

Statutory consultation on changes to our charging rules – Wessex Water response

Q1: Do you agree with our proposed rule changes? Please offer alternatives if you think they would better achieve our intentions

1. We agree with moving all publication deadlines to specific dates and the removal of requirement WCR A2.
2. We agree with amending dates to allow simultaneous publication of statements of significant changes and charges schemes.
3. As we outlined in our response to the consultation on developer charges, we support this as a principle, but care needs to be given as to how it is measured and monitored. It should not be monitored or enforced in a way that reduces the company's ability to offer fixed up front prices, an outcome that customers find beneficial.
4. We agree with the new proposed definitions.
5. We can see the benefit to have a standard presentational format for these examples. We are unsure if these pro-formas achieve their purpose, which is to show customers how the charges are changing year on year. Instead, they seem to focus on comparing the charges between companies – which although useful is not the purpose of these. We would suggest requiring a more streamlined version, that sets out contestable and non-contestable new connection, requisition, and infrastructure charges, and how the each of these has changed year on year. We currently set out these examples in our publications [here](#) (page 18), and we recommend this could form the basis of good industry practice. This gives customers a clear view of how charges are changing, which is the purpose of these examples.
6. We agree with moving these rules into the same document.
7. We agree with this clarification on the income offset applying to all new connections.
8. We agree with this clarification to include work done due to new appointee connections within network reinforcement.
9. We agree with the requirement to include transition arrangements between years within the charges scheme and would expect most companies to already include this.

Q2: Do you agree with our proposed changes in Appendices 1, 2 and 3?

We have no issues with the majority of the amendments proposed in either the draft Wholesale Charging Rules, the draft Charging Rules for New Connection Services, or the draft Charges Scheme Rules.

The only exception is the lack of changes to the rules around infrastructure charges. You state in section 3 that you will consider what is required and revert to the industry in due course. We welcome the reconsideration of these rules, however we would like to see them in place for 2022-23. As currently proposed, the rules retain the approach from previous years, which after the clarification in your initial consultation we believe represents a real risk of detriment to customers, many of which you outline in your consultation. However, we would like to reiterate the risk to standard bill payers, as the burden of any historic over or under recovery is shifted to these customers through the RFI, and not retained within the customer group who are causing the investment.

Regarding the draft Common Terms and Worked Examples document:

1. We have no issues with the common terms section.
2. We have no issues with the scope of the proposed examples but please refer to our comments in point 5 above regarding the worked examples.