



ESP WATER LIMITED

CONNECTION CHARGING ARRANGEMENTS



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INTRODUCTION

ESP Water Limited (ESPW) is a Water Company operating across several regions within England under Ofwat's New Appointments and Variations (NAV) provisions. A new appointment or variation is made where a limited company such as ESPW is appointed and authorised by Ofwat to provide water and / or sewerage services for a specific geographic area instead of the incumbent.

ESPW connects new residential and mixed used developments with new water and wastewater services. This document sets out the principles, and where appropriate, the costs that ESPW will use to determine charges for providing new connections for domestic use from its network to premises located within its licensed areas. It does not cover potential requests from retailers serving non-household premises and nor does it cover bulk water supply or bulk wastewater discharge agreements with other Water Companies.

This Connection Charges Statement has been developed in accordance with Ofwat's "Charging Rules for New Connection Services (English Undertakers), effective from April 2022" ["Charging Rules"] to the extent that they apply to small companies such as ESPW.

Rule 17(a) of Ofwat's Charging Rules states that:

"a Small Company [NAV] is not required to publish one or more of the charges covered by these rules (or a methodology for calculating them) where it would be unreasonable to expect 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)".

ESPW has not received any relevant requests to date and therefore meets the applicable criterion specified in Ofwat's Charging Rules for Developer Services. As such this document does not specify actual charge amounts; however, if these circumstances were to change and we were to receive requests of this kind, we would take steps to publish the charges that would apply as required in Ofwat's Charging Rules.

When determining applicable charges, we would take account of:

- fairness and affordability.
- environmental protection.
- stability and predictability.
- transparency and customer-focused service; and
- costs of the relevant service.

This document does not cover Developer Services requirements outside of ESPW's operating areas. Should you wish ESPW to provide the water and/or wastewater infrastructure for your new build development then please contact us by checking our website at www.espug.com and we will be happy to discuss your requirements.

APPLYING FOR A CONNECTION

If you are seeking a point of connection from an existing ESPW water main or sewer in order to supply a new development located within ESPW's area of appointment, you should contact us at hello@espug.com.

Any proposed connection to an ESPW network (whether for supply or discharge purposes) must be assessed and approved by ESPW prior to the works commencing. Failure to obtain approval in advance could impact ESPW's ability to adopt relevant assets. As part of the process, it may also be necessary to liaise with the incumbent Water Company to gain consent for any works.

Water Connection: 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 calendar months from the date of issue. 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.

Sewer Connection: Connections are generally made to the incumbent water company network and if this is the case a Section 106 sewer connection application should be made to the incumbent. Where a connection is proposed to connect to an ESPW sewer, we require a Section 106 sewer connection application.

REQUESTS FOR CONNECTION TO PREMISES OUTSIDE OF ESPW'S APPOINTED AREA

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

CONTESTABLE & NON-CONTESTABLE WORKS

There are some services which only ESPW, as the relevant undertaker for the appointed area, can complete; these are known as "non-contestable work." For work or services termed as "contestable work" you are free to contract with any contractor who is accredited under the Water Industry Regulation Scheme (WIRS) to carry out the works. WIRS is a scheme administered by Lloyd's Register on behalf of the water industry in England and Wales. Please note that ESPW will only accept work that has been carried out by WIRS accredited contractors.

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

- Design
 - establishing a point of connection to our existing networks.
 - design 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 related to the material type, previous incidents or the strategic importance of the main.
 - mains and/or service connections that involve increased 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.
- Commissioning & Adoption
 - decommissioning of mains
 - Commissioning of telemetry links associated with ESPW assets.
 - Inspection of assets to be adopted by the undertaker to ensure compliance with relevant standards and the integrity of construction.

For further information and a definitive list of contestable and non-contestable works, please refer to the Water Sector Guidance – Appendix D which can be accessed via the water UK website at:

<https://www.water.org.uk/water-sector-guidance-approved-documents>

Sewerage Services: connections, adoption, and diversions are generally ‘Contestable’. Sewer requisitions and some diversions and connections are “Non-Contestable Services”. For further details, please do not hesitate to contact us.

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 and the contractor is known as a Self-Lay Provider (SLP). The SLP must be accredited under the Water Industry Registration Scheme (WIRS) to carry out the works. Please note that ESPW will only accept work that has been carried out by WIRS accredited contractors.

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

CHARGES FOR NEW SERVICE CONNECTIONS

In providing a water connection, we will provide a communication pipe to the curtilage of your premises. This usually runs between the street in which our water main is laid to a point adjacent to the boundary of your premises as defined in Ofwat’s “Common Terms and Worked Examples – English New Connection Rules – April 2022”.

You will be responsible for providing the supply pipe from the ESP 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. You will be required to pay the relevant charges for new service connections when the quotation is accepted and in advance of the works.

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 most cost reflective way of charging based on the circumstances of your connection.

For information:

- All water connections to premises are metered in accordance with the provisions of the Water Industry Act 1991.
- All assets for adoption must be constructed to ESPW Design & Construction Specifications (a copy of which is available upon request)
- All water connections must be carried by WIRS accredited contractors
- 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 ESPW's network, you will need to have selected and informed ESPW of your nominated water retailer.

CHARGES

We provide a 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 ESPW to support new developments typically fall into one of seven 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. From 01 April 2025, water companies are also required to offer environmental incentives to support water efficiency and environmental good practice for new developments. There is more detail in the environmental incentives section below, or you can contact us at hello@espug.com if you are interested in finding out more.

Connection Charges

These charges relate to the services we provide to customers that require connections to a water main or public sewer.

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 are payable by the person or entity benefitting from the.

Infrastructure Charges

These charges are payable when premises are connected to our water supply network and sewerage system for the first time. Infrastructure charges are collected by all water and sewerage companies

Requisition Charges

These charges relate to the cost incurred by ESPW in providing site specific infrastructure necessary for the provision of a water main and/or public sewer. Developers pay the reasonable costs of delivering the requisitioned mains and sewers, including our administrative costs.

Network Reinforcement Charges

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 apportion the costs of the network reinforcement works when calculating the contribution, a developer is required to pay us such that the charges payable only relate to the additional capacity required by the specific requisition or competitively provided new connection(s).

Adoption of Self-Laid assets 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.

Security Payment

ESPW reserve the right to require that all agreements are supported by either a cash bond or surety equal to 10% of the cost of construction of the works or a minimum of £5000.

Environmental Incentives

These incentives are offered to support developers to build sustainable homes and include schemes that will protect the environment such as surface water drainage schemes (SuDs).

Environmental incentives provide developers the opportunity to benefit from a further incentive scheme offered by incumbents following the removal of any allowance previously received under the *income offset* arrangements and are in addition to any infrastructure charges.

Effective 1st April 2025 ESPW's environmental incentive schemes shall consist of a per plot environmental component for both water and sewerage services, which is a charge to fund environmental incentive scheme payments. Environmental incentives shall be offered in line with the offering of each incumbent water company, and payments can be claimed subject to plots being constructed to consider more sustainable water use.

ESPW will match the environmental component charges and incentives, including any qualification criteria, offered by the relevant incumbent water companies.

PAYMENT

Applications

Most of our applications have an upfront fee, which you'll need to pay when you apply. The quickest and easiest way to apply and pay application fees is through contacting ESP Water by email or telephone with any connection enquiry.

Water services

We'll send you a quote for the cost of any required construction work when we respond to your application. If you'd like to go ahead with the work, you'll need to accept and pay this quote before the work can begin.

Sewerage services

Some of our sewerage services are covered by one upfront application fee. For other services, we'll send you an invoice after we've assessed your application and before we draw up the relevant agreement. Please make sure you quote your invoice number when you pay your invoice. Please also ask us about environmental incentive schemes.

How to pay

ESPW offers the following payment methods:

- Credit/Debit Card
- Cheque
- Security Payment



HOW TO CONTACT US



YOU CAN WRITE TO US AT:

ESP Water
Blue Bird House
Mole Business Park
Leatherhead
KT22 7BA



YOU CAN CALL US ON:

0330 123 4201

Our office hours for billing and
account queries are:

Monday - Friday 08:30 - 17:30
excluding bank holidays



YOU CAN EMAIL US AT:

For billing related enquiries:
billing@espwater.co.uk

For all other enquiries:
hello@espug.com



YOU CAN VISIT OUR WEBSITE AT:

www.espug.com



EMERGENCIES CONTACT:

For any emergencies with your water or wastewater supplies please call our
24-hour emergency number on 0330 123 4201