APPENDIX DS2-1

Extract from page 4 of our Charging Arrangements

OUR CHARGING ARRANGEMENTS THE MARKET FOR CONNECTION SERVICES



When developers require new water and/or wastewater infrastructure for their developments they can choose who constructs, owns and operates the new assets. Developers can choose the option that best meets their needs. The three options are:

- a) A NAV builds the new infrastructure and either a) arranges for it to be connected to our network(s) or b) develops its own source of water and/or wastewater treatment facilities. The new assets built by the NAV remain in their ownership and, as a licensed water and/or wastewater supplier; they are responsible for the assets' future operation and maintenance.
- b) The developer chooses to construct the network themselves or by employing an accredited contractor to carry out the work on their behalf. Commonly a developer will use a competent drainage contractor to construct sewerage assets and an SLP to construct the new water network. The new networks are ultimately adopted by us under the terms of a legal agreement entered into by all of the parties involved. We become the owner of the new networks and are responsible for their operation and maintenance on adoption.
- The developer requests that we install the new networks (known as a "requisition"). The new properties are connected and we are responsible for the ongoing ownership and operation of the new assets. It is rare for a developer to ask a water company to construct sewerage assets on a new development site, but the option is available to them.

Lloyds Register administers the accreditation scheme for SLPs, known as the Water Industry Registration Scheme (WIRS). A list of WIRS accredited SLPs can be found at www.lr.org/wirs

To find out more about NAVs and the services they can offer, please visit Ofwat's website www.ofwat.gov.uk/regulated-companies/markets/nav-market/