



## Reasonable Cost Contributions: Non-dwellings

for 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

To support household, commercial and industrial development in Scotland, Scottish Water has a duty to extend its network, provided the costs of doing that are reasonable. The regime requires Scottish Water to meet all the costs of providing additional capacity to meet the needs of households and the domestic needs of business and industry at Part 4 assets - sources and treatment works and water treatment works. The Reasonable Cost Regulations prescribe the maximum contribution that Scottish Water should make towards the costs of providing new or enhancing existing water mains or sewers for household, commercial and industrial developments.

The 2019-20 maximum reasonable cost contributions Scottish Water will provide for non-dwellings are;

Water:

Employee (fte) Lower Range	Employee (fte) Upper Range*	Toilets only (£)	Toilets & Showers (£)	Toilets & Canteen (£)	Toilets & Canteen & Showers (£)
0	20	255	360	515	615
20	50	897	1,257	1,795	2,155
50	100	1,922	2,692	3,845	4,615
100	200	3,845	5,380	7,690	9,225
200	300	6,405	8,970	12,814	15,375
300	400	8,970	12,555	17,939	21,525
400	500	11,530	16,145	23,064	27,674
500	750	16,017	22,422	32,029	38,439
750	1000	22,422	31,392	44,844	53,814
1000	1250	28,827	40,357	57,654	69,188
1250	1500	35,232	49,326	70,468	84,563

Waste water (sewerage):

Employee (fte) Lower Range	Employee (fte) Upper Range*	Toilets only (£)	Toilets & Showers (£)	Toilets & Canteen (£)	Toilets & Canteen & Showers (£)
0	20	281	396	567	677
20	50	988	1,384	1,976	2,373
50	100	2,117	2,964	4,233	5,081
100	200	4,233	5,924	8,467	10,157
200	300	7,052	9,876	14,110	16,929
300	400	9,876	13,824	19,753	23,701
400	500	12,695	17,777	25,396	30,472
500	750	17,636	24,689	35,267	42,325
750	1000	24,689	34,565	49,377	59,254
1000	1250	31,741	44,437	63,482	76,183
1250	1500	38,794	54,313	77,592	93,112



These values are calculated using the formulas and water usage set out in the Provision of Water and Sewerage Services (Reasonable Cost) (Scotland) Regulations 2015. The formulas for non-dwellings are shown below, along-side the calculation for 2018-19 using water usage of 1m<sup>3</sup>.

Water:

$$\text{Amount} = \frac{U_{cw} \times V_{dom}}{r} \left[ 1 - \left( \frac{1}{1+r} \right)^6 \right] \quad \text{£4.56} = \frac{\text{£0.8549} \times 1}{3.50\%} \left[ 1 - \left( \frac{1}{1+3.50\%} \right)^6 \right]$$

where—

“U<sub>cw</sub>” is the predicted average amount that water services providers are to be charged by Scottish Water per cubic metre of water supplied during the connection year, calculated using the formula set out in Appendix 1; and

“V<sub>dom</sub>” is the relevant figure (expressed in cubic metres per annum) in the table in Schedule 2 which corresponds to the maximum number of persons to be employed at the building (or, as the case may be, the part of it) in question at any point in the connection year and to whether that building (or that part of it) has a toilet, shower or canteen (or a combination of these).

Waste water:

$$\text{Amount} = \frac{U_{cs} \times V_{dom} \times 0.95}{r} \left[ 1 - \left( \frac{1}{1+r} \right)^6 \right] \quad \text{£5.01} = \frac{\text{£0.9909} \times 1 \times 0.95}{3.50\%} \left[ 1 - \left( \frac{1}{1+3.50\%} \right)^6 \right]$$

where—

“U<sub>cs</sub>” is the predicted average amount that waste water services providers are to be charged by Scottish Water per cubic metre of sewage disposed of during the connection year, calculated using the formula set out in Appendix 1; and

“V<sub>dom</sub>” is the relevant figure (expressed in cubic metres per annum) in the table in Schedule 2 which corresponds to the maximum number of persons to be employed at the premises (or, as the case may be, the part of them) in question at any point in the connection year and to whether that premises (or that part of them) has a toilet, shower or canteen (or a combination of these).

The water usage set out in the Provision of Water and Sewerage Services (Reasonable Cost) (Scotland) Regulations 2015 is included in Appendix 2.



## Appendix 1 – Ucw & Ucs

The following is the formula for the variable “Ucw” described above and the 2019-20 calculation.

$$U_{cw} = \frac{C_{aw} + C_{vw}}{V_w} \quad \text{£0.8549} = \frac{\text{£12,601,439} + \text{£88,699,562}}{118,492,712\text{m}^3}$$

where—

“Caw” is the total of the meter-based annual (standing) charges that Scottish Water would have demanded from water services providers for or in connection with the supply of water to eligible premises (that were charged on a metered basis) in the reference year if those charges had instead been demanded in accordance with the corresponding current charge;

“Cvw” is the total of the volumetric (non-standing) charges that Scottish Water would have demanded from water services providers for or in connection with the supply of water to eligible premises (that were charged on a metered basis) in the reference year if those charges had instead been demanded in accordance with the corresponding current charge; and

“Vw” is the total volume of water (in cubic metres) supplied by Scottish Water to eligible premises (that were charged on a metered basis) in the reference year (pursuant to arrangements made by water services providers under section 6(1)(b) of the 2005 Act).

The following is the formula for the variable “Ucs” described above and the 2019-20 calculation.

$$U_{cs} = \frac{C_{as} + C_{vs}}{V_s} \quad \text{£0.9909} = \frac{\text{£6,894,844} + \text{£46,724,999}}{54,112,968\text{m}^3}$$

where—

“Cas” is the total of the meter-based annual (standing) charges that Scottish Water would have demanded from waste water services providers for or in connection with the provision of waste water to, or the disposal of sewage from, eligible premises in the reference year if those charges had instead been demanded in accordance with the corresponding current charge;

“Cvs” is the total of the volumetric (non-standing) charges that Scottish Water would have demanded from waste water services providers for or in connection with the provision of waste water to, or the disposal of sewage from, eligible premises in the reference year if those charges had instead been demanded in accordance with the corresponding current charge; and

“Vs” is the total volume of sewage (in cubic metres) disposed of by Scottish Water from eligible premises in the reference year (pursuant to arrangements made by waste water services providers under section 6(3)(b) of the 2005 Act).



## Appendix 2 – Water Usage

Maximum number of persons to be employed at the building (or the part of it) or, as the case may be, the premises (or the part of them) in question at any point in the connection year	Figure <sup>(1)</sup> for the building (or the part of it) or, as the case may be, the premises (or the part of them) in question with:			
	A toilet but no shower or canteen	A toilet and a shower but no canteen	A toilet and a canteen but no shower	A toilet, a shower and a canteen
0 - 20	56	79	113	135
21 - 50	197	276	394	473
51 - 100	422	591	844	1,013
101 - 200	844	1,181	1,688	2,025
201 - 300	1,406	1,969	2,813	3,375
301 - 400	1,969	2,756	3,938	4,725
401 - 500	2,531	3,544	5,063	6,075
501 - 750	3,516	4,922	7,031	8,438
751 - 1000	4,922	6,891	9,844	11,813
1001 - 1250	6,328	8,859	12,656	15,188
1251 - 1500	7,734 <sup>(2)</sup>	10,828 <sup>(2)</sup>	15,469 <sup>(2)</sup>	18,563 <sup>(2)</sup>

(1) The figures given are in cubic metres per annum.

(2) If the number of persons exceeds 1,500, the figure is this value plus the amount in the corresponding column below, plus the same amount for every 250 persons in excess of 1,501—

1,406	1,969	2,813	3,375
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