

**Northumbrian Water response to the Ofwat consultation on policy relating to highway drainage for New Appointments and Variations**

We welcome the consultation and we have the following comments:

The four policies outlined are appropriate in our view. We support the principled approach to cost recovery and cost reflective pricing.

- 1. If a new appointee's site contains public roads (roads which have been or may be adopted) and those roads drain to the sewers of the existing appointee, we are likely to consider that it is reasonable for the bulk discharge price to include a contribution to the existing appointee's highway drainage costs.*

We support this. New appointees should pay for the services they receive. We believe a geographical averaging approach to these charges is appropriate given the potential complexity of calculating specific local measurements and the wider regional highway costs per point 2.

- 2. If a new appointee's site contains public roads that do not drain to the public sewers of the existing appointee, or there are no public roads on the site, we are likely to consider that it is reasonable for the new appointee not to contribute to the highway drainage costs of the existing appointee.*

Whilst we support this in principle, we should point out that the customers of the new appointee will often use highways outside their new appointee site locality and correspondingly benefit from their drainage. For example, drainage of major roads that have no associated local housing will have costs that are effectively spread over all properties. There may be a case for a proportion of non local highway drainage to be continued to be paid by the new appointee to cover the cost of draining regional highways. Existing appointees may feel it appropriate to split their highway drainage charges between local (not charged) and regional (charged) rates.

- 3. The amount of highway drainage charges payable should be a matter for commercial negotiation between new appointees and existing appointees, on a case-by-case basis.*

This again makes sense. Individual existing appointees have different ways for charging for highway drainage, and so there cannot be an imposed single charging basis. It is also possible that a new appointee may install a SUDS scheme that attenuates rather than eliminates the flow, which may require a proportionate payment scale.

- 4. A bulk discharge price should as far as possible be cost reflective, which should include taking into account the existence of efficient and sustainable drainage solutions which may result in less highway drainage entering the public sewers of the existing appointee.*

As NWL uses surface water drainage charges that include the cost of highway drainage, any SUDS scheme set up by the new appointee should mean that this charge is reduced (assuming it takes surface water and highway drainage). So, we should be able to handle this proposal in principle.