



Dŵr Cymru
Welsh Water

Guidance for New Appointments and Variations (NAVs) – Consent Criterion

dwrcymru.com

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Version Control

Version Number	Date of Issue	Modifications to previous issue
V3.0.	1 April 2020	Updated to reflect Industry Agreed levels of service. Removal of charging information as this is now in a separate NAV charging document.

Definitions

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

Bulk Supply: A bulk supply of water from one appointed water company to another or a bulk discharge of wastewater from one sewerage company into the sewers of another sewerage company.

Bulk Service: A NAV can provide its own onsite infrastructure, but rely on a bulk supply of water, or bulk discharge of wastewater, from or to the relevant incumbent's network. The NAV still serves end-Customers, but the NAV pays the incumbent for bulk services.

Customer: A new appointee or appointee seeking to vary its licence making a NAV application for a new development.

Consent Criterion: Criterion for a NAV application whereby the prospective NAV applies on the basis that the existing appointee agrees to transfer the site or premises to the prospective NAV.

DWI: The Drinking Water Inspectorate, responsible for regulating public water supplies in England and Wales. The DWI is responsible for assessing the quality of drinking water, taking enforcement action if standards are not being met, and taking appropriate action when water is unfit for human consumption.

Undertaker: A company appointed under section 6 of the Water Industry Act 1991.

Wastewater – Sewage or Sewage and Surface water or Surface water only

WIA91: Water Industry Act 1991.

1. Introduction

This document (the “Guidance”) sets out the Dŵr Cymru Welsh Water (DCWW) guidance for supporting Customers to provide water and wastewater services to new Developments in DCWW’s area of appointment.

The policy provides a framework to ensure all New Appointments and Variations (NAVs) are treated consistently and in line with the legal and regulatory requirements. In particular, DCWW is committed to meeting the aims of Competition Law and meeting the requirements of our licence (i.e. prevention of undue discrimination, undue preference and the misuse of information) including **Condition E1**.

If you have any comments or observations in relation to this guidance please contact Kate Newton, our Competition Solicitor (at kate.newton@dwrcymru.com or on 01443 452740).

2. Supporting our Customers throughout the Process

All enquiries from Customers should be directed to DCWW’s Wholesale Service Centre.

Wholesale Service Centre

DCWW Welsh Water

PO Box 3164, Cardiff, CF30 0FF

T: 0800 260 5053

<http://wsc.dwrcymru.com>

wholesaleservicecentre@dwrcymru.com

Internal controls have been established to ensure Customers are treated fairly and that any confidential information is handled appropriately to avoid any undue preference being shown to any party. There is segregation between teams delivering services on behalf of the Customer and those who may be delivering services directly to the Developer.

Work commissioned by a Customer will be delivered to industry service standards or where applicable, internal performance standards designed to provide industry leading levels of Customer service. DCWW encourages early engagement in order to address any issues that may arise during the planning/construction process.

This Guidance sets out the work required and key criterion that need to be considered in DCWW’s interactions with a prospective Customer. DCWW commits to responding to requests from Customers within the industry agreed levels of service timescales and where we are unable to do so we will provide a full explanation and the alternative timescale. We have indicated throughout this Guidance the normal timescales that will apply and we will aim to respond within these timeframes wherever possible. A table outlining the stages of the application process and the timeframes for DCWW’s responses is included in Appendix A.

3. Overview

A new appointment is made where a limited company is appointed by Ofwat to provide water and/or sewerage services for a specific geographic area. The new appointee has the same duties and responsibilities as the previous statutory water company.

A variation is where an existing appointee asks Ofwat to vary its appointment so it can extend the areas it provides services to.

A NAV therefore involves one company replacing another as the appointee for a specific geographic area. Ofwat provides guidance for Customers in relation to NAV appointments, as well as for incumbent companies responding to NAV applications within their area, available via the following link:

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

4. Site Eligibility

4.1. Site status review

Where a Customer makes an enquiry requesting that DCWW agrees to transfer the site or premises, DCWW requests early engagement, enquiries should be submitted on the application form. Where consent is sought, DCWW will require evidence that key stakeholders have been consulted and are supportive of the application. Key stakeholders will be identified in the response to the enquiry, which DCWW will issue within 21 days.

5. Bulk Service Application

5.1 Information Requirements

Application forms can be downloaded [here](#) and submitted by email to WholesaleServiceCentre@dwrcymru.com. In order to ensure that DCWW can provide a Customer with comprehensive advice about the site, the information requested on the forms should be submitted with an enquiry.

The Wholesale Service Centre will respond to the Customer within 5 business days acknowledging receipt of the application and confirm whether the application is complete or if further information is required before the application can proceed.

A bulk service offer will be issued to the Customer 28 days following the acknowledgement of a completed application and where we are unable to do so we will provide a full explanation and the achievable timescale.

5.2 Point of connection / Engineering Design

If the Customer decides to proceed, a detailed engineering solution for the connection will be provided upon payment of a deposit as detailed in Appendix C. The deposit will be deducted from the final cost of the scheme.

5.3. Risk Assessments

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

5.4. Bulk Service Pricing and Connection Charges

5.4.1. Bulk Charges

The price and non-price terms for the bulk service agreement will be provided as part of the bulk service offer and will include any costs associated with reinforcement of DCWW's existing water/sewerage networks and treatment works and connection charges following the engineering design. The offer will be based on the information available at the time of the request and may be subject to change. The Bulk charge will be based on the appropriate Wholesale Industrial Tariff as detailed in our Charging information for NAVs Document available [here](#).

5.4.2. Bulk Service Metering

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

5.4.3. Bulk Service Agreements

A bulk service agreement should be in place before Ofwat will award a NAV. DCWW's standard bulk service agreements for water and/or waste water service are available [here](#).

Bulk agreement negotiations will be commenced during the Bulk Service Application stage. Bulk service offers will be conditional on both parties having agreed contract terms and the application being successful. DCWW will provide a letter of support to the NAV where appropriate and will furnish Ofwat with any details required by Ofwat as part of their consideration of the NAV application.

6. Post-Submission of the NAV application to Ofwat

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

Company Secretary
Dŵr Cymru Welsh Water
Pentwyn Road
Nelson
Treharris
Mid Glamorgan
CF46 6LY

It is requested that a copy of the notice is also sent by email to WholesaleServiceCentre@dwrwymru.com.

7. Post-Award

7.1. Transition

Once Ofwat have confirmed the award of the NAV to the Customer, DCWW will support the new appointee via a named point of contact within the Wholesale Service Centre. Transition arrangements will be agreed to ensure:

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

Controls established to maintain confidentiality between Developer Services and the Wholesale Service Centre during the application process will be relaxed, reflecting the transition of the new appointee from a competitor to a Customer (Ofwat's 'Competitor Principle'). It facilitates the use of appropriately skilled and knowledgeable resources with development industry backgrounds to support the new appointee when connecting to DCWW's network.

7.2. Contract Management

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

Appendix A - Application Process

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

Stage	Key Process	Process	Response Time
1	Site status review	DCWW engages with the Customer and confirms eligibility under the Consent Criterion	21 days
2	Bulk service application	The Customer submits an application form and DCWW acknowledges receipt and confirms completeness	5 business days
	Bulk service offer	DCWW will provide a bulk service offer which will provide the following information: <ul style="list-style-type: none"> • Connection — Details of permanent point of connection and connection costs. Details of temporary arrangements, such as temporary capacity constraints, temporary points of connection and indicative information on any reinforcement work required; and • Commercial terms and conditions – Applicable connection costs, capital and financing costs for work required to reinforce DCWW’s existing networks and treatment works (including any discount), infrastructure charges (if applicable), bulk charges and standard bulk agreements. 	28 days

	Risk Assessment	Where a Customer requires information on DCWW’s drinking water safety plans to submit a satisfactory risk assessment to the DWI, DCWW aims to respond with the requested information within 15 business days.	15 business days
3	Bulk supply and bulk discharge agreements	Standard bulk service agreement signed and issued to the NAV within 28 days commencing on either (i) on the day after written acceptance from the NAV of the bulk service offer, or (ii) on the day after agreement of non-standard terms.	28 days
		Acknowledgement of returned signed agreement	5 days
4	Bulk connection (following payment)	Off-site mains construction	90 days
		Off-site sewer construction	180 days
		Provision of connection and supply of water for testing	28 days
		Provision of permanent supply of water	14 days

