

Thames Water Utilities Limited (TWUL)

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Infrastructure Charges Scheme

2020-21

Infrastructure charges for the supply of water
and wastewater services

Contents

Introduction.....	3
Infrastructure Charges Scheme 2020.....	4
The role of CCWater and how to contact them	8
Our complaints procedure	8
Infrastructure Charges Schedule 2020-21.....	9

Introduction

This 2020-21 Charges Scheme is made by Thames Water Utilities Limited under the powers conferred by Section 143 of the Water Industry Act 1991 (as amended) and complies with Ofwat's Charges Scheme Rules issued in July 2019. It does not cover charges raised under agreements.

This booklet includes schedules of infrastructure charges for 2020-21, which forms part of the Charges Scheme.

Please note that this document was first published on 3 February 2020. It was republished on 25 March 2020 following changes made to the loading units seen in table 2 on page 11.

Infrastructure Charges Scheme 2020

- 1 This scheme, which revokes all previous Infrastructure Charges Schemes made by Thames Water and which may be referred to as “the Thames Water Infrastructure Charges Scheme 2020”, is made by Thames Water Utilities Limited under Section 143 of the Act and in accordance with the Charges Scheme Rules and shall operate from 1 April 2020 until 31 March 2021 inclusive.

Interpretation

- 2 (1) Subject to sub-clause (2), the Interpretation Act 1978 shall have effect for the interpretation of this scheme as it has effect for the interpretation of an Act of Parliament;

(2) In this scheme, unless the context otherwise requires:

“the Act”

means the Water Industry Act 1991 including any statutory amendments whether made before or after the date of this scheme;

“the Charges Scheme Rules”

means the Charges Scheme Rules issued by the Water Services Regulation Authority under sections 143(6A) and 143B of the Act in July 2019;

“Charging Arrangements”

means the statement of charges published by Thames Water under and as required by the Charging Rules;

“the Charging Rules”

means the Charging Rules for New Connection Services (English Undertakers) issued by the Water Services Regulation Authority under sections 51CD, 105ZF and 144ZA of the Act in July 2019;

“connection”

includes a connection to a water main or a public sewer (as the case may be) via an intervening pipe or conduit not necessarily in the ownership of the customer;

“customer”

means a person in ownership or occupation of any premises who requests Thames Water to make a connection to a water supply for domestic purposes or to a public sewer for the drainage for domestic purposes of such premises or for both services or who otherwise makes arrangements for a connection to be made to such premises for either or both of such services;

“domestic purposes”

in relation to a supply of water to any premises or in relation to the drainage of premises has the same meaning as in Sections 218 and 98 of the Act respectively;

“Income Offset”

shall have the same meaning as appears in the Charges Scheme Rules. The value of the Income Offset is included in the Infrastructure Charges Schedule;

“Infrastructure Charges Schedule”

means the schedule of charges fixed by Thames Water for the financial year 2020-21, which forms part of this scheme;

“the Instalment Amount”

means the aggregate amount which would become due in the relevant year by way of payments of interest and repayments of capital if an amount equal to the Water Infrastructure Charge or as the case may be the Wastewater Infrastructure Charge payable for the relevant connection had been borrowed by Thames Water on terms:

(i) requiring interest to be paid and capital to be repaid in twelve equal instalments; and

(ii) 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 Thames Water with the approval of the Water Services Regulation Authority or, in default of such a determination, by the said Authority;

“the Licence”

means the Instrument of Appointment dated August 1989 whereby the Secretary of State for the Environment appointed Thames Water as the water undertaker and the sewerage (wastewater) undertaker for the areas respectively described therein, and includes any subsequent amendments;

“Network Reinforcement”

has the same meaning as in the Charging Rules;

“premises”

includes any part of a building which is intended to be occupied as a separate unit;

“public sewer” “service pipe” “sewerage (wastewater) undertaker”, “water main” and “water undertaker” have the same meanings as in the Act;

“Related Amount” “the Wastewater Infrastructure Charges Limit” and “the Water Infrastructure Charges Limit” have the same meanings as in Condition C of the Licence;

“Thames Water”

means Thames Water Utilities Limited.

General

- 3 (1) Charges payable under this scheme are fixed in accordance with the provisions of the Licence, the Act and the Charges Scheme Rules, and are shown in the Infrastructure Charges Schedule. Any taxes imposed by law on the making of such charges shall be recoverable in addition to such charges.

(2) It is intended that the charges made under this scheme, will, with any other relevant sources of revenue, supply income necessary for the costs of Network Reinforcement that Thames Water reasonably incurs over a rolling five year period in accordance with the Charges Scheme Rules and before the application of any Income Offset.

Charges

- 4 (1) Subject to the provisions of Condition C of the Licence, where a customer requests Thames Water to make a connection to a water main of any one or more premises which have never at any previous time been connected to a supply of water provided for domestic purposes by Thames Water or any statutory predecessor to it, or where the customer otherwise makes arrangements for such a connection, there shall be payable to Thames Water in respect of each such premises the charge, (less any Related Amount), shown in the Infrastructure Charges Schedule.

Provided that in calculating the total of such premises for the purposes of this charge, there shall be deducted from such total any premises on the same site which were separately connected to such water supply at the date of such calculation or within the previous period of five years provided that each such separately connected premises shall be deducted once only in calculating such total.

(2) Subject to the provisions of Condition C of the Licence, where a customer requests Thames Water to make a connection to a public sewer of one or more premises which have never at any previous time been connected to a sewer used for the drainage for domestic purposes of those premises by Thames Water or any statutory predecessor to it, or where the customer otherwise makes arrangements for such a connection, there shall be payable to Thames Water in respect of each such premises the charge, (less any Related Amount), shown in the Infrastructure Charges Schedule.

Provided that in calculating the total of such premises for the purposes of this charge there shall be deducted from such total any premises on the same site which were separately connected to a public sewer at the date of such calculation or within the previous period of five years provided that each such separately connected premises shall be deducted once only in calculating such total.

Income Offset

- 5 (1) Charges payable under Clause 4 shall be subject to an Income Offset credit for each new connection to a water main or public sewer (as set out in the Charges Schedule) except for those connections to a water main or public sewer where an asset payment or income offset payment was agreed by Thames Water under the provisions of its document “Charging Arrangements For New Connection Services” for the period 1 April 2019 to 31 March 2020 for those developers who chose to proceed on this basis for infrastructure requested before 1 April 2020.
- (2) Where an Income Offset is applicable for a connection to a water main constructed after 1 April 2020, the value of the Income Offset shall be four times the standard amount that would otherwise be applicable.

Payment of Charges

- 6 Subject to the provisions of clause 7:
- (1) the charges shall become due and payable after the connection has been made and within 14 days after demand being made by Thames Water.
- (2) For information it should be noted that the charges payable under this scheme are in addition to the charges for making the actual physical connection to the water main and/or public sewer. In the event that Thames Water makes the connection it is empowered by the Act to charge the customer in accordance with the Charging Arrangements for the connection works in addition to raising infrastructure charges under this scheme.

Payment of Charges – premises occupied as dwelling houses

- 7 In lieu of the provisions of clause 6, where a request is made by a customer for a connection to a water supply or as the case may be, to a public sewer of premises which are occupied as a dwelling house immediately before the relevant connection is made:
- (1) the relevant charges under this scheme shall be paid in full after the connection has been made and within 14 days after being demanded by Thames Water; or, at the option of the customer;
- (2) an amount equal to the Instalment Amount shall be paid in each of the twelve years following the relevant connection being made, on the anniversary of the date on which the first instalment became due under the preceding paragraph subject only to the customer giving such undertakings to that effect as Thames Water may reasonably require.

Agreements

- 8 The provisions of this scheme are without prejudice to the power of Thames Water to enter into an agreement with a customer as to the terms on which any charges due in respect of the connection of any premises to a water supply or a public sewer system shall be paid to Thames Water including in particular any agreement to make a lump sum payment (whether or not in advance of the connection or connections being made) in respect of such charges.

The role of CCWater and how to contact them

The Consumer Council for Water (CCWater) provides a strong voice for water and wastewater consumers in England and Wales and keeps in close contact with companies that provide these services as well as the consumers themselves.

You can visit their website www.ccwater.org.uk, call them on 0300 034 2222, or write to them at Consumer Council for Water, 1st Floor, Victoria Square House, Victoria Square, Birmingham, B2 4AJ or e-mail to enquiries@ccwater.org.uk

Our complaints procedure

A copy of our complaints procedure “Our Quality Promise” can be found at thameswater.co.uk/customercommitment, under ‘If you’re unhappy with our service’, or contact us on 0800 316 9800.

We are committed to providing you with the best possible service. This commitment is backed up by our Customer Guarantee Scheme. We also offer a comprehensive range of Extra Care Services, at no extra charge, for customers requiring additional assistance. For more information, visit thameswater.co.uk/extracare or contact us on 0800 009 3652.

Infrastructure Charges Schedule 2020-21

Infrastructure charges payable

The published charges are for a single property supplied via a standard sized (25 or 32mm external diameter pipe) water connection. For other properties, such as student housing, offices or care homes, we apply a multiplier (the Relevant Multiplier as detailed below) to the published charge to reflect the increased impact on our networks.

The wastewater infrastructure charge is calculated on the same basis as the water infrastructure charge unless you are able to show that waste and surface water flows are not being discharged to the public sewer.

Standard infrastructure charges are shown in table 1.

Table 1 Infrastructure charges

Infrastructure charges	Charge
Water	£140
Wastewater	£210

Relevant Multiplier

The Relevant Multiplier (RM) is a way of working out infrastructure charges for the following types of property:

- Residential properties with a single, shared supply pipe and which are subject to a 'common billing agreement'; this includes sheltered housing, student accommodation and high-rise flats
- Non-residential properties where the supply pipe is larger than the standard size, such as office blocks

How the Relevant Multiplier is calculated

Each water fitting (wash basin, bath, shower, etc.) is given a 'loading unit' based on the amount of water it uses. The average number of units per property is taken as 24, equal to an RM of 1.00. We use this as the basis for calculating the RM for each property on a development where the RM applies.

We do this by adding up the loading units for all the water fittings on a development. We divide this by the number of properties to give the average loading units per property. We divide this again by 24 (the average loading units) to give the RM for each property.

Details of the number of loading units assigned to each water fitting are shown below in table 2.

For properties subject to a common billing agreement, the RM can be more or less than 1.00. For other properties the minimum is 1.00.

Using the Relevant Multiplier to calculate infrastructure charge

We use the RM multiplied by the standard charge to give us the infrastructure charge for that property.

Example of a residential development

- The development consists of 20 flats with a common billing agreement and the total loading units are 460
- We divide the total loading units (460) by the number of properties (20) and again by the average (24). This gives an RM for each flat of 0.96 ($460 \div 20 \div 24 = 0.96$)
- The infrastructure charge for each flat is the RM of 0.96 multiplied by the standard charges
- The infrastructure charge for the whole development is the RM multiplied by the standard charge multiplied by the number of properties

The water infrastructure charge for the development is therefore

$$\text{RM } 0.96 \times 20 \text{ properties} \times \text{£}140 \text{ standard charge} = \text{£}2,688.00$$

The wastewater infrastructure charge for the development is therefore

$$\text{RM } 0.96 \times 20 \text{ properties} \times \text{£}210 \text{ standard charge} = \text{£}4,032.00$$

Network charges may also be payable in respect of supplies for non-domestic purposes within the development such as the irrigation supply and bin store.

Example of a commercial development

- The development consists of one office and the total loading units are 340
- We divide the total loading units (340) by the number of properties (1) and again by the average (24). This gives an RM for the office of 14.17 ($340 \div 1 \div 24 = 14.17$)
- The infrastructure charge for the office is the RM of 14.17 multiplied by the standard charges

The water infrastructure charge for the development is therefore

$$\text{RM } 14.17 \times \text{£}140 \text{ standard charge} = \text{£}1,983.80$$

The wastewater infrastructure charge for the development is therefore

$$\text{RM } 14.17 \times \text{£}210 \text{ standard charge} = \text{£}2,975.70$$

Network charges may also be payable in respect of supplies for non-domestic purposes within the development such as the irrigation supply and bin store.

Table 2 Loading units for calculating the Relevant Multiplier

Water fitting	Loading units
WC flushing cistern	1
Wash basin	1
Bath (tap nominal size ¾" / 20mm)	4
Non-domestic bath	8
Shower	2
Sink (tap nominal size ½" / 15mm)	2
Non-domestic sink	8
Bidet	1
Domestic appliance	2
Commercial or communal appliance	5
External tap	5
Urinal	3

Income Offset

The standard Income Offset applicable under clause 5(1) is £200 per connection for a water main and £40 for each connection to a public sewer.

Where the connection is to a water main constructed after 1 April 2020 the Income Offset applicable under clause 5(2) will be £800.