



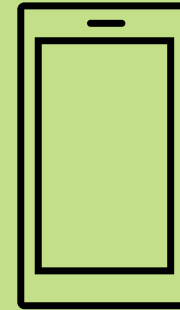
United Utilities Developer Day Charges

9 October 2024

Dovestone Reservoir



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Developer Day 2024

Code – 2815092

Agenda

1. Welcome
2. Charges timeline
3. Changes to charges
4. Environmental incentive scheme
5. Income offset
8. Impact on standard worked examples
9. Any questions



2025/2026 charges timeline

AMP 7

AMP 8

March 24	May	July	September	October	November	January 25	February 25	April 25
<p>Water technical forum</p> <p>Wastewater technical forum</p> <p>Updating 25/26 charges</p>	<p>Charges focus panel</p>	<p>Charges focus panel</p> <p>Water technical forum</p> <p>Wastewater technical forum</p>	<p>Charges focus panel</p>	<p>Developer Day</p>	<p>Charges focus panel</p>	<p>Finalise charges</p> <p>Board sign off charges</p>	<p>Charges forum</p> <p>Publish 25/26 charges scheme</p>	<p>Website updated</p> <p>New charging year 1 April</p> <p>Start 26/27 charges</p>

Charges - significant changes to developer charges

Following a period of regulatory consultation within the industry, there will be significant increases to Developer charges from next year, driven by three main factors:

Large housing growth forecasted in the Northwest requiring more upgrades to our water and wastewater assets, thus **increases to the infrastructure charge.**

- 1.5m new homes over next 5 years.
- C.37,000 new homes each year in the Northwest.
- Investment needed to support growth, whilst protecting the environment and our customers.
- UU committed to supporting house building growth through great customer experience (#1 D-MeX).



A fairer approach to charging by ensuring all developer costs are now recovered through developer charges including **removal of income offset subsidy.**

- Income offset is currently funded by bill paying customers.
- Developer Services will now operate as a standalone function.
- We will seek to be cost neutral, and it is not the aim to profiteer from these increases.
- Our commitment to strive to have some of the lowest charges in the sector.



Promote sustainable developments with tiered incentive mechanism funded through introduction of **new environmental charge.**

- National target to reduce overall demand by 20% by 2050.
- This means a reduction from 140 to 110 litres per person per day.
- New incentive is an industry standard approach with greater rewards on offer.
- One of the most comprehensive offerings in the sector.

Transitional arrangements moving into next year - infrastructure and environmental charges will be based on the published rate in the year the connection is physically completed, all other charges will be linked to the quotation and associated validity periods as published in our charges scheme.

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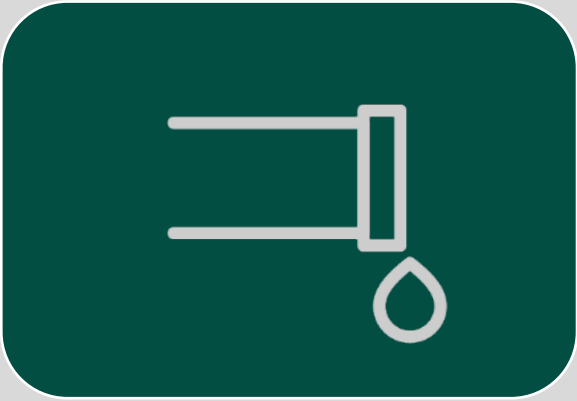
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Changes to charges

Charges – What's changing



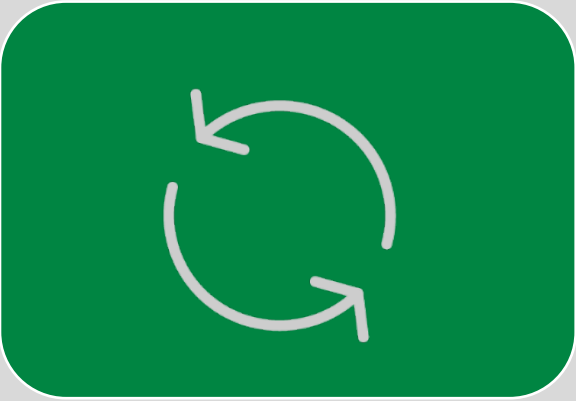
Substantial increase in charges moving to 2025-2030 new connections charging framework.



Infrastructure charges expected to increase to reflect the increase in network reinforcement required 2025-2030.



New contract from 2025



Unbundling of charges

We are required to publish separate charges for the following, therefore from April 2025

- we will publish **separate application and administration fees** (fees will continue to be paid either on connection or on acceptance)
- 25mm connection charges currently include the **cost of the water meter** this will be removed and charged separately
- **Meter installation** is also included in connection charges and will be removed and charged separately
- **2 metres of pipe** currently included in connection charges, but this will also be removed and charged separately



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Changes from 2025 – Smart metering

We will be moving to smart meters from 1 April 2025 and any new connection made will be required to have a smart meter installed.

We are currently in the process of finalising the metering contract and expect this to be complete by November.

You can find out more with Gavin and Lisa in the Smart Metering room (box 9)

We will engage with you as soon as we have more information.



Charges – Proposed new charges



Point of connection fee

Water pre-development enquiry fee

Wastewater pre-development enquiry fee

Environmental charge
Water and wastewater charges that will be levied for each new property connected to our network, for the purpose of funding the Environmental Incentive Scheme

NAV amendment to a site served status
- Administrative change
- Red line boundary change

NAV bulk connection re-quotation fee

NAV service connection admin fee
(where UU bill for one service and the NAV the other)

Budget estimate fee for complex diversion, sewer requisition (s98) and asset protection

Installation of a pulse unit / splitter

Traffic management
- Lane closure
- Impact protection vehicle

Trial hole supervision

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Environmental incentives scheme

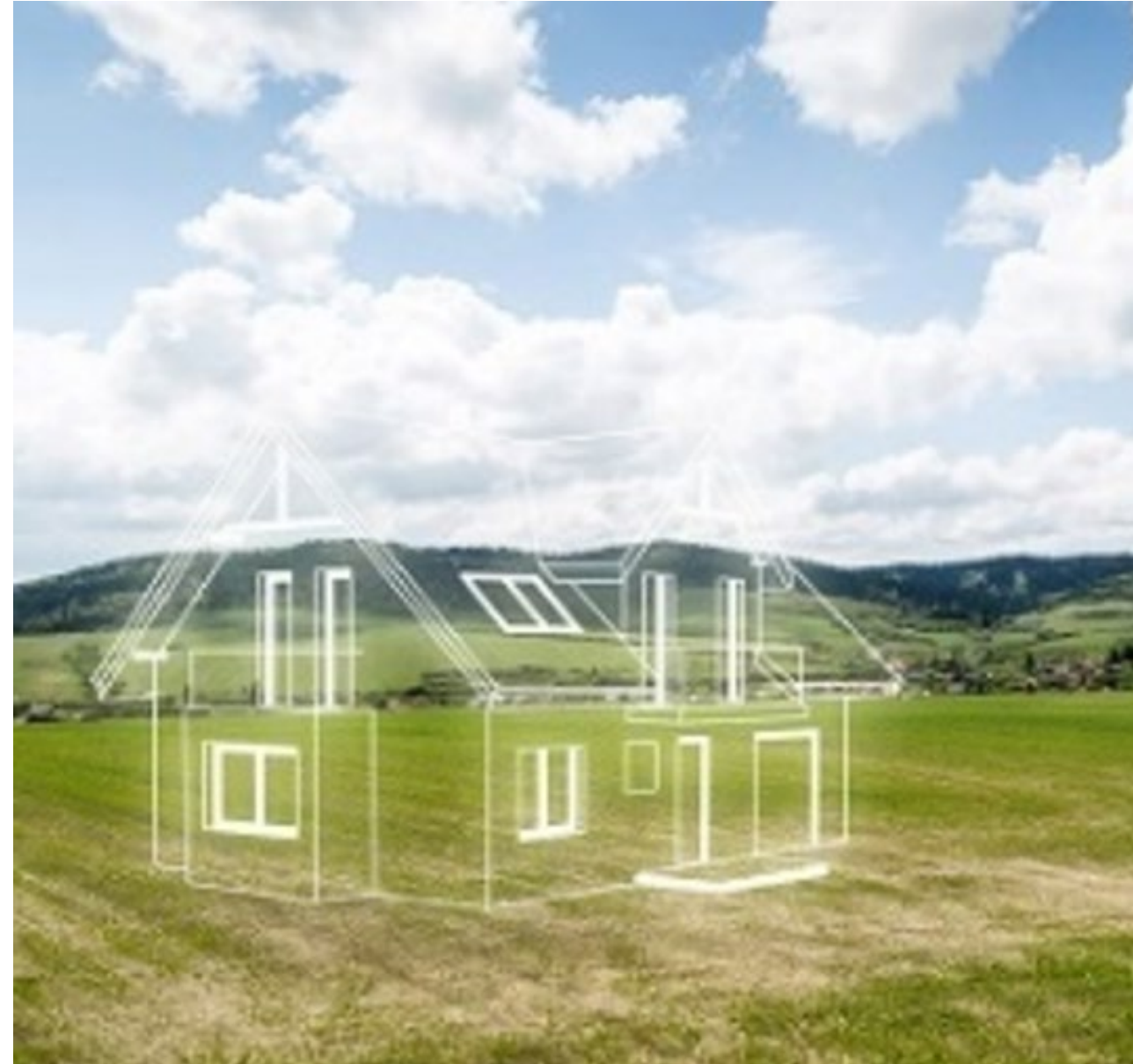
Environmental incentives framework



Ofwat are currently consulting on the implementation of a common framework for environmental incentives.

The framework broadly aligns with our current environmental incentive scheme in the way that Ofwat propose incentives should be administered, however it may mean an adjustment to our current offering for water in tier 1.

Ofwat are proposing to move to a fittings approach, but the detail is to be confirmed.



Environmental Incentives Scheme (showing 2024/2025 incentive values)

Tier 1



Tier 2



Tier 3

Water – property is built to a design consumption rate of **100 litres per person per day or less plus installation of a flow regulator** which limits the flow into the premises to 14 litres per minute

£272

Installation of a water butt or a raised rain planter with a capacity of at least 200 litres connected to the properties main roof drainage,
or **a rain garden** the size of 2% - 4% of the properties main roof, that drains to the rain garden.

£20

Water re-use – installation of **rainwater harvesting** or **greywater re-use** as the primary water source for all toilets, as a minimum, within the property

£400

No surface water connection – Where the property has no direct or indirect connection for surface water drainage

£288

Permeable surfaces – installation of permeable surfaces to the properties driveways/parking areas

£150

Water offsetting – We carry out 6 audits of existing properties for each new build property you are applying for tier 3 for and where we can, fix leaks, install water savings devices and install a water meter.
The water savings from doing this should offset the demand from the new build property.

Developer contribution

£553 plus vat

£664

Income offset

Income offset – transition



Income offset will only apply to connections made on or before 31 March 2025. The property must be built, connected to a live supply and have the water meter installed to be eligible for income offset.

(The following slide shows dates for requesting work and reporting connections to us to be eligible for income offset)

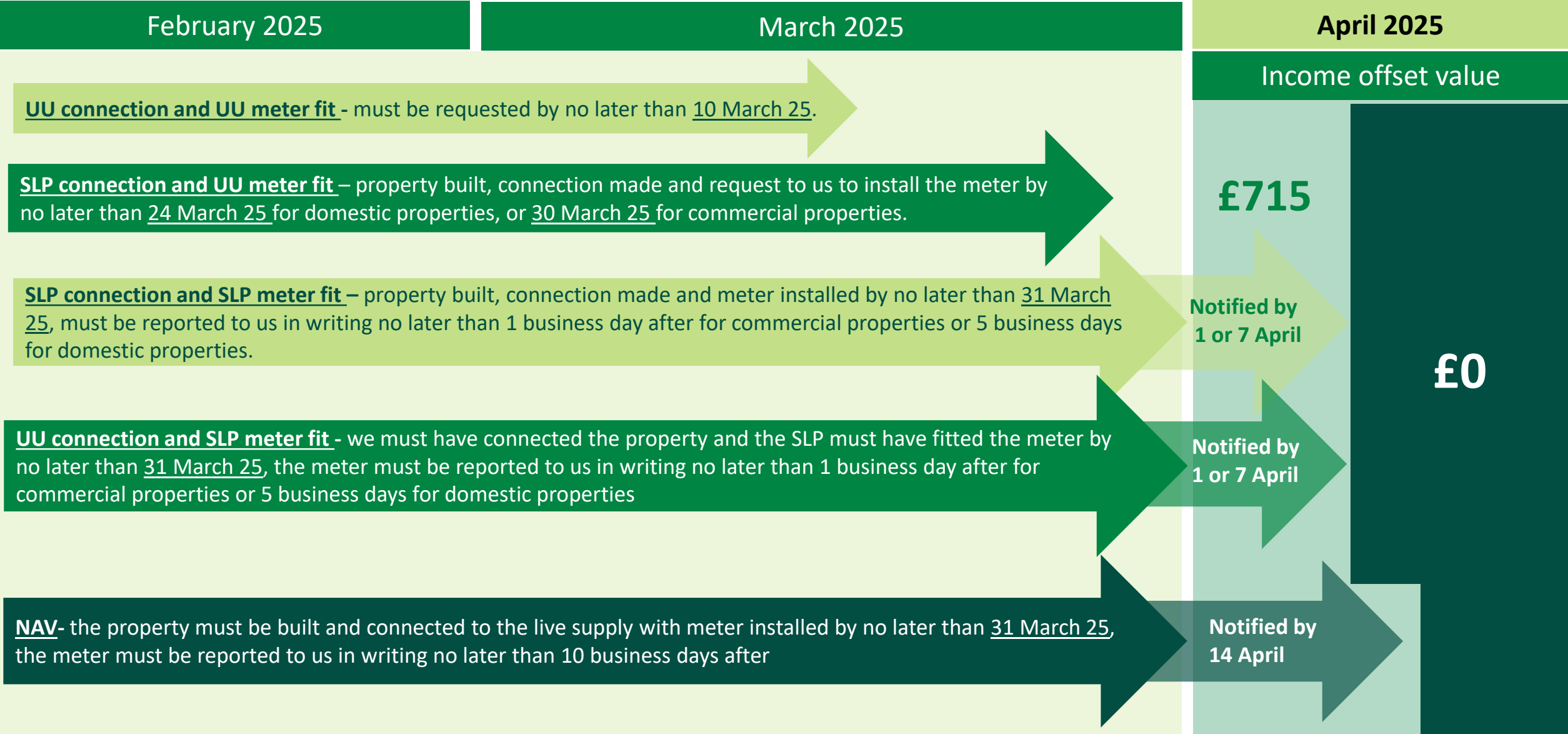
There will be no change to the way infrastructure credits are applied. These will be given for the first relevant number of properties that are connected.

All works may be subject to UU inspection, where the property is found to be not connected as stated or not ready for connection, income offset will not apply.

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Income offset – transition



Q. Do you understand the cut off dates for your development to be eligible for income offset?

Any questions



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