



NEW CONNECTIONS AND DEVELOPER SERVICES – CHARGING ARRANGEMENTS 2018-19

INTRODUCTION

Ofwat, the economic regulator of the water industry for England and Wales, has introduced new charging rules for new connections to the water and wastewater network, which come into effect on 1 April 2018.

The new rules require water companies to change how they have previously charged for new connections services and this document is applicable to Self-Lay Providers (SLPs), New Appointees (NAVs) Developers/Builders and Retailers requesting new connection services on behalf of non-household customers.

The charges in this document have been developed to align with the applicable Ofwat charging rules and other expectations. Further information is provided in Section 13.

In developing the new charges, the company has worked to align with the charging rules, while minimising the incidence effects on developers in the South West Water and Bournemouth Water¹ areas.

The waste water charges contained in this document are only relevant for connections in South West Water area of supply. Customers with developments in the Bournemouth Water area of supply should refer to the relevant waste water company charging arrangement. This will either be Wessex Water or Southern Water depending on the location.

Customers can find detailed explanations and flow charts describing the company's applications processes on the relevant websites:

www.southwestwater.co.uk/developerservices or www.bournemouthwater.co.uk/developer

A glossary providing customers with definitions and descriptions of the terms used in this document is provided in section twelve.

Wholesale connection charges

All charges in this document are wholesale charges for activities carried out by South West Water and will apply to any applicant for the services shown in this document. For the avoidance of doubt no retail elements are included in any of the charges, therefore there is no distinction between charges for Retailers and for any other applicant.

Further information

This document should be read in conjunction with the following documents:

- Charging Rules for New Connections Services (English Undertakers) (Ofwat)
<https://www.ofwat.gov.uk/wp-content/uploads/2017/08/Charging-rules-for-new-connection-sevrices-English-undertakers.pdf>
- Water UK – Charges for Connection Services

This document will be available on the Water UK website in due course on Water UK's website www.water.org.uk

¹ Following its acquisition by Pennon Group Plc in 2015, on 1 April 2016 Bournemouth Water transferred into South West Water. The merged company operates under a single licence with the Bournemouth Water name retained. For the avoidance of doubt, this document is relevant to the activities in the supply areas of both South West Water and Bournemouth Water.

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SECTION ONE - OPTIONS FOR DEVELOPERS IN THE PROVISION OF NEW CONNECTIONS

Applicants for connections services (these may be developers or self-lay providers (SLPs)) have the choice over who provides the infrastructure and over who owns those connection assets. The services over which there is competition are often referred to as 'contestable'.

Some other services, such as those linked to the security of water supply may only be provided by the appropriate water company. These are known as 'non-contestable' services.

The following diagram illustrates the organisations that provide contestable connections services:



The options for the delivery and or ownership of water and waste water assets are as follows:

Installation of water supply connections	The developer may select a self-lay provider (SLP), New Appointee (NAV), or regional water company
Installation of sewer connections	Developers tend to install these using a drainage contractor, although NAVs and regional water companies can also provide the service
Operation of connections assets	Developers and SLPs are able to choose a NAV or regional water company to take over and operate networks

To enable customers to have clarity on whether a charge quoted in this document is contestable or non-contestable, all are marked as such.

SECTION TWO - PRE-PLANNING INFORMATION

The pre-planning process provides the customer with the point of connection for the site they are looking to develop and a budget estimate of the costs of supplying them.

How to apply for pre-planning information

Copies of the company's records can be obtained via the website www.southwestwater.co.uk/developerservices.

The website allows customers to access company asset information for a designated area. This information includes pipe material, diameter and, where available, depth.

Customers should note that the accuracy of the drawings cannot be guaranteed and the company therefore advises customers to confirm the location.

The information should enable customers to calculate the cost of a proposal using the charges set out in these charging arrangements.

The company can also offer the following services to enable customers to understand how a site may be supplied.

No.	Description	Value	Contestable/Non contestable
	Online records search (copy of records)	£19.50	Non-contestable
a	Point of connection enquiry – Clean Water	£120.00	Contestable
b	Point of connection enquiry – Foul and surface water sewer	£120.00	Contestable
c	Validation Charge	£55.00	Non - contestable

a. Point of connection enquiry – Clean Water

The company will provide a copy of its records and a point of connection.

This will include a desktop estimate based on the charges detailed in these charging arrangements.

The information will be provided within 21 calendar days of receipt of a full application. The day of receipt is day 0.

b. Point of connection enquiry – Foul and surface water sewer

The company will provide a copy of its records and a point of connection.

This will include a desktop estimate based on the charges detailed in these charging arrangements.

The information will be provided within 21 calendar days of receipt of a full application. The day of receipt is day 0.

If a customer undertakes their own point of connection assessment and wishes the company to validate it:-

c. Validation charge

The company will provide an email or letter to confirm the point of connection is correct.

Locating the connection point does not include for any hydraulic modelling to be undertaken and is based on the customer being able to connect to the nearest main of suitable size or bigger in the vicinity of the site.

Enquiries will remain valid for the charging year in which they are provided.

Customers must submit an application under the current requirements to enable them to proceed with any of the work required.

Other options for connection

If the customer wishes the company to investigate the possibility of connecting to another main or sewer which does not fulfil the criteria for options a – b above, and requires hydraulic modelling, the company will look to the customer to fund the work.

On request for this service, the company will provide a quote for the work and payment will be required before any work is undertaken. As part of the quote, timescales will be provided on when the customer can expect to receive the outcome of the work

SECTION THREE - SITE SPECIFIC CHARGES – CLEAN WATER

These charges cover the work to connect the development to appropriate point on the existing network.

This section includes:

- a. The process
- b. Self-Lay
- c. Water Requisition
- d. Water Diversion
- e. Water Connection

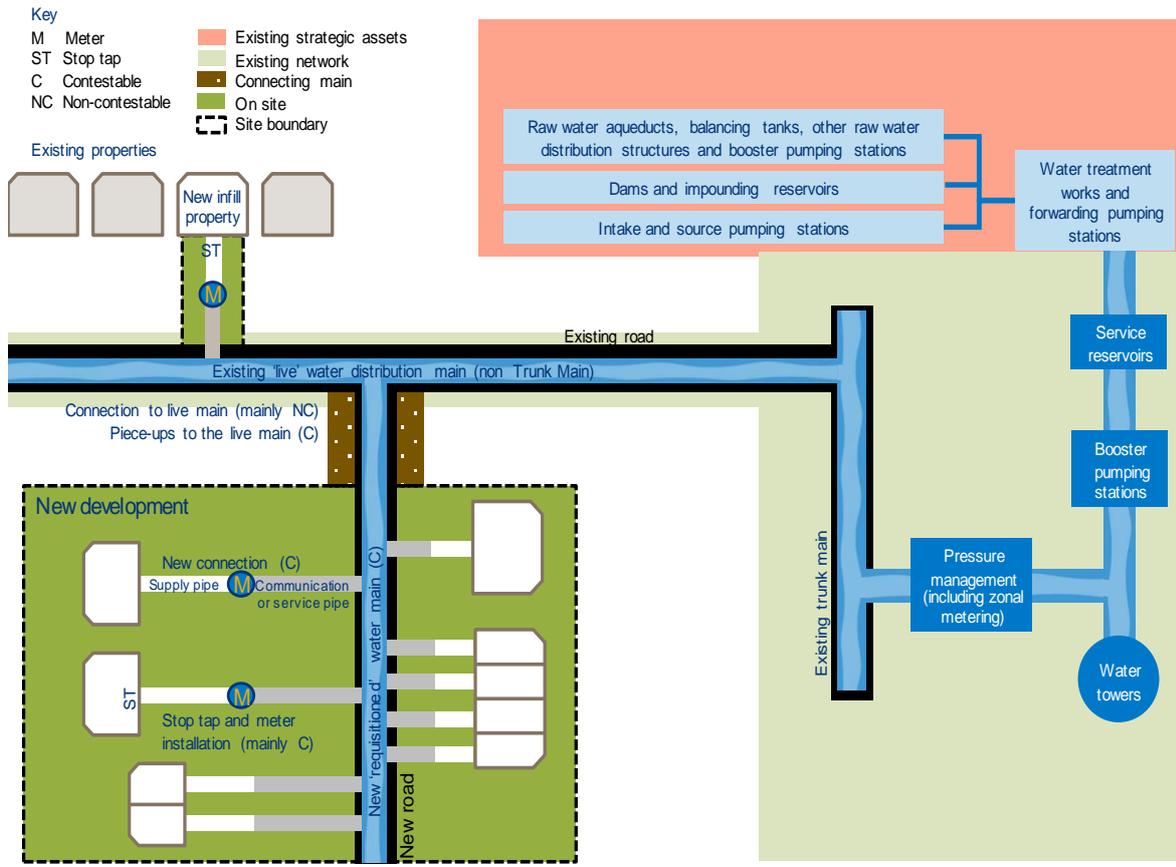
The diagram on the following page shows the responsibility for payment in relation to water connections services.

The diagram is annotated as follows:

Colour	Infrastructure	Who pays and how
Dark green and brown shaded area	Site Specific work to connect the development to an appropriate point on the existing network	Developer or SLP customer through Site Specific charges
Light green shaded area	Network reinforcement – upgrades and increased capacity of existing network in consequence of new growth	Developers through the New Infrastructure Charge
Pink shaded area	New resources and treatment assets	Water company through 5-year Asset Management Plan investment Plan

WATER

Figure 1



3a. THE PROCESS

The company's websites contain all of the information regarding the process the company follows on receipt of an application, and that an applicant will also need to follow.

Application forms and process charts are available at

South West Water applications: www.southwestwater.co.uk/developerservices

Bournemouth Water applications: www.bournemouthwater.co.uk/developer

The company's service to applicants is delivered in accordance with the minimum Levels of Service as set out by Water UK. Further information is available on the Water UK website www.water.org.uk

3b. SELF LAY

Developers can arrange for a new water main and service connections to be carried out by qualified contractors. The Code of Practice for Self-Lay of Water Mains and Services v3.1 should be read in conjunction with the Company's local practices.

Copies of the Code of Practice are available here - <https://www.water.org.uk/developer-services/self-lay-code-practice>.

Any Self-Lay work must be carried out by a company that is accredited with the Water Industry Registration Scheme (WIRS) which is administered by Lloyds Register. The Self Lay Provider can undertake the work classed as contestable within the Code of Practice Self Lay of Water Mains and Services v3.1.

Self Lay Process

The value of the income offset will be the starting point for the quotation. Any non-contestable and contestable items you wish the Company to undertake will be taken out of the income offset costs in relation to the New Water Mains provided.

Payment will be made in line with the Code of Practice v3.1 and will be payable on a completed and connected section of mainlaying once the information needed is provided and signed off. Any non-contestable charges/contestable charges that the SLP wishes the Company to undertake, will be taken out of the initial phase payment.

The costs of the new connections and infrastructure charges will be charged separately. Please see relevant sections in this Charging Arrangements document.

The income offset is calculated on a per property basis for a domestic house. Should the occupation be a different kind, then the relevant multiplier that is used for previous site usage will be used as a means for calculating the income offset. See Infrastructure Charges for an explanation of the relevant multiplier.

The charges will be as per the Water Requisition table for new mains. See section 3c.

Should an application not proceed past quotation stage, the company reserves the right to charge for the costs involved to date.

Quotations remain valid for 90 calendar days from the date of issue.

If a third party is to undertake the contestable items, they must be accredited for that particular type of work through WIRS.

3c. WATER REQUISITION

If a developer does not wish to self-lay, the water main can be provided by the company through a process termed requisitioning.

Applying for a Water Requisition

On receipt of the necessary information the company will provide the applicant with a quote for the cost for the water supply provision.

The quote will be split into the items identified in this section and will be supported with a design layout either produced by the customer or by the company

For the avoidance of doubt, the company does not have a duty to provide a supply for non-domestic use but will endeavour to meet customer needs wherever possible.

How South West Water's new charges have been developed

The South West Water requisition charges and income offset have been developed to adhere to the principles of Ofwat's Charging rules based on the following approach.

Requisition charges have been calculated based on the actual costs incurred to requisition a water main or sewer over the last five years, per property connected.

Included within the charge are:-

1. The vetting of design includes provision for consultation with the company's relevant internal teams and allows for two subsequent resubmissions. If a further re-submission is undertaken then a further vetting charge will be charged.
2. It allows for construction of water mains up to and including 200mm internal diameter, including any associated bends, valves and wash-outs.
3. Charges include for water mains with 900mm cover.
4. Pipelaying rates include costs for the water main to be pressure test, chlorinated and sampled.
5. Connection of new mains to existing mains with pressure up to 8 Bar are included. Should the pressure in the existing main be above this, then a bespoke quotation will be provided.
6. Where the developer owns and occupies the land, the quote will be based on the developer providing the excavation and backfill this land to the company's specification. Please see "Conditions of Trenchwork".
7. The quote will allow for a certain number of visits to install the water main. Should subsequent visits be required, the company will reserve the right to charge for these. The number of visits will be detailed on the quote.
8. For third party land the quote will include the cost for excavation and reinstatement to pre-existing ground conditions.
9. Compensation is included for third party land for grazing only. Should the third party request above and beyond this, the company we will look to recover the actual cost it has incurred.

10. Traffic management includes for two-way lights.
11. The administration fee covers the project management of the scheme and includes but is not limited to the customer communication, contract management where appropriate and financial management of the scheme.

Exclusions will be charged on an actual cost basis on the bespoke quote

1. Any items contained within Schedule 13 of the Water Industry Act.
2. Where there is a need for additional traffic management above two-way lights e.g. road closure or three-way lights, this will be shown as bespoke item on the quote.
3. Any other utility diversions required as a consequence of this work.

Should an application not proceed past quotation stage, the company reserves the right to charge for the costs involved to date.

If a third party is to undertake the contestable items, they must be accredited for that particular type of work through WIRS.

Income offsets are only applicable to Water Requisition costs and will be capped when the contribution equals zero. Income offsets will only be applied to those properties with detailed planning permission.

Where it is not a domestic property but the water is being used for domestic purposes, the offsets will be converted into domestic property usage to achieve the offsets.

Quotations remain valid for 90 calendar days from the date of issue.

Site Specific – Clean Water Charges for provision of new mains under Water Requisition or Self-Lay

Note - unless otherwise stated charges are fixed charges. The prices quoted will be amended only if a cost change is generated by the customer.

No.	Description	Unit	Value	Contestable/Non contestable
	Administration Fee (Water Requisition/Water Diversion)	Per scheme	£1950.00	Non-contestable
	Administration Fee (Self Lay)	Per scheme	£695.00	Non-contestable
	Vetting of design and approval undertaken by 3 rd party. Third party must be accredited through WIRS.	Per scheme	£250.00	Non-contestable
	Design of mains connection where the connection is heightened risk to damage or existing water distribution systems or interrupting supplies to existing customer.	Per connection	£200.00	Non-contestable
	Connection of new main to existing main excluding excavation and reinstatement up to including 100mm (diameter of new main) where the connection is heightened risk to damage or existing water distribution systems or interrupting supplies to existing customer. This is undertaken by using line stops and under-pressure tee.	Per connection	£6,048	Non-contestable
	Connection of new main to existing main excluding excavation and reinstatement greater than 100mm and up to an including 200mm (diameter of new main) where the connection is heightened risk to damage or existing water distribution systems or interrupting supplies to existing customer. This is undertaken by using line stops and under-pressure tee.	Per connection	£8,604	Non-contestable

	Connection of new main to existing main excluding excavation and reinstatement up to including 100mm (diameter of new main) where the connection is heightened risk to damage or existing water distribution systems or interrupting supplies to existing customer. Using under-pressure tee only.	Per connection	£1,700	Non-contestable
	Connection of new main to existing main excluding excavation and reinstatement greater than 100mm and up to an including 200mm (diameter of new main) where the connection is heightened risk to damage or existing water distribution systems or interrupting supplies to existing customer. Using under-pressure tee only.	Per connection	£1,981	Non-contestable
	Income offset	Per domestic property	£620.00	Non-contestable
	Legal agreement	Per agreement	£450.00	Non-contestable
	Design of scheme	Per scheme	£1,400	Contestable
	Changes to design by the Developer/SLP following provision of quotation.	Per change	Up to £1,400 depending on work required with a minimum charge of £230.00	Contestable
	Pipelaying in trench provided by Developer in land the Developer owns and occupies. Excavation and backfill to be in accordance with the 'Conditions of Trenchwork'.	Per domestic property	£705.00	Contestable
	Pipelaying in Unmade Ground in land not owned or occupied by the	Per metre	£50.42	Contestable

	Developer for new water mains up to 100mm internal diameter.			
	Pipelaying in Unmade Ground in land not owned or occupied by the Developer for new water mains above 100mm and up to 200mm internal diameter.	Per metre	£147.30	Contestable
	Pipelaying in Made Ground in land not owned or occupied by the Developer for new water mains up to 100mm internal diameter.	Per metre	£188.38	Contestable
	Pipelaying in Made Ground in land not owned or occupied by the Developer for new water mains above 100mm and up to 200mm internal diameter.	Per metre	£240.80	Contestable
	Additional commissioning of sections should it not be done in accordance with the quotation.	Per commissioning	£1,500	Contestable
	Third party Compensation	Per scheme	Bespoke on application.	Contestable
	Ecological etc.	Per scheme	Bespoke on application.	Contestable
	Traffic Management	Per scheme	Bespoke on application.	Contestable

3d. WATER DIVERSION

A water diversion is necessary when any proposed structure is going to be built near or on top of the asset. Clearance distances are available on the company's website www.southwestwater.co.uk/developerservices

How South West Water charges have been developed

Water Diversions are excluded from the requirements of the charging rules. To align with other charges the company will, where possible, base quotes on water requisitions charges.

Where this is not possible the Term Service Contractor rates charged to the company will be used.

Applying for a Water Diversion

On submission of the application, each scheme will receive a site visit and a design will be undertaken.

From this design a quote will be produced using the fixed price charges based on the Water Requisitions rates where possible. Where this is not possible the company's Term Service Contractor rates will be used.

The inclusions/exclusions on water requisitions also apply to water diversions when using the schedule of rates contained under the water requisition heading.

For work to proceed, the payment of the full quotation price will be required in advance. On completion the cost will be reviewed and re-measured using the fixed charges. Any differences will be invoiced or refunded to the applicant.

Should an application not proceed past the quotation stage, the company reserves the right to charge for the costs involved to date.

Quotations remain valid for 90 calendar days from the date of issue.

If a third party is to undertake the contestable items, they must be accredited for that particular type of work through WIRS.

3e. WATER CONNECTIONS – SERVICE CONNECTION CHARGES

This covers the individual new water connections to a water main for each property. These charges apply to water connections which serve household or non-household properties or supplies which do not serve a property.

The charges in this section relate to connections to a distribution main. Connections to strategic trunk mains will be by exception only and may be subject to additional costs. Where the company agrees to a connection on a trunk/high pressure main the applicant may not excavate within three metres of the main. The company will undertake the three metres of excavation and make the connection based a cost basis.

How South West Water's new charges have been developed

Charges have been developed as a fixed fee per connection based on connection type.

Applying for a service connection to a distribution main

Unless otherwise stated the charges are fixed price. The prices quoted will be amended only if a cost change is generated by the customer.

A water meter will be installed on new connections in accordance with the company's policy. The water meter remains the company's property. Where a water meter has been installed a measured tariff will apply - except where it has been installed for check purposes only in accordance with the company's policy at the time and a customer has been previously notified of this in writing. Standard or automated meter reading meters (AMR) meters up to 15mm will installed on up to 32mm supplies used for domestic purposes. This includes supplies used for both domestic and non-domestic use, for example fighting purposes such as a fire sprinkler system.

Customers requiring connections to existing offsite mains may choose to undertake all excavation; laying of pipes up to the company's main; and reinstatement. The company or chosen Self Lay Provider (SLP) will only undertake the physical connection to the main and installation of the water meter in such cases. Where service pipes are to be laid in a highway, customers will need to obtain the permission of the Highway Authority to work in the highway. It may stipulate that only contractors it approves may work in the highway.

Customers requiring connections to newly laid water mains for a site (or existing water mains located within the boundary of the site) will be responsible for all excavation; laying of pipes up to the company's main; and reinstatement (unless an SLP is chosen to undertake this work).

The company is an approved contractor for working in the highway and will provide quotes for carrying out work requested by customers. It will use the standard prices set out in this section in preparing such quotes.

Third party requirements

In some instances working in the highway will incur additional fees and costs as a result of compliance with Highway Authority requirements such as road closures and traffic management control. All fees and costs incurred by the company in carrying out a connection in such circumstances are included within the fixed charges.

- Note: Where the company opens ground requiring permanent reinstatement, the applicant cannot elect to undertake the reinstatement.

If the company needs to gain access to third party land or need to seek permissions from third parties, for example Network Rail, then such costs are included within the fixed charges. However gaining such access may cause a delay in making a connection.

- Note: Where an applicant lays private pipework in third party land the applicant must obtain prior permission from the land owner.

Charges

A standard connection will be one where:

- the distance between the water main and the customer's point of connection is 5 metres or less
- the external diameter of the service pipe being connected to the main is not more than 32mm
- the trench in which the service pipe needs to be laid will have a width of 0.5 metres or less and contain no more than 5 service pipes in total

Connection charges are payable in advance of the company undertaking any work.

The company reserves the right to amend the amount charged for connections where additional costs are incurred in making the physical connection as a result of matters that were not evident at the time of providing a quotation for the work.

Quotations remain valid for six months from the date of issue.

What is included in the charges?

<i>Application Fee by type</i>			
Application Task Description	Onsite	Self Lay	Offsite
Review and process application form	Y	Y	Y
Acknowledge receipt of application form	Y	Y	Y
Log application on corporate systems and supporting administration	Y	Y	Y
Arrange and attend 1 x site survey	N	N	Y
Water Regulations record site in WRA	Y	Y	Y
Produce and issue quotation	Y	Y	Y
Charge	£11	£11	£94

<i>Administration Fee by type</i>			
Admin Task Description	Onsite	Self-Lay	Offsite
Receive and process payment(s)	Y	Y	Y
Issue invoice	Y	Y	Y
Raise work order per connection(for meter feedback)	Y	Y	Y
Issue work order to contractor	Y	N	Y
Raise relevant requests or notices	N	N	Y
Review Self Lay notifications	N	Y	N
Update records	Y	Y	Y
Customer guidance	Y	Y	Y
General administration and customer support (eg scanning, filing and review of chlorination certificate and sample results)	Y	Y	Y
Charge	£29	£29	£29

Further information relating to specific charges is provided in the table below.

No.	Description	Unit	Value	Contestable/Non contestable
Application Fee				
	Application fee – Self Laid Connection	Per Application	£11.00	Non-contestable
	Application fee – Company Laid Onsite Connection	Per Application	£11.00	Non-contestable
	Application fee – Company Laid Offsite Connection	Per Application	£94.00	Non-contestable
Administration Fee				
	Administration fee – Self-Laid Connections	Per Connection	£29.00	Non-contestable
	Administration fee – Company Laid Onsite Connection	Per Connection	£29.00	Non-contestable
	Administration fee – Company Laid Offsite Connection	Per Connection	£29.00	Non-contestable
<p>Connection Only – Company Laid Connection - no excavation; pipe laying; backfill; reinstatement or traffic management by SWW</p> <p>South West Water/Bournemouth Water carry out connection to main, connection to external service pipe, boundary box and meter installation, all in a pre-excavated trench.</p> <p>The applicant is responsible for pipe laying, opening, closing and if necessary permanently reinstating the trench to the water main, and depth of boundary box to finished surface level.</p>				
	For 1st connection only up to and including 32mm diameter	Per Connection	£146.00	Contestable
	Subsequent connection(s) up to 32mm diameter under same application at same site location	Per Connection	£146.00	Contestable
	Connection(s) greater than 32mm and up to and including 63mm	Per Connection	£745.00	Contestable
	Connection(s) greater than 63mm and less than 100mm	Per Connection	£745.00	Non-contestable

	Connection(s) 100mm and greater	Per Connection	£1129.00	Non-contestable
	Standard domestic meter supplied by South West Water	Per Meter	£17.00	Contestable
	Automated Meter Reader (AMR) meter supplied by South West Water/Bournemouth Water	Per Meter	£49.00	Contestable
	Supply and Fit standard meter only (meter screw in – no connection)	Per Meter	£47.00	Contestable
Offsite Connection – Company laid connection - New or replacement connection under section 45 or 55 of the Water Industry Act 1991 to an existing public water main located outside the site boundary, including trenching costs. South West Water/Bournemouth Water will only undertake trench work to the boundary of the street in which the main is laid.				
	Standard connections up to 32mm diameter and trench work Where South West Water/Bournemouth Water undertakes the opening and closing of a trench up to 5 metres in length	Per Connection	1216.00	Contestable
	In addition to the first standard connection up to four further service pipes may be laid in the same trench at the same time as above connection.	Per Connection	£158.00	Contestable
	Non-standard connections up to 63mm diameter and/or trench greater than 5m in length Where South West Water/Bournemouth Water undertakes the opening and closing of a trench	Per Connection	£2079.00	Contestable
	Non-standard connections greater than 63mm diameter and/or greater than 5m in length Where South West Water/Bournemouth Water undertakes the opening and closing of a trench	Per Connection	£2079.00	Non-contestable
	In addition to the first non-standard connection up to four standard service pipes may be laid in the same trench at the same time	Per Connection	£158.00	Contestable

	Water Regulations Inspections Contribution toward general cost of internal and external Water Regulations inspections	Per Connection	£21.00	Non-contestable
	Additional charges in respect of a service pipe connection application Where we attend to make a pre-booked connection but the site is not ready for connection	Per Connection	£99.00	Non-contestable
	Second and subsequent site survey/visit	Per Survey/visit	£90.00	Non-contestable

3f. NON-CONTESTABLE ACTIVITY

This is a schedule of activity that the appropriate water company is required to undertake.

The remainder of the text in this section is an extract from the Code of Practice for Self-Lay Version 3.1 which is current at the time of producing these charges.

To confirm the current list please refer to the current document available on the Water UK website www.water.org.uk

Excerpt from Code of Practice for Self-Lay Version 3.1

Water supply

Non-contestable activities in the design and construction of water mains and services

The water company should allow the SLP to do all elements of work to provide water supplies to new developments other than those defined as non-contestable in the table below.

It is envisaged that the implementation of the New Charging Rules will mean that some of the terms used in the Self-lay Code of Practice will need to be updated. That Code will remain the definitive reference document for contestable and non-contestable water supply works, although in the meantime, the content in Table B1 is provided to illustrate the changes that might be needed.

Non-contestable activities in the design and construction of water mains and services.

DESIGN

- Design work for Network Reinforcement and Enhancement
- Sizing of pipes design guidance – water companies retain responsibility for specifying pipe sizing criteria. Application of the design guidance is a contestable activity.

DESIGN APPROVAL

- Approving on-site water distribution systems designs (except where self-certification arrangements are in place).

INSTALLATION

- It is expected that Network Reinforcement work will normally be undertaken by a water company under the proposed new charging arrangements except where the water company requests a developer or SLP to oversize the assets they are providing to allow for later development.
- Network Reinforcement, or Diversion works whose construction heightens the risk of damage to existing water distribution systems or interrupting supplies to existing customers. (See note below).
- Network Reinforcement which is provided for a general area or as part of a company's investment programme.
- Mains connections that involve heightened risk to existing assets or could affect supplies to existing customers. (See note below).

- Serving notices for land entry, and negotiation with third party landowners and occupiers.
- Source of water connections to water companies' existing assets.
- Service connections larger than 63mm diameter except where the connection is to be constructed as part of main laying works.
- Service connections less than 63mm on existing mains where the water company assess that the condition of the main or the material heightens the risks to existing assets or could affect supplies to existing customers. (See note below).

COMMISSIONING

Decommissioning redundant mains following a diversion.

1. Restrictions on SLPs undertaking work apply when the water company assesses that the construction works significantly heightens either the risk of damage being caused to their existing assets, risk to water quality, or the works interrupting the supplies to existing customers. The thresholds for this assessment will be set in accordance with the water company policies for all work on their water distribution systems and allowing SLPs to do work on pipework with such assessments may be subject to accreditation requirements and controls specified in the terms offer.
2. Where a SLP carries out water sampling and quality testing they shall comply with the sampling procedure detailed in the water company's specific schedule of permissible materials and construction arrangements. Testing should be by a UKAS accredited laboratory.
3. Where a SLP has the necessary access permissions installing the new part of diversions made necessary by a development should be considered as contestable work provided that doing this work does not significantly heighten either the risk of damage being caused to existing assets or the works interrupting the supplies to existing customers.
4. The connection of diversions into existing network systems and the decommissioning of diverted mains are non-contestable works as they are likely to affect supplies to existing customers.

SECTION FOUR - SITE SPECIFIC CHARGES – WASTE WATER

These charges cover the work to connect the development to appropriate point on the existing network.

This section includes:

- a. The process
- b. Sewer Adoption
- c. Sewer Requisition
- d. Sewer Diversion
- e. Sewer Connection

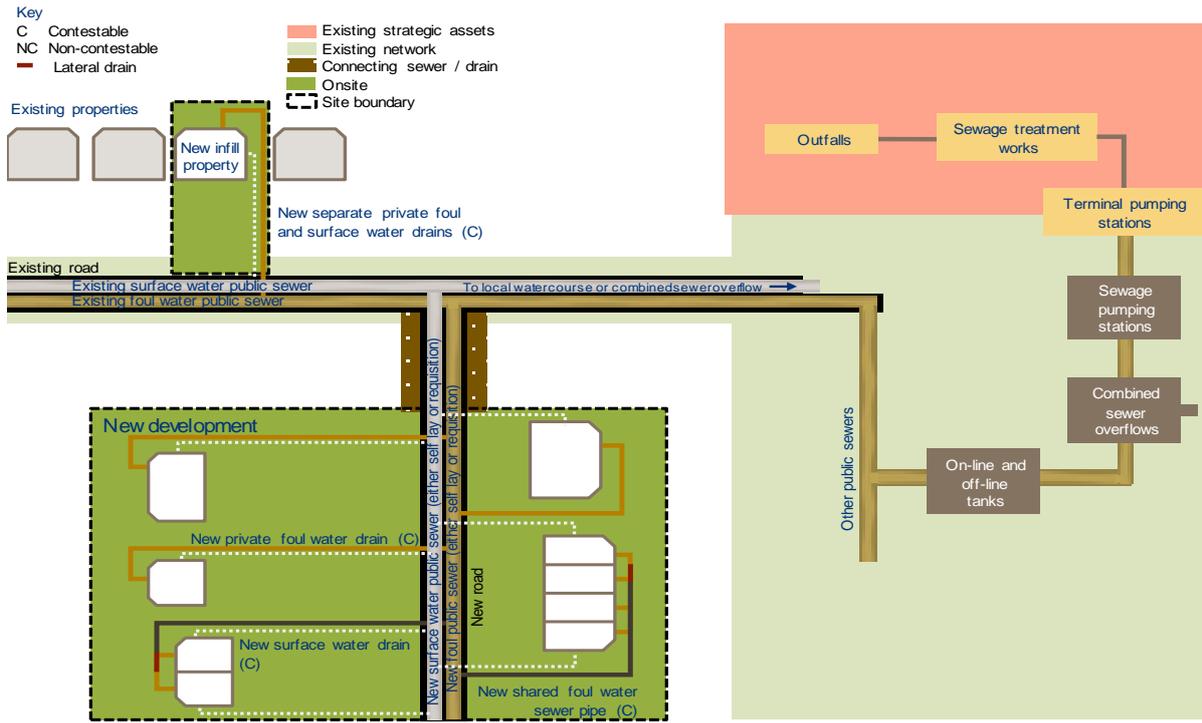
The diagram on the following page shows the responsibility for payment in relation to water connections services.

The diagram is annotated as follows:

Colour	Infrastructure	Who pays and how
Dark green and brown shaded area	Site Specific work to connect the development to an appropriate point on the existing network	Developer or SLP customer through Site Specific charges
Light green shaded area	Network reinforcement – upgrades and increased capacity of existing network in consequence of new growth	Developers through the new Infrastructure Charge
Pink shaded area	New resources and treatment assets	Water company through 5-year Asset Management Period investment Plan

WASTEWATER

Figure 2



4a. THE PROCESS

The company's website contains all of the information regarding the process the company follows on receipt of an application, and that an applicant will also need to follow.

Application forms and process charts are available at

www.southwestwater.co.uk/developerservices

The company's service to applicants is delivered in accordance with the minimum Levels of Service as set out by Water UK www.water.org.uk

Please note - The waste water charges contained in this document are only relevant for connections in South West Water area of supply. Customers with developments in the Bournemouth Water area of supply should refer to the relevant waste water company charging arrangement. This will either be Wessex Water or Southern Water depending on the location.

4b. SEWER ADOPTIONS

If a development is to be adopted in to the company sewerage system, sewers and pumping stations must be constructed in accordance with defined standards and process.

How South West Water's new charges have been developed

The fee has been calculated as a cost reflective-fee based on the actual costs (as observed over the last five years) of providing the adoption/inspection per development.

In line with the company's approach to date, no asset payment is made in respect of the adopted sewers.

Applying for a Sewer Adoption

Unless otherwise stated charges are fixed. The prices quoted will be amended only if a cost change is generated by the customer.

Included within the charges are

1. The administration fee covers administration of the process including the provision of maintenance and vesting certificates.
2. Vetting – covers the review of the drawings in accordance with the specification.
3. The vetting cost is based on one submission and two re-submissions. Should there be any subsequent re-submissions further fees will apply.
4. Inspection fees are based ongoing inspections during construction, maintenance inspection and one revisit for remedial inspection. Should there be any subsequent re-inspections further fees will apply.
5. The company will undertake the first CCTV inspection of the sewers. Should a subsequent CCTV inspection be required to prove that remedial work is complete the developer will be required to provide and fund this.

Excluded from the charges

1. The company will not monitor the alarms to the pumping station until such time as the pumping station is vested.
2. Any jetting required enabling CCTV inspection. It is the developer's responsibility to make sure that the sewers are clean and ready for CCTV.
3. Any compensation payable to third party landowners for access or rights for the sewer laying or discharge.

Pumping Stations

1. The developer will secure all the necessary rights of access for the pumping station which are transferrable without any charge to the water company.
2. The developer will transfer the land for the pumping station to the water company during the maintenance period without any charge to the water company.
3. It is the developer's responsibility to provide all the utilities to the pumping station to facilitate its adoption.

No.	Description	Unit	Value	Contestable/Non contestable
	Admin Fee	Per application	£695	Non-contestable
	Technical Vetting Fee without PS	Per property with a minimum fee	£45 per property with a minimum of £465	Non-contestable
	Technical Vetting Fee with PS	Per property with a minimum fee	£55 per property with a minimum of £665	Non-contestable
	Inspection Fee	Per property with a minimum fee.	£35 per property with a minimum of £1250	Non-contestable
	Legal Fee	Per agreement	£675	Non-contestable
	Re-submissions for technical review	Per additional review	£465	Non-contestable
	Re-inspections following remedials	Per inspection	£250	Non-contestable
	Security	Per scheme	10% of construction costs	Non-contestable
	Installation and commissioning of Telemetry using PSTN line for comms (includes project management)	Per installation	£3606	Contestable
	Installation and commissioning of Telemetry using PSTN and Radio for communications (includes Project Management)	Per installation	£5074	Contestable

Security

Cash Bonds (maximum of value of bond)

£2,000

Other security - this can be by means of an insurance policy, bank guarantee or other means as agreed with the developer and the company

A construction schedule should be submitted by the developer for confirmation of the bonding

value. If no schedule is submitted before technical approval is granted, the company's schedule will be used.

Quotations will remain valid for 90 calendar days from the date of issue.

4c. SEWER REQUISITIONS

If a customer does not wish to self-lay, the company can provide a service to construct a sewerage connection for domestic purposes on behalf of the customer, when requested, on application, to do so.

To enable an application to be made, this must be the first time the properties will be connecting to the company's network.

How South West Water's new charges have been developed

Requisition charges have been calculated based on the actual costs incurred to requisition a water main or sewer over the last five years, per property connected.

Applying for a Sewer Requisition

On receipt of all the necessary information the company will provide the customer with a quote for the cost for the waste water provision. The quote will include a preliminary design layout unless the design is being undertaken by the customer.

If the company is to undertake the design work, the detailed design will be undertaken once full payment for the work is received and the necessary legal agreement is signed.

The quote will be split into the items identified in this section and will be supported with a design layout either produced by either the customer or the company.

Included within the rates are:-

1. Gravity sewers up to 300mm internal diameter.
2. Excavation and reinstatement to pre-existing ground conditions.
3. Up to three metres in depth and including any necessary manholes.
4. Compensation for grazing only. Should the third party require above and beyond this, then the company will look to recover the actual cost incurred in the payments.
5. Traffic management provides for two- way lights. Should the work require further traffic management, this will be included in the quote.
6. The administration fee covers the project management of the scheme and includes but is not limited to the customer communication, contract management, financial management of the scheme.

Exclusions will be charged on an actual cost basis on the bespoke quote

1. Any items contained within Schedule 13 of the Water Industry Act.
2. Where there is a need for additional traffic management above two-way lights e.g. road closure or three-way lights, this will be shown as bespoke item on the quotation.
3. Rising mains and pumping stations. Should a customer not be able to obtain the necessary third party rights to undertake this work, the company will provide a bespoke quotation for them.
4. Any other utility diversions required as a consequence of the work.

5. On surface water sewers, any costs associated with discharging the water to other than a public sewer.

Should an application not proceed past quotation stage, the company reserves the right to charge for the costs involved to date.

Quotations remain valid for 90 calendar days from the date of issue.

Income offsets are only applicable to sewer requisition costs and will be capped when the contribution equals zero. They will only be applied to properties where there is detailed planning permission exists at the time of application.

Should the requisition be for a surface water sewer, the discount will be pro-rata based on the proportion of the sewer which is for domestic purposes.

Where it is not a domestic property but the water is being used for domestic purposes, the offsets will be converted into domestic property usage to achieve the offsets.

The following table contains site specific waste water charges for sewer requisitions.

Note - Unless otherwise stated these are fixed charges. The prices quoted will be amended only if a cost change is generated by the customer.

Site-specific charges waste water sewer requisitions

No.	Description	Unit	Value	Contestable/Non contestable
	Administration Fee	Per scheme	£1,950.00	Non-contestable
	Vetting of design and approval undertaken by 3 rd party.	Per scheme	As per sewer adoption fee	Non-contestable
	Legal agreement	Per agreement	£450	Non-contestable
	Design of Connections to the public sewer network that may heighten the risk of damage to existing assets, or compromise public health and/or the environment.	Per connection	Bespoke on application	Non-contestable
	Connections to the public sewer network that may heighten the risk of damage to existing assets, or compromise public health and/or the environment.	Per connection	Bespoken on application	Non-contestable
	Connections to the public sewer that involve man-entry to live operational assets that necessitate special precautions to control H&S hazards (such as in combined sewers with a rapid response to rainfall).	Per connection	Bespoke on application	Non-contestable
	Income offset	Per domestic property	£251.90	Non-contestable
	Design of scheme	Per scheme	£4,500.00	Contestable
	Changes to design by the Developer/consultant following provision of quotation.	Per change	Minimum of £250 up to a maximum	Contestable

			£4,500	
	Pipelaying in made ground in land not owned or occupied by the Developer.	Per metre	£1,400.00	Contestable
	Pipelaying in unmade ground per metre in land not owned or occupied by the Developer.	Per metre	£1,000.00	Contestable
	Third party compensation	Per scheme	Bespoke on application	Contestable
	Ecological etc.	Per scheme	Bespoke on application	Contestable
	Traffic Management	Per scheme	Bespoke on application	Contestable

4d. SEWER DIVERSIONS

A sewer diversion is necessary when any proposed structure is going to be built near or on top of the asset. Clearance distances are available on the company's website www.southwestwater.co.uk/developerservices

How South West Water charges have been developed

Sewer Diversions are excluded from the requirements of the charging rules. To align with other charges the company will, where possible, base quotes on sewer requisitions.

Where this is not possible then the work will be competitively tendered and the quotation based on the outcome of the tender.

Applying for a Sewer Diversion

To request a diversion the customers must own or have a formal interest in the land and be improving the land the sewer is within.

If the company has refused the customer a build over and the customer needs to divert to a different location due to the proximity of the vicinity of the planned works, the customer will need to follow the process laid out in this section.

The final cost of any diversion is payable by the customer in full. If the final cost of the scheme is less than the deposit paid, the outstanding amount will be refunded on completion of construction. Should these costs be more, the company will invoice the customer.

The company can recover the reasonable costs incurred in undertaking these works.

Unless otherwise stated, charges are fixed. The prices quoted will be amended only if a cost change is generated by the customer.

Please note no work should be undertaken on the company's public sewers until such time as the customers receives all of the necessary approvals to proceed with the work.

The company will offer four different solutions (see below) to enable a sewer diversion to be undertaken. Please also refer to section 4f (Non Contestable) for further detail of the work a customer cannot undertake. If a customer is in doubt, please contact the company to discuss the matter.

Should an application not proceed past quotation stage, the company reserves the right to charge for the costs involved to date.

The administration fee covers the project management of the scheme and includes but is not limited to the customer communication, contract management where appropriate, financial management of the scheme,

Quotations remain valid for 90 calendar days from the date of issue.

Abandonment of sewers

It is the company's policy that the abandoned public sewer will be removed and not left in place and grouted. Customer should ensure that they have taken this into consideration.

1. Small Build

The following criteria must be met in order to be eligible for the small build process:

- It is a private customer carrying out improvement works to their existing property or constructing an infill property.
- The sewer works will be carried out wholly within the customer's curtilage, i.e. no third-party land or highway/public right of way is affected
- The sewer is no more than 3m deep
- The sewer is no more than 225mm in diameter
- No more than 10 properties are connected upstream
- The sewer does not carry pumped flows.
- There are no special technical requirements, e.g. engineering difficulty, geotechnical, structural or environmental issues

Charges:

No.	Description	Unit	Value	Contestable/Non contestable
	Small Build including one day inspection	Per application	£543.00	Non-contestable
	Further day inspection	Per Inspection	£304.00	Non-contestable

2. Design and Built by the customer's contractor and submitted at the same time and as part of the customer's on-site Section 104 application

There will be no additional charge for the technical review, providing the information is included in the initial Section 104 application. All the rules contained within the Sewers for Adoption charging arrangements will be applicable here.

The diverted sewer must be included in the value for any bonding arrangements and be subject to the same process as the Section 104 e.g. maintenance.

Charges will be as per Section 4b – Adoption Fees.

3. Design and build by the customer's contractor and submitted separately to any Section 104

The customer is required to make an application for a sewer diversion and submit all the required Section 104 application information.

The design vetting fee is based on the customer submitting a full application first time and allowing for two subsequent re-vettings of the design. Should any further design reviews be required these will be charged at the re-vetting fee contained within the Sewer Adoptions charges.

The inspection fee is based on three inspections being undertaken. Should any further inspections be needed these will be charged at the re-inspection fee contained within the Sewer Adoptions charges.

No.	Description	Unit	Value	Contestable/Non contestable
SD3a	Administration fee - if separate application and you are undertaking the design and construction	Per application	£695.00	Non-contestable
SD3b	Design vetting fee – if separate application and you are undertaking the design and construction.	Per scheme	£465.00	Non-contestable
SD3c	Inspection fee – if separate application and you are undertaking the design and construction.	Per scheme	£750.00	Non-contestable
SD3d	Legal Fee	Per agreement	£675.00	Non-contestable

4. Design and built by the water company

Where possible the company will use the schedule of rates used for sewer requisitions for each scheme.

If this is not possible the company will acquire a bespoke quotation based on tendered rates.

Charges:

No.	Description	Unit	Value	Contestable/Non contestable
SD4c	Admin Fee	Per application	£1,950.00	Non-contestable
SD4d	Legal Fee	Per agreement	£675.00	Non-contestable
SD4a	Design	Per scheme	£4500.00	Contestable
SD4b	Construction	Per scheme	Bespoke price on application.	Contestable

5. A mixture of options 3 and 4

This option will be offered by exception and will be priced individually as required.

It will normally be offered where the connections are deemed to be of high risk to the contractor, and require specialist knowledge and experience.

Where appropriate the rates contained in the previous options will be used but a bespoke quotation will be provided.

Charges

Will be in line with various items identified for the scheme.

4e. SEWER CONNECTIONS

This covers the connection of the property/properties to the public sewer.

Applications should be made whether the connection is directly to the public sewer or indirectly (via private drain).

How South West Water's new charges have been developed

Connection charges have been calculated based on the actual costs incurred to connect a property in the last 5 years.

Unless otherwise stated, charges are fixed. The prices quoted will be amended only if a cost change is generated by the customer.

Quotations remain valid for 90 calendar days from the date of issue.

Where the connection is undertaken by the customer or the customer's contractor directly to the public sewer:

No.	Description	Unit	Value	Contestable/Non contestable
	Admin Fee	Per application	£67.00	Non-contestable
	Inspection Fee	Per connection	£200.00	Non-contestable
	Re-inspection Fee	Per re-inspection	£165.00	Non-contestable

A re-inspection fee will be charged if an inspection is agreed with the customer or their contractor and upon the company arriving to undertake the inspection the connection is not ready or the company needs to return due to remedial work that is required.

Where the customer wishes the company to undertake the sewer connection on their behalf:

No.	Description	Unit	Value	Contestable/Non contestable
	Administration Fee		£1,950.00	Non-contestable
	Construction	Per connection	Bespoke price on application	Contestable

Where the customer makes an indirect connection to the public sewer

No.	Description	Unit	Value	Contestable/Non contestable
	Admin Fee	Per application	£33.00	Non-contestable

4f. NON-CONTESTABLE ACTIVITY

This is a schedule of activity that the appropriate water company is required to undertake.

The following text is an extract from Water UK's draft forthcoming guidance to water companies on non-contestable activity in the waste water sector.

It should be noted that this is yet to be finalised but the company will comply with the spirit of the text.

Excerpt from WUK draft guidance to companies

Waste Water

Non-contestable activities in the design and construction of sewerage to be offered for adoption.

Note: in contrast to the water supply network, the inputs to the operational sewerage system are not directly controlled by companies. Sewerage networks can be highly responsive to weather or be affected by intermittent discharges of trade effluent that require particular risk control measures when carrying out connections work. In a minority of cases, companies may require that they carry out some connections work as part of controlling such risks.

The water company should allow a competent developer or their contractor to do all elements of work to provide sewerage to new developments which are to be offered for adoption or laid as public sewerage other than those defined as non-contestable in the table below.

The water company should consider all reasonable requests to allow a competent developer or contractor to perform non-contestable work activities. This may, initially, be on a trial basis.

Non-contestable activities in the design and construction of sewerage

DESIGN

- Design of network reinforcement and enhancement work.
- Sizing of pipes design guidance – water companies retain responsibility for specifying pipesizing criteria. Application of the design guidance is a contestable activity

DESIGN APPROVAL

- Approving the design of 'Site Specific' sewerage works where the developer proposes to offer the works to the water company for adoption.

INSTALLATION

- It is expected that Network Reinforcement work will normally be undertaken by a water company under the proposed new charging arrangements except where the water company requests a developer or SLP to oversize the assets they are providing to allow for later development.

- Network Reinforcement, or Diversion works, whose construction may heighten the risk of damage to the existing sewerage network or compromise public health and/or the environment.
- Network Reinforcement which is provided for a general area or as part of a company's investment programme.
- Connection of Site Specific telemetry to a water company's telemetry system.
- Connections to the public sewer network that may heighten the risk of damage to existing assets, or compromise public health and/or the environment.
- Reviewing H&S risk assessments (particularly man-entry arrangements to an operational sewer or for work to assets that may contain trade effluent).
- Connections to the public sewer that involve man-entry to live operational assets that necessitate special precautions to control H&S hazards (such as in combined sewers with a rapid response to rainfall).
- Serving notices for land entry, and negotiation with third party landowners and occupiers.
- Work inside operational treatment works (except where suitable contractors are used).
- Upgrading of sewage treatment and disposal facilities to serve new development except where the development proposes to install its own facilities and not drain to the public sewerage network.
- Enhancement work to the sewerage system.

COMMISSIONING

Decommissioning redundant sewerage following a diversion.

Note

1. Enhancement work is defined as work required by a water company to resolve a deficiency in service standards experienced by existing customers
2. Restrictions on permitting SLPs to undertake non-contestable work apply when the water company assesses that the construction works significantly heightens the risk: to H&S and wellbeing; of damage being caused to their existing assets; of environment harm. The thresholds for this assessment will be set in accordance with the water company policies for all work on their waste water network and allowing SLPs to do work on pipework with such assessments may be subject to accreditation requirements and controls specified in the terms offer.

SECTION FIVE - BUILD OVERS

The company will need to know about any proposed building work over or within three metres of a public sewer or lateral drain.

The company will identify if a customer's proposal will be affected by the presence of its apparatus and work with the customer to resolve any issues that may arise.

Customers are encouraged to contact the company in the early stages of planning regarding their proposals.

The granting of planning permission or building regulation approval does not give consent or permission to carry out construction works either over or close to the company's apparatus. The customer will also require the company's direct consent.

The company will not permit:

- Building over or in close proximity to sewer rising mains
- Building over or in close proximity to existing sewers on new development or redevelopment sites

If a private customer planning a small building project (e.g. an extension, garage or garden room) wholly on their own land is unsuccessful in their application to build over or close-to our sewer, they may be eligible for the company's Small Build Sewer Diversion process, details of which are available on the company website

www.southwestwater.co.uk/developerservices

No.	Description	Unit	Value
	Domestic sewer build over application (by declaration)	Per declaration	£75.00
	Domestic sewer build over application (by assesment)	Per Assessment	£170.00
	CCTV survey (up to 15 metres)		£150.00
	Sewer location survey	Per survey	£150.00
	Site visit (half day)	Per half day	£165.00

SECTION SIX - INFRASTRUCTURE CHARGES

In this section 'Infrastructure Charge' means the charge authorised by Section 146(2) of the Water Industry Act 1991. Unless the individual charges are specifically referred to separately in this section, the term will cover both the water infrastructure charge and the sewerage infrastructure charge.

Charges have been set to recover the costs of network reinforcement involving new development from those making the demand on the water and sewerage system rather than from existing customers of the water and sewerage companies.

How South West Water's new charges have been developed

Step 1

To provide the baseline level of offsite network reinforcement expenditure to be recovered through the infrastructure charge, review the actual and planned expenditure on offsite network reinforcement for 2015-2020 that is not recovered through the requisition charge.

Step 2

Review requisition expenditure for all developments over the last five years, to understand how much of this expenditure relates to offsite work and will also be recovered through the infrastructure charge going forward.

Step 3

Calculate the infrastructure charge as the sum of the expenditure from steps 1 and 2, all divided by the projected number of properties connected.

Note: the cost of offsite network reinforcement may not be recovered through the requisition charge and must be recovered through the infrastructure charge.

Application of the charges

The infrastructure charge will be payable on a property which comprises a unit capable of separate occupation on the first occasion that it is connected to a water main or a public sewer for domestic purposes on or after 1 April 1990.

This does not mean that it is only payable on houses. It is payable where water will be used for domestic purposes, that is drinking, washing, cooking, central heating, and sanitary purposes (as defined in the Water Industry Act 1991).

For the purposes of this charge every building or part of a building will be treated as a unit capable of separate occupation and liable to a separate infrastructure charge if:

- (a) In the case of a dwelling:
 - (i) it is used or will be used as a separate dwelling; or
 - (ii) it includes separate facilities for sleeping, washing, cooking and a WC.
- (b) In any other case, it has its own connection to The Company's water supply or sewerage service and is in fact capable of separate occupation.

Except where detailed below under 'non-standard cases', the standard amounts of the charges will be payable for each unit connecting directly or indirectly to the company's mains and/or sewers.

Liability to pay the charge

The charge is payable by the person requesting a connection to the company's water mains and/or sewerage system.

Where no application for a water supply or sewerage service is received or where the company is unable to recover the charge from the person who requested the connection, the charge will be payable by the person who has the benefit of the new supply or service on the charge becoming payable.

Should the water main or sewer that is being connected-to be previously subject and delivered as a requisition since 1991 and up to 31 March 2018, then infrastructure charges will be charged the following rates for properties identified in that requisition.

No.	Description	Unit	Value
	Infrastructure charge (old type) – water supply	Per domestic property	£378.12
	Infrastructure charge (old type) – sewer	Per domestic property	£378.12

For any other connections after the 1 April 2018 and not connecting to a main or sewer that was requisitioned between 1991 and 31 March 2018, the following infrastructure charges will apply:-

No.	Description	Unit	Value
	Standard Infrastructure charges due for the development– Water Supply	Per domestic property (please see below if not a dwelling)	£98.00
	Standard Infrastructure charges due for the development– Sewerage	Per domestic property (please see below if not a dwelling)	£736.00

These charges are outside the scope of VAT.

Payment of Infrastructure Charges

These are normally paid at the time of connection. Should a customer wish to pay over a longer period; the company can offer monthly instalments over a twelve-month period.

Definition of connection

In the case of the water infrastructure charge, connection is defined as the point in time at which a water meter is installed for measuring use at the property; or where a meter has been installed previously for measuring a building supply and building supply charges have been paid, the point at which the supply changes to one for domestic purposes.

In the case of the sewerage infrastructure charge, connection is deemed to be the point at which a water meter is installed for measuring use at the property; or where a meter has been installed previously for measuring a building supply and building supply charges have been paid, the point at which the supply changes to one for domestic purposes; or where no water supply is taken from a statutory water undertaker, the point at which the property is physically connected directly or indirectly to a company owned sewer.

The company will normally provide an invoice for the due infrastructure charges at the same time as it presents an invoice for connection. Customers may find it administratively more convenient and cheaper to pay the charges at the same time.

Non-standard cases

There are a number of situations where the infrastructure charges due for a development will not be calculated by simply adding together the relevant number of standard amounts for each unit.

Example 1

Where a building is made up of a number of self-contained units and their future occupiers will not be billed by the company for water and sewerage services but the bill will be paid by a third party (a Common Billing Agreement), the infrastructure charge will be calculated by reference to the water using appliances in the building.

The table on Page 47 below sets out the 'Loading Units' for various water using appliances.

Methodology

The infrastructure charge will be calculated by:

- adding together all the loading units for all the appliances in the building,
- dividing this figure by 24 (the average loading unit for a domestic dwelling prescribed nationally); then
- dividing the resulting figure by the total number of self-contained units to which the Common Billing Agreement applies.

This will produce a figure called the "Relevant Multiplier" (RM).

The Relevant Multiplier will be:

- multiplied by the standard infrastructure charge, then
- further multiplied by the total number of self contained units to determine the total infrastructure charge payable.

Eg: a building comprises 10 sheltered retirement flats and the future water and sewerage charges will be paid by a management company for the flats.

Total value of Loading Units = 168

168 divided by 24 = 7

7 divided by 10 (number of self-contained units/flats) = 0.7 (RM per self-contained unit/flat)

Total Infrastructure charges for the development = 0.7 (RM) x the standard infrastructure charge x 10 (number of self-contained units/flats)

In the case of a development with a Common Billing Agreement the relevant multiplier may be more or less than 1.

Example 2

In the case of buildings which do not consist of a house and which are supplied by a service pipe with an internal diameter greater than 20mm, infrastructure charges will again be calculated by reference to the water using appliances installed within them using the Loading Units in the table below.

Methodology

The infrastructure charge will be calculated by:

- adding together all the loading units for all the appliances in the building, and
- dividing this figure by 24 to produce the relevant multiplier (if this figure is less than 1, the relevant multiplier will be 1)
- the relevant multiplier figure will then be multiplied by the standard infrastructure charge to determine the charges due:

e.g. A factory unit is built, the domestic water using appliances in which produce a total Loading Unit Value of 76.

Relevant multiplier = 76 divided by 24 = 3

Infrastructure charges payable = 3 x the standard infrastructure charge

LOADING UNITS

The information contained in the table and used by the company is sourced from BS EN 806 Part 3 2006.

Draw Off point	Loading Units
Washbasin, hand basin, bidet, WC-cistern	1
Domestic kitchen sink, washing machine* dish washing machine, sink, shower head	2
Urinal flush valve	3
Bath domestic	4
Taps/(garden/garage)	5
Non-domestic kitchen sink DN20, bath non domestic	8
Flush valve DN20	15

*For non-domestic appliances please see manufacturer guidance

Notes to be read with the table:

Note 1. Reference to any fitting includes reference to any plumbing, outlet, dedicated space or planning or other provision for that fitting.

Note 2. In any calculation of the total Loading Units for a property, a minimum of six Loading Units will be included in respect of each house for domestic appliances whether or not the house has any such appliances. The only exception to this will be in the case of any house where neither a washing machine nor a dishwasher can be provided and there is no plumbing, outlet, dedicated space or planning or other provision for either appliance in the house.

Example 3

Where a site is developed or redeveloped (including conversions or sub-divisions of buildings).

Methodology

The number of infrastructure charges which will be payable are calculated as:

- The total number of units with connections to water and/or sewerage services after development
- *minus* the maximum number of properties which had connections to water and/or sewerage services at any time in the five years before redevelopment began.

The credited number of properties is known as off-sets.

Eg A row of 5 shops and 5 flats all of which had water and sewerage connections is demolished. The site is not re-developed for three years. When it is, a block of 16 self-contained flats is built.

The infrastructure charges payable for the redevelopment will be:-

*16 sets of **minus** 10 sets of charges **equal** 6 sets of charges (one set for each of the charges properties connected previously)*

Where a site to be redeveloped consists of a large single commercial complex - such as a hospital or hotel - and which had a metered connection, the company will take account of demand on services of the original use of the site in the five years before redevelopment began when calculating infrastructure charges (**NB** where part of a site only has been sold for redevelopment, the continuing water use at that part of the site not being redeveloped will be taken into account when calculating the due infrastructure charges).

It will do this by dividing the maximum consumption recorded by the meter in any of the five financial years prior to development by the average domestic household consumption in the company's area. This will produce the number of off-sets which the company will set against the infrastructure charges due.

Eg: a residential home with a single metered connection is redeveloped and 30 flats built on the site. The maximum annual use of the home in the five years before redevelopment was 930 cubic metres.

The infrastructure charges payable for the site will be:

930 m³ divided by 112 m³ (average domestic annual consumption) equals 8 off-sets.

30 sets of infrastructure charges - 8 offsets = 22 sets of infrastructure charges.

In cases where infrastructure charge liability is calculated using the relevant multiplier principle any off-sets due will be set against the total number of infrastructure charges which have been deemed payable using the relevant multiplier principle.

Note - where a large single commercial site is redeveloped which did not previously have metered connections the company will be unable to use demand as a basis for calculating infrastructure charges. Charges will therefore be calculated on the basis of the maximum number of properties formerly on the site.

SECTION SEVEN - VALUE ADDED TAX

This section is a summary description of the VAT liability of charges and is subject to changes in VAT legislation and rates of VAT.

All charges in the scheme are shown exclusive of VAT.

VAT, where applicable, will be charged at the appropriate rate.

Charges for engineering and construction services are subject to VAT at the standard rate, subject to the following:

- The new construction of dwellings and other certain qualifying buildings are zero rated
- Charges in respect of construction services/civil engineering services supplied in the course of certain residential conversions, or in the course of renovating certain buildings that have been empty for two or more years, may be taxed at a reduced rate, connection work will include that to the nearest supply.

The first time connection to an existing building where the bill payer for the water and the connection are the same individual/entity, here the VAT rate is the same as that charged for the supply of the water only applies to water supplied by The Company Limited.

Infrastructure charges are outside the scope of VAT.

Although VAT is generally applied in the manner outlined above it is not straightforward and its application can vary.

SECTION EIGHT - TRANSITION ARRANGEMENTS

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

Transitional arrangements are provided for in:

- **The WA2014 commencement order no.9**

This provides that agreements relating to Site Specific work made on the basis of the old rules, are to continue to apply in some circumstances until 1 April 2023 .

- **Condition C of company licences**

This requires that where connections are made to assets which were requisitioned under the old rules, the old infrastructure charge will continue to apply to those connections.

The company will also align itself to the Water UK transition principles shown below.

Site Specific work

1. Quotations for some Site Specific work provided under the old rules, and accepted before 1 April 2018 are to continue to apply until 1 April 2023 unless the customer and the Company agree to vary the quotation.
2. Where a legal agreement is already in place in relation to charges for Site Specific Work carried out as part of an adoption, then the charges defined within that agreement remain valid for the life of the agreement unless the customer and the company agree to vary those charges.
3. Charges relating to the old charging rules will be adjusted by inflation if the quotation or legal agreement includes an appropriate provision for adjusting the charges.
4. Applications received between 1 February 2018, and the 31 March 2018 for Site Specific work that will be carried out after 1 April 2018, will be quoted on either the old rules, or the new Charging Rules. Developers and SLPs will be invited to choose their preferred method.
5. Developers or SLPs that have received a quotation or draft adoption agreement under the old rules, but have not formally accepted can re-apply after the 1 February 2018 for a quotation in accordance with the new Charging Rules.
6. Should both sides agree that it would be more appropriate to go with one charging rule then the other on that particular site. These will be done as an exception and each case will be looked on, on its own merits.

SECTION NINE - DISPUTES ABOUT THE CHARGES

Should a customer ever need to make a complaint, the company's **Code of practice – how we handle customer complaints** explains how the company will deal with your complaint.

This Code is available on the company's website:

<https://www.southwestwater.co.uk/developer-services/complaints/>

SECTION TEN - LIABILITY FOR CHARGES AND METHODS OF PAYMENT

Liability for charges

Charges are payable by the person requesting services laid out in this Charging Arrangements documents from the company.

In the case of new connections where no application for a water supply or sewerage service is received or where the company is unable to recover the charge from the person who requested the connection, the charge will be payable by the person who has the benefit of the new supply or service on the charge becoming payable

With the exception of infrastructure charges (see Section Six) full payment will be required in advance of the works being undertaken.

Should the customer instruct work to be undertaken, they will be liable for the payment whether they have made the advance payment or not.

Methods of payment

The company offers the following methods of payment:-

Cheque – Please make cheques payable to South West Water Ltd and return the cheque with the legal agreement if one provided to the address on the form.

Credit/Debit card

BACS details are:-

Bank Sort Code 30-00-02
Bank Account Number 00456492
Bank Account Name - South West Water Ltd, Collection Account
Please include your Work Request reference (WR NO) as the reference on the payment.

Please note: If making payment for water connections please also read the document in the link below before making the payment:

<https://www.southwestwater.co.uk/frequently-asked-questions/developer-services/how-do-i-pay-for-my-new-water-connection/>

Failure to pay charges when due

If a customer does not make payment when it is due, the company will send a reminder.

If the customer still does not pay or contact the company to discuss the outstanding debt after sending a reminder, the company will send notice of its intention to ask the County Court to issue a Court Claim for non-payment.

SECTION ELEVEN - OTHER CHARGES

For further details relating to the following additional charges, please refer to the company's Wholesale Charges Schedules for 2018/19.

<https://www.southwestwater.co.uk/about-us/regulatory/2018-19-wholesale-charges/>

- Building water
- Other supplies
- Hydrant standpipes
- EIR
- Other information

SECTION TWELVE – GLOSSARY

AMP	Asset Management Period. Each AMP period is 5 years
Build Overs	Construction of a structure near-to or over a company asset
Connection	Connecting property/properties to our network.
Contestable	Work that can be undertaken by you/your contractor/your consultant.
Diversion	If the company has refused you a build over and you need to divert to a different location due to the proximity of the vicinity of the planned works. You must own or have a formal interest in the land and be improving the land the water main or sewer is within to enable this to be requested.
Income offset	This is the amount of money the Water Company will offset to take into account the new income received from new development connecting to its network.
Infrastructure Charges	Infrastructure charges are a one off charge, charged by all water companies for first time connections. They are intended to provide a contribution towards the costs of developing distribution networks to serve new customers.
Levels of Service	Our Minimum Levels of Service for Delivery in this work area will be in accordance with the Levels of Service published by Water UK unless agreed otherwise by both parties add link.
NAV	New Appointment Variation Provider
Network Reinforcement	<p>Network Reinforcement to provide for new development related growth will be delivered by water companies with the cost recovered through a new approach to Infrastructure Charges.</p> <p>Reinforcement includes upgrades to the existing network and can also include upsizing works which the water company agrees should be provided to cater for other likely new connections.</p>
Non-contestable	Work that must be undertaken by the relevant Water Company.
Ofwat	The Economic Regulator of the Water Industry for England and Wales
Pre-planning	Information provided on the location of our assets and the associated costs in connecting to them before planning permission is granted.
Relevant Multiplier	<p>To calculate the loading units for buildings that are not a single dwelling ie a house or single flat, the company will continue to use the principle of the relevant multiplier as originally laid out in Instruments of Appointment (licences).</p> <p>The table used in this document has been updated as described as described in Section 6.</p>
Requisition	Provision of a water main or sewer to serve properties which are connected to our network for the first time.

	Legislation – this is covered under Sections 98 -101 and 41 – 44 of the Water Industry Act 1991.
Sewer Adoption	<p>If a developer requires a sewer, they may ask the water or sewerage company to install the pipework. Alternatively, they may choose their own contractor to do the work. This is known as self-lay. The water company will take over responsibility for (adopt) self-laid pipes that meet the terms of its agreement with the developer.</p> <p>Legislation – this is covered under Section 102 and 104 of the Water Industry Act 1991</p>
Self-Lay	<p>If a developer requires a new water main or sewer, they may ask the water or sewerage company to install the pipework. Alternatively, they may choose their own contractor to do the work. This is known as self-lay. The water company will take over responsibility for (adopt) self-laid pipes that meet the terms of its agreement with the developer or self-lay provider (SLP) that carries out the work.</p> <p>Legislation – this is covered under Section 51, 102 and 104 of the Water Industry Act 1991.</p>
Site Specific	<p>Site Specific charges will be payable for all work carried out by the water company on the site and up to a defined point of connection to the existing water company network. These charges cover the cost of Site Specific work to provide any new pipework or pumping facilities that are needed to connect the new houses to the nearest practical point on the existing network – and where the diameter of the new connecting pipework is no larger than the diameter of the company’s existing network.</p> <p>The costs of these works will be recovered from the party that requested the works, either in full, or - where applicable - using a discount based on the expected future income from the new homes.</p>
SLP	Self-Lay Provider
The company	South West Water or Bournemouth Water
Water UK	Water UK is a membership organisation which represents and works with the major water and wastewater service providers in England, Scotland, Wales and Northern Ireland.
WIRS	Water Industry Registration Scheme

SECTION THIRTEEN - RELEVANCE TO OFWAT CHARGING RULES FOR NEW CONNECTIONS SERVICES

The charges in this Charging Arrangements document have been developed to align with the applicable Ofwat charging rules and other expectations as follows:

- all expenditure on offsite network reinforcement will now be recovered through the infrastructure charge only;
- all expenditure on onsite work will be recovered through the requisition and connection charges, as appropriate;
- the existing balance of charges between developers and other customers is maintained (based on overall revenues);
- the income offset is no longer based on the relevant deficit (RD/DAD) formula; instead, a simpler methodology is adopted;
- as a general principle, the charges have been set to align with the relevant expenditure over a five-year period (based on expenditure in the company area);
 - for the infrastructure charge, this is based on 2015-2020 actual and projected expenditure;
 - for all other charges and the income offset, this is based on expenditure from 2012/13 to 2016/17.

The rules relating to specific charges are detailed below.

For further information the Charging Rules for New Connections Services (English Undertakers) is available on the following link:

<https://www.ofwat.gov.uk/wp-content/uploads/2017/08/Charging-rules-for-new-connection-services-English-undertakers.pdf>

Water Requisition

The following charging rules relate to requisition charges:-

- Charging rule 24—these [requisition] charges are concerned with the cost to the undertaker of providing site-specific infrastructure necessary for the provision of a water main and/or public sewer.
- Charging rule 26—requisition charges must relate to the costs of providing the requisitioned water main and/or public sewer. Such charges may not include any amount for network reinforcement costs.
- Charging rule 27—any requisition imposed by an undertaker:
 - a) must relate only to site-specific work carried out and costs incurred by the undertaker in order to meet its duties under sections 41(1) or 98(1) of the Water Industry Act 1991; and
 - b) must not relate to work needed or desired to modify or enhance existing network infrastructure in order to address pre-existing deficiencies or to enhance network flexibility, in capacity or capability, unrelated to requirements associated with the requisition.

The following charging rules relate to income offsets and asset payments

- Charging rule 29—in setting requisition charges an undertaker may (but is not required to) provide for an income offset.
- Charging rule 30—as regards the methodology for the calculation of Income Offsetting arrangements:
 - a) Each undertaker has discretion as to the methodology to be applied to calculate an income offset. Such methodology must, however, be clearly explained in the applicable charging arrangements;
 - b) as regards water mains, the methodology for the calculation of any income offset applied in respect of requisitioning charges must be equivalent to the methodology applied in calculating any asset payment an undertaker may make in respect of the adoption of water mains;
 - c) Nothing in these rules prevents an undertaker from providing for income offsetting arrangements in relation to the requisition of public sewers if it does not make any asset payments in respect of the adoption of sewers.
- Charging rule 38—insofar as section 51A agreements are concerned, water undertakers shall provide for asset payments where the undertaker calculates the requisition charge for a water main to include an income offsetting arrangement

Water Connections

The following charging rules relate to connection charges.

- Charging rule 31—each undertaker shall set out in its charging arrangements charges that will be imposed for connections to the water main, the provision of lateral drains and communication with public sewers under the relevant provisions of the Water Industry Act 1991.
- Charging rule 33—any connection charges imposed by an undertaker must relate only to site-specific work carried out and costs incurred under the relevant provisions of the Water Industry Act 1991.
- Charging rule 34—undertakers shall not provide for income offsets in setting connection charges.

Sewer Requisitions

The following charging rules relate to requisition charges:-

- Charging rule 24—these [requisition] charges are concerned with the cost to the undertaker of providing site-specific infrastructure necessary for the provision of a water main and/or public sewer.
- Charging rule 26—requisition charges must relate to the costs of providing the requisitioned water main and/or public sewer. Such charges may not include any amount for network reinforcement costs.
- Charging rule 27—any requisition imposed by an undertaker:

- c) must relate only to site-specific work carried out and costs incurred by the undertaker in order to meet its duties under sections 41(1) or 98(1) of the Water Industry Act 1991; and
- d) must not relate to work needed or desired to modify or enhance existing network infrastructure in order to address pre-existing deficiencies or to enhance network flexibility, in capacity or capability, unrelated to requirements associated with the requisition.

The following charging rules relate to income offsets and asset payments

- Charging rule 29—in setting requisition charges an undertaker may (but is not required to) provide for an income offset.
- Charging rule 30—as regards the methodology for the calculation of Income Offsetting arrangements:
 - d) each undertaker has discretion as to the methodology to be applied to calculate an income offset. Such methodology must, however, be clearly explained in the applicable charging arrangements;
 - e) nothing in these rules prevents an undertaker from providing for income offsetting arrangements in relation to the requisition of public sewers if it does not make any asset payments in respect of the adoption of sewers.

Sewer Adoptions

The following charging rules relate to adoption/inspection fees:-

- Charging rule 36—these [adoption] charges are concerned with the cost of site-specific work necessary as part of the adoption or connection of a water main, communication pipe, public sewer and/or lateral drain. Such charges may not include any amount for network reinforcement costs.
- Charging rule 37—any charges imposed by an undertaker in respect of an agreement under section 51A or section 104 of the Water Industry Act 1991:
 - a. must relate only to site-specific work carried out and costs incurred by the undertaker in order to meet its duties under such an agreement;
 - b. must not relate to work needed or desired to modify or enhance existing network infrastructure in order to address pre-existing deficiencies, in capacity or capability, unrelated to requirements associated with the agreement.
- Charging rule 39—insofar as section 104 agreements are concerned, sewerage undertakers may provide for asset payments for the adoption of a sewer.
- Charging rule 40—where an undertaker provides for asset payments in respect of the adoption of a water main pursuant to an agreement under section 51A of the Water Industry Act 1991, or the adoption of a sewer pursuant to an agreement under section 104 of the Water Industry Act 1991, the calculation of any asset payment must be equivalent to the methodology applied in calculating an income offset applied in respect of requisition charges.
- Charging rule 41—undertakers shall not provide for asset payments for the adoption of a communication pipe or lateral drain.

Infrastructure Charge

The following charging rules relate to infrastructure charges indirectly.

- Charging rule 24—These [requisition] charges are concerned with the cost to the undertaker of providing site-specific infrastructure necessary for the provision of a water main and/or public sewer.
- Charging rule 26—requisition charges must relate to the costs of providing the requisitioned water main and/or public sewer. Such charges may not include any amount for network reinforcement costs.
- Charging rule 27—any requisition imposed by an undertaker:
 - a) must relate only to site-specific work carried out and costs incurred by the undertaker in order to meet its duties under sections 41(1) or 98(1) of the Water Industry Act 1991.

SECTION FOURTEEN – RELEVANCE TO OFWAT WHOLESALE CHARGING RULES

The following wholesale charging rules relate to wholesale connection charges.

- Part 2 – paragraphs 27 - 31

Charging rule 27 - Subject to paragraphs 28, 29 and 30, relevant undertakers whose areas are wholly or mainly in England must set and publish their Wholesale Connection Charges as if:

(a) those charges related to services in respect of household premises rather than non-household premises, and

(b) the Charging Rules for New Connection Services applied to them.

Charging rule 28 - The obligation in paragraph 27 excludes the rules in paragraphs 44 to 46 of the Charging Rules for New Connection Services (English Undertakers).

Charging rule 29 - Relevant undertakers must publish their initial Wholesale Connection Charges in their Charging Arrangements by 1 June 2018.

Charging rule 30 - Thereafter, relevant undertakers must consult on their Wholesale Connection Charges at the same time as their charges under the Charging Rules for New Connection Services (English Undertakers), and must publish them in their Charging Arrangements.

Charging rule 31 - The provisions for Small Companies in paragraph 17 of the Charging Rules for New Connections Services (English Undertakers) apply in relation to Wholesale Connection Charges as they apply in relation to the charges covered by those rules.

All charges in this document are wholesale charges for activities carried out by South West Water and will apply to any applicant for the services shown in this document. For the avoidance of doubt no retail elements are included in any of the charges, therefore there is no distinction between charges for Retailers and for any other applicant.