

# 1. Introduction

Independent Water Networks Ltd (IWNL) operates across all regions within England under Ofwat's New Appointments and Variations (NAV) provisions. A new appointment is made where a limited company, such as IWNL, is appointed and authorised by Ofwat to provide water and/or sewage service for a specific geographic area.

IWNL connects new housing and mixed used developments with new water and wastewater services. This statement sets out the principles, and where appropriate, the costs that IWNL will use to determine charges for providing new connections from its network to premises located within its licensed area(s).

This document covers new connection requirements inside IWNL's existing NAV boundaries. Where an application is made to connect to IWNL's existing water network for connection which are outside of the boundary of IWNL's existing NAV boundary then only the point of connection to the existing network will be covered by this document. Where connections require an extension to IWNL's existing NAV boundary, the charges shall be subject to commercial contract. Should you wish IWNL to provide the water and/or wastewater infrastructure for your new build development, please contact IWNL, using the Contact Information below, and 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. Rule 17 of Ofwat's charging rules sets out that a NAV is not required to publish one or more charges covered by the Ofwat's charging rules where "*it would be unreasonable for the company to do so (having had regard to the number of requests for the relevant services that the company would reasonably expect to receive)*". For the avoidance of doubt, we have included charges in this document relating to service connections only. We have not included charges or the methodology by which we may calculate charges for new water mains, diversions, requisitions, self-lay providers or infrastructure charges as we do not reasonably expect to receive a proportionate number of requests for these services. If this changes and we receive sufficient requests for these services then we will take the necessary steps to publish the charges accordingly.

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](http://www.iwnl.co.uk)

# 2. Contact Information

If you would like to contact IWNL in relation to any of these 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 442716

Email: [assetdelivery@iwnl.co.uk](mailto:assetdelivery@iwnl.co.uk)

### 3. Applying for a connection

If you are seeking to connect a main to an existing IWNL water main or sewage system in order to supply a new development located within IWNL's area of appointment, you will need to submit an application to IWNL. You can request a connection application form using the contact details in section 2 above.

The information that you provide via this form will allow IWNL to assess your request and provide a quotation for the requested works. To progress 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 for supply or discharge purposes) must be assessed and approved by IWNL prior to the works commencing to ensure the integrity of IWNL's network can be maintained. Failure to obtain approval in advance could impact IWNL's ability to adopt relevant assets. As part of the process, it may also be necessary to liaise with the incumbent water operator, to gain consent for 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 NAV areas are not included in this document. Should you require IWNL to provide the water and/or wastewater infrastructure for your new build development, please contact IWNL and we will be happy to discuss your requirements.

### 5. Contestable & Non-Contestable works

There are some water 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 Water Services

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
  - o Establishing a point of connection to our existing network.
  - o Design and installation of reinforcement works; design approval.
- Design approval
  - o Approval of on-site water distribution system (except where self-certification arrangements are in place).
- Installation
  - o Work on an existing main requiring specialist attention due to risk related to the material type, previous incidents or the strategic importance of the main.
  - o Mains connections that involve heightened risk to existing assets or could affect supplies to existing customers.
  - o Installation of an offsite main intended to be shared with an unrelated new development.
  - o Serving notices for land entry, and negotiation with third party landowners and occupiers.
  - o Source of water connections to water companies’ existing assets.
  - o Service connections larger than 63mm in diameter, except where the connection is to be constructed as part of main laying works.
  - o Service connections less than 63mm in diameter on existing service connections less than 63mm in diameter on existing mains where a water company assessment indicates that the condition of the main or the material heightens the risks to existing assets or could affect supplies to existing customers.
- Commissioning
  - o 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:

[Codes for adoption | Water UK](#)

[Section 107 of the Water industries Act \(1991\) provides that where a developer has given notice of its intention to make a communication with any of our public sewers, we may insist that IWNL undertake that connection work. Where IWNL choose to exercise this right then a charge reflective of the costs which IWNL incur to undertake that connection will be levied.](#)

## 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 resulting contractor 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, constructed and quality assured to a suitable standard. On acceptance of the completed works, IWNL will take ownership of the assets provided by your contractor.

As we have set out in the introduction, we have not included the specific charges which we will levy to self-lay providers. However, if we receive requests from self-lay providers then we will seek to recover our reasonably incurred costs in a way which is transparent to that self-lay provider.

## 7. 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, under the Water Industry Act 1991. The upfront fixed charges for any work undertaken by IWNL to support new developments typically fall into one of five main charging categories. 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 that land can be cleared to facilitate development. Unlike requisition charges, the full costs reasonably incurred in diverting an asset are payable by the developer.
- c) Infrastructure Charges – these charges are payable when domestic properties are connected to our water supply network and sewerage system for the first time. 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 network to serve several properties within a new development. Developers pay a contribution towards the cost we reasonably incur in delivering the requisitioned mains and sewers. However, in some cases, we are required to increase capacity in our existing networks as a direct consequence of the connection 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.
- 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, we may charge costs reasonably incurred by us for adopting the assets..

### 7.1 Charges for new service connections

In providing a 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 cost of works undertaken by us to provide the connection from our existing main to the curtilage of your property.
- Charges levied on us by third parties in respect of the works (for example legal costs in securing any land rights, street works notices, or costs passed down to us from the incumbent water company).

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

- Base our charge on the works that would be required to meet your sole connection needs; or
- apportion 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 the provisions of Water Industry Act 1991.
- We will only provide connections to private pipework that complies 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.

## 7.2 Charges for Sewer Connections

We will usually allow a sewer connection following an application under Section 106 of the Act. When you apply to connect your new or existing property to IWNL public sewers, we will assess and approve your sewer connection application. This is because we need to ensure that your proposed connection is suitable and will not give rise to potential issues such as flooding or pollution, which could affect your development and our existing customers.

It will be your responsibility to employ a suitable and qualified contractor to complete the works.

We will then inspect the works to see if they meet the necessary standards. We will do this by visiting your site in person.

Charges relating to connections to the public sewer are payable upon application. Charges for each new connection to the public sewer includes administration and assessment of the application to ensure the proposed work meets our standards, and any necessary inspection of completed work.

We reserve the right to make the connection under section 107 of the Act if required. Although we have not included specific sewer connection charges under section 107 in this document, the costs will depend on several factors such as access, depth, type of ground and surface type around the

point of connection. IWNL will only make charges which reflect the costs reasonably incurred in providing sewer connection including third party costs such as traffic management and legal fees.

### 7.3 Charges for New Water Main and Sewer

If there is not an existing water main or sewer near the new properties, then you will need a new water main or sewer to be built; this process is called a requisition. The costs of a requisition consist of infrastructure built to serve a property or development from the existing network to, and on, the development site. You will be required to pay the full costs of the new main or sewer which can be built by IWNL or by a suitably qualified SLP or NAV.

Although we have not included specific charges for a new water main and sewer in this document, the costs to provide the water main and sewer will depend on several factors including:

- The sizing of the pipework required.
- The type of ground and surface type around your development.
- The point of connection to the existing water main or sewer.

IWNL will only make charges for a new water main or sewer which reflect the costs reasonably incurred in providing and installing the new main or sewer including third party costs such as land rights and legal fees.

For the avoidance of doubt, the charges for a new water main and sewer covered by this document only apply to new a water main and sewer within IWNL's existing licensed area(s).

### 7.4 Water Main and Sewer Diversion Charges

Altering or removing a public water main or sewer is referred to as a "diversion". Given network diversions are undertaken on existing assets which are owned and operated by IWNL these services are considered non-contestable and can only be undertaken by IWNL.

Due to the complexities of water mains diversionary work we do not believe that it is appropriate to be able to set out specific charges in this document and each diversion will be subject to a site-specific charge. The charge will be based on the reasonably incurred cost of removing, modifying and reconnecting the water main which is being diverted and may be subject to additional, third party costs such as surveys and traffic management.

### 7.5 Fire Hydrant Charges

Where appropriate, in line with section 57 of the Water Act 1991, we will make charges for the installation of a fire hydrant.

We work directly with fire authorities and developers to install fire hydrants on new developments.

### 7.6 Other Charges

Where we reasonably incur other charges, such as (but not limited to) charges from upstream network operators or charges from other third parties which are a direct result of your connection then these charges will be passed to you in full without increase or deduction.

## 8. Infrastructure Charges

To set the infrastructure charge, we take the sum of the spend on water network reinforcement associated with new connections over a five-year rolling forecast period, (a), and the sum of the estimate number of new connection over the same five-year rolling forecast period, (b). The infrastructure charge is calculated as (a) divided by (b) which provides a £/connection infrastructure charge. Given the nature of IWNL's networks being geographically distinct, the forecasts undertaken in this calculation will be undertaken on a site by site basis so that infrastructure charges for new customers reflect the costs of the reinforcement which they bring to bear on IWNL's network.

We have not published specific information on infrastructure charges as they will be calculated on a site by site basis and we do not believe that we will receive sufficient applications to warrant the production of forecasts on each of our networks.

## 9. Payments

IWNL offers the following payments methods:

- Credit/Debit Card
- Cheque
- Bank Transfer

## 10. Schedule of Charges

Charges for Service Connections are based on the average costs of carrying out work within different classes. These classes are based on the following parameters:

- The diameter of the water pipe we need to install to serve your requirements.
- The length of the service pipe that we are required to lay.
- The necessity for traffic management.

Table 1. Fire Hydrants charges

Hydrant size (up to)	Charges
90mm	£745.47
125mm	£876.17
180mm	£995.99
250mm	£998.41
315mm	£1,262.16

All charges for service pipes installations including excavations; fittings; and any other additional costs are available on request.