

18 APPENDIX 2 - Water Company proposals - water supply

Water Supplies (for Domestic Purposes)				
Activity (and description)	Frequency	Proposal 1	Proposal 2	Proposal 3
Definitions (apply to water and/or sewerage supplies)		<ul style="list-style-type: none"> • Fixed charge = lump sum charge from a published table • Variable charge = charges provided on application based on published principles to reflect the work needed for a particular connection • Capped charge = charges that include risk allowances that may or may not materialise • Reference to offsets include the corresponding asset payment 		
Assumptions (apply to water and/or sewerage supplies)		<ul style="list-style-type: none"> • Streetworks and traffic management costs will be recovered via variable charges. • Administrative fee to be charged based on published rates where applied • The nearest connection point is to a main of the same diameter or larger, these costs will be classed as Site Specific costs • Charges for Network Reinforcement may be zonal or single, and total income collected will cover investment over a rolling 5-year period • Third party consents will be charged in addition, eg, discharge consents • Where appropriate, discounts will be offered if surface water does not enter the sewer system • Current approach to S185 diversions continues to apply 		
Service Connections (<63mm) (charge includes meter & box)	High	Published fixed charges that reflect differences in reinstatement type, extra length, ground conditions, risks, etc.	Published fixed charges that reflect differences in reinstatement type, extra length, ground conditions, risks, etc.	Published fixed charges that reflect difference of whether the connection is nearside or farside.
Service Connections (>63mm) (charge includes meter & chamber)	Medium / Low	Published methodology and a variable charge.	Published methodology and a variable charge.	Published methodology and a variable charge.

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Mains Pipe Laying - Standard (such as for a water supply between the existing network and the development. Can include work on-site, if requested by a customer)	Medium / Low	Published fixed charges with capped charge modifiers where necessary for reinstatement type, extra length, ground conditions, risk, etc.	Published fixed charges with capped charge modifiers where necessary for reinstatement type, extra length, ground conditions, risk, etc.	Published methodology and a variable charge.
Mains Pipe Laying - Complex* (such as for a water supply between the existing network and the development. Can include work on-site, if requested by a customer) *Complex work will be defined using the criteria in the prevailing self lay COP)	Low	Published methodology and a variable charge.	Published methodology and a variable charge.	Published methodology and a variable charge.
Connection to existing main	Medium / Low	Published fixed charges with capped charge modifiers where necessary for reinstatement type,	Published fixed charges with capped charge modifiers where necessary	No proposed separate charge. Proposal to include within the mains

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(charge for connecting new mains, either laid by the company, or laid by the customer)		extra length, ground conditions, risk, etc.	for reinstatement type, extra length, ground conditions, risk, etc.	pipe laying cost recovery set out above.
Network Reinforcement (charge for network upsizing, future capacity, re-zoning to benefit existing or future customers, boosters, etc)		Cost of increasing capacity in the network recovered via zonal or single fixed infrastructure charges that include a company-specific environmental incentive. The Relevant Multiplier will continue to be used for multi-occupancy developments where applicable, and credits will be offered to reflect previous site use.	Cost of increasing capacity in the network recovered via single fixed infrastructure charge that include a company-specific environmental incentive. The Relevant Multiplier will continue to be used for multi-occupancy developments where applicable, and credits will be offered to reflect previous site use.	Cost of increasing capacity in the network recovered via fixed zonal infrastructure charge that includes a company-specific water efficiency incentive. The Relevant Multiplier will continue to be used for multi-occupancy developments where applicable, and credits will be offered to reflect previous site use.
Resources & Treatment (new water resources such as boreholes, or treatment plant capacity)		No charge - consistent with the current legislation - Costs relating to treatment capacity are not recovered from developer customers		
Diversions (such as moving an existing water main to allow for building foundations)		Published methodology and a variable charge on application, with an option to agree a fixed charge where appropriate.	Published methodology and a variable charge on application, with an option to agree a fixed charge where appropriate.	Published methodology and a variable charge on application.

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Income Offset (subsidy from customer bills to maintain the existing balance) applicable to all Site-Specific main laying activities		Any income offset will be applied fairly across all connections. Options include: (1) fixed % offset for Site Specific main laying, (2) simplified DAD model, (3) offset applied on a per property basis.	Any income offset will be applied fairly across all connections. Options include: (1) fixed % offset for Site Specific main laying, (2) simplified DAD model, (3) offset applied on a per property basis.	<ul style="list-style-type: none"> • For site-specific main laying costs there will be a fixed, published % offset, based on historic contribution. • Network reinforcement income offset reflected in zonal charges, based on historic contributions.
Source: Water UK Working Group - Participating company proposals				