

Utilities Direct Response to the OFWAT Consultation on
New Connection Charges for the Future – England

Introduction

Utilities Direct Limited (UDL) is a self-lay provider (SLP) of water mains and the making of water connections throughout the Midlands and South of England. We undertake this type of work predominantly for house builders and in some instances commercial developers.

Please see below our comments on the questions in your consultation.

Q1 Do you agree that our option 3 on the treatment of the income offset/asset payments, has merit? If not, please explain your reasoning and provide relevant evidence. If so, how and when should this change be brought about?

Response to Q1

We do not support Option 3 as we feel that this will be promoting market unfairness. There is also a concern about what will happen where there are no asset payments. As a SLP will we be required to provide bonds? The consultation is not clear on this, if we are to provide bonds it will cause us a major problem in enabling us to trade in this market and will lessen competition.

Q2 Do you agree with our draft impact assessment? Can you provide quantitative figures in terms of the potential benefits or costs? Is there anything we have missed?

Response to Q2

We are finding it difficult to understand the draft impact assessment as it has no costings provided to compare it with the current income offset. It does not explain how the issue in Q1 will be addressed?

Q3 Do you have any comments on the drafting of the possible future changes to our rules (set out in Appendices A3 and A4)?

Q4 Do you have any comments on our proposed licence modification to Condition C (Infrastructure Charges) for English water companies other than NAVs (including the proposed wording set out in Appendix A7)?

Response to Q3 and Q4

Because we do not favour the OFWAT preferred option we are not giving a detailed response to questions 3 and 4.