

# Statement of significant changes in charges for new connections and new developments

## Developer Services Schedule of Charges 2020/21

Information notice IN 19/05 introduced a new information requirement to compliment the publication in July 2019 of the revised Charging rules for new connection services (English undertakers).

The required information is for a statement setting out any significant changes to bills for typical developments to include:

1. Worked examples of typical developments for new connection services;
2. That the Board of Directors has assessed the effects of the new charges on customers' bills for a range of different types of development, and approves the impact assessments and handling strategies developed in instances where bill increases of particular development types exceed 10%;
3. Confirmation of whether the Company is expecting there to be any bill increases of more than 10% from the previous year (for a given type of development) and, if such increases are expected:
  - what size increase is expected
  - what types of typical developments are likely to be affected; and
  - the handling strategies adopted by the Company or why the Company considered no handling strategies are required

The charging rules for new connection services (English undertakers) do not apply to Welsh Water. However this statement of changes has been prepared to help national developers. It should be noted that the charges contained in the Developer Services Schedule of Charges 2020/21 that have been used to inform the scenarios below have been developed under a different regime to that in England and, as such, do not lend themselves to direct comparison with the costs of packages of English companies.

The worked examples showing the effects of the new charges on customers' bills for the range of different developments set out in IN 19/05 (except where indicated) is shown below. The worked examples are based on actual schemes – it can be seen from the summary table that, for these given types of development, there are no bill increases expected of more than 10% from the previous year.

**Scenario summary table**

Package	2019/20 £	2020/21 £	Difference £	%
<b>A. Single connection</b>	2,107	2,013	(94)	-4%
<b>B. New block of flats (10 new units)</b>				
B1 – 63mm short connection – 4m road surface	11,104	11,838	734	7%
B2 – 63mm long connection – 8m (4m road surface, 4m unmade ground)	11,098	11,800	702	6%
<b>C. Small housing development (10 new connections)</b>				
C1 Lay only	12,859	13,359	500	4%
C2 Excavate and lay	16,590	16,000	(590)	-4%
<b>D. Medium housing development (50 new connections)</b>				
D1 Lay only	57,057	59,730	2,673	5%
D2 Excavate and lay	71,959	68,756	(3,203)	-4%
<b>E. Large housing development (200 new connections)</b>				
E1 Lay only	225,795	234,357	8,562	4%
E2 Excavate and lay	286,548	272,811	(13,737)	-5%
<b>F. Self-laid infrastructure</b>				
F1 Small development	(5,787)	(5,953)	(166)	3%
F2 Medium development	(28,667)	(29,389)	(722)	3%
F3 Large development	(79,627)	(81,984)	(2,357)	3%

Note – Developer Services charges have been developed to comply with legislation applying to companies operating wholly or mainly in Wales. As such the price of the packages will not be comparable to those that have been prepared in compliance with Ofwat's Charging rules for new connections services (English undertakers).

## Scenarios

IN 19/05 Appendix 1 sets out what are intended to be typical developments: "for which water companies should prepare worked examples. We expect water companies to provide additional or alternative scenarios where there are issues identified with the scenarios in table 3 or to highlight specific items that could be of particular interest to their customers.

The worked examples should include all relevant new connection and developer services charges for water and wastewater (as applicable) relevant to each example. Looking at our charging rules, we would expect these to include:

- Requisition Charges;
- Infrastructure Charges;
- Connection Charges; and
- Any Income Offset.

Other typical charges published in water companies' charging arrangements for new connection services include:

- Application and design fees, and any other administrative fees charged to developer customers for delivering the service
- Meter installation – where not included in the Connection Charges;
- Other charges to recover costs incurred in the process of providing a new connection, such as traffic management charges if required."

The scenarios below follow Ofwat's suggestions except for Package A – Single connection which is a bespoke package. The Ofwat scenarios for single connections are not representative of a significant proportion of our single connections. The scenario below accounts for over half of our connections.

### A. Single connection – 1 new unit

Description	2020/21 £
<b>Water</b>	
Standard, no excavation	327
2m additional meterage no excavation	28
Infrastructure Charge Water	398
Water Total	753
<b>Wastewater</b>	
Lateral Sewer Adoption	418
Sewer Connection	169
Legal fee	275
Infrastructure Charge Wastewater	398
Wastewater Total	1,260
<b>Package A Total</b>	<b>2,013</b>
<b>Package A Total 2019/20</b>	<b>2,107</b>
<b>Change (£)</b>	<b>-94</b>
<b>Change (%)</b>	<b>-4%</b>

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## B. New block of flats – 10 new units

Description	2020/21 £
<b>B1 – 63mm short connection - 4m road surface</b>	
<b>Water</b>	
Type 3/4 (63mm)	1,386
Additional meterage x2	400
Infrastructure Charge x10	3,980
Internal metering	1,230
Water Subtotal	6,996
<b>Wastewater</b>	
Lateral Sewer Adoption	418
Sewer Connection	169
Legal fee	275
Infrastructure Charge Waste	3,980
Waste Subtotal	4,842
<b>Package B1 Total</b>	<b>11,838</b>
<b>Package B1 Total 2019/20</b>	<b>11,104</b>
<b>Change (£)</b>	<b>734</b>
<b>Change (%)</b>	<b>7%</b>
Description	2020/21 £
<b>B2 – 63mm long connection - 8m (4m road surface, 4m unmade ground)</b>	
<b>Water</b>	
Type 3/4 (63mm)	868
Additional meterage x2	880
Infrastructure Charge x10	3,980
Internal metering	1,230
Water Subtotal	6,958
<b>Wastewater</b>	
Lateral Sewer Adoption	418
Sewer Connection	169
Legal fee	275
Infrastructure Charge Waste	3,980
Waste Subtotal	4,842
<b>Package B2 Total</b>	<b>11,800</b>
<b>Package B2 Total 2019/20</b>	<b>11,098</b>
<b>Change (£)</b>	<b>702</b>
<b>Change (%)</b>	<b>6%</b>

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### C. Small housing development – 10 new connections

90mm in type 3/4 road	3m	Non-contestable
Connection to existing main via cut-out	1m	Non-contestable
90mm on-site main laying	47m	Contestable
<b>New mains</b>	<b>51m</b>	

Description	2020/21 £
<b>C1 Lay only</b>	
<b>Water</b>	
Requisition	
Contestable	4,225
Non-Contestable	3,952
Income offset	(7,849)
Connection	3,270
Additional meterage	280
Infrastructure Charge	3,980
Water Subtotal	7,858
<b>Waste</b>	
Sewer Adoption >25 properties	934
Sewer Adoption Legal Fee	418
Sewer Connection	169
Infrastructure Charge	3,980
Wastewater Subtotal	5,501
<b>Package C1 Total</b>	<b>13,359</b>
<b>Package C1 Total 2019/20</b>	<b>12,859</b>
<b>Change (£)</b>	<b>500</b>
<b>Change (%)</b>	<b>4%</b>

Description	2020/21 £
<b>C2 Excavate &amp; Lay</b>	
<b>Water</b>	
Requisition	
Contestable	6,999
Non-Contestable	3,708
Income offset	(10,138)
Connection	4,350
Additional meterage	1,600
Infrastructure Charge	3,980
Water Subtotal	10,499
<b>Waste</b>	
Sewer Adoption >25 properties	934
Sewer Adoption Legal Fee	418
Sewer Connection	169
Infrastructure Charge	3,980
Wastewater Subtotal	5,501
<b>Package C2 Total</b>	<b>16,000</b>
<b>Package C2 Total 2019/20</b>	<b>16,590</b>
<b>Change (£)</b>	<b>(590)</b>
<b>Change (%)</b>	<b>-4%</b>

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## D. Medium housing development – 50 new connections

90mm in type 3/4 road	3m	Non-contestable
Under-pressure connection to existing main	1m	Non-contestable
90mm on-site main laying	297m	Contestable
<b>New mains</b>	<b>301m</b>	

Description	2020/21 £
<b>D1 Lay only</b>	
<b>Water</b>	
Requisition	
Contestable	16,030
Non-Contestable	5,119
Income offset	(21,149)
Connection	16,350
Additional meterage	1,400
Infrastructure Charge	19,900
Water Subtotal	37,950
<b>Waste</b>	
Sewer Adoption >25 properties	1,263
Sewer Adoption Legal Fee	418
Sewer Connection	169
Infrastructure Charge	19,900
Waste Subtotal	21,780
<b>Package D1 Total</b>	<b>59,730</b>
<b>Package D1 Total 2019/20</b>	<b>57,057</b>
<b>Change (£)</b>	<b>2,673</b>
<b>Change (%)</b>	<b>5%</b>

Description	2020/21 £
<b>D2 Excavate &amp; Lay</b>	
<b>Water</b>	
Requisition	
Contestable	32,262
Non-Contestable	5,201
Income offset	(36,107)
Connection	21,750
Additional meterage	4,000
Infrastructure Charge	19,900
Water Subtotal	47,006
<b>Waste</b>	
Sewer Adoption >25 properties	1,263
Sewer Adoption Legal Fee	418
Sewer Connection	169
Infrastructure Charge	19,900
Waste Subtotal	21,750
<b>Package D2 Total</b>	<b>68,756</b>
<b>Package D2 Total 2019/20</b>	<b>71,959</b>
<b>Change (£)</b>	<b>(3,203)</b>
<b>Change (%)</b>	<b>-4%</b>

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## E. Large housing development – 200 new connections

110mm in type Footpath	36m	Non-contestable
Connection to existing network	1m	Non-contestable
110mm on-site main laying	252m	Contestable
90mm on site	673m	Contestable
	<b>962m</b>	

Description	2020/21 £
<b>E1 Lay only</b>	
<b>Water</b>	
Requisition	
Contestable	26,544
Non-Contestable	21,179
Income offset	(45,416)
Connection	65,400
Additional meterage	5,600
Infrastructure Charge	79,600
Water Subtotal	152,907
<b>Waste</b>	
Sewer Adoption >25 properties	1,263
Sewer Adoption Legal Fee	418
Sewer Connection	169
Infrastructure Charge	79,600
Waste Subtotal	81,450
<b>Package E1 Total</b>	<b>234,357</b>
<b>Package E1 Total 2019/20</b>	<b>225,795</b>
<b>Change (£)</b>	<b>8,562</b>
<b>Change (%)</b>	<b>4%</b>

Description	2020/21 £
<b>E2 Excavate &amp; Lay</b>	
<b>Water</b>	
Requisition	
Contestable	96,162
Non-Contestable	21,179
Income offset	(108,580)
Connection	87,000
Additional meterage	16,000
Infrastructure Charge	79,600
Water Subtotal	191,361
<b>Waste</b>	
Sewer Adoption >25 properties	1,263
Sewer Adoption Legal Fee	418
Sewer Connection	169
Infrastructure Charge	79,600
Waste Subtotal	81,450
<b>Package E2 Total</b>	<b>272,811</b>
<b>Package E2 Total 2019/20</b>	<b>286,548</b>
<b>Change (£)</b>	<b>(13,737)</b>
<b>Change (%)</b>	<b>-5%</b>

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## F. Self-laid infrastructure

Description	2020/21 £
<b>F1 Small development</b>	
Point of connection application	126
Self Lay Legal Agreement	65
Connections	286
Asset payment	(6,430)
<b>Package F1 Total</b>	<b>(5,953)</b>
<b>Package F1 Total 2019/20</b>	<b>(5,787)</b>
<b>Change (£)</b>	<b>(166)</b>
<b>Change (%)</b>	<b>3%</b>
<b>F2 Medium development</b>	
Point of connection application	126
Self Lay Legal Agreement	65
Connections	1,326
Asset payment	(30,906)
<b>Package F2 Total</b>	<b>(29,389)</b>
<b>Package F2 Total 2019/20</b>	<b>(28,667)</b>
<b>Change (£)</b>	<b>(722)</b>
<b>Change (%)</b>	<b>3%</b>
<b>F3 Large development</b>	
Point of connection application	126
Self Lay Legal Agreement	65
Connections	5,226
Asset payment	(87,401)
<b>Package F3 Total</b>	<b>(81,984)</b>
<b>Package F3 Total 2019/20</b>	<b>(79,627)</b>
<b>Change (£)</b>	<b>(2,357)</b>
<b>Change (%)</b>	<b>3%</b>

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