

**From:** [Ofwat Website](#)  
**To:** [Charging](#)  
**Subject:** New submission from Consultation response - Consultation on changes to the Charges Scheme Rules, Wholesale Charging Rules and the Charging Rules for New Connection Services  
**Date:** 20 November 2018 14:48:30

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We have received a new response to our "Consultation on changes to the Charges Scheme Rules, Wholesale Charging Rules and the Charging Rules for New Connection Services" consultation.

Details of the customer response are provided below.

**Your name:**

[REDACTED]

**Your email address:**

[REDACTED]

**Your company/organisation:**

Yorkshire Water Services Limited

**Do you have any comments or suggestions about the consultation?**

Dear Ofwat,

We welcome the statutory consultation on changes to the Charges Scheme Rules, Wholesale Charging Rules and the Charging Rules for New Connection Services ('the rules') setting out proposals to make permanent the temporary changes to the rules as set out in Information Note 18/14.

We agree to making permanent the changes outlined in Information Note 18/14 and can also support the changes proposed to the definition of Small Company and removal of references to the Cholderton and District Water Company. We also welcome the inclusion of rules 47 and 48 in the Charging Rules for New Connection Services.

Although not specifically laid out in the rules, we would welcome further clarity on the statement made on page 3 of the consultation document relating to infrastructure charges that "The only types of agreement that we exclude for these purposes are agreements with other water and wastewater companies (bulk supply agreements and bulk discharge agreements)." We understand that this statement is not meant to imply that where a developer procures new connections through an agreement with a new appointee (NAV) that the supplier of bulk services to the NAV, a water and/or wastewater company, shall not levy infrastructure charges upon the NAV (who is itself an 'undertaker').

We understand the water and/or wastewater company in which the new development by the NAV resides would be entitled to levy upon the NAV infrastructure charges as set to recover the costs of all off-site network reinforcement works needed to support new development in their area. In much the same way such charges would be levied where the developer procured new connections via the water and/or wastewater company (non-NAV) or a self lay provider. Although the NAV will have its own area of appointment, the growth within this area may well contribute to development driven network reinforcement in the area of appointment of the incumbent undertaker (non-NAV). Without recognising this component of growth, developers using other means to deliver new connections works could in effect be cross-subsidising NAVs (and the developers that use this route to new connections).

We would welcome confirmation from Ofwat that the text in its consultation is not meant to contradict our understanding as laid out above.

If you have any questions about this response, please contact me at:

[REDACTED]

Yours faithfully

[REDACTED]

Regulatory Strategy Manager

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