

## Ofwat New connections charging rules for Welsh companies

*Q1 Do you agree with our proposal to redefine what costs are recovered by infrastructure and requisition charges?*

**HBF supports this change as we consider that it offers greater clarity and overcomes existing concerns regarding potential double charging.**

*Q2 Do you agree with our proposal that infrastructure charges should be calculated to recover costs incurred over a rolling period of years?*

**HBF supports this approach and the suggested a 5 year period is considered appropriate.**

*Q3 Do you prefer option 2 or option 3 (or another approach) as the basis for setting the relevant time period over which costs are calculated for the purpose of setting infrastructure charges?*

**HBF considers the approach taken should be agreed with the water companies.**

*Q4 Do you agree with our proposal to simplify the calculation of income offset and apply it to the infrastructure charge, instead of the requisition charge (thereby removing the need for asset payments)?*

**Although HBF understands that there are some benefits to the approach suggested, we do not accept that this should result in a smaller payment to developers.**

*Q5 Do you think option 2 or option 3 is the better approach to setting upfront charges for site-specific developer services? Or would you prefer another approach?*

**HBF are very supportive of Option 2 and the provision of upfront costs where possible. Where this is not possible there should be a requirement to clearly explain the methodology used for calculating charges.**

*Q6 Do you think option 2 or option 3 is the better approach to setting charges for requisitions and new connections? Or would you prefer another approach?*

**HBF supports Option 3 and the proposed plot charge as this would provide certainty. However, there needs to be clarity over how this is calculated, it should also be regularly reviewed to take account of a range of factors such as changes in Welsh Government Policy and material cost which could have an impact on costs.**

*Q7 Are there any charging rules that have been included under options 2 or 3 that are not required due to the general requirements of the charging principles?*

*Q8 Are there any additional charging rules that should be included under options 2 or 3?*



Q9 What are your views on the three proposed options? Which of the options do you prefer? Would you prefer another approach?

**HBF supports Option 2 as we consider it will give more certainty earlier in the development process. However, we consider though should be given to including some flexibility around allowing changes to be made by the water companies relating to innovation, particularly where it might result in reduced costs for customers.**

Q10 Are there any other issues we should consider as part of our assessment of the impacts of introducing the proposed charging rules?

**HBF suggests that guidance on staged payments should be included particularly with regard to larger sites, where all of the improvements may not be required at the start of the development, but instead would be triggered by development/occupation triggers for instance.**

**HBF does not believe there is any need for these rules to encourage/incentivise the use of SuDS as already exists a legislative requirement following the implementation of Schedule 3. Under the Welsh SuDS rules they are adopted by the SAB with the water company just being a consultee in the application stage.**

