

The House Builders Association (HBA), the housebuilding division of the National Federation of Builders (NFB) are pleased to respond to the discussion document issued out by OFWAT detailing their proposals with regards to the charging rules to be given to water companies, which we support in broad principle subject to the comments to your questions detailed below.

NEW CONNECTIONS CHARGING DISCUSSION OFWAT

Q1 Have we missed any key issues with the current framework?

1. Should the water companies have the ability to charge the existing customers for upgrading the network, and sewerage treatment works?

Q2. 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?

1. Yes, we do, but this cost should cover all necessary works involved in ensuring there is sufficient capacity, both in the network, sewage treatment works, & pumping stations, to ensure that water and sewerage connections can be made from the development without additional cost to the developer.

Q3 do you agree with our emerging thinking to allow companies to develop new approaches to charging?

1. Yes, provided they are transparent, and reasonable in cost, and don't involve excessive administration.

Q4 do you agree with our emerging thinking to promote a level playing field through increased transparency.

1. Yes, provided the information provided is succinct, and standard across all the companies.

Q5 What would be the impact of requiring wastewater asset payments?

1. We would be very happy to receive asset payments, which brings water companies in line with all other service providers.
2. This will result in increased costs to the existing customer base, which would need government support.

Q6 Do you agree with our emerging thinking regarding information provision from companies to improve transparency?

1. Yes, but who will monitor what information is being provided, and check that it is factual. Should this be done by Wuk as an independent governing body?

Q7 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?

1. Should there be a means of collating information from the water companies showing how the infrastructure monies collected from developers are spent, and if at the end of a financial period, when the revenue exceeds the cap that OFWAT have set, what goes back to the existing customers.

Q8 Do you have any specific suggestions on the draft rules set out in appendix A1?

1. The results of the consultation to be adequately taken on board, and where improvements can be made they should be implemented.
2. The rules need to be clear as to when a water company can look to planners to impose requirements to get the developer to upgrade the network. In principle it should only impose timing or phasing requirement.
3. Should the level of bond be specified?

Q9 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?

1. Yes, it is most important that stakeholders are part of the process in determining how charges are determined.

Q10 Do you consider that any additional actions will be required to ensure an effective transition?

1. We do not believe that a transitional period will be required