

# New Connections Charging

Statement of significant changes

1 February 2019

WONDERFUL ON TAP



## Introduction

Each year the 'Charging Rules for New Connections Services (English Undertakers)' allows us to recover the reasonably incurred costs of carrying out new connections activity and we refresh our assessments annually to enable us to set our charges for the coming year. The purpose of this document is to highlight any charges that are changing by a significant amount, which we define as an increase of more than 5%.

## This year's changes

The vast majority of our New Connections charges will not increase by 5% or more next year however, this year our Waste Infrastructure charge will increase by more than 5% in 2019/20. A summary of our key charges can be seen below.

Charge	2018/2019	2019/2020	Percentage change
Water Infrastructure charge	£423.93	£438.89	4% increase
Waste Infrastructure charge	£229.44	£265.08	16% increase
Application fee – standard S45 connection	£137.88	£137.88	No change
Mains requisition charge – lay only	£674.02	£620.58	8% decrease
Mains requisition charge – open cut	£992.68	£896.30	10% decrease
Waste inspection charge	£10.71	£10.57	1% decrease
Waste Bond payment	£42.82	£42.30	1% decrease

Infrastructure charges cover the cost of network reinforcement work that is required on the company's existing network to provide for new development-related growth. These charges are derived using five years of data which includes some forecast years. Our analysis is refreshed annually as new data becomes available and as we become aware of developments in our area, which allows us to understand what infrastructure investment is required in the coming years. This particularly affects waste schemes, where we will be increasing the investment in the coming years to ensure that our network can support the increased demands of the developments within our region. For 2019/20 this is the main driving force behind our increase in charges.

## Managing changes in New Connections charges

Our aim is to maintain stable charges year on year so that developer customers can predict their water and wastewater service costs for their schemes with relative ease and to ensure charges are affordable. We have taken all reasonable steps to prevent charges from rising rapidly for 2019/20, however we also have to make sure our network can support the new developments which are being connected to it and of course ensure other customers do not pay for investment which is development-related.

Due to the increase in our Waste Infrastructure charge we have engaged with our customers, trade bodies and regulators to explain the increase and answer any queries they may have:

- Self lay forum on 14 December.
- Waste Forum on 18 December.
- Fair Water Connections (FWC) informal meeting on 20 December.
- Developer forums on 16 January and 13 February.
- Consumer Council for Water on 21 January
- Home Builders Federation (HBF) – date to be confirmed
- House Builders Association (HBA) – date to be confirmed

At the time of publication the feedback specifically relating to our Waste Infrastructure charge has been limited however we will continue to engage with our customers and key stakeholders and act on their feedback.

While our infrastructure charges may be increasing, we continue to assist our developer customers by offering our Infrastructure Discount Scheme (IDS). This enables housing developers to save up to 100% on their water and wastewater infrastructure charges by building water efficient homes.