



United Utilities
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Telephone: 0845 309 3003

Ms Stella Creasy
The Scouts Association
Gilwell Park
Chingford
London
E4 7QW

Our Ref 334032.MJH.M
Date 21 January 2009

Dear Ms Creasy

Customer Account Number: Various relating to the Scouts Association.

Thank you for your letter of 5 January 2009, addressed to Philip Green. I have been asked to reply to you directly as per our enclosed complaints procedure. I am sorry that you are unhappy with the way we charge for surface water and highways drainage. Please allow me to explain our charging policy on surface water and highway drainage services for community organisations.

Firstly I must point out that this charge for surface water and highway drainage is not an additional charge. It is simply a new way of charging for services we already provide.

Some people believe that in the move from Ratable Value based charging to site area based charging, an exemption from charging for water and sewerage for community halls, churches, scout huts etc has been removed. This is not the case. There has never been an exemption from water charges under law. No customer is exempt from paying water and sewerage charges if they receive a service. Paragraph 4.9 of our charges scheme, produced under section 143 of the Water Industry Act 1991, clearly sets out our charging policy.

In answer to your question of community groups being treated as businesses, I have to clarify that we are not able to treat these foundations any differently than other non-household customers. Under Condition "E" of our licence we have to treat all customers the same and therefore community buildings will always be classified as non-household for the purpose of raising charges, along with any other charitable organisation e.g. Oxfam or places of worship. This also applies to schools and colleges. If we were to treat these customers differently then we would break our licence conditions.

I do acknowledge and appreciate your comments on the Scouts organisation being a key provider at local level of voluntary and community activities and it is not our intention to affect these activities with the new way of charging for our services. I also acknowledge your support for the introduction of a "special cases" category for community groups. As stated in the reply from Severn Trent, this has already been refused as an option by Ofwat as they wish to see all non household premises treated fairly and consistently with each other.

The change in the way we charge for this service does not bear any relation or influence of other utility providers and their increases in charges. Indeed, not only is this the method of charging that is preferred by our industry regulator (Ofwat) but our decision to introduce this change also has the support of the Consumer Council for Water. As we feel this is a fairer charging method we are unable to restore the old method of charging.

For general enquiries, please call us on 0845 746 2222 if you have a water meter or 0845 746 1100 if you do not have a water meter. This office is open Monday to Friday 8.00 am to 8.00 pm and Saturday 8.00am to 5.00 pm

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Some customers have indicated that they believe charging by site area is a way for companies to raise extra revenue. This is not the case. Some customers may see bill increases if they were not previously paying a charge that reflected the costs they were imposing on the system. Other customers who were previously paying more than the costs they were imposing will see their bills decrease.

Below I have included a statement provided by Ofwat concerning the reasoning behind levying charges for non drainable areas, which I feel may help to clarify their position on this matter.

What benefits are there in charging by site area?

Customers pay a fairer, more cost reflective charge and can take action to reduce their surface water drainage by reducing the amount of water which drains from their premises.

There are also environmental benefits. Surface area based charging offers financial incentives to customers to reduce their surface water drainage, for example by installing soakaways or permeable surfaces for car parks. This can help to reduce the likelihood of flooding from overloaded sewers. This approach is in line with the Government's water strategy for fair, affordable and cost reflective water and sewerage charges which incentivise environmentally responsible behavior.

The Pitt Review of last year's flooding events in Gloucestershire, Yorkshire and Humberside reinforced the message that surfaces which did not allow water to soak through them, such as concrete and asphalt, increased the likelihood of flooding. It stated that many respondents felt that the summer 2007 floods were partially due to the loss of permeable surfaces in urban areas, for example through businesses' concrete or asphalt car parks and householders paving over front gardens. It proposed that both households and non-households should require planning permission to lay impermeable surfaces, but not for permeable surfaces such as gravel or permeable paving.

I do appreciate that this may not be the answer you were hoping for, however I hope I have explained the reasons behind the introduction of this charge, which is to ensure we do not discriminate against any of our customers in complying with our licence conditions.

I have replied to you in line with step 1 of our complaints procedure. If you would like any information about this reply, please call me on 0845 309 3003 (Select option 1). Our office is open Monday to Friday from 9.00 am to 5.00 pm.

Yours sincerely



Mark Harris
Case Owner
Customer Relations Department

Enclosure: 'A summary of our complaints procedure' leaflet