

south east water

# Infrastructure charge and miscellaneous services

Charges Scheme 2019 – 2020

Pure know<sub>h</sub>ow

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# 1. Useful information

South East Water Developer Services offer advice and guidance on water requirements relating to new or converted premises, whether planning an extension to an existing house or a large new housing or commercial development.

It is important for potentially large users of water or even moderate users of water in rural areas to contact us at an early stage as major works with long lead-in times may be required to provide a supply of water.

## 1.1 Contact us

### Developer Services Team

Our Developer Services Team can be contacted between 8am and 5pm from Monday to Friday.

**Telephone: 0333 000 0060**

**Email: [developer.services@southeastwater.co.uk](mailto:developer.services@southeastwater.co.uk)**

### Write

Developer Services  
South East Water  
Rocfort Road  
Snodland  
Kent  
ME6 5AH

Website: <https://wholesale.southeastwater.co.uk/get-help/new-connections>

## 1.2 The Consumer Council for Water

If you have followed our complaints process but are still unhappy, the Consumer Council for Water offers free independent advice. You can visit its website [ccwater.org.uk](http://ccwater.org.uk), call on 0300 034 2222, or write to the Consumer Council for Water, c/o 1st Floor, Victoria Square House, Victoria Square, Birmingham, B2 4AJ.

## 2. Introduction

This is the charges scheme of South East Water Ltd for the year commencing on 1 April 2019 and ending on 31 March 2020 for infrastructure charges and miscellaneous services.

It is made in line with section 143 and 143A of the Water Industry Act 1991 (the “Act”) and in accordance with charges schemes rules issued by Ofwat in line with section 143B of the Act and with the requirements of our licence.

It relates primarily to the infrastructure charges applied in accordance with section 146 of the Act and the conditions of our licence.

It also set out charges relating to miscellaneous services that we impose in the period covered by this charges scheme.

It supersedes any prior charges scheme made by us for infrastructure charges and miscellaneous services but previous years’ charges schemes continue to apply in respect of the charging year they relate to.

It also explains how our charges are applied and calculated and how and when they must be paid. The relevant charges are set out in the appendix.

In this charges scheme the words “we”, “us” and “our” refer to South East Water Ltd.

In fixing our charges we ensure that no undue preference is shown to, and that there is no undue discrimination against, any class of customers or potential customers.

This document must be interpreted in a manner that is consistent with relevant provisions in legislation, our licence and the charges scheme rules, and to the extent that this document is inconsistent with them, these provisions prevail.

A glossary is included at the end of this charges scheme to explain some of the terminology used.

## 3. Infrastructure charge

Since April 2018 we have been setting our own infrastructure charges to cover the cost of developer related growth using a new methodology. These changes have been implemented in conjunction with other changes to our charges for new connection services. In order to understand fully how the infrastructure charge is applied please read this charges scheme together with our charging arrangements for new connection services which includes more information and details on our new charges for new connections services.

### 3.1 Our methodology to calculate the infrastructure charge

The infrastructure charge is a fixed charge per connection.

We determine our infrastructure charges in accordance with the principle that the amount of such charges will over a period of five consecutive charging years (from 1 April to 31 March) cover the costs of network reinforcement that we reasonably incur, less any other amounts we may receive for network reinforcement.

For the calculation of the infrastructure charges for 2019-20 we have considered the period to 31 March 2024.

When determining reinforcement costs used for calculating infrastructure charges, we include only relevant costs relating to reinforcement required as a result of new connections and new development sites.

We explain below the methodology we have used to follow this principle and how we have calculated our infrastructure charges.

To calculate the infrastructure charge we:

- Determine the total cost of reinforcement directly as a result of new development each years in the relevant five year period
- Determine the total cost of the proportion of strategic reinforcement schemes that is attributable to new developments each year in the relevant five year period
- Determine the forecasted number of new connections to be provided each year in the relevant five year period.

Our forecast on reinforcement costs and new connections numbers are updated every year using actual data in previous years and the assessment of information available on future development.

For each year in the relevant five year period we calculate the infrastructure charge per connection dividing the total reinforcement cost for that year by the forecast number of connections for the year.

Our standard infrastructure charge is equal to the average infrastructure charge over the relevant five year period.

We also offer:

- a reduced infrastructure charge which is applied for developments of 5 connections or less; and
- an eco-connection infrastructure charge for connection with a diameter of 20mm.

During the two year transitional period we are expected to provide suitable arrangements to reflect the impact on developers, particularly smaller developers who have historically not paid for site specific offsite reinforcement if a main had not been requisitioned.

With this in mind we have a lower rate of infrastructure for customers who are developing a site with five connections or less. This lower rate reflects the offsite reinforcement required, for connections not relating to requisitions, forecasted for the next five years.

We have also introduced a new smaller connection to drive water efficiency in new build properties. This eco-connection infrastructure charge is a reduced infrastructure charge recognising the lower impact of these smaller connections on our network.

For the meaning of 'house', 'common billing agreement', 'relevant multiplier', 'instalment amount' please refer to the glossary of this document.

## 3.2 Infrastructure charges

### 3.2.1 Standard connections

A standard infrastructure charge or reduced infrastructure charge is payable for all first time 25mm (22mm internal) connections for domestic purposes.

First time connections include connection to new premises which have been created as a result of the alteration or conversion of existing premises.

These infrastructure charges are applied where the meter capacity is suitable for a supply of 1m<sup>3</sup> per hour. The standard infrastructure rate is calculated on a flow rate of 0.27 litres per second.

We have a two types of infrastructure charges for standard size connections:

- The standard infrastructure charge for developments with six and more standard connections; and
- The reduced infrastructure charge for developments with five connections or less.

The standard infrastructure charge and the reduced infrastructure charge are set out in the Appendix.

### 3.2.2 Eco-connection infrastructure charge

As part of our drive for increased water efficiency we will be offering from 1<sup>st</sup> April 2019 a reduced connection size (20mm outside diameter). This connection will be suitable for smaller premises and water efficient builds.

The connection can be suitable for supplying the following installation directly from our water main, we would however recommend that storage is installed to provide resilience to the plumbing system.

<b>WC flushing cistern</b>	<b>1</b>
<b>Wash basin in house</b>	<b>1</b>
<b>Bath (tap size to 20mm)</b>	<b>1</b>
<b>Shower</b>	<b>1</b>
<b>Sink (tap size to 15mm)</b>	<b>1</b>
<b>Domestic appliance</b>	<b>1</b>

Due to the reduced amount of water being available, approx. 0.2 litres per second, we have reduced our infrastructure charge.

The amount of the reduced infrastructure charge is equal to the standard infrastructure charge multiplied by a factor of 0.74 reflecting the reduced flow rate.

### 3.2.3 Relevant multiplier

To ensure that the base rate of infrastructure is kept as low as possible we will continue to apply the relevant multiplier to encourage water efficiency and smaller connection sizes, when possible.

The infrastructure charge payable for:

- All first time connections for domestic purposes to any house subject to a common billing agreement
- All first time connections for domestic purposes to any premises other than a house which are connected with a connection with a diameter larger than 25mm (22mm internal)

is the standard water infrastructure charge multiplied by the relevant multiplier.

The relevant multiplier is calculated in accordance with the methodology originally set out in our instrument of appointment which takes account of the number of water fittings used on the premises and of their respective loading units.

The indicative loading units attributable to each appliance are as follows:

<b>WC flushing cistern</b>	<b>2.0</b>
<b>Wash basin in house</b>	<b>1.5</b>
<b>Wash basin elsewhere</b>	<b>3.0</b>
<b>Bath (tap size to 20mm)</b>	<b>10.0</b>
<b>Bath (tap size above 20mm)</b>	<b>22.0</b>
<b>Shower</b>	<b>3.0</b>
<b>Sink (tap size to 15mm)</b>	<b>3.0</b>
<b>Sink (tap size above 15mm)</b>	<b>5.0</b>
<b>Spray tap</b>	<b>0.5</b>
<b>Bidet</b>	<b>1.5</b>
<b>Domestic appliance</b>	<b>3.0</b>
<b>Communal or commercial appliance</b>	<b>10.0</b>
<b>Any other water fitting or outlet (including a tap but excluding a urinal or water softener)</b>	<b>3.0</b>

We will work with you to ensure that the flow rate and connection size are reasonable and to ensure that your infrastructure is as low as possible.

### 3.3 Development and redevelopment

Where a site is developed or redeveloped (including by altering or converting existing premises), the total amount of infrastructure charges we will recover, in respect of all the new premises resulting from the development or redevelopment, will take account of the number of premises which had a water connection in the period of five years before the development or redevelopment.

For example, for a development including houses only, the total number of infrastructure charges applied will be the number of new premises connected on the site less the number of premises which already had a water connection in the period of five years before the development or redevelopment.

### 3.4 Temporary building supplies and infrastructure charges

We will only apply infrastructure charges in respect of a temporary building supply if you will keep that connection to supply new premises once building works are completed.

Please be aware, as of 1<sup>st</sup> April 2017, if you are a non-household customer or applying for a temporary building supply, at the point of connection you will need to have selected a retailer. To read more and for guidance on selecting a retailer go to [www.open-water.org/for-customers/](http://www.open-water.org/for-customers/)

### 3.5 Payment of infrastructure charges

The infrastructure charge is payable by either:

- i the person who makes the application for the connection,
- ii the occupier of the premises connected,
- iii any person other than us, our contractor or agent, who makes the connection or is responsible for payment of the infrastructure charges under an agreement with us.

Where there is more than one occupier of the premises, all occupiers are jointly and severally liable for the payment of the infrastructure charges.

Where a customer requests a connection, the infrastructure charges become due when the connection is made and a supply of water is available to the premises and must be paid in full within a period of 14 days commencing on the date of completion of the connection.

The infrastructure charges are also due in respect of any irregular connection made without our consent and becomes due and payable when the connection is made, and a supply of water is available to the premises.

### 3.6 Payment of infrastructure charges for premises occupied as a dwelling

In case of a connection to a building or part of a building which is occupied as a dwelling house immediately before the connection is made:

- the infrastructure charges must be paid in full within a period of 14 days commencing on the date of completion of the connection.
- At the option of the person liable to pay the infrastructure charge, an amount equal to the instalment amount must be paid in each of the 12 years following the connection being made provided that we receive an undertaking to that effect as we may reasonably require
- The first instalment amount must be paid within a period of 14 days commencing on the date of completion of the connection and the second and successive instalment amounts must be paid on the anniversary of that date

### **3.7 Water availability charge – infrastructure charge**

A water availability charge is payable for all first time connections to any premises for non-domestic purposes or premises other than a building unless otherwise specified in our charging arrangements for new connection services.

The base rate of water availability is the same as our higher rate of infrastructure.

The water availability charge is calculated by reference to the volume of water requested. The amounts of water availability charges are set out in the Appendix.

## 4. Standpipe hire

The hire of a metered standpipe of a diameter of 25mm (external) in our area is provided by an authorised third party.

Any standpipe hire is provided under an agreement between you and the authorised third party and you should contact them directly for any standpipe hire.

An average volumetric charge is applied in respect of water drawn using a standpipe and the charges are collected on our behalf by our authorised third party. The amount of the average volumetric charge is set out in the Appendix.

For any standpipe hire please contact Aquam Water Services Ltd on **0844 984 1589** or email **southeastwater@waterservicesltd.com**

## 5. Tanker licensing

We provide annual tanker licences allowing licensed vehicles to take water at designated hydrants in our area for the duration of the licence.

A licence may only be granted once we have inspected the relevant vehicle. The inspection is carried out to ensure that the vehicle is equipped with adequate backflow protection to avoid contamination of the water supply. A new inspection is required before any renewal or extension of an existing licence.

Licence vehicles may only draw water from one of our designated hydrants. Should it be required to use any other hydrant especially any fire hydrant our prior authorisation is required and may be refused at our discretion. We may only grant such an authorisation following inspection and a charge will be applied for this service at the inspector's hourly rate set out in the Appendix.

If a licensed vehicle is replaced by the licensee during the annual licensing period, a new licence will be issued in respect of the new vehicle subject to inspection until the end of the term of the licence which was issued in respect of the vehicle which has been replaced.

If a licensed vehicle ceases to be used during the annual licensing period and the remaining period of the license is six months or more, a 50 per cent rebate on the annual license fee will be made. No rebate will be given in other circumstances.

Enforcement actions will be taken against the owners and/or operators of any vehicle drawing water without a licence or in breach of the terms of a licence.

For tanker licensing please contact Operations Support, on **0333 000 0060** or email **regulations@southeastwater.co.uk**

## 6. Fire hydrants

Fire hydrants may be provided when requested by the owner or occupier of any factory or place of business or the fire and rescue services.

The cost of providing fire hydrants is provided on application. Works are carried out when instructions are received and billed on completion. No charges are made for water drawn through a hydrant for firefighting purposes.

Where a connection to internal fire mains or a fire sprinkler system is required, a separate connection is normally required for which quotations will be provided on request. A meter will be installed, at no extra charge to the customer, and no standing or volume charge will be made for water used solely for firefighting or system testing purposes. Water measured through the meter for any other purposes will be charged at the relevant volumetric rate.

Where a by-pass is provided to a meter on a fire main supply, the closed valve will be provided with a breakable seal, to be opened only by the fire brigade. A seal tampered with or broken by any other person will make the customer liable to a charge, on each discovery, for the estimated use of water drawn from the fire supply.

## 7. Value Added Tax (VAT)

Standard rate Value Added Tax is payable on supplies of water to non-household premises where the primary activity of the business falls into sections 1, 2, 3, 4 and 5 of the UK standard industrial classification of economic activity. Supplies to other classes of businesses are zero-rated.

The standard industrial classification (SIC) codes are:

1. Energy and water supply industries
2. Extraction of minerals and ores other than fuels, manufacture of metals, mineral products and chemicals
3. Metal goods, engineering and vehicles' industries
4. Other manufacturing industries
5. Construction

When applying for a supply to non-household premises occupied by a business, a SIC code should be provided. Failure to supply a code could result in VAT being charged.

VAT is also payable on certain charges for other services to customers included in the Appendix.

Application fees and connection charges are subject to VAT, unless the property to be connected is a new dwelling or another qualifying building.

## 8. Terminology used in this document

**‘Common billing agreement’** means for the purpose of section 2.3.3 (infrastructure charges) an agreement between us and any other person under which that person has undertaken to pay, on terms agreed between them, charges for water supply or sewerage services, or both, in respect of two or more houses which have a common supply pipe and which, in any case where that agreement relates to one of those services only, are also subject to a similar agreement for common billing between that person and the undertaker providing the other services.

**‘Connection’ or ‘service pipe connection’** means the installation of a section of service pipe we are responsible for laying under the Water Industry Act 1991 (the ‘communication pipe’) and the connection to our water main and the private section of service pipe (supply pipe) including associated fittings.

**‘House’** means for the purpose of section 2.3.3 (infrastructure charges) any building or part of a building which is occupied as a private dwelling house or which, if unoccupied, is likely to be so occupied and, accordingly, includes a flat.

**‘Household premises’** means any premises determined to be household premises by us or Ofwat in accordance with section 17C of the Water Industry Act 1991 and any relevant regulation or guidance.

**‘Instalment amount’** means for the purpose of section 2.3.3 (infrastructure charges) the aggregate amount which would fall to be paid in the relevant year by way of payments of interests and repayments of capital in an amount equal to the infrastructure charge payable for the relevant connection has been borrowed by us on terms (1) requiring interest to be paid and capital to be repaid in 12 equal annual instalments, and (2) providing for the amount of the interest to be calculated at such rate, and in accordance with such other provision, as may have been determined either by us with the approval of Ofwat or, in default of such determination, by Ofwat.

**‘Licence’** means the instrument of appointment of South East Water Ltd as a water undertaker under the Water Industry Act 1991 **‘Non-household premises’** means any premises other than household premises.

**‘Ofwat’** means the Water Services Regulatory Authority, the economic regulator for the water industry in England and Wales.

**‘Relevant multiplier’** means for the purpose of section 2.3.3 (infrastructure charges) a number (which may be one or more or less than one) calculated in the manner set out in the appendix to condition C of our licence.

**‘Cubic metre’ or ‘m<sup>3</sup>’** means 1,000 litres.

## 1. Appendix

### Infrastructure Charge and Water Availability infrastructure Charge, 2019-2020

(Excluding VAT)

<b>Standard Infrastructure charge</b>	<b>£536.71</b>
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<b>Reduced Infrastructure charge</b>	<b>£373.61</b>
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<b>Eco-Connection Infrastructure charge</b>	<b>£276.61</b>
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#### Water availability

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1.0 m <sup>3</sup> /hr	£536.71
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2.5 m <sup>3</sup> /hr	£971.00
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3.5 m <sup>3</sup> /hr	£1,962.00
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7.0 m <sup>3</sup> /hr	£4,721.00
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10.0 m <sup>3</sup> /hr	£7,076.00
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20.0 m <sup>3</sup> /hr	£14,750.00
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36.0 m <sup>3</sup> /hr	£27,843.00
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### Miscellaneous charges, 2019-2020

#### Turning supply on (after it was turned off)

During working hours	£93.79
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Outside normal working hours	Costs reasonably incurred
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**NOTE:** Properties are disconnected either at a customer's request, a commercial property disconnected for non-payment or an empty property

#### Water quality testing

Water quality testing for empty properties	£159.00
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**Fire hydrant installation (fixed costs)**

	Surface Type	
	No Excavation/Verge/Unmade	Footway/Private or Public Road
Install/replace hydrant on existing water main	£914.34	£1,016.74
Repack hydrant	£133.64	£143.33
Existing hydrant – replace post and plate	£57.60	£105.27
Existing hydrant – replace false spindle top	£137.80	£137.80
New hydrant – installed during mains laying	£349.33	Not applicable
New hydrant – no excavation	£435.74	Not applicable
Change hydrant cover	£76.47	Price on application
Maintenance – broken seals or illegal use	Price on application	Price on application
Maintenance – water not used for fire-fighting purposes	Price on application	Price on application
Valve installations	Price on application	Price on application

**Hire of standpipes (fixed costs)**

Deposit 20mm	£250.00
Water use charge	£1.29 per cubic metre
Hire charge per week	£25.00

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**Tanker licence fees (fixed costs)**

Annual licence fee per rigid vehicle	Price on application
Annual inspection fee	£93.79
Deposit for hydrant key	£72.00+ VAT

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## Contact Us

South East Water  
Rocfort Road  
Snodland  
Kent  
ME6 5AH

[southeastwater.co.uk](http://southeastwater.co.uk)

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