

Leep Networks Water Limited



New Connection Charging Arrangements

2026-27

February 2026



leep utilities™

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Executive Summary

This document sets out the New Connection Charging Arrangements of **Leep Networks (Water) Limited (“LNWL”)** for the period **1 April 2026 to 31 March 2027**.

These Charging Arrangements have been prepared in accordance with the **Charging Rules for New Connection Services (English Undertakers)** issued by the Water Services Regulation Authority (“Ofwat”) under sections 51CD, 105ZF, 143B and 144ZA of the Water Industry Act 1991.

The Arrangements describe the principles, methodologies and circumstances under which LNWL will determine charges for the provision of new water and sewerage connection services within LNWL’s appointed areas.

LNWL’s objective is to ensure that charges are **transparent, cost-reflective, proportionate and non-discriminatory**, while supporting efficient development and protecting the interests of customers.

Leep Networks (Water) Ltd New Connection Charging Arrangements

1. Introduction

These Charging Arrangements apply to requests for the provision of new water and sewerage connection services received from the owner or occupier of any premises, whether directly or via an agent, consultant, Licensed Retailer or other authorised third party.

These Charging Arrangements supersede all previous new connection charging arrangements published by LNWL and apply to applications received on or after 1 April 2026.

1.1 Applicability and Appointed Areas

These Charging Arrangements apply to requests for new connection services within LNWL's appointed areas, as determined by Ofwat under the New Appointments and Variations (NAV) framework.

Where a request for services relates to premises outside LNWL's appointed area, or would require an extension of LNWL's appointed area, the provision of such services and any associated charges will be subject to a separate commercial agreement and are not covered by these Charging Arrangements.

Nothing in this document obliges LNWL to provide services outside its appointed areas other than in accordance with applicable legislation or an agreed commercial contract.

1.2 Regulatory Compliance and Proportionality

These Charging Arrangements have been developed having regard to the Charging Rules for New Connection Services and LNWL's obligations under the Water Industry Act 1991.

LNWL has considered the requirement for proportionality in the publication of charges and methodologies, having regard to the nature and volume of requests that LNWL reasonably expects to receive.

Where charges are not set out as fixed amounts, LNWL will calculate charges based on the reasonable costs incurred in providing the relevant service, consistent with the Charging Rules and the principles of fairness, transparency and predictability.

1.3 Out of Scope

These Arrangements do not cover any:

- request for a supply of water for non-domestic purposes to which section 55 of the Water Industry Act 1991 applies;
- application for a consent to discharge trade effluent from any trade premises under section 199 of the Water Industry Act 1991;
- request made by a water supply licensee for the connection of premises to a water undertaker's supply system, or other steps in respect of that system, to which section 66A of the Water Industry Act 1991 applies;
- request made by a sewerage licensee for the connection of drains or sewers of

premises to a sewerage undertaker's sewerage system, or other steps in respect of that system, to which section 117A of the Water Industry Act 1991 applies;

- charges that may be imposed by a water undertaker under an agreement to provide one or more water undertakers with a supply of water in bulk;
- charges that may be imposed by a sewerage undertaker under an agreement to permit a mains connection into its sewerage system by one or more sewerage undertakers.
- any commercial agreements made by Leep Utilities as the parent company of LNWL prior to LNWL's appointment as undertaker for any given location.

2. Options for Developers

Developers may choose to install, or have installed by others, certain elements of the services required to supply their site. These are referred to as contestable works. LNWL will provide services to Self-Lay Providers (SLPs) on an equivalent basis to other applicants, subject to appropriate agreements and standards.

Detailed below is an overview of the options available to make new connections:

- **Self-lay Provider (SLP)** An SLP may be able to provide you with an effective solution to your requirements by installing the contestable elements of your new mains and services. SLPs will receive a service from us equivalent to any other applicant. LNWL will enter into an adoption agreement for the new assets, provided the SLP is an accredited entity and installs those assets to an acceptable standard. Suitable SLPs may be found at <https://www.lrqa.com/en-gb/utilities/water-industry-registration-scheme-wirs-wirsae/>. We will generally follow the latest edition of the Code for Adoption Agreements (<https://www.ofwat.gov.uk/regulated-companies/markets/connections-market/code-adoption-agreements/>).
- **New Appointment & Variations** NAV companies are licensed water and/or sewerage undertakers. A developer may engage a NAV to adopt and operate the on-site network/s. The NAV will come to a commercial arrangement with the developer and will arrange for the incumbent water and/or sewerage supplier to be replaced by the NAV. The NAV will then become responsible for delivering water and/or sewerage services to end users. More information on the NAV process may be found at <https://www.ofwat.gov.uk/regulated-companies/markets/nav-market/>.
- **Requisitioning** of new mains is a duty imposed on an undertaker under the Water Industry Act 1991 Section 41(1) for water and Section 88(1) for sewerage. A developer or authorised person within a water and/or sewerage undertaker's area may require that undertaker to lay, own and operate site-specific work. On request, the undertaker will provide a quotation to the authorised person requesting the works. Service connections are not covered by a requisition and require a separate application. If you wish to requisition new assets, please contact us.

3. Diversions

The adoption of new water mains and sewers will be undertaken in accordance with the Water Industry Act 1991 and relevant Ofwat guidance, including the Code for Adoption

Agreements. Diversions of existing assets will be carried out in accordance with section 185 of the Water Industry Act 1991.

Diversion of existing assets may be carried out by accredited parties, but some elements of the work will remain non-contestable. Some examples of non-contestable work may be trunk mains, connections into existing mains and decommissioning of the redundant asset.

Any charges we impose will reflect the reasonable costs incurred in complying with our duty to carry out the diversion, whether for the contestable or non-contestable works, but will exclude costs for providing additional capacity for the Company where that capacity is not connected with the additional demand from the development being supplied.

4. Adoption of Assets

The adoption of water mains, sewers and associated assets will be undertaken in accordance with the Code for Adoption Agreements issued by Ofwat and the approved sector guidance and model adoption agreements developed in accordance with that Code. LNWL will enter into adoption agreements on a fair, transparent and non-discriminatory basis.

There will be fees and charges associated with the adoption including, but not limited to, inspection fees, design approval fees and any third-party expenses incurred.

LNWL does not generally apply any local practices or deviations from the approved sector guidance or model adoption agreements. Should any local practices or deviations be introduced, these will be published annually in accordance with the requirements of the Code for Adoption Agreements.

Water Mains

Water Mains will be adopted when laid by an accredited entity if the mains have been constructed to an acceptable standard and are covered by a Self-Lay Agreement between the accredited entity and LNWL.

In accordance with the New Connections Charging Rules, rules 38 & 39, an asset payment may not be made for assets laid under agreements made under Section 51A or Section 104 in the Water Industry Act 1991 (as amended).

Sewers

The adoption of new drains and sewers will be in accordance with Section 104 of the Water Industry Act 1991.

5. Service Connections

LNWL will levy charges for water service connections reflecting the reasonable costs of connection to the distribution main, installation of communication pipes, meters and associated equipment.

Water Service Connections

A water service connection covers connection to the distribution main, the communication pipe to your boundary, fitting of a meter and associated equipment and connection to your supply pipe.

LNWL must be notified in advance of any planned connections and no connection may be made until consent has been given. LNWL will reply to any such notification within 10 working days of receipt of all required information.

Service connections up to 63mm external diameter are Contestable, meaning that Self-Lay Providers may carry out the works, always provided that we reserve the right to refuse to permit such works subject to our assessment of the risk to our existing assets and / or customers.

Where an SLP carries out the works, we will require that you and your chosen SLP enter into a self-lay agreement. As part of that agreement, you will be required to ensure that the installation meets our specifications including, but not limited to, the type and arrangement of boundary boxes or internal meters and the manufacturer, type and size of the equipment installed.

For internal metering arrangements in-line meters will not be permitted. We will require the installation of a manifold permitting the installation of manifold meters. Please contact us for further information.

All meters shall be suitable for remote reading, to a specification determined by LNWL.

Where we are requested to install the connection, we will charge our reasonable costs for the connection to the main, the additional pipe to your boundary, all equipment and associated site visits including, but not limited to, water regulation inspections.

For service pipes equal to or above 50mm internal diameter, we will require you to provide disinfection and biological sample certificates not more than two weeks old. This requirement will extend to any service tanks used to supply onward services.

We do not make asset payments for self-laid services.

Lateral Drains and Waste Connections

A lateral drain is the pipe outside the premises boundary that connects a single building or buildings within the same boundary to the public sewer.

A waste connection from a lateral drain will be connected to the public sewer by virtue of a Section 106 agreement.

We will require you to engage a competent contractor to construct your lateral drain(s), including making the Section 106 connection.

LNWL does not presently offer a lateral drain or waste connection service.

Water Regulations

LNWL has a duty to comply with the Water Supply (Water Fittings) Regulations 1999 (<https://www.legislation.gov.uk/uksi/1999/1148/contents>).

Installation of fittings may not begin until LNWL has received and approved notification in accordance with Regulation 5 (1).

LNWL reserves the right to make an inspection of any fittings prior to the commencement of any connection works. No works may begin until any identified contraventions have been rectified. There may be a charge for the inspection.

6. Security / Deposit Arrangement

We will generally require payment in advance for all works undertaken by LNWL.

We may agree to accept payment in arrears but, if so, we will require security in one of the following forms:

- A bank guarantee in our favour issued by a bank or building society registered and operating in the United Kingdom;
- A letter of credit issued by a bank or building society registered and operating in the United Kingdom;
- A bond or guarantee issued by a third party having an investment-grade credit rating;
- A cash deposit to a value agreed by LNWL.

Charges will cover design, procurement and installation of assets. There may also be charges or fees for inspections, approval of designs, reasonable administrative expenses and any applicable legal outgoings. There may also be charges associated with third-party works; these will be passed on to the applicant along with any applicable administration fees

Charges will be set out in our quotation to you and agreed with you before commencement of works. Quotations will remain valid for a stated period, which will be set out in the quotation, unless otherwise agreed.

Fees for the adoption of sewers under a Section 104 agreement will equal 1% of the agreed value of the works.

7. Infrastructure and Network Charges

LNWL levies infrastructure charges in accordance with section 146 of the Water Industry Act 1991 and the Charging Rules for New Connection Services. Infrastructure charges contribute towards the costs of providing and maintaining network reinforcement necessary to meet the cumulative impact of new connections.

LNWL's infrastructure charges will mirror the applicable infrastructure charges levied by the incumbent undertaker within whose area the development is located, as amended from time to time. The applicable charge will be the charge in force at the time the infrastructure charge becomes payable, unless otherwise agreed. This approach ensures consistency with the Charging Rules and avoids duplication of methodologies where network reinforcement costs are determined at a regional level.

Infrastructure charges are payable for both water and sewerage connections.

Unless otherwise agreed, LNWL will normally provide an invoice for the due infrastructure charges at the same time as it presents an invoice for connection.

The infrastructure charge is payable by the person requesting the connection to LNWL's water mains and / or sewers. Where no application for a water supply or sewerage service is received or where LNWL is unable to recover the charges from the person who requested the connection, the charge will be payable by the person having the benefit of the new supply or service on the charge becoming payable.

Non-standard cases, such as offices, commercial premises and bulk-supplied apartments may be charged using the Relevant Multiplier method. This method requires an assessment of the internal water fittings to arrive at a factor by which to multiply the standard charge applicable to a single residential unit.

7.1 Administrative Charges for Environmental Discount Applications

From 1 August 2026, LNWL will apply a separate administrative charge where a developer requests LNWL to manage an environmental discount application with the relevant incumbent undertaker.

These activities may include assessing eligibility for environmental discounts, collating and submitting supporting information, liaising with the incumbent undertaker, and managing any associated infrastructure charge queries, retrospective reconciliation or adjustment arising from the environmental discount application.

This administrative charge is separate from and additional to any infrastructure charge payable under section 146 of the Water Industry Act 1991. It does not form part of LNWL's infrastructure charges and is not a charge governed by the Charging Rules for New Connection Services.

The charge will apply only where the developer asks LNWL to manage an environmental discount application on the developer's behalf. For Thames Water sites, where LNWL is required to act as the sole interface, the charge will apply where the developer requests LNWL to pursue an environmental discount application. There will be one charge only in respect of a development site for this service.

No such administrative charge will apply where the developer does not request LNWL to manage an environmental discount application. Where no environmental discount is sought, infrastructure charges will be passed through without this administrative charge.

LNWL does not currently manage environmental discount applications in the Severn Trent Water area and the administrative charge set out in this section does not apply to Severn Trent Water sites. In the Severn Trent Water area, applications must be submitted within 12 weeks of connections being made. LNWL may, at its discretion, agree to consider such requests under a separate commercial agreement or on a separate cost basis notified to the developer in advance.

Any such charge will be cost-reflective, transparent and applied on a fair and non-discriminatory basis. LNWL will apply an administrative charge of **£262** per development site where LNWL manages an environmental discount application under this section. This charge is a single charge per development site and not a charge per individual connection.

The applicable charge will be identified clearly in the relevant quotation, developer agreement, charging schedule and/or invoice.

8. Income Offset

In accordance with guidance issued by Ofwat in July 2019, income offset and asset payments are no longer payable from 1 April 2020 with respect to requisitions for new water and/or sewerage works and are instead applied directly to all infrastructure charges due for new connections .

From the 1st April 2025, Income Offset will no longer be available for any agreement not completed prior to that date.

9. Environmental Incentives

LNWL may offer environmental incentive payments where developers can demonstrate that new properties meet the relevant environmental standards specified by the incumbent bulk supply provider.

Where LNWL mirrors environmental incentive arrangements offered by the incumbent bulk supply provider, eligibility will be assessed by reference to the incumbent's published criteria, as in force at the relevant time.

Eligibility is subject to the provision of satisfactory evidence prior to connection. LNWL reserves the right to verify, audit or withhold incentive payments where requirements are not met.

Where a developer requests LNWL to manage an environmental discount application with the incumbent undertaker, LNWL will apply a separate administrative charge in accordance with section 7.1.

10. Payments, Security and Credit

LNWL will normally require payment in advance for works. Where payment in arrears is agreed, LNWL may require appropriate security. Electronic copies of documents are provided free of charge; charges may apply for hard-copy documents or additional administrative services.

VAT will be added to any charges where required by law.

Any administrative charge for services provided in connection with managing an environmental discount application will be separately identified in quotations and invoices.

11. Complaints and Dispute Resolution

If a customer is dissatisfied with any aspect of these Charging Arrangements, they should contact LNWL in the first instance. Where a matter cannot be resolved, it may be referred to Ofwat in accordance with the applicable regulatory framework.

12. Charges for Copy Invoices

Copy invoices may be obtained from the Company and will be charged at £39.40 for the first 10 copies, with a minimum charge of £39.40. Subsequent copies will be charged on a pro-rated basis. The Company may waive charges for the first request for a single copy.

13. Contact Us

By email to: developer.services@leeputilities.co.uk

By post to:

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