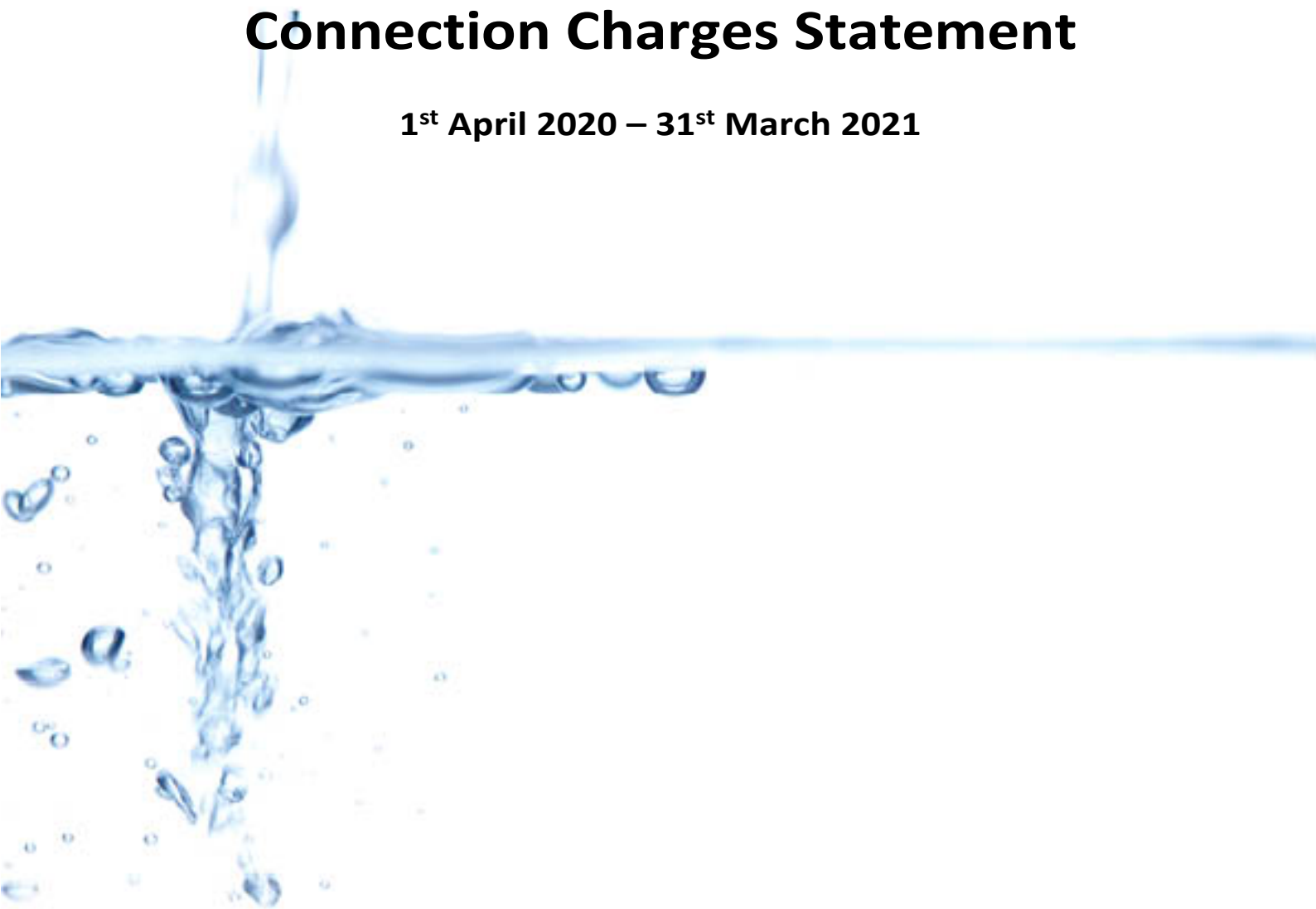


Independent Water Networks Ltd.

Connection Charges Statement

1st April 2020 – 31st March 2021



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1. Introduction

IWNL operates across a number of regions within England under Ofwat's New Appointments and Variations (NAV). A new appointment is made where a limited company such as IWNL is appointed and authorised by Ofwat to provide water and/or sewerage services for a specific geographic area.

IWNL connect new housing and mixed used developments with new water and waste water services. This statement sets out the principles, and where appropriate, the charges that Independent Water Networks Ltd (IWNL) will use to determine charges for providing new connections from its network to premises located within its authorised area(s).

This document does not cover new connection requirements outside of IWNLs NAV boundary. Should you wish for IWNL to provide the water and/or wastewater infrastructure for your new build development, please contact IWNL, using the Contact Information below, where we will be happy to discuss your requirements.

This Connection Charging Scheme has been created in accordance with Ofwat's "*Charging Rules for New Connection Services (English Undertakers)*" to the extent that they apply to small companies such as IWNL.

When determining charges, we will take account of:

- (a) fairness and affordability;
- (b) environmental protection;
- (c) stability and predictability; and
- (d) transparency and customer-focused service.

At our discretion, we may charge a fee of £10 (exc VAT) for each hard copy of this document provided in accordance with a request. An electronic copy of this document is available free of charge from the IWNL website at www.iwnl.co.uk.

2. Contact Information

If you would like to contact IWNL in relation to any of the services referred to in the Connection Charges Scheme, you can contact our Asset Team using the following details:

Independent Water Networks Limited
Driscoll 2
Ellen Street
Cardiff CF10 4BP

Telephone: 02920 31442716
Email: water.operations@iwnl.co.uk

3. Applying for a Connection

If you are seeking to connect a main to an existing IWNL water main or sewerage system in order to supply a new development located within IWNL's area of appointment, you will need to submit an application to IWNL. An application form can be found on the IWNL website at <https://www.iwnl.co.uk/developer-services/new-connections> or alternatively, you can request a connection application form using the section 2 contact details.

The information provided via this form will allow IWNL to assess your request and provide a quotation for the requested works. To process your enquiry, we may also require information from the upstream company to whose system our network connects. Once we have received this information we will provide you with a connection offer.

Any proposed connection to an IWNL network (whether it be supply or for discharge purposes) must be assessed and approved by IWNL prior to the works commencing to ensure that the integrity of IWNL's network can be maintained. Failure to obtain approval in advance could impact on IWNL's ability to adopt. As part of the process it may also be necessary to liaise with the incumbent water operator, so as to gain consent of any works.

Once we have received your completed application we will process your request and provide you with a connection offer that will be valid for 3 months. Where applicable, the connection offer, may be subject to us receiving any information we may require from the upstream water company that our network connects to. The connection offer will include a description of the works to be carried out by us, a breakdown of costs and the terms on which the connection is to be provided.

4. Requests for connection to premises outside of IWNL's appointed area

The provision of connections to premises that are outside of IWNL's appointed areas are outside the scope of this statement. Should you wish for IWNL to provide the water and/or wastewater infrastructure for your new build development, please contact IWNL where we will be happy to discuss your requirements.

5. Contestable & Non-Contestable Works

There are some services which only IWNL can undertake, these are described as "non-contestable services". For other services, termed as "contestable services" you are free to contract with any contractor who is accredited to the Water Industry Regulation Scheme (WIRS) to undertake the works. WIRS is a scheme administered by Lloyd's Register on behalf of the water industry in England and Wales.

Services that fall within the description of "Non-Contestable Services" are listed below:

Non-contestable work

Any work that may result in supply interruptions or affect water quality to existing customers may only be carried out by IWNL. Such activities include;

- Design
 - establishing a point of connection to our existing network;
 - design and installation of reinforcement works;
- Design Approval
 - approval of on-site water distribution system (except where self-certification arrangements are in place)
- Installation
 - work on an existing main requiring specialist attention due to risk associated with it because of the material type, previous history or its strategic importance;
 - mains connections that involve heightened risk to existing assets or could affect supplies to existing customers;
 - installation of an offsite main intended to be shared with an unrelated new development;
 - 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 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.
- Commissioning
 - decommissioning of mains

For further information and a definitive list of contestable and non-contestable works, please refer to the Code of Practice for the Self-Laying of Water Mains and Services – England and Wales Edition 3.1. This can be accessed via the water UK website at;

<https://www.water.org.uk/developer-services/self-lay-code-practice>

6. Self-Lay Connections

You may choose to appoint and use your own contractor to carry out the elements of the work described as “contestable”. This is known as a ‘Self Lay’ scheme.

Where you appoint the contractor, you will be responsible for paying the contractor their charges for carrying out the work.

Any proposed connection works to an IWNL network must be assessed and approved by IWNL prior to the works commencing, to ensure the assets are designed and constructed to a suitable standard. On acceptance of the completed works IWNL will take ownership of the assets provided by your contractor.

7. Charges for New Service Connections

In providing the connection, we will provide a communication pipe to the curtilage of your premises. This usually runs between and from the street in which our water main is laid to a point adjacent to the boundary of your premises. (Street has the meaning given to it by the New Road and Street Works Act 1991).

You will be responsible for providing the supply pipe from the communication pipe to your property.

Our connection offer will include a description of the works to be carried out by us and a breakdown of the areas of significant cost. The quotation will also set out the terms under which the connection is to be provided.

Our connection charge will comprise:

- The full costs of works undertaken by us to provide the connection from our existing main to the curtilage of your property.
- Charges levied to us by third parties in respect of the works (for example legal costs in securing any land rights, street works notices, costs passed down to us from the incumbent water company to which our network connects).

Sometimes we may undertake work that is over and above that required to meet your connection requirements. Where we do, we will either:

- base our charge on the works that would be required to meet your sole connection needs;
- apportion of costs between your needs and the needs of the wider network.

The approach we adopt will be the lowest cost approach to you.

For information:

- All water connections to premises are metered in accordance with provisions in the Water Industry Act 1991.
- We will only provide connections to private pipework that comply with the Water Supply (Water Fittings) Regulations (1999).

If you are a non-household customer wishing to connect to IWNL's network, you will need to have selected and informed IWNL of your nominated water retailer.

8. Charges

We provide a wide range of services to support new developments. The way that we currently charge for many of these services is set out in legislation, in various parts of the Water Industry Act 1991. For new developments there are five main charging areas for which IWNL provide an option for the upfront fixed charges in respect of any work undertaken by IWNL. We may also provide for other alternative methods for calculating charges but, where we do so, each alternative method will be explained clearly as part of the Charging Arrangements.

- a) Connection Charges - These charges relate to the services we provide to customers that require connections to a water main or public sewer.
- b) Diversion Charges - These charges are payable when customers ask us to move our pipes so that land can be cleared to facilitate development. Unlike requisition charges, the full costs reasonably incurred, in diverting an asset is payable by a developer.
- c) Infrastructure Charges - These charges are payable when premises become connected for the first time for domestic purposes to our water supply network and sewerage system. Infrastructure charges are collected by all water and sewerage companies and are standard across the water industry.
- d) Requisition Charges - These charges relate specifically to the services we provide to customers that require us to construct new water mains or sewers to extend our networks to several properties within a new development. Developers pay a contribution towards the cost we reasonably incur in delivering the requisitioned mains and sewers. In some cases, we are required to increase capacity in our existing networks as a direct consequence of a new development. Where this happens, we include the costs of the network reinforcement works when calculating the contribution, a developer is required to pay us. In some instances it may not be possible for IWNL to prepare an upfront charge due to the practicalities of setting a cost-reflective upfront fixed charge and the benefit to customers of producing such a charge. In this situation IWNL will set out, and explain clearly, in its charging arrangements the alternative method or methods that will apply for calculating charges.
- e) Self-Lay Charges and Payments - A developer may choose to employ a Self-Lay Provider (SLP) to construct new water mains and service connections as an alternative to requisitioning them from us. The developer pays the SLP directly for constructing the new water assets and we subsequently make a payment to the developer or SLP when the mains are adopted by us. The amount of the asset payment is determined using the DAD calculation using the equivalent capital cost and income information had the water mains been requisitioned.

9. Payment

IWNL offers the following payment methods;

- Credit/Debit Card
- Cheque
- Bank Transfer