

Introduction

United Utilities welcomes the opportunity to comment on the Ofwat consultation: New connections charging – consultation.

We continue to be supportive of the revised approach to setting charges. We recognise the benefits of transparency, stability and innovation for all customers.

However, we do consider the timescales to be challenging and don't allow sufficient time to comment on the impact assessment, as this will, at least in part, be dependent on the interpretation of the rules by the various parties.

Q1. In light of our updates and clarifications, do you agree that we still retain the key features and approach of our March proposals?

We agree that the key features and approach of the March proposals have been retained.

Q2 Do you agree with our updates and clarifications to our proposed rules?

We welcome the updates and clarifications provided in the latest consultation that have addressed some areas of uncertainty.

Q3 Do you agree that offsetting the infrastructure charge, rather than requisition charge, has merit? If so, when and how should this change be brought about?

We agree that offsetting the infrastructure charge, rather than requisition charge, has merit.

Q4 Do you have comments on our proposed approach to implementing our rules?

We support the proposed approach to implementing the rules.

As previously stated, we believe the timetable does not allow sufficient time, particularly given the amount of time that should be allowed for stakeholder engagement, whilst at the same time allowing sufficient time for the assurance process.

Q5 Do you agree with the approach we have taken to our draft impact assessment? Can you provide quantitative figures in terms of the potential benefits or costs? Is there anything we have missed?

Generally we agree with the approach taken on the draft impact assessment.

We do have the following comments:

- Reduced administrative costs in dealing with disputes – whilst it is possible in the long term there will be benefits, in the short to medium term it seems likely that changes in charges will lead to an increase in disputes. This could be due to disagreements over changes in charges during the transition period, and differences between companies in their interpretation and application of the new charging rules.
- Encourage transparency and predictability – the size of the impact of this appears to be overstated. Whilst we accept that an increase in transparency has benefits, we have

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already produced a charges scheme targeted at Developers, and also have various documents available on our website to aid understanding for self-lay organisations operating in our region.

- Increased regulatory burden – as above, whilst we agree that there are long term benefits, it could be a number of years before these are realised.

We do not currently have any quantitative information available on either benefits or costs. The costs and benefits may be influenced at least in part by the proposals that each company develops and how different they are from one company to another.

Q6 Do you have any comments on the drafting of our new connections rules?

We do not have any comments on the drafting of the new connections rules.

Q7 Do you have comments on the draft changes to the charges scheme rules?

We do not have any comments on the draft changes to the charges scheme rules.

Q8 Do you have any comments on the drafting of our proposed licence modification, including the wording of the illustrative example.

We do not have any comments on the propose modification to licence condition C.