

I work for Last Mile Group (LMG) of companies that include Energetics and UK Power Solutions, Self Lay Providers, and Icosa, a New Appointment and Variation (NAV). As an SLP and NAV, we are actively engaged in self lay work across England (and Scotland and Wales). Any improvements to existing Connection Charging Rules documents are beneficial but I still feel further improvements can be made of which I have listed below;

- 1) LMG welcome that Ofwat is introducing a requirement that charges covered by the Connection Rules should reflect costs of the relevant service however I can see no mention of the need for charges to be linked with 'reasonable costs'. I would expect Ofwat to state in the Connection Rules that 'charges should reflect the reasonable costs of the relevant services'.
- 2) It does seem confusing to all customers that Ofwat is proposing 2 separate sets of terms. These are the 'Interpretation' set under Section 5 of the Connection Charging Rules and the 'Common Terms' associated with the Worked Examples. Would it not make sense use the same terms throughout both documents?
- 3) I do not think the term 'Alternative Point of Connection' being proposed in the set of Common Terms is the correct wording. Following the rules of 'equivalent size or larger' then the Point of Connection (PoC) is clearly defined. I understand that the PoC may need to move upstream in the network to a point where there is capacity to supply the site but from this position this reinforcement should be provided by the water company. 'Network Connection Point' would be more applicable and should be defined as 'the point, as determined by the water company, where the water network has the capacity to supply the development'.
- 4) Further to point 3) above, further clarification is required regarding the 'Source of Water' connection costs at the 'Network Connection Point'. Developers are only responsible for paying for what it would cost to make the 'Point of Connection' (regardless of whether work is actually carried out at that point).
- 5) Another issue SLPs commonly encounter is where the water company asks for a 'lead in main' to be upsized for future phase developments and receiving confirmation off the water company how this is going to be funded. In my view, this should be termed 'Enhancement Payment(s)'. These being defined as 'payment(s) to the installer when the water company requires the installed works to be upsized'. I would request that Ofwat adds an illustration with 'upsizing' elements into the worked examples.
- 6) Whilst a definition for 'Branch Connection' is included in the Common Terms, I do not think this term is correct for the SLP arena and could do with updating;
 - a) to match the Codes for Adoption, 'Branch Connection' should be replaced with 'Source of Water Connection' which means a connection of new mains to the existing mains network, usually through a branch connection, into a 'parent' main which supplies customers.
 - b) and, that a 'Routine Inline Mains Connection' be added which means 'a connection made to a newly laid main that does not supply customers and where the supplying main can be controlled by a valve or can be squeezed off, without affecting existing customers.
- 7) I think it is positive news that Infrastructure Charging requirements will move into the Connection Charging Rules however several water companies are now offering Infrastructure Charge discounts based on water efficiency or sustainable drainage

incentives. The issue is that these incentives appear to be outside of the general charging requirements and therefore it must be made clear that the requirements of Rule 11, namely that the Charging Arrangements must explain how each charge has been calculated or derived, also apply to such discounts.

- 8) I am wondering why Ofwat is now proposing to re-define 'Site Specific'. Obviously 'Site Specific' extends to the Point of Connection (which could be either on or off site), I feel the current 'Site Specific' definition is sufficient and would cause further confusion if it was amended and therefore should be remain unchanged.

To LMG, as an active SLP (and NAV), all the proposed changes would improve the SLPs ability to provide a service we know our developer customers are seeking and hope that Ofwat make the changes I have point out.

Lee Crabtree
Water Network Manager
Last Mile Group