

Leak Allowance

Good Practice Guide

RWG Guide Sub Group

8/22/2018



To provide some standardization and guidance for Retailers, Wholesalers and customers on Non-Household Leak Allowances in the water industry.

1. Objective

- provide an industry wide good practice guide
- encourage a consistent and collaborative market approach
- reduce market complexity for retailers, Non-Household customers (and their representatives) and third party intermediaries
- provide clear guidance on ownership and responsibility for leaks on Non-Household private pipework
- comply with the Wholesale-Retail Codes & Market Codes

2. Guide Principles

2.1 To ensure the guide is observed fairly, the following section contains industry guidelines.

2.2 Wholesalers and Non-Household Customers are legally responsible for different sections of pipework that supply drinking water to an Eligible Premise, this is summarised below:

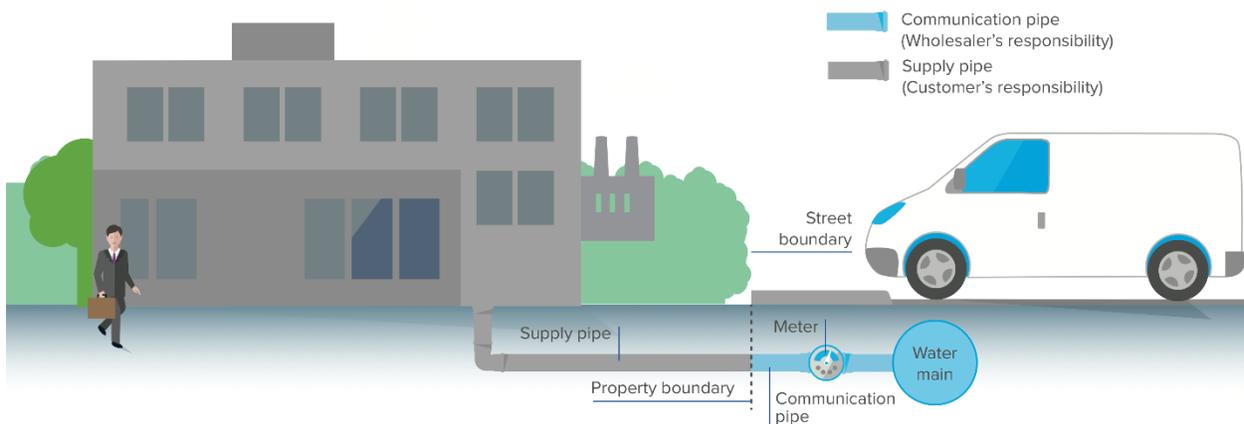


Fig1 – Supply and Communication pipe responsibility, (see also Appendix A)

3. Responsibilities

3.1 Wholesaler Responsibility (water and/or waste water company)

- The Wholesaler owns all Mains pipework and Communication pipework
- In most cases the Wholesaler will take ownership of all pipework up to the boundary of the Eligible Premises. *

** In some circumstance i.e. over private land or the meter pit/outside stop tap is some distance from the boundary. This would be considered the supply pipe. In this case the responsibility and ownership would be the customers or third party. If you need clarification please speak to your wholesaler who will inform you of the responsible party. For more information please see fig2.*

Fig2 – Complex, Responsibility guidance for pipe ownership

- Meter unions are part of the meter installation and any leaks on these will be the responsibility of the Wholesaler to repair unless there is evidence of wilful damage.

- If the Wholesaler 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 Non-Household 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.
- The Wholesaler 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.
- Obligation is on the Wholesaler to grant an allowance, following a first time meter installation. Under the Wholesalers water licence (condition I section 8.2)
- If a Wholesaler become aware of a leak he must make reasonable endeavours to inform the customer

3.2 **Non-Household Customer Responsibility**

- The Non-Household Customer or landlord is responsible for all external pipework from the boundary of the Eligible Premises, including any stop taps fitted along its length. (see appendix 1 for more information)
- The Non-Household Customer or landlord is responsible for the internal plumbing in a building excluding any meters and meter unions that are owned by the Wholesaler.
- The Non-Household Customer should comply with any issued Waste/Leakage notice under Section 75 of the Water Industry Act 1991
- If the Non-Household Customer does not own the premises then they need to advise the Wholesaler of the relevant information to ensure that the waste notice can be issued correctly.
- It is seen prudent for the Non-Household Customer to undertake regular meter readings to avoid high bills and identify any leaks.

3.3 **Retailer Responsibility**

- Advise customer if an allowance can be requested.
- Submit allowance request via a H01 form
- Assist the customer in identifying the cause of high bills. This can be by added value services or consumption and leak education.
- Share all relevant information with the Wholesaler, i.e. logger information, meter reads etc.
- Supply read on completion of leak repair and 1 subsequent read (customer read accepted)
- Facilitate customers understanding on Published leak allowance guide
- Pass allowance onto customer.(once allowance agreed by wholesaler)
- Liaise with wholesalers re previous allowances
- If the customer has 2 wholesalers (water and waste) requests would need to be made separately.
- Be proactive when receiving high meter readings by contacting the customer to alert them to a possible leak (to enable the customer to take prompt action to repair within 30 days).

4. Type of allowance

- If the leak is found on the supply pipe an allowance may be given for (water & sewerage*).(please see addendum)
- If the leak is found on the communication pipe after the meter but before the boundary(wholesaler responsibility- see fig 1) an allowance will be given for water and sewerage
- If the leak is located on a third party's land (e.g. meter on neighbour's farm) an allowance may be given at the wholesaler's discretion.

5. Identifying the leak

- If the Non-Household customer identifies a leak on a stop tap, water meter or pipe work which is owned by the Wholesaler they should contact the Wholesaler directly, as soon as possible.
- If a Non-Household customer suspects they have a leak, i.e. they receive an abnormally high bill, they should contact their Retailer or an approved plumber for advice and assistance.

6. Time to repair the leak

- The leak must be repaired within 30 days of the customer or Retailer becoming aware of the leak on the supply pipe, or within 30 days of the bill date where consumption is higher than normal, whichever is the earliest, (if a waste/Leakage notice has been issued this can be reduced to 14 days), days or immediate disconnection of the water supply if required).
- Extensions may be given due to extenuating circumstances, an extension must be sought from the Wholesaler in advance by the Retailer and or customer.
- If the leak is on the communication pipe and the Wholesaler is repairing the leak, the retailer will not be penalised for any delays caused by the Wholesaler fixing the leak.

Note: If a Non-Household Customer cannot isolate their supply to undertake a leak repair i.e. they cannot locate their external stop tap, they should contact their Wholesaler.

7. How long do I have to apply for an allowance?

- The Retailer must apply to the Wholesaler with all relevant supporting information within six months of a repair being completed.

8. How long is the allowance granted for?

8.1 Communication pipe

- Undefined/open ended (Wholesaler's responsibility to fix)

8.2 Supply pipe leak

- Up to 12 months (maximum) from date of fix – if it is the Non-Household customer's responsibility to fix.
 - This period is to allow for 6 monthly read Customers.
 - It's important to note that Waste/Leakage Notices will be issued from the Wholesaler under Section 75 of the Water Industry Act 1991. Should the Non-Household customer not repair the leak in the required time frame, an allowance will not be granted.
 - If there are no **actual reads** for more than 12 months, an allowance may be granted for a greater period but this will be at the discretion of the Wholesaler. For example; if it can be proved that the readings have not been read due to a failure of the Wholesaler.

9. How many allowances can be requested?

- Only one allowance will be granted within any 24 month period.
- Any further request in the same 24 month period will be assessed on a case by case basis, and at the discretion of the Wholesaler. The customer would have to demonstrate good practice and show improvements made to their infrastructure.
- Exceptions to the above conditions will only be granted if a leak is the result of negligence on the part of the Wholesaler.
- If occupancy has changed within 24 months of an allowance being granted at the premise, the new occupier can make a claim and will not be penalised for a previous occupiers claim.

10. Calculating the allowance

- Where the Wholesaler grants a leak allowance to the retailer, 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 leak. This is to ensure that seasonal usage is appropriately taken into consideration.
- Where the Wholesaler considers a similar calendar period in the previous financial year is not a representative period, it reserves the right to use an alternative period for the purposes of calculating a leak allowance.
- Where appropriate historical consumption data is not available, the following two actual reads from the repair of the leak may be used, at the Wholesaler's discretion.

11. Conditions

- Leak allowances will only ever be granted for metered supply points.
- Leak allowances are granted to the retailer not directly to the customer.
- The retailer will credit the customer as per their internal processes
- There must be appropriate and sufficient evidence that the leak 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, at the Wholesaler's discretion, both pieces of evidence may be required.
- The Wholesaler will not grant an allowance where there is evidence that the leak was caused by negligence of the Non-Household customer, Retailer or third party.
- A read on completion of leak being fixed must be supplied with the application.
- It is the responsibility of the Non-Household customer and the Retailer to monitor meter readings. To help identify when there is an increase in consumption and determine whether there is a leak on the Non-Household customer's side of the meter. Where any leak is suspected to have occurred on the Wholesaler's side of the boundary, the Retailer/Non-Household Customer should report it the Wholesaler immediately.
- When a Non-Household customer, or Third Party working on behalf of the Retailer is undertaking a leak repair within a building on plumbing connected to a water meter, permission must be obtained from the Wholesaler to remove and refit the meter, if required, to aid repair.
- The Retailer continues to be liable for full wholesale charges at a supply point whilst any application for a leak allowance is being processed.
- Leak allowance requests due to leaking internal fixtures and fittings or caused by vandalism will be rejected.

- The award of a leak allowance, including those in exceptional circumstances, will be at the Wholesaler's discretion. The Wholesaler reserves the right to reject any application for a leak allowance.

12. Dispute an allowance process

- If a Retailer disputes a given allowance, please refer to the issuing Wholesaler's internal dispute/escalation process.
- If the Non-Household customer or Retailer do not agree with the Wholesaler's escalation findings, they can submit a complaint, using the Market Code F5 complaint form/process.

13. Risks

- Currently there is no way to record previous leak allowance requests on CMOS (only granted). It will be taken on good faith that participants notify relevant parties if previous leaks have been requested and declined.
- There is currently no way to identify if a leak was Wholesaler's responsibility or customers responsibility. It will be taken on good faith that Retailers will notify the wholesaler if previous leaks have been the responsibility of the customer.

14. Addendum Table

- Whilst the main aim is to bring consistency across the market for leak allowances. There may be some circumstances that the wholesaler may differ from this guide. Please see the Addendum Table for more details

Fig3 - Addendum Table

15. Appendix

Appendix 1 - 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 Non-Household Customers supplied by pipe
Supply pipe	Within boundary(including land) of Eligible Premise	Non-Household Customer
Internal plumbing	Inside a building	Non-Household 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	Non-Household Customer(wholesaler if within 1 meter of boundary)
Stop tap including chamber and cover	Inside a building	Non-Household Customer

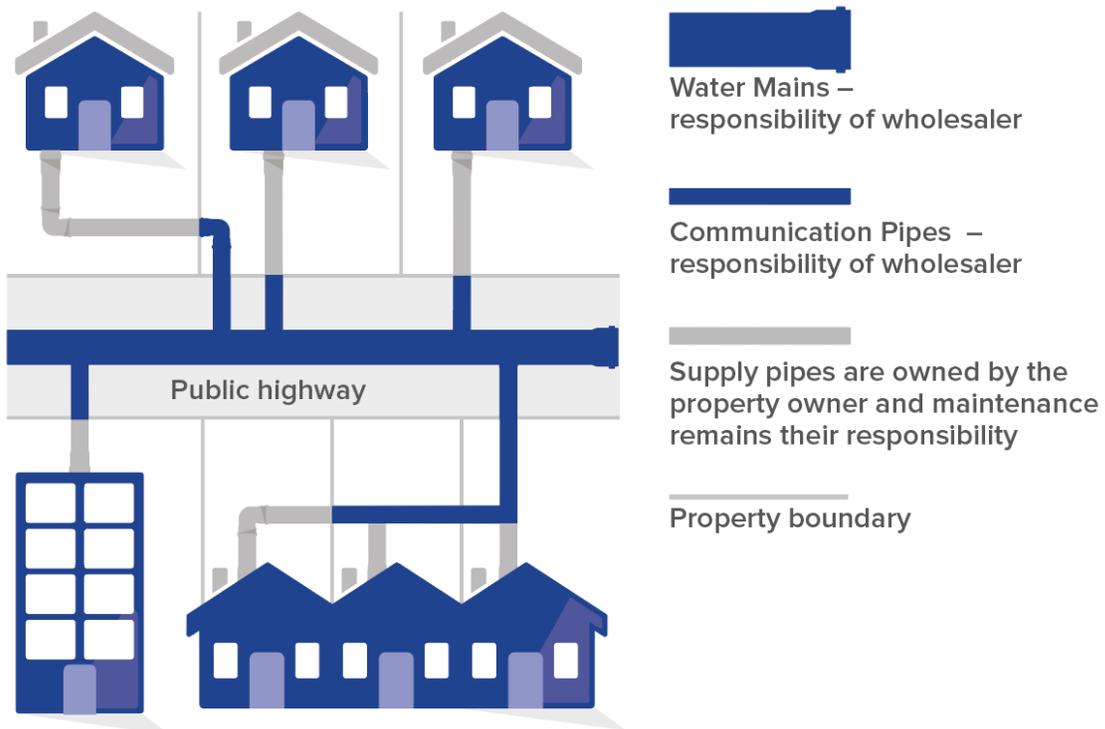
Water Meter

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 and meter unions	Inside a building	Wholesaler

* It is important to note that there are exceptions to the rules above. The Wholesalers responsibility is for the Communication pipe (also known as the main). In some circumstance i.e. over private land or

the meter pit/outside stop tap is some distance from the boundary. This would be considered the supply pipe. In this case the responsibility & ownership would be the customers or third party. If you need clarification please speak to you wholesaler who will inform the retailer/customer of ownership and responsibility.

Appendix 2 – Complex, Responsibility guidance for pipe ownership



Appendix 3 – Addendum Table

Addendum Table							
Wholesaler	Type of allowance	Identifying the leak	Time to repair the leak	How long do I have to apply for an allowance?	How long is the allowance granted for?	How many allowances can be requested?	Calculating the allowance
Affinity Water							
Anglian Water							
Bournemouth Water							
Bristol Water	Water only	As Good practice Guide - Investigate first, report leak to wholesaler if on comm pipe	As Good practice Guide - 30 days to repair (exemptions apply)	*Customer usage less than 200 cu.m. p.a. - Within 3 months of the leak being identified *Customer usage above 201 p.a. - Within 1 month of leak being identified	1 billing period	*Customer usage less than 200 cu.m. p.a. - 2 in period of occupancy *Customer usage between 201 and 15,000 cu.m. p.a. - 1 in period of occupancy	Customer usage less than 200 cu.m. p.a. In the first instance an allowance of 100% above normal consumption will be granted. In the second instance an allowance of 50% above normal consumption will be granted. Customer usage between 201 and 15,000 cu.m. p.a. An allowance will only be granted in the first instance and will be an allowance of 50% above normal consumption.
Dŵr Cymru Welsh Water	Sewerage only for supply pipe leak unless property is mixed use	As Good practice Guide - Investigate first, report leak to wholesaler if on comm pipe	28 days	As Good practice Guide - Within 6 months of repair	As Good practice Guide - 12 months (exemptions apply)	1 in 3 years	As Good practice Guide - ADC x Leak period (exemptions apply)
Northumbrian Water Ltd	Sewage only on supply pipe if evidence received that lost water has not returned to sewer NW region only	As Good practice Guide - Investigate first, report leak to wholesaler if on comm pipe	As Good practice Guide - 30 days to repair (exemptions apply)	As Good practice Guide - Within 6 months of repair	As Best Practice Guide for supply pipe, Communication pipe to be determined by NWL	As Good practice Guide - 1 in 24 months	As Good practice Guide - ADC x Leak period (exemptions apply)
Portsmouth Water		As Good practice Guide - Investigate first, report leak to wholesaler if on comm pipe	No allowance will be given. If the leak is not repaired in a timely manner we will start the notice of waste process.	N/A as no leak allowance will be provided.	N/A as no leak allowance will be provided.	N/A as no leak allowance will be provided, although if the case is complex and there has been a delay in the Wholesaler notifying the customer this will be investigated on a case by case basis.	As Good practice Guide - ADC x Leak period (exemptions apply)
Seven Trent	Water & Waste (if not returning to sewer)	As Good practice Guide - Investigate first, report leak to wholesaler if on comm pipe	As Good practice Guide - 30 days to repair (exemptions apply)	As Good practice Guide - Within 6 months of repair	As Good practice Guide - 12 months (exemptions apply)	1 per occupier of the property	As Good practice Guide - ADC x Leak period (exemptions apply)
South East Water	Water only	Customers to contact Retailer, not Wholesaler, in all circumstances except where out of hours.	14 days from leak on supply pipe being identified by customer or Retailer.	No time limit so long as post market opening.	The period between the "High Consumption Read" and the previous meter read	Allowance will be granted so long as no leak allowance has been previously applied to the current retailer for the same supply point.	As Good practice Guide - ADC x Leak period (exemptions apply)
South West Water							
Southern Water	Sewage only on supply pipe	As Good practice Guide - Investigate first, report leak to wholesaler if on comm pipe	As Good practice Guide - 30 days to repair (exemptions apply)	As Good practice Guide - Within 6 months of repair	As Good practice Guide - 12 months (exemptions apply)	As Good practice Guide - 1 in 24 months	As Good practice Guide - ADC x Leak period (exemptions apply)
Sutton and East Surrey Water							
Thames Water	Sewage only on supply pipe	As Good practice Guide - Investigate first, report leak to wholesaler if on comm pipe	6 weeks	within 3 months of leak being fixed	As Good practice Guide - 12 months (exemptions apply)	1 per premise	As Good practice Guide - ADC x Leak period (exemptions apply)
United Utilities	Sewage only on supply pipe	As Good practice Guide - Investigate first, report leak to wholesaler if on comm pipe	As Good practice Guide - 30 days to repair (exemptions apply)	As Good practice Guide - Within 6 months of repair	• Any allowance will normally be given for a maximum period of: o 4 months for monthly read meters o 13 months in all other cases o or from the start of the leak period (whichever is the shorter period)	As Good practice Guide - 1 in 24 months	As Good practice Guide - ADC x Leak period (exemptions apply)
Wessex Water							
Yorkshire Water	Water & Sewerage on supply pipe	As Good practice Guide - Investigate first, report leak to wholesaler if on comm pipe	As Good practice Guide - 30 days to repair (exemptions apply)	As Good practice Guide - Within 6 months of repair	6 months	1 in 3 years	As Good practice Guide - ADC x Leak period (exemptions apply)

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