

## Anglian Water Comments

Consultation question	Response
<b>1</b> Have we missed any key issues with the current framework?	<p>We believe that the list of potential issues listed in section 3.4 of the consultation document is comprehensive and echoes the capture of existing issues identified in our Funding for Growth paper.</p> <p>On a point of detail, issue two - 'Risk of double-charging' should read 'Perceived risk of double-charging by some stakeholders'.</p>
<b>2</b> Do you agree with our emerging thinking to require work that is remote from the site to be recovered through infrastructure charges only, to increase transparency?	<p>We recommend the rephrasing of this question to be clear about what is intended by the definition of a site. Our emerging thinking is that off-site costs - covering reinforcements and infrastructure costs - would be subsumed within a single "zonal" charge. However, on-site costs (which are requisitionable currently) could be recovered on a single fixed-proportion basis. This would replicate the indicative value currently recovered through complex RD and DADS calculations.</p>
<b>3</b> Do you agree with our emerging thinking to allow companies to develop new approaches to charging?	<p>Yes, we agree with this emerging thinking. If Ofwat's priority is to introduce reform to new connections charging from 2017-18 then companies must be allowed to develop their own approaches.</p> <p>We are comfortable that our current thinking in the area demonstrates alternative charging methods which: a) retain the present balance between existing customer and developers, b) promote water efficiency and c) can increase the transparency and simplicity of the new connections charging regime.</p>
<b>4</b> Do you agree with our emerging thinking to promote a level playing field through increased transparency?	<p>The sector has worked incredibly hard in recent years to improve the relationship it has with its developer customers as well as alternative providers such as Self Lay Organisations. AWS has been central to the development of the Developer Service Standards group through Water UK. We have also helped to promote discussion of issues with, and proposed improvements to the current charging regime by engaging a wide range of stakeholders including Defra, Ofwat, Water UK, Developer customers and their representatives.</p>
<b>5</b> What would be the impact of requiring wastewater asset payments?	<p>We support the view expressed in the consultation document not to explore wastewater asset payments for the 2017-18 charging year but to keep this under review. The impact of introducing these would be to rebalance the charges recovered from existing customers and developers which could affect bills.</p>
<b>6</b> Do you agree with our emerging thinking regarding information provision from companies to improve transparency?	<p>Providing clear information is not a new requirement and we already publish our developer charges in a clear standalone document. As part of our review of literature and information for SLOs we have made a number of improvements to the clarity of these customer facing documents and keep these under review.</p> <p>Ofwat's charging rules should act as a stimulus for companies to align some of their developer facing documents to be more consistent.</p>
<b>7</b> What further information should Ofwat seek to collect from companies to aid transparency of charging in relation to new connections, as well as enabling ongoing monitoring and enforcement?	<p>Potential additional information could come from self assurance statements from companies, reporting on the total costs associated with new connections activity and the level of developer contribution on an annual basis. In light of a) the current on-going Developer standards work and b) the development of new connection charges documents in line with the forthcoming rules, we consider that Ofwat should review this position following 2017-18 publication.</p>
<b>8</b> Do you have any specific suggestions on the draft rules set out in appendix A1?	<p>Please find our detailed comments on the draft rules in Appendix B to this response.</p>
<b>9</b> Do you consider it to be appropriate for Ofwat to set requirements for companies to engage with their stakeholders as part of the charging rules?	<p>Yes, we believe believe that it is both appropriate and important to set requirements for companies to engage with stakeholders. Stakeholders have been at the heart of our engagement on developer charging reform and this will continue to be the case.</p>
<b>10</b> Do you consider that any additional actions will be required to ensure an effective transition?	<p>An effective transition will be facilitated by providing a transition timetable at an early stage. Assurance of certainty in this timetable and avoidance of any surprises will enable us to prepare for any reforms in an effective and efficient manner.</p>