is applied to the infrastructure charge (as the requisition charge or the asset payment will already be reflective of the income offset).

The legacy infrastructure charge becomes due when the connection is made and a supply of water is available to the premises and must be paid in full within a period of 14 days commencing on the date of completion of the connection.

The infrastructure charge is always calculated using the new methodology described in the previous sections where:

- Service connections are associated with the requisition of a new water main for the development of a site and the requisition charge is calculated using the method of charging that applied on or after 1 April 2018;
- Service connections are not associated with the requisition of a new water main (including any connections added to pre-existing mains laid at any time before 1 April 2018); and
 - were requested before 1 April 2018 (i.e. the application and the advance payment were received before 1 April 2018) but the trench inspection is passed on or after 1 April 2018;
 - were requested on or after 1 April 2018 (i.e. the application and the advance payment were received on or after 1 April 2018 and the trench inspection is passed after 1 April 2018).

6 Validity of quotations and application of charges across charging years

The infrastructure charge and offset amount relating to a given service connection shall be as set out in the charging arrangements that were used to determine the amount of that service connection (applying the relevant rules set out in other parts of these charging arrangements).

Appendix 1 – Service connection charges

Administration, Application and Abortive visit Fees

Administration fees (Fixed costs) Inclusive of VAT @ 20%	
Administration fee (Initial plot)	£42.00
Administration fee (subsequent plots)	£25.00
Processing fee (payment options)	£42.00
Application for connection (Fixed costs) Inclusive of VAT @ 20%	
Single connection	£91.00
Per subsequent plots	£55.00
Site Survey Fee (Technician)	£68.00
Missed appointment, abortive visit and cancellation charges (Fixed costs)	
Standard missed appointment	£115.00
Non-standard missed appointment	£152.00
Standard cancellation	£23.00
Non- standard cancellation	£32.00
Failed trench inspection fee	£79.00
Carrier (internal meters)	£34.00
Internal meter installation fee (tech time only)	£68.00
Remobilisation/Demobilisation charge	£1,893.00
Cancellation/postponement of works	£118.00
Out of hours uplift – up to midnight (%)	29%
Out of hours uplift – after midnight (%)	51%

Service Connection charge

HPPE no contamination risk

Service connections costs (cost per connection) – Fixed rate per metre							
HPPE	No Excavation required	Unmade Ground	Footpath	Road HRA CAT3/4	Road DNBM 3/4	Road HRA 1/2	Road DBM 1/2
25/32mm /Eco	£410.00	£552.00	£714.00	£851.00	£779.00	£1,700.00	£1,457.00
50/63mm	£544.00	£634.00	£906.00	£1,921.00	£1,754.00	£2,549.00	£2,307.00

Service connections Pipe Laying per metre							
HPPE	No Excavation required	Unmade Ground	Footpath	Road HRA CAT3/4	Road DNBM 3/4	Road HRA Cat1/2	Road DBM 1/2
25/32mm/Eco	£14.00	£48.00	£99.00	£136.00	£136.00	£186.00	£180.00
50/63mm	£19.00	£53.00	£108.00	£139.00	£139.00	£195.00	£190.00

Barrier Pipe (contamination Risk)

Service connections costs (cost per connection) Fixed rate per metre							
BARRIER PIPE	No Excavation required	Unmade Ground	Footpath	Road HRA 3/4	Road DBM 3/4	Road HRA 1/2	Road DBM 1/2
25/32mm /Eco	£578	£776	£1,086	£2,047	£2,028	£1,723	£1,486
50/63mm	£634	£844	£1,141	£2,355	£2,355	£2,555	£2,317

Service connections Pipe Laying per metre							
BARRIER PIPE	No Excavation required	Unmade Ground	Footpath	Road HRA 3/4	Road DBM 3/4	Road DBM 1/2	Road DBM 1/2
25/32mm /Eco	£15	£51	£107	£146	£146	£199	£195
50/63mm	£22	£58	£117	£149	£149	£210	£206

Meters

Meter Costs (Cost per physical meter)							
15mm	20mm	25mm	30mm	40mm	50mm	80mm	100mm
£49	£61	£120	£130	£196	£222	£410	£562

Third Party Fees

The Kent Lane Rental Fee (Fixed costs)

	Cost Per day	Cost Per day
Band	Road Closure	Lane Closure
KLR1	£2,210.00	£910.00
KLR2	£2,230.00	£910.00
KLR3	£1,820.00	£705.00
KLR4	£1,820.00	£398.00

There are additional requirements imposed under the Kent scheme in respect of the Canterbury - Area of Archaeology Importance. For more information please see website below:

<https://www.canterbury.gov.uk/planning-and-building/archaeology-and-scheduled-monuments/>

Surrey Lane Rental Fee (Fixed charge)

	Cost per day	Cost per day
Band	Road Closure	Lane Closure
All	£2,780.00	£1,780.00

West Sussex Lane Rental Fee (Fixed charge)

Band	Lane Rental Charge Discount	Full Day Charge	1/2 Day Charge ³
1 - Single Carriageway	0%	£2,680.00	£1,430.00
2 - All carriageway Remedial works	0%	£2,680.00	£1,430.00
3 - Single Lane Occupancy of Multi	20%	£2,180.00	£1,180.00
4 - Cycle track	40%	£1,680.00	£930.00
5 - Footway	0%	£930.00	£680.00

Lane Closure Fee (Fixed Charge)

Details – full duration of works	Charge
Costs relating to Lane closure	£1,748.00

Road Closure Fee (Fixed Charge)

Details – full duration of works	Charge
Costs relating closure of Highway- Eastern	£2,822.00
Costs relating closure of Highway- Western	£3107.00

The Traffic Management Fee (Fixed charges)

Supplying Lights	Cost Per day		
	2 Way Lights	3 Way lights	4 Way Lights
Near side	£626.00	£681.00	£1,070.00
Far side	£1,034.00	£1,126.00	£1,775.00

Manual operation of Lights	Cost Per day		
	2 Way Lights	3 Way Lights	4 Way Lights
Near side	£512.00	£712.00	£712.00
Far side	£718.00	£1,025.00	£1,025.00

Highway Permit Fees (Fixed)

	Main Roads	Minor Roads
	All C, 1 and 2 streets and Traffic Sensitive (at any time) 3 & 4 streets	3 and 4 / Non Traffic Sensitive Streets
Provisional Advance Authorisation	£113.00	£90.00
Major Activity (over 10 days) and all major works requiring a traffic regulation order	£250.00	£229.00
Major Activity (4-10 days)	£160.00	£133.00
Major Activity (up to 3 days)	£80.00	£75.00
Standard Activity	£160.00	£78.00
Minor Activity	£95.00	£54.00
Immediate Activity	£88.00	£54.00
Permit Variation	£76.00	£66.00

Other Traffic Management Fees (Fixed)

Details	Pedestrian Crossing	Traffic Signal Junction
Bagging off of existing traffic lights	£766.00	£968.00

Details	Per 50 properties
Warning letters	£133.00

Details	Per day
Bus stop suspension	£202.00
Parking bay suspension	£125.00

The Land Agent Charge (Fixed)

Connections

Costs relating to surveys and notices required in private land	Charge + 20% VAT
Service Connections	£1,200.00
Requisitions	£2,500.00
Diversions	£3,500.00

The Railway Undertaker Charge (Fixed)

Details	Charge
Network Rail Survey Fee	£5,000.00

The Environmental Management Charge (Fixed)

Category/Risk	Charge
Cat 1 (low risk)	£4,260.00
Cat2 (Low/Med risk)	£9,975.00
Cat 3 (Med risk)	£79,948.00
Cat 4 (High risk)	£175,199.00

The Archaeological Charge (Fixed)

Risk level	Charge
Low Risk	£5,500.00
Medium/High Risk	£10,500.00

The Watercourse Crossing Charge (Fixed)

Risk Level	Charge
Low Complexity	£90,000.00
Medium Complexity	£130,000.00
High Complexity	£330,000.00

The Major Road or Railway Crossing Charge (Fixed)

Type of Road	Charge
Low Complexity	£105,000.00
Medium Complexity	£145,000.00
High Complexity	£1,095,000.00

Appendix 2 – Requisition Charges

Administration, Application and Abortive visit Fees

Application fee – Site (Fixed costs) Inclusive of VAT@ 20 %	
Site - Application Fee Pre Development enquiry (Budget)	£308.00
Site - Application Fee (Mains/Services) - Firm	£553.00
Administration fee (Fixed costs) Inclusive of VAT @ 20%	
Administration fee relating to site application Inclusive of VAT @ 20%	£91.00
Processing Fee (Relating to payments)	£42.00
Application fee - Diversion	£540.00
Missed appointment, abortive visit and cancellation charges (Fixed costs)	
Standard missed appointment	£115.00
Non-standard missed appointment	£152.00
Standard cancellation	£23.00
Non- standard cancellation	£32.00
Demobilisation/Remobilisation charge	£1,893.00
Cancellation/postponement of works	£118.00
Out of hours uplift – up to midnight (%)	29%
Out of hours uplift – after midnight (%)	51%

Network Connection Charge (Fixed costs – non-contestable)

Pipe size	Excavation- up to 1m depth				
	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
63mm	£1,547	£1,789	£2,072	£2,145	£2,752
90mm	£1,642	£1,839	£2,107	£2,226	£2,840
125mm	£1,840	£1,931	£2,210	£2,347	£2,965
180mm	£1,919	£2,007	£2,258	£2,404	£2,993
250mm	£2,060	£2,560	£3,060	£3,560	£4,060
315mm	£3,063	£3,563	£4,063	£4,563	£5,063
355mm	£3,263	£3,763	£4,263	£4,763	£5,263
400mm	£4,433	£4,933	£5,433	£5,933	£6,433
450mm	£4,980	£5,480	£5,980	£6,480	£6,980

*Where excavation is carried out by the developer.

	Excavation- up to 2m depth				
Pipe size	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
63mm	£2,321	£2,684	£3,108	£3,218	£4,128
90mm	£2,463	£2,759	£3,161	£3,339	£4,260
125mm	£2,760	£2,897	£3,315	£3,521	£4,448
180mm	£2,879	£3,011	£3,387	£3,606	£4,490
250mm	£3,090	£3,840	£4,590	£5,340	£6,090
315mm	£4,595	£5,345	£6,095	£6,845	£7,595
355mm	£4,895	£5,645	£6,395	£7,145	£7,895
400mm	£6,650	£7,400	£8,150	£8,900	£9,650
450mm	£7,470	£8,220	£8,970	£9,720	£10,470

*Where excavation is carried out by the developer.

	Excavation- up to 3m depth				
Pipe size	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
63mm	£3,094	£3,578	£4,144	£4,290	£5,504
90mm	£3,284	£3,678	£4,214	£4,452	£5,680
125mm	£3,680	£3,862	£4,420	£4,694	£5,930
180mm	£3,838	£4,014	£4,516	£4,808	£5,986
250mm	£4,120	£5,120	£6,120	£7,120	£8,120
315mm	£6,126	£7,126	£8,126	£9,126	£10,126
355mm	£6,526	£7,526	£8,526	£9,526	£10,526
400mm	£8,866	£9,866	£10,866	£11,866	£12,866
450mm	£9,960	£10,960	£11,960	£12,960	£13,960

* Where excavation is carried out by the developer.

Note: Where in rare cases, the depth of the excavation is greater than 3 metres, a variable charge may apply instead as set out in section 5.1.

Main Laying Cost Charge - HPPE No contamination risk (Fixed costs - contestable)

	Surface Type – Up to 1m Excavation depth				
Pipe Size	No Excavation*	Unmade Ground	Footway - HPPE pipe	Private Road HPPE pipe	Road Highways HPPE
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£52	£72	£133	£157	£204
90mm	£52	£74	£137	£159	£217
125mm	£57	£81	£143	£166	£239
180mm	£63	£92	£157	£177	£262
250mm	£87	£116	£237	£244	£329
315mm	£99	£156	£312	£376	£474
355mm	£116	£174	£381	£460	£565
400mm	£135	£194	£404	£495	£579
450mm	£176	£234	£440	£523	£599

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

Surface Type – Up to 2m Excavation depth					
Pipe Size	No Excavation*	Unmade Ground	Footway - HPPE pipe	Private Road HPPE pipe	Road Highways HPPE
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£78	£108	£200	£236	£306
90mm	£78	£111	£206	£239	£326
125mm	£86	£122	£215	£249	£359
180mm	£95	£138	£236	£266	£393
250mm	£131	£174	£356	£366	£494
315mm	£149	£234	£468	£564	£711
355mm	£174	£261	£572	£690	£848
400mm	£203	£291	£606	£743	£869
450mm	£264	£351	£660	£785	£899

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

Surface Type – Up to 3m Excavation depth					
Pipe Size	No Excavation*	Unmade Ground	Footway - HPPE pipe	Private Road HPPE pipe	Road Highways HPPE
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£104	£144	£266	£314	£408
90mm	£104	£148	£274	£318	£434
125mm	£114	£162	£286	£332	£478
180mm	£126	£184	£314	£354	£524
250mm	£174	£232	£474	£488	£658
315mm	£198	£312	£624	£752	£948
355mm	£232	£348	£762	£920	£1,130
400mm	£270	£388	£808	£990	£1,158
450mm	£352	£468	£880	£1,046	£1,198

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

Note: Where in rare cases, the depth of the excavation is greater than 3 metres, a variable charge may apply instead as set out in section 5.1.

Main Laying Charge – Contamination risk Barrier Pipe

(Fixed charges - contestable)

Pipe Size	Surface Type – Up to 1m Excavation depth				
	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£55	£77	£138	£165	£218
90mm	£55	£78	£145	£166	£227
125mm	£61	£85	£148	£174	£252
180mm	£67	£96	£164	£186	£275
250mm	£92	£120	£247	£256	£346
315mm	£105	£164	£327	£394	£499
355mm	£120	£183	£401	£482	£594
400mm	£150	£204	£423	£518	£608
450mm	£185	£245	£461	£549	£630

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

Pipe Size	Surface Type – Up to 2m Excavation depth				
	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£83	£116	£207	£248	£327
90mm	£83	£117	£218	£249	£341
125mm	£92	£128	£222	£261	£378
180mm	£101	£144	£246	£279	£413
250mm	£138	£180	£371	£384	£519
315mm	£158	£246	£491	£591	£749
355mm	£180	£275	£602	£723	£891
400mm	£225	£306	£635	£777	£912
450mm	£278	£368	£692	£824	£945

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

Pipe Size	Surface Type – Up to 3m Excavation depth				
	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£110	£154	£276	£330	£436
90mm	£110	£156	£290	£332	£454
125mm	£122	£170	£296	£348	£504
180mm	£134	£192	£328	£372	£550
250mm	£184	£240	£494	£512	£692
315mm	£210	£328	£654	£788	£998
355mm	£240	£366	£802	£964	£1,188
400mm	£300	£408	£846	£1,036	£1,216
450mm	£370	£490	£922	£1,098	£1,260

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

Note: Where in rare cases, the depth of the excavation is greater than 3 metres, a variable charge may apply instead as set out in section 5.1.

On-Site Tee Connection Charge

(Fixed charge - contestable)

	Per Branch Connection
Pipe Size	No excavation
63mm	£1,543
90mm	£1,770
125mm	£2,301
180mm	£2,425
250mm	£3,347
315mm	£5,155

Third Party Costs

The Kent Lane Rental Fee (Fixed costs)

	Cost Per day	Cost Per day
Band	Road Closure	Lane Closure
KLR1	£2,210.00	£910.00
KLR2	£2,230.00	£910.00
KLR3	£1,820.00	£705.00
KLR4	£1,820.00	£398.00

Surrey Lane Rental Fee (Fixed charge)

	Cost per day	Cost per day
Band	Road Closure	Lane Closure
All	£2,780.00	£1,780.00

West Sussex Lane Rental Fee (Fixed charge)

Band	Lane Rental Charge Discount	Full Day Charge	1/2 Day Charge ³
1 - Single Carriageway	0%	£2,680.00	£1,430.00
2 - All carriageway Remedial works	0%	£2,680.00	£1,430.00
3 - Single Lane Occupancy of Multi	20%	£2,180.00	£1,180.00
4 - Cycle track	40%	£1,680.00	£930.00
5 - Footway	0%	£930.00	£680.00

Lane Closure Fee (Fixed Charge)

Details – full duration of works	Charge
Costs relating to Lane closure	£1,748.00

Road Closure Fee (Fixed Charge)

Details – full duration of works	Charge
Costs relating closure of Highway- Eastern	£2,822.00
Costs relating closure of Highway- Western	£3,107.00

The Traffic Management Fee (Fixed charges)

Supplying Lights	Cost Per day		
	2 Way Lights	3 Way lights	4 Way Lights
Near side	£626.00	£681.00	£1,070.00
Far side	£1,034.00	£1,126.00	£1,775.00

Manual operation of Lights	Cost Per day		
	2 Way Lights	3 Way Lights	4 Way Lights
Near side	£512.00	£712.00	£712.00
Far side	£718.00	£1,025.00	£1,025.00

Highway Permit Fees (Fixed)

	Main Roads	Minor Roads
	All C, 1 and 2 streets and Traffic Sensitive (at any time) 3 & 4 streets	3 and 4 / Non Traffic Sensitive Streets
Provisional Advance Authorisation	£113.00	£90.00
Major Activity (over 10 days) and all major works requiring a traffic regulation order	£250.00	£229.00
Major Activity (4-10 days)	£160.00	£133.00
Major Activity (up to 3 days)	£80.00	£75.00
Standard Activity	£160.00	£78.00
Minor Activity	£95.00	£54.00
Immediate Activity	£88.00	£54.00
Permit Variation	£76.00	£66.00

Other Traffic Management Fees (Fixed)

Details	Pedestrian Crossing	Traffic Signal Junction
Bagging off of existing traffic lights	£766.00	£968.00

Details	Per 50 properties
Warning letters	£133.00

Details	Per day
Bus stop suspension	£202.00
Parking bay suspension	£125.00

The Land Agent Charge (Fixed)

Connections

Costs relating to surveys and notices required in private land	Charge + 20% VAT
Service Connections	£1,200.00
Requisitions	£2,500.00
Diversions	£3,500.00

The Railway Undertaker Charge (Fixed)

Details	Charge
Network Rail Survey Fee	£5,000.00

The Environmental Management Charge (Fixed)

Category/Risk	Charge
Cat 1 (low risk)	£4,260.00
Cat2 (Low/Med risk)	£9,975.00
Cat 3 (Med risk)	£79,948.00
Cat 4 (High risk)	£175,199.00

The Archaeological Charge (Fixed)

Risk level	Charge
Low Risk	£5,500.00
Medium/High Risk	£10,500.00

The Watercourse Crossing Charge (Fixed)

Risk Level	Charge
Low Complexity	£90,000.00
Medium Complexity	£130,000.00
High Complexity	£330,000.00

The Major Road or Railway Crossing Charge (Fixed)

Type of Road	Charge
Low Complexity	£105,000.00
Medium Complexity	£145,000.00
High Complexity	£1,095,000.00

Appendix 3 – Self-Lay

Administration, Application and Abortive visit Fees

Application fee (Fixed charge) Inclusive of VAT @ 20%	
Site - Application fee Point of connection enquiry	£308.00
Site – Application fee if design is carried out by SEW (includes application fee above)	£553.00
Design fee	£243.00
Administration fees (Fixed charge) Inclusive of VAT @ 20%	
Administration fee (Initial meter)	£42.00
Administration fee (subsequent meter)	£244.00
Other charges (Fixed costs)	
Site - Mains design checking fee - up to 100 properties	£153.00
Site - Mains design checking fee - each additional 100	£16.00
Site - Pressure testing	£861.00
Site - Chlorination	£861.00
Site - Price per meter	£49.00
Site – Price per carrier (Internal meter)	£34.00
Site – Installation cost (tech time only)	£68.00
Site - Sampling fee	£118.00
Site – As laid plans	
Missed appointment, abortive visit and cancellation charges (Fixed costs)	
Standard missed appointment	£108.00
Non-standard missed appointment	£152.00
Standard cancellation	£23.00
Non- standard cancellation	£32.00
Remobilisation/Demobilisation charge	£1,893.00
Cancellation/postponement of works	£118.00
Out of hours uplift – up to midnight (%)	29.00%
Out of hours uplift – after midnight (%)	51.00%

Network Connection Charge

(Fixed costs – non – contestable)	Excavation- up to 1m depth				
	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
Pipe size					
63mm	£1,547	£1,789	£2,072	£2,145	£2,752
90mm	£1,642	£1,839	£2,107	£2,226	£2,840
125mm	£1,840	£1,931	£2,210	£2,347	£2,965
180mm	£1,919	£2,007	£2,258	£2,404	£2,993
250mm	£2,060	£2,560	£3,060	£3,560	£4,060
315mm	£3,063	£3,563	£4,063	£4,563	£5,063
355mm	£3,263	£3,763	£4,263	£4,763	£5,263
400mm	£4,433	£4,933	£5,433	£5,933	£6,433
450mm	£4,980	£5,480	£5,980	£6,480	£6,980

*Where excavation is carried out by the developer.

	Excavation- up to 2m depth				
Pipe size	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
63mm	£2,321	£2,684	£3,108	£3,218	£4,128
90mm	£2,463	£2,759	£3,161	£3,339	£4,260
125mm	£2,760	£2,897	£3,315	£3,521	£4,448
180mm	£2,879	£3,011	£3,387	£3,606	£4,490
250mm	£3,090	£3,840	£4,590	£5,340	£6,090
315mm	£4,595	£5,345	£6,095	£6,845	£7,595
355mm	£4,895	£5,645	£6,395	£7,145	£7,895
400mm	£6,650	£7,400	£8,150	£8,900	£9,650
450mm	£7,470	£8,220	£8,970	£9,720	£10,470

*Where excavation is carried out by the developer.

	Excavation- up to 3m depth				
Pipe size	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
63mm	£3,094	£3,578	£4,144	£4,290	£5,504
90mm	£3,284	£3,678	£4,214	£4,452	£5,680
125mm	£3,680	£3,862	£4,420	£4,694	£5,930
180mm	£3,838	£4,014	£4,516	£4,808	£5,986
250mm	£4,120	£5,120	£6,120	£7,120	£8,120
315mm	£6,126	£7,126	£8,126	£9,126	£10,126
355mm	£6,526	£7,526	£8,526	£9,526	£10,526
400mm	£8,866	£9,866	£10,866	£11,866	£12,866
450mm	£9,960	£10,960	£11,960	£12,960	£13,960

*Where excavation is carried out by the developer.

Main Laying Charge - HPPE No contamination risk

(Fixed costs - contestable)

	Surface Type – Up to 1m Excavation depth				
Pipe Size	No Excavation*	Unmade Ground	Footway - HPPE pipe	Private Road HPPE pipe	Road Highways HPPE
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£52	£72	£133	£157	£204
90mm	£52	£74	£137	£159	£217
125mm	£57	£81	£143	£166	£239
180mm	£63	£92	£157	£177	£262
250mm	£87	£116	£237	£244	£329
315mm	£99	£156	£312	£376	£474
355mm	£116	£174	£381	£460	£565
400mm	£135	£194	£404	£495	£579
450mm	£176	£234	£440	£523	£599

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

	Surface Type – Up to 2m Excavation depth				
Pipe Size	No Excavation*	Unmade Ground	Footway - HPPE pipe	Private Road HPPE pipe	Road Highways HPPE
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£78	£108	£200	£236	£306
90mm	£78	£111	£206	£239	£326
125mm	£86	£122	£215	£249	£359
180mm	£95	£138	£236	£266	£393
250mm	£131	£174	£356	£366	£494
315mm	£149	£234	£468	£564	£711
355mm	£174	£261	£572	£690	£848
400mm	£203	£291	£606	£743	£869
450mm	£264	£351	£660	£785	£899

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

	Surface Type – Up to 3m Excavation depth				
Pipe Size	No Excavation*	Unmade Ground	Footway - HPPE pipe	Private Road HPPE pipe	Road Highways HPPE
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£104	£144	£266	£314	£408
90mm	£104	£148	£274	£318	£434
125mm	£114	£162	£286	£332	£478
180mm	£126	£184	£314	£354	£524
250mm	£174	£232	£474	£488	£658
315mm	£198	£312	£624	£752	£948
355mm	£232	£348	£762	£920	£1,130
400mm	£270	£388	£808	£990	£1,158
450mm	£352	£468	£880	£1,046	£1,198

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

Main Laying Charge – Contamination risk Barrier Pipe

(Fixed charges - contestable)

	Surface Type – Up to 1m Excavation depth				
Pipe Size	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£55	£77	£138	£165	£218
90mm	£55	£78	£145	£166	£227
125mm	£61	£85	£148	£174	£252
180mm	£67	£96	£164	£186	£275
250mm	£92	£120	£247	£256	£346
315mm	£105	£164	£327	£394	£499
355mm	£120	£183	£401	£482	£594
400mm	£150	£204	£423	£518	£608
450mm	£185	£245	£461	£549	£630

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

	Surface Type – Up to 2m Excavation depth				
Pipe Size	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£83	£116	£207	£248	£327
90mm	£83	£117	£218	£249	£341
125mm	£92	£128	£222	£261	£378
180mm	£101	£144	£246	£279	£413
250mm	£138	£180	£371	£384	£519
315mm	£158	£246	£491	£591	£749
355mm	£180	£275	£602	£723	£891
400mm	£225	£306	£635	£777	£912
450mm	£278	£368	£692	£824	£945

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

Pipe Size	Surface Type – Up to 3m Excavation depth				
	No Excavation*	Unmade Ground	Footway	Private Road	Road Highways
	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£110	£154	£276	£330	£436
90mm	£110	£156	£290	£332	£454
125mm	£122	£170	£296	£348	£504
180mm	£134	£192	£328	£372	£550
250mm	£184	£240	£494	£512	£692
315mm	£210	£328	£654	£788	£998
355mm	£240	£366	£802	£964	£1,188
400mm	£300	£408	£846	£1,036	£1,216
450mm	£370	£490	£922	£1,098	£1,260

*Where excavation is carried out by the developer and we only carry out the main laying in the trench.

Third Party Costs

The Kent Lane Rental Fee (Fixed costs)

	Cost Per day	Cost Per day
Band	Road Closure	Lane Closure
KLR1	£2,210.00	£910.00
KLR2	£2,230.00	£910.00
KLR3	£1,820.00	£705.00
KLR4	£1,820.00	£398.00

Surrey Lane Rental Fee (Fixed charge)

	Cost per day	Cost per day
Band	Road Closure	Lane Closure
All	£2,780.00	£1,780.00

West Sussex Lane Rental Fee (Fixed charge)

Band	Lane Rental Charge Discount	Full Day Charge	1/2 Day Charge ³
1 - Single Carriageway	0%	£2,680.00	£1,430.00
2 - All carriageway Remedial works	0%	£2,680.00	£1,430.00
3 - Single Lane Occupancy of Multi	20%	£2,180.00	£1,180.00
4 - Cycle track	40%	£1,680.00	£930.00
5 - Footway	0%	£930.00	£680.00

Lane Closure Fee (Fixed Charge)

Details – full duration of works	Charge
Costs relating to Lane closure	£1,748.00

Road Closure Fee (Fixed Charge)

Details – full duration of works	Charge
Costs relating closure of Highway- Eastern	£2,822.00
Costs relating closure of Highway- Western	£3,107.00

The Traffic Management Fee (Fixed charges)

Supplying Lights	Cost Per day		
	2 Way Lights	3 Way lights	4 Way Lights
Near side	£626.00	£681.00	£1,070.00
Far side	£1,034.00	£1,126.00	£1,775.00

Manual operation of Lights	Cost Per day		
	2 Way Lights	3 Way Lights	4 Way Lights
Near side	£512.00	£712.00	£712.00
Far side	£718.00	£1,025.00	£1,025.00

Highway Permit Fees (Fixed)

	Main Roads	Minor Roads
	All C, 1 and 2 streets and Traffic Sensitive (at any time) 3 & 4 streets	3 and 4 / Non Traffic Sensitive Streets
Provisional Advance Authorisation	£113.00	£90.00
Major Activity (over 10 days) and all major works requiring a traffic regulation order	£250.00	£229.00
Major Activity (4-10 days)	£160.00	£133.00
Major Activity (up to 3 days)	£80.00	£75.00
Standard Activity	£160.00	£78.00
Minor Activity	£95.00	£54.00
Immediate Activity	£88.00	£54.00
Permit Variation	£76.00	£66.00

Other Traffic Management Fees (Fixed)

Details	Pedestrian Crossing	Traffic Signal Junction
Bagging off of existing traffic lights	£766.00	£968.00

Details	Per 50 properties
Warning letters	£133.00

Details	Per day
Bus stop suspension	£202.00
Parking bay suspension	£125.00

The Land Agent Charge (Fixed)

Connections

Costs relating to surveys and notices required in private land	Charge + 20% VAT
Service Connections	£1,200.00
Requisitions	£2,500.00
Diversions	£3,500.00

The Railway Undertaker Charge (Fixed)

Details	Charge
Network Rail Survey Fee	£5,000.00

The Environmental Management Charge (Fixed)

Category/Risk	Charge
Cat 1 (low risk)	£4,260.00
Cat2 (Low/Med risk)	£9,975.00
Cat 3 (Med risk)	£79,948.00
Cat 4 (High risk)	£175,199.00

The Archaeological Charge (Fixed)

Risk level	Charge
Low Risk	£5,500.00
Medium/High Risk	£10,500.00

The Watercourse Crossing Charge (Fixed)

Risk Level	Charge
Low Complexity	£90,000.00
Medium Complexity	£130,000.00
High Complexity	£330,000.00

The Major Road or Railway Crossing Charge (Fixed)

Type of Road	Charge
Low Complexity	£105,000.00
Medium Complexity	£145,000.00
High Complexity	£1,095,000.00

Appendix 4 – Infrastructure Charge and Income Offset

Infrastructure Charge and income offset allowance, 2023/2024 (Excluding VAT)

Standard Infrastructure charge: **£ 633**

Eco Connection Infrastructure charge: **£ 583**

Standard Offset per plot: **£ 605**

Legacy infrastructure charge: **£ 405.43**

Appendix 5 – Worked examples of site costings

Examples of site costings

Please find below some examples of site costing, ranging from a single connection to a 200 connection site.

Definition of relevant terms and details on the worked examples are set out in the **Common Terms and Worked Examples - English New Connection Rules** published by Ofwat with the new connection charging rules which is available at: <https://www.ofwat.gov.uk/publication/common-terms-and-worked-examples-english-new-connection-rules-effective-from-april-2022/>

Scenario 1:– Single connection to a house from an existing main

Pipework:

- Connection to an existing 90mm main
- 25-32mm diameter PE Pipe
- 4 m pipework in Road

Traffic management assumes the road (Type 3-4) is 40mph, has two lanes and does not require a road closure or lane closure. Two-way automated lights are required. There is also an assumption that the only payable council charges are for permitting.

Scenario 1: Single connection to a house from an existing main	Pipe work Connection to an existing 90mm main, 25-32mm diameter PE Pipe, 4 m pipework in Road								Traffic management assumes the road (Type 3-4) is 40mph, has two lanes and does not require a road closure or lane closure. Two-way automated lights are required. There is also an assumption that the only payable council charges are for permitting.		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 (£)	
	Pre-Construction Charges											
Y	Application Fee	Per application	1	£91.00	£91.00	0%	£91.00	N	£91.00	£91.00		
	Administration Fee	Per application	1	£55.00	£55.00	0%	£55.00	N	£55.00	£55.00		
	Design Fee	Per application	1	*see note	*see note			Y				
	Construction Charges											
	Connection Charges											
Y	Connection sub-charge 1	Per connection	1	£779.00	£779.00	40%	£1,089.00	Y	£0.00	£0.00		
	Connection sub-charge 2											
	Connection sub-charge 3											
	Pipework - Road	Per metre	3	£136.00	£408.00	46%	£447.00	Y	£0.00	£0.00		
	Traffic Management	Per TM usage	1	£718.00	£718.00	0%	£718.00	Y	£0.00	£0.00		
	Meters	per Connection	1	£50.00	£50.00	0%	£50.00	Y	£0.00	£0.00		
	Other Charges											
	As applicable (ie S106 vetting fee)											
	Infrastructure Charges											
Y	Infrastructure Charges - Water	Per property	1	£633.00	£633.00							
	Infrastructure Charges - Sewerage	Per property										
	Income Offset											
Y	Income Offset - Water	Per property	1	£630.00	£630.00							
	Income Offset - Sewerage	Per Property	1									
	TOTALS											
					£2,104.00		£2,453.00			£149.00		
*Note: Application fee in	**Note: Self lay meters - is for meter only											

Scenario 2: – Single connection to a block of flats from an existing main (Bulk Supply)

Pipework

- 10 new flats connected to an existing 90mm PE main – No new mains/sewer required;
- Large Diameter (63)mm Water Connection – PE PIPE
- 4m Pipework in Road, 4m pipework in unmade ground

Traffic management assumes the road (Type 3-4) is 40mph, has two lanes and does not require a road closure or lane closure. Two-way automated lights are required. There is also an assumption that the only payable council charges are for permitting.

Scenario 2: Single connection to a block of flats from an existing main		Pipework 10 new flats connected to an existing 90mm PE main – No new mains/sewer required. Large Diameter (63)mm Water Connection – PE PIPE 4m Pipework in Road, 4m pipework in unmade ground							Traffic management assumes the road (Type 3-4) is 40mph, has two lanes and does not require a road closure or lane closure. Two-way automated lights are required. There is also an assumption that the only payable council charges are for permitting.		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 (£)		
	Pre-Construction Charges											
Y	Application Fee	Per application	1	£91.00	£91.00	0%	£91.00	N	£91.00	£91.00		
	Administration Fee (Initial Plot)	Per application	1	£55.00	£55.00	0%	£55.00	N	£55.00	£55.00		
	Administration Fee (Subsequent plots)	Per application	9	£25.00	£225.00	0%	£225.00	N	£225.00	£225.00		
	Design Fee	Per application	1	* see note	* see note			Y				
	Construction Charges											
	Connection Charges											
Y	Connection sub-charge 1		1	£1,921.00	£1,921.00	23%	£2,407.00	Y	£0.00	£0.00		
	Connection sub-charge 2		3	£139.00	£417.00	52%	£459.00	Y	£0.00	£0.00		
	Connection sub-charge 3							Y	£0.00	£0.00		
	Pipework - Unmade	Per metre	4	£53.00	£212.00	11%	£236.00	Y	£0.00	£0.00		
	Traffic Management	Per TM usage	1	£718.00	£718.00	0%	£718.00	Y	£0.00	£0.00		
	Meters (internal)	per Connection	10	£152.00	£1,520.00	0%	£1,520.00	Y	£0.00	£0.00		
	Other Charges											
	As applicable (ie S106 vetting fee)											
	Infrastructure Charges											
Y	Infrastructure Charges - Water	Per property	10	£633.00	£6,330.00					£6,330.00		
	Infrastructure Charges - Sewerage	Per property										
	Income Offset											
Y	Income Offset - Water	Per property	10	£630.00	£6,300.00					£6,300.00		
	Income Offset - Sewerage	Per Property										
	TOTALS				£5,189.00		£5,741.00			£401.00		
	*Note: Application fee includes design fee ** Note: Self lay meter only (not installation)											
	63mm diameter PE pipe	4m Pipework in road, 4m pipework in unmade ground										

No flow rate has been given in the example, infra and income offset has been based off the bulk supply providing 2.7 l/s (this is 10×0.27 l/s flow rate in which standard infra is calculated)

Scenario 3 - Medium Housing Development requiring new mains and communication pipes (excavation and reinstatement by others)

Technical Specification (Connection

Pipework (no Excavation)

- Connection to Existing Main of 180mm diameter PE
- 3m Pipework laying (per communication pipe)

Technical Specification (Mains)

Pipework: Total length 300m consisting of:

- 125mm diameter PE – 10m road type 3-4 road (leading to the point of connection to an existing water main)
- 125mm diameter PE -190m
- 90mm diameter PE- 100m

(Please refer to the table on the next page)

Scenario 3: Medium housing development requiring new mains and communication pipe (excavation and reinstatement by others)		Technical Specification (Connection) Pipework: Connection to Existing Main of 180mm diameter PE - 2m pipework laying (per communication pipe) 1m pipework included in connection cost.					Technical Specification (Mains) pipework: Total length 300m, consisting of: 125mm diameter PE - 10m road type 3-4 road (leading to the point of connection to an existing water main) 125mm diameter PE - 190m 90mm diameter PE - 100m					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	Nav Rate (£)	Nav Total Charge				
Pre-Construction Charges - Connection																
Y	Application Fee	Per application	1	£553.00	£553.00	0%	£553	N	£308	£308	£308	£308				
	Administration Fee	Per application	1	£42.00	£42.00	0%	£42	N	£42	£42	£42	£42				
	Design Fee	Per application	1	£0.00	£0.00	0%	£0	Y	£0	£0	£0	£0				
Pre-Construction Charges - Mains																
	Application Fee	Per application	1	£0.00	£0.00	0%	£0	N	£0	£0	£0	£0				
	Administration Fee	Per application	1	£0.00	£0.00	0%	£0	N	£0	£0	£0	£0				
	Design Fee	Per application	1	£0.00	£0.00	0%	£0	Y	£0	£0	£0	£0				
Construction Charges - Connection																
	Service connection	per connection	50	£410	£20,500	44%	£29,500	Y	£0.00	£0.00	£0.00	£0.00				
	Administration Fee	per connection	1	£42	£42	0%	£42	N	£42	£42	£0.00	£0.00				
	Administration Fee	per connection	49	£25	£1,225	0%	£1,225	Y	£1,225	£1,225	£0.00	£0.00				
Y	Pipework	per metre	50	£14	£700	14%	£800	Y	£0.00	£0.00	£0.00	£0.00				
	Meter installation	per meter	50	£50	£2,500	0%	£2,500	Y	£0.00	£0.00	£0.00	£0.00				
Construction Charges -Mains																
	Mains connection 125mm road	per connection	1	£2,965	£2,965	0%	£2,965	N	£2,965	£2,965	£2,965	£2,965				
	Branch Tee Cost 125mm	Per tee	1	£2,301	£2,301	0%	£2,301	N	£2,301	£2,301	£2,301	£2,301				
	1m of 125mm mains laid in Road	Per metre	1	£239	£239	5%	£252	N	£239	£239	£239	£239				
	9m of 125mm mains in road	Per metre	9	£239	£2,151	5%	£2,268	Y	£0	£0	£0	£0				
	190m of 125mm in unmade	Per metre	190	£81	£15,390	5%	£16,150	Y	£0	£0	£0	£0				
	100m of 90mm in unmade	Per metre	100	£74	£7,400	5%	£7,800	Y	£0	£0	£0	£0				
	1branch Tee 125mm	Per tee	1	£2,301	£2,301	0%	£2,301	Y	£0	£0	£0	£0				
	1branch Tee 90mm	Per tee	1	£1,770	£1,770	0%	£1,770	Y	£0	£0	£0	£0				
	Road closure costs	fixed cost	1	£2,822	£2,822	0%	£2,822	Y	£0	£0	£0	£0				
	Notice costs	fixed cost	1	£250	£250	0%	£250	Y	£0	£0	£0	£0				
Other Charges																
	As applicable (ie S106 vetting fee)	N/A														
Infrastructure Charges																
Y	Infrastructure Charges - Water	Per property	50	£633	£31,650	0%	£31,650	N	£31,650	£31,650	£31,650	£31,650				
	Infrastructure Charges - Sewerage	Per property														
Income Offset																
Y	Income Offset - Water	Per property	50	£630	£31,500	0%	£31,500	N	£31,500	£31,500	£31,500	£31,500				
	Income Offset - Sewerage	Per Property														
TOTALS					£63,301		£73,691			£7,272		£6,005.00				
*Note: we have a site application fee rather than a mains and per service.		** Note: Self lay meter - installation assumption that SEW provide and carry out meter installation			All costs minus income offset HPPE		all costs minus income offset PEBP			Self Lay non contestable charge minus income offset		Total Nav charge minus income offset				

Scenario 4 - Medium Housing Development requiring new mains and communication pipes (excavation and reinstatement by Water Company)

Technical Specification (Connection

Pipework (no Excavation)

- Connection to Existing Main of 180mm diameter PE
- 3m Pipe laying (per communication pipe)

Technical Specification (Mains)

Pipework: Total length 300m consisting of:

- 125mm diameter PE – 10m road (including connection to existing 180mm PE main
- 125mm diameter PE -50m pipework in footpath
- 125mm diameter PE- 140m pipework in unmade ground
- 90mm diameter PE – 100m pipework in unmade ground

(Please refer to the table on the next page)

Scenario 4: Medium housing development requiring new mains and communication pipe (excavation and reinstatement by Water Company)		Technical Specification (Connection) Pipework: Connection to Existing Main of 180mm diameter PE - 3m pipework laying (per communication pipe) - Connection to existing main of 180mm diameter PE - 2m pipework laying (per communication pipe) 1m pipework included in connection cost.			Technical Specification (Mains) Pipework: Total length 300m, consisting of: - 125mm diameter PE – 10m pipework in road (including connection to existing 180mm PE Main) - 125mm diameter PE – 50m pipework in footpath - 125mm diameter PE – 140m pipework in Unmade ground - 90mm diameter PE – 100m pipework Unmade ground				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	Nav Rate (£)	Nav Total	
Pre-Construction Charges - Connection													
Y	Application Fee	Per application	1	£553	£553	0%	£553	N	£308	£308	£308	£308	
	Administration Fee	Per application	1	£42	£42	0%	£42	N	£42	£42	£42	£42	
	Design Fee	Per application	1	£0	£0	0%	£0	Y	£0	£0	£0	£0	
Pre-Construction Charges - Mains													
	Application Fee	Per application	1	£0.00	£0.00	0%	£0	N	£0	£0	£0	£0	
	Administration Fee	Per application	1	£0.00	£0.00	0%	£0	N	£0	£0	£0	£0	
	Design Fee	Per application	1	£0.00	£0.00	0%	£0	N	£0	£0	£0	£0	
Construction Charges - Connection													
	Service connection	per connection	50	£410	£20,500	44%	£29,500	Y	£0	£0	£0	£0	
	Administration Fee	per connection	1	£42	£42	0%	£42.00	N	£42	£42	£0	£0	
	Administration Fee	per connection	49	£25	£1,225	0%	£1,225.00	N	£1,225	£1,225	£0	£0	
Y	Pipework	per metre	50	£14	£700	14%	£800	Y	£0	£0	£0	£0	
	Meter installation	per meter	50	£50	£2,500	0%	£2,500.00	Y	£0	£0	£0	£0	
Construction Charges -Mains													
	Mains connection 125mm road	per connection	1	£2,965	£2,965	0%	£2,965	N	£2,965	£2,965	£2,965	£2,965	
	Branch Tee Cost 125mm	Per tee	1	£2,301	£2,301	0%	£2,301	N	£2,301	£2,301	£2,301	£2,301	
	1m of 125mm mains laid in Road	Per metre	1	£239	£239	5%	£252	N	£239	£239	£239	£239	
	9m of 125mm mains laid in Road	Per metre	9	£239	£2,151	5%	£2,268	Y	£0	£0	£0	£0	
	50m of 125mm laid in in footpat	Per metre	50	£143	£7,150	3%	£7,400	Y	£0	£0	£0	£0	
	140m of 125mm laid in unmade	Per metre	140	£81	£11,340	5%	£11,900	Y	£0	£0	£0	£0	
	100m of 90mm laid in unmade	per metre	100	£74	£7,400	5%	£7,800	Y	£0	£0	£0	£0	
	2 Branch tee 125mm	Per tee	2	£2,301	£4,602	0%	£4,602	Y	£0	£0	£0	£0	
	1 branch tee 90mm	Per tee	1	£1,770	£1,770	0%	£1,770	Y	£0	£0	£0	£0	
	Road closure	fixed cost	1	£2,822	£2,822	0%	£2,822	Y	£0	£0	£0	£0	
	Permit cost road closure	fixed cost	1	£250	£250	0%	£250	Y	£0	£0	£0	£0	
Other Charges													
	As applicable (ie S108 vetting fee)	N/A											
Infrastructure Charges													
Y	Infrastructure Charges - Water	Per property	50	£633	£31,650	0%	£31,650	N	£31,650	£31,650	£31,650	£31,650	
	Infrastructure Charges - Sewerage	Per property											
Income Offset													
Y	Income Offset - Water	Per property	50	£630	£31,500	0%	£31,500	N	£31,500	£31,500	£31,500	£31,500	
	Income Offset - Sewerage	Per Property											
TOTALS					£68,702		£79,142			£7,272		£6,005	
** Note: we have a site application fee rather than a mains and per service.						All costs minus income offset HPPE		All costs minus income offset PEBP		Self Lay non contestable charge minus income offset		Total Nav charge minus income offset	

Scenario 5 – Large Housing Development requiring new mains and communication pipes (excavation and reinstatement completed by others)

Technical Specification (Connection

Pipework (no Excavation)

- Connection to Existing Main of 180mm diameter PE
- 3m Pipe laying (per communication pipe)

Technical Specification (Mains)

Pipework: Total length 1000m consisting of:

- 180mm diameter PE – 20m in type 3-4 road (leading to point of connection)
- 180mm diameter PE -100m pipework
- 125mm diameter PE- 480m 90mm diameter PE – 400m pipework

(Please refer to the table on the next page)

Scenario 5: Large housing development requiring new mains and communication pipe (excavation and reinstatement completed by others)		Technical Specification (Connection) Pipework: Connection to Existing Main of 180mm diameter PE - 3m pipework laying (per communication pipe) - Connection to existing main of 180mm diameter PE - 2m pipework laying (per communication pipe) 1m pipework included in connection cost.			Technical Specification (Mains) Pipework: Total length 300m, consisting of: - 125mm diameter PE - 10m pipework in road (including connection to existing 180mm PE Main) - 125mm diameter PE - 50m pipework in footpath - 125mm diameter PE - 140m pipework in Unmade ground - 90mm diameter PE - 100m pipework Unmade ground				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	Nav Rate (£)	Nav Total Charge	
Pre-Construction Charges - Connection													
Y	Application Fee	Per application	1	£553	£553	0%	£553	N	£308	£308	£308	£308	
	Administration Fee	Per application	1	£42	£42	0%	£42	N	£42	£42	£42	£42	
	Design Fee	Per application	1	£0	£0	0%	£0	Y	£0	£0	£0	£0	
Pre-Construction Charges - Mains													
	Application Fee	Per application	1	£0	£0	0.00%	£0	N	£0	£0	£0	£0	
	Administration Fee	Per application	1	£0	£0	0.00%	£0	N	£0	£0	£0	£0	
	Design Fee	Per application	1	£0	£0	0.00%	£0	Y	£0	£0	£0	£0	
Construction Charges - Connection													
	Service connection	per connection	200	£410	£82,000	44%	£118,000	Y	£0	£0	£0	£0	
	Administration Fee	per connection	1	£42	£42	0%	£42	N	£42	£42	£0	£0	
	Administration Fee	per connection	199	£25	£4,975	0%	£4,975	N	£4,975	£4,975	£0	£0	
Y	Pipework	per metre	200	£14	£2,800	14%	£3,200	Y	£0	£0	£0	£0	
	Meter installation	per meter	200	£50	£10,000	0%	£10,000	Y	£0	£0	£0	£0	
Construction Charges -Mains													
	Mains connection 180mm road	per connection	1	£2,993	£2,993	0%	£2,993	N	£2,993	£2,993	£2,993	£2,993	
	Branch Tee Cost 250mm	Per tee	1	£3,347	£3,347	0%	£3,347	N	£3,347	£3,347	£3,347	£3,347	
	1m of 180mm mains laid in road	Per metre	1	£262	£262	5%	£275	N	£262	£262	£262	£262	
	19m of 180mm mains laid in road	per metre	19	£262	£4,978	5%	£5,225	Y	£0	£0	£0	£0	
	100m of 180mm mains laid in unmade ground	Per metre	100	£92	£9,200	4%	£9,600	Y	£0	£0	£0	£0	
	480m of 125mm mains laid in unmade ground	Per metre	480	£81	£38,880	5%	£40,800	Y	£0	£0	£0	£0	
	400m of 90mm mains laid in unmade ground	Per metre	400	£74	£29,600	5%	£31,200	Y	£0	£0	£0	£0	
	3 branch tees 180mm	Per tee	3	£2,425	£7,275	0%	£7,275	Y	£0	£0	£0	£0	
	3 branch tees 125mm	Per tee	3	£2,301	£6,903	0%	£6,903	Y	£0	£0	£0	£0	
	2 branch tees 90mm	Per tee	2	£1,770	£3,540	0%	£3,540	Y	£0	£0	£0	£0	
	Road closure	Fixed cost	1	£2,822	£2,822	0%	£2,822	Y	£0	£0	£0	£0	
	Permit cost road closure	Fixed cost	1	£250	£250	0%	£250	Y	£0	£0	£0	£0	
Other Charges													
	As applicable (ie S106 vetting fee)												
Infrastructure Charges													
Y	Infrastructure Charges - Water	Per property	200	£633	£126,600	0%	£126,600	N	£126,600	£126,600	£126,600	£126,600	
	Infrastructure Charges - Sewerage	Per property											
Income Offset													
Y	Income Offset - Water	Per property	200	£630	£126,000	0%	£126,000	N	£126,000	£126,000	£126,000	£126,000	
	Income Offset - Sewerage	Per Property											
TOTALS					£211,062		£251,642			£12,569		£7,552	
*Note: we have a site application fee rather than a mains and per service.		** Note: Self lay meter - installation assumption that SEW provide and carry out meter installation			all costs minus income offset HPPE		all costs minus income offset PEBP			Self Lay non contestable charge minus income offset		Total Nav charge minus income offset	

Scenario 6 – Large Housing Development requiring new mains and communication pipes (excavation and reinstatement completed by Water Company)

Technical Specification (Connection

Pipework (unmade Ground)

- Connection to Existing Main of 180mm diameter PE
- 3m Pipe laying (per communication pipe)

Technical Specification (Mains)

Pipework: Total length 1000m consisting of:

- 180mm diameter PE – 20m in type 3-4 road (leading to point of connection)
- 180mm diameter PE -100m pipework
- 125mm diameter PE- 480m 90mm diameter PE – 400m pipework

(Please refer to the table on the next page)

Scenario 6: Large housing development requiring new mains and communication pipe (excavation and reinstatement by water Company)		Technical Specification (Connection) Pipework: Connection to Existing Main of 180mm diameter PE - 3m pipework laying (per communication pipe) - Connection to existing main of 180mm diameter PE - 2m pipework laying (per communication pipe) 1m pipework included in connection cost.			Technical Specification (Mains) Pipework: Total length 300m, consisting of: - 125mm diameter PE - 10m pipework in road (including connection to existing 180mm PE Main) - 125mm diameter PE - 50m pipework in footpath - 125mm diameter PE - 140m pipework in Unmade ground - 90mm diameter PE - 100m pipework Unmade ground				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	Nav Rate (£)	Nav Total Charge	
Pre-Construction Charges - Connection													
Y	Application Fee	Per application	1	£553	£553	0%	£553	N	£308	£308	£308	£308	
	Administration Fee	Per application	1	£42	£42	0%	£42	N	£42	£42	£42	£42	
	Design Fee	Per application	1	£0	£0	0%	£0	Y	£0	£0	£0	£0	
Pre-Construction Charges - Mains													
	Application Fee	Per application	1	£0	£0	0%	£0	N	£0	£0	£0	£0	
	Administration Fee	Per application	1	£0	£0	0%	£0	N	£0	£0	£0	£0	
	Design Fee	Per application	1	£0	£0	0%	£0	Y	£0	£0	£0	£0	
Construction Charges - Connection													
	Service connection	per connection	200	£410	£82,000	44%	£118,000	Y	£0	£0	£0	£0	
	Administration Fee	per connection	1	£42	£42	0%	£42	N	£42	£42	£42	£42	
	Administration Fee	per connection	193	£25	£4,975	0%	£4,975	N	£4,975	£4,975	£4,975	£4,975	
Y	Pipework	per metre	200	£14	£2,800	14%	£3,200	Y	£0	£0	£0	£0	
	Meter installation	per meter	200	£50	£10,000	0%	£10,000	Y	£0	£0	£0	£0	
Construction Charges -Mains													
	Mains connection 180mm road	per connection	1	£2,993	£2,993	0%	£2,993	N	£2,993	£2,993	£2,993	£2,993	
	Branch Tee Cost 250mm	Per tee	1	£3,347	£3,347	0%	£3,347	N	£3,347	£3,347	£3,347	£3,347	
	1m of 180mm mains laid in road	Per metre	1	£262	£262	5%	£275	N	£262	£262	£262	£262	
	19m of 180mm mains laid in road	per metre	19	£262	£4,978	5%	£5,225	Y	£0	£0	£0	£0	
	100m of 180mm mains laid in footp	Per metre	100	£157	£15,700	4%	£16,400	Y	£0	£0	£0	£0	
	480m of 125mm mains laid in unma	Per metre	480	£81	£38,880	5%	£40,800	Y	£0	£0	£0	£0	
	400m of 90mm mains laid in unma	Per metre	400	£74	£29,600	5%	£31,200	Y	£0	£0	£0	£0	
	5 branch tees 180mm	Per tee	5	£2,425	£12,125	0%		Y	£0	£0	£0	£0	
	4 branch tees 125mm	Per tee	4	£2,301	£9,204	0%		Y	£0	£0	£0	£0	
	3 branch tees 90mm	Per tee	3	£1,770	£5,310	0%		Y	£0	£0	£0	£0	
	Road closure	Fixed cost	1	£2,822	£2,822	0%		Y	£0	£0	£0	£0	
	Permit cost road closure	Fixed cost	1	£250	£250	0%		Y	£0	£0	£0	£0	
Other Charges													
	As applicable (ie S106 vetting fee)	N/A											
Infrastructure Charges													
Y	Infrastructure Charges - Water	Per property	200	£633	£126,600	0%	£126,600	N	£126,600	£126,600	£126,600	£126,600	
	Infrastructure Charges - Sewerage	Per property											
Income Offset													
Y	Income Offset - Water	Per property	200	£630	£126,000	0%	£126,000	N	£126,000	£126,000	£126,000	£126,000	
	Income Offset - Sewerage	Per Property											
TOTALS					£226,483		£267,363			£12,569		£7,552	
					All costs minus income offset HPPE		All costs Minus income offset PEBP			Self Lay non contestable charge minus income offset		Total Nav charge minus income offset	

Appendix 6 - Transitional Arrangements

What has changed?

When will old charges apply and when will new charges apply?

With changes to the Act relating to charging for new connections that came into effect on 1 April 2018 and the introduction of charging rules, there have been a number of changes to the way service connection charges, requisition charges and asset payments have been calculated in recent years.

The charging rules for new connection services (as amended) apply in relation to charges imposed on or after 1 April 2018. Additional changes were also introduced from 1 April 2020 in relation to requisition charges and the income offset.

You can find more details in the charging rules for new connection services (English undertakers) that are issued by Ofwat.

There are also transitional arrangements set out in the Water Act 2014 (Commencement No 9 and Transitional Provisions) Order 2017 which determine whether the methods of charging as they existed before 1 April 2018 or those that started to apply on 1 April 2018 under the new charging rules are applicable. Some of these transitional arrangements can only apply until 31 March 2023.

The latest change from 1 April 2020 is that the income offset is no longer applied to requisition charges but is applied instead to infrastructure charges. Consequently, an asset payment is no longer paid to self-lay providers. Ofwat has explained the reasons for this change in “New connections charges rules from April 2020 – England: Decision Document” and in “charging rules for new connections and new developments for English companies from April 2020 – decision document”.

We explain below when old and new charges apply in the context of the successive changes described above.

Service connection charges

Our new service connection charges applicable since 1 April 2018 are based on the physical characteristics of the service connection and on fixed charges components. Our charges for service connections requested on or after 1 April 2018 are calculated using this new method of charging.

Where service connections were requested before 1 April 2018 transitional arrangements specify when the old method of charging may apply in certain circumstances. We may have agreed with you that the old method of charging would continue to apply where appropriate in relation to requests made before 1 April 2018 but this may only apply until 31 March 2023.

Pre and post 1 April 2018 service connection charges

Service connections requested before 1 April 2018

- In relation to service connections requested before 1 April 2018, where the advance payment had been made on or after 1 April 2018 and/or the trench inspection had passed on or after 1 April 2018, the service connection charge is calculated using the method of charging that came into effect on 1 April 2018, **unless** we agreed with you to continue to apply the previous service connection charge (for example because the quotation was prepared on the basis of the old method of charging) but such an agreement does not apply after 31 March 2023.
- If we issued a quotation providing for both methodology depending on when the conditions above were satisfied, the relevant service connection charge applies as appropriate.

Service connections requested on or after 1 April 2018

- The service connection charge as calculated from 1 April 2018 applies to all service connections requested on or after 1 April 2018. There has been no change to the calculation of service connection charges on 1 April 2020.

Requisition charges, asset payments and infrastructure charges

Changes implemented on 1 April 2018

From 1 April 2018 a key change relating to the calculation of requisition charges and asset payments and also to infrastructure charges is that the costs of any network reinforcement that may be required in consequence of a development are no longer included in the calculation of the requisition charges or the calculation of the asset payment for self-lay. Only the cost of site specific works are used for the calculation of requisition charges or asset payments.

Site specific works typically include laying the new water main(s) from the point(s) of connection to our existing network to the site, laying the water main(s) on the site and the connection of the new water main(s) to our existing network. Network reinforcement refers to works on our network that are not site specific works and that we need to carry out in consequence of providing the new water main(s).

The costs of reinforcement are recovered through the infrastructure charge which is set using a new methodology. The new infrastructure charge is no longer capped following changes to condition C of water companies' instruments of appointment (Condition C was removed from our instrument of appointment with effect from 31 March 2022).

In certain cases, the infrastructure charge as calculated before 1 April 2018 continues to apply. This legacy infrastructure charge is a fixed sum increased each year through indexation.

Pre and post April 2018 requisition charge and asset payment

Requisitions requested before 1 April 2018

- If the undertaking was signed and the security provided to us before 1 April 2018, the requisition charge is calculated using the method of charging that applied before 1 April 2018. (Please refer to your quotation and our new connection charges scheme 2017-18 for additional information on the previous method of charging.)

- If the undertaking was signed and/or the security provided on or after 1 April 2018, the requisition charge is calculated using the method of charging that came into effect on 1 April 2018, **unless** we agreed with you to continue to apply the requisition charges as calculated before 1 April 2018 but such agreement does not apply after 31 March 2023.
- If we issued quotations providing for both methodology depending on when the conditions above were satisfied, the relevant requisition charge applies as appropriate.

Requisitions requested on or after 1 April 2018

- The requisition charge as calculated from 1 April 2018 applies to all requisitions requested on or after 1 April 2018.

Self-lay agreement concluded before 1 April 2018

- If the self-lay agreement was signed before 1 April 2018, the asset payment is calculated using the method that applied before 1 April 2018. (Please refer to your quotation and our new connection charges scheme 2017-18 for additional information on the previous method of charging.)

Self-lay agreement concluded on or after 1 April 2018

- If the self-lay agreement was signed on or after 1 April 2018, the asset payment is calculated using the method that applied from 1 April 2018.

Pre and post April 2018 infrastructure charge

- Where the requisition charge or the asset payment for a water main has been calculated using the method of charging which came into effect on 1 April 2018, the infrastructure charge is calculated using the method of charging that also came into effect on 1 April 2018 in respect of each new service connection to that main.
- Where the requisition charge or the asset payment for a water main had been calculated using the method of charging that applied before 1 April 2018, the infrastructure charge is calculated using the method of charging that also applied before 1 April 2018 in respect of each new service connection to that requisitioned main.

Changes implemented on 1 April 2020

From 1 April 2020 the income offset is no longer applied to requisition charges and is applied instead to infrastructure charges. From the same date in respect of self-lay, an asset payment is no longer paid to self-lay providers but the income offset is applied to the infrastructure charges relating to the service connections to the self-lay main.

Pre and post April 2020 requisition charge, asset payment and income offset

Requisitions requested before 1 April 2020

- If the quotation was accepted (and, where required, the undertaking had been signed and the security provided to us) before 1 April 2020, the requisition charge is calculated using the method of charging that applied before 1 April 2020 where the income offset is applied to the requisition charge. (Please refer to your quotation and Appendix 7 for additional information on the calculation of the requisition charge from 1 April 2018 to 31 March 2020.)

- If the quotation was accepted (and, where required, the undertaking has been signed and/or the security provided) on or after 1 April 2020, the requisition charge is calculated using the method of charging coming into effect on 1 April 2020 and the income offset is applied to the infrastructure charge (not to the requisition charge).
- If we issued quotations providing for both methodology depending on when the conditions above are satisfied, the relevant requisition charge applies as appropriate.

Requisitions requested on or after 1 April 2020

- The requisition charge as calculated from 1 April 2020 applies to all requisitions requested on or after 1 April 2020.

Self-lay agreement concluded before 1 April 2020

- If the self-lay agreement was signed before 1 April 2020, the asset payment is calculated using the method that applied before 1 April 2020. (Please refer to your quotation and Appendix 7 for additional information on the calculation of the asset payment from 1 April 2018 to 31 March 2020.)

Self-lay agreement concluded on or after 1 April 2020

- If the self-lay agreement was signed on or after 1 April 2020, no asset payment is paid to the self-lay provider but the income offset is applied to the infrastructure charges relating to the service connections to the self-lay main.

Impact on NAV of the changes implemented on 1 April 2020

- With the implementation of the changes to income offsetting on 1 April 2020, a payment equivalent to the income offset will no longer be made to New Appointees. Instead, the income offset will be applied to the infrastructure charges that we receive in respect of the service connections made on the NAV site. (Please refer to our charging document for charges to new appointees 2022/2023 for further information on charges to New Appointees.)

Appendix 7 – April 2018 to April 2020 – requisition charge calculation (including the income offset) and asset payment calculation

Section 1 Requisition charge

Steps of the calculation

This requisition charge is derived from the calculation of the discounted aggregate deficit as defined in the Act before 1 April 2018 but using fixed charge components to determine the costs of the site specific works.

To calculate the requisition charge we first determine the costs of the site specific works using the relevant cost components. (We may in certain cases use actual costs for certain costs components where it is not reasonably practicable to fix the relevant costs in advance as explained in sections 4 and 5 of Part 2.)

We then determine the amount of the annual repayment of a notional loan with interests for the amount of the site specific works (this is similar to a repayment mortgage over 12 years). This is shown in the “Annual Repayments of Loan” column of our quotations. The interest rate is determined by us using a methodology previously issued by Ofwat.

We then calculate the projected future revenue from the properties derived from the build and/or occupation programme provided with the application. This then enables us to calculate the income allowance which is the lesser of (i) the revenue that we expect to receive from the water main in each of the 12 calculation year and (ii) the amount of the annual repayment we have calculated. This is shown in the “Income Allowance” column of our calculations.

The income offset is the total of the discounted income allowance. The discount rate is determined by us using a methodology previously issued by Ofwat. The income offset is also the asset payment we would make to a self-lay provider when the developer chooses to procure its infrastructure through self-lay. This is shown in the “Asset Payment/Income offset” column of our calculations.

The requisition charge is the total cost of the site specific works less the income offset. This is shown in the “Requisition Charge” column of our calculations.

We provide below details on the various values used in the calculation of the requisition charge and which we provide to you in our calculations.

Calculation period

The beginning of the 12-year period relevant for the calculation of the requisition charge and income offset is the date of completion of the main. Each subsequent year commences on the anniversary of that date. Our estimators include the expected date of completion of the main and our estimating tool automatically generates the relevant 12-year period. The end of each year in the period is shown in the “Year-ending” column of our calculations.

Rate of occupation and cumulative occupancy

Our calculation normally uses the occupation rate you provide with your application. The number of properties expected to be occupied in each month of the relevant year(s) is entered as per the information you provided. This is shown in the “Cumulative Occupancy” column of our calculations.

Where the information you have provided is atypical for the type of development we will require details and further justification and reserve the right to apply a different rate of occupation.

Tariff & average metered charge per property

Water charges change on 1st April each year in accordance with our price controls. A relevant year for the calculation of the requisition charge (including the income offset) will in most cases cover two different tariff years. Where this is the case the tool blends the two tariffs proportionately. There are several tariff zones in our supply area and the relevant tariff is used depending on the location of the development.

For each year, the average annual metered charge is calculated by multiplying the volumetric charge (£/m³ for the relevant tariff zone) by the average consumption per property and adding the standing charge. The average consumption per property is based on our water resources data for the relevant resource zone.

The volumetric charge reflects the price controls for the year. Our estimating tool includes the K factor determined by Ofwat for each year in the current price review period and 0 afterwards. RPI (or other relevant index) is updated regularly, using the latest November RPI (or other relevant index) of the previous year and an assumption for subsequent years.

The volumetric charges and standing charges for the current year are those set out in our household charges scheme.

This is shown in the “Average Income per Property” column of our calculations.

Projected future revenue

The average annual metered charge reflects the average total volume of water used in a full year. Metered charges for each property will reflect the actual consumption, which will depend on how long the properties has been occupied. The number of properties occupied in any month is included in our tool in accordance with the rate of occupation. The revenue will depend on the number of months each property has been occupied in any calculation year.

This is shown in the “Projected Future Revenue” column of our calculations.

Interest rate

Our tool is updated twice a year on or before 1st October and 1st April, which is when the rate of interest (used to calculate the repayment of the notional loan of a value equal to the cost of the site specific works) is updated. We calculate this rate using a methodology previously published by Ofwat.

The rate is available in the Developer Services section of our website and is shown on our calculations.

Discount rate and discount factor

Our tool is updated twice a year on or before 1st October and 1st April, which is when the discount rate is updated. We calculate this rate using a methodology previously published by Ofwat. The rate

is available in the Developer Services section of our website and is shown on our calculations. We use this discount rate to calculate the discount factor using a net present value formula. This factor is then used to calculate the income offset; this is shown in the “Discount Factor” column of our calculations.

Section 2 Asset Payment

The asset payment under the self-lay agreement is of the same amount as the income offset calculated for the whole of the site specific works (including the undertaker’s works).

The methodology we use to calculate the asset payment is equivalent to the methodology used to calculate the requisition charge and in particular the income offset which is set out in Section 1 of this Appendix.

The calculation shows the requisition charge and the asset payment/income offset side by side using the same input data. The cost components of the site specific works (fixed upfront charge components) which are used to calculate the asset payment are the same as those used for the calculation of the requisition charge. All the costs of the site specific works are included in the calculation of the asset payment including the cost of the undertaker’s works.

To calculate the asset payment we first determine the costs of the site specific works (including the undertaker’s works) using the relevant cost components. (We may in certain cases use actual costs for certain costs components where it is not reasonably practicable to fix the relevant costs in advance as explained in sections 4 and 5 of Part 2.)

We then determine the amount of the annual repayment of a notional loan with interests for the amount of the site specific works (this is similar to a repayment mortgage over 12 years). This is shown in the “Annual Repayments of Loan” column of our calculations. The interest rate is determined by us using a methodology previously issued by Ofwat.

We then calculate the projected future revenue from the properties derived from the build and/or occupation programme usually provided with the application. This then enables us to calculate the income allowance which is the lesser of (i) the revenue that we expect to receive from the water main in each of the 12 calculation year and (ii) the amount of the annual repayment we have calculated. This is shown in the “Income Allowance” column of our calculations.

The asset payment is the total of the discounted income allowance. The discount rate is determined by us using a methodology previously issued by Ofwat. The asset payment we would make to a self-lay provider when the developer chooses to procure its infrastructure through self-lay. This is shown in the “Asset Payment/Income offset” column of our calculations.

Where specific works and/or third party costs cannot be fully ascertained until completion of the works (e.g. where the Environmental Management Charge, the Archaeological Management Charge, the Watercourse Crossing Charge and/or the Major Road or Railway Crossing Charge applies), we recalculate the final asset payment using the actual costs once they have been ascertained following completion of the works.

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