

Charging Arrangements for New  
Connection Services  
2020-2021

**Pure knowh<sub>2</sub>ow**

# About South East Water Developer Services

## Developer Services Department

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

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## Publications

You can download information on our charges, applications, policies using the following web links:  
<https://wholesale.southeastwater.co.uk/get-help/new-connections>

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## Introduction

This document sets out the charging arrangements of South East Water Ltd for new connection services for 2020-21. 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; and
- Charges for the alteration or removal of a relevant pipe under the duty set out in section 185 of the Act (“diversions”).

This document also explains how our 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 2020-21, 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 2020 and until 31 March 2021 subject to transitional provisions set out in the Water Act 2014 (Commencement No 9 and Transitional Provisions) Order 2017 and condition C of our instrument of appointment.

The charges that we will impose in our quotations for new connection services issued in the period commencing on 1 April 2020 and ending on 31 March 2021 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.

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 as set out in quotations issued before 1 April 2020 subject to relevant transitional provisions.

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; and
- Transparency and customer-focused 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.

## 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. The charges scheme rules (as amended) introduce additional changes 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) and in the charges scheme rules that were both issued by Ofwat in July 2019.

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. These transitional arrangements can apply until 31 March 2023.

The latest change from 1 April 2020 is that the income offset will no longer be applied to requisition charges but will be applied instead to infrastructure charges. Consequently, an asset payment will no longer be 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.

### 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).

- 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 will be 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 (subject to some transitional arrangements). You can find more information on the new infrastructure charge in our **infrastructure charge and miscellaneous services charges scheme**.

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. The amount of the legacy infrastructure charge is also set out in our **infrastructure charge and miscellaneous services charges scheme**.

### 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.

- 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 main.

#### Changes implemented on 1 April 2020

From 1 April 2020 the income offset will no longer be applied to requisition charges and will be applied instead to infrastructure charges. From the same date in respect of self-lay, an asset payment will no longer be paid to self-lay providers but the income offset will be 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 has 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 4 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 4 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 document: “New Appointments and Variations Pricing 2020/21”, for further information on charges to New Appointees.)

## 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 purposes to a building or part of a building.

Supplies for domestic purposes 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 a trickle flow plug will be removed once the plot to postal information has been received and verified by us.

#### 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 [wras.co.uk/WIAPS](https://www.wras.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.
- That an internal stop valve is installed within any premises close to the where the supply pipe enters the property.
- The supply pipe is 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 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.

## 1.5 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.

## 1.6 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”: where we are not performing any excavation and any reinstatement; and
- “B Type”: where we are performing excavations and/or reinstatement.

## 1.7 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. 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.

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

Barrier pipes are 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.

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

**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) 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 - New method of charging

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

Our charges for service connections that are requested since 1 April 2018 are calculated using this new 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 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 agree with you that the old method of charging will 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 this new method of charging, please refer to the transitional arrangement section on page 8.

### 2.3.1 Service Connection Charge – Upfront Fixed Costs

Our new **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 Charge**
- The **Traffic Management Charge**

- 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 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 our **infrastructure charge and miscellaneous services charges scheme**.

### 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 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 connections), fee payable under a local authority permit scheme and standard traffic management up to and including two way lights arrangements. 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 connections:

- Pipe material (standard HPPE or barrier material where there is a risk of contamination); and
- Diameter of the pipe or whether a manifold is used and the size of the manifold (4 or 6 port).

For B Type connections:

- Pipe material (standard HPPE or barrier material where there is a risk of contamination);
- Diameter of the pipe or whether a manifold is used and the size of the manifold (4 or 6 port); and
- Surface type (unmade, verge, footway and carriageway).

Where there is a manifold the relevant fixed cost for the manifold, meters and associated apparatus is determined on the basis of the surface type at the installation point.



- 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 connections:

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

For B Type connections:

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

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 where we carry out the excavation and reinstatement.

**Example:** If the communication pipe is laid in 2 metres of carriageway, then 2 metres of footway, the fixed cost per metre in carriageway will be applied for 1 metre (connection cost) carriageway plus subsequent meterage of 1 metre carriageway and 2 metres 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 and B Types service connections 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.

### Lane Rental Charge (fixed charge per day)

The Kent Lane Rental (KLR) Scheme is a scheme which Kent Highways have in place to reduce unnecessary disruption on designated roads in the Kent area. Under the scheme we must pay charges set by Kent Highways to carry out works that require a lane or road closure on designated roads during certain periods and times. The charges imposed are based on the category of the road that is defined under the scheme. The charges for each category can be found in Appendix 1 and are a per day charge.

You can find more details on the scheme at [www.kent.gov.uk/roads-and-travel/highway-permits-and-licences/kent-lane-rental-scheme](http://www.kent.gov.uk/roads-and-travel/highway-permits-and-licences/kent-lane-rental-scheme)

We may introduce similar charges as other highways authorities introduce similar schemes.

### Traffic Management Charge (fixed charge per day)

The traffic management charge is payable when 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 traffic management charge is based on the category of the road (i.e. minor road or main road.). Included in these rates is the need for manual controls during peak hours. There are two rates for the traffic management charge one for near side connections (3 day notice), another for far side connections (5 day notice). The traffic management charge does not apply for simpler traffic management requirements up to and including two way lights. The charges for each category can be found in Appendix 1.

## Permit to work in the highway (fixed)

We have to pay all highways departments a fee for a permit to work in the highway. This fee is not included in the cost above. Our area is covered by a nine different highways authorities. In order to provide a fixed cost we have used an average of all the authorities' permits fees. The charges for the different permit types can be found in Appendix 1.

## Land Agent Charge (fixed 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 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. This charge can be found 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. This charge can be found 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/](http://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 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 in putting in place any measures necessary to comply with legislative requirements. The charges for each category can be found 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 charges for each category can be found 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 charges for each category can be found 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 charges for each category can be found 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 new 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 new 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 connections 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 Charge and the Traffic Management Charge 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 Charge and the Traffic Management Charge and 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 connections will be invoiced separately after we have completed the relevant connections and the amount we will invoice will be based on actual costs we have reasonably incurred. This invoice 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 **£36.54** 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 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 Single 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**

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**

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).

### 2.6.2 Up to three service connections in a shared trench (No manifold)

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**

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**

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) multiplied by the number of communication pipes that are laid in the shared trench.

### 2.6.3 Four to six service connections with manifold

The ability to use a manifold and the size and location of the manifold will be agreed with you taking account of the requirement of third parties and in particular the Highway Authority for the adoption of the highway.

In this configuration there is one trench per manifold and the communication pipe to the manifold has a diameter of 63 mm. This configuration can only be used where the service pipes out of the manifold to the properties have a diameter of 25 mm and not greater.

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

- **A type**

The **connection charge** is based on the fixed cost per manifold of the relevant size (4 or 6 ports) 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 a 63 mm communication pipe (after deducting a 1 metre allowance).

- **B Type**

The **connection charge** is based on the fixed cost per manifold of the relevant size (4 or 6 ports) with excavation and reinstatement.

The **communication pipe charge** is based on the relevant fixed cost per metre in each section of a 63 mm communication pipe that is laid in a different surface type (as applicable).

## 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 with a different water provider who will become the water undertaker for the site instead of South East Water. Under this arrangement, if the site satisfies the relevant criteria (in most case the site must not already be served by us) then Ofwat will appoint the provider you have contracted as the new water undertaker for the site. The new water undertaker will provide or arrange for the provision of any infrastructure on the site directly with you and will be responsible for managing the infrastructure and for the supply of water to the premises on 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.

As an illustration, the following are non-contestable works

- Network reinforcement works, and design work for network reinforcement and enhancement.
- Sizing of water pipes.
- Approving on-site water distribution system designs.
- Connecting a new main to our existing network.



- Connecting a service pipe directly to an existing main, where this could affect supplies to existing customers.

## 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 purposes to multiple premises in a locality.

Supplies for domestic purposes 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, 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 the 1<sup>st</sup> 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 1<sup>st</sup> April 2020 the income offset previously applied to the requisition charge (on-site mains) will now be applied to the infrastructure charges.

The costs of reinforcement are recovered through the infrastructure charge which is set using a new methodology. You can find more information on the new infrastructure charge and the new way of offsetting in our **infrastructure charge and miscellaneous services charges scheme**.

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 and in relation to water infrastructure refers to the provision of water structures or facilities located on a development as well as work to provide and connect a requested water main and communication pipe to the development (including in the immediate vicinity). 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 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 new infrastructure charge is set out in our **infrastructure charge and miscellaneous services charges scheme**.

## 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 29. This guide also sets out the information you should provide with your applications.

You may be required to sign an undertaking with us. 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
<b>Small</b>	Up to 50 plots	25%	75%	-	-
<b>Medium</b>	51 – 150 plots	25%	25%	50%	-
<b>Large</b>	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 £36.54 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-development enquiry – Information requirements

We have 20 calendar days to provide a budget (capacity) estimate. We will provide indicative costings for the scheme alongside a plan. A hydraulic report will also be provided showing the effect of the scheme on our network and our proposals to correct any pressure issues that may be experienced as a result of the development taking place.

After the information below has been provided and logged on our system, a site meeting can be requested and organised, if you wish to discuss the development further on site.

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 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 format. This can be received via CD or by our email. The plan must include the proposed development footprint along with all details as previously stated, 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 BS10175:2001 Investigation of Potentially Contaminated Sites - Code of Practice. The soils investigation should include any potential risk of petroleum hydrocarbons.

## Application for a water main requisition – Information requirements and process

Details of application form can be found at <https://wholesale.southeastwater.co.uk/get-help/new-connections>

### 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
- 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 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 BS10175:2001 Investigation of Potentially Contaminated Sites - Code of Practice. The soils investigation should include any potential risk of petroleum hydrocarbons.

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 42 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 a unique reference number, details of the person coordinating the delivery of your scheme, a full detailed design, the full costs for the scheme, the amount of the requisition charge and the amount of the asset payment that we would pay under self-lay. Quotations can normally be accepted within a maximum period of 3 months (a shorter period may be specified where appropriate in the circumstances.)

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-development enquiry. This pre-development enquiry includes a confirmation of capacity requirements and network capacity at the time of application 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 enquiries and requisition applications 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.

### 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 the 01<sup>st</sup> April 2020 the income offset will no longer be applied to the requisition charge but will instead be applied to infrastructure charges. For further details please refer to our Infrastructure and Miscellaneous Services Charges scheme.

From the 01<sup>st</sup> April 2020 our requisition charge will be equal to the totals 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 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 costs components used to determine the total costs of site specific works in the next section.

The total costs of the site specific works is usually determined using fixed costs components. (Exceptionally, where it is not reasonably practicable to fix all the costs components, 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 to take account of the changes to the works on completion of 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 costs components 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 cost components are used to determine the cost of the site specific works:

- **Network Connection Cost Component**
- **Main Laying Cost Component**
- **Branch Tee Cost Component**

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

- **The Lane Rental Cost Component**
- **The Traffic Management Cost Component**
- **The Land Agent Cost Component**
- **The Railway Undertaker Cost Component**

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 cost components and may mean that fixed upfront cost components 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 cost component may not reflect the actual environmental impact of the required works and the environmental mitigation measures will also depend on seasonal factors. The following cost components 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 costs components that require post-completion final assessment:

- The **Environmental Management Cost Component**
- The **Archaeological Management Cost Component**
- The **Watercourse Crossing Cost Component**
- The **Major Road Crossing or Railway Crossing Cost Component**

Explanations on each cost components are provided below.

### Network Connection Cost Component (fixed cost per connection)

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

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

The cost includes the connection to our water main, excavation and reinstatement, all valves and fittings, traffic management up to 2 way lights and all associated labour and administration.

Details of the main network connection cost component are provided in Appendix 2.

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

### Main Laying Cost Component (fixed cost per metre)

This is a fixed cost per metre based on pipe size, pipe material, surface type and excavation & reinstatement for all surface types (except when the main laying is carried out without excavation or reinstatement).

Details of the main laying cost component are provided in Appendix 2.

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

### Branch Tee Cost Component (fixed cost per branch tee)

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

### Lane Rental Cost Component (fixed cost per day)

The Kent Lane Rental (KLR) Scheme is a scheme which Kent Highways have in place to reduce unnecessary disruption on designated roads in the Kent area. Under the scheme we must pay charges set by Kent Highway to carry out works that require a lane or road closure on designated roads during certain periods and times. The charges imposed are based on the category of the road that is defined under the scheme. The cost for each category can be found in Appendix 2 and are a per day cost.

We may introduce similar charges as other highways authorities introduce similar schemes.

You can find more details on the scheme at [www.kent.gov.uk/roads-and-travel/highway-permits-and-licences/kent-lane-rental-scheme](http://www.kent.gov.uk/roads-and-travel/highway-permits-and-licences/kent-lane-rental-scheme)

### Traffic Management Cost Component (fixed charge per day)

The traffic management cost component is included in the site specific costs when 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 traffic management cost component is based on the category of the road (i.e. minor road or main road.). Included in these rates is the need for manual controls during peak hours. There are two rates for the traffic management charge one for near side connections (3 day notice), another for far side connections (5 day notice). The traffic management cost component does not apply for simpler traffic management requirements up to and including two way lights. The cost for each category can be found in Appendix 2.

### Land Agent Cost Component (fixed component)

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 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 when carrying out works in streets that are not adopted by a highway authority. The land agent cost component covers the land agents fees we reasonably incur in relation to these activities. This charge can be found in Appendix 2.

### Railway Undertaker Cost Component (fixed cost component)

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). This charge can be found 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/](http://www.networkrail.co.uk/communities/lineside-neighbours/working-by-the-railway/)

### Environmental Management Cost Component (variable cost component)

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 cost component 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 costs is set out in Appendix 2.

### Archaeological Management Cost Component (variable cost component)

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 cost component 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 costs is set out in Appendix 2.

### Watercourse Crossing Cost Component (variable cost component)

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 cost component covering the costs we reasonably incur in relation to a watercourse crossing would apply. An indicative range of possible costs has been set out in appendix 2.

### Major Road or Railway Crossing Cost Component (variable cost component)

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 cost component covering the costs we reasonably incur in relation to a major road or railway crossing would apply. An indicative range of possible costs has been set out in appendix 2.

" column of our quotations.

## 5 Exception to charging based on fixed costs

### 5.1 Exceptional circumstances

#### Cases where costs 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 costs. 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;
- 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 in a way that affects 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 cost that cannot normally be ascertained are described in section 4 above and identified as variable cost components.

## 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 cost components set out in these charging arrangements. The security will be set on the basis of the requisition charge calculated using the fixed costs components 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 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.

## Part 3 – Self-Lay

This part relate 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 the 01<sup>st</sup> April 2020 we will no longer pay an asset payment to self-lay providers but will instead apply the income offset to the infrastructure charge, payable in respect of the self-lay site. Please refer to our explanations on transitional arrangement in the introduction to these charging arrangements for more details on the changes affected from the 01<sup>st</sup> 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 a Lloyds registered company who can be found here <https://www.lr.org/en/utilities/water-industry-registration-scheme-wirs-wirsae/search/>

You can find more details on the application process for self-lay on page 41. 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.

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

- Sizing of water pipes
- Approving 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://wholesale.southeastwater.co.uk/get-help/new-connections>

### 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
- 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 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 BS10175:2001 Investigation of Potentially Contaminated Sites - Code of Practice. The soils investigation should include any potential risk of petroleum hydrocarbons.

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 42 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 a unique NARS reference number, details of the person coordinating the delivery of your scheme, a full detailed design, the full costs for the scheme and the amount of the asset payment that we would pay under self-lay.

The offer is valid for a period of 6 months.

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 and one or more of the following fixed charges where applicable:
- The **Main Laying Charge**
- The **Lane Rental Charge**
- The **Traffic Management Charge**
- The **Land Agent Charge**
- The **Railway Undertaker Charge**

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 costs components that can be fixed.

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

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

For more details on costs components 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, excavation and reinstatement, all valves and fittings, traffic management up to 2 way lights 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:

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

The amount of the network connection charge is the same as the amount of the network connection cost component and is set out in Appendix 3.

### Main Laying Charge (fixed charge)

This is a fixed charge per metre based on pipe size, pipe material, surface type and excavation & reinstatement for all surface types (except when the main laying is carried out without excavation or reinstatement).

The amount of the main laying charge is the same as the amount of the main laying cost component and is set out in Appendix 3 Self-Lay.

### Other fixed charges

The Lane Rental Charge, the Traffic Management Charge, 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 fee with design

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 fee without design

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 Approval fee (fixed fee)

The mains design approval 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 fees (fixed fee per test)

If you would like us to carry out the pressure testing and chlorination on your new main we will charge you a fee for both activities. This is a fixed fee for each pressure test and chlorination carried out.

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

## 2.7 Sampling fee (fixed fee per sample)

If you would like us to carry out the sampling of your new main we will charge you a sampling fee. This is a fixed fee 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 fee is set out in Appendix 3.

## 2.8 Meter fee (fixed fee per meter)

The meter fee is a fixed fee which covers the cost of the meter for your new connections. The amount of the meter fee is set out in Appendix 3.

## 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 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.

### 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.

## 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.

### 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 pages 52, 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 £36.54** 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	£477.31

### 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 costs 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 cost components listed below (as described Part 2 of these charging arrangements):

- **Network Connection Cost Component**
- **Main Laying Cost Component**
- **Branch Tee Cost Component**
- **The Lane Rental Cost Component**
- **The Traffic Management Cost Component**
- **The Land Agent Cost Component**
- **The Railway Undertaker Cost Component**

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

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

- **The Environmental Management Cost Component**
- **The Archaeological Management Cost Component**

- The **Watercourse Crossing Cost Component**
- The **Major Road Crossing or Railway Crossing Cost Component**

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

### 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 42 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 a unique NARS reference number, details of the person coordinating the delivery of your scheme, a full detailed design, and the estimated costs for the scheme.

The quotation is valid for 6 months unless otherwise provided.

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.

## Part 5 – Payment

### 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:	40-05-30
Account Number:	94464451

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

### 2 Value Added Tax

Standard rate Value Added Tax is payable on supplies of water to non-household premises where the primary activity of the business falls into sections 1, 2, 3, 4 and 5 of the UK standard industrial classification of economic activity. Supplies to other classes of businesses are zero-rated.

The standard industrial classification (SIC) codes are:

1. Energy and water supply industries
2. Extraction of minerals and ores other than fuels, manufacture of metals, mineral products and chemicals
3. Metal goods, engineering and vehicles' industries
4. Other manufacturing industries
5. Construction

When applying for a supply to non-household premises occupied by a business, a SIC code should be provided. Failure to supply a code could result in VAT being charged. VAT is also payable on certain charges for other services to customers included in the Appendices.

Application fees and connection charges are subject to VAT, unless the property to be connected is a new dwelling or another qualifying building.

## Part 6 – Other Infrastructure for non-domestic supplies 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 purposes 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
- A water eligibility infrastructure charge will also be payable (and we will not charge for any reinforcement cost in relation to the infrastructure provided).

You can find details on the water eligibility infrastructure charge in our infrastructure charge and miscellaneous services charges scheme.

### 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 £36.54** 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.

## Appendix 1 – Service connection charges

### Administration, Application and Abortive visit Fees

Administration fees (fixed costs)	
Administration fee (Initial plot)	£36.81
Administration fee (subsequent plots)	£22.37
Processing fee (payment options)	£36.54
Application for connection (fixed costs)	
Single connection	£80.11
Per subsequent plots	£48.58
Missed appointment, abortive visit and cancellation charges (fixed costs)	
Technician missed appointment	£95.20
Technician cancelled appointment	£19.58
Remobilisation/Demobilisation charge	£1,216.18
Cancellation/postponement of works	£104.55

### Connection Charge – HPPE No contamination risk

#### A Type- No excavation

	HPPE	
No Manifold (fixed costs)	25/32	50/63
Connection	£356.99	£458.74
Communication pipe charge (per metre)	£0.51	£1.89

	HPPE	
Manifold (fixed costs)	4 Port	6 Port
Connection	£1,287.35	£1,370.70
Communication pipe charge (per metre)	£1.89	£1.89

#### B Type- Excavation required

	HPPE	
Verge - No Manifold (fixed costs)	25/32	50/63
Connection	£471.54	£581.78
Communication Pipe Cost (per metre)	£28.64	£30.76

	4 Port	6 Port
Verge – Manifold (fixed costs)		
Connection	£1,379.63	£1,493.74
Communication Pipe Cost (per metre)	£30.76	£30.76

	HPPE	
Footway - No Manifold (fixed costs)	25/32	50/63
Connection	£645.49	£755.73
Communication Pipe Cost (per metre)	£72.13	£74.25

	HPPE	
Footway – Manifold (fixed costs)	4 Port	6 Port
Connection	£1,584.34	£1,667.69
Communication Pipe Cost (per metre)	£74.25	£74.25

	HPPE	
Carriageway - No Manifold (fixed costs)	25/32	50/63
Connection	£757.88	£876.73
Communication Pipe Cost (per metre)	£100.22	£104.50

	HPPE	
Carriageway - Manifold (fixed costs)	4 port	6 port
Connection	£1,707.38	£1,790.73
Communication Pipe Cost (per metre)	£104.50	£104.50

## Connection Charge – Barrier contamination risk

### A Type- No Excavation

	Barrier	
No Manifold (fixed costs)	25/32	50/63
Connection	£443.97	£487.45
Communication Pipe Cost (per metre)	£3.78	£10.47

	Barrier	
Manifold (fixed costs)	4 Port	6 Port
Connection	£1,620.66	£1,704.01
Communication Pipe Cost (per metre)	£10.47	£10.47

### B Type- Excavation required

	Barrier	
Verge (fixed costs)	25/32	50/63
Connection	£596.70	£648.68
Communication Pipe Cost (per metre)	£38.18	£40.31

	Barrier	
Verge – Manifold (fixed costs)	4 Port	6 Port
Connection	£1,781.88	£1,865.23
Communication Pipe Cost (per metre)	£40.31	£40.31



	Barrier	
Footway - No Manifold (fixed costs)	25/32	50/63
Connection	£834.30	£877.78
Communication Pipe Cost (per metre)	£97.58	£97.58

	Barrier	
Footway – Manifold (fixed costs)	4 Port	6 Port
Connection	£2,010.99	£2,094.33
Communication Pipe Cost (per metre)	£97.58	£97.58

	Barrier	
Carriageway - No Manifold (fixed costs)	25/32	50/63
Connection	£1,573.33	£1,810.57
Communication Pipe Cost (per metre)	£130.46	£135.77

	Barrier	
Carriageway - Manifold (fixed costs)	4 Port	6 Port
Connection	£2,653.81	£3045.20
Communication Pipe Cost (per metre)	£135.77	£135.77

## Third Party Costs

### The Kent Lane Rental Charge (fixed costs)

	Cost Per day	Cost Per day
Band	Road Closure	Lane Closure
KLR1	£2,000	£800
KLR2	£2,000	£400
KLR3	£1,600	£600
KLR4	£1,600	£300

### The Traffic Management Charge (fixed costs)

Supplying Lights	Cost Per day	
	3 Way Lights	4 Way Lights
Short sider	£566.52	£897.72
Long sider	£944.20	£1,496.20

Manual operation of Lights	Cost Per day	
	3 Way Lights	4 Way Lights
Short sider	£514.05	£514.05
Long sider	£856.75	£856.75

Highway permit fees (Fixed) Permit fees	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	£96	£73
Major Activity (over 10 days) and all major works requiring a traffic regulation order	£229	£140
Major Activity (4-10 days)	£127	£47
Major Activity (up to 3 days)	£63	£44
Standard Activity	£127	£47
Minor Activity	£63	£23
Immediate Activity	£57	£23
Permit Variation	£45	£35

## Road Closure (Fixed)

Details	Charge
Costs relating closure of Highway	£1,523

## The Land Agent Charge (Fixed)

Details	Charge
Costs relating to surveys and notices required in private land	£1,440

## 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)	£3,802
Cat2 (Low/Med risk)	£9,506
Cat 3 (Med risk)	£74,575
Cat 4 (High risk)	£173,880

## The Archaeological Charge (Fixed)

Risk level	Charge
Low Risk	£5,000
Medium/High Risk	£10,000

## The Watercourse Crossing Charge (Fixed)

Risk Level	Charge
Low Complexity	£10,000
Medium Complexity	£50,000
High Complexity	£250,000

## The Major Road or Railway Crossing Charge (Fixed)

Type of Road	Charge
Low Complexity	£10,000.00
Medium Complexity	£50,000.00
High Complexity	£1,000,000.00

## Appendix 2 – Requisition Charges

### Administration, Application and Abortive visit Fees

Application fee – Site (fixed costs)	
Site - Application fee Pre Development enquiry (Budget)	£271.52
Site - Application Fee (Mains/Services) - Firm	£489.23
Administration fee (fixed costs)	
Administration fee relating to site application	£80.11
Processing Fee (Relating to payments)	£36.54
Application fee - Diversion	£477.31
Missed appointment, abortive visit and cancellation charges (fixed costs)	
Technician missed appointment	£95.20
Technician cancelled appointment	£19.58
Demobilisation/Remobilisation charge	£1,216.18
Cancellation/postponement of works	£103.00

### Network Connection Cost Component

(fixed costs – non-contestable)

HPPE	Excavation				
Pipe size	No Excavation	Verge	Footway	Private Road	Road Highways
63mm	£1,180	£1,364	£1,580	£1,636	£2,099
90mm	£1,252	£1,403	£1,607	£1,698	£2,166
125mm	£1,404	£1,473	£1,685	£1,790	£2,282
180mm	£1,464	£1,531	£1,722	£1,833	£2,392
250mm	£1,515	£1,653	£1,898	£2,014	£2,464

## Main Laying Cost Component - HPPE No contamination risk (fixed costs - contestable)

	Surface Type				
	No Excavation	Verge	Footway	Private Road	Road Highways
Pipe size	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£39.44	£55.65	£100.81	£119.67	£155.58
90mm	£39.70	£56.23	£104.82	£121.20	£165.30
125mm	£43.94	£62.12	£107.99	£126.86	£182.61
180mm	£48.50	£70.08	£119.33	£135.00	£200.08
250mm	£66.78	£87.88	£180.18	£186.20	£250.89
315mm	£76.12	£118.66	£237.85	£286.94	£362.20
355mm	£87.58	£132.62	£291.08	£350.53	£430.88
400mm	£102.97	£148.56	£308.17	£376.50	£441.90
450mm	£133.84	£178.43	£334.88	£398.88	£457.48

## Main Laying Cost Component – Contamination risk Barrier (fixed costs - contestable)

	Surface Type				
	No Excavation	Verge	Footway	Private Road	Road Highways
Pipe size	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£41.40	£58.43	£105.84	£125.65	£166.50
90mm	£41.68	£59.04	£110.06	£127.26	£173.56
125mm	£46.14	£65.22	£113.39	£132.15	£191.73
180mm	£50.92	£73.58	£125.29	£141.76	£210.08
250mm	£70.11	£91.58	£189.18	£195.50	£263.43
315mm	£79.92	£124.59	£249.74	£301.28	£380.31
355mm	£91.95	£139.25	£305.63	£368.05	£452.42
400mm	£114.73	£155.98	£323.57	£395.31	£463.99
450mm	£140.52	£187.35	£351.61	£418.82	£480.35

## Branch Tee Cost Component (fixed costs - contestable)

	Per Branch Connection
Pipe size	No Excavation
63mm	£1,270.65
90mm	£1,458.24
125mm	£1,895.43
180mm	£1,997.68

## Third Party Costs

### The Kent Lane Rental Cost Component (fixed costs)

	Cost Per day	Cost Per day
Band	Road Closure	Lane Closure
KLR1	£2,000	£800
KLR2	£2,000	£400
KLR3	£1,600	£600
KLR4	£1,600	£300

### The Traffic Management Cost Component (fixed costs)

Supplying Lights	Cost Per day	
	3 Way Lights	4 Way Lights
Short sider	£567	£898
Long sider	£944	£1,496

Manual operation of Lights	Cost Per day	
	3 Way Lights	4 Way Lights
Short sider	£514	£514
Long sider	£857	£857

### Highway permit fees (Fixed)

Permit fees	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	£96	£73
Major Activity (over 10 days) and all major works requiring a traffic regulation order	£229	£140
Major Activity (4-10 days)	£127	£47
Major Activity (up to 3 days)	£63	£44
Standard Activity	£127	£47
Minor Activity	£63	£23
Immediate Activity	£57	£23
Permit Variation	£45	£35

### Road Closure (Fixed)

Details	Charge
Costs relating closure of Highway	£1,523

## The Land Agent Charge (Fixed)

Details	Charge
Costs relating to surveys and notices required in private land	£1,440

## The Railway Undertaker Cost Component (Fixed)

Details	Cost
Network Rail Survey Fee	£5,000

## The Environmental Management Cost Component (Variable)

Category/Risk	Typical Cost
Cat 1 (low risk)	£3,802
Cat2 (Low/Med risk)	£9,506
Cat 3 (Med risk)	£74,575
Cat 4 (High risk)	£173,880

## The Archaeological Management Cost Component (Variable)

Risk level	Typical Cost
Low Risk	£5,000
Medium/High Risk	£10,000

## The Watercourse Crossing Cost Component (Variable)

Risk Level	Typical Cost
Low Complexity	£10,000
Medium Complexity	£50,000
High Complexity	£250,000

## The Major Road Crossing or Railway Crossing Cost Component (Variable)

Risk Level	Cost
Low Complexity	£10,000.00
Medium Complexity	£50,000.00
High Complexity	£1,000,000.00

## Appendix 3 – Self-Lay

### Administration, Application and Abortive visit Fees

Application fee (fixed costs)	
Site - Application fee Point of connection enquiry	£271.52
Administration fees (fixed costs)	
Administration fee (Initial meter)	£36.81
Administration fee (subsequent meter)	£22.37
Other charges (fixed costs)	
Site - pre commencement fee (inclusive of application fee)	£489.23
Site - Mains design approval fee - up to 100 properties	£135.00
Site - Mains design approval fee - each additional 100	£15.23
Site - Pressure testing	£761.25
Site - Chlorination	£761.25
Site - Price per meter	£43.65
Site - Sampling fee	£104.55
Missed appointment, abortive visit and cancellation charges (fixed costs)	
Technician missed appointment	£95.50
Technician cancelled appointment	£19.58
Demobilisation charge	£1,216.18
Cancellation/postponement of planned works	£104.55

### Network Connection Cost Component

(fixed costs – non –contestable )

HPPE	Surface Type				
Pipe size	No Excavation	Verge	Footway	Private Road	Road Highways
63mm	£1,180	£1,364	£1,580	£1,636	£2,099
90mm	£1,252	£1,403	£1,607	£1,698	£2,166
125mm	£1,323	£1,473	£1,685	£1,790	£2,282
180mm	£1,381	£1,531	£1,722	£1,833	£2,392
250mm	£1,429	£1,653	£1,898	£2,014	£2,464



## Main Laying Cost Component - HPPE No contamination risk (fixed costs - contestable)

	Surface Type				
	No Excavation	Verge	Footway	Private Road	Road Highways
Pipe size	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£39.44	£55.65	£100.81	£119.67	£158.58
90mm	£39.70	£56.23	£104.82	£121.20	£165.30
125mm	£43.94	£62.12	£107.99	£135.00	£182.61
180mm	£48.50	£70.08	£119.33	£125.86	£200.08
250mm	£66.78	£87.22	£180.18	£186.20	£250.89
315mm	£76.12	£118.66	£237.85	£286.94	£362.20
355mm	£87.58	£132.62	£291.08	£350.53	£430.88
400mm	£109.27	£148.56	£308.17	£376.50	£441.90
450mm	£133.84	£178.43	£334.88	£398.88	£457.48

## Main Laying Cost Component – Contamination risk Barrier (fixed costs - contestable)

	Surface Type				
	No Excavation	Verge	Footway	Private Road	Road Highways
Pipe size	£per/m	£per /m	£per/m	£ per/m	£ per/m
63mm	£41.40	£58.43	£105.84	£125.65	£166.50
90mm	£41.68	£59.04	£110.06	£127.26	£173.56
125mm	£46.14	£65.22	£113.39	£132.15	£191.73
180mm	£50.92	£73.58	£125.29	£141.76	£210.08
250mm	£70.11	£91.58	£189.18	£195.50	£263.43
315mm	£79.92	£124.59	£249.74	£301.28	£380.31
355mm	£91.95	£139.25	£305.63	£368.05	£452.42
400mm	£114.73	£155.98	£323.57	£395.31	£463.99
450mm	£140.52	£187.35	£351.61	£418.82	£480.35

## Branch Tee Cost Component

(fixed costs - contestable)

	Per Branch Connection
Pipe size	No Excavation
63mm	£1,270.65
90mm	£1,458.24
125mm	£1,895.43
180mm	£1,997.68

## Third Party Costs

### Kent Lane Rental Cost Component (fixed costs)

	Cost Per day	Cost Per day
Band	Road Closure	Lane Closure
KLR1	£2,000	£800
KLR2	£2,000	£400
KLR3	£1,600	£600
KLR4	£1,600	£300

### The Traffic Management Cost Component (fixed costs)

Supplying Lights	Cost Per day	
	3 Way Lights	4 Way Lights
Short sider	£566.52	£897.72
Long sider	£944.20	£1,496.20

Manual operation of Lights	Cost Per day	
	3 Way Lights	4 Way Lights
Short sider	£514.05	£514.05
Long sider	£856.75	£856.75

### Highway permit fees (Fixed)

Permit fees	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	£96	£73
Major Activity (over 10 days) and all major works requiring a traffic regulation order	£229	£140
Major Activity (4-10 days)	£127	£47
Major Activity (up to 3 days)	£63	£44
Standard Activity	£127	£47
Minor Activity	£63	£23
Immediate Activity	£57	£23
Permit Variation	£45	£35

## Road Closure component (fixed costs)

Details	Charge
Costs relating closure of Highway	£1,523

## The Land Agent Charge (Fixed)

Details	Charge
Costs relating to surveys and notices required in private land	£1,440

## The Railway Undertaker Cost Component (Fixed)

Details	Cost
Network Rail Survey Fee	£5,000.00

## The Environmental Management Cost Component (Variable)

Category/Risk	Typical Cost
Cat 1 (low risk)	£3,802
Cat2 (Low/Med risk)	£9,506
Cat 3 (Med risk)	£74,545
Cat 4 (High risk)	£173,880

## The Archaeological Management Cost Component (Variable)

Risk level	Typical Cost
Low Risk	£5,000
Medium/High Risk	£10,000

## The Watercourse Crossing Cost Component (Variable)

Risk Level	Typical Cost
Low Complexity	£10,000
Medium Complexity	£50,000
High Complexity	£250,000

## The Major Road Crossing or Railway Crossing Cost Component (Variable)

Risk Level	Cost
Low Complexity	£10,000.00
Medium Complexity	£50,000.00
High Complexity	£1,000,000.00

## Appendix 4 – April 2018 to April 2020 – requisition charge calculation (including the income offset) and asset payment calculation

### Part 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 costs 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 1<sup>st</sup> 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 (£/m<sup>3</sup> 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.

## Part 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 Part 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 costs 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.

## Appendix 5 – Statement of Significant change and examples of site costings

The purpose of this statement is to provide our stakeholders with information on any changes to our tariff structures and increases for 2020-21 in respect of charges for new connection services.

This information is provided in accordance with the requirements of information notice 19/05 of October 2019 “Expectation, assurance and information requirements for water company charges for 2020-21”.

We have made no significant changes to the structure of our infrastructure charges and other new connection services charges set out in these charging arrangements and in our “infrastructure charges and miscellaneous services charges scheme” for 2020-21.

The Board has assessed the costs of new connection for a range of different types of developments through worked examples for typical developments following the methodology defined by Ofwat to ensure that charges did not 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 the second part of this statement.

We are however, implementing the change in the charges scheme rules requiring us to apply the income offset to infrastructure charges rather than to requisition charges.

Further explanations on how we have applied this new rule is set out in our “infrastructure charges and miscellaneous services charges scheme” and in the related board assurance statements we have published in accordance with the charges scheme rules and the charging rules for new connection services.

We have engaged extensively with developers to explain the new charges and discuss any of their concerns or ideas. There has been considerable focus on the change in the application and calculation of the income offset. We have carried out a number of road shows for developer, SLP’s and NAVs as well as telephone surveys, online surveys and one to one meetings with stakeholders who were not able to make any of our road shows.

We believe that our developers, SLP’s and NAV’s have a good understanding of how our new charges will work and that they will be able to see that we have taken on board some of their concerns, and put in place mitigations, particularly around payment terms for requisition charges and the potential for the offset to be significantly different to their current level in certain cases.

In order to mitigate the potential disproportionate impact on certain types of developments of applying the income offset to infrastructure charges, we will be capping the income offset to within 10% of what the income offset would have been using the offsetting method that applied until 1 April 2020.

We have also introduced 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.

This statement must be read in conjunction with the board assurance statements we have published in accordance with the charges scheme rules and the charging rules for new connection services and these board assurance statements also relate to this statement of significant changes.

## Examples of site costings

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

### Example 1 – Single connection

Single Connection	Water: <ul style="list-style-type: none"> <li>• Connection to existing mains – No new mains/sewer required</li> <li>• 25-32mm PE Pipe               <ul style="list-style-type: none"> <li>○ Short connection 4m Road Surface</li> <li>○ Long connection – 8m (4m road surface and 4m unmade ground);</li> </ul> </li> </ul>
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25-32mm Connection to existing mains – short connection – cost components	Cost
Application Fee	£80.11
Administration Fee	£36.81
4 m excavation and reinstatement in Road Surface *	£1058.54
<b>Total</b>	<b>£1183.46</b>

Infrastructure Charge	£521.00
Income Offset allowance (this is deducted from your infrastructure charge)	£513.00
<b>Total</b>	<b>£8.00</b>

<b>Total to pay for site</b>	<b>£1,183.46</b>
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25-32mm Connection to existing mains – long connections – cost components	Cost
Application Fee	£80.11
Administration Fee	£36.81
4 m excavation and reinstatement in Road Surface *	£1058.54
4 m excavation and reinstatement in unmade ground	£114.56
<b>Total</b>	<b>£1298.02</b>



Infrastructure Charge	£521.00
Income Offset allowance (this is deducted from your infrastructure charge)	£513.00
<b>Total</b>	<b>£8.00</b>

<b>Total to pay for site</b>	<b>£1,306.02</b>
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\*Based on TM of 2 way lights included in connection cost.

### Example 2 - Bulk Supply

New block of flats	<p>Water:</p> <ul style="list-style-type: none"> <li>10 new units connected to an existing main – No new mains/sewer required;</li> <li>Large Diameter (63)mm Water Connection – barrier pipe <ul style="list-style-type: none"> <li>Short connection 4m Road Surface</li> <li>Long connection – 8m (4m road surface and 4m unmade ground);</li> </ul> </li> </ul>
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63mm Bulk Supply Barrier (Short connection) – cost components	Cost
Application Fee	£80.11
Administration Fee	£36.81
4 m excavation and reinstatement in Road Surface*	£1190.32
<b>Total</b>	<b>£1,307.24</b>

Infrastructure	£5,210.00
Income Offset allowance (this is deducted from your infrastructure charge)	£5,130.00
<b>Total</b>	<b>£80.00</b>

<b>Total to pay for site</b>	<b>£1,387.24</b>
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63mm Bulk Supply Barrier (Long connection) – cost components	Cost
Application Fee	£80.11
Administration Fee	£36.81
4 m excavation and reinstatement in Road Surface*	£1190.32
4 m excavation and reinstatement in unmade Surface*	£123.04
<b>Total to Pay</b>	<b>1,430.28</b>

Infrastructure	£5,210.00
Income Offset allowance (this is deducted from your infrastructure charge)	£5,130.00

Total	<b>£80.00</b>
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<b>Total to pay for site</b>	<b>£1,510.28</b>
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\*Based on TM of 2 way lights included in connection cost.

### Example 3 - Small Housing Development

Small housing Development	<p>Water:</p> <ul style="list-style-type: none"> <li>• 10 new connections off new mains</li> <li>• New mains required – total length 50m consisting of <ul style="list-style-type: none"> <li>○ 90mm PE - 10M road surface;</li> <li>○ 90mm PE – 20M unmade surface;</li> <li>○ 63mm PE – 20M unmade surface</li> </ul> </li> </ul> <p>Based on completion within 12 Months</p>
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Cost components	Cost
Application Fee	£489.23
Administration Fee (connections)	£573.69
10 New 25mm Connections( administration charge for this is above)	£3,569.90
90mm Connection to existing main Road (Non - contestable)*	£3,789.54
90mm PE 9m Road	£1,487.70
90mm PE 20m Unmade	£1,124.60
2 x 90mm branch tee	£4,332.00
63mm PE 20m Unmade	£1,113.00
<b>Total</b>	<b>£16,479.66</b>

Infrastructure	£5,210.00
Income offset 2019/20 method	£10,488.95
Income offset 2020/21 method	£5130.00
Adjusted**Income offset (this is deducted from your infrastructure charge)	£9,440.06
<b>Total</b>	<b>-£4,230.06</b>

<b>Total to pay for site</b>	<b>£12,249.61</b>
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\*Non- Contestable connection includes 1m pipe/excavation in highway, 1 branch tee and 1 connection cost.

\*\* (Income Offset has been capped at 10% variance from our 2019/20 methodology for details please see our miscellaneous and infrastructure document.)

**Example 4 - Medium Housing Development**

Medium housing Development	<p>Water:</p> <ul style="list-style-type: none"> <li>• 50 new connections off new mains</li> <li>• New mains required – total length 300m consisting of <ul style="list-style-type: none"> <li>○ 180mm PE - 10M road surface;</li> <li>○ 180mm PE – 90M unmade surface;</li> <li>○ 125mm PE – 100M unmade surface;</li> <li>○ 90mm PE – 100M unmade surface</li> </ul> </li> </ul> <p>Based on a completion within 3 years</p>
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Cost components	Cost
Application Fee	£489.23
Administration Fee	£1,132.94
50 New 25mm Connections	£17,849.50
180mm PE connection (Non - contestable)*	£4,589.76
3 x 180mm Branch Tee	£5,993.04
3 x 125mm Branch Tee	£5,686.29
180mm PE 9m Road	£1,800.72
180mm PE 90m Unmade	£6,307.20
125mm PE 100m Unmade	£6,212.00
90mm PE 100m Unmade	£5,623.00
<b>Total</b>	<b>£55,683.68</b>

Infrastructure Charge	26,050.00
Income offset 2019/20 method	£32,721.97
Income offset 2020/21 method	£25,650.00
Adjusted**Income offset (this is deducted from your infrastructure charge)	29,449.77
<b>Total</b>	<b>-£3,399.77</b>

<b>Total to pay for site</b>	<b>£52,283.91</b>
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\*Non- Contestable connection includes 1m pipe/excavation in highway, 1 branch tee and 1 connection cost.

\*\* (Income Offset has been capped at 10% variance from our 2019/20 methodology for details please see our miscellaneous and infrastructure document.)

**Example 5 – Large Housing Development and Self Lay option**

Large housing Development	<p>Water:</p> <ul style="list-style-type: none"> <li>• 200 new connections off new mains</li> <li>• New mains required – total length 1000m consisting of <ul style="list-style-type: none"> <li>○ 180mm PE - 10M road surface;</li> <li>○ 180mm PE – 290M unmade surface;</li> <li>○ 125mm PE – 300M unmade surface;</li> <li>○ 90mm PE – 400M unmade surface</li> </ul> </li> </ul> <p>Based on a completion within five years</p>
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Cost components	Cost
Application Fee	£489.23
Administration Fee	£4,488.44
200 New 25mm Connections	£71,398.00
180mm PE (Non –contestable)*	£4,589.76
180mm PE 9m Road	£1,800.72
3 x 180mm PE Branch Tee	£5,993.04
180mm PE 290m Unmade	£20,323.20
3 x 125mm PE Branch Tee	£5,686.29
125mm PE 300m Unmade	£18,636.00
3 x 90mm PE Branch Tee	£4,374.72
90mm PE 400M unmade	£22,492.00
<b>Total</b>	<b>£160,271.40</b>

Infrastructure	£104,200.00
Income offset 2019/20 method	£74,534.32
Income offset 2020/21 method	£102,600.00
Adjusted**Income offset (this is deducted from your infrastructure charge)	81,987.75
<b>Total</b>	<b>£22,212.25</b>

<b>Total to Pay</b>	<b>£182,483.65</b>
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\*Non- Contestable connection includes 1m pipe/excavation in highway, 1 branch tee and 1 connection cost.

\*\* (Income Offset has been capped at 10% variance from our 2019/20 methodology for details please see our miscellaneous and infrastructure document.)

Self- Lay Scenario	<p>The self-lay scenario is based on a 180mm PE Non-contestable connection with the same requirements as the large development requisition (please see above)</p> <p>Include total admin fees and any other relevant fee charged to SLP'S.</p>
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Self-Lay cost components	Cost
Application Fee***	£271.52
Administration Fees (Services)	£4,488.44
Non – contestable connection*	£4,589.48
Meter Install charge	£8,860.00
<b>Total</b>	<b>£18,209.44</b>

Infrastructure	£104,200.00
Income offset 2019/20 method	£74,534.32
Income offset 2020/21 method	£102,600.00
Adjusted**Income offset (this is deducted from your infrastructure charge)	81,987.75
<b>Total</b>	<b>£22,212.25</b>

<b>Total to Pay</b>	<b>£40,421.69</b>
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\*Non- Contestable connection includes 1m pipe/excavation in highway, 1 branch tee and 1 connection cost.

\*\* (Income Offset has been capped at 10% variance from our 2019/20 methodology for details please see our miscellaneous and infrastructure document.)

\*\*\* Application fee if self-lay provider carries out design

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