

NEW CONNECTIONS

1. PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to outline East Gippsland Water's (EGW) guidelines for:

1. New Customer Contributions (NCCs) as part of the land development process; and
2. Applying to connect to EGW's networks.

This SOP supports the:

- Land Development Manual;
- New Customer Contribution (NCC) Framework;
- Essential Services Commission's (ESC) Guidance Paper (August 2012);
- EGW's Price Submission PS2018 (2017/18 – 2022/23); and
- EGW's Negotiating Framework and related documents.

It also reflects the ESC's 2013 Water Price Review Final Decision, which set Standard NCCs at zero, as of 1 July 2017.

2. SCOPE

This SOP applies where:

1. A planning referral is received by EGW from a land developer or property owner (or their representative e.g. surveyor etc.) where payment of a New Customer Contribution (NCC) is applicable.
2. An application is received by EGW from a property owner (or their representative e.g. developer, surveyor etc.) for:
 - A new connection of a property to EGW's water and/or sewer networks; or
 - An alteration to an existing connection (e.g. for an increased level of service).

Properties relevant to this SOP include:

Property type	Example
Newly created serviced properties	Properties resulting from subdivision of a parent property, or where a water/sewer network extension enables un-serviced properties to be serviced.
Previously un-connected serviced properties	Vacant land where tariffs have not previously been charged by EGW.
Change of use of an existing serviced property	Where a larger diameter water supply connection, fire service, trade-waste or other enhanced service is requested.
Owner-funded schemes servicing new properties	Under Division 6 of Part 13 of the Water Act 1989.
Properties with services supplied-by-agreement	Properties where an approved supply-by-agreement with EGW exists.

Any other property deemed by EGW to be a newly serviced property or where an existing service is to be enhanced or upgraded

Note that EGW does not currently provide recycled water services for domestic/residential purposes.

3. APPROVAL

Endorsement: Senior Leadership Team/Executive Leadership Team.

Approval: Executive Manager Customers, Community and Communications.

4. DEFINITIONS

Connection: the physical connection of a property to EGW's water and/or sewerage networks, where the service can reasonably be provided and as approved by EGW. A connection may be a new connection to a previously un-serviced property, or an amended connection to enhance the service to a property already serviced. Also refer to EGW Policy 025 Land Development and Property Connections.

Property Owner: the owner of the property, or the property owner's authorised agent (e.g. developer, consulting engineer, surveyor, plumber or other authorised representative).

Equivalent Tenement (EQT): in relation to a once-off capital contribution, this is a measure of the peak demand/load from a connection, and is a unit of measure based on normal household use being 1.0 EQT, which is the equivalent of one typical house on an allotment (or property).

For water supply, EQT is based on:

1. Connection pipeline diameter (where known).
2. According to the number of domestic dwellings on a property.
3. By specific calculation using initial estimated annual consumption information.

For wastewater, EQT is defined in SOP 155 Wastewater Tariff & Trade Waste Pricing Methodology.

5. PROCEDURE

5.1 PART ONE - NEW CUSTOMER CONTRIBUTIONS (NCC)

- This SOP should be read in conjunction with EGW's Land Development Manual.
- An NCC is the charge payable by the land developer/property owner in order to service a property (e.g. to provide water and sewer services to a newly created lot).
- The NCC is established by the relevant regulatory instruments, including:
 - This document;
 - EGW's Negotiating Framework;
 - EGW's policies and procedures; and
 - The relevant guidelines and determination by the Essential Services Commission (ESC).
- EGW's NCCs must:
 - Have regard to the incremental infrastructure and associated costs in one or more of the statutory cost categories attributable to a given connection;
 - Have regard to the incremental future revenues that will be earned from customers at that connection; and
 - Be greater than the avoidable cost of that connection and less than the standalone cost of that connection.

- EGW POL 045 Customer Charter (DOC/09/41*)
- EGW POL 051 Trade Waste Management (DOC/09/25652*)
- EGW SOP 144 Customer Charter (DOC/11/8290*)
- EGW SOP 155 Wastewater Tariff & Trade Waste Pricing Methodology (DOC/12/14801*)
- EGW SOP 166 Works and Activities Affecting EGW Infrastructure (DOC/12/30416*)

7. REVIEW

This SOP will be reviewed every five years, or earlier if required.