

New Appointments and Variation (NAVs)

Our Policy

Wessex Water

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1. Introduction

This document sets out Wessex Water's policy approach for companies seeking to provide water and wastewater services in our area of appointment. This can be companies seeking a new appointment or existing companies seeking to vary their existing license (NAVs) to serve new developments.

The policy provides a framework to ensure all NAVs are treated consistently and in line with the legal and regulatory requirements. We are committed to meeting the aims of Competition Law and our license obligations (i.e. prevention of undue discrimination, undue preference and the misuse of information) including Condition E1.

If you have any comments or observations in relation to this Guidance please contact Sean Larkin, Head of Wholesale Services
sean.larkin@wessexwater.co.uk.

1.1 Supporting our Customers throughout the Process

All NAV enquiries should be directed to Wessex Water's Wholesale Service Desk;

Wholesale Service Desk

Wessex Water

Claverton Down

Bath BA2 7WW

Telephone: 0330 123 1122 (Monday to Friday, 7.30am to 6pm)

Email: wholesaleservicedesk@wessexwater.co.uk

2. Our Approach

This Guidance sets out the work required and key criteria that need to be considered during connection and application stages of a prospective NAV award. It may be the case that work streams will run in parallel e.g. site status and pre-planning report. The document therefore should be interpreted as a suite of tasks rather than a linear flow of work.

Wessex Water is committed to responding to requests from NAVs within the timeframes set out in schedule 1 of this document. They are comparable with service levels offered to Developers seeking requisition or self-lay options and current best practice guidelines.

There will, be instances where it is not feasible to provide the information required within the timeframes stipulated e.g. where more complex network modelling is required or where there are dependencies on third parties such as Network Rail and the Highways Agency.

Where we are unable to meet the timeframes set out in schedule 1, we will provide a full explanation of the reasons why we will be unable to do so and what we believe to be the achievable timescale.

Ofwat guidance on the NAV market can be found on their website or by following the following link:

<https://www.ofwat.gov.uk/regulated-companies/markets/nav-market/nav-publications/>

3. Our Commitment

We are committed to delivering a high level of service to all NAVs and their customers. We aim to:

- ensure NAV's are treated fairly and that any confidential information is handled appropriately to avoid any undue preference being shown.
- there is segregation between teams delivering services on behalf of the NAV and those who may be delivering services directly to the Developer.
- we provide a dedicated account manager to each NAV to assist both the connection and application stages of the enquiry.
- we work to industry service standards or where applicable, internal performance standards designed to provide industry leading levels of service.

Wessex Water encourages early engagement in order to address any issues that may arise during the planning/construction process.



Andy Pymer
Managing Director

4. Definitions

The following terms will have the meanings set out below wherever used throughout this guidance:

Term	Definition
Bulk agreements	Bulk supply agreements and bulk discharge agreements.
Bulk charges	The charges for bulk services, i.e. bulk supplies and bulk discharges.
Bulk discharge	Supply of wastewater from one wastewater company to another.
Bulk discharge agreement	A contract setting out the terms and conditions for bulk discharges.
Bulk services	Bulk supplies and bulk discharges.
Bulk supply	Supply of water from one water company to another.
Bulk supply agreement	A contract setting out the terms and conditions for bulk supply.
DWI	The Drinking Water Inspectorate, responsible for regulating public water supplies in England and Wales. The DWI is responsible for assessing the quality of drinking water, taking enforcement action if standards are not being met, and taking appropriate action when water is unfit for human consumption.
End-customers	Household retail customers and business retail customers.
NAV (New Appointment or Variation)	A water company that (either directly or indirectly) has replaced, or will replace, one or more incumbent water companies in relation to specific sites and for whom we do not currently set individual price controls. Although a NAV can operate its own treatment facilities, a NAV normally obtains a bulk supply of water from, and/or agrees a bulk discharge of wastewater to, an incumbent water company.
OFWAT	Water Industry Regulator for England and Wales
WIA91:	Water Industry Act 1991

5. Site Eligibility

In order for a customer to apply to serve a new development site, the following criterion must be met:

- an area does not contain any premises that receive services from an appointed water or sewerage company (it is 'unserved');
- a customer uses (or is likely to use) at least 50 million litres of water a year (in England) or 250 million litres of water a year (in Wales) at each of its premises and wants to change its supplier (a 'large user'); or
- the existing appointed company agrees to transfer part of its area to a different company (a transfer by 'consent').

5.1 Site status review

Under section 7 read with section 36(3) of the WIA91, a site is unserved if none of the premises in the proposed appointment area are:

- Supplied with water by means of a connection with a distribution main of the existing water company (in the case of an application to supply water); or
- Drained by means of a public sewer or lateral drain of the existing sewerage company (in the case of an application to discharge sewage)

Ofwat guidance states that where appropriate the Customer should obtain a report from an independent professional adviser that verifies the unserved status of the site. Otherwise, if the status of a site is not in dispute, it may be sufficient for a Customer to provide Ofwat with factual details of the site, accompanied by a signed letter from the existing appointee confirming its view that the site is unserved.

Where an independent report is deemed necessary, the Customer and/or their independent professional adviser is asked to produce a coloured map clearly showing the boundary of the site and if known, the existence of any of the following:

- existing water infrastructure;
- existing foul sewerage infrastructure; and
- existing surface water drainage infrastructure.

To assist in this process, the Wholesale Service Desk will provide on request (at no charge) two unmarked copies of the map covering the proposed development area (A1/AO) and/or an electronic copy in a common file format.

5.2 Site status review and Independent Site Status Reports

Where an independent site status report is required, Wessex Water will meet with the NAV and/or its independent professional advisor and provide information relating to any water, sewerage or surface water drainage assets on site as required by Ofwat guidance.

Meeting and information requests should be made via the Wholesale Service Desk. If the request is made directly by the independent professional advisor, the advisor will need to provide Wessex Water with a letter of authority from the NAV to confirm that Wessex Water can share the information.

Where a NAV asks Wessex Water for confirmation of a site status, this will be carried out either as a desk top study or if required by a survey of the site to identify potential connections that may have been omitted from Wessex Water's mapping tools e.g. animal water troughs.

Where Wessex Water identifies live connections, these will be communicated to the NAV or their independent adviser within 21 days and any resultant action agreed. Live connections will either be omitted from the application areas or the NAV will be required to provide evidence to show that this connection will be permanently removed before the appointment/variation is made.

Strict rules surround the disconnection of existing properties and Wessex Water will need to be satisfied that the Customer has complied with Ofwat guidance before agreeing the unserved status of the site.

Ofwat's reporting process requires that a draft report relating to the unserved status of the application site is circulated to the existing appointee prior to it being submitted to Ofwat in support of its application.

The Wholesale Service Desk aims to provide a written response to the draft report within 5 business days. If Wessex Water is satisfied as to the unserved status of the proposed site, a signed letter will be provided to the NAV confirming the site's eligibility.

Where Wessex Water disagrees with the report's findings, the reasons why the site is considered to be served will be set out within the response. If a draft report is not provided to Wessex Water prior to an application, Ofwat will share the site status report when the application is submitted. As this can cause a delay, it is preferable that the NAV shares the draft site status report once it is available.

6. Bulk Service Application

6.1 Planning advice and New Development guidance

The Wholesale Service Desk is the point of contact for NAV for advice and guidance services. We will:

- assess the impact of the proposed development;
- advise whether the local network can support the proposal;
- whether off-site water mains and/or sewers will need to be provided; and
- whether there is any apparatus located within the land the Customer may wish to develop and the requirements for these apparatuses.

Please refer to our Planning and New Development Guidance document and application form available on our website.

The Planning advice will be carried out alongside the Site status review with the Wholesale Service Centre providing a written response within 28 days of receipt of a complete application. The advice provided will be valid for a period of 12 months from the date of issue and will help to inform the response to the planning application for the development.

6.2 Information Requirements

Application forms can be downloaded from our website and submitted by e-mail to wholesaleservicedesk@wessexwater.co.uk. In order to ensure that Wessex water can provide a NAV with comprehensive advice about the site, the information requested on the forms should be submitted with all enquiries.

6.3 The Likely Future Assessment

Where the NAV requires a bulk supply, sections 40 and 110A of the WIA91 (water and sewerage bulk supplies) requires undertakers to consider the impact that such a supply will have on the incumbents ability to deliver services to both its existing and likely future Customers. We will undertake a 'likely future assessment' to evaluate the impact the Customers' site will have on the water demand management and/or sewerage catchment. This process will establish whether the proposed application would:

- Pose a risk to Wessex Water's ability to provide existing water and/or sewerage services;
- Be detrimental to the connection offered to development sites with extant planning consent; or

- Incur costs that would not have been incurred if the NAV site had not occurred.

The starting point is to assess all developments that have an extant planning permission in the same zone/catchment as the NAV application site. This will also include consideration of any active non-domestic bulk supply and trade effluent applications.

If the only site with extant planning permission is the NAV application site (and there are no active non-domestic applications) then the baseline of assessing capacity shall be the current demand on the assets. In all other cases, the NAV will be required to fund the asset reinforcement required (which is in line with the headroom assessment used for developer Customers), which will constitute:

- the existing demand (including any active non-domestic bulk supply/trade effluent applications);
- the extant planning permission demand; and
- the NAV application site

6.4 Water Efficiency Assessment

Bulk supplies to NAV's are governed by Section 40 of the WIA91 which relates to the efficient use of water resources between water undertakers. The water efficiency assessment is designed to ensure that only the water needed to support the NAV and the demands reasonably expected from the number and types of connections set out in the extant planning is reserved under any future bulk supply agreement.

Wessex Water's objective is to demonstrate the efficient use of water resources to ensure that capacity is not unjustifiably reserved in bulk supply agreements preventing customers from accessing available headroom and leading to unnecessary investment.

We aim to work collaboratively with NAVs to ensure the supply requested represents an efficient use of water resources.

6.5 Network Hydraulic Modelling

The planning advice and new development guidance will provide an indication of whether the existing networks can accommodate the new development. However, there may be instances where the assets do not have capacity to service the site and hydraulic modelling is required to assess the available options.

It may be difficult to commit to definitive delivery deadlines, particularly for larger more complex developments. Please be advised that enough time will be required for these studies to be undertaken prior to finalising the bulk supply agreements.

There may be occasions where the site owner has already commissioned modelling

work and the study has either been undertaken in part or full. Where this is the case, Wessex Water will ask the NAV to provide authorisation from the site owner, agreeing to the release of this work.

The following three step approach sets out how to commission work to confirm the point of connection and/or discharge and the estimated cost of any network reinforcement required.

Step 1 is the modelling estimate, which will identify the scope and time required to model the impact of the NAV on the water and/or sewerage networks. The Wholesale Service Desk aims to respond to applications within 5 business days.

Step 2 following confirmation from the NAV that they wish to proceed, Wessex Water will undertake a modelling study and publish a hydraulic modelling report. This will set out the impact the bulk supply will have on the network and whether a point of connection/discharge can be offered without investment in Wessex Water's treatment assets or network. Where investment is required, it will detail the assets requiring investment and whether new mains and sewers will be required to communicate from the boundary of the Customer's site to a suitable connection point on Wessex Water's network. A high-level estimate of the cost will be incorporated into the report and the results of the model will be valid for 6 months.

Step 3 is the engineering design. If the Customer decides to proceed, the final step will be to commission a detailed engineering solution for the connection. When an application is submitted for engineering design, the Wholesale Service Desk aims to respond within 5 business days to either confirm that the required information has been received to undertake the design or to ask for further information if required. Once it is confirmed that the application is complete, the Wholesale Service Desk aims to provide a response within 28 days. Where we believe that the work required to make a formal bulk supply offer exceeds this timeframe Wessex Water will inform the applicant in writing as soon as practical that our response will exceed the 28 day target, the reasons that have warranted the delay and an estimate of when the information will be available. A copy of this correspondence will be forwarded to Ofwat.

6.6 Risk Assessments

To enable a Customer to submit its risk assessment to the DWI, any risk assessment information required should be requested via the Wholesale Service Desk. The Wholesale Service Desk aims to return the information to Customers within 15 business days of receiving the request. This can be applied for at any time and will run in conjunction with other Steps in the Application Process.

7. Connecting Infrastructure

Wessex Water will model network solutions in support of the NAV application and will consider requests to undertake the capital works required to construct the communicating water main or sewer to the designated connection point on a case by case basis (because Wessex Water may not have the statutory powers to carry out this work).

7.1 Discount

Wessex Water may apply a discount against the capital and financing costs for work required to reinforce its existing water/sewerage networks and treatment works. The value of the discount will be calculated based on the bulk supply / discharge revenues reasonably forecasted for the site. Where the revenue forecast differs to the information underpinning the site (for example the extant planning consent or the sites progress), Wessex Water reserves the right to adjust the value of the discount by adjusting the bulk supply / discharge revenue forecast. The commercial arrangements for the reinforcement works must be agreed and be in place before any works are undertaken.

7.2 Infrastructure Charges

The Customer will be expected to collect the relevant infrastructure charges arising in relation to each of the new properties on their application site. Infrastructure charges are payable to the new appointee when the supply is made available – that is, when the first-time connection is made.

7.3 Bulk Service Metering

Wessex Water may install bulk meters at supply points on the boundary of the NAV site to be used for charging and wider network management.

8. Bulk Charging Arrangements

8.1 Bulk Charges

For information on our NAV charging arrangements and current bulk charges, please visit our website (Bulk Charges for NAVs) [Our charges | Wessex Water](#)

9. Bulk Service Agreements

A bulk service agreement should be in place before Ofwat will award a NAV. Wessex Water standard bulk service agreements for water and/or wastewater service are available on our website.

Bulk agreement negotiations can be commenced during the pre-planning phase and will be concluded during the public consultation stage, following the application being submitted to Ofwat.

Bulk service offers will be conditional on both parties having agreed contract terms and the application being successful. Wessex Water will provide a letter of support to the NAV where appropriate and will furnish Ofwat with any details required as part of their consideration of the NAV application.

10. Submission of the NAV application to Ofwat

Once the NAV application has been submitted to Ofwat, a Section 8(2) Notice must be sent to key stakeholders including the existing appointee of the relevant site within 14 calendar days. The notice should be sent to the registered address set out below:

Ruth Jefferson
General Counsel
Wessex Water
Claverton Down
Bath
BA2 7WW

It is requested that a copy of the notice also be sent by email to navenquiries@wessexwater.co.uk.

11. Post-Award

11.1 Transition

Once Ofwat have confirmed the award of the inset to the NAV, Wessex Water will support the new appointee via a named point of contact within the Wholesale Service Team.

Transition arrangements will be agreed to ensure:

- Bulk service contracts are enacted;
- Physical connections to Wessex Water's networks are facilitated;
- Billing arrangements are established.

11.2 Contract Management

On-going support including billing, collection of charges and meter reading will be provided via the Wholesale Service Desk. Tailored contract management services may also be made available to Customers on request.

12. Complaints

12.1 Disputes relating to standards of services

If you feel we have not met the standards of service you would expect, you can write to us at:

Managing Director
Wessex Water
Claverton Down
Bath, BA2 7WW

Complaints to Ofwat

You may want to complain to Ofwat about the service or charges you have received from us, or if you feel that we are in breach of the Water Industry Act 1991 or the Competition Act 1998. Ofwat's address is given below.

Ofwat
Centre City Tower
7 Hill Street
Birmingham, B5 4UA

1. Annex A. Application Process

The table below outlines the stages of the application process. It may be the case that work streams will run in parallel e.g. eligibility and pre-planning report. The table should be interpreted as a suite of tasks rather than a linear flow of work, the extent of the overlap largely reliant on the instruction received by the Customer.

Key Process	Process Description	Target
Site Status	A written confirmation of the site status will be issued within a period of 21 days commencing on the day after receipt of the enquiry. This SLA will run in parallel to subsequent metrics. NB. Report on per application not per plot basis.	21 Days
Acknowledgement of bulk supply application	A written acknowledgement of the bulk water/discharge application will be issued within a period of 5 days commencing on the day after receipt of the application confirming either that the application is complete or, if not, requesting the missing information and/or any required payment.	5 Days
Bulk Supply Offer Connection/Discharge	<p>A bulk water supply offer will be issued to the NAV within a period of 28 days commencing on either</p> <p>i) on the day after receipt of the full application, or</p> <p>ii) in an incomplete application and/or no payment has been received with the application, on the day after the required information and payment has been received.</p> <p>An application is full when all of the published NAV requirement information has been received. As part of the written terms, the incumbent will provide the following information as a minimum:</p> <p>Proposed Development - Confirmation of bulk service requirement including build rate, peak flow rate, etc. Services - Confirmation of services and available capacity.</p> <p>Connection - Details of permanent point of connection and connection costs. Details of temporary arrangements, such as temporary capacity constraints, temporary points of connection and indicative information on any reinforcement work required.</p> <p>Commercial terms and conditions - Applicable infrastructure charges, bulk charges and link to standard bulk agreements.</p> <p>If existing appointees believe the work needed to meet the network information timeframe will exceed 28 days, they must inform the applicant and Ofwat as early in the process as is possible with reasons for believing the timeframe may not be met.</p>	28 Days

Bulk Supply Agreement	A standard bulk water/discharge supply agreement will be issued to the NAV within a period of 28 days commencing on either i) on the day after written acceptance from the NAV of the bulk service offer, or ii) on the day after agreement of non-standard terms.	28 Days
Acknowledgement of Signed Agreement	A written acknowledgement will be issued to the NAV within a period of 5 days commencing on the day after receipt of the signed bulk supply agreement.	5 Days
Water Main Laying Schemes	A NAV may ask the Incumbent to construct and commission the water main between the NAV site boundary and the Incumbents PoC as agreed in the Bulk Agreement. This work will be completed either (i) within a period of 90 days commencing on the relevant day, or (ii) no later than on the date agreed with the NAV. Any agreement must be confirmed in writing with the applicant by letter or email. The construction and commissioning of the new water main is completed when the new water main is under pressure from the company's network. The relevant day is when an undertaking under S44 of the Water Industry Act 1991 signed by the NAV and a valid security have been received. Where the site has multiple bulk connections, this service level is applied separately in respect of each individual bulk connection on a development site. The target period may be extended by agreement with the NAV.	90 Days
Sewer Schemes	The construction and commissioning of the sewer will be completed either (i) within a period of 180 days commencing on the relevant day, or (ii) no later than on the date agreed with the developer. Any agreement must be confirmed in writing with the applicant by letter or email. The construction and commissioning of the new sewer is completed when the new sewer is effectively connected to the company's network. The relevant day is when an undertaking under S98 of the Water Industry Act 1991 signed by the NAV and a valid security have been received. Where the site has multiple bulk discharge connections, this service level is applied separately in respect of each individual bulk connection on a development site. The target period may be extended by agreement with the NAV.	180 Days
Testing of Supplies	Where the NAV is responsible for the construction of the off-site main between the NAV site boundary and the incumbent's PoC as agreed in the Bulk Agreement. The incumbent will provide a source of supply for pressure and bacteriological testing within either	28 Days

	(i) 28 days commencing on the day after receipt of request or (ii) such longer period as may be agreed with the NAV where there are engineering difficulties/requirement for offsite reinforcement/schedule 13 Water Industry Act 1991 constraints or where the NAV requests an extended period.	
Commissioning	Provide a permanent supply connection within 14 days following written confirmation from the NAV of satisfactory pressure and bacteriological testing of the NAV mains.	14 Days

