

5th August 2019

Thank you for contacting us about your proposed development

Based upon the information provided in your connection application, we have set out below the services, which we understand are required for your project. The rates for services shown in the tables below have been taken from our published Charging Arrangements document for the 2019/20 year. Please refer to our Charging Arrangements document for more information about our charge rates, and the circumstances under which these rates are fixed.

So that that you can choose who provides your connections services, we have separated the contestable work from the other services. Contestable work is open to competition and can be provided by alternative connections providers rather than the water company. Work that the water company must carry out is referred to as non-contestable, and this includes some works on the existing network. The non-contestable and contestable costs are shown in items 1.1 & 1.2 in table 1 below with the contribution required for SEW to undertake these works shown in item 1.5.

Self-Lay Providers

If you choose to use a Self-Lay Provider for all or part of the work, then you may be entitled to an asset payment in recognition of the future income that the company expects to receive from the new customers connected to the new assets. This asset payment is shown in item 1.6 in table 1 below. Self-lay providers hold the same qualifications as our term contractors and can provide multi – utility options. For more details contact the Lloyds register which lists all self-lay accredited companies - <http://www.lr.org/en/utilities-building-assurance-schemes/uk-schemes/water-industry-registration-scheme/wirs-search.aspx>

1. New Mains Charges

1.1 Non Contestable Services	£	Total cost to SEW for providing non-contestable services
1.2 Contestable Services	£	Total cost to SEW for providing contestable services
1.3 SEW Total	£	Total cost to SEW for works you have asked SEW to provide
1.4 Income Offset	£	This is the discount we provide in recognition of the future income we expect to receive once the connections have been made.
1.5 Total Contribution	£	Total charge for providing the works. Please also refer to our offer terms.
1.6 Asset Payment	£	Asset payment due for Self-Lay Provider undertaking the works. Less the non-contestable services shown in item 1.1

INCOME OFFSET & ASSET PAYMENTS

SEW calculate the amount of annual repayment of a notional loan over 12 years equal to the cost of the site specific work. We also calculate the annual water revenue from the individual service connections supplied from the new water mains. The annual repayment and annual revenue are compared to determine if there is a deficit. SEW then apply a discount to the lump sum corresponding to the deficit over the 12 year period in accordance with the methodology issued by Ofwat.

The Asset Payment is the same amount as the income offset amount if SEW were undertaking the work. The Asset Payment can be phased against completed sections of the on-site mains on submission of valid test and chlorination certificates and an as-laid drawing for the completed phases.

The income offset may vary if the type or amount of services varies, for example if more connection work is carried out.

2. New Service Connections

Please find below the associated charges for the new individual services connections required for the new site. Also shown are the relevant infrastructure charges in accordance with [charging rules for new connection services \(English Undertakers\)](#) published by ofwat. The cost of network reinforcement is now recovered under a revised infrastructure charge and is set out in our [infrastructure charge and miscellaneous services charges scheme](#).

2.1 Service Connections Charges

Charge Item	Charge Unit	Quantity	Rate	Total
Plots	A-Type Single connections		£336.57	£
			Admin:	£
Total				£

3. Infrastructure

From April 2019 we will be setting our own infrastructure charges to cover the cost of developer related growth. A standard infrastructure charge is payable for all first time 25mm connections for domestic purposes. The standard water infrastructure charge presumes a meter capacity that will supply 1m³ per hour. We have a Reduced, Standard and Eco-connection rate of infrastructure relating to the type of development, the Reduced rate of infrastructure is for any development that has less than five connections. The Standard rate of infrastructure is for all developments that have more than five connections. The Eco-connection rate of infrastructure is for all connections smaller than 25mm.

The Standard rate of infrastructure is £536.71 the Reduced rate of infrastructure is £373.61. The Eco-connection rate of infrastructure is £276.61 valid from 1st April 2019 until 31st March 2020.

3.1 Infrastructure Charges

Charge Item	Charge Unit	Quantity	Charge	Total
Plots	Standard Rate of Infrastructure		£536.71	£
Total				£

*Non-standard connections will have a relevant multiplier applied to the standard rate of infrastructure to calculate the amount payable. To ensure the base rate of infrastructure is kept as low as possible we will continue to apply the relevant multiplier to encourage water efficiency and smaller connection sizes when possible.

4. Acceptance, undertaking and security

Once we have received the signed acceptance we will send either a Section 42 Undertaking or Self Lay Agreement depending on the option you have selected. The appropriate document will need to be signed and returned to us. If you sign the undertaking for SEW to complete the works we will also require a security.

- You can provide security equal to the full amount of the requisition charge in the form of a cash deposit or in the form of a bond, if the requisition charge is greater than £15,000

Or

- You can provide a security equal to 25% of the requisition charge in the form of a cash deposit or in the form of a bond, if the requisition charge is greater than £60,000

For Self-Lay acceptance, once we have received the signed Self-Lay Agreement, SEW will arrange for a source of water connection from our network to serve the new development and provide a representative to act as a liaison for any on site queries.

5. Our Terms and Conditions

1. Rates are fixed in accordance with our charging arrangements for the 2019/20 year
2. Quantities are estimated, and subject to change based on site conditions, or changes in customer requirements
3. Connection offer is valid for 3 months from the date of this letter
4. The company offer is based on the information supplied by the applicant at the time applying. Should the on –site conditions vary considerably from the original request the company may elect to recalculate the cost of the works.

6. CONFIDENTIALITY

The commercial and technical information included in this letter and its enclosed documents is confidential. You shall only use or copy this letter for the purpose of the requisition and you shall not disclose this information to any third party without the prior written consent of South East Water. South East Water shall be entitled to require that this third party enters into a confidentiality agreement prior to allowing the disclosure of confidential information.

7. INTELLECTUAL PROPERTY RIGHTS

All intellectual property rights in this letter and its enclosed documents are the exclusive property of South East Water. Nothing in this letter shall grant you any right in this intellectual property whatsoever other than the right to use and copy the whole or part of this letter or its enclosed documents for the purpose of dealing with the requisition of the mains and no other purpose. You shall not be entitled to allow any other person to use or copy the whole or any part of this letter or its Appendices for any purpose whatsoever without the prior written approval of South East Water.

8. VALIDITY PERIOD

The estimates provided in this letter are valid for three months from the date of this letter. If the undertaking is not signed and/or the relevant security is not provided within that period South East Water reserves the right to update these estimates.

It is the Company's intention to ensure that all work undertaken is completed to the reasonable satisfaction of the customer. Where there is any aspect of the work or charges which is not satisfactory, once the work has been completed please forward your concerns in writing to the Company to enable a full review to take place. In the event that this review does not address your concerns satisfactorily, you will be able to refer the matter to the Director General of Water Services who has powers under the Water Industry Act 1991 to determine a solution to the matter.

In order for the Company to prepare our Job Packs for our Contractors please can you provide the contact for your principle contractor on site & your Principle Designer.

Please do not hesitate to contact me if you require any further information.

Yours sincerely

██████████
██████████
South East Water Ltd

IF YOU WISH TO PROCEED PLEASE COMPLETE AND RETURN THIS ACCEPTANCE SLIP ALONG WITH YOUR REMITTANCE.

Dear Sir,



I/We accept your quotation datedand enclose payment of

Please confirm the option selected by placing a tick in the appropriate box.

1.5	SEW Discounted Rate	
1.6	Self – Lay Provider	

Signed Date

Name (Block Capitals)

The below will need to be completed by your finance department. Please submit all BACS payment using only the reference number on the estimate. Failing to do so, could lead to delays with your scheme and future BACS payment being declined.

Developer/SLP – Finance department to complete

Finance Contact Name	
Contact Number	
Payee Name	
Address for Invoice	

Contact Details

Please provide the relevant site manger contact details for the site. On receipt of these we will instruct our mains laying term contractor to initiate a site start up meeting with the named representative to programme the works.

Site Contact Name

Company Name

Accredited Self- Lay Provider

Phone Number

Email address