

Anglian Water Services Ltd.

Statement of Assurance for 2024/25 Developer Charging Arrangements (New Connections)

I. Requirements for this Assurance Statement

In its charging rules for new connections, Ofwat sets out that it requires a statement from the Board in order to provide assurance:

- that the Company is complying with those charging rules;
- that the Company has appropriate systems and processes to make sure that relevant information is accurate;
- as to how the present balance of charges between Developers and other customers is broadly maintained; and
- that the effects of the new charges on customers' bills for a range of different types of development, and approves the impact assessments and handling strategies developed in instances where bill increases for particular types of new developments exceed 10%

II. How the requirements have been met

Our Developer Charging Arrangements fix the charges that our developer customers are required to pay for the period from 1 April 2024 to 31 March 2025 for the following services, which we provide in the course of carrying out our regulated duties:

- the provision of requisitioned water mains under section 41(1) of the 1991 Act and of requisitioned sewers under section 98(1) of that Act;
- the connection of premises to a water main under section 45(1) of the 1991 Act, ancillary works in making such a connection under section 46(1), the provision of requisitioned lateral drains under section 98(1A), the construction of lateral drains following construction of a public sewer under section 101B and the exercise of an undertaker's right to make a communication with a public sewer under section 107(1) of that Act;
- entering into agreements for the self-lay of water infrastructure under section 51A of the 1991 Act or of sewerage infrastructure under section 104 of that Act; and
- diverting pipes and other apparatus under section 185 of the 1991 Act.

In approving the Developer Charging Arrangements, the Board considered the following information:

- a) Assurances provided by Management to the effect that the charging arrangements and our proposed charges comply with the charging rules;
- b) Details of the approach undertaken to ensure accuracy of the information on which the charging arrangements are based, including (but not limited to) reliance on quality assurance processes which are subject to internal and external audit;
- c) Details of the analysis of historic schemes undertaken in order to ensure that an appropriate balance of charges as between developers and the generality of customers is maintained; and
- d) The outcome of a review undertaken by the company's Technical Assurance provider on maintaining the balance of charges.

- e) Impact assessments undertaken using worked examples of typical development types, which outline that across all customer types, charges will increase above 10% due to cost inflation, detailed review of cost build-ups and overhead allocations, for some customers unbundling of charges and an anticipated increase in network reinforcement expenditure.

The Board can confirm to the best of its knowledge:

- a) In formulating and implementing its Developer Charging Arrangements, the Company is complying with the charging rules for new connections services;
- b) That the Company has appropriate systems and processes in place to make sure that the information contained in the Developer Charging Arrangements, and the information contained in II of this letter of assurance is accurate; and
- c) The balance of charges between Developers (seeking the services set out above) and other customers is broadly maintained in the following way:
 - i. charges for the “site-specific” element of requisitioned water mains and sewers will be charged based on our costs, with a discount equivalent to the historic contribution to these requisition costs or asset payments made against infrastructure charges;
 - ii. connection charges are designed to replicate overall the costs of providing the connection;
 - iii. infrastructure charges are designed to recover a similar amount overall as two heads of charge existing before April 2018, being (i) infrastructure charges; and (ii) requisition charges in relation to elements that are not site-specific which funds “network reinforcement” expenditure; and
 - iv. charging levels are reviewed periodically and where the balance of charges begins to alter will make adjustments in the following charging year(s) to redress the balance.
- d) The effect of the new charges on our customers’ bills are reasonable, based on a review of details of the impact on certain customer types for a typical package of services. Where bill increases are above the 10% benchmark set by Ofwat the Board has been provided with details of those customer types affected, the level of the increase across a range of typical development types. The Board has approved of the proportionate impact assessments and handling strategies for these customers.

IV. Board approval

The Board acknowledges its responsibilities in relation to the development of the Developer Charging Arrangements.

The Board confirms that it approved this statement of assurance at the meeting held on 24 January 2024 and the Board delegated authority to the Regulation Director and Senior Finance Business Partner to approve charges. In that meeting, the Board agreed to sign this assurance statement for submission to Ofwat.

Signed by members of the Board of Directors for Anglian Water Services Ltd.

Name:	Signed:	Position
John Barry	John Barry	Non-Executive Director
Tony Donnelly	Tony Donnelly	Chief Financial Officer
Natalie Ceeney, CBE	Natalie Ceeney, CBE	Independent Non-Executive Director
John Hirst, CBE	John Hirst, CBE	Chairman
Alex Nassuphis	Alex Nassuphis	Non-Executive Director
Batiste Ogier	Batiste Ogier	Non-Executive Director
Zarin Patel	Zarin Patel	Independent Non-Executive Director
Alistair Phillips-Davies	Alistair Phillips-Davies	Independent Non-Executive Director
Dame Polly Courtice, DBE, LVO, DL	Dame Polly Courtice, DBE, LVO, DL	Independent Non-Executive Director
Ros Rivaz	Ros Rivaz	Independent Non-Executive Director (Chair Designate)
Peter Simpson	Peter Simpson	Chief Executive Officer
Albena Vassileva	Albena Vassileva	Non-Executive Director