

March 2019

Trust in water

RAG 4.08 - Appendix 1 (Income categorisation)

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Income categorisation

	Retail appointed	Wholesale appointed		Non-appointed	
		Income governed by price control	Income not governed by price control		
Principal services	<p>Retail tariff income (for households and non-households) from water, foul sewage, surface water and highway drainage, trade effluent services and special agreements (including potable water, foul and trade effluent).</p> <p>Income from providing developer information and the administration of new connections (eg dealing with s45 connection charges). Income from meter reading commission.</p>	<p>Wholesale tariff income (for households and non-households) from water, foul sewage, surface water and highway drainage, trade effluent services, including special agreements.</p> <p>Developer contributions¹ (should exclude any <u>retail</u> administration income);</p> <ul style="list-style-type: none"> • Infrastructure charges • Requisitions & self lay • s45 connection charges • s104 sewer adoption fees (based on 2.5% of the construction cost) <p>Electricity generation from appointed assets, income should be entered as a negative operating cost.</p>	<p>Management of protected land</p> <p>Recreational use of protected land eg</p> <ul style="list-style-type: none"> <input type="checkbox"/> Rambling <input type="checkbox"/> Forestry <input type="checkbox"/> Rental income from appointed assets eg <ul style="list-style-type: none"> ○ mobile telephone masts on water towers, ○ wind turbines and solar panels on land at treatment works. 		<p>Non water/ wastewater services eg;</p> <ul style="list-style-type: none"> • Billing commission • Garage services • Rental income from non-appointed properties • Property searches • Introducer revenue from plumbing and drainage insurance <p>Tankered waste;</p> <ul style="list-style-type: none"> • Haulage; • Reception; and, • Treatment.
Third party services		<p>Non-potable water (which are not a bulk supply)</p>	<p>Rechargeable works;</p> <ul style="list-style-type: none"> - Fluoridation - Fire hydrant maintenance - Fire hydrant installation - Charges for repair of damage to company assets by another party - Charges for building over company assets - Charges for installation of a meter on an unmetered supply (non- household) - Fee for trade effluent consent revision - “Non-primary” charges to retailers under WSSL regime - Provision of plan information of underground infrastructure - Charges for flow and pressure testing of a customer supply - Meter testing - Relocation of a household meter - Installation of a meter with a data logger to a previously unmeasured 	<p>Excluded charges;</p> <ul style="list-style-type: none"> - Bulk supplies - Stand pipes and water tanks - Water cleansing - Charges for reception and disposal of waste - Unmeasured cattle troughs - Unmeasured building water supplies - Unmeasured supplies by water tankers - Unmeasured farm taps - Reservoir operating agreements - Unmeasured supply hereditaments - Diversions² 	<p>Rechargeable work where the appointee is <u>not</u> a statutory supplier.</p> <p>Use of land for water supply beyond duties imposed by WIA91 eg</p> <ul style="list-style-type: none"> • Water skiing/sailing, • Fishing, • Bird watching permits, • Restaurants/ visitor centres.

¹ These may be recognised in the accounts as income, netted off expenditure or capitalised. It should include any contributions passed on to incumbents from NAVs.

² Income from diversions are not listed as an excluded charge under licence condition B, however for reporting purposes they should be treated as if they were excluded charges. This will not have an impact on revenues ultimately received by the companies under WRFIM since where companies did include this income in their business plans it should be offset by a corresponding cost, hence there will be no impact.

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