

Allowances Policy

Yorkshire Water's Policy

April 2026



YorkshireWater

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1. Introduction

- 1.1 Since the retail market opened in April 2017, Non-Household Customers (customers) who are typically businesses, public sector organisations and charities, have been able to choose their water retailer.
- 1.2 Retailers provide billing services for water and wastewater, read meters and handle enquiries and complaints. Wholesalers (also known as water companies) look after the pipework and take care of the water supply and removal of wastewater.

2. Aim

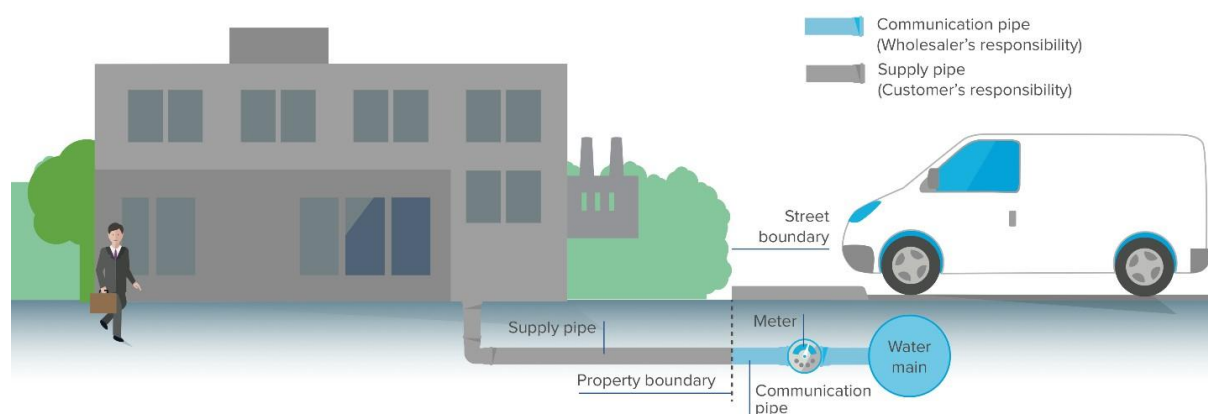
- 2.1 The aim of this policy is to provide clarity to retailers on the types of allowances Yorkshire Water will grant and the conditions which should be met for allowance applications to be considered.

3. Principles

- 3.1 This document is intended to be used by retailers with a Water Supply and/or Sewerage Licence (WSSL).
- 3.2 The scope of this policy is limited to Retailers acting on behalf of non-household customers (business customers). This policy covers the following allowance types:
 - i Leakage (including bursts);
 - ii Fire-fighting;
 - iii Surface water;
 - iv Sewerage volume assessment.
- 3.3 For more information on the processes followed please refer to the Wholesale Retail Code, Operational Terms, Part H accessed in the link below. <https://www.mosl.co.uk/market-codes>

- 3.4 To apply for an allowance with Yorkshire Water, a Retailer must complete a MHI bilateral form. Yorkshire Water will only consider allowance requests submitted via a MHI bilateral form.
- 3.5 In all circumstances, the allowance form must be submitted containing the correct information providing Yorkshire Water with sufficient and appropriate information. Where applications are made but are not materially complete, or the incorrect information has been supplied, Yorkshire Water will reject the application. Yorkshire Water will process successful allowance forms as per the Wholesale Retail code.

4. Responsibilities



4.1 Wholesaler responsibility

- 4.1.1 Yorkshire Water owns all pipework up to the boundary of the eligible premises.
- 4.1.2 Meter unions are part of the meter installation and any leaks on these will be the responsibility of Yorkshire Water to repair unless there is evidence of wilful damage.
- 4.1.3 If Yorkshire Water becomes aware of a potential leak on a non-household private pipework, a leakage notice will be issued under Section 75 of the Water Industry Act 1991. This will inform the customer of the leak and their responsibility to

undertake a repair within 14 days. If the leak is not repaired within this timeline, the Wholesaler reserves the right to carry out the repair under its statutory powers and recharge the non-household customer accordingly. Alternatively, the supply may be turned off to prevent waste of water, damage, or contamination in line with the Water Industry Act 1991, Section 75(9). The Retailer will be kept informed.

4.1.4 Yorkshire Water may still consider a request for allowance, even if a customer has been proactive and fixed a leak prior to a Retailer reading, i.e. the leak had started and fixed in between two reads.

4.1.5 Yorkshire Water may grant an allowance, following a first-time meter installation under its water licence condition I section 8.2.

4.2 Customer responsibility

4.2.1 The customer or landlord owns all the pipework from the boundary of the eligible premises up to where it enters any building, including any stop taps fitted along its length. See appendix A for more information.

4.2.2 The customer or landlord owns the internal plumbing in a building apart from any meters and meter unions.

4.2.3 The customer or landlord must comply with any issued waste / leakage notice under Section 75 of the Water Industry Act 1991.

4.2.4 If the customer does not own the property, then they need to advise the Wholesaler of the relevant information to ensure that the waste / leakage notice can be issued correctly.

4.2.5 It is prudent for the customer to undertake their own regular meter readings to avoid high bills and identify any leaks.

4.3 Retailer responsibility

4.3.1 Retailers are obliged to ensure meters are read to the correct meter reading frequency.

- 4.3.2 It is prudent for Retailers to read meters more frequently than the frequency set in the Central Market Operating Systems (CMOS).
- 4.3.3 Retailers should advise customers on this policy and whether in appropriate circumstances they are eligible for an allowance.
- 4.3.4 All allowances should be requested to the wholesaler using the MHI bilateral process.
- 4.3.5 Retailers are obliged to assist the customer in identifying the cause of high bills. This can be by proactive meter reading validation, added value services or consumption and water leakage education.
- 4.3.6 In support of allowance requests all relevant information should be shared with Yorkshire Water e.g. logger information, meter reads, date of repair, supply a meter read on completion of leak repair and 1 subsequent read (customer read accepted).
- 4.3.7 Retailers should ensure any allowance granted by Yorkshire Water is credited to the customer.
- 4.3.8 If the premise has one SPID with Yorkshire Water and the other SPID with another Wholesaler, then allowance requests should be made separately to each Wholesaler.

5. Allowances

5.1 Leakage allowance (including bursts)

- 5.1.1 Under the Water Industry Act 1991, Yorkshire Water are legally responsible for the supply pipe between the water main and the premises boundary.
- 5.1.2 The customer is responsible for the supply pipe inside the premise's boundary. These responsibilities are unaffected by the position of the water meter, if fitted, which is usually, but not always, located inside the premise's boundary.
- 5.1.3 For this reason, Yorkshire Water will only consider burst allowances for bursts which occur outside the premises'

boundary, except in the circumstances set out in Section 5.7 below.

5.2 Bursts between the meter and premise's boundary where the meter is located outside of the premise's boundary

5.2.1 Yorkshire Water will consider a leakage allowance, subject to the conditions in section 5.7, where the meter is situated outside the premises boundary and a burst has occurred between the meter and the premises boundary. Where such a burst allowance is granted, this will be applied as an adjustment to volumetric charges at both the water and sewerage supply points.

5.3 Bursts at meter

5.3.1 Yorkshire Water will consider a leakage allowance where a burst has occurred on the customer side on the joint between the supply pipe and the meter which has occurred as a consequence of negligence on the part of Yorkshire Water or its contractors when installing the meter. Where such a burst allowance is granted, this will be applied as an adjustment to volumetric charges at both the water and sewerage supply points.

5.4 Water charges

5.4.1 Yorkshire Water will consider granting a leakage allowance in respect of water volumetric charges where it can be clearly demonstrated that conditions under section 5.7 have been met. Where such a burst allowance is granted, this will be applied as an adjustment to water volumetric charges.

5.5 Sewerage charges

5.5.1 Yorkshire Water will consider a leakage allowance in respect of sewerage volumetric charges where it can be clearly

demonstrated that the water has been recorded by the water meter before escaping through a burst downstream of the meter and that this water has not subsequently entered our sewer.

- 5.5.2 The Retailer will be required to provide sufficient and appropriate evidence of where the water has been discharged in order to demonstrate that it has not entered our sewer. Where such a burst allowance is granted, this will be applied as an adjustment to volumetric charges at the sewerage supply point only.

5.6 Calculation of a leakage allowance

- 5.6.1 Where Yorkshire Water grants a leakage allowance, it will be calculated as the difference between the average daily consumption for the same calendar period in the previous financial year and the average daily consumption for the duration of the burst. This is to ensure that seasonal usage is appropriately taken into consideration.
- 5.6.2 Where Yorkshire Water considers that the same calendar period in the previous financial year was not a representative period, it reserves the right to specify an alternative period as demonstrating a typical average daily consumption for the purposes of calculating a burst allowance.
- 5.6.3 Where appropriate historical consumption data is not available, the next two actual reads following the repair of the burst may be used at Yorkshire Water's discretion.

5.7 Terms and conditions

The following conditions and exclusions will apply to leakage allowances:

- 5.7.1 Burst allowances will only ever be granted for metered supply points.
- 5.7.2 For water Yorkshire Water will only consider one leakage allowance per customer at a supply point in any 24-month

period except where the allowance is the result of negligence on the part of Yorkshire Water.

- 5.7.3 For sewerage Yorkshire Water will consider all leakage allowances requested providing that it can be evidenced that the water did not return to the sewer.
- 5.7.4 The Retailer must apply to Yorkshire Water providing all relevant supporting information within twelve months of a repair being completed.
- 5.7.5 The leak must be repaired within 30 days of the customer or Retailer becoming aware of the leak, or within 30 days of the bill date where consumption is higher than normal, whichever is the earliest.
- 5.7.6 There must be sufficient and appropriate evidence that the burst has been repaired. This can be demonstrated by the Retailer providing a copy of the repair bill and / or providing at least two actual reads after the repair, at least 2 weeks apart, to ensure that the consumption is back to normal. In some situations, and at Yorkshire Water's discretion, both pieces of evidence may be required.
- 5.7.7 Yorkshire Water will not grant an allowance where there is evidence that the burst was caused by negligence of the customer or Retailer.
- 5.7.8 The award of a leakage allowance will only cover the period of the burst and will only be given for a maximum period of twelve months which is considered to be sufficient time to identify and repair a burst.
- 5.7.9 The customer shall not be penalised for any delay in burst claims submitted by the retailer, as long as the customer can demonstrate they have acted within the parameters of our allowance policy. Retailers should highlight and give reasons for any delays in sending a MHI bilateral form request to Yorkshire Water.
- 5.7.10 It is the responsibility of the customer and the Retailer to monitor meter readings taken on any supply point registered to them and establish if any reads showing an increase in consumption are due to an increase in water consumption at the premises or whether there is a burst on the customer's side of the meter. Where any burst is suspected to have occurred on the Yorkshire Water side of

the boundary, the Retailer should report it to Yorkshire Water via the Bilateral Hub. Yorkshire Water will then inspect the site for evidence of such a burst:

- 5.7.11 The Retailer must ensure CMOS has been updated with a reading taken after the leak has been repaired.
- 5.7.12 The Retailer continues to be liable for full wholesale charges at a supply point whilst any application for a leakage allowance is being processed.
- 5.7.13 For the avoidance of doubt, allowance requests due to leaking internal fixtures and fittings or caused by vandalism will be rejected.
- 5.7.14 The award of a leakage allowance, including those in exceptional circumstances, will be at Yorkshire Water's discretion. Yorkshire Water reserves the right to reject any application for a leakage allowance.

5.8 Fire-fighting allowance

- 5.8.1 This is an allowance related to the volume charges for any water used to fight a fire, firefighting apparatus testing or training. In addition, where the supply pipe is solely for the purposes of firefighting, the premises will be eligible for an allowance for the fixed annual charges.
- 5.8.2 The allowance will be applied through a volumetric adjustment. Premises which have firefighting supplies that are also used for other purposes, e.g. flushing drains, gardening, washing vehicles, and traditionally charged on volume are eligible for an allowance if the water is used for fire-fighting purposes.

5.9 Surface water drainage

- 5.9.1 A non-primary charge as per Yorkshire Water's Wholesale Charging Scheme, will be made for any verification of services / allowances which are requested where it is found that Yorkshire Water's records are correct. Allowances can

apply in either the band being reassessed, or non-connection being confirmed as follows:

5.9.2 Surface water drainage assessed band

5.9.2.1 Surface water drainage charges are based on the area of a premises and assessed on a banded basis. A verification of services / allowances request should be submitted with a site plan that indicates how the surface water and groundwater currently drain.

5.9.2.2 If accepted, sites area surface water allowances will apply from 1st April of the current financial year.

5.9.3 Surface water drainage non-connection

5.9.3.1 A removal of services / allowances request should be submitted with details demonstrating that the surface water or groundwater does not drain directly into Yorkshire Water's sewer.

5.9.3.2 If accepted, the allowance will be backdated 6 years plus current financial year or the occupation date if later where it is found if non-connected, or it is deemed that we have measured incorrectly e.g. measured two separate premises instead of one.

5.10 Sewerage water drainage non-connection

5.10.1 It is normally assumed that five per cent of the metered water supplied is not returned to the sewer. Where more than five per cent of the water is not returned to the sewer, the premise is eligible for an allowance against the total volumetric charge payable. Yorkshire Water will assess any such allowance based on the evidence available.

5.10.2 The allowance will be backdated to 1st April of the current financial year in which the application for the allowance is made.

5.10.3 Yorkshire Water reserve the right to review any such allowance when there is a change of occupier.

5.11 Flooding events

- 5.11.1 For situations where the customer has been forced from their premise, Retailers are able to mark the premises as vacant in CMOS until such time that it becomes reoccupied. As Yorkshire Water does not currently apply any charges for vacant premises, dealing with customers / premises in this manner will enable Retailers to suspend wholesale charges.
- 5.11.2 Where a customer has used additional water for clean-up purposes Yorkshire Water will apply a discretionary allowance. When completing the MHI bilateral form please provide as much information as possible as to when the flooding occurred and how long water was used for cleaning up.

5.12 AMR faults (Automated Meter Reading device)

- 5.12.1 Where the AMR device has stopped working through no fault of the customer or retailer e.g. it has become unclipped, configured incorrectly or fitted incorrectly and where, upon being fixed, this results in a catch up read Yorkshire Water will give an allowance.
- 5.12.2 The allowance will be calculated using the volume charged between the date the AMR device stopped working and the catch up read. Yorkshire Water will only charge a maximum of 16 months volume based on the average consumption between the readings. The remaining volume will be applied as an allowance.
- 5.12.3 This approach does not currently apply to AMI smart meters which is a new technology. We will keep this approach under review annually. In the meantime where it can be demonstrated by a retailer that a similar scenario to AMR fault has been caused by an AMI meter, YW will review on a discretionary/exceptional basis.

6. References

- Wholesale-Retail Code Part 3: Operational Terms- Part H
- The Water Industry Act 1991
- YW Terms & Conditions of Metered Supply

- Yorkshire Water Leakage Policy
- This policy is aligned to the following Retail Wholesale Group (RWG) Guide see:

<https://www.yorkshirewater.com/business/policies/alignment-to-rwg-guidance>

7. Contact details

- YW Wholesale Service Desk between 08:00 to 18:00 Monday to Friday
– 0344 902 0228.

8. Guidance on pipework and fittings ownership and responsibility

Pipework

Asset	Location	Responsibility of Asset
Water main	Public highway	Wholesaler
Communication Pipe	Public highway	Wholesaler
Supply pipe	Public highway	Wholesaler (prior to boundary)
Joint supply pipe	Within boundary of Eligible Premise (including land)	Shared between customers supplied by pipe
Supply pipe	Within boundary of Eligible Premise (including land)	Customer
Internal Plumbing	Inside a building	Customer (this includes any internal stop tap)

Stop Taps

Asset	Location	Responsibility of Asset
Stop tap including chamber and cover	Public highway	Wholesaler

Stop tap including chamber and cover	Within boundary of Eligible Premise	Customer (Wholesaler if within 1 meter of boundary)
Stop tap including chamber and cover	Inside a building	Customer

Water Meter

Asset	Location	Responsibility of Asset
Water meter including chamber and cover & meter unions	Public highway	Wholesaler
Water meter including chamber and cover & meter unions	Within boundary of Eligible Premise	Wholesaler
Water meter including chamber and cover & meter unions	Inside a building	Wholesaler

Review date / version control

Document Control Ref:	YW AP-005
Document Custodian:	Wholesale Market Services Team
Review Period:	Every 2 years (or as required)

Document Approval

Wholesale Billing Manager Document Owner (Author)	Wholesale Market Services Manager Document Approval Manager
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Document Revision History

Version	Date	Amendment Details
1	Mar-17	New Policy

2	Mar-19	Improved clarity of policy including a new section on responsibilities, greater detail has been provided in the allowances and terms and conditions sections and appendices have been added detailing pipework ownership and responsibility
3	Mar-20	Amended how many allowances can be requested from 1 in 3 years to 1 in 24 months in line with RWG best practice - 5.7 The Retailer must ensure CMOS has been updated with a reading taken after the leak has been repaired - 5.7 Flooding Events section added - 5.11
4	Mar-21	Amended policy wording in line with new Yorkshire Water policy documents
5	Mar-24	Amended policy wording to incorporate MHI bilateral process. Section 5.7 & 5.9 split into individual reference sections
6	Mar -25	5.7.4 & 5.7.8 Amended policy wording to change policy from six months to 12 months for the submission of the form and the allowance period. 5.7.9 Added where there has been a delay in submitting a HI form. 5.7.10 Added regarding the failure of AMR/SMART meter devices. General formatting improvements to the document and content page and sections 8 and 9 have been switched around so the document is easier to use.
7	Feb -26	5.7.10 Wording removed regarding failures on AMR/Smart meter devices 5.12_ New section added

Thank you

For more information contact:

Wholesale Service Desk

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