



Network Access Code

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This code reflects the provisions of the Water Industry Act 1991 as amended by the Water Act 2003 and the consequent guidance issued by Ofwat, which requires Yorkshire Water (YW) to publish and maintain a network access code.

This access code is not contractually binding in itself nor does it constitute a legally binding offer. The contract between YW and a Licensee will take the form of an Access Agreement, detailing the terms and conditions of access as agreed between the parties during the application process.

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Part 1 Overview

The Water Industry Act 1991 (WIA91)¹ permits a company that is the holder of a Water Supply Licence (a Licensee) to have access to a water undertaker's supply system to enable the Licensee to supply water to the eligible premises of a non-household customer. Eligible premises are those using, or expected to use, at least 50 megalitres per annum (Ml/a)².

Licensees will enter into a legal contract (Agreement) with undertakers for wholesale supplies of water or to enable the introduction of their own supplies to the water supply network for onward supply to their customers. Customers will in-turn, have a contractual relationship with their chosen Licensee. Licensees can obtain a Water Supply Licence by applying to Ofwat.

This code has been prepared in a manner to allow users to fully understand the competitive regime for water supply and the relevant processes leading to market entry. This access code should however be read in conjunction with Ofwat's full series of guidance, conditions and other information relating to water supply licensing that is available on the Ofwat website – www.ofwat.gov.uk.

Copies of this code can be downloaded from the YW website – www.yorkshirewater.com. Copies can also be provided free of charge from the address shown below. This code makes reference also to other information and their sources. If users of the code wish to discuss or seek further clarification on any of the information contained or referred to in this code they can contact YW's Network Access Coordinator at: www.network.access@yorkshirewater.co.uk or Stephen.Cowell@yorkshirewater.co.uk or alternatively by writing to:

Mr S Cowell
Network Access Coordinator
Yorkshire Water Services Ltd
Western House
Halifax Rd
Bradford BD6 2LZ

Telephone No: 01274 691111 Fax: 01274 692438

Whilst YW can offer assistance with the requirements of legislation and other published information YW would endorse Ofwat's advice given in guidance which states the following:

“We advise all prospective parties to any proposed access agreement under sections 66A-66C WIA91 to seek their own legal representation at the earliest possible stage.”

1.1 Role of the access code

This access code describes the regime and provides Licensees with the necessary information and process requirements to enable them to apply and enter into an access agreement with YW. It has been prepared in accordance with Ofwat's "Guidance on Access Codes" and in a format consistent with Ofwat's "Template for Access Codes" - see Ofwat's website.

This access code was first published on 15 September 2005 and will be reviewed by 15th October each year thereafter. The code may also be modified to meet revised guidance or developments in the competitive regime as necessary.

¹ References to WIA91 refer to WIA91 as amended by the Water Act 2003 (WA03).

² 1 megalitre = 1,000,000 litres or 1000 cubic metres.

1.2 Relevant framework documents

This code makes specific reference to the appropriate documents wherever necessary but users of the code might also need to refer to other relevant framework documents from time to time applying:

Primary and secondary legislation

Water Industry Act 1991

www.opsi.gov.uk/acts/acts2003/20030037.htm

The Water Supply (Exceptions from Supply System Prohibitions) Regulations 2005

<http://www.opsi.gov.uk/si/si2005/20053075.htm>

The Water Supply Licence (New Customer Exception) Regulations 2005

<http://www.opsi.gov.uk/si/si2005/20053076.htm>

The Water Supply Licence (Application) Regulations 2005

www.opsi.gov.uk/si/si2005/20051638.htm

The Water Supply (Water Fittings) Regulations 1999

<http://www.opsi.gov.uk/si/si1999/19991148.htm>

The Water Supply (Water Fittings) Regulations 2005

<http://www.opsi.gov.uk/si/si2005/20053077.htm>

Competition Act 1998

<http://www.opsi.gov.uk/ACTS/acts1998/19980041.htm>

Statutory and non-statutory guidance

Guidance on Access Codes

http://www.ofwat.gov.uk/competition/wsl/gud_pro_accesscodes.pdf

Guidance on Eligibility

http://www.ofwat.gov.uk/competition/wsl/wslpublications/gud_pro_wslelig.pdf

Guidance on Applying for a Water Supply Licence

http://www.ofwat.gov.uk/competition/wsl/wslpublications/gud_pro_wslapplic.pdf

Customer Transfer Protocol

http://www.ofwat.gov.uk/competition/wsl/pap_pos_wsltransprot.pdf

Guidance on Strategic Supplies

http://www.ofwat.gov.uk/competition/wsl/gud_pro_stratsuppguid.pdf

Water Supply Licensing Determinations Procedure

http://www.ofwat.gov.uk/competition/wsl/wslpublications/gud_pro_wslideterpro.pdf

Office of Fair Trading Competition Act 1998 Application in the water and sewerage sectors

http://www.ofwat.gov.uk/shared_ofwat/business_leaflets/ca98_guidelines/ofwat422.pdf

Conditions of Appointment

YW's Instrument of Appointment.

Available by contacting YW's Network Access Coordinator.

Other relevant documents

DWI Information Letter 13/04 Common Carriage: Guidance on the Drinking Water Quality Aspects

www.dwi.gov.uk/regs/infolett/2004/info1304.shtm

DWI Guidance on the Water supply (Water Quality) Regulations 2000 and regulation amendment 2007

<http://www.dwi.gov.uk/regs/pdf/GuidanceMay05.pdf>

[http://www.dwi.gov.uk/guidance/Guidance%20to%20WS\(WQ\)%20Regulations_October2008_FINAL.pdf](http://www.dwi.gov.uk/guidance/Guidance%20to%20WS(WQ)%20Regulations_October2008_FINAL.pdf)

DWI Guidance on the Notification of Events

<http://www.dwi.gov.uk/guidance/Guidance%20on%20the%20notification%20of%20events%20270308.pdf>

DWI Guidance to the Water Undertakers (Information) Direction 2004

<http://www.dwi.gov.uk/regs/infolett/2005/info0705.shtm>

YW's Charges Scheme³ -

<http://www.yorkshirewater.com/medialibrary/PDF%20files/Charges%20scheme%202008-09.pdf>

1.3 Role of key industry players

Water undertaker

YW is the appointed water undertaker covering the Yorkshire region. It is responsible for the public water supply network in this area. Chapter 2A WIA91 places duties and obligations on water undertakers subject to certain conditions. YW is obliged to provide the following services subject to the conditions detailed below:

(a) Primary undertaker

- Wholesale water supply

Where a licensee requests YW to provide a supply of water, under section 66A WIA91, and the premises are within the YW area, YW has a duty to take steps necessary to enable provision of the supply, and having taken those steps to provide the supply.

The terms and conditions on which YW carries out these duties are agreed with the licensee in accordance with Ofwat's access code guidance and the costs principle.

- Introduction of water into water undertaker's supply system

Where a licensee requests YW's permission to introduce water into its supply system, under section 66B WIA91, and in line with the requirements of the retail authorisation aspects of the combined license, YW has a duty to take steps to enable the licensee to make the introduction of water into the supply system and having taken such steps to permit the introduction of water into its supply system, as requested.

Where a combined licensee requests YW to permit the introduction of water, as supplied by a neighbouring secondary undertaker, into its supply system for the purposes of supplying its customers within YW's area, YW has a duty to take steps to enable the licensee to make the introduction of the water into its system. This is in accordance with section 66C WIA91. These steps may include connecting YW's supply system to the neighbouring secondary undertaker's supply system. Having taken such steps, YW has a duty to permit the introduction of water into its supply system, as requested. Where appropriate, the licensee, primary water undertaker and secondary undertaker may agree trilaterally the terms and conditions of access.

The terms and conditions on which YW carries out these duties are agreed with the licensee in accordance with Ofwat's access code guidance and the costs principle.

³ YW's Charges Scheme & Scale of Other Charges – published annually

(b) Secondary undertaker

Where a combined licensee requests YW to provide a supply of water to enable it to supply its customers' premises by using a neighbouring primary water undertaker's supply system, under section 66C and in accordance with its retail authorisation, YW has a duty to take steps to enable the provision of the supply, and having taken those steps to provide that supply.

The terms and conditions on which YW carries out these duties in its capacity as a primary or secondary undertaker are agreed with the licensee in accordance with Ofwat's access code guidance and the costs principle. The introduction by a licensee into YW's water supply system, of a supply obtained from a secondary undertaker involves two transactions, governed by separate agreements:

1. The secondary undertaker sells water to the licensee
2. The licensee introduces that water into the primary water undertaker's water supply system.

Where appropriate, the licensee, primary water undertaker and secondary undertaker may agree trilaterally the terms and conditions of access.

Licensees shall identify and communicate at the earliest stages if a secondary undertaker is likely to be included within an application. This will enable potential secondary undertakers to consult at the earliest opportunity with relevant parties including the primary undertaker, the EA and the DWI, if necessary.

The secondary undertaker will need to understand the demand requirements of the licensee and an indication of the point to which connection to the primary undertaker's supply system is required. It will also need to discuss with the primary undertaker details of the transfer, including the design of pipework and any pumping arrangements that may be required, any water quality issues and whether any facilities need to be constructed.

If YW is identified as a secondary undertaker within an access application, YW expects to be involved as necessary in discussions with the licensee and the primary undertaker. YW expects to receive copies of relevant details during the initial and detailed application stages for comment and to be able to request further details as necessary.

(c) Conditions under which duties do not apply

Section 66A WIA91 documents the circumstances under which the wholesale water supply duty by a primary undertaker does not apply.

The duty to provide a supply of water to a licensee, or to take steps to enable it to provide such a supply do not apply if both the first and second conditions below are satisfied, or if the third condition below is satisfied.

The first condition is that:

- the premises to be supplied by the licensee consist only of land, they do not include a building or part of a building; or
- the supply to be made by the licensee to the premises is for purposes other than domestic purposes.

The second condition is that the provision of the supply by YW would:

- require YW to incur unreasonable expenditure in carrying out works, in order to meet all its existing obligations to supply water for domestic or other

- purposes, together with its probable future obligations to supply water to buildings or parts of buildings for domestic purposes; or
- otherwise put at risk YW's ability to meet any of those existing or probable obligations.

The third condition is that there is a contravention, as determined in regulations made under section 74 WIA91 and related to section 66A (6) WIA91, in relation to the water fittings used or to be used in connection with:

- the supply of water to the premises to be supplied by the licensee; or
- the use of water in those premises.

Under sections 66B and 66C WIA91, a primary undertaker has no duty to permit the introduction of water by a combined licensee into its supply system, and under section 66C WIA91 a secondary undertaker has no obligation to provide a wholesale supply of water, if either the first or second condition below is satisfied:

The first condition is that providing the supply or allowing the introduction of the water into the primary water undertakers supply system:

- would require YW, in order to meet all its existing obligations to supply water for domestic or other purposes, together with its probable future obligations to supply buildings and parts of buildings with water for domestic purposes, to incur unreasonable expenditure in carrying out works; or
- would otherwise put at risk its ability to meet any of those existing or probable future obligations.

The second condition is that there is a contravention of the prescribed requirements of regulations made under section 74 WIA91 in relation to the water fittings used or to be used in connection with:

- the supply of water to the premises to be supplied by the licensee; or
- the use of water in those premises.

Licensee

Licensees are the entrant suppliers under the WSL regime. Licensees are responsible for obtaining a licence appropriate to the activities to be undertaken and will have undergone an assessment of their financial and technical compliance by the appropriate regulatory bodies (Ofwat/DWI). Licensees must comply with the terms of their licence, relevant legislation and the contractual arrangements as set out in access agreements.

Section 66I WIA91 prohibits unauthorised use of a water undertaker's supply system for the purpose of supplying water to a customer's premises, unless done so by the water undertaker or by a licensee under the terms of its licence. Under section 66I (3) WIA91, unauthorised use for the purpose of supplying water to a customer's premises is a criminal offence. Licensees have a duty to assure themselves that the terms of their licence allow for the use of YW's supply system.

Section 66J WIA91 prohibits unauthorised introduction of water into a water undertaker's supply system. Introduction of water is only permitted by the primary water undertaker itself, or by a licensee under the terms of its licence, or by another water undertaker under an agreement for a bulk water supply. Under 66J WIA91, contravention of this prohibition is a criminal offence. Licensees have a duty to assure themselves that the terms of their licence allow for the introduction of water into YW's supply system.

Licensees share responsibility with YW for compliance with the Water Quality Regulations for the water they input in the supply system and for the wholesale supply of water to the customer's tap.

Licensees have a duty to comply with the eligibility requirements as specified in section 17A (3) WIA91 relating to non-household premises, the threshold requirement, and supply by only one licensee.

Ofwat

The Water Services Regulation Authority (Ofwat) is the economic regulator of the water industry in England and Wales.

The Water Industry Act 1991 introduces a new duty to “further the consumer objective”. This is “to protect the interests of consumers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the provision of water and sewerage services.”

Ofwat is required to publish guidance on the operation of the WSL regime.

Ofwat is responsible for granting water supply licences for wholesale and combined services. In doing so, Ofwat will assess whether the applicant has the appropriate skills and competencies required.

Ofwat also has powers to determine disputes about the eligibility of premises, the terms and conditions of proposed access agreements and the conditions for refusing supplies. Further information is available on Ofwat’s website under Water Supply Licensing:

www.ofwat.gov.uk/competition/wsl/wslpublications/gud_pro_wslapplic.pdf

Drinking Water Inspectorate (DWI)

DWI will need to be satisfied that the licensee is aware of, and understands, its regulatory duties and responsibilities in respect of drinking water quality at the initial licence application stage. Where a combined licensee intends to treat a source of water for potable supply, the treated water cannot be introduced into the public supply system until the DWI is satisfied that the treatment processes meet the relevant regulatory requirements and the works is being operated in a competent manner.

During access negotiations DWI will advise Ofwat *as necessary* on drinking water quality issues relating to the use of common carriage, particularly in respect of dispute resolution.

Overall, Licensees will be subject to the same level of regulation as Undertakers. Further information can be found in the Water Supply Licensing section of the DWI's website at: www.dwi.gov.uk.

Environment Agency (EA)

The Environment Agency has a duty to secure the proper use of water resources in England and Wales. They monitor water in the environment and issue 'abstraction licences' to regulate who can take water from the environment and how much they can take.

Water undertakers produce Drought Plans every 3 years, which identify how, during a period of drought, they will continue to meet their duties with as little recourse as possible to drought orders or drought permits. From October 2005 the production and publication of these plans became a legal requirement. The Environment Agency reviews these plans and advises the Government on their adequacy.

Water undertakers also produce Water Resources Management Plans every 5 years; which identify available resources, forecast demand and set out how future deficits may be addressed through either resource development or demand management options. The Environment Agency also reviews these plans and advises the Government on their adequacy. Whilst Water Resources Management Plans are produced at the moment, their production and publication will become a statutory requirement in 2006.

There is a duty on water supply licensees to provide information to water undertakers for both Drought Plans and Water Resources Management Plans.

In most cases, combined *water supply licence* applicants will require a *water abstraction licence* from the Environment Agency to take water from surface water or groundwater. Every new proposal to abstract or impound water undergoes extensive scrutiny and investigation before a decision is made to grant or refuse an abstraction licence application. There is a need to ensure that water resources are safeguarded and that abstractions do not damage the environment.

Secondary supplies (under section 66C of the Water Industry Act 1991) are meant to encourage use of 'spare water', but the undertaker and the licensee may not be able to agree on how much water the undertaker has 'spare'. In the absence of agreement, Ofwat may be asked to determine whether a supply under 66C should be made, and if so the terms of that supply.

In these instances, the Environment Agency will also play a role in advising Ofwat on whether the criteria for rejecting a proposal for a secondary supply under sections 66C(5) or (6) of the Water Industry Act 1991 are satisfied. Ofwat will then make a determination.

Further information is available on the Environment Agency's website.
<http://www.environment-agency.gov.uk/research/library/data/34375.aspx>

Department for the Environment, Food and Rural Affairs (DEFRA)

DEFRA is the government department responsible for WSL legislation.

The Secretary of State has issued statutory instruments which govern the competition regime. The Secretary of State may issue further instruments in the future which may affect the regime. Where this is the case, YW will revise this access code to reflect relevant changes.

Further information is available on DEFRA's website:
<http://www.defra.gov.uk/environment/water/index.htm>

During the process of application and negotiation leading to a contractual agreement between YW and a Licensee it is evident that a great deal of information will have been exchanged, including that provided by these bodies. YW may wish to make direct contact with these bodies in order to validate information provided by a Licensee.

1.4 Definition of services

YW will offer services to a licensee for the purposes of supplying water to the licensee's eligible customers, subject to terms and conditions agreed with the licensee in accordance with Ofwat's access code guidance and the costs principle. These services are defined in terms of YW being either the primary undertaker (section 66A and 66B of the WIA91) or a secondary undertaker (section 66C of the WIA91).

NB. YW does not have a non-potable supply network

Primary water undertaker

(a) Wholesale water supply

YW will take steps to enable the provision of the supply, and having taken those steps, provide the supply of water in accordance with section 66A of the WIA91 to the licensee for supply to the licensee's eligible customers.

(b) Introduction of water into the supply system

YW will take steps to enable the licensee to make the introduction of water into the supply system, and having taken such steps permit the introduction of water into its supply system, in accordance with section 66B of the WIA91 for the purposes of supply to the licensee's eligible customers.

YW will take steps, and having taken such steps, permit the introduction of water, as supplied by a secondary undertaker, into its supply system, in accordance with section 66C of the WIA91, for the purposes of supply to the licensee's eligible customers. In some circumstances, steps may include laying such pipes and constructing such other works as are necessary to connect the supply with the pipes in the area of the secondary undertaker.

Secondary water undertaker

YW will make available a supply of water to a licensee, for supply to the licensee's eligible customers, within the area of appointment of another water undertaker in accordance with section 66C of the WIA91. YW will lay such pipes and construct such other works as are necessary to connect the supply with the pipes in the area of the primary undertaker.

YW has only one arrangement to export **treated** water to a neighbouring undertaker. This supply is charged at YW's standard rate as contained in the YW Charges Scheme.

Part 9 of this document, Access Pricing, shows the Supply/Demand balance calculation for each water resource zone for the years to 2029/30. Where this indicates a surplus in a water resource zone in any particular year the extent to which water is "available" for transfer across undertakers' boundaries will need to be assessed on a case specific basis and will reflect the circumstances relating to the local network infrastructure at any proposed connection point. In the event that Licensees do wish to consider a possible secondary supply application YW would also need to consult with the Environment Agency.

Part 2 Application for access to the water undertaker's supply system

2.

2.1 Process requirements

Confidentiality agreements

The purpose of YW's confidentiality agreement is to ensure that no party discloses information without consent or misuses information received from another party to the agreement. A copy of YW's standard draft is attached as Appendix 1.

YW expects these arrangements to be made at the beginning of the negotiations. The Licensee should consider the draft confidentiality agreement in the light of the particular circumstances and parties involved, and negotiate appropriate terms with the other parties. Where no agreement can be reached, the Licensee may refer the matter to Ofwat for determination.

A breach of a confidentiality obligation by any party could give rise to legal proceedings for breach of contract. Condition R imposes on YW an obligation not to use or disclose information inappropriately and there is a parallel obligation (Standard Condition 2) on Water Supply Licensees.

Information requirements

A request from a Licensee for wholesale or combined services will be considered and evaluated by YW. In order to do this the Licensee should provide YW with such information as is reasonably required. This section and Appendix 3, Network Access Application Forms, sets out the information required at the various stages of the application process for wholesale and combined services. YW will only ask for the information needed to progress the application at each stage.

YW will discuss and agree with applicants specific information requirements at the initial contact stage, to reflect the circumstances of each case, and explain why the information is needed. YW will justify instances where it requires information which deviates from the requirements set out in this access code.

The application process is described fully in Section 2.3, Application process, below. In summary the information required at each stage is as follows:

(a) Combined supplies

- Stage 1: Initial contact

Licensees can contact YW at an early stage to discuss any proposals they might have and at which time YW will clarify policy and information requirements. Applicants should complete and return Part A, General information of Annex 1, Combined Supplies – Initial Application Questionnaire in Appendix 3. This will enable the parties to establish a confidentiality agreement a draft of which is included at Appendix 1 of this code.

If a confidentiality agreement is already in place Licensees may wish to move quickly to the initial application stage in which case they should also complete Part B, Outline proposal, of Annex 1.

- Stage 2: Initial application

Licensees who wish to proceed should complete Part B, Outline proposal, of Annex 1. Information requirements relate to the customers name and site details,

proposed point of entry to the YW supply network, expected supply start dates and duration, estimated consumption figures and any other service requirements.

- Stage 3: Detailed application

Licensees who wish to proceed must complete a detailed application questionnaire. This information will form the basis of any feasibility study and are therefore more detailed than those described in the outline proposal. Licensees should refer to Annex 2, Combined Supplies – Detailed Application Questionnaire in Appendix 3. See section 2.1.4, Application Fees, for an explanation of YW's fees for this stage of the process.

- Stage 4: Detailed contract negotiation

The parties can discuss the content of an access agreement for combined supply at an appropriate stage of the process. YW will prepare a draft access agreement once sufficient progress has been made. Individual contractual negotiations and the scope of information to be exchanged will vary from case to case.

(b) Wholesale supplies

- Wholesale master contract: agreement process

Initial contact: Licensees can contact YW at an early stage to discuss any proposals they might have and at which time YW will clarify policy and information requirements. Applicants should complete Annex 3 Wholesale Supplies – Initial Application Questionnaire in Appendix 3. Licensee contacts YW to request a draft Wholesale Master Agreement (WMA) and confidentiality agreement. YW will provide draft documents.

Negotiation - A period of discussion and negotiation may be required to reach agreement on confidentiality and contractual issues. Following acceptance and signatures of both parties to the agreements the framework is in place to then consider customer specific applications.

- Data exchange to create contract schedules for wholesale application

Initial application: Licensee submits outline information using Annex 4, Wholesale Supplies – Detailed Application Questionnaire in Appendix 3.

Licensees will need to provide information relating to the customers name and site details, expected supply start dates and duration, estimated consumption figures and any other service requirements. This will be used to form the basis of negotiations which once agreed will form a contract schedule to attach to the WMA.

YW will endeavour to minimise delays in the application process. The Licensee is responsible for submitting satisfactory information and YW will assist Licensees by assisting them, where reasonable and practicable, to obtain the necessary information.

Licensees will not be asked to re-submit current information they have already provided. This applies also to repeat applications, although YW may require updated information if circumstances change.

Timescales

Timescales for each of the key application stages are set out in the flowcharts in the relevant sections below:

- Combined Supply: Section 2.3.1, Figure 1

- Wholesale Supply: Section 2.3.2, Figures 2 and 3

Timescales should normally be adhered to, although it should be recognised that there may be occasions when technical investigations will take longer than the timescales set out.

Application fees

- Combined supply

It is Ofwat's policy that a water company may not recover from a Licensee any costs of processing a wholesale or combined application for access. The undertaker should however understand how much each stage of the application process actually costs and identify the work involved at each stage; Ofwat will review these costs and their policy on their recovery in the light of experience.

Table 2.1.4(a)

Application stage	Activity (summary)	Fees / Charges
1. Initial contact	Contact details and confidentiality agreement	Free
2. Initial application:	Evaluation of YW's Access Questionnaire	Free
3. Detailed application:	Meeting(s) with Licensee and assessing the requirements for further information and/or a feasibility study and the subsequent evaluation.	Free
4. Detailed contract negotiation:	Negotiation of terms	Free

- Wholesale supply – establishment of master agreement

Table 2.1.4(b)

Application stage	Activity (summary)	Fees/charges
1. Initial contact	Contact details and confidentiality agreement. Issue draft contract	Free
2. Contract negotiation	Meeting(s) with Licensee and assessing the need for further information and subsequent negotiation of terms.	Free

- Wholesale supply – establishment of contract schedules (master agreement in place)

Table 2.1.4(c)

Application stage	Activity (summary)	Fees/charges
1. Initial application	Issue draft schedule	Free
2. Contract negotiation	Meeting(s) with Licensee and assessing the need for further information and negotiation of terms.	Free

Credit provisions and credit limits

YW expects Licensees to pay accounts raised in accordance with good commercial practice and will effect recovery of any unpaid amounts using the appropriate legal process.

2.2 Confirming eligibility

Section 17A (3) WIA91 sets out the following three requirements that must be satisfied in relation to each of the premises supplied by a licensee:

- The customer's premises are not household premises;
- When the licensee first enters into an undertaking with a customer to give the supply, the total quantity of water estimated to be supplied to the premises annually by the licensee is not less than 50 megalitres (the 'threshold requirement'); and
- The premises are not being supplied by another licensee (but may be supplied by a licensee and one or more water undertakers).

Further information can be found in Ofwat's guidance on eligibility:

http://www.ofwat.gov.uk/competition/wsl/wslpublications/gud_pro_wslelig.pdf

Responsibilities

In all cases and for all aspects of eligibility, it is the licensee rather than the water undertaker which must ensure that the premises of a potential customer are eligible in accordance with Ofwat's guidance on eligibility.

Unless doing so in pursuance of its licence, it is a criminal offence for a licensee to use a water undertaker's supply system for the purpose of supplying water to any premises of a customer, or for a licensee to introduce water into a water undertaker's supply system. It is therefore a criminal offence for a licensee to breach any of the eligibility requirements set out above.

In addition, any licensee that contravenes these requirements could face enforcement action by Ofwat under section 18 WIA91 and may incur financial penalties under section 22A WIA91. Alternatively, a licensee could face revocation of its licence in accordance with the Standard Conditions of Water Supply Licences.

A set of premises may change in such a way as to require the threshold to be satisfied a further time. For example, a customer may sell part of its premises so that the original premises is split and is occupied by different customers. Regarding the threshold requirement, as long as the requirement is met at the time the licensee first enters into the undertaking to supply a set of premises, and those premises do not change, those premises can continue to be supplied by the same licensee for the duration of the undertaking even if consumption falls below the threshold.

A licensee should seek its own legal advice if it is unsure whether a customer's premises are eligible.

Boundary definition

The WIA91 does not define 'premises' for the purpose of assessing eligibility. Premises can include buildings or land. Licensees can only supply customers at individual eligible premises. Each of the premises supplied must be eligible. Customers cannot aggregate consumption at more than one set of premises in order to achieve eligibility, although some groups of properties may constitute a single set of premises in certain circumstances.

There will be a single set of premises in the following circumstances:

- (a) The premises are located within a single boundary and a single customer occupies the premise and is liable for water bills in respect of those premises (single boundary premises);

- (b) The premises consist of co-located buildings, other similar structures and/or land which have adjoining boundaries or which are separated only by transport infrastructure and a single customer occupies the premises and is liable for water bills in respect of those premises (common occupation co-located premises); or
- (c) The premises consist of a single building or co-located, separately occupied buildings, other similar structures and/or land with all four of the following characteristics:
- They have a common landlord or managing agent in respect of the totality of the premises;
 - They have adjoining boundaries or are separated only by transport infrastructure;
 - They are served by a self-contained common water supply system that does not belong to a water undertaker; and
 - A single customer is liable for water bills in respect of the totality of the premises (common management co-located premises).

If premises meet the criteria in paragraphs ii) and iii), the criterion in paragraph i) cannot be applied to any part of the premises as a means of reducing the area in order to bring the reduced premises within the eligibility requirements.

Household / non-household premises

Premises that satisfy the single set of premises eligibility requirement must also satisfy the requirements in section 17A (3) (a) WIA91 that the premises are not household premises.

Section 17C WIA91 defines household premises as those in which, or in any part of which, a person has his home. The fact that a person has his home in, or in part of, any premises does not mean that the premises are household premises unless the principal use of the premises is as a home. In its guidance on eligibility Ofwat sets out what it considers to be household and non-household premises for the purpose of the WSL regime.

Volume threshold

The threshold requirement is that, at the time the licensee first enters into an undertaking with a customer to supply the premises, the total quantity of water estimated to be supplied annually to the premises by the licensee pursuant to the undertaking is not less than 50 megalitres. The threshold requirement relates to the amount of water that is supplied by the licensee using one or more water undertakers' supply systems. The amount of water that a customer receives by means of private supplies does not count towards assessing whether the threshold requirement is satisfied.

Supply arrangements for licensees

Section 17A WIA91 prohibits the supply of an eligible premises by more than one licensee. However, a set of premises may be supplied by a single licensee and one or more undertakers.

Attachment to the supply system

Customers can only be supplied by licensees if they are connected to the supply system. The supply system is defined in section 17B (5) WIA91. It can be summarised as any water mains and other pipes used for the purpose of conveying potable water from a water undertaker's treatment works to customer's premises and any water mains and other pipes used to convey non-potable water from any source to premises that are not connected directly or indirectly to any water mains or pipes connected to those treatment works.

Section 17A (5) provides that the supplementary authorisation is an authorisation to the licensee to introduce water into a water undertaker's supply system, by means of which any particular retail supply of water is to take place. In its access code guidance, Ofwat interpret this to mean that a physical link is required between the combined licensee's introduction point and its customer's premises.

Customers in debt

Outstanding debt is defined in Condition S and Standard Licence Condition 6 as charges in relation to water supplied to the premises of a customer, which have remained unpaid for 30 days or more after the date that the old supplier has served notice on the customer demanding payment.

If there is outstanding debt and arrangements are not in place for the repayment of any outstanding water debt, an objection to the customer transfer can be raised by the old supplier in accordance with the Customer Transfer Protocol. To allow the transfer to continue, it may be possible to allow the debt to be assigned to the new supplier. Such arrangements would need to be agreed between the new supplier, the customer and the old supplier.

Further information is available in Ofwat's CTP:

http://www.ofwat.gov.uk/competition/wsl/pap_pos_wsltransprot.pdf

2.3 Application process

Combined supply arrangements

The application process consists of the following stages:

Stage 1: initial contact – where the Licensee should contact YW with an expression of interest to negotiate terms for access;

Stage 2: initial application – where YW receives an outline proposal from the Licensee;

Stage 3: detailed application – where the Licensee makes a formal application to YW; and

Stage 4: detailed contract negotiations – which may begin at the initial application stage. It is at this stage that terms are discussed and agreed or rejected.

The process is shown schematically in Figure 1 below.

Stage 1: Initial contact

Initial contact allows a Licensee to express an interest in applying for an access agreement. They may wish to contact YW and any secondary water undertaker, to discuss issues regarding supply to customers with eligible premises within the YW area (or a neighbouring water undertaker's area if there is a secondary undertaker).

The Licensee may also wish to notify the sewerage undertaker at this point of the possibility of the customer transferring to another supplier. Standard Licence Condition 5 requires Licensees to inform sewerage undertakers of any premises connecting to the distribution system for the first time, to enable the sewerage undertaker to start billing the new customers – refer also to the CTP.

The Licensee should inform YW of their contact details by using Part A, General information of Annex 1, Combined Supplies – Initial Application Questionnaire, found in Appendix 3.

Any secondary water undertaker and the sewerage undertaker should also be able to confirm their information requirements at this stage. Alternatively, YW may request information on their behalf.

If the Licensee requires a meeting to discuss its request for a combined supply, YW will arrange it within ten working days of the request. At this stage the Licensee will not be expected to reveal the customers involved, their consumption or location.

YW will only proceed to the next stage of negotiations once a confidentiality agreement has been signed by the relevant parties.

The introductory stage will normally be completed within a maximum of 10 working days. A Licensee can however move to stage 2 (initial application) at any time.

Stage 2: Initial application

Once the Licensee has obtained the consent of its potential customers to do so, it would be useful at this point if the Licensee would sign a declaration that it believes each separate set of premises is eligible to be supplied. (If the Licensee subsequently makes a successful application to YW, the onus is on the Licensee to ensure that any set of premises that it supplies is still eligible).

The Licensee should submit an outline proposal using Part B, Outline proposal of Annex 1, Combined Supplies – Initial Application Questionnaire.

The application should include signed consent forms from the customers. These show that the named customers have expressed an interest to switch supplier. YW expects the consent forms to waive any restrictions on disclosure of information held which it is necessary to reveal to the Licensee for the purposes of the proposed new supply arrangements.

The initial proposal will outline what the Licensee will require from YW in order to provide a certain level of service to its customers. For example, the Licensee will require information from YW in order to be able to advise its customers of possible changes in water quality or pressure, or in the event of drought, the risk of supply restrictions. The Licensee and YW will agree how frequently, and in how much detail, such operational information is required. It will be beneficial to the Licensee to produce the initial proposal as soon as possible in order to start the access agreement process.

Where a customer's existing supplier is not YW, but another Licensee, the customer must certify to YW that there is no impediment to the change of supplier that may cause objection. This is to ensure that there is no legal agreement binding the customer to continue to receive a supply from the previous supplier beyond the envisaged transfer date.

Where facilities need to be constructed to transfer water to YW's supply system the Licensee should prepare an outline scheme design and costing. YW may be able to provide this service at a competitive price.

The sewerage undertaker should have the opportunity to comment on aspects of the proposal that could affect its ability to acquire details for billing, or that may impact on its other operational processes.

In addition YW will inform the Licensee at this stage whether a supply is likely to constitute a strategic supply and of its intentions with respect to any request to Ofwat for strategic supply designation – see Ofwat’s access code guidance (section 4.3) and also separate guidance on strategic supplies.

YW will comment on the initial application and describe any further information that may be required at this stage and in addition will, as far as possible, confirm or deny the basic feasibility of the Licensee’s proposal.

The preliminary price and non-price terms will not be binding, but will be as accurate as possible within the context of the information supplied by the Licensee, and provide the Licensee with enough certainty to formulate indicative proposals to prospective customers. It is therefore important to base the assessment on as clear an understanding of the required combined supply arrangements as possible.

Stage 3: Detailed application

YW will meet the Licensee at this stage to clarify any issues arising from the access terms set out in our access code and clarify what information is required in a specific application.

On the basis of a detailed application, YW carry out any feasibility studies and testing required in order to determine terms for access. A copy of a draft feasibility agreement is attached as Appendix 2.

The DWI will be approached if there are any water quality issues arising from the studies. The DWI will always be kept fully informed where combined supply in potable supply systems is proposed.

Due regard will be given to the guidance provided by the DWI⁴

To assess the technical feasibility of an application for a combined supply YW will require details on the following type of information:

- location of customer’s premises;
- demand estimates;
- demand forecasts for the duration of the proposed contract or some other agreed duration;
- the location of the points of entry and exit, and hydraulic requirements;
- supply and demand data – which might include average and peak deployable outputs of the Licensee’s source, the supply pattern and variations in demand, details of any supply or demand management contingency arrangements for drought periods;
- water resource details - which might include the type of water resource being used, its reliability and any back-up mechanisms which may exist; a thorough risk assessment by the Licensee of any proposed source, i.e. an assessment of exposure to pollution incidents, vandalism and other risks; evidence of abstraction licence including any associated conditions;
- water quality assessments - which might include the predicted quality of water entering the system, history of contamination (where available) and possible water quality impacts, paying particular attention to the chlorination process, plumbosolvency control and fluoridation practices, details of the Licensee’s cryptosporidium testing process; the type of treatment proposed with safeguards and processes should that treatment fail; the water quality

⁴ see DWI Information Letter 13/2004, ‘Common Carriage: Guidance on Drinking Water Quality Aspects (November 2004)’, and any updated versions of that Information Letter that DWI may produce.

- requirements of the potential customer(s); proposals for monitoring to ensure compliance with water quality regulations; and
- evidence to demonstrate the Licensee's systems for informing customers of emergency situations.

Secondary or sewerage undertakers may also require information from the Licensee.

If any of the information supplied by the Licensee to YW for the purposes of YW making a preliminary assessment has changed, or if further relevant information has become available, the Licensee should inform YW.

If YW considers the changes require further investigation, which may require modification of the price or non-price terms previously quoted, then YW will inform the Licensee of the need for further investigation and provide an estimate of the cost of so doing.

Otherwise, in the case of a second or subsequent access application by the Licensee, YW will review the information supplied by the Licensee for its adequacy and inform the Licensee of any additional information requirements.

The parties will agree the scope and charges for any studies into the feasibility of a Licensee's proposal before they are started.

YW and Licensees will agree how the results will be shared. YW will provide Licensees with a copy of all findings if requested, and set out the decision on feasibility and the reasoning behind it before discussing what action is needed to take an application forward.

After YW has completed the feasibility study, it will endeavour to make a firm offer of access in writing to the Licensee, normally within ten working days. This offer should be conditional on signing (or modifying) a combined supply agreement, within the meaning of the WIA91, between YW and the Licensee.

YW will normally complete an assessment of the application for a combined supply within 50 working days of receiving the required information from the Licensee. The combined supply access agreement is a longer process than for a wholesale access agreement because it is likely to require feasibility studies and is reliant on receiving prompt information from the DWI, Environment Agency and, possibly, Strategic Health Authorities, the Welsh Ministers or Defra.

Stage 4: Negotiation of contract terms

The contract, based on YW's draft Agreement, will incorporate clauses dealing with payment terms, frequency of payments and consumption reconciliation, arrangements for dealing with any outstanding debt, and a service level agreement setting out the specific support services to be provided by YW to the Licensee. It will also take account of any quality issues that both parties need to sign up to. At this stage, a unique premises reference number (PRN) will be generated by YW and a transfer date will be agreed and incorporated into the contract, making due allowance for completion of actions under the CTP.

The PRN is a new number assigned by undertakers to an eligible set of premises for the purpose of identification when transferring within the CTP. For YW the PRN is in the form: YKYxxxxx where xxxxx is a unique five-digit number.

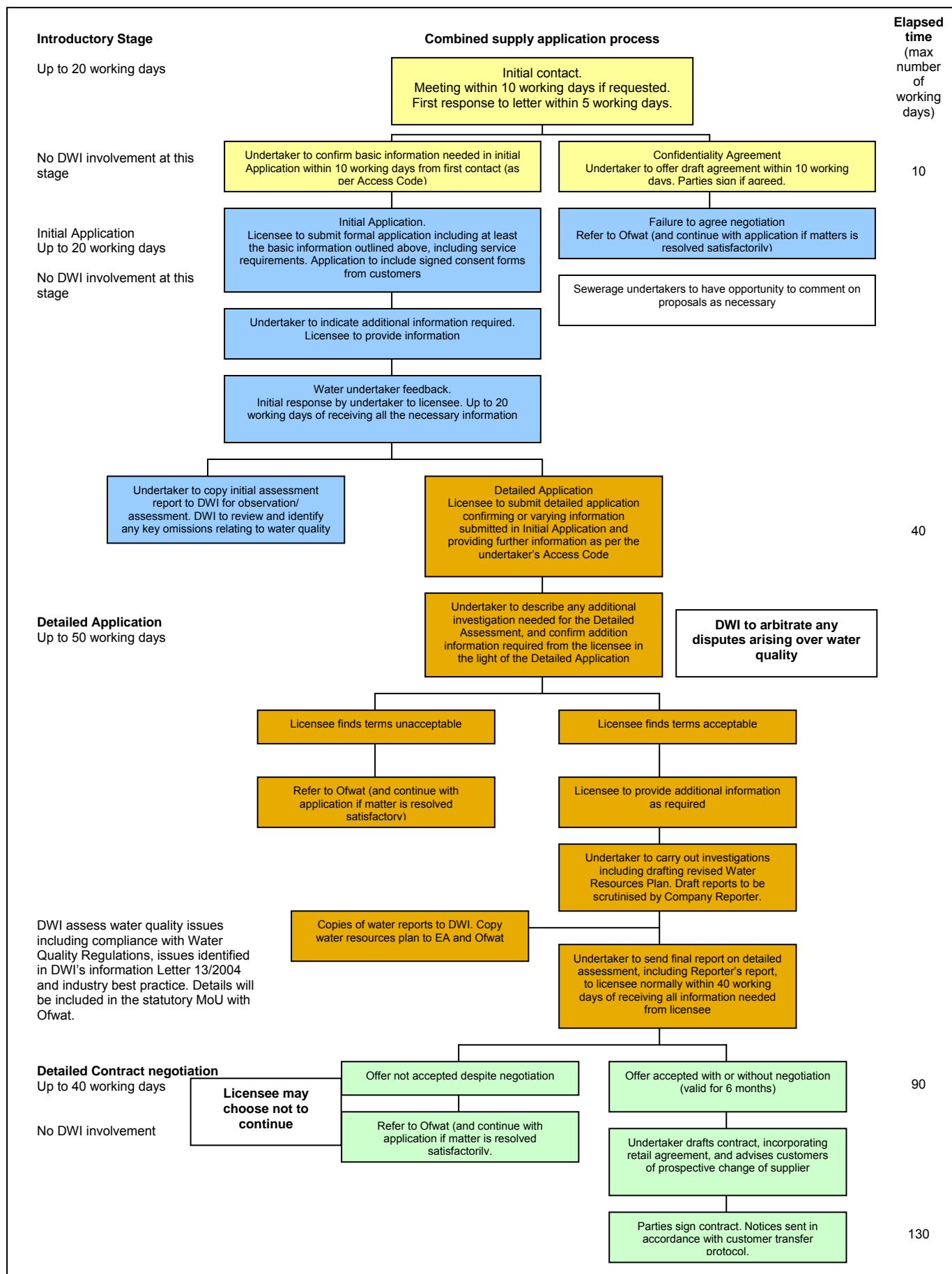
The terms offered by YW will be open to discussion between the parties involved for up to 15 working days. For example, the Licensee may wish to change the services requested, which may affect the price or non-price terms. Where a change is requested, YW will draft a new contract or modify an existing contract incorporating the terms offered and advise the customers that a change of supplier will take place within a stated timescale from the date of signing of the contract.

YW will only advise the customer of the intended change of supplier and anticipated transfer date once there is a final acceptance of a firm offer. If the Licensee accepts the terms, YW will send the Licensee a signed contract, normally within ten working days. The Licensee should sign it and

return the contract within ten working days. If the terms are rejected after negotiation with the Licensee, it can be referred to Ofwat for determination.

YW will normally complete detailed contract negotiations within 40 working days of these beginning.

Figure 1: Combined supply application process



Role of the DWI

The DWI will need to be satisfied that the licensee is aware of, and understands, its regulatory duties and responsibilities in respect of drinking water quality at the initial licence application stage. Where a combined licensee intends to treat a source of water for potable supply, the treated water cannot be introduced into the public supply system until the DWI is satisfied that the treatment processes meet the relevant regulatory requirements and the works is being operated in a competent manner.

During access negotiations the DWI will advise Ofwat as *necessary* on drinking water quality issues relating to the use of common carriage, particularly in respect of dispute resolution.

Overall, Licensees will be subject to the same level of regulation as undertakers. The DWI Information Letter 13/04 sets out guidance on the drinking water quality aspects of common carriage. Further information can be found in the Water Supply Licensing section of the DWI's website at <http://www.dwi.gov.uk>

- **Role of the EA**

The EA has a duty to secure the proper use of water resources in England and Wales. The EA monitors the water in the environment and issues 'abstraction licences' to regulate who can take water from the environment and how much they can take.

Water undertakers have a legal requirement to produce and publish Drought Plans every 3 years, which identify how, during a period of drought, they will continue to meet their duties with as little recourse as possible to drought orders or drought permits. The EA reviews these plans and advises the Government on their adequacy.

Water undertakers also produce Water Resources Management Plans every 5 years; which identify available resources, forecast demand and set out how future deficits may be addressed through either resource development or demand management options. The EA also reviews these plans and advises the Government on their adequacy.

There is a duty on water supply Licensees to provide information to water undertakers for both Drought Plans and Water Resources Management Plans.

In most cases, combined water supply licence applicants will require a water abstraction licence from the EA to take water from surface water or groundwater. Every new proposal to abstract or impound water undergoes extensive scrutiny and investigation before a decision is made to grant or refuse an abstraction licence application. There is a need to ensure that water resources are safeguarded and that abstractions do not damage the environment.

Secondary supplies (under section 66C of the Water Industry Act 1991) are meant to encourage use of 'spare water', but the undertaker and the Licensee may not be able to agree on how much water the undertaker has 'spare'. In the absence of agreement, Ofwat may be asked to determine whether a supply under 66C should be made, and if so the terms of that supply.

In these instances, the EA will also play a role in advising Ofwat on whether the criteria for rejecting a proposal for a secondary supply under sections 66C(5) or (6) of the Water Industry Act 1991 are satisfied. Ofwat will then make a determination.

Further information is available on the EA's website.

- **Role of secondary undertaker (where applicable)**

A Licensee with a customer in one undertaker's area (the primary water undertaker) might buy water from a neighbouring water undertaker (the secondary water undertaker) in order to supply the customer in the primary water undertaker's area.

A secondary water undertaker is under a duty, if asked, to provide water supplies to Licensees for the purpose of those Licensees supplying water to their customers using the supply system of the primary water undertaker to which the Licensee's customers' premises are connected.

There is a duty on the secondary water undertaker, when requested by a Licensee, to take steps in respect of its supply system to enable the supply to be made to the Licensee and to provide that supply on terms agreed between them (and in accordance with the relevant guidance) or, where no satisfactory agreement has been reached, as determined by Ofwat.

There is a duty on a primary water undertaker, when requested by a Licensee, to take steps to enable and permit the introduction of the water into its supply system on agreed terms (and in accordance with this guidance) or, where no satisfactory agreement has been reached, as determined by Ofwat. These steps are likely to include, if no appropriate cross-border pipe is already available, laying a pipe to the secondary water undertaker's supply system, making the appropriate connections and allowing introduction of the water.

The supply of water by a Licensee to an eligible customer will therefore involve two distinct transactions: first, the secondary undertaker selling water to the Licensee; and second, the Licensee introducing that water into the primary undertaker's network for supply to its customer.

- **Provision of information to the sewerage undertaker**

The Licensee has an obligation to provide information to the relevant sewerage undertaker for billing purposes. Licensees should liaise with sewerage undertakers to establish processes that will ensure that information is provided in a timely manner.

Wholesale supply arrangements

Supplies made by retail Licensees are not normally expected to involve changes to physical supply arrangements. Because of this, the application process is mainly concerned with administrative changes and should usually be concluded with fewer stages and in a shorter time than combined supply applications.

It is possible for a single Licensee to have many wholesale customers within the area of a single water undertaker. To avoid duplication of legal expense and management time, it is envisaged that a Licensee will request a YW to offer a master access agreement. This can cover all the main conditions of wholesale supply arrangements between the parties, except for customer or site specific conditions. Each time a new wholesale supply application is made, the site and customer specific details would be added to the master agreement by way of an additional contract schedule.

The wholesale application process is expected to usually comprise two main stages. Firstly, the Licensee and YW will agree in a master agreement the main contract terms and general conditions to wholesale agreements that will apply between them. Secondly, for each customer YW will exchange the data required to build up a schedule to append to the master agreement, containing the site specific agreements.

- **Wholesale master contract: agreement process**

The wholesale supply master contract agreement process will consist of the following stages (shown schematically in Figure 2 below):

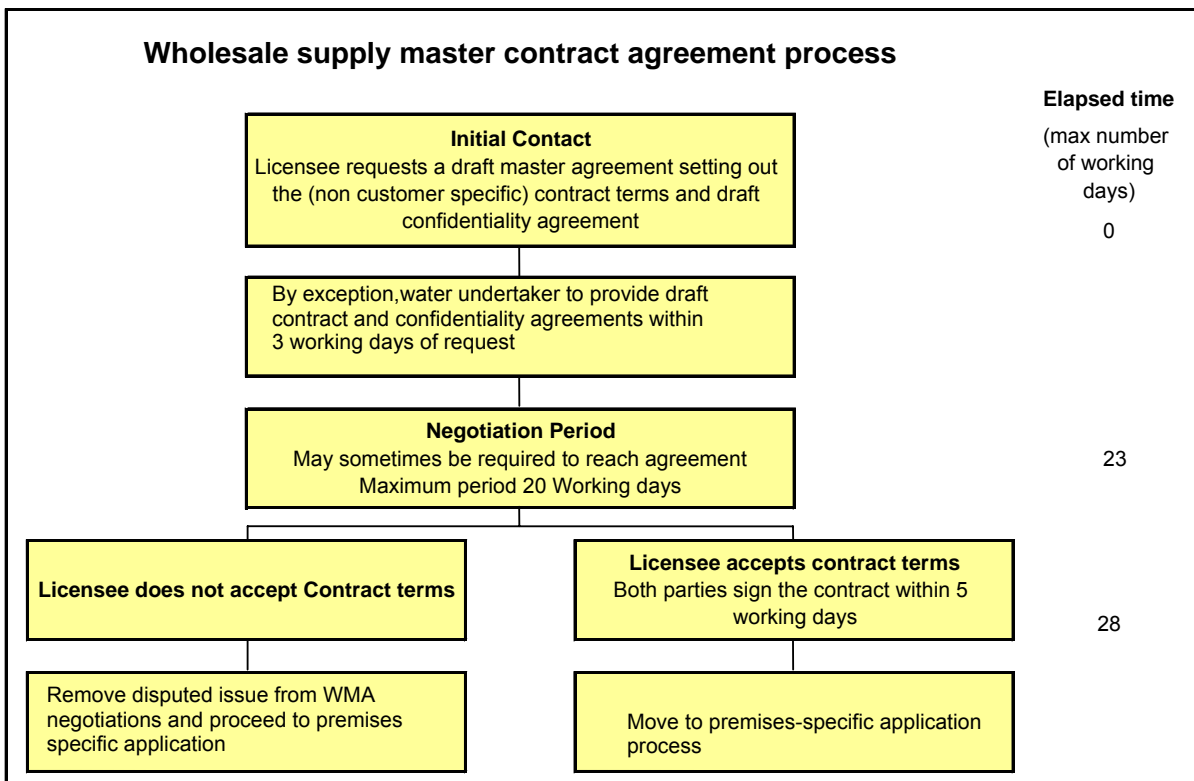
Initial contact – where the Licensee contacts YW to request a draft agreement and confidentiality agreement. Applicants should complete Annex 3 Wholesale Supplies – Initial Application Questionnaire in Appendix 3.

Provision of draft documents – YW will normally respond to this request and provide the documents to the Licensee within 3 working days.

Negotiation period - a period of discussion and negotiation may be required to reach agreement on contract or confidentiality issues. It is expected that normally these discussions should be concluded within four weeks.

Acceptance - both parties sign the confidentiality agreement and the WMA.

Figure 2 Wholesale Master Agreement process



- **Data exchange to create contract schedules for wholesale applications**

The wholesale application process will consist of the following main stages, and shown below in Figure 3 below:

Initial application – Licensee submits outline information using Annex 4 Wholesale Supplies – Detailed Application Questionnaire in Appendix 3. This information should include the customer’s consent to expressing an interest in switching supplier. Only customer consent forms that have been signed, or verified by the customer as in force, no more than two months prior to being submitted at the initial application will be accepted. All information will be used to form the basis to enable the creation of a contract schedule to attach to the WMA.

YW acceptance and offer – if YW accepts the application YW must confirm acceptance within five working days.

Further, YW will normally provide the access price within 15 days and a supporting schedule showing in detail how the access price has been calculated.

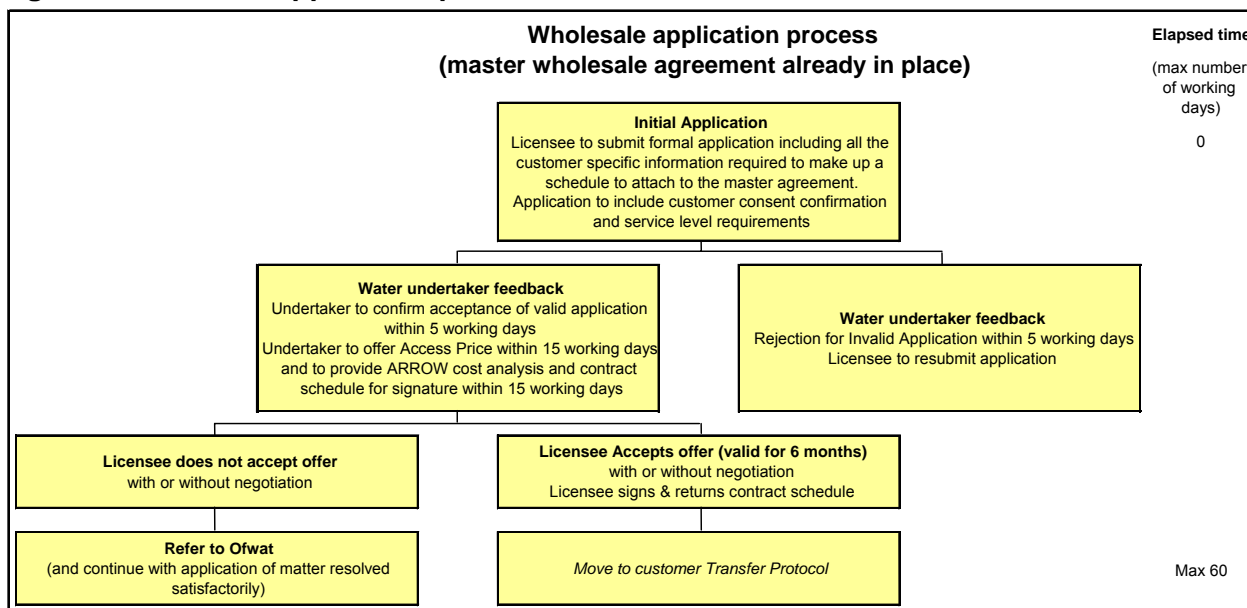
Licensee's acceptance - the Licensee may accept the offer, with or without further negotiation. The offer shall remain open, subject to any variation in the event of a material change in circumstances, for 6 months. Alternatively, they may refer the matters in dispute to Ofwat for a determination. Once the offer has been accepted, the process moves to the CTP.

The contract schedules are expected to contain the following (based on information gathered during the negotiation stage):

- Customer name;
- Customer site details;
- Unique premises reference number (PRN);
- Expected start date;
- Supply duration;
- Estimated annual consumption;
- Usage proportion relating to non-household;
- Special service level requirements;
- Access price expressed as a discount in either pence per cubic metre or a fixed charge for each year of the duration, and indicating the relevant price base.

In the case of wholesale supply by a secondary water undertaker, the time taken to respond will reflect the need for liaison with YW over water transfer arrangements. Timescales for liaison between YW and secondary water undertakers should be factored into the time it takes for YW to provide a written response to the Licensee to its application.

Figure 3 Wholesale application process



Provision of information to the sewerage undertaker

The Licensee will have an obligation to provide information to the relevant sewerage undertaker for billing purposes.

Objection and rejection processes

YW, Licensees (in the case of a customer transferring from one Licensee to another), the DWI and secondary undertakers may discover during any part of the application stage that an application for access by the Licensee can not be progressed. As well as statutory provisions in sections 66A-C, the list below suggests the types of objection that might arise during an application for access to YW's supply system (see the CTP for details on customer transfer objections between water suppliers):

- the incoming supplier has provided insufficient or incorrect details to the relevant parties to allow the customer to transfer;
- a Licensee's refusal to supply the necessary information;
- YW or first Licensee considers that the customer's premises are not eligible (the Licensee should declare eligibility at the initial application stage) NB YW is not expected to assess whether the eligibility requirements are satisfied but may, however, know of valid reasons (of which the Licensee is perhaps unaware) why certain premises are not eligible. The onus remains on the Licensee but this provision allows YW to raise any concerns about eligibility with the Licensee;
- an application by another Licensee to supply the eligible customer has been accepted ;
- impractical proposals e.g. infeasible hydraulic conditions;
- unacceptable water quality implications;
- no connectivity;
- concerns over source risk assessment; or
- national security reasons.

Full reasons for objection will be given in writing to the applicant as soon as possible after YW becomes aware of a problem. YW will comply with any requests for a meeting to discuss the objections and for parties to seek to negotiate solutions to enable the application to progress to the next stage.

Where YW is the primary water undertaker, the Licensee may request YW to supply details of any outstanding debt owed by customers in relation to premises named in the application.

YW expects to make appropriate arrangements for the repayment of any outstanding debt before the final change of supplier takes place under the CTP.

Application process arbitration and disputes resolution

Licensees may ask Ofwat for a determination where an agreement cannot be reached or they believe the process is being held up unnecessarily. See Ofwat's Determinations Guidance on how they will handle disputes.

2.4 Access criteria

Water quality input specification

A combined Licensee will be required to comply with the Water Supply (Water Quality) Regulations 2000⁵ (the Regulations) whilst overall responsibility for operating the network will rest with YW.

⁵ Water Supply (Water Quality) Regulations 2000, SI 2000 no.3184 amended by SI 2001 no. 2885.

(a) Quality parameters

In general, water undertakers treat their water to a higher standard than specified in the Regulations to allow for variations in water quality in the distribution system and to ensure that the water they introduce is compliant at the point of supply. Licensees must ensure their water is compatible with the water in the YW network. This includes factors such as taste, odour, appearance and hardness. Please refer to the DWI's guidance on common carriage for information on compatibility⁶.

Those seeking a combined licence to introduce water into a water undertaker's supply system must satisfy the DWI during the licence application process that they are suitable persons. The conditions of the licence will prohibit the Licensee from introducing water into the supply system until it can demonstrate to the DWI that it is meeting the Regulations. The conditions of the licence will also require ongoing co-operation with the DWI and compliance with the Regulations. In summary this would include:

- Provision of analytical data to demonstrate the water complies with the relevant standards laid down in the Regulations in order to satisfy the requirements of Regulation 15. If the source has not been used for public supply prior to 1 January 2004 then this would include all parameters listed in Schedules 1 and 2 of the Regulations. Schedules 1 and 2 are shown at Appendix 4.
- A cryptosporidium risk assessment as defined by Regulation 27 has been carried out.
- The treatment applied to the source is appropriate and operatives are appropriately trained.
- Appropriate monitoring is in place to meet the formal regulatory requirements (as defined in Regulations) including cryptosporidium if the source is assessed as being at risk (any surface source would automatically be at risk unless 7 days raw water storage available) and the existing documented operational requirements of the incumbent where these are more stringent than the regulatory requirement.
- Any sampling must be performed by a qualified sampler and the analysis undertaken by a UKAS accredited laboratory.

The DWI considers that, as long as this guidance is followed, the introduction of water by a Licensee can operate without impairment to water quality. It believes that trial periods should not be used in any combined supply situation. YW will use network modelling to assess the potential effects of combined supplies, and follow the DWI's guidance. If the parties are still in doubt about the effect of a proposed combined supply on water quality issues after modelling the proposal, they shall consult the DWI who will review the available evidence and assess the implications.

Furthermore the DWI would expect a combined Licensee to:

- Meet YW's requirements for "water conditioning" and in particular corrosion control in respect of the distribution network, plumbosolvency and cuprosolvency. This would require an assessment of the Licensee's supply (or mixture of Licensee's and incumbent's supply), possibly to include corrosion rig tests to determine the need for pH control and/ or orthophosphate dosing.

⁶ DWI Information Letter 13/2004, Common carriage: Guidance on the Drinking Water Quality Aspects, 23 November 2004.

- Agree suitable mechanisms with YW to control the mixing of waters of differing quality. This would require an assessment of the variability of both sources and volumetric ratios of the two.
- Agree a common approach with YW to maintaining the bacteriological integrity of the network. Effectively this means that the both the Licensee and YW should use the same type of disinfection process.
- If YW is required under section 87(1) WIA91 by a Strategic Health Authority to add fluoride to its potable water supplies to the area served by the Licensee, then the Licensee must also fluoridate water entering its supply system. If a Licensee is required to fluoridate the water, it should obtain an indemnity (if needed) under section 90 WIA91 from the Secretary of State for Health. YW may require a similar indemnity.
- If water quality changes after a scheme goes live Licensees should change their inputs to ensure compatibility. The DWI considers that in most cases it should be possible for the Licensee and the water undertaker to agree a solution without its involvement. The Licensee should bear any associated costs. YW will inform the Licensee during the application processes about any forthcoming operational changes that might affect compatibility.
- Second and subsequent Licensees must ensure that their water is compatible with that of the water already in the supply system. The water already in supply will be a compatible blend of the first or earlier Licensees' water with that of YW. In the unlikely event that later Licensees' water is not compatible, or to ensure on-going compatibility, they should cover the full costs of their input to the network.
- Require the Licensee to inform YW at once if it suspects the Licensee's continued introduction would breach water quality requirements.

(b) Special circumstances relating to water quality standards

The Secretary of State has the authority to grant undertakers, on application, an authorised departure from the provisions of Part III of the Regulations. The Secretary of State shall not authorise a departure unless satisfied that a supply of water cannot be maintained by any other reasonable means. YW would in general not make such an application preferring to re-zone to utilise alternative sources to continue to make supplies in a particular zone. If such circumstances exist that a Licensee's supply requires such authorisation then an application would need to be made in conjunction with, and the approval of, YW.

YW and Licensees shall seek the advice of the DWI where the guidance may need further interpretation in specific circumstances. YW and Licensees shall have regard to the advice of the DWI in resolving disputes. Ofwat will seek advice from DWI as appropriate when disputes are referred to them for determination.

Some customers have business processes that are particularly sensitive to changes in the source of the water resource or to fluctuation in water quality such as hardness or conductivity. Licensees and YW will take this sensitivity into account when agreeing a combined supply.

Water flow and pressure

Licensees will need to determine the water flow and pressure requirements at the point of entry into the YW supply network.

A new point of entry by a Licensee into YW's potable distribution network will be agreed subject to the physical constraints of the system. In making this assessment YW has regard to its ability to meet all existing and future obligations to supply.

Flows into the supply system require the installation and control devices (e.g. non return valves) meeting recognised Water Industry standards. This enables adequate control of flows and secures the system from unforeseen upstream events that might otherwise compromise the performance of the network and the service delivered to all customers. Pressures at the point of entry will be agreed subject to the existing hydraulic monitoring and control regimes. YW is currently developing real-time online flow measurement and control system and the requirements of these changing circumstances means that the details relating to any specific entry point will need to be assessed in each instance and agreed as part of the application process.

Water quality sampling and monitoring

YW will allow a Licensee to carry out its own monitoring and testing activities. This must be carried by suitably accredited laboratories which meet the requirements of DWI regulations. YW can also provide these services to a Licensee at a charge based on commercial rates.

A Licensee must provide information to YW when requested to do so in respect of its statutory duty to supply wholesome water.

YW reserves the right to suspend, without prior notice, the introduction of water into the YW supply system, if YW has reasonable cause to suspect that continued introduction would put YW at risk of supplying unwholesome water or at the risk of committing an offence under section 70 WIA91 (i.e. the offence of supplying water unfit for human consumption).

Volume measurement

YW monitors volumes of water transmitted to the supply system on a daily basis. Metering by the Licensee will be required to reflect the circumstances at any given entry point to the YW network. Flows into the system will be required to be measured by meters complying with water industry standards. This will ensure accuracy of data to meet Ofwat reporting requirements and also support the input/output reconciliation for accounting and billing purposes. YW is at the time of publication of this version of the code developing and piloting real-time online flow measurement and control systems. These systems will be installed following the results of these pilots at which time technical specifications will be available. Licensees will be expected to install compatible devices.

Part 3 Customer Transfer Protocol (CTP)

For detailed information refer to the Ofwat Customer Transfer Protocol (CTP) available on Ofwat's website

http://www.ofwat.gov.uk/competition/wsl/pap_pos_wsltransprot.pdf

3.1 Principles

Standard licence condition (SLC) 6 and condition of appointment S require Licensees and water undertakers, respectively, to comply with Ofwat's CTP. Relevant sections of the Water Industry Act 1991 (as amended by the Water Act 2003), condition of appointment R and SLC 4 also place a duty on Licensees and water undertakers to exchange certain information.

Ofwat has developed the CTP with the assistance of customer representatives, potential Licensees and water undertakers. The CTP provides a clear, simple and standardised process for the timely and efficient transfer of customers between:

- any water undertaker and any Licensee; and
- any two Licensees.

3.2 Rules of behaviour

All Licensees and water undertakers are required to comply with the rules of behaviour of the CTP, as specified in the CTP as issued by Ofwat and as amended from time to time.

3.3 Data transfer

The CTP specifies the data flows, the data items required within each data flow and the timescales that apply for transmission of those data flows. All Licensees and water undertakers must comply with those requirements.

Licensees should send all CTP data flows in the data format prescribed by the CTP to: www.network.access@yorkshirewater.co.uk or to:

Mr S Cowell
Network Access Coordinator
Yorkshire Water Services Ltd
Western House
Halifax Rd
Bradford BD6 2LZ

Email: Stephen.Cowell@yorkshirewater.co.uk

Telephone No: 01274 691111

3.4 Registration and operational processes

All water undertakers and Licensees must follow the operational processes in the CTP for effective customer transfer and the resolution of disputes on transfer.

Part 4 Control and balancing of the system

4.1 Supply system management

Unbilled water

- Leakage

YW's retail tariff includes the recovery of costs associated with leakage from the water supply network. Licensees must introduce into the supply network only sufficient water to meet the exact demand of its customer as measured by meter(s) at the premises boundary, taking no account for potential leakage in YW's supply system. A Licensee's customer is responsible for leakage from their own on-site supply pipes, and as such is counted as part of the chargeable supply to those premises.

- Unauthorised use

Where there is evidence that YW is incurring water losses from the supply system through illegal connections and theft YW will consider prosecuting the perpetrator under sections 73,174 and 175 of the WIA91 as is appropriate.

Licensees should introduce into the supply network only sufficient water to meet the exact demand of its customer. Licensees should in respect of their own water production and supply networks maintain a reconciliation of water into supply and point of entry into the YW water supply network. Licensees are advised to put in place procedures to ensure that any balance differences can be reconciled and so that any unauthorised use can be identified.

- Fire water

YW is responsible for the provision of water for fire fighting purposes. YW will not charge Licensees for water used for the purpose of fire fighting, including the testing of appliances. In general fire fighting supplies are delivered by separate water hydrants on customers' premises. If this is not the case YW will come to an arrangement with Licensees on how to record and reconcile volumes used.

Additional special requests for fire hydrants should be dealt with under section 58 of WIA91. The cost of installation will be recoverable in accordance with section 147 of the WIA91.

Drought and Water Resource plans

- Drought plans

YW maintains a drought plan which is updated at three year intervals or as required (perhaps annually) in the event of changed circumstances. YW's drought plan will be shared with Licensees and will form the basis of service levels provided to Licensees' customers. Licensees will be required to undertake resource assessments to provide information to support YW's drought plan and will be formally consulted at the beginning of each drought plan review.

YW will require the Licensee to provide the following information:

- Deployable output of source
- Maximum and minimum rates of supply
- Forecast use for the drought plan period (3 years)
- Diurnal customer demand profile
- Potential changes in water quality during drought
- Asset criticality

1. Duty/standby arrangement
 2. Local storage provision
- Licensee's drought plans which may be considered commercially confidential but should not be included in a public version of Yorkshire Water drought plan

Any information provided will be at the Licensee's own cost.

- Resource planning

YW's planning processes meet the requirements of the EA's Water Resource Management Plans. Licensees should be aware of the requirements of these plans and be prepared to undertake resource and demand planning assessments to support YW's plan. Licensees will be formally consulted at the beginning of each drought plan review.

YW will require the Licensee to provide the following information:

- Deployable output of source
- Forecast of future deployable output
- Maximum and minimum rates of supply
- Known constraints on source works under drought and wet year conditions
- Forecasts of customer use for a minimum period of 5 years
- Diurnal customer demand profile
- Potential changes in water quality during drought
- Future potential long term changes in water quality (>5years)
- Asset criticality
 1. An assessment of the risk of source failure (duration & frequency)
 2. Duty/standby arrangement
 3. Local storage provision
 4. Planned routine source maintenance programme
 5. Asset plan medium term refurbishment/maintenance
- Future operational plans which may be considered commercially confidential, but are relevant to water resource planning but should not be included in a public version of Yorkshire Water's Resource Plan

Any information provided will be at the Licensee's own cost.

Telemetry requirements for supply system control

See Appendix 6 for an overview of YW's Regional Telemetry System. Licensees will be required to install telemetry and data logging equipment that is compatible with the systems and communications networks used by YW.

Secondary connections

Licensees should take steps to ensure that secondary connections are not made to the supply system.

Supply system maps and plans

YW has a statutory duty to maintain records and maps of the assets that it owns on its water supply networks. This information is freely available and YW will provide maps of the network as required. This should assist Licensees in the design and construction of their own networks. Licensees will retain ownership of their own networks up to the point of connection to the YW network. YW requires information and maps relating to this connection point, but not the Licensees assets - this can be provided in paper or electronic format. Licensees may choose to self-lay (see section 7 below for more details) sections of the supply network that will become vested in YW. Licensees should provide as laid drawings, in paper or electronic format, to enable YW to update its records.

Point of entry controls and failure modes

As outlined in 4.1.3 above, Licensees will be required to install automated system controls compatible with the systems and communications networks used by YW. To ensure that Water Production assets are operating correctly, the Regional Telemetry System (RTS) continuously monitors water production process points and generates alarms when the equipment is performing outside of its normal operating parameters. Site specific requirements for a Licensee's source(s) will be established and integrated into YW's control procedures.

4.2 Metering services

The specific requirements for metering will reflect the circumstances of each supply.

Wholesale supplies, to new and existing customer premises, require the installation of the appropriate size of meter(s) to match the agreed usage volumes. For new premises Licensees will, on behalf of their customer(s), have to consider and provide information relating to a number of matters including;

- Usage requirements
- Location and infrastructure capability
- On-site pipework and storage
- Site history and the implications of contaminated land where necessary
- Fire fighting requirements
- Self-lay and meter fitting options

Charges for meters (and communication pipes) are set out in the YW Charges Scheme.

Further details can be obtained from:

New Supplies
Water Services Centre
Yorkshire Water Services Ltd
PO Box 52
Bradford BD3 7YD
Tel: 01274 608008

A form "Application for a water connection to a commercial or mixed use development" can be found on the YW website at

<http://www.yorkshirewater.com/extra-services/developer-services/new-water-connections/apply-for-a-water-connection.aspx>

For Combined supplies YW will require meters to be installed at the entry point to the supply system and at the customer's site. YW can provide Licensees with information on recognised industry standards for meters and their approved suppliers

For new premises receiving combined supplies Licensees will also have to provide the information and an application form as described above.

Meter asset management

YW will retain ownership of meters on customers' premises.

Licensees will be expected to install the appropriate meters at entry points to the YW network – this is in addition to any metering requirements placed on the Licensee by the DWI. Licensees will retain ownership of these meters and be responsible for maintenance and replacement.

- Metering solutions available

Only meters which comply with recognised industry standards should be installed. YW can provide the names of suppliers meeting these standards.

- Meter installation

The cost of installation of meters for use on customer's premises is contained in YW's Charge Scheme which sets out standard charges relating to meters, and where necessary communication pipes, for sizes 15mm and 25mm diameter. Other sizes will be charged on a firm quotation based on estimated cost.

YW can also supply and install meters for use on the supply network chargeable at actual cost. Metering technologies available include:

- Meter maintenance

In general it is expected that Licensees should maintain their own meters. Licensees can enter commercial contracts with the third parties or alternatively, YW can offer meter maintenance services at a cost to the Licensee if required.

Meter calibration and verification

Customer meters at YW's commercial and industrial customers are read monthly. Meter reading personnel are often the first to identify problems with meters e.g. stopped or otherwise malfunctioning meters. These meters will be replaced free of charge immediately and estimates of usage agreed on the basis of historical patterns. YW's planned programme (a 10 year cycle) of meter replacement at individual premises will include those of Licensees. A customer may at anytime request that a meter is tested for accuracy (YW uses accredited test centres). A charge is levied as per the YW Charges Scheme but is reimbursed if the meter is shown to be faulty and estimates of usage agreed on the basis of historical patterns.

Meter reading and meter reading verification

Licensees will provide routine monthly meter readings to both YW and if applicable any other sewerage undertaker. YW and Licensees will undertake a monthly reconciliation process for billing purposes. This will help identify anomalies which may require further readings. Access agreements will include provisions for the resolution of disputes relating to meter readings. In general this will reflect the practices applied to YW's large users.

Wholesale supplies should in general present few issues of reconciliation for billing purposes as YW and Licensees will agree the method of usage estimation as part of the access agreement. YW would expect this to be consistent with that applied to its large users. The trend in usage patterns should be monitored by both YW and the Licensee to ensure that existing and future demands can be met, and an annual review should be carried out (see also 4.3.2 below).

For combined supplies the reconciliation of inputs and outputs is likely to involve more factors. In general and over time Licensees will introduce into the supply system the equivalent volume of water as is delivered to the customer's boundary meter. It is evident that this may not be so on a strict point in time (monthly) basis. YW and Licensees will agree tolerance bands, on a % basis, within which the input/output reconciliation should apply. This should also include agreed periods of roll-over for balances outside of these bands. Specific account will need to be taken of periods of outage and form part of the reconciliation process. If water delivered to their customers' premises exceeds water introduced into supply then Licensees will pay YW for any reconciled differences in usage. This will be at YW's standard supply charges. YW will not pay Licensees for any water introduced into the system which is in excess of that delivered to customers' premises.

4.3 Supply system balancing

Strategic balancing

- Annual supply balancing

YW assesses progress against its Water Resources Plan on an annual basis monitoring the constituent elements of the Plan and modifying as appropriate – see section 4.1.2. Licensees will be party to this review in respect of their own source(s) and provide information as required. In addition to this YW undertakes system balancing on a weekly basis. This ensures optimal operation of the network as it relates to individual water resource and production zones. Licensees will be required to provide information suitable for incorporation into the YW process this includes:

1. A forecast of demand for the following week.
2. Asset restrictions due to breakdowns
3. Planned capital and maintenance work
4. Water quality - primarily relating to hardness, which is an issue for some business customers.

- Use of strategic supplies

Ofwat's guidance on strategic supplies can be found at:

http://www.ofwat.gov.uk/competition/wsl/gud_pro_stratsuppguid.pdf

Water undertakers have statutory duties to supply water to existing and new customers under certain conditions. Strategic supply designation allows water undertakers to meet these duties. If a Licensee fails say for financial reasons (rather than failure of a water source) then the Licensee's introduction of water can be taken out of the Licensee's control to ensure that supplies continued to be made into the undertaker's network. This removes the need for the water undertaker to duplicate resources to meet its domestic supply duty if its customers switch to Licensees who subsequently failed.

Ofwat can make determination that an introduction constitutes a strategic supply at any time.

Sections 66G(3) and 66H(3) WIA 91 allows YW to ask Ofwat to make a determination or Ofwat themselves may make such a determination in the absence of such a request – e.g. if a Licensee or customer asks. Applicants must set out in writing their reasons for such a request and provide the information outlined in Ofwat's guidance. Ofwat will give notice of its intentions to designate to interested parties and following consideration of all representations or objections then give further notice of its determination.

Water undertakers must review their water resources management plans annually (and drought plans periodically) and should include an assessment of any material change of circumstances including strategic supply designation. Plans should then be revised. Ofwat may then consider that an introduction no longer constitutes a strategic supply and can, after following a similar process as that for making a determination, cancel a designation. Water undertakers, Licensees and customers can also apply to Ofwat for a designation if circumstances change.

- Back-up supplies

YW has certain supply duties (see Use of strategic supplies above and Interim duty to supply below) but back-up supplies may also be required to support a Licensee's own sources. NB – a back-up supply is an optional service not a mandatory service or duty. YW and Licensees can reach an agreement on the conditions and costs of this type of supply. A major implication might be a reduction in the price discount that YW could give to Licensees if investment in the Water Resource Plan can not then be avoided or deferred. Alternatively, and depending on circumstances, Licensees might wish to secure a standby supply for their customer(s) in the same way that YW offers this service to its

own business customers. Details of YW's standby supply and the associated terms and charges are included in YW's Charges Scheme:

<http://www.yorkshirewater.com/managing-your-account/our-charges.aspx>

- Interim duty to supply

YW has a duty, under section 63AC WIA91, to provide an interim supply to meet the demands of Licensees customers. This applies where a Licensee ceases to supply any premises with water; and the owner or occupier of the premises has not notified the water undertaker in whose area the premises are that;

- i) he has made arrangements for the continuation of the supply of water to the premises; or
- ii) he intends any supply of water to the premises to cease.

However, this duty is not absolute: an undertaker is not required to provide a supply of water under section 63AC if provision of the supply would require the undertaker, in order to meet all its existing obligations to supply water for domestic or other purposes, together with its probable future obligations to supply for domestic purposes, to incur unreasonable expenditure in carrying out works, or if the provision of the supply would otherwise put at risk the undertaker's ability to meet any of those existing or probable future obligations.

YW does not therefore have to plan to maintain full capacity in its system to cover the situation where it might be asked to provide an interim supply.

The supply shall be made until;

- i) a supply is made under section 52 or 55 of WIA91; or
- ii) a notice is served by the undertaker on the owner or occupier of the premises stating that the supply is to be discontinued, whichever is earlier. A notice may not be served before the end of the period of three months beginning with the day on which the supply by the Licensee ceased.

Charges are payable in respect of the supplies made by YW under the interim supply duty. These charges, set under section 143 WIA, are fixed annually in the YW Charges Scheme.

- Interruptible customers and interruptions to supply

YW has standard terms and conditions relating to interruptible supplies to its customers. The requirements and conditions of interruptible supplies via a Licensee would be provided on an equivalent basis and would be agreed at the application stage. YW's standard terms and conditions for interruptible supplies are shown at Appendix 7. NB. Not all eligible customers under WSL can receive an interruptible supply. YW only offers interruptible supplies to its large users in excess of 250MI/a and the same criterion, amongst others, will apply to premises supplied by Licensees.

Flow balancing and reconciliation processes

- Supply system usage forecasts for wholesale supplies - potable supply system only (YW does not provide non potable wholesale supply services)

Customer specific access agreements will be based on usage forecasts reflecting individual patterns of consumption. These would be expected to be presented on a monthly basis identifying any known variations caused by customers' planned shutdowns, holidays or seasonal fluctuations. These can be built into YW's weekly production plans – see section 4.3.1 above. During the course of an access agreement YW and Licensees will need to

monitor trends in usage patterns. This may have an impact on YW's ability to meet specific increases or changes in usage patterns. General trends in industrial growth/decline are used in water companies overall demand forecasts but often have little relevance to specific instances of customer demand. YW's practice with its large users is to maintain an ongoing dialogue in order to establish likely increases or falls in usage as customers' businesses expand/contract or diversify. This helps YW to identify possible future limitations in resource, treatment or distribution capacity. YW would expect Licensees on behalf of their customers to establish a similar dialogue with YW.

- Supply system usage forecast for combined supplies - potable supply system only (YW does not provide non potable combined supply services)

As with wholesale supplies customer specific access agreements for combined supplies will be based on usage forecasts reflecting individual patterns of consumption. These would be expected to be presented on a monthly basis identifying any known variations caused by customers' planned shutdowns, holidays or seasonal fluctuations – and also known variations in production by the Licensee and the impact of this on the introduction of water into the supply system. These can be built into YW's weekly production plans – see section 4.3.1 above. During the course of an access agreement YW and Licensees will need to monitor trends in both customer usage patterns and the production plans and capabilities of the Licensee the net effect of which may have an impact on YW's ability to respond by changing its own production and distribution plans to ensure that the water into supply balance is maintained. Licensees will be required to provide information suitable for incorporation into the YW processes for both weekly production planning and annual forecasts. The location and volume of water required or supplied will determine the type and timing of data to be provided.

- Imbalance accounting and reconciliation – wholesale supplies

For wholesale supplies YW would not, in general, anticipate that variations in usage from planned to actual to have any significant implications for charging and reimbursement purposes. YW will charge Licensees for actual measured consumption at customers' site meters in accordance with the access agreement, usually monthly. Payments by Licensees to YW are to be made in accordance with good business practice in respect of credit terms.

- Imbalance accounting and reconciliation – combined supplies

Whilst it is anticipated that a Licensee will introduce into the supply network the equivalent volume (or agreed lesser amount) as is supplied to its customer(s) it is acknowledged that imbalances will exist at any particular point in time. Shortfalls or surpluses will be reconciled monthly. YW and a Licensee will agree a *reconciliation process* with respect to imbalances between *point of entry* and *point of exit* meters (see Glossary of defined terms). Monthly imbalances will be allowed within minimum and maximum limits of a tolerance band based on the Licensee's anticipated input volume (e.g. a specific volume or an agreed percentage converted to an absolute sum) to reflect the circumstances of each supply. Any imbalance between the *point of entry* and *point of exit* volumes that fall within the agreed limits will be 'rolled-over' and taken into account in the next reconciliation period. An imbalance outside of the limits will be compensated as follows:

- Below minimum limit: The Licensee will be charged for the amount in excess of minimum at YW's standard tariff for customers in that charge band (see YW's Charges Scheme linked in section 1.2.4 above for details)
- Above the maximum limit: YW will not compensate the Licensee for the amount in excess of maximum limit.

Where appropriate YW will bill Licensees monthly and payments by Licensees to YW are to be made in accordance with good business practice in respect of credit terms. These terms can be included in the Agreement between the Licensee and YW.

Revisions to annual or longer term forecasts may require amendments to access agreements.

- Peak season and off-peak reconciliation

Not applicable – YW does not operate any routine seasonal processes that apply to network access nor does it apply peak season tariffs.

Part 5 Supply system maintenance and emergency procedures

5.1 Diagnosis of system issues

YW and Licensees share the responsibility that water supplied through the network is fit for human consumption. It is therefore essential that information is shared and communicated promptly so that system issues are diagnosed and remedied as quickly as possible. YW is the network operator for both wholesale and combined supplies. YW's control centre has responsibility for co-ordinating responses to incidents and issues arising in order to maintain the integrity and continuous operation of the supply network.

Obligations with respect to diagnosis of supply system problems

(a) Responsibility of the water undertaker

YW is to inform Licensees of:

- planned maintenance and other interventions (e.g. Section 19)
- unplanned events
- changes to flow balancing requirements
- operational issues
- instances of boil water notices, and other information, given to customers
- customer contact information provided directly by Licensee's customers

(b) Responsibility of Licensee

Standard Licence Condition 5 "Provision of information to relevant undertakers" places a duty on Licensees to provide such information as the undertaker reasonably requires:

- For the purposes of carrying out its functions
- To determine whether the Licensee has sufficient product and public liability insurance for the activities authorised by its Licence
- To comply with any condition of the undertaker's appointment
- In relation to national security or civil emergencies, or
- To comply with any reasonable request for information made by the Environment Agency

Quality issues

Licensees are required to meet the general requirements of the Water Supply (Water Quality) Regulations issued by the DWI in respect of water introduced into the supply system. Licensees will be expected also to put in place arrangements to notify YW of any changes in water quality which may require action by YW as network operator. YW collects information routinely via day to day contacts between its internal staff and from external customers via its call centre contact points. Licensees will be required to inform and liaise with the YW's control centre on water quality matters who will then put in place the necessary response process.

Hydraulic issues

Supply introductions by Licensees may cause variations in flows and pressures in the YW network. As with water quality Licensees will be expected also to put in place arrangements to notify YW of any changes to agreed flow and pressure parameters which may require action by YW as network operator. YW is in the process of installing data loggers at many points of the distribution network and Licensees will be expected to install compatible data collection and transfer equipment.

YW must meet Ofwat standards in respect of Pressure (DG2) and Supply interruptions (DG3) and to report on these matters. Licensees should collect and exchange data with YW to enable to monthly reporting requirements to be met.

'Real' time information capture systems

Licensees will be required to provide data and information in a timeframe and format compatible with YW's network control systems – see Appendix 6 for an outline description of YW's systems.

Reporting requirements

The Water Undertakers (Information) Direction 2004 (in particular paragraph 7) sets out the requirements of water companies to notify the DWI and other relevant bodies of events which by their nature adversely affected or is likely to adversely affect the quality or sufficiency of the water supplied. DWI's guidance sets out the detailed requirements of the various stages (and timescales) associated with the notification of events. DWI reference documents are as follows:

DWI Information Letter 13/04 Common Carriage: Guidance on the Drinking Water Quality Aspects

www.dwi.gov.uk/regs/infolett/2004/info1304.shtm

DWI Guidance on the Water supply (Water Quality) Regulations 2000

<http://www.dwi.gov.uk/regs/pdf/GuidanceMay05.pdf>

DWI Guidance on the Notification of Events

<http://www.dwi.gov.uk/regs/infolett/2004/info1204guidance.pdf>

DWI Guidance to the Water Undertakers (Information) Direction 2004

<http://www.dwi.gov.uk/regs/infolett/2005/info0705.shtm>

YW operates under the umbrella of an ISO 9001 accredited Water Assets Management System (QMS) which specifies the procedures and processes and data flow requirements to meet its obligations to maintain the water supply network and to protect the interests of its customers including notification and reporting procedures. Appendix 8, Response to events/incidents - the Formal Notification Process is an extract from the QMS system showing YW's procedures for recording and reporting on emergency and supply system problems. Licensees will be expected to integrate with the QMS and establish an appropriate contact to liaise with YW. Licensees will be provided with access to YW databases and operational systems.

5.2 Planned system maintenance

System maintenance and other network interventions are co-ordinated by YW. QMS specifies the procedures and processes and data flow requirements to meet its obligations to maintain the water supply network and to protect the interests of its customers. This is made up of Level 2 Procedures Manuals and Level 3 Site-specific manuals. Operational work flow systems provide the basis of management control to achieve these objectives. Licensees will be provided with access to YW databases and operational systems, and Licensees will be expected to prepare procedures to integrate with these systems. The access agreement will include specific requirements of both YW and the Licensee in respect of the provision of asset information, maintenance standards and risk assessment processes. This will include a minimum notification period for planned work.

Obligations with respect to planned maintenance

(a) Responsibility of water undertaker

Beyond its general duties to maintain the continuity and quality of water supplies YW also meets service standards with respect to network interventions and the impact this has on customer service e.g. DG2 and DG3.

(b) Responsibility of Licensee

A Licensee's key responsibility in this area of activity is to provide information to YW, reasonably required, to enable it to carry out its functions.

Specification of assets

YW maintains its work planning on a Lotus Notes system WAND which is used for documenting and progressing interventions on the distribution network. It allows the impact and risk of any intervention to be assessed and ensures that proper planning is taking place to minimise disruption and water quality problems for customers. The importance of careful planning when gaining access to the water network, and the implications for public health, cannot be over emphasised. Interventions require formal approvals after paying regard to the assets involved – these are identified on YW's ISO 9001 Level 3 register of specific assets. YW would expect Licensees to have access to and participate in the requirements of the YW Quality System.

Maintenance standards

YW maintains detailed procedures relating to matters of customers communications. Appendix 5 gives an indication of the criteria applied to customer information with respect to job priority classes and the most effective method of notification in each case. This is supported by detailed procedures and documentation which includes:

- Written communication packs for planned and unplanned (and emergency) system interventions
- Customer warning packs
- Do not drink advice notes and leaflets
- Provision of alternative supplies

Beyond its general duties to maintain the continuity and quality of water supplies also meets service standards with respect to network interventions and the impact this has on customer service e.g. DG2 and DG3. Licensees are not customers of water undertakers for the purposes of the Government's Guaranteed Standards Scheme (GSS) – see section 5.6.3 below.

Risk assessment processes

YW's WAND process incorporates a full risk assessment and the preparation of method statements.

The process is designed to assess the risk of causing water quality problems (discoloration) while carrying out activities on the distribution or transmission system. The risk is categorised; high or low, and then an appropriate method statement is produced as per the prompt table in the guidelines. This will ensure that the activity proceeds in a controlled way with minimum, but known, disruption/consequence to the customer.

Risk assessments are required for all network interventions. In planning repeat interventions, it is necessary to ensure that there have been no material changes which may effect the job in question. Therefore, a check for such changes must be carried out prior to proceeding on the basis of an historic risk assessment. The risk assessment process is not just about whether warning letters are required but whether, if the risk is likely to be High and widespread, should it go ahead, should it be modified to reduce impact, should mitigating measures be taken, e.g. local flushing at boundary valves.

The method statement will:

- describe any mitigation measures to be adopted to minimise discoloration of the water supply
- include the valve shut-off plan and operation schedule - that is, which valves to operate and in what order, the hydrants to be used for flushing and sampling and which customers are affected
- define the rezoning proposals, if appropriate, and any large key customers, 'Helping Hands' customers and vulnerable establishments (e.g. nursing homes) affected and any warning letters to be sent and the alternative supplies required.

The scale of planning and communication effort will depend on the risk category associated with the activity.

Licensees will be expected to participate in these processes and provide all relevant data and inputs as is necessary to meet their general duty under their licence conditions to provide such information.

5.3 Unplanned system maintenance

Unplanned or reactive interventions in the network can occur in response to a number of incidents including:

- Reported leakage
- Discoloured water complaints
- Taste and odour complaints
- Illness complaints
- Sample failures relating quality, taste and odour.

YW has specific procedures relating to interventions of this type and available via YW's QMS.

Obligations with respect to unplanned maintenance

See 5.2.1 above.

YW and Licensees must also comply with their Security and Emergency Measure Directions – see 6.2.3 and 6.2.4 below.

Risk assessment processes

All systems interventions must comply with procedures specified in WAND – see 5.2.4 above

Emergency notices

The scale of events and incidents follow an escalation process. Depending on the nature of the incident and number of properties affected different customer communication information and delivery methods are employed e.g. leaflets, boil notices, do not drink notices including the lifting of notices. This process will be co-ordinated by YW's Control Centre.

5.4 Safety aspects of unplanned and emergency work

Status classification

Yorkshire Water considers different levels of emergency events within four categories, *incidents*, *significant incidents*, *emergencies* & *crisis*, as defined below. It also considers

Industrial Action as an event, distinct from traditionally considered events, but worthy of consideration within this framework.

- Level 1

An *incident* is a routine matter, not greatly disruptive to acceptable service levels, but which may require the re-organisation of priorities at a local level to ensure continued regulatory compliance

- Level 2

A *significant incident* is a non-routine matter which disrupts acceptable service levels, may have significant financial implications or may breach regulatory requirements. A *significant incident* requires the re-organisation of priorities at a functional level within YW's Business Units and is likely to require the mobilisation of support services.

NB. All Level 2 Significant Incidents are registered on YW's Significant Incident Database and are subject to investigation and review.

- Level 3

An *emergency* is a rare event which causes severe disruption to acceptable service levels, generates financial implications of a corporate nature or which results in severe regulatory breaches. *Emergencies* cannot be dealt with by the activation of functional arrangements alone and would require the re-organisation of company priorities.

NB: Level 3 Emergencies are also registered on the Significant Incident Database and counted as 'Significant'

- Level 4

A *crisis* is an extremely rare event causing severe and sustained disruption to acceptable service levels thereby constituting a considerable risk to public health. A *crisis* is likely to require the mobilisation of public and/or emergency services and the re-organisation of corporate priorities.

NB: Level 4 Crises are also registered on the Significant Incident Database and counted as 'Significant'.

- Industrial Action

In the event of the withdrawal of labour resulting in severe disruption of supplies to the customer, special contingency plans will be made, dependent on the type and extent of the industrial action.

Standard emergency reporting procedures

Licensees are expected to integrate their own plans and procedures into those of YW. Licensees will have access to the necessary YW databases and communication and control networks.

YW's QMS specifies the procedures and processes and data flow requirements to meet its obligations to maintain the water supply network and to protect the interests of its customers. Event handling and reporting is co-ordinated by YW's Control Centre and in particular via the Duty Manager. A common process is applied to assess the scale and response to all events which is escalated as appropriate.

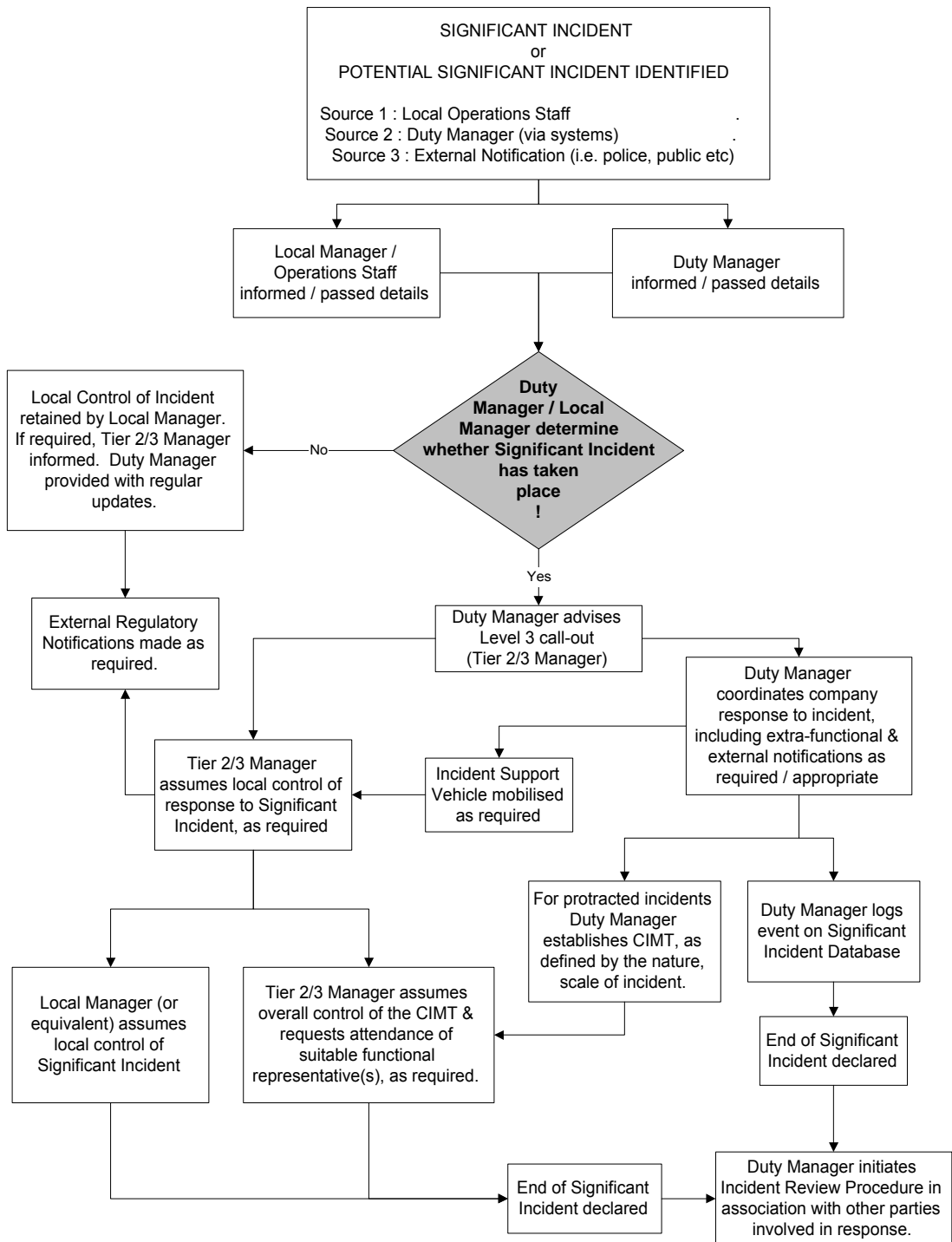
The following section is extracted from YW's QMS:

Potential Significant Incidents

The following list of events could represent a Significant Incident or could give rise to a Significant Incident. As such, they should be reported to the Duty Manager as soon as possible:

- Customers subjected to unplanned interruptions exceeding 3 hours.
- Unplanned interruptions affecting more than 50 properties.
- Any planned interruption that will exceed or has exceeded the notified planned duration.
- Priority One alarms not acted upon by field staff.
- Pollution.
- Any breach of security (verified).
- Any accidents resulting in personal injury.
- Power failures.
- Lightning strikes.
- Any potential chlorination problems.
- Any pump failure affecting the Water Resources Allocation Plan (WRAP).
- Any WRAP changes.
- Any Bacti failure.
- Media interest, potential or actual.
- Rapid deterioration of reservoir level or increase likely to result in overflow.
- External contacts into YW (Environment Agency, Environmental Health, Media).
- Any event with the potential to lead to a Significant Incident.

When reporting a Significant Incident, the following flowchart is used during the initial identification/notification, and subsequently for establishing appropriate command structures:



Detailed responsibilities during the Water (and Waste Water) Significant Incidents are identified within the Emergency Procedures Databases. However, in general terms, certain generic responsibilities can be defined which apply to all Significant Incident types, across both Business Units: These are as follows:

Action	Responsibility
Declaring a Significant Incident	Duty Manager Customer Service Manager Catchment Manager Production Optimization Mgr Water Quality Manager
Appointing an Incident Manager & establishing the Company Incident Management Team	Duty Manager
Liaison with local agencies and authorities During a Significant Incident.	Duty Manager Science Manager Security & Emergency Pl'g Mgr
Liaison with Regulatory bodies	Duty Manager Appropriate Functional Manager Science Manager Security & Emergency Pl'g Mgr.
Customer communication	Incident Manager Capital Comm's Manager Local Operational Managers Business Customer Services
Media relations	External Comm's Manager Media Relations Manager Incident Manager
Shareholders/City relations	YW Managing Director Kelda Plc Directors / Executive
Internal information Manager	Duty Manager / Incident Local Operational Managers
Mobilisation of dedicated emergency equipment	Duty Manager / Incident Mgr Emergency Planning Manager
Insurance claims	Duty Manager / Incident Mgr Insurance Manager

Depending upon the nature and scale of the Significant Incident, there may be a requirement to notify certain external organisations both at a Local and National Level. The following checklist is intended as a guide:

Local Bodies:

- Emergency Services
- Local Authorities
- Environment Agency
- Local Utilities / Water Companies
- Local Media
- Health Authorities

National Bodies:

- Defra
- Drinking Water Inspectorate (DWI)
- Food Agency
- Environment Agency at National level
- Other Government departments where necessary
- National Media

Other Water Companies

Major emergency reporting procedures

The classification of events will determine the appropriate response.

See also sections 6.2.3 and 6.2.4 below which explains the background and obligations on undertakers and Licensees with respect to security and emergency planning.

Licensees are expected to integrate their own plans and procedures into those of YW. Licensees will have access to the necessary YW databases and communication and control networks.

Under Section 5 of the Water Undertakers (Information) Direction 1998 a water undertaker (and now also a Licensee, either separately or by liaison with the undertaker) shall notify the Secretary of State of:

- (a) the occurrence of any event which, by reason of its effect or likely effect on the quality or sufficiency of water supplied by it gives rise to a significant risk to health of persons to whom water is supplied;
- (b) any other matter relating to the supply of water which:-
 - (i) in the opinion of the undertaker is of national significance; or
 - (ii) has attracted, or, in the opinion of the undertaker, is likely to attract significant local or national publicity; or
 - (iii) in the opinion of the undertaker, has caused or is likely to cause significant concern to persons to whom water is supplied.

Within one month of the date of the notification given in accordance with sub-paragraph (2)(b), or such longer period as may in any case be agreed with the Secretary of State, the water undertaker (and Licensee) shall submit a report relating to the event or matter and containing:

- (a) such information as is necessary to supplement the information given in accordance with sub-paragraph (2)(b);

- (b) if samples were taken in connection with the event or matter, particulars of the time at which the samples were taken, the places from which the samples were taken and the results of the analysis of the samples;
- (c) a copy of any report or advice provided to the water undertaker by its medical, scientific or technical advisers, any local authority or any district health authority;
- (d) an assessment of the effectiveness of the action taken in respect of the event or matter and of the adequacy of arrangements for liaison with the local authority, the district health authority, the emergency services and the public, and as the case may be;
- (e) a statement of the proposals, if any, for further action identified by the undertaker as being necessary or desirable in the light of the event or matter;
- (f) such other information relating to the event or matter as the undertaker may determine.

5.5 Emergency procedures for dealing with specific events, issues and incidents

YW's emergency plan is a compilation of information and procedures held in a number of integrated databases which include; Duty Managers Plans and Procedures; Clean Water Emergency Procedures; Waste Water Emergency Procedures; Business Continuity Planning. Policy development and procedural implementation are co-ordinated by YW's Security and Emergency Planning Department which also provides a security and emergency planning advisory service to the company and acts as a point of contact for security and emergency planning specialists within external organisations. The Security and Emergency Planning Department is based at the Regional Operations Control Centre (ROCC), Bradford.

Licensees are expected to participate in the development of emergency planning and will have access to the necessary YW databases and communication and control networks. Details will be discussed with Licensees during the various stages of the application process.

5.6 Customer protection

Special consumers

See section 6.2.1

Large scale customer warning procedures

See section 6.2.2

Emergency compensation payments

Licensees are not customers of water undertakers for the purposes of the Government's Guaranteed Standards Scheme (GSS). Negotiations between YW and Licensees will determine the terms of any similar arrangement, based on the levels of compensation set out in the GSS that might be included in an access agreement. Any compensation payments will be paid to the Licensee who may pass them on to its customers as appropriate.

Emergency operational planning exercises

See section 6.2.4 also.

A key aspect of emergency planning is to develop relationships with all external organisations with whom YW share joint emergency procedures, to enhance the quality of those procedures and effect a coordinated response in the event that the implementation of those procedures is ever required. YW does this by testing existing emergency procedures and training employees in their implementation through an ongoing programme of interactive workshops, seminars and live/table-top exercises and reviewing and improving emergency procedures. Representatives of the company also participate in exercises created and run by other organisations.

The number of Emergency Planning exercises to be held in any one year is prepared at the beginning of the year and at least 1 clean water exercise will involve liaison with external agencies. The business units (clean and waste water) are consulted as to what procedural areas they would wish exercises to be based on e.g. petrol in sewers / Crypto in water. Exercises are carried out in different operational area of the region to enable as many different colleagues as possible to participate but basing the management around core Company Incident Management Team Personnel where necessary. Following exercises a short report is prepared identifying key learning points and recommendations for improvement. These are considered by the relevant business unit management team and when implemented following review, they are entered onto YW's Action Tracking database.

Licensees are expected to participate fully in these exercises and develop procedures to support YW's emergency plans.

5.7 Support processes

Arrangements for press liaisons

YW's Public Relations Team is responsible for managing the company's relationship with the press and broadcast media. In an emergency incident, the role of the team is to deal with any media interest in such a way as not to compromise the operational response to the incident and to manage the issue of public health information in liaison with other public health organisations and emergency services which may also be involved.

YW's policy is that in any major incident all media enquiries should be directed to the PR Team and on no account should colleagues respond to enquiries or provide interviews without authorisation from the media team. Licensees are expected to comply with this policy and will be required to nominate a contact point to enable the exchange of information. If required, joint press statements will be issued.

Arrangements for the dissemination of severe weather warnings

In the event of imminent severe weather YW will notify Licensees who will be required to nominate a contact point. As a guide for Licensees, in such circumstances YW makes reference to its Impending Severe Weather Checklist:

- Check tanker fleet availability
- Check standby generators, test run and check fuel levels
- Check availability of portable generators, make sure they are working
- Check availability of staff and roll-call procedures for calling in after severe weather
- Take vans/equipment home
- Check tankers are full and fuelled up
- Prepare emergency plant
- Secure buildings and equipment stored outside
- Check computers and non-essential electronic equipment are switched off

Licensees, particularly in the case of combined supplies provided from their own plant, will need to consider these and other factors in preparing their own response actions

Emergency contacts

YW has in place numerous procedures and response measures to emergency incidents and events. Licensees will be expected to liaise with YW in the administration of the procedures. In general each party's duties can be summarised as follows:

- YW has a duty to maintain procedures to meet its responsibility to operate, maintain and control the supply system within its appointed area
- Licensees must co-operate with YW in its role as supply system operator. A Licensee must carry out the activities authorised by its Licence in a manner which does not actually or potentially jeopardise the proper, efficient and economical performance by any water undertaker of its functions⁷, which includes its management of the supply system.

YW will liaise with Licensees on the maintenance of records in order to maintain contact arrangements during responses to emergency events. The access agreement will set out the specific information flows required in each case.

5.8 Reportable situations

YW and Licensees must comply with the requirements of external bodies such as the DWI, HSE, EA, Local Authorities and the Health Protection Agency in informing them of certain events at sources or on the network. YW maintains systems and procedures which detail these requirements. YW and Licensees will need on occasions to liaise on reporting matters and should also inform each other of these events.

⁷ Standard Conditions of Water Supply Licences, paragraph 2

Part 6 Customer contact arrangements

When a Licensee is granted access to the YW water supply system YW will retain operational control of the network. Licensees will usually be responsible for customer services (the retail functions) to its customer but some Licenses may wish YW to continue to carry out some of these activities and this will be set out in the access agreement. Customers require a clear point of contact at all times for emergencies, general enquiries and complaints. Licensees must ensure that the customer is aware of any instances when YW should be the point of contact.

6.1 Customer contact arrangements for operational queries and complaints

Customer meter reading

Licensees will usually be responsible for routine monthly reading of the customer's meter. Licensees will need to supply their customers with the appropriate contact names and numbers. YW may need to arrange to carry out meter reading checks. This will be arranged by the YW Business Customer team and will be communicated to customers via the Licensee – see also section 4.2.2.

Billing and debt collection

Licensees will be responsible for billing and collection from their customers.

Operational issues

YW will continue to fulfil the role of network operator. A Licensee's customers should therefore continue to refer their routine queries as follows:

- Water Supply queries
Contact should be made direct to YW (number to be supplied as part of access agreement)
- Sewerage queries
Contact should be made direct to YW (number to be supplied as part of access agreement)

Complaint handling processes

Customers should direct their complaint to their Licensee in the first instance. Access agreements made between YW and Licensees will set out how complaints are allocated depending on which activities are carried by each party. Customers will need to understand the relationship between the Licensee and YW and how any investigation will be handled – this information should be provided by Licensees with billing and other contact information.

Customers of Licensees can also contact the Consumer Council for Water (CCWater). If after complaining to the Licensee a customer remains dissatisfied they can then put the complaint in writing to:

CCWater
1st floor
Victoria Square House
Victoria Square
Birmingham
B2 4AJ

Please note that CCWater cannot help with problems relating to the terms or conditions of a contract.

Obligations on water undertaker

Obligations on Licensees

Standard Condition 5 of the Water Supply Licence and Condition of Appointment R set out a Licensee's and YW's duties to provide information to each other on issues such as water quality, water pressure, continuity of supply, matters affecting the water supply system and also details of eligible premises with consumers with particular needs or those who require water urgently for medical purposes.

Disconnection

YW can disconnect customers' premises when necessary for the purpose of carrying out works where it is reasonable to do so (section 60 WIA91), at the request of the consumer (section 62 WIA91) and to prevent contamination or waste (section 75 WIA91). YW will liaise with Licensees should disconnection of their customers become necessary.

6.2 Customer contact arrangements for emergencies and events

Special consumers

YW maintains a register of special consumers. This is known as Helping Hands. Helping Hands holds information about customers special needs e.g. dialysis, constant supplies, hard of hearing etc. Customers can self register and the register is also updated routinely with information provided by local hospitals. YW maintains records of Vulnerable Establishments (registered by the local councils). During emergencies or other events YW makes reference to these registers to ensure that the needs of special consumers are accommodated. It is essential therefore that this register is maintained with up to date information. YW will liaise with Licensees on the maintenance of records in order to maintain contact arrangements during responses to emergency events.

Large scale customer warning procedures

YW has in place procedures to make large scale customer warning as appropriate to the magnitude (significant incident, emergencies and crises) of the event and any escalation process. Details of these procedures and plans will be made available to Licensees during the Agreement process and will commence when the YW network is first used to supply Licensee's customers Licensee's are expected to comply with the requirements of these procedures and provide information and resources as required.

Obligations on water undertakers

Section 208 of the WIA91 relates to Directions in the interests of national security and places a duty on undertakers to those Directions. The WIA91 has an amended section 208 to include licensed water suppliers within the remit of the Secretary of State's powers to make Directions with regard to issues of national security and emergency planning. In order to ensure the continuity of the existing arrangements following the introduction of the water supply licensing regime a Direction has been produced for licensed water suppliers and Guidance on that Direction. A new Direction for water undertakers, to tie in with the provisions in the licensed water supplier's Direction has also been produced and is in addition to the Security and Emergency Measures (Water and Sewerage Undertakers) Direction 1998. All of these documents can be found on the Defra website: www.defra.gov.uk.

Once Licensees are established the Secretary of State will issue a Direction requiring Licensees to establish plans for emergencies and security events. Plans need to be made in liaison with the incumbent water undertakers who have their own plans in place.

Obligations on Licensees

The purpose of the Direction is to ensure that a Licensee has in place a plan to enable the continued supply of water to its customers in the event of an emergency or security event.

A plan must be made in respect to each water undertaker's supply system that it proposes to use, and prior to the commencement of supply.

A Licensee's main duties are:

- To permit undertakers without notice to use Licensees' facilities to maintain a supply from the undertaker to the Licensee.
- Make a plan for the provision of a supply of water during an emergency event. A plan requires that a Licensee makes provision for trained personnel, emergency communication and operational facilities.
- To maintain these facilities.
- To implement the plan.
- To co-operate and consult with relevant bodies as appropriate.
- As soon as it becomes aware of any actual or likely emergency or security event to notify the water undertaker and the Secretary of State.
- To review and revise plans annually. These are to be submitted to the Secretary of State.
- To furnish the Secretary of State annually with a statement that the Licensee has complied with the requirements of any plan and that the necessary facilities are available to it. This statement is to be certified on behalf of the Licensee by a person approved by the Secretary of State.

Senior managers of the Licensee's company will be required to obtain security clearance from Defra.

Licensees will be included in strategic and operational planning meetings. YW undergoes routine systems and procedures testing in which Licensees will be required to participate.

Part 7 Supply system connections

Supply system connections are managed by YW's New Supplies Unit. An outline description of the information requirements and processes (including `self-lay`) can be obtained by contacting them at:

New Supplies
Water Services Centre
Yorkshire Water Services Ltd
PO Box 52
Bradford BD3 7YD
Tel: 01274 608008

Or by visiting the YW website:

<http://www.yorkshirewater.com/extra-services/developer-services/new-water-connections.aspx>

Ofwat's access code template asks undertakers to consider the different types of connections and their fees.

7.1 Connection of Licensee's source to supply system

As part of an application for combined services to connect a Licensee's source it will be necessary to identify the proposed point of entry and the required infrastructure. The cost associated with this work, which will reflect the case-specifics of each situation, is the responsibility of the Licensee.

7.2 Connection of qualifying premises to the supply system

YW's Charges Scheme & Scale of Other Charges, published annually, includes details of charges for the connection of qualifying (and other) premises to YW's supply system. This can be found at:

<http://www.yorkshirewater.com/managing-your-account/our-charges.aspx>

Licensees should also inform the sewerage undertaker, where applicable, of this new connection and be prepared to provide water usage information for billing purposes and any other operational reasons.

7.3 Connection of secondary water undertaker's supply system to the primary water undertaker's supply system

This where a secondary (neighbouring) undertaker sells water to the Licensee, effectively at the boundary and then introduces water into YW's water supply system. It will be necessary to identify the proposed point of entry and the required infrastructure. The cost associated with this work, which will reflect the case-specifics of each situation, is the responsibility of the Licensee.

In general it is likely that common carriage arrangements will incorporate a combination of connection types and it may also be the case that Licensees might wish to `self-lay` elements of the required infrastructure. These issues and detailed matters relating to location of connection, metering, volumes and pressure, should be raised and discussed at the initial application stage.

Part 8 Legal contract, arbitration and disputes resolution

8.1 Contract terms

Contract negotiations for a Wholesale Access Agreement or a Combined Access Agreement may begin at any stage during the application procedure but the final contract terms will only be agreed after the successful completion by the Licensee of the detailed application stage.

The final terms and conditions of each Agreement will be specific to the facts and circumstances of each application taking all relevant factors into account YW's water supply system, the needs of YW's customers and YW's statutory obligations. The terms and conditions of each Agreement will be negotiated by YW with due regard to the costs principles set out in YW's Access Code and to YW's duty not to show undue preference to, or undue discrimination against, any actual or potential Licensee or customer.

By signing an Agreement both parties will be bound by the terms of this Access Code.

For each Combined Access Agreement a new Agreement will be negotiated for each application. The Wholesale Access Agreement will take the form of one Wholesale Master Agreement with separate Customer Schedules for each customer participating in the initial application to which further Customer Schedules can be added, or from which existing Customer Schedules can be withdrawn, from time to time by agreement of both parties.

Though the format of the two types of Agreement will differ and each Agreement will be individually negotiated, the following list of contract terms in 8.1.1 below indicates the types of clauses that may appear in each Agreement but not necessarily in the listed order. Some of the clauses are more relevant to Wholesale Access Agreements, others more relevant to Combined Access Agreements. Some will be relevant to both.

The list below at 8.1.1 is not exhaustive but would form the basis of any negotiation and YW reserves the right to include additional clauses or alternative clauses or to omit some of the listed clauses if the circumstances of any application by a Licensee require it.

Contents

This section is envisaged to contain the following headings:

(i) Recitals

Recitals are the "whereas" clauses that precede the body of a contract. They will explain in general terms what the Agreement is about, who the parties are, why they are entering into the Agreement, etc.

(ii) Definitions

This clause will explain what the key terms and phrases used in the body of the Agreement mean.

(iii) Conditions precedent

This clause will set out those conditions that must be fulfilled by each party to the Agreement before performance under the Agreement can become due.

(iv) Permission to access the supply system in relation to the Contract in question

This clause will set out the formal requirements with regard to the following:

- Access will only be granted to Licensees holding a relevant Water Supply Licence in accordance with the WIA91.

- Licensees will not acquire ownership or control of any of YW's assets.
- Physical details of access will be in accordance with this Access Code, Ofwat's Guidance on Access Codes, and DWI requirements.
- Duration: Agreements will be indefinite and include a clause allowing the parties to review on certain conditions to be agreed upon.
- Links with the Access Code.

(v) Acceptance of Network Access Code

If it is relevant a clause will provide that both parties must accept and be bound by the provisions of the YW's published Access Code which may need to form part of the Agreement.

(vi) Modifications

This clause will set out the process whereby either party can request changes to the terms of the Agreement can be made after completion.

(vii) Ownership of supply system and Vesting

This clause will clarify that ownership of the YW supply system remains with YW and that the Agreement does not confer any responsibilities for ownership, maintenance or other use of the supply system to the Licensee or to the Licensee's customer(s).

(viii) Material Change

This will be linked to clause vi) (Modifications) above

(ix) Liability

This clause will seek to apportion responsibility for certain events, to exclude liability for certain categories of damages, and to place reasonable limits on overall liability. It will seek to address, inter alia, liability, including, where appropriate, indemnities relating to

- liability for damage and/or injury caused by each party to the other's property
- and/or personnel;
- liability for damage and/or injury caused to third party property or to the public;
- liability for environmental impairment;
- liquidated damages for breach by the Licensee of measurable requirements.

(x) Force Majeure

This clause will make provision to excuse either party from liability if some unforeseen event beyond the control of that party prevents it from performing its obligations under the Agreement. It will cover natural disasters or other "Acts of God", war, or the failure of third parties such as suppliers and subcontractors to perform their obligations to the contracting party, provided the failure to perform could not be avoided by the exercise of due care by that party.

(xi) Exclusions

Linked to clause ix) (Liability) above. This clause will seek to exclude liability for certain categories of damages, and to place reasonable limits on overall liability.

(xii) Indemnity

Linked to clause ix) (Liability) and clause xi) (Exclusions) above. This clause will provide a legal exemption from the penalties or liabilities incurred as a result of the actions of the other party.

(xiii) Duration

WMAS will be indefinite and not terminated automatically. Agreements will include a clause allowing the parties to review on certain conditions, e.g.: after 5 years (or some other agreed period); after a period of inactivity by the Licensee; in the event of substantial or relevant changes of circumstance. Termination of the contract will be linked to the outcome of this review. Where a Licensee has not signed up to a premises specific schedule within a certain period of time (to be agreed) the agreement will include provisions for YW and the Licensee to review that situation. Following this review YW and the Licensee may decide that the best course of action would be to terminate.

(xiv) Termination

This clause will set out those events which will enable the Agreement to be brought to an end by either party.

(xv) Emergency Suspension

This clause will provide for the necessary suspension of the operation of the Agreement in certain situations classified as being an emergency

(xvi) Back-up supplies

A back-up supply is an optional service not a mandatory service or duty. YW and Licensees can reach an agreement on the conditions and costs of this type of supply.

(xvii) Payment

This clause will set terms of access charges and the arrangements for payment of same.

(xviii) Dispute Resolution

This clause will set out the procedure to be followed in the event that any dispute or difference concerning this Agreement arises between the Licensee and YW, in order to determine how such dispute or difference shall be resolved.

(xix) Notices

This clause will deal with the procedure for transmitting formal notices between the parties, for example specifying that all notices under the Agreement shall be in writing and shall be sent by e-mail or facsimile or first class registered or recorded delivery post to the other party.

(xx) Assignment and Alienation

This clause will set out the process for one party assigning its rights and obligations under the Agreement to a third party and the conditions which must be satisfied before consent to such assignment will be granted by the other party.

(xxi) Variations

Linked to clause vi) (Modifications) and clause viii) (Material Change) above

(xxii) Waiver

This clause will set out that no failure or delay by either party in exercising any right, power or privilege under the Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any right, power or privilege under the Agreement.

(xxiii) Severability

This clause will provide that if any term or provision of the Agreement shall be held to be illegal or unenforceable in whole or in part under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form part of the Agreement but the validity and enforceability of the remainder of this Agreement shall not be affected

(xxiv) Entire Agreement

This clause will provide that the Agreement sets out the entire agreement between the Parties and shall supersede all prior representations, arrangements, understandings and agreements between the parties relating to the subject matter of the Agreement.

(xxv) Jurisdiction

This clause will provide that the construction validity and performance of the Agreement shall be governed at all times by English Law.

(xxvi) Confidentiality

This clause will make provision for confidentiality obligations to apply between the parties to the agreement.

(xxvii) Insurance

This clause will require that the Licensee shall at all times from the date of the Agreement effect and maintain with insurers acceptable to YW sufficient insurance cover in respect of its liabilities under the Agreement.

(xxviii) Third Party rights

This clause will specify that unless a right of enforcement is expressly provided for in the Agreement it is not intended that a third party shall have the right to enforce any term of the Agreement pursuant to the Contract (Rights of Third Parties) Act 1999.

(xxix) Compensation.

This clause will specify the contractual penalties which will be applied under an Access Agreement in the event of breaches of the Agreement.

(xxx) Provision of bonds and guarantees on a non-discriminatory basis

YW does not require security deposits, bonds or guarantees from large users and would not normally expect to require these from Licensees unless there was a risk of significant loss in the event of non-payment. However, unlike the statutory relationship YW has with a customer where YW can rely on its powers of disconnection to encourage payment of bills, this is not the case with Licensees with which YW has a contractual relationship. This distinguishes the two circumstances and therefore YW would expect to negotiate with Licensees about any provisions to be made in the agreement to take account of their non-payment of bills which would include the right to terminate the access agreement in the event of non-payment.

8.2 Arbitration and disputes resolution processes

The agreement shall include a process for negotiation between the parties with a view to reaching an amicable resolution of any dispute arising during the Agreement term to be utilised as an initial informal resolution process. Other procedures such as reference to an expert or mediator can be followed if agreement cannot be reached. Ultimately reference can be made to the courts or to Ofwat where it has jurisdiction to resolve disputes. Ofwat has powers to handle queries and disputes and make determinations in the following areas:

- Eligibility
- Terms and conditions of proposed access agreements
- Conditions for refusing supplies

Ofwat's "Procedure for handling water supply licensing determinations" can be found at: http://www.ofwat.gov.uk/competition/wsl/wslpublications/qud_pro_wslideterpro.pdf

Conciliation is a form of alternative dispute resolution process in which the parties use a neutral third party to improve communication and explore possible solutions to disputes. It is similar to mediation but can be less formal. It is a non-binding resolution process.

Mediation is a form of alternative dispute resolution process utilising a trained mediator who is a neutral third party. Its aim is to reach a solution that both parties agree on. It is more formal than conciliation but is also non-binding.

Arbitration is a formal method of alternative dispute resolution that allows the parties to settle any dispute without court action. A neutral third party arbitrator is appointed by agreement or on application to a recognised organization of arbitrators. Decisions should be seen as final as there is very limited scope for appeals.

Part 9 Access pricing

Access prices have been produced in line with the costs principle⁸. The costs principle is intended to fully compensate water undertakers for the costs it incurs or avoids (ARROW costs⁹) when providing a wholesale or combined supply as compared with the revenue generated from continuing to supply the final customer. YW has followed Ofwat's guidance on pricing methodology – this should be referred to when using this part of the code.

9.1 Indicative access prices

The underlying assumptions used in the calculation of prices are included in each section.

Indicative wholesale access prices

YW's wholesale access prices are based on a retail discount of £1,011 per annum for the first business customer; discounts for further customers being served by the same Licensee are also shown. The discount is the same for the two geographical tariff areas of YW and York, and does not vary with the size of eligible customer.

- Tariff details have been taken from the YW Charges Scheme.
- Future years' prices, for the next Periodic Review period which is the subject of the current price determination process, have not been inflated.
- Standing charges assume: 50MI/a customer has 3x50mm meter, a 500MI/a customer has 3x150mm meter.
- Retail income calculation:

50MI at base rate + next 200MI at reduced rate + > 250MI at further reduced rate + standing charge.

Average charge per m³ = Retail income divided by volume

- An analysis of meter reading activities was undertaken to ascertain the annual number of meter reads which, on average, >50MI customers have 3 meters per site and are read on a monthly basis. We have assumed that for customers of Licensees only two check meter reads per annum are required, as opposed to the 12 currently undertaken.
- The customer would remain with YW for sewerage services.

⁸ Sections 66D & 66E of WIA91

⁹ Avoided or Reduced or Recoverable in Other Ways.

Table 1.1 Indicative wholesale access prices.

Tariff Area: Yorkshire	Year	2009-10	2010-11	2011-12	2012-13	2013-14
Company specific Large User K	%		0.0	0.0	0.0	0.0
For 50 MI per annum						
Retail price	£/m ³	1.2234	1.2234	1.2234	1.2234	1.2234
Wholesale price - 1st customer	£/m ³	1.2032	1.2032	1.2032	1.2032	1.2032
Wholesale discount - 1st customer	£/m ³	0.0202	0.0202	0.0202	0.0202	0.0202
Wholesale discount - 2nd customer with same licensee	£/m ³	0.0257	0.0257	0.0257	0.0257	0.0257
For 500 MI per annum						
Retail price	£/m ³	0.7437	0.7437	0.7437	0.7437	0.7437
Wholesale price - 1st customer	£/m ³	0.7417	0.7417	0.7417	0.7417	0.7417
Wholesale discount - 1st customer	£/m ³	0.0020	0.0020	0.0020	0.0020	0.0020
Wholesale discount - 2nd customer with same licensee	£/m ³	0.0026	0.0026	0.0026	0.0026	0.0026
Price base = 2009-10						

Tariff Area: York	Year	2009-10	2010-11	2011-12	2012-13	2013-14
Company specific Large User K	%		0.0	0.0	0.0	0.0
For 50 MI per annum						
Retail price	£/m ³	0.6814	0.6814	0.6814	0.6814	0.6814
Wholesale price - 1st customer	£/m ³	0.6612	0.6612	0.6612	0.6612	0.6612
Wholesale discount - 1st customer	£/m ³	0.0202	0.0202	0.0202	0.0202	0.0202
Wholesale discount - 2nd customer	£/m ³	0.0257	0.0257	0.0257	0.0257	0.0257
For 500 MI per annum						
Retail price	£/m ³	0.5872	0.5872	0.5872	0.5872	0.5872
Wholesale price - 1st customer	£/m ³	0.5852	0.5852	0.5852	0.5852	0.5852
Wholesale discount - 1st customer	£/m ³	0.0020	0.0020	0.0020	0.0020	0.0020
Wholesale discount - 2nd customer	£/m ³	0.0026	0.0026	0.0026	0.0026	0.0026
Price base = 2009-10						

Discounts for higher level of market share - both tariff areas						
Average wholesale discount per customer for a licensee serving 50% of eligible customers by volume	£/m ³	0.0065	0.0065	0.0065	0.0065	0.0065
Average wholesale discount per customer for a licensee serving 100% of eligible customers by volume	£/m ³	0.0065	0.0065	0.0065	0.0065	0.0065
Price base = 2009-10						

Indicative combined access prices

The AMP5 Water Resources Management Plan for 2010 -15 and onwards to 2035. In the period YW has no Supply deficits in any of the three current 3 water resource zones. The tables below reflect this by calculating discounts which take into account the wholesale discounts shown above plus the marginal reduction in YW operating costs in each of the zones. As a consequence tables are shown for access starting in 2009 -10 only, discounts in all subsequent years are identical.

YW is currently constructing a pipeline which will link the East GWZ to the Grid SWZ , the effect of which is to remove the East GWZ and reduce the number of water resource zones to two (Grid SWZ and East SWZ) in year 2011 - 12. This is reflected in the tables below.

Table 1.2: Indicative Combined Supply Prices – Grid SWZ.

No deferral of Capex can occur in this period.

Access start date: 2009-10 Water resource zone: Grid SWZ Tariff area: YW Price base: 2009-10		2009-10	2010-11	2011-12	2012-13	2013-14
Forecast potential Supply Deficit without licensee's water or water undertaker's investment* (-ve is deficit)	MI/d	11.52	4.81	14.86	17.93	20.63
50 MI per year						
Retail price	£/m ³	1.2234	1.2234	1.2234	1.2234	1.2234
Combined supply discount	£/m ³	0.0885	0.0885	0.0885	0.0885	0.0885
Supply surplus with licensee's water and water undertaker's revised investment plan.	MI/d	11.66	4.95	15.00	18.07	20.78
500 MI per year						
Retail price	£/m ³	0.7437	0.7437	0.7437	0.7437	0.7437
Combined supply discount	£/m ³	0.0703	0.0703	0.0703	0.0703	0.0703
Supply surplus with licensee's water and water undertaker's revised investment plan.	MI/d	12.89	6.18	16.23	19.30	22.01

Future years forecast potential Supply Deficit without licensee's water or water undertaker's investment (-ve is deficit)	MI/d
2014-15	22.55
2015-16	23.83
2016-17	24.68
2017-18	24.74
2018-19	23.73
2019-20	21.32
2020-21	20.35
2021-22	20.41
2022-23	20.81
2023-24	21.55
2024-25	22.16
2025-26	21.88
2026-27	21.09
2027-28	19.68
2028-29	18.76
2029-30	17.43
2030-31	15.36
2031-32	13.15
2032-33	11.49
2033-34	9.90
2034-35	8.08

Table 1.3: Indicative Combined Supply Prices – Grid SWZ (York area) – NB part of Grid SWZ but separate tariff area

Access start date: 2009-10 Water resource zone: Grid SWZ Tariff area: York Price base: 2009-10		2009-10	2010-11	2011-12	2012-13	2013-14
Forecast Supply Deficit without licensee's water or water undertaker's investment* (-ve is deficit)	MI/d	N/A	N/A	N/A	N/A	N/A
50 MI per year						
Retail price	£/m ³	0.6814	0.6814	0.6814	0.6814	0.6814
Combined supply discount	£/m ³	0.0885	0.0885	0.0885	0.0885	0.0885
Supply surplus with licensee's water and water undertaker's revised investment plan.	MI/d	N/A	N/A	N/A	N/A	N/A
500 MI per year						
Retail price	£/m ³	0.5872	0.5872	0.5872	0.5872	0.5872
Combined supply discount	£/m ³	0.0703	0.0703	0.0703	0.0703	0.0703
Supply surplus with licensee's water and water undertaker's revised investment plan.	MI/d	N/A	N/A	N/A	N/A	N/A

Future years forecast Supply Deficit without licensee's water or water undertaker's investment (-ve is deficit)	MI/d
2014-15	N/A
2015-16	N/A
2016-17	N/A
2017-18	N/A
2018-19	N/A
2019-20	N/A
2020-21	N/A
2021-22	N/A
2022-23	N/A
2023-24	N/A
2024-25	N/A
2025-26	N/A
2026-27	N/A
2027-28	N/A
2028-29	N/A
2029-30	N/A
2030-31	N/A
2031-32	N/A
2032-33	N/A
2033-34	N/A
2034-35	N/A

Table 1.4: Indicative Combined Supply Prices – East SWZ.

No deferral of Capex can occur in this period.

Access start date: 2009-10 Water resource zone: East SWZ Tariff area: YW Price base: 2009-10		2009-10	2010-11	2011-12	2012-13	2013-14
Forecast Supply Deficit without licensee's water or water undertaker's investment* (-ve is deficit)	MI/d	4.40	4.48	4.51	4.31	4.36
50 MI per year						
Retail price	£/m ³	1.2234	1.2234	1.2234	1.2234	1.2234
Combined supply discount	£/m ³	0.0691	0.0691	0.0691	0.0691	0.0691
Supply surplus with licensee's water and water undertaker's revised investment plan.	MI/d	4.54	4.62	4.65	4.45	4.50
500 MI per year						
Retail price	£/m ³	0.7437	0.7437	0.7437	0.7437	0.7437
Combined supply discount	£/m ³	0.0509	0.0509	0.0509	0.0509	0.0509
Supply surplus with licensee's water and water undertaker's revised investment plan.	MI/d	5.77	5.83	5.88	5.68	5.73

Future years forecast Supply Deficit without licensee's water or water undertaker's investment (-ve is deficit)	MI/d
2014-15	4.40
2015-16	4.43
2016-17	4.45
2017-18	4.49
2018-19	4.52
2019-20	4.53
2020-21	4.55
2021-22	4.57
2022-23	4.56
2023-24	4.60
2024-25	4.63
2025-26	4.65
2026-27	4.66
2027-28	4.66
2028-29	4.66
2029-30	4.68
2030-31	4.68
2031-32	4.69
2032-33	4.69
2033-34	4.70
2034-35	4.70

Table 1.5: Indicative Combined Supply Prices – East GWZ.

No deferral of Capex can occur in this period.

Access start date: 2009-10 Water resource zone: East GWZ Tariff area: YW Price base: 2009-10		2009-10	2010-11	2011-12	2012-13	2013-14
Forecast Supply Deficit without licensee's water or water undertaker's investment* (-ve is deficit)	MI/d	18.53	18.80	N/A	N/A	N/A
50 MI per year						
Retail price	£/m ³	1.2234	1.2234			
Combined supply discount	£/m ³	0.0599	0.0599			
Supply surplus with licensee's water and water undertaker's revised investment plan.	MI/d	18.67	18.94			
500 MI per year						
Retail price	£/m ³	0.7437	0.7437			
Combined supply discount	£/m ³	0.0417	0.0417			
Supply surplus with licensee's water and water undertaker's revised investment plan.	MI/d	19.90	20.17			

Future years forecast Supply Deficit without licensee's water or water undertaker's investment (-ve is deficit)	MI/d
2014-15	N/A
2015-16	N/A
2016-17	N/A
2017-18	N/A
2018-19	N/A
2019-20	N/A
2020-21	N/A
2021-22	N/A
2022-23	N/A
2023-24	N/A
2024-25	N/A
2025-26	N/A
2026-27	N/A
2027-28	N/A
2028-29	N/A
2029-30	N/A
2030-31	N/A
2031-32	N/A
2032-33	N/A
2033-34	N/A
2034-35	N/A

9.2 Case specific access prices

The calculation of case specific access prices will involve re-assessment of the underlying assumptions on which indicative charges were based. In accordance with Ofwat's guidance this calculation will be transparent and non-discriminatory with respect to water resource positions and pricing. Case specific prices will be included in the access agreement and presented in the format specified in Ofwat's guidance.

Case specific wholesale access prices

Licensees will need to agree with YW the retail service activities that will be performed by each party e.g. Licensees may wish YW to continue to perform the metering activity. YW will calculate the ARROW costs and any additional costs involved in servicing the Licensee.

Case specific combined access prices

For combined prices, in addition to the re-assessment of the retail element of prices, YW will also consider the particular circumstances of the Licensee's introduction of water into the supply system. Network modelling and resource planning tools will be used to assess the implications for costs.

Glossary of defined terms

NB. This is a general listing of terms to be found in this code and in other relevant documentation. The Access Agreement contains its own set of definitions.

Access: The wholesale supply of water by a water undertaker to a Licensee for the purpose of making a retail supply of water to the premises of the Licensee's customer; and the introduction of water by the Licensee into a water undertaker's supply system for that purpose (common carriage).

Access agreement: An agreement between a water undertaker and a Licensee for access by a Licensee to a water undertaker's supply system pursuant to the Retail Authorisation and/or Supplementary (combined supply) Authorisation.

Access code: A water undertaker's document that sets out all principal aspects of access to its supply system and the terms and conditions on which it will grant access to its supply system by a Licensee. The access code comprises the standard terms and conditions common to all water undertakers and the terms and conditions specific to that water undertaker.

Access terms: The terms under which a water undertaker and a Licensee agree access to a water undertaker's supply system.

Adjoining supply system: Supply systems of other water undertakers with direct physical connections to the water undertaker's own supply system.

ARROW costs: Expenses that can be Avoided or Reduced, or any amount that is Recoverable in some Other Way (other than from other customers of the water undertaker) (see section 66E(3) WIA91).

Back-siphonage: Unwanted siphoning of water into the supply system.

Back-up supplies: These are supplies that can be called into operation in the event of failure of the `duty` supply.

Boil notices: A notice issued by the undertaker as a warning that water should be boiled before drinking as a precautionary measure.

Borehole: A hole for abstracting groundwater constructed by boring.

Chemical parameters: Limits for the level of chemicals found in water. Examples are iron, chlorine, sulphates, pesticides, ammonium compounds.

Chlorination: The use of chlorine to disinfect water.

Coliform bacteria: A group of bacteria found in the intestine and faeces of most animals. Coliforms can sometimes be found in untreated water. The treatment process removes them and disinfection prevents their reappearance in the distribution system.

Combined Licence: A Retail Licence with the Supplementary Authorisation, authorising the holder to introduce water into a water undertaker's supply system and to retail that water to a customer's eligible premises (section 17A(6) WIA91).

Combined supply: A supply made pursuant to a combined licence.

Compensation water: Water released to the environment to offset impacts of abstraction or to comply with Appointment Conditions (or both).

Costs principle: As defined in section 66E of the WIA91.

Cryptosporidium: A waterborne micro-organism, single celled protozoan parasite, which causes disease and illness.

Deployable output: The output of a commissioned water supply source, group of sources or bulk supply under worst historical drought conditions as constrained by: abstraction license, if applicable; environment; treatment; raw water mains and/or aquifers; pumping plant and/or well/aquifer properties; transfer and/or output main; water quality.

Disinfection: The process of treating water in order to kill harmful organisms.

Diurnal variations: Variations occurring within a daily (24 hrs) cycle.

Drought: A prolonged period of dry weather that reduces river flows, reservoir inflows or groundwater levels to unusually low levels.

E.Coli: A bacterium taken as an indicator of faecal contamination.

Eligible premises: Premises that satisfy the eligibility requirements in section 17A(3) WIA91. Each of the following three requirements must be satisfied in relation to each of the premises in order for a customer's premises to be eligible:

- The customer's premises must not be "household premises" (as defined in section 17C WIA91).
- When the Licensee first enters into an undertaking with a customer to give the supply, the total quantity of water estimated to be supplied to the premises annually by the Licensee must be not less than 50 megalitres (the "threshold requirement", section 17D WIA91).
- The premises may only be supplied by one Licensee (but may also be supplied by one or more water undertakers).

Fit and proper person: For the purpose of making an access agreement, a person or party will not be deemed fit and proper if there are any relevant convictions, concerns over technical ability, insufficient financial resources available.

Fluoridation: Application of fluoride to drinking water at the request of Strategic Health Authorities as a preventative measure against dental decay.

Groundwater: For the purposes of an access agreement groundwater is defined as water abstracted directly from an aquifer by means of a well, borehole or spring.

Guaranteed Standards Scheme (GSS): A scheme that lays down the minimum guaranteed standards of service that water companies have to deliver. Water companies have to pay compensation to customers if they fail to meet these standards.

Hardness: Characteristics of waters containing dissolved calcium and magnesium salts.

HSE: Health and Safety Executive a government agency responsible for administering all regulations pertaining to health and safety and public security.

Instrument of Appointment: The water (and sewerage) companies operate under Instruments of Appointment, granted by the then Secretaries of State for the Environment and for Wales, or by the Director, to provide water and sewerage services in England and Wales. The Instrument of Appointment imposes conditions on the companies, which the Director is required to enforce.

Interruptible supply points: These are supply points where a continuous water supply is not necessary.

Leakage: the loss of water from the supply network which escapes other than through a controlled action.

Licensee: A company holding either a retail licence or a combined licence.

Major Emergency Procedures: The Major Emergency Procedures are evoked when the situation or the number of people affected is in excess of those which can be dealt with by the Standard Emergency Procedures.

Mandatory parameters: Levels of chemical or biological indicators that must be measured by law. Examples for drinking water are E coli, nitrates, chlorides.

Microbiological parameters: Levels of bacteria for example E coli, coliforms, enterococci, whose presence indicate that the water may be polluted and therefore should not be used as drinking water.

Non-potable water: Water which is not intended for domestic or food production purposes.

Outage: A temporary loss of usable water output due to planned or unplanned events.

Pathogen: An organism which is capable of producing disease.

Point of entry: The point at which treated water enters the supply system as defined by the isolation valve provided by the primary undertaker.

Point of exit: The point at which treated water leaves the supply system. In general this will be either to specific premises or to the supply system of an adjoining water company.

Potable: Water for domestic and food production purposes which is wholesome at the time of supply. This is defined in section 68 of the WIA91 and section 4 of the Water Supply (Water Quality) Regulations.

Primary water undertaker: For the purposes of section 66A WIA91 (wholesale water supply by primary water undertaker) and section 66C WIA91 (wholesale water supply by secondary water undertaker), a water undertaker is the primary water undertaker of a Licensee if the undertaker's supply system is to be used for the purposes of making the supply to the premises of the Licensee's customer.

Priority supply points: Supply points as specified by Defra.

Rechlorination: Usually applied to injection of chlorine to drinking water in the distribution system after it has left the treatment works. Often used to boost chlorine levels at a service reservoir.

Reconciliation process: The balancing of actual demand against actual water supplied into the supply system and the associated financial implications.

Regulatory Compliance Sampling Programme: This is the annual programme of drinking water sampling which the Water Companies must undertake to comply with the requirements of the Water Supply (Water Quality) Regulations 2000 (for England) and 2001 (for Wales) and subsequent amendments.

Retail authorisation: An authorisation to a company to use a water undertaker's supply system for the purpose of supplying water to the eligible premises of customers of the company (section 17A(2) of the WIA91).

Retail Licence: A Water Supply Licence giving the holder the Retail Authorisation, entitling the holder to purchase wholesale a supply of water from the water undertaker and to supply it retail to a customer's eligible premises (section 17A(4) of the WIA91).

Secondary water undertaker: A water undertaker other than the relevant primary water undertaker (section 66C(1)(a)(i) WIA91).

Security of supply: The extent to which water supplies to customers are reliable and not subject to possible restrictions because of a lack of rainfall over a period of time.

Service reservoirs: Any reservoir, statutory or otherwise, which is used to store, treated drinking water.

Sewerage undertaker: A company appointed under the WIA91 to provide sewerage services in respect of a geographical area of England and Wales.

Special consumers: As detailed in condition of appointment R section (8)(6) and Standard Licence Condition 5.

Standard Emergency Procedure: These are a set of procedures for dealing with an emergency. The full or partial implementation of the procedures is dependant on the degree of seriousness of the emergency.

Supplementary Authorisation: An authorisation to a company to introduce water into a water undertaker's supply system for the purpose of making a retail supply of water to a customer.

Supply system: Any water mains and other pipes used for the purposes of conveying potable water from a water undertaker's treatment works to its customer's premises and any water mains and other pipes used to convey non-domestic water from any source to premises that are not connected directly or indirectly to any water mains or pipes connected to those treatment works. This term is defined in section 17B(5) of the WIA91.

Supply system balancing: The process of matching the 'water in' against the 'water out' from the supply system.

Telemetry: The technology for automatically measuring and transmitting data by radio or other means from remote sources to receiving stations.

Treated water: Water of a suitable quality for input to the treated water distribution system and that which results in satisfactory DWI compliance at the customer's tap.

Treated water quality monitoring: Regular sampling and analysis of untreated and treated water. Examples include daily measurement of free chlorine at treatment works or annual sampling for mercury at customers' taps.

Treatment works: Works where raw water from rivers or reservoirs is treated to produce drinking water. Treatment typically includes coagulation, filtration and disinfection.

Trihalomethanes: A group of chemicals produced by the reaction of chlorine with natural organic chemicals present in the raw water.

Turbidity: A measure of the optical clarity of water.

UKWIR: UK Water Industry Research Limited.

Ultra-violet disinfection: Inactivation of microbiological organisms by ultra-violet radiation.

Untreated water: Raw water not of a suitable quality to enter the supply system.

Water Fittings Regulations: The Water Supply (Water Fittings) Regulations 1999. These Regulations replaced the Water Bylaws in England and Wales and are largely enforced by the water undertakers.

Water resources management plan: A water undertaker's long term strategic plan for water resource development in its area (see section 37A WIA91).

Water Supply Licence: A licence granted to a company giving it the Retail Authorisation, or both the Retail Authorisation and the Supplementary Authorisation.

Water Supply (Water Quality) Regulations: The Water Supply (Water Quality) Regulations, SI 2000 No 3184, amended by SI 2001 No 2885, which apply to water undertakers whose area of supply is wholly or mainly in England; The Water Supply (Water Quality) Regulations 2001, SI 2001 No 3911, which apply to water undertakers whose area of supply is wholly or mainly in Wales. These Regulations specify the standards used to define wholesomeness of drinking water, the level of monitoring required, treatment requirements, reporting requirements and also specify the requirements for using approved substances and products. The DWI enforces these Regulations.

Water undertaker: A company appointed under the WIA91 to provide water services to a defined geographic area and which owns the supply system and other infrastructure.

Wholesale supplies: Supply of water to a Licensee by a water undertaker for the purposes of retail by the Licensee to its customer's premises.

Appendix 1 Draft Confidentiality Agreement

See next page

DRAFT CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is made this day of 200[]
BETWEEN [Primary/Secondary Water Undertaker] whose Registered Office is
[] and
[Proposed Licensee] of/ whose Registered Office is []

WHEREAS [Primary/Secondary Water Undertaker] and [Proposed Licensee] (“the Parties” and individually “a Party”) for their mutual benefit may have exchanged and wish further to exchange certain information of a confidential nature and wish to protect such information in the manner set out in this Agreement.

IT IS HEREBY AGREED AS FOLLOWS:

1. **DEFINITIONS**

1.1 For the purposes of this Agreement the following expressions shall have the following meanings:-

(a)	“Authorised Representative”	shall mean any employee, director, officer or professional and financial advisor of the receiving Party;
(b)	“Confidential Information”	shall mean any and all confidential, commercial, financial, marketing, technical, environmental information governed by the EIR or other information or data of whatever nature relating to the disclosing Party or to the disclosing Party’s business or affairs (including but not limited to this Agreement, data, records, reports, agreements, software, programmes, specifications, know-how, trade secrets, either Party’s or any associated company’s organisational structure, contractual arrangements or agreements, technical documentation, finances, properties, costs, methods of doing business, personnel, legal affairs, plans, customers, products or processes, and other information concerning the Project, information regarding [the water

		undertaker's] actual or proposed network access code or any charges for any network access or, in the case of [the Licensee], information relating to its actual or proposed customers and borehole or other resource locations, whether or not identified as confidential) in any form or medium whether disclosed in writing, orally or by any other means to one Party by the disclosing Party or by a third party on behalf of the disclosing Party whether before or after the date of this Agreement together with any reproductions of such information in any form or medium or any part(s) of such information);
(c)	“Exempted Information”	shall mean any information or category of information, document, report, contract or other material containing information relevant to this Agreement that has been designated by the mutual agreement of the Parties as potentially falling within a EIR Exemption;
(d)	“EIR”	shall mean the Environmental Information Regulations 2004 which shall include any amendment, modification, consolidation, re-enactment or replacement of the same;
(e)	“EIR Exemption”	shall mean any applicable exemption to the EIR;
(f)	“Project”	shall mean any discussions and negotiations between or within the Parties concerning or in connection with the proposal set out in the Schedule attached hereto.

2. **CONFIDENTIALITY OBLIGATIONS**

2.1 Subject to clause 2.2 in consideration of the mutual exchange and disclosure of Confidential Information each Party undertakes in relation to the Confidential Information disclosed to it by the other Party either

for [7] years from the date of this Agreement, or

until such time as the Parties agree that this Agreement shall be superseded by other confidentiality obligations contained in a separate written agreement terminating this Agreement :-

- (a) to treat all and any of such Confidential Information as confidential and secret and not use any of such Confidential Information for any purpose other than the purpose of evaluating such Confidential Information in connection with the Project;
- (b) to take all reasonable steps to protect the confidentiality of such Confidential Information and to prevent disclosure of same to unauthorised persons;
- (c) not to disclose any of such Confidential Information in whole or in part to any third party without the prior written consent of the other Party save to its Authorised Representatives who need to know the same for the purpose of evaluating such Confidential Information in connection with the Project;
- (d) to take all reasonable steps to ensure that each Authorised Representative to whom it discloses such Confidential Information is made aware of the provisions of this Agreement and observes the obligations contained herein.

2.2 The obligations of confidentiality and the prohibitions against use undertaken in this Agreement by the receiving Party shall not apply to any Confidential Information which:-

- (e) is or subsequently comes into the public domain otherwise than as a result of any breach of this Agreement by the receiving Party or any of its Authorised Representatives;
- (f) is already known to the receiving Party prior to disclosure which prior knowledge the receiving Party can clearly demonstrate with written material;
- (g) becomes known to the receiving Party by disclosure from a third party who has a lawful right to receive and disclose the Confidential Information;
- (h) is required to be disclosed by law or by any regulatory authority provided that the receiving Party informs the disclosing Party in advance of the circumstances of the disclosure and exactly what is to be disclosed and uses all reasonable endeavours to obtain confidentiality undertakings from the recipients in respect of the Confidential Information disclosed; or
- (i) the disclosing Party agrees in writing may be disclosed.

EIR

3.1 The Parties recognise that they are subject to legal duties, which may require the release of information under the EIR and may be under an obligation to provide information on request. Such information may include matters relating to, arising out of or under this Agreement in any way.

3.2 The Parties recognise that each request for information must be considered individually.

3.3 Notwithstanding anything in this Agreement to the contrary including, but without limitation, the general obligation of confidentiality imposed on the Parties pursuant to Clause 2, in the event that either Party ("the Relevant Party") receives a request for information under the EIR, the Relevant Party shall be entitled to disclose all information and documentation (in whatever form) as necessary to respond to that request in accordance with the EIR PROVIDED ALWAYS that where the information requested is information that has been given to the Relevant Party by the other Party ("the Other Party"), the Relevant Party:

shall use reasonable endeavours to consult the Other Party as soon as reasonably practicable and the Other Party agrees to respond to such consultation within 7 days of receiving the consultation notice;

shall not disclose any information that the Parties have agreed is Exempted Information and shall rely on the EIR Exemption, at the Other Party's request and cost, and use reasonable endeavours to ensure that the Exempted Information remains withheld, including the lodging of any appeal against a decision by the Information Commissioner in relation to the request;

3.4 In the event that the Relevant Party incurs any costs, including but not limited to external legal costs, in seeking to maintain the withholding of the information, including but not limited to responding to information notices or lodging appeals against a decision of the Information Commissioner in relation to disclosure, the Other Party shall indemnify the Relevant Party, save that the Relevant Party shall use reasonable endeavours to consult the Other Party before incurring any such costs and comply with all reasonable requirements of the Other Party before incurring such costs and shall permit the Other Party to take over the sole conduct of the matter if it so chooses.

4. INTELLECTUAL PROPERTY

Nothing in this Agreement shall be construed to grant either Party any right or licence any patent, know-how, trademark, copyright or other intellectual property right of the other Party.

5. RETURN OF INFORMATION

5.1 Each Party shall within one week of a request from the other Party in writing give to the other Party or (at the other Party's discretion) itself destroy all the Confidential Information of the other Party and all copies thereof in its possession, custody or control including for the avoidance of doubt Confidential Information contained within computers, word processors or other devices (including computer discs or other information storage equipment).

5.2 The return of Confidential Information shall not release either Party from its other obligations under this Agreement.

6. NO REPRESENTATION, WARRANTY OR LICENCE

6.1 No representation or warranty is made or given by either Party to the other as to the accuracy or completeness of the Confidential Information disclosed by it to the other or as the reasonableness of any assumptions on which the same is based and each of the Parties agrees that neither the disclosing Party nor its Authorised Representatives shall have any liability to it (or its Authorised Representatives) resulting from the use of such Confidential Information save as expressly agreed in writing.

6.2 This Agreement only governs the rights and obligations of the Parties with respect to the Confidential Information disclosed and does not purport to be a licence to use such Information for any purpose except for the Project. Should the Parties enter into any licence or other similar agreements in the future such agreements shall supersede this Agreement and shall contain similar provisions for the protection of the Parties' Confidential Information.

7. REFERENCE TO THE PARTIES

Save as required by law or any regulatory body, neither of the Parties shall make any announcement, public statements or press releases of any kind in relation to the Confidential Information disclosed to it by the other of the Project nor shall they mention the name of the other Party in connection with the Project or disclose the existence of the Project or the existence of this Agreement without the prior written consent of the other Party.

8. NO CONTRACT

No documents or information made available to the one Party or its Authorised Representatives by the other will constitute an offer or invitation or form the basis of any contract.

9. NOTICES

All notices under this Agreement shall be in writing, sent by facsimile or first class registered or recorded delivery post to the Party being served to its facsimile number mentioned below or at its address specified above or at such other facsimile number or address of which such Party shall have given notice as aforesaid, and marked for the attention of the person holding the position of that Party's signatory to this Agreement. The date of service shall be deemed to be the next business day following the day on which the notice was posted or immediately upon receipt of the fax confirmation if sent by facsimile.

10. CONSEQUENCES OF BREACH

10.1 In consideration of either Party disclosing the Confidential Information to the other the receiving Party further agrees to indemnify the disclosing Party against any breach of its obligations under any clause of this Agreement.

10.2 Each Party recognises that in addition to all other remedies that the disclosing Party may be entitled to as a matter of law the disclosing Party shall be entitled to seek specific performance and any other form of equitable relief to enforce this Agreement. The receiving Party acknowledges that damages may be insufficient remedy for any breach of this Agreement.

10.3 No proof of special damages shall be necessary for the enforcement of this Agreement.

11. NO WAIVER

No failure or delay by either Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any right, power or privilege hereunder or otherwise.

12. VARIATION

No variation or amendment to this Agreement shall be effective unless in writing and signed by authorised signatories for the Parties.

13. NON-ASSIGNMENT

This Agreement is personal to the Parties and shall not be assigned or otherwise transferred in whole or in part by either Party without prior written consent of the other Party.

14. ENTIRE AGREEMENT

This Agreement sets out the entire agreement between the Parties in respect of the Confidential Information disclosed by either Party to the other and supersedes all previous understandings and undertakings in such respect whether oral or in writing, and no representation, undertaking or promise shall be taken to have been given or be implied from anything said or written in negotiations between the Parties prior to this Agreement except as set out in this Agreement.

15. **COSTS**

Each Party shall bear its own legal and other costs incurred in relation to the preparation and completion of this Agreement.

16. **SEVERANCE**

Each provision of this Agreement is severable and distinct from the others. The Parties intend that every such provision shall be and remain valid and enforceable to the fullest extent permitted by law. If any such provision is or at any time becomes to any extent invalid, illegal or unenforceable under any enactment or rule of law it shall to that extent be deemed not to form part of this Agreement but it and all the other provisions of this Agreement shall continue in full force and effect and their validity, legality and enforceability shall not therefore be affected or impaired.

17. **GOVERNING LAW**

The construction, validity and performance of this Agreement shall be governed all times by English Law and the English Courts shall have non exclusive jurisdiction in respect thereof.

AS WITNESS the hands of the Parties hereto and their duly authorised representatives the day and year first before written

SIGNED on behalf of [Primary/Secondary Water Undertaker]

(Signature)

(Position)

(Date)

SIGNED on behalf of [Licensee]

(Signature)

(Position)

(Date)

The Schedule

[Define the Project]

Appendix 2 Draft Feasibility Study Agreement

See next page

Draft Feasibility Study Agreement

This Agreement is made on the day of 200[] between

- **Yorkshire Water Services Limited of Western House, Halifax Road, Bradford BD6 2LZ (YW) and**
 -
- of.....
-(the Licensee)

WHEREAS

- (A) The Licensee wishes to apply to use YW’s water network (the Network) for the purposes of providing water services (the Request)
- (B) The parties have agreed that a feasibility study shall be carried out to assess all relevant issues relating to the Request necessary to consider
 - (i) the viability of the Request, and
 - (ii) if viable, the negotiation and preparation of an agreement which would allow access to the Network

NOW IT IS AGREED THAT

- 1. YW will undertake the feasibility study in accordance with the scope set out in Schedule One (the Feasibility Study).
- 2. The Applicant will pay YW its costs and charges in respect of the Feasibility Study in accordance with Schedule Two.
- 3. The following documents form part of this Agreement:
 - []
 -
 -

Schedule One
(Scope for Feasibility Study)

Schedule Two

(Payment for Feasibility Study)

1. The YW charges for the Feasibility Study shall be [£x or calculated by y] (the Charges).
2. YW shall have the right to render interim accounts to the Licensee.
3. Unless otherwise agreed between the parties invoices for the Charges shall be raised by YW for periods of one calendar month commencing [] 200[] and shall be submitted to the Licensee by the 15th day of the following month.
4. All Charges shall be payable without any deduction or right of set-off.
5. All amounts expressed as payable by the Licensee pursuant to this Agreement and whether the amount thereof is set out in this Agreement or determined elsewhere are exclusive of any applicable Value Added Tax ("VAT") and accordingly VAT shall be payable in addition to the Charges at the rate from time to time in force against delivery of a valid VAT invoice
6. In the event that the Licensee at any time during the carrying out of the Feasibility Study withdraws its application for access to the Network the Licensee shall pay to YW all costs and Charges incurred by YW up to the date of notification to YW of the Licensee's withdrawal.
7. If any Charges are not paid on the due date for payment then the Licensee shall pay interest on the amount outstanding at the rate of 2 % per annum over the published UK clearing bank base lending rate, such interest to be calculated from the date on which such sum became due until payment thereof and to run from day to day and to accrue after as well as before any judgment. In addition YW shall cease to carry out any work on the Feasibility Study until such sum is discharged and YW shall have no liability to the Licensee in respect of any delay that may result.

In Witness whereof the parties hereto have caused this Deed to be executed the day and year first
above written.

The Common Seal of Yorkshire Water Services Limited was
hereunto affixed in the presence of:

.....Authorised Signatory

.....Authorised Signatory

The Common Seal of Limited was
hereunto affixed in the presence of:

..... Director

..... Director/Secretary

Appendix 3 Network Access Application Forms

- Annex 1 Combined Supplies – Initial Application Questionnaire**
- Annex 2 Combined Supplies – Detailed Application Questionnaire**
- Annex 3 Wholesale Supplies - Initial Application Questionnaire**
- Annex 4 Wholesale Supplies - Detailed Application Questionnaire**

Annex 1 Combined Supplies – Initial Application Questionnaire

Part A General information

- 1 Name of Licensee and Licensee registration number:
- 2 General details:
 - Company no.
 - Telephone no.
 - Fax no.
 - E-mail address
 - Company Registration Number
- 3 Details of your nominated contact to progress issues arising from this questionnaire:
 - Contact name
 - Address
 - Telephone no.
 - Fax no.
 - E-mail address
- 4 Do require a draft confidentiality agreement?

.....

Part B Outline proposal

- 5 Name and address of the customer's premises to be supplied. Include account references where possible. If it is a new site please give details of location and an Ordnance Survey grid reference.
- 6 Please give a brief description of your outline proposal.
- 7 Volume of water to be introduced by the Licensee into the YW supply network – please provide estimates of annual, monthly, and daily values.
- 8 Is the application conditional upon a secondary undertaker's supply? If so please provide a broad outline of your proposal.
- 9 Is the application conditional upon the granting of an abstraction licence?
- 10 What is the location of the proposed point(s) of entry to the YW supply system? – please provide Ordnance Survey grid reference(s).
- 11 What is the proposed agreement period for supply to your customer?
- 12 Please confirm and provide signed declaration that the premises are eligible.
- 13 Please supply a copy of signed customer consent forms.
- 14 What other services, if any, do you require YW to supply?

This questionnaire should be sent by post to:

Mr S Cowell
Network Access Coordinator
Yorkshire Water Services Ltd
Western House
Halifax Rd
Bradford BD6 2LZ
Telephone No: 01274 691111

or by Fax to: 01274 692020

or by Email to: Stephen.Cowell@yorkshirewater.co.uk

Annex 2 Combined Supplies – Detailed Application Questionnaire

This questionnaire should be completed following the establishment of a formal contact with YW. A mutually acceptable confidentiality agreement will be in place. YW will have made an initial assessment of the outline proposal and informed applicants. This information will be used to form the basis of any feasibility study that is required. Please complete as comprehensively as possible. If you need to discuss the requirements of any section please contact YW's Network Access Controller at the address given at the end of this questionnaire.

1 GENERAL DETAILS

Name of Licensee and Licensee registration number:

Nominated contact to progress issues arising from this questionnaire:

Contact name
Address

Telephone no.
Fax no.
E-mail address

Customer reference no.s:

2 SOURCE INFORMATION

2.1 Location

Where is the source located?

- Provide a location plan mapped over an Ordnance Survey background at a nominal A4 size at 1:2500 scale.

What is the source 10-digit grid reference?

2.2 Type

What is the type of source?

If aquifer:

- What is the aquifer name?
- What are the aquifer details?

If source is impounded:

- What is the type of dam?
- What is the usable storage?
- What is the Top Water Level?
- What are the draw-off arrangements?
- Provide a brief description of catchment and land use.

If borehole:

- What are the borehole details e.g. Construction, lining, pumping arrangements?
- What source pollution protection provisions are in place or proposed?

If spring:

- What headworks facilities are in place or proposed?

If stream river or canal:

- Provide details of abstraction facilities.
- What pollution protection provisions are in place or proposed?
- What pollution monitoring is proposed?

2.3 Abstraction Agreement or EA Licence

Do you hold or have you applied for an abstraction licence or other agreement?

If you have applied for a new abstraction licence:

- Please provide details of the reference number, application date, status within the application process and date by which you expect the licence to be determined.

In addition:

- Provide a copy of the water abstraction licence application.

If you have an abstraction licence:

- Provide a copy of the full licence as determined by the EA.

Provide details of your assessment of the deployable output of the proposed source.

Describe the availability of the source.

2.4 Quality

Have raw water (pre-treatment) source quality samples been analysed by a UKAS Approved Laboratory?

- If yes, provide a copy of water quality over a 12 month period.
- Provide results of any cryptosporidium sampling and analysis which has been undertaken.

Has a risk assessment been completed for cryptosporidium? Has this been approved by the DWI?

- If yes, provide a copy.

What mitigation measures are proposed for cryptosporidium?

If the risk of cryptosporidium was found to be high, what monitoring regime is proposed?

Has a pollution risk assessment been completed?

- If yes, provide a copy – has it been discussed with the EA?

What on line monitoring or other facilities capable of detecting changes in raw water quality are proposed?

How is this equipment to be used to control abstraction?

Do you require a Water Quality sampling and testing (pre-treatment) service to be provided by YW?

- If no, provide details of your sampling regime and specify which UKAS approved laboratory will be used for analysis.

2.5 Stand-By Facility

Do you have an operations manual for the source and all associated plant?

- If yes, a copy may be required at a later date.

What supplementary plant or equipment is proposed as an alternative means of operation in the event of failure or loss of primary duty equipment?

Has a risk assessment for failure of supply of water from the source been completed?

- If yes, provide a copy.

What risks identified are covered by the stand-by facilities?

What stand-by facilities are proposed in relation to the disinfection of the water supply and associated emergency procedures?

What stand-by facilities are proposed to mitigate interruptions to the supply of water to customers?

What procedures have been considered for the management of an emergency incident?

2.6 Treatment Process

Describe the proposed treatment processes?

What are the target output quality objectives of the treatment process?

What range of raw water quality parameters will the process treat to this standard?

What is the expected variability of output water quality over time?

What failsafe arrangements are proposed to enable automatic works shutdown in the event of process failure.

What parameters and status information is intended to be telemetred to the YW control room?

What process instrumentation is proposed?

What is the process control philosophy?

Is the treatment process you propose DWI approved?

- If yes, please provide details.

Are there any aspects of the Water Supply Regulations that you will not comply with?

Have post-treatment water quality results been provided by a UKAS Approved Laboratory?

- If yes, provide details over a twelve month period.

Has an assessment of plumbosolvency propensity of the source and the need for plumbosolvency control been considered?

- If yes, what plumbosolvency propensity measures are proposed?

Has an assessment been made of the compatibility of water within the YW network?

Does your proposed treatment process have the required discharge and Trade Effluent consents?

- If yes, provide details.

2.7 Other Information and Comments

Have you any further source information and comments that you consider relevant to the Network Access enquiry?

- If yes, provide details.

3 POINT OF ENTRY

3.1 Location

Have you considered where you wish to introduce water to the YW supply network?

- If yes, where is your proposed entry point?
- Provide a location plan mapped over an Ordnance Survey background at a nominal A4 size at 1:2500 scale.
- What is the proposed entry point 10-digit grid reference?

3.2 Supply Characteristics

3.2.1 Flow

What is the nominal average flow at the point of entry?

What are your estimates for daily and seasonal variations at the point of entry?

What means do you have of controlling flow and or pressure upstream of the point of entry?

How will you ensure that a steady flow is maintained to minimise rapid velocity changes in the network?

Have you selected pump characteristics for pump(s) feeding directly in the YW supply network?

- If yes, provide copies of manufacturers' pump characteristic curves and if it is a variable speed pump to what extent it can be varied.

3.2.2 Pressure

How, and with what equipment, do you propose to provide failsafe protection to the YW network from exceeding maximum pressure limits?

3.3 Laboratory Analysis

How will you ensure the quality of water provided at the point of entry into the YW supply network complies with the Water Supply Regulations

Will there be any material change in water quality from source to the point of entry?

- If yes, provide details.

What protection is to be provided on the pipework upstream of the point of entry to ensure that negative pressure cannot occur, giving rise to the potential for infiltration and contamination of the water?

What methods and equipment are to be used for water quality sampling, monitoring, testing and reporting?

Please provide details of your proposed treated water quality monitoring regime.

Do you require a water quality sampling and analysis service to be provided by YW?

3.4 Physical Interface

Do you have a technical specification and drawings of pipe work from source to the point of entry?

- If yes, provide a copy and include details of material of pipe (plus lining), age, length and diameter (internal).

Is there an existing meter at the point of entry?

- If yes, provide technical details.

Has the point of entry upstream pipework been pressure tested and has a facility and procedure for sterilisation been considered?

- If yes, provide details.

3.5 Other Information and Comments

Have you any further point of entry information and comments that you consider relevant to the Network Access enquiry?

- If yes, provide details.

What is the maximum and minimum flow available from the source to the network and for how long these flows could be maintained?

Provide details of your proposals for the pressure, flow, water quality and treatment plant status information to be provided to YW via telemetry.

4 POINT OF EXIT

4.1 Exit Point(s)

4.1.1 Location

Have you considered where you wish water to exit the YW network?

- If yes, where is your proposed point of exit
- Provide a location plan mapped over an Ordnance Survey background at a nominal A4 size at 1:2500 scale.
- What is the proposed point of exit 10-digit grid reference no.

4.1.2 Demand Characteristics

4.1.2.1 Flow

What is the anticipated demand?

- Average Day
- Peak Day
- Peak Hour
- Average Week
- Peak Week
- Annual Volume

4.1.2.2 Pressure

Have you considered if the pressure in the YW Network, at the exit point, is capable of supplying your customer, even if remote, or at a higher elevation than the exit point?

- If yes, provide details.

Have you taken into account the hydraulics of your pipework when considering the pressure requirements of your customer?

- If yes, provide details.

Have you considered pumping to pressures, greater than those that are available in the YW network at the Exit point?

- If yes, provide details showing capability with customer demand profiles.

Have you considered reducing pressures where your customer requires lower pressures than those provided by YW at the network exit point?

- If yes, provide details.

4.2.3 Storage

Please provide details of any treated water storage currently available or proposed.

Where storage is existing or proposed what is:

- The total storage capacity in cubic metres?
- The elevation of inlet in metres AOD?
- The technical specification of the inflow control device(s)?

4.2.4 Physical Interface

Is there an existing meter at the point of exit?

- If yes, provide location and technical details.

4.2.5 Specific Requirements

Do any of customers on the premises have special needs? Does the customer have any special requirements, or that are to be reviewed as part of the feasibility study?

- If yes, specify details.

Do any of your customers have any requirements above the Level of Service that is currently provided from the YW network (e.g. pressure, flow, quality, reliability)?

- If yes, specify details.

What are the fire fighting requirements of your customer(s) in terms of flow and pressure at the property boundary?

4.2.6 Other Information and Comments

Have you any further point of exit information and comments that you consider relevant to the network access enquiry?

5 SERVICE REQUIREMENTS

5.1 Essential

5.1.1 Water Purchase – actual reconciliation

Have you considered the frequency of the reconciliation between the point of entry and point of exit volumes? YW would anticipate that this would be monthly – see section 4.3.2 for a full description of the process.

- If you have any comment or alternative proposals please provide details.

5.1.2 Storage

Is there any existing or proposed raw and treated water storage provided at the source?

- If yes, what is the volume

5.2 Optional

5.2.1 Water Purchase – planned over or under supply

Do you plan to have a known under supply between the point of entry and point of exit volumes?

- If yes, please provide details of timing and volumes?

Are outages of the source planned for maintenance?

- If yes:
 - How many occasions per year?
 - What are the estimated instantaneous flow rates required for outages?
 - What is the expected duration for each maintenance activity?

5.2.2 Additional Information

Do you require any other YW service e.g. Customer Call Centre, Billing, Maintenance, Sampling, Analysis etc?

Please provide any other information you consider relevant to your application.

This questionnaire should be sent by post to:

Mr S Cowell
Network Access Coordinator
Yorkshire Water Services Ltd
Western House
Halifax Rd
Bradford BD6 2LZ
Telephone No: 01274 691111

or by fax to: 01274 692020

or by Email to: Stephen.Cowell@yorkshirewater.co.uk

Annex 3 Wholesale Supplies – Initial Application Questionnaire

Name of Licensee and Licensee registration number:

General details:

Company name
Address

Telephone no.
Fax no.
E-mail address
Company Registration Number

Details of your nominated contact to progress issues arising from this questionnaire:

Contact name
Address

Telephone no.
Fax no.
E-mail address

Do require a draft confidentiality agreement?

Do require a draft Wholesale Master Agreement?

This questionnaire should be sent by post to:

Mr S Cowell
Network Access Coordinator
Yorkshire Water Services Ltd
Western House
Halifax Rd
Bradford BD6 2LZ
Telephone No: 01274 691111

or by fax to: 01274 692020

or by Email to: Stephen.Cowell@yorkshirewater.co.uk

Annex 4 Wholesale Supplies – Detailed Application Questionnaire

This proforma document should be used once a Wholesale Master Agreement (WMA) is in place. Details relate to customer specific premises and the information contained in this form will form the basis of the customer schedules to be attached to the WMA.

Further copies of this form are available on the Ofwat website:

http://www.ofwat.gov.uk/competition/wsl/wslpublications/gud_pro_wslapprof.doc

see next page

**Wholesale supplies where
[] is primary undertaker**

Application questionnaire – for customers already connected to []’s network

By submitting this application in electronic or paper form, the licensee confirms that the information contained herein is to the best of their knowledge true and accurate.

Date of application:

1. General Information

Licensee name:	
Licensee company registration number:	
Licensee Reference No. (to be issued by PWU)	
Licensee confirms that the premises are eligible and complies with the Ofwat Eligibility Guidance November 2005.	Yes/ No
When do you propose that the wholesale supply begins? Day/Month/Year	
What is the expected duration? Years	Years

2. Customer Details (confidential to Competition transfers exclusively)

Customer

Name(s) of customer(s):	
Unique Premises Reference (if known)	
Existing PWU Account Number(s)	
Address of premises to be supplied - include post code:	

Meters

Meter Details	Meter number as recorded on customer bills	Serial No.	Location Description	Meter Type [Note if Combined (C) or Bypass (B) meter
1				
2				
3				
4				
5				
6				
7				
8				
9				

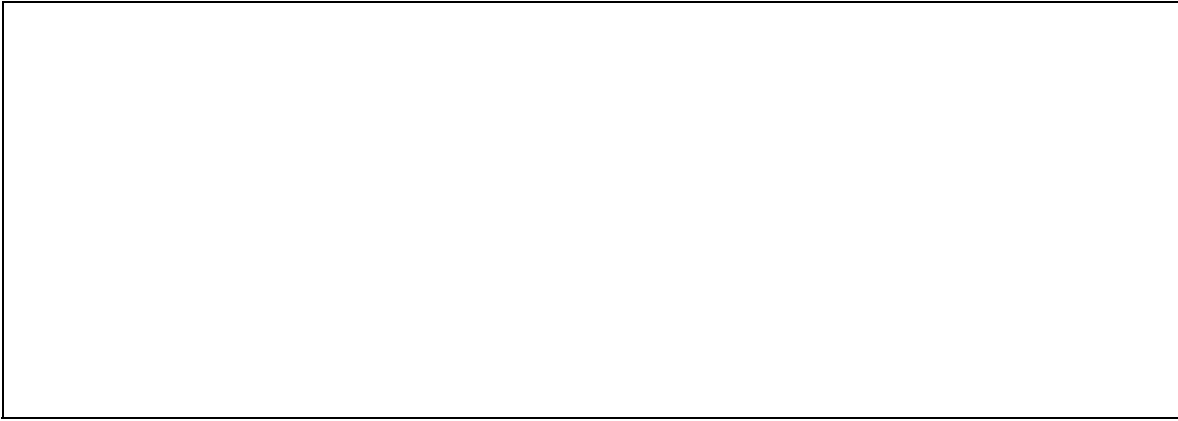
Demand

Demand requirements:-	2005-06	2006-07	2007-08	2008-09	2009-10
Annual consumption: m ³					
Any other information agreed between licensee and undertaker					

Customer Specifics – compulsory

Special Needs on site	
-----------------------	--

Additional Information and Offers



This questionnaire should be sent by post to:

Mr S Cowell
Network Access Coordinator
Yorkshire Water Services Ltd
Western House
Halifax Rd
Bradford BD6 2LZ
Telephone No: 01274 691111

or by fax to: 01274 692020

or by Email to: Stephen.Cowell@yorkshirewater.co.uk

Appendix 4 - Extract from Water Quality Regulations 2000

SCHEDULE 1 - PRESCRIBED CONCENTRATIONS AND VALUES

TABLE A MICROBIOLOGICAL PARAMETERS

Part I: Directive requirements				
<i>Item</i>	<i>Parameters</i>	<i>Concentration or Value maximum)</i>	<i>Units of Measurement</i>	<i>Point of compliance</i>
1.	Enterococci	0	number/100ml	Consumers' taps
2.	<i>Escherichia coli</i> (<i>E. coli</i>)	0	number/100ml	Consumers' taps

Part II: National requirements				
<i>Item</i>	<i>Parameters</i>	<i>Concentration or Value maximum)</i>	<i>Units of Measurement</i>	<i>Point of compliance</i>
1.	Coliform bacteria	0	number/100ml	Service reservoirs* and water treatment works
2.	<i>Escherichia coli</i> (<i>E. coli</i>)	0	number/100ml	Service reservoirs and water treatment works

Note: *Compliance required as to 95% of samples from each service reservoir (regulation 4(6)).

TABLE B CHEMICAL PARAMETERS

Part I: Directive requirements				
<i>Item</i>	<i>Parameters</i>	<i>Concentration or Value maximum)</i>	<i>Units of Measurement</i>	<i>Point of compliance</i>
1.	Acrylamide	0.10	µg/l	(i)
2.	Antimony	5.0	µgSb/l	Consumers' taps
3.	Arsenic	10	µgAs/l	Consumers' taps
4.	Benzene	1.0	µg/l	Consumers' taps
5.	Benzo(a)pyrene	0.010	µg/l	Consumers' taps
6.	Boron	1.0	mgB/l	Consumers' taps
7.	Bromate	10	µgBrO ₃ /l	Consumers' taps
8.	Cadmium	5.0	µgCd/l	Consumers' taps
9.	Chromium	50	µgCr/l	Consumers' taps
10.	Copper(ii)	2.0	mgCu/l	Consumers' taps
11.	Cyanide	50	µgCN/l	Consumers' taps
12.	1, 2 dichloroethane	3.0	µg/l	Consumers' taps
13.	Epichlorohydrin	0.10	µg/l	(i)
14.	Fluoride	1.5	mgF/l	Consumers' taps
15.	Lead (ii)	(a) 25, from 25th December 2003 until immediately before 25th December 2013	µgPb/l	Consumers' taps
		(b) 10, on and after 25th December 2013	µgPb/l	Consumers' taps
16.	Mercury	1.0	µgHg/l	Consumers' taps

17.	Nickel (ii)	20	µgNi/l	Consumers' taps
18.	Nitrate (iii)	50	mgNO ₃ /l	Consumers' taps
19.	Nitrite (iii)	0.50	mgNO ₂ /l	Consumers' taps
		0.10		Treatment works
20.	Pesticides (iv)(v)			
	Aldrin	0.030	µg/l	Consumers' taps
	Dieldrin	0.030	µg/l	Consumers' taps
	Heptachlor	0.030	µg/l	Consumers' taps
	Heptachlor epoxide	0.030	µg/l	Consumers' taps
	other pesticides	0.10	µg/l	Consumers' taps
21.	Pesticides: Total (vi)	0.50	µg/l	Consumers' taps
22.	Polycyclic aromatic hydrocarbons (vii)	0.10	µg/l	Consumers' taps
23.	Selenium	10	µgSe/l	Consumers' taps
24.	Tetrachloroethene and Trichloroethene (viii)	10	µg/l	Consumers' taps
25.	Trihalomethanes: Total (ix)	100	µg/l	Consumers' taps
26.	Vinyl chloride	0.50	µg/l	(i)

Notes:

(i) The parametric value refers to the residual monomer concentration in the water as calculated according to specifications of the maximum release from the corresponding polymer in contact with the water. This is controlled by product specification.

(ii) See also regulation 6(6).

(iii) See also regulation 4(2)(d).

(iv) See the definition of "pesticides and related products" in regulation 2.

(v) The parametric value applies to each individual pesticide.

(vi) "Pesticides: Total" means the sum of the concentrations of the individual pesticides detected and quantified in the monitoring procedure.

(vii) The specified compounds are:

{t4} - benzo(b)fluoranthene{t4} - benzo(k)fluoranthene{t4} - benzo(ghi)perylene{t4} - indeno(1,2,3-cd)pyrene.

The parametric value applies to the sum of the concentrations of the individual compounds detected and quantified in the monitoring process.

(viii) The parametric value applies to the sum of the concentrations of the individual compounds detected and quantified in the monitoring process.

(ix) The specified compounds are:

{t4} - chloroform{t4} - bromoform{t4} - dibromochloromethane{t4} - bromodichloromethane.

The parametric value applies to the sum of the concentrations of the individual compounds detected and quantified in the monitoring process.

Part II: National requirements

<i>Item</i>	<i>Parameters</i>	<i>Concentration or Value (maximum unless otherwise stated)</i>	<i>Units of Measurement</i>	<i>Point of compliance</i>
1.	Aluminium	200	µgAl/l	Consumers' taps
2.	Colour	20	mg/l Pt/Co	Consumers' taps
3.	Hydrogen ion	10.0	pH value	Consumers' taps
		6.5 (minimum)	pH value	
4.	Iron	200	µgFe/l	Consumers' taps
5.	Manganese	50	µgMn/l	Consumers' taps
6.	Odour	3 at 25°C	Dilution number	Consumers' taps
7.	Sodium	200	mgNa/l	Consumers' taps
8.	Taste	3 at 25°C	Dilution number	Consumers' taps
9.	Tetrachloromethane	3	µg/l	Consumers' taps
10.	Turbidity	4	NTU	Consumers' taps

SCHEDULE 2 - INDICATOR PARAMETERS

<i>Item</i>	<i>Parameters</i>	<i>Specification Concentration or Value (maximum) or State</i>	<i>Units of Measurement</i>	<i>Point of monitoring</i>
1.	Ammonium	0.50	mgNH ₄ /l	Consumers' taps
2.	Chloride (i)	250	mgCl/l	Supply point*
3.	<i>Clostridium perfringens</i> (including spores)	0	Number/100ml	Supply point*
4.	Coliform bacteria	0	Number/100ml	Consumers' taps
5.	Colony counts	No abnormal change	Number/1 ml at 22°C	Consumers' taps, service reservoirs and treatment works
5.	Colony counts	No abnormal change	Number/1 ml at 37°C	Consumers' taps, service reservoirs and treatment works
6.	Conductivity (i)	2500	µS/cm at 20°C	Supply point*
7.	Sulphate (i)	250	mgSO ₄ /l	Supply point*
8.	Total indicative dose (for radioactivity) (ii)	0.10	mSv/year	Supply point*
9.	Total organic carbon (TOC)	No abnormal change	mgC/l	Supply point*
10.	Tritium (for radioactivity)	100	Bq/l	Supply point*
11.	Turbidity	1	NTU	Treatment works

Notes:

(i) The water should not be aggressive.

(ii) Excluding tritium, potassium-40, radon and radon decay products.

* May be monitored from samples of water leaving treatment works or other supply point, as no significant change during distribution.

Appendix 5 - Advance Customer Warning of Interruptions to Supply

TABLE 1 PLANNED WORK (AT ANY TIME)

	Interruption expected to last :	Notification to customer :
1.	less than 30 mins; affecting up to 30 properties	Advance warning by card on arrival on site
2.	less than 30 mins; affecting greater than 30 properties	min 24 hr advanced written notice
3.	equal to or greater than 30 mins but less than 4 hrs; affecting up to 250 properties	min 24 hr advanced written notice
4.	equal to or greater than 30 mins but less than 4 hrs; affecting greater than 250 properties	min 24 hr advanced written notice supplemented by Press Notices (until further notice *)
		* with > 250 properties, in the short term, likelihood of information errors (i.e. missing properties on database increases significantly)
		If properties are clearly identified then can dispense with press notice.
5.	greater than 4 hrs	min 48 hrs advanced written notice
6.	Leakage detection and other short duration work, carried out between 12 midnight and 05.00 am	Individual warning of business and special needs customers (verbal or written as appropriate), giving customers the opportunity for requesting confirmation of period of shut-off on or during the night Warning to state short duration interruptions over a specific period

Appendix 5 - Advance Customer Warning Of Interruptions To Supply

TABLE 2 - UNPLANNED WORK

	Job Priority :	Notification to customer :
1.	Emergency; affecting up to 250 properties	All reasonable steps - including knocking on doors or loudhailer or, if appropriate, cards; or combination of these. (Loudhailer or knocking on doors not to be carried out between the hours of 2100 and 0700)
2.	Emergency; affecting greater than 250 properties	All reasonable steps - including knocking on doors or loudhailer or if appropriate cards; combination of these, all supplemented by radio if appropriate (Loudhailer or knocking on doors not to be carried out between the hours of 2100 and 0700)
3.	Next day priority; affecting up to 250 properties	Warning before work starts - in sufficient time to allow customers to draw water; use 'emergency work' warning card supplemented by loud hailer and/or radio if appropriate.
4.	Next day priority; affecting greater than 250 properties	(inference is not enough time to give 24 hrs notice) Warning before work starts - in sufficient time to allow customers to draw water; use 'emergency work' warning card supplemented by loud hailer and/or radio if appropriate.

NOTE

Carding is the preferred option because:

- (i) the customer has a contact number,
- (ii) the customer has the required information, therefore no need to call YWS.

TABLE 3 - POLICY GUIDANCE DOCUMENT - JOB PRIORITIES / WARNING PROCEDURE

This table is designed to clarify the terms 'planned' and 'emergency' by aligning the policy with the eight job priorities in the R&M Contracts.

Priority	Planning Horizon	Warning Procedure 'Definition'	Minimum Acceptable Standard for Warning where shut-off required*
0	On site within 2 hours	Emergency	May be no warning
1	On site by midnight same day	Emergency up to 250 properties	At least a verbal warning, but may be just before shut off
2	On site by midnight next day	Emergency > 250 properties	At least a verbal warning, but may be just before shut off
		Next Day Priority up to 250 properties	At least a verbal plus some written warnings, but probably not full 24 hours
3	On site by midnight day after tomorrow	Next Day Priority > 250 properties	At least a verbal plus some written warnings, but probably not full 24 hours
		Planned < 30 mins duration; up to 30 properties	Expect card notice but not full 24 hours
4	Task finished within 7 days	Planned < 30 mins duration; > 30 properties	Expect written notice a full 24 hours before shut off
to		Planned < 30 mins duration; > 30 properties	Expect written notice a full 24 hours before shut off
7	Task finished within 84 days	Planned > 30 mins <4 hrs duration up to 250 properties	Expect written notice a full 24 hours before shut off
		Planned > 30 mins <4 hrs duration > 250 properties	Expect written notice a full 24 hours before shut off; supplemented by Press Notices
		Planned > 4 hours duration	Expect written notice a full 48 hours before shut off;

* refer to Tables 1 and 2 for details of required notification

NOTES

1. If it transpires that the work cannot be completed within the time period given, then customers must be warned as for an emergency priority job on Table 2.
2. **Business Customer Charter refers to 48 hours notification to KEY Business Customers.**
3. **Consider whether there are alternatives to shutting off the supply; e.g. under-pressure connection, line-stop, etc.**
4. You may wish to consider extending the warning to adjacent zones - where pressure drop is likely to occur, for example.
5. This procedure is about 'communicating' the interruptions to supply so that customers know what is going on. Approval and checking for doing the work (i.e. 'approval to proceed') has to be done separately.
6. This procedure does not cover every eventuality, e.g. step-testing which may affect domestic properties during the night. These occasions are expected to be few. However, the Duty Manager must be made aware where this work is taking place.

Appendix 6 - Telemetry Service at Yorkshire Water

Introduction

The standards for the implementation of integrated instrumentation, control and automation systems at Yorkshire Water are managed by the telemetry team. This document summarises the service. Detailed information can be found in the "YWS Standard Engineering Specifications".

Regional Telemetry System

The Regional Telemetry System (RTS) provides summary site and process alarm reporting and monitoring throughout the company. RTS is based on Logica's RTS2000 data gatherers remotely communicating with site based Logica Micromedina telemetry outstations.

Alarms and site data are routed from the local outstation, via PSTN or GSM, to the RTS2000 data gatherers. This is then transmitted to a number of networked workstations located throughout the Company.

Out of hours monitoring and alarms are routed to a central Regional Operations Control Centre (ROCC) which is continuously manned.

SCADA

Where appropriate, detailed, local site and process alarm reporting and monitoring for a particular installation is provided by on site SCADA systems. The SCADA system augments the regional summary reporting of key critical process data provided by the YW Regional Telemetry System (RTS).

Data collected by the SCADA system is retained locally and is not routinely transferred off site. However, access to this data from a remote location is possible via a Wide Area Network connection to the YW Corporate Network, and via the company's standard remote access facilities.

Data is continuously acquired by the SCADA system through a networked interface to the PLCs installed on the plant. This data is held in a real time database by the SCADA system and some or all of this data may be stored to provide historical information. SCADA data is displayed on either the local SCADA system itself or a remote workstation in the form of alarm lists, mimics, trends and reports.

Additionally, there are about 600 sites which are controlled by PLCs only and require site visits to change control or see what is going on. All of these sites have an RTS outstation.

Control & Monitoring Philosophy

All contracts involving ICA equipment shall include for the complete design, supply, configuration, site installation, testing and commissioning of automatic control system(s) as necessary to meet the system design requirements. Full training shall be included for both Process Operational and Maintenance personnel covering all aspects of the process and equipment installed.

Yorkshire Water Services have established a Framework Agreement with a Select List of System Integrators, as indicated in the YWS Compliant ICA Equipment List, for the implementation and integration of control systems. All contracts involving the implementation and integration of PLC, SCADA, and Telemetry systems shall only

use a Systems Integrator from the Compliant List to ensure that the overall design standards are maintained and a common look and feel across contracts are established.

Instrumentation

Instrumentation refers to the measurement of Flow, Level, Temperature, Pressure, Quality and Plant monitoring within Yorkshire Water.

All instruments shall be chosen from the "Compliant ICA equipment list". Alternatives may be offered in accordance with the "Procedure for the proposal of ICA equipment", if the Compliant List allows.

All installations shall comply with BS.6739 "Instrumentation in process control systems installation design and practice".

Equipment for use in hazardous areas shall be selected and installed in accordance with the relevant standards and codes of practice.

The Contractor shall ensure that the equipment supplier is fully aware of the circumstances and materials to which the equipment is being applied, particularly where hazardous fluids are present e.g. Chlorine.

Programmable Logic Controllers

Mitsubishi Electric Ltd is the sole supplier of Programmable Logic Controllers (PLCs) throughout YWS. However, on limited occasions it may be considered more appropriate to extend the current Allen Bradley PLC installation rather than using the new YWS Framework Mitsubishi Electric PLCs. In total YWS have an installed base of about 1,000 PLCs.

Appendix 7 - Terms and Conditions for Interruptible Tariff

Introduction

These terms and conditions apply where the Business Customer (the Customer) has applied to receive water services from Yorkshire Water Services Ltd (YWS) under the interruptible tariff schedule of charges as set out in paragraph 5. D. (9) of the YWS Charges Scheme.

Italicised terms shall have the same meaning as in the YWS Charges Scheme from time to time applying. The Customer shall remain liable for all charges as detailed in the YWS Charges Scheme for the relevant *metered supply charging year*, which shall be billed throughout the *year*.

Initial Requirements

In order to be considered for the interruptible tariff the Customer shall be required to: -

- a) Consume a minimum of 250 thousand cubic metres of water per annum. This shall be assessed on a rolling 12-month basis;
- b) Maintain facilities for storage of not less than 24 hours water consumption as calculated based on the Customer's normal consumption. This is to be based on a rolling 12-month total consumption divided by 365;
- c) Provide YWS with the ability to monitor water usage on the Customer's site; and
- d) Have the ability to switch off the supply for a period of 24 hours.

Interruption

YWS shall have the ability to interrupt the Customer's supply for a period of up to a maximum of 24 hours under the following circumstances: -

- 1) At a time to be agreed throughout the *year*, no more than two times in any rolling 12-month period, for a period of up to 24 hours in order to test the ability of the Customer to operate under the circumstances of an interruption of supply; and,
- 2) Following notice of an interruption to the supply from YWS to the Customer (the Notice) YWS may at any time or times (whether on a specified day or days or on a particular day or days of the week until further notice) interrupt the supply of water to the premises in question (for reasons other than for fire fighting or other such emergency purposes).
 - a) The Notice shall be given by first class post, by hand or by facsimile to the Customer at the address provided for this purpose. Such interruption shall not take place less than 12 hours after the time of the giving of the notice.
 - b) The Notice shall detail the following: -
 - i) The supply(ies) to be interrupted
 - ii) The time and date of the interruption which shall be considered to be accurate within plus or minus 60 minutes.
 - iii) An estimate of the length of the interruption which shall be considered to be accurate within plus or minus 120 minutes.

YWS shall notify the Customer by telephone no later than three hours after the commencement of the interruption that the interruption has commenced. If YWS consider that the notified interruption start time shall vary from that provided by greater than 60 minutes then YWS shall notify the Customer as soon as is practicably possible of the new interruption start time.

If the interruption is to be longer than the estimated length of the interruption by greater than 120 minutes then this shall be notified to the Customer as soon as is practicably possible. The interruption shall not be greater than 24 hours in any event.

YWS shall notify the Customer by telephone within 120 minutes of the cessation of the interruption that the interruption has ceased.

The Customer agrees not to take water from the specified supply(ies) in the Notice from the interruption start time until the interruption cessation time. If the Customer takes water at any time during this period the Customer shall be deemed to be in breach of the Agreement. This shall be measured through the use of the YWS monitoring systems.

The Customer agrees that YWS shall be entitled;

- a) To enter the premises in question in order to verify that the Notice has been and is being complied with;
- b) Restrict the rate of flow to the said premises for a specified period of time when the supply interruption ends, and
- c) To require the installation of apparatus for such purposes set out in a) and b).

17.1 Termination

- a) Should the Customer be in breach of this agreement the following effect shall take place:
 - 1) This agreement shall terminate immediately; and
 - 2) The Customer shall be charged for the relevant *metered supply charging year* under the YWS standard charges in relation to the *Metered Water Supply Charge*. This shall apply for the full *year* with any charges being retrospectively adjusted should the breach occur during the *metered supply charging year*.
- b) If at any time during a 12 month rolling period the storage capacity is no longer 24 hours storage then the agreement shall be voided from that time. This may occur either as a result of increased consumption or as a result of reduced storage capacity. In this instance the Customer shall revert to being charged for the relevant *metered supply charging year* under the YWS standard charges in relation to the *Metered Water Supply Charge* from the date the agreement becomes void.
- c) Either YWS or the Customer can terminate the agreement by giving the other 3 months' notice in writing. In this instance the Customer shall revert to being charged for the

relevant *metered supply charging year* under the YWS standard charges in relation to the *Metered Water Supply Charge* from the date of expiry of the said notice.

Telephone and Fax Requirements

The Customer will keep a telephone manned 24 hours each day (with access to a facsimile machine) for the purpose of receiving interruption notices and/or cessation notices and other communications in relation to supply interruptions. The Customer will provide to the Company forthwith on signing this agreement details of at least one telephone number and one fax number and interruption notices and cessation notices shall be given to the Customer on one of such numbers.

The Customer will notify any changes in any such telephone or fax number to the Company before they occur, and will ensure that the persons who man the telephone are at all times qualified to comply with any Interruption Notice.

Limits on Interruptions

The number of days on which an interruption will occur in relation to a Supply Point will not exceed 6 in any *metered supply charging year*.

No Liability for Interruption

YWS shall not be liable for any consequence arising from the stopping or limiting of the supply of water during any period of interruption.

Customer Address

Please provide below a contact address for the provision of notices under this agreement. Any amendments to this address should be notified to YWS prior to its change.

Post Code:

.....
On behalf of the Customer

.....
On behalf of YWS

Appendix 8 - Response to events/incidents - the Formal Notification Process

Introduction

The company is required to respond to events affecting water quality in accordance with the requirements of the Water Supply (Water Quality) Regulations 2000, The Guidance document, the Information Directive 2004 (Information Letter 02/2004), and Information Letters 12/04, 13/99 and 3/94. Prompt action is required to minimise the effect on customers, and records must be created to allow the response to be audited and reviewed later.

The essential responsibility for action during events lies outside Water Quality i.e. with the Duty Manager. The Manager of Water Quality (MoWQ) is responsible for:

- Ensuring that Public health is not compromised (Section 3).
- Ensuring that the appropriate level of sampling and analysis' are undertaken (Section 4).
- Ensuring that the appropriate procedures are adhered to and that appropriate notes are kept documenting actions. This will also involve ensuring that regulatory contacts are updated as the event progresses. (See Section 6)

The MoWQ will designate experienced, trained Senior Scientists on a standby rota to deputise outside working hours or in his absence. Several other functional rotas exist to provide water quality support during events the responsibility for maintaining these rotas is as seen below:

- Distribution - Manager of Water Quality Distribution (MoWQD)
- Production - Manager of Water Quality Production (MoWQP)
- Sampling - MoWQD/ Manager of Regional Sampling (MoRS).

The MoWQ is responsible for ensuring that all Yorkshire Water personnel who participate in events have a full and thorough understanding of their role. He will ensure that the company has in place written procedures documenting the actions required during events.

The MoWQ is responsible for ensuring that Yorkshire Water maintains a system to provide 24 hr analysis of samples during events should this be required. He will ensure that there are standing arrangements for obtaining expert advice on toxicity, microbiological and medical matters.

The Quality Assurance Scientist is responsible for maintaining lists of appropriate contacts for events (See 'External Contacts List'; (4.2) 208).

THE FORMAL NOTIFICATION PROCESS

In order to ensure that the formal notification process is undertaken correctly the Quality Assurance (QA) Scientist is responsible for ensuring that all reports are provided in the appropriate timescale. All details regarding notified events especially details of contacts and the written reports must be provided to the QA Scientist at the earliest opportunity.

Initial notification

On the decision that an event is notifiable, or may become notifiable in normal working hours the MoWQ will arrange for contact to be made with the DWI company Audit Inspector or via the cascade process noted in the external contacts section of this database. Contact will take the form of either a telephone call or E-mail, telephone calls will need to be confirmed with a follow up e-mail. All e-mails should be copied to the Deputy Chief Inspector. Where events occur outside of normal working hours notification will be by telephone as above this will be followed up by an e-mail on the next working day. If the event is considered to be relatively minor notification may be delayed to the next working day. A list of the minimum information required

in the interim report is provided in the annex to this appendix. The DWI recognises that some of the information may not be at hand at the time of the initial contact.

In cases where Regulation 35 (8) applies, in practice this covers most if not all notifiable events, contacts will be made with:

- The appropriate local authority deemed to be the Environmental Health department of the relevant authority/ies.
- The appropriate health authority deemed to be relevant representative/s of the Health Protection Agency i.e. formally the C.C.D.C both by telephone contact
- The relevant customer services committee generally by fax/e-mail on the next working day

At the earliest opportunity following notification the MoWQ will "elect" an "Event recorder" who will ensure that the relevant investigations into the cause of the event are undertaken. The event recorder will also be responsible for providing the Interim and Final notification reports.

Interim notification

The interim report will be provided to the Inspectorate with three working days of the initial notification. The interim report will include all of the information required in the initial notification with some additional information as provided in the annex below. The interim report will be sent electronically to the company audit inspector and copied to the deputy Chief inspector.

In cases where Regulation 35 (8) applies the report, with the exception of customer contact detail, will be provided either electronically or by post to:

- The appropriate local authority deemed to be the Environmental Health department of the relevant authority/authorities.
- The appropriate health authorities deemed to be
 - relevant representative/s of the Health Protection Agency i.e. formally the C.C.D.C
 - the representative of the Local Primary Care Trusts (PCT)
- The relevant customer services committee

Final notification

Within five working days of receipt of the interim report the inspectorate will advise the company of the whether:

- the event is considered to be an incident and that a final report is required within 20 days of the initial notification
- The event is considered to be an incident and the interim report provides enough information, may also require some further information short of a full final report.
- The event is a non-incident no further information required than the completed results
- That the interim report did not provide enough information to classify the event. More information is required this is likely to be the full final report – see Annex below.

The Inspectorate do accept that a period longer than the 20 days provided may be required to complete the report and are prepared to extend the deadlines where requests are submitted in writing (electronically).

The final report will be sent electronically to the company audit inspector and copied to the deputy Chief inspector.

In cases where Regulation 35 (8) applies the report, with the exception of customer contact detail, will be provided either electronically or by post to:

- The appropriate local authority deemed to be the Environmental Health department of the relevant authority/authorities.
- The appropriate health authorities deemed to be
 - relevant representative/s of the Health Protection Agency i.e. formally the C.C.D.C

- the representative of the Local Primary Care Trusts (PCT)
- The relevant customer services committee

DWI assessment process and follow-up action

All notifications will be fully assessed by the Inspectorate and a concluding letter sent usually with 60 day. If this is not possible the company will be informed by E-mail why the incident could not be completed and a new target date will be provided. The Inspectorate may reclassify incidents at this stage where a review of the final report suggests that it is a non-incident. Non incidents assessment will normally take the form of a letter confirming the classification and closing the file but may also have an assessment letter. The MoWQ is responsible for responding to the letter and ensuring that suggestions and recommendations are actioned. Incident assessment letters will be provided with recommendations and suggestions. The MoWQ is responsible for responding to the letter and ensuring that suggestions and recommendations are actioned. The Inspectorate may also undertake the following actions:

- A visit to the site, notice of the visit will be provided by the Inspectorate.
- Enforcement action under section 18 of the Water Act 1991 where wholesomeness was contravened.
- May require the water provider to consider an Authorised Departure if a directive standard has been contravened
- Where applicable the Inspectorate may consider prosecution under section 70 of The Water Act 1991 (amended under section 20 of Schedule 8 of the Water Act 2003).

The MoWQ keeps records of all incidents and their stage of assessment. The MoWQ is responsible for ensuring that all outstanding recommendation /suggestions provided by the inspectorate are acted upon and records kept.

Annex

INFORMATION REQUIRED AT TIME OF NOTIFICATION OF EVENT AND TO BE SUBSEQUENTLY CONFIRMED IN INTERIM REPORT

Company: Yorkshire Water **Date of Event:**
Notified by: **Date of Notification:**
Incident Ref: **Time of Notification:**

Company Contact: XXXXXXXX

- (a) Geographical Location:** { brief description of works, service reservoir, zone etc }
- (b) Nature of Event:** (Brief description of the event)
- (c) Criterion or Criteria for Notification:** (reason for notification)
- (d) Likely cause(s) of event:**
- (e) Population affected:** (numbers and type e.g. domestic, food business sensitive users)
- (f) Which chemical, physical or microbiological standard has been breached or is likely to be breached:**
- (g) Which other element(s), organism(s) or substance(s) (not a parameter) are of concern and what effect or likely effect may they have on the wholesomeness of water supplied: -**
- (h) Is there or could there be a risk to public health:**
- (i) Any medical, scientific or technical advice received and what action has been taken or will be taken in respect of that advice:**
- (j) Action which has been taken or is being taken to rectify the situation:**
- (k) Action taken to inform and protect customers:**
- (l) Nature and extent of sampling:** {Date/location + results or summary of results }
- (m) Local authorities and district health authorities informed:** (give names and telephone numbers of contacts) (HPA and EHO)
- (n) Any other organisations informed:** (Watervoice)
- (o) Any local or national publicity:**
- (p) Copies of any notice issued to the press:**

**Information that should be included in the Interim Report
To be submitted within 3 working days of the Notification,
(as applicable to the event)**

All the information provided in the initial notification, plus:

Updates of information not immediately available at the time of notification.

Duration of the event and when supplies were returned to normal.

Actions taken to protect consumers.

Provision of alternative supplies. (where and when)

Details of investigations that have taken place or are taking place into the cause of the event.

Details of any media interest, with copies of any press releases issued.

If consumers complained about the quality of their supplies during the event, the names and addresses of the first 50 complainants with time of complaint and nature of complaint.

Sometimes an event continues over several days. If complaints about the quality of the water continue to be received by the company for longer than 24 hours from the start of the event, the names, addresses and nature of complaint of the first 50 complainants received on each and every subsequent day should also be provided.

Details of any recorded messaging used to inform consumers of the event, plus any subsequent updates.

Details of all samples taken in connection with the event, including all on-site tests, with their location, time of sampling, and results, if available.

Details of any event related sampling and analysis arrangements by any other agency, such as a local authority or the Health Protection Agency, if known at this stage.

**Information that should be included in the Final Report
To be submitted within 20 working days of the Notification
(as applicable to the incident)**

All the information specified in the Analysis Report Form and PARAGRAPH 7 OF THE WATER UNDERTAKERS (INFORMATION) DIRECTION 2004, plus:

A chronological log of events from the point when the company was first aware of the problem developing to the point when the company considered the incident closed. Details of any further samples taken in connection with the incident, including on site tests, with their location and time of sampling, and results. Plus an update of any outstanding results from the interim report.

Details of any samples taken by a third party (e.g. local authority, HPA)

If the incident relates to a problem in the distribution system:

- A plot/map of all complaints received in connection with the incident and incorporating the locations of all samples taken from hydrants and consumers' taps.
- Schematic diagrams of all assets (e.g. water treatment works, pumping stations, service reservoirs, key valves in distribution) involved during the incident, demonstrating the inter-relationship between sites and the normal flow directions.
- The same diagrams showing the flow directions that may have occurred during the incident.
- Copies of risk assessments, method statements, and planning records associated with events leading up to the incident.
- Copies of instructions to contractors and details of the level of supervision carried out. In the case of Partnership Agreements, an outline of what is in the agreement in terms of maintaining water quality and safeguarding public health; copies of instructions issued by the Company's Partner to their contractor and details of the level of supervision carried out by the Company's Partner.

If the incident relates to a process failure at a water treatment works: o an up to date process and instrumentation diagram;

- relevant sections of the Operating Procedures;
- copies of all relevant SCADA records for 48 hours prior to the incident and during the incident, including alarms;
- a copy of the relevant pages of the Control Room Log;
- copies of the relevant calibration and maintenance logs;
- copies of the Operators' training records;
- any other associated relevant paperwork, including details of any similar previous occurrences during the six months prior to the incident.

Details of communications with other organisations, including copies of any meeting notes and emails outlining actions/decisions by the parties involved.

Details of any outbreak control meetings attended by the company, including minutes of meetings and other information provided by the company e.g. sampling arrangements.

Copies of any additional advice provided to consumers, either by way of scripts or in writing.

Copies of any media reports associated with the incident.

Details of any lessons learnt from the incident and actions taken or being taken to prevent a recurrence of the incident. These should include any improvements in incident arrangements with local and health authorities, HPA etc.

Any other information relating to the incident that the company considers relevant e.g. copies of any letters about the incident sent by the company to its consumers or to other stakeholders; copies of any photographs taken to highlight important aspects of the incident.

If the Company has any doubts about the level of detail required in the 20 day report, it should discuss the matter with its Audit Inspector.