

Wholesale -

Developer Services Charges

2017 – 2018

V1.3 31/1/17



Contents

Contents

Requisitioning of water mains and new connections.....	2
Requisitioning of water mains	2
Preparing for a new connection	2
The cost of connecting the supply.....	2
Connection.....	2
If no suitable water main is available	2
Payment for new water mains.....	3
Water infrastructure charges	3
New developments.....	4
Redeveloped sites or building conversions	4
Calculation of water infrastructure charges	4
Calculating the relevant multiplier	5
Network access prices	6

Requisitioning of water mains and new connections

Requisitioning of water mains

Cambridge Water's Network Development Team provides advice on the design, pricing and construction of new water mains, services to individual properties, building water supplies and other temporary supplies for developments.

The team will inspect the site within 14 days, provide a design and estimated costs, lay mains if requested and carry out underground and aboveground inspections before delivering final sign off. Please note all new connections are metered.

In the first instance a member of the team will discuss the proposed project with a client over the telephone. An appointment will then be made to advise customers of the most cost-effective way to undertake the work. Following this visit the company will issue a design and provide all costs and financial conditions associated with the project.

Preparing for a new connection

Before Cambridge Water can make a new connection the developer will need to:

- Obtain permission from the landowners
- Lay their supply pipe
- Provide a separate supply pipe (or duct) to each part of the building or property that is to be separately occupied
- Ensure the Water Regulations are complied with

The cost of connecting the supply

The developer will need to pay the costs of connecting the supply. Our quotation will include:

- The cost of connecting the developer's supply pipe to the water mains
- The cost of laying Cambridge Water's communication pipe and installing the stoptap and the meter
- An infrastructure charge

Connection

Once the developer has met all the conditions for a new connection, we will connect the service pipe to the mains within 14 days (or 21 days if it has to lay its part of the service pipe). If it does not meet these deadlines and the developer suffers loss or damage as a result, a legal claim can be made.

If no suitable water main is available

If no water main is available developers should contact us. The company will assess the circumstances and advise accordingly.

Payment for new water mains

The process to request a new main to serve a development is known as mains requisitioning.

Payment for mains requisitions can be made in three main ways:

Relevant deficit charges

Under section 43(2) of the Water Industry Act 1991, the relevant deficit is defined as the amount (if any) by which the annual borrowing costs of a hypothetical loan for the cost of providing the new main exceeds the revenue for that year from the customers connected to that main. The relevant deficit is calculated and is payable over a period of 12 years after the main has been provided so it is based on the actual cost of carrying out the work.

- **The statutory commuted sum**
Developers can also pay for mains using the Discounted Aggregate Deficit (DAD) method, which is sometimes referred to as the single statutory commuted sum. Section 43A(1) and (6) of the Water Industry Act 1991 state that this is an amount equal to the sum of the estimated relevant deficits for each of the 12 years following the provision of the main, in each case discounted to a net present value.
- **Self-lay**
Alternatively, developers may wish to consider laying the mains themselves. If so, please refer to the WRC's Code of Practice for the Self-Laying of Water Mains and Services - England and Wales 2nd Edition. This is published by WRC plc, Frankland Road, Blagrove, Swindon, Wiltshire SN5 8YF or visit www.webookshop.com. Developers should also refer to Cambridge Water's "Company Specific Addendum" which is available on its website. If a developer wishes to pursue this option, they should contact Cambridge Water as early as possible and certainly before commencing work on the site.

Contact Cambridge Water

Our Network Development Team can be contacted on 01223 706050. Helpful advice and documentation, together with a full list of terms and conditions and an application form is available on the developers' section of our website.

Disputes

Any disputes regarding connections to water mains and associated works should be discussed with us in the first instance and, if required, will be referred on to Ofwat to decide.

Disputes about the requisitioning of water mains may be referred to an independent arbitrator. When an arbitrator cannot be agreed upon the Institution of Civil Engineers will appoint one.

Water infrastructure charges

These charges are designed to ensure that existing customers do not have to bear the full burden of the considerable investment in additional infrastructure which is required for a new development. They are payable where new or existing premises are connected for the first time to the public water supply or to a public sewer. Payment of these charges is due at the time of connection but they do not include any costs related to the physical connection itself.

Standard water infrastructure charge	365.45
Standard non-domestic availability charge	365.45

New developments

Water infrastructure charges are applied to new premises receiving a supply of water for domestic purposes (See Condition C of the Instrument of Appointment that was granted to water undertakers by the Department of the Environment and section 146 of the Water Industry Act 1999).

Redeveloped sites or building conversions

Redeveloped sites receive a slightly reduced rate to reflect existing developments on the site. The overriding principle is that any infrastructure charges should capture the increased demand on the redevelopment site, but no more than that. Owners of redeveloped sites are advised to contact us for specific quotes.

Calculation of water infrastructure charges

New household properties

Houses and flats will be charged at a standard amount if fed by a 20mm internal diameter service pipe.

Properties subject to common billing agreements

Where a new supply is for premises subject to a common billing agreement (e.g. blocks of flats, halls of residence, sheltered housing) the infrastructure charge is calculated using loading units to find the relevant multiplier.

Domestic water use at non-household premises

Non-household premises, such as shops, hotels and office blocks are subject to infrastructure charges if water is used for domestic purposes.

³⁵₁₇ If the service pipe is 20mm internal diameter or less the standard amount will apply

³⁵₁₇ If the service pipe is greater than 20mm internal diameter, the infrastructure charge will be calculated using loading units to find the relevant multiplier

Non-domestic use of water

Premises where there is any element of non-domestic use are not subject to infrastructure charges. Instead section 56(1) of the Water Industry Act 1991 provides that any terms or conditions shall be a matter of agreement between Cambridge Water and the customer. As such, Cambridge Water chooses to impose a non-domestic availability charge, which is calculated using loading units in the same way as the infrastructure charges. Where agreement on this is not possible Ofwat will determine a dispute.

Where it is not possible to calculate the loading unit based on the number of appliances used, the non-domestic availability charge will be based on the size of the meter used.

Calculating the relevant multiplier

The calculating of the relevant multiplier is based on the number of loading units of the various water using appliances connected to the supply.

Example: If a development has 36 loading units the relevant multiplier will be $36/24 = 1.5$ (note the relevant multiplier cannot be less than 1.)

Water fitting (Note 1)	Loading Units
WC flushing cistern	2
Wash basin in a house	1.5
Wash basin elsewhere	3
Bath (tap nominal size $\frac{3}{4}$ " or 20mm) (Note 2)	10
Bath (tap nominal size larger than $\frac{3}{4}$ " or 20mm)	22
Shower	3
Sink	3
Sink	5
Spray tap	0.5
Bidet	1.5
Domestic appliance (Note 3)	3
Communal or commercial appliance (Note 4)	10
Any other water fitting or outlet including a tap but excluding a urinal or water softener (Note 5)	3

Notes

- Reference to any fitting includes reference to any plumbing, outlet, dedicated space or planning or other provision for that fitting.
- 'Bath' includes a Whirlpool bath and a Jacuzzi.
- Domestic appliance means an appliance (including a dishwasher, a washing machine and waste disposal unit) in a house and 'communal or commercial appliance' means an appliance (including a dishwasher, a washing machine and a waste disposal unit) elsewhere than in a house (including in communal facilities).
- In any calculation, a minimum of six loading units shall be included in respect of each house, for domestic appliances except, in the case of a house, where neither a washing machine nor a dishwasher can be provided (and there is no plumbing, dedicated space, outlet or planning or other provision or either appliance) in the house.
- In the case of any premise with a sewerage only connection and no water fittings, the relevant multiplier will be 1.

Payment

Infrastructure charges become due when the connection has been made and a supply of water is available to the premises.

Disputes

Ofwat will determine a dispute about the application of the relevant multiplier used in calculating the water infrastructure charge.

Network access prices

The Water Supply Licensing Regime commenced on 1 December 2005. The company has therefore published indicative access prices to use its infrastructure. These prices have applied the methodology provided by Ofwat.

Two prices are presented:

1. A wholesale price is appropriate where a licensee requires Cambridge Water to continue to make the supply to the customer, and it will take responsibility for all “customer service issues”
2. A combined price is offered where a licensee wishes to put water into Cambridge Water’s network, and agrees the company will also take responsibility for “customer service issues”. The former item is often referred to as common carriage

These prices can be found on the company website www.cambridge-water.co.uk or by contacting Cambridge Water.

VAT

VAT is payable at the standard rate on water supply charges where the predominant use of water is for activities described in any of Divisions 1 to 5 of the 1980 edition of the Standard Industrial Classification (SIC) (i.e. codes 100 to 599). For further details of these categories please contact Cambridge Water or visit HM Revenue & Customs website.

Landlord

Appointed business charges from 1 April 2016

Connection charges and other rechargeable work

The charges for work carried out under statutory requirements are intended to recover the expenses reasonably incurred on each specific job.

The charges include the full cost of wages, salaries, transport and materials involved, plus direct and indirect overheads. Overheads are set to ensure that rechargeable work is not subsidised from water charges.

Miscellaneous charges

Provision of Information

There is a charge to Search Company records for location of infrastructure assets and copies of network plans.

Copy of a network plan	23.00
------------------------	-------

Site Inspections

Where we are unable to inspect your pipework, fittings and/or meter installation on a pre-arranged date as a direct result of your refusal to give a reasonable appointment or to cancel and appointment without giving us 24 hours' notice	74.46
Failed Water Regulations Inspection – per additional visit	74.46

Flow and Pressure Tests

Repeat flow and pressure test at household premises (first test is free of charge – subsequent tests are charged at the rate shown)	105.00
Flow and pressure test at non-household premises	131.00

Stop tap installation charge

Stop tap installation charge	
When a customer has renewed their supply pipe on a premises and request a connection to the exiting supply pipe, we will make a charge	180.00

Miscellaneous

Credit card administration fee	0.955% Visa 0.985% MasterCard
Water for building/construction work – where a metered supply is not available	94.62
Temporary isolation of supply at customer's request	65.28

Note: If not specifically mentioned in the above lists, all other rechargeable services provided by the company will be charged at cost.

Guarantee on works undertaken

Any work undertaken by the company or its appointed subcontractors is guaranteed for a period of no more than 12 months from date of completion.

Charges for new water supply connections up to 20mm bore with a 15mm meter

Charges are calculated by adding a connection charge PLUS a pipe laying charge per linear metre.

	Connection Charge**	Pipe laying charge per metre of unducted length**
Connections in highway (including boundary box)	786.00	89.00
Connections on site (including boundary box)	481.00	25.00

**Charges have been frozen until 30th September 2017. Following review of our contract provider costs from 1st October 2017 these charges will be updated.

Explanation of charges	
Connection charges	Includes the cost of connection to the water main, a meter and the first two metres of pipe.
Infrastructure charges	Must also be paid in addition to the cost of new service connections. These charges are regulated by Ofwat.
Made-up ground	A maintained road or footpath where a permanent reinstatement will be required. The charge includes any fee for inspection by the highways authority.
Pipe-laying charge per metre	This covers the materials, excavation and back-fill required per linear metre of pipe laid. Lengths of less than a whole metre will be rounded to the nearest whole metre.
Visits by Cambridge Water staff or a company representative	The charges for a connection include the cost of the pre-connection survey, the underground compliance inspection and the above ground compliance inspection. Where additional visits are required (whether though non-compliance or failure to keep an appointment on your part) these will be charged as extras.
VAT	The current rate of VAT may be applicable in certain circumstances and will be added, as appropriate, to the prices shown. New household properties are zero-rated.
New connections with pipe larger than 20mm bore	Estimates will be provided, but charges for larger new connections are based on the actual cost of the work.
Reference to Ofwat	If the customer remains unhappy with the charge levied by Cambridge Water, Ofwat may be asked to determine the costs. Its decision is final and binding on both parties. The address is shown on the inside back cover of this scheme.

