

# Access Code

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## Overview

### Role of the Access Code

The Access Code is intended to describe the general principles under which access by a third party will be granted to Bristol Water's treatment and infrastructure assets and how such access will be managed. The Access Code will form the basis of an Access Agreement between Bristol Water and a licensee to retail water; however precise terms and conditions will be negotiated with each individual Access Agreement.

The Access Code should be consulted in conjunction with our indicative Access Prices, which give indicative prices for retail of water to licensees. These prices should be used only as a guide, as exact prices will be dependent on the details of each agreement.

This Access Code applies to both wholesale supplies and combined supplies. A wholesale supply is whereby a licensee may purchase water from us to re-sell. A combined supply is whereby a licensee wishes to introduce water into the Bristol Water supply system.

A common contract and operational code for wholesale supply agreements have been agreed between companies, licensees and Ofwat. These can be found at appendices 4 and 5.

This Access Code details the general conditions by which a licensee may purchase water from Bristol Water, to retail to eligible non-household customers. Non-household customers are eligible to switch retail supplier.

On 1 February 2023, the Bristol Water business transferred to South West Water by way of an approved transfer scheme under Schedule 2 of the Water Industry Act 1991 (the "Scheme"). Under the Scheme, the property, rights and liabilities of Bristol Water Plc transfer to South West Water as if South West Water had always been the owner.

Effective at the same time, South West Water became the provider of drinking water services to the area previously served by Bristol Water Plc following a variation to South West Water's licence and termination of Bristol Water Plc's licence by industry regulator Ofwat.

Bristol Water reserves the right to modify this Access Code at any time. Modifications will be published on our website, <http://www.bristolwater.co.uk>

### Relevant Framework Documents

#### Primary and secondary design

This Access Code is produced in accordance with the Water Industry Act 1991, as modified by the Water Act 2003. Licensees wishing to form an Access Agreement with Bristol Water should be familiar with this legislation, and take particular note of sections 66A-66C of the Water Industry Act 1991.

Relevant legislation can be found via the following links:

Water Industry Act 1991

[www.opsi.gov.uk/acts/acts2003/20030037.htm](http://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](http://www.opsi.gov.uk/si/si2005/20051638.htm)

The Water Supply (Water Fittings) Regulations 1999  
<http://www.opsi.gov.uk/si/si1999/19991148.htm>

Competition Act 1998  
<http://www.opsi.gov.uk/ACTS/acts1998/19980041.htm>

### Statutory and non-statutory guidance

In producing this Access Code, Bristol Water has followed the guidance of the Water Services Regulation Authority (Ofwat), specifically the document “[Guidance on Access Codes](#)” published in June 2005 and subsequently updated. It has also followed the guidance of the DWI, specified in information letter DWI IL 04/00.

### Conditions of Appointment

Under the condition of appointment R and S of South West Water’s Licence, which was varied on 1 February 2023 to include the Bristol Water area, we are required to publish this code in accordance with guidance laid down by Ofwat. Details of the conditions of appointment can be viewed here:  
[https://www.ofwat.gov.uk/wp-content/uploads/2015/10/lic\\_lic\\_brl.pdf](https://www.ofwat.gov.uk/wp-content/uploads/2015/10/lic_lic_brl.pdf)

### License application guidance

Potential licensees should obtain a licence from Ofwat prior to the commencement of any negotiations with Bristol Water over an Access Agreement. This includes potential retailers and potential combined licensees. Please refer to the Ofwat website for [details on applying for a licence](#).

### Information regarding pricing methodology

Bristol Water has calculated indicative Access Prices for providers of retail services and common carriage applications. The indicative wholesale access prices for retail services were published on 13<sup>th</sup> October 2024, and the indicative common carriage prices are included within this document, also published on 13<sup>th</sup> October 2024. These prices are set out in section nine of this document, and on our website [www.bristolwater.co.uk](http://www.bristolwater.co.uk)

These indicative access prices are calculated based on Bristol Water’s PR24 Draft Determination response published by the Competition and Markets Authority.

## Role of key industry players

### Role of Bristol Water

South West Water is the appointed water undertaker, operating under the brand Bristol Water, for the City of Bristol, North Somerset, and parts of the counties of South Gloucestershire, Somerset, Bath and North-East Somerset, Wiltshire and Gloucestershire. A map of the Bristol Water supply area is shown in

## Appendix 1.

Chapter 2A WIA91 places duties and obligations on water undertakers subject to certain conditions. Bristol Water is obliged to provide the following services subject to the conditions detailed below:

### Primary undertaker

#### Wholesale water supply

Where a licensee requests Bristol Water to provide a supply of water, under section 66A WIA91, and the premises are within Bristol Water's area, Bristol Water 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 Bristol Water carries out these duties are agreed with the licensee in accordance with the operational code and common contract.

#### Introduction of water into water undertaker's supply system

Where a licensee requests Bristol Water'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, Bristol Water 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 Bristol Water 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 Bristol Water's area, Bristol Water 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 Bristol Water's supply system to the neighbouring secondary undertaker's supply system. Having taken such steps, Bristol Water 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 Bristol Water carries out these duties are agreed with the licensee in accordance with Ofwat's access code guidance and the costs principle.

### Secondary undertaker

Where a combined licensee requests Bristol Water 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, Bristol Water 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 Bristol Water 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 Bristol Water's supply system, of a supply obtained from a secondary undertaker involves two transactions, is governed by separate agreements:

- The secondary undertaker sells water to the licensee
- 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 Bristol Water is identified as a secondary undertaker within an access application, Bristol Water expects to be involved as necessary in discussions with the licensee and the primary undertaker. Bristol Water 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.

#### 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 Bristol Water would:

- require Bristol Water 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 Bristol Water'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 Bristol Water, 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.



## Licensees

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 Bristol Water'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 Bristol Water's supply system.

Licensees share responsibility with Bristol Water 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 on Ofwat's role is available on its website: <https://www.ofwat.gov.uk/regulated-companies/ofwat-industry-overview/licences/new-suppliers/becoming-water-supply-sewerage-licensee-wssl/>

## 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 guidance on the quality aspects of common carriage arrangements can be found on the DWI website at <https://www.dwi.gov.uk/water-companies/competition/>

### 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. The production and publication of Water Resources Management Plans became 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.

### 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, Bristol Water should revise this access code to reflect relevant changes.

### Definition of Services

Bristol Water 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 Bristol Water being either the primary undertaker (section 66A and 66B of the WIA91) or a secondary undertaker (section 66C of the WIA91).

### **Primary Water undertaker**

#### **Wholesale water supply**

Bristol Water 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.

#### **Introduction of water into the supply system**

Bristol Water 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.

Bristol Water 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**

Bristol Water 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. Bristol Water 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.

## Application for access to the water undertakers supply system

### Process Requirements

#### Wholesale applications

Details of the process for wholesale applications are contained within the operational code and common contract documents, which can be found at appendices 4 and 5. The information in this section relates only to combined supply applications.

#### Confidentiality agreements

Licence Condition R and Standard Licence Condition 2 impose an obligation on the water undertaker and licensee not to use or disclose information inappropriately. A pre-contract confidentiality agreement must be signed by Bristol Water and the licensee at the start of access negotiations, which will ensure that neither party discloses without consent or misuses information received.

A standard confidentiality agreement is included in Appendix 2.

Any Water Supply Licensing information shared with Ofwat could be affected by the Freedom of Information Act 2000. For Ofwat's policy on Freedom of Information see their website:

[http://www.ofwat.gov.uk/wp-content/uploads/2015/10/gud\\_pro\\_foipusscheme.pdf](http://www.ofwat.gov.uk/wp-content/uploads/2015/10/gud_pro_foipusscheme.pdf)

#### Information requirements

Bristol Water requires the following information to commence the application process:

##### **Stage 1: Initial contact:**

- Contact details for licensee
- Address of registered office
- Companies House number

##### **Stage 2: Preparation of individual contract schedules:**

- Customer details;
- Name
- Address
- Customer's premises details
- Estimated annual consumption
- Usage proportion relating to non-household
- Special service level requirements
- Intended supply duration
- Signed consent form from customer
- Declaration that customer's premises are eligible.

In addition, information is required to assess the acceptability of water input into the network:

##### **Network Assessment**

For the purposes of Network Assessment please specify:

- Location of source
- Proposed point of entry to the Bristol Water Network (if known)
- If there are any constraints on the pattern of flow from the source
- Maximum input flow rate
- Planned average input

##### **Quality Assessment**

For providers of Treated Water from New or Proposed Works:

- Please provide details of the composition of the raw water to be treated for each of the parameters listed in the Access Criteria of this access code. Please demonstrate compliance with Regulation 20.
- Please provide details of the target water quality of the treated water for each of the parameters listed in the Access Criteria of this access code.. Please also provide details of the proposed treatment process along with an assessment of the ability of the works to maintain a desired level of water quality over a wide range of foreseeable events and to fail safe.

For providers of Treated Water from Existing Works:

- Please provide details of the composition of the treated water from the works for each of the parameters listed in the Access Criteria of this access code.. Please outline how the water was sampled and analysed and demonstrate compliance with Regulation 20.
- Please provide evidence that the composition of the water reported is typical over a wide range of foreseeable conditions. Please provide a *Cryptosporidium* risk assessment and confirm that it has been sent to the DWI and accepted by them.
- Please provide details of the treatment processes used, the system used to manage the works, and the maintenance policy. Include details of mechanisms designed to ensure that the plant fails safe.

### **Evidence of Licensee’s systems for informing BW & customers of emergencies**

#### **Stage 3: Detailed Application:**

Further clarification of data provided with the initial application may be required.

#### **Timescales**

The following timescales have been agreed by Ofwat, other regulators and Water Undertakers. Whenever possible Bristol Water will endeavour to keep to these timescales, however it must be recognised that it is not always technically possible to do so. These timescales apply to both retail and combined supplies.

#### **Initial application**

The completed application form from the licensee and signed consent forms from the customers are sent to Bristol Water.

Initial response to application from Bristol Water within 20 working days of all information being received.

Total elapsed time for this stage from initial contact is 40 working days.

#### **Detailed application**

The completed detailed application that includes responding to any of the issues raised by Bristol Water following the initial application is submitted to Bristol Water. The initial assessment report is copied to the DWI for observation and identification of any water quality issues

Bristol Water has 50 working days to complete the feasibility study and any other investigations required, including negotiation of water quality terms. This will normally involve 10 working days to ask any further questions of the licensee on the application where required information is not fully completed or clear. Bristol Water will then have a further 40 days after receiving all the required data to completed studies, recalculate the Water Resources Plan and to calculate final access prices.

Total elapsed time for this stage from initial contact is 90 working days.

#### **Detailed negotiation**

This stage commences when a firm offer of access is made by Bristol Water at the end of the detailed application stage.

Discussion of contract terms will normally occur within 15 working days, within which the licensee can accept the terms offered. Any changes to price or non price terms requested by licensees may require a further period of discussion before revised terms can be proposed and discussed.

Bristol Water will issue a formal contract that reflects the final terms within 10 working days.

Both parties will have signed the formal contract within a further 15 working days.

Total elapsed time for this stage from initial contact is 130 working days.

These timescales are likely to be suspended where conciliation, arbitration or dispute resolution procedures are used during the detailed negotiation phase.

### Application fees

No application fee will be payable to Bristol Water for the cost of processing an access application. This includes the discussion, negotiation and agreement of terms and conditions of a common contract or confidentiality agreement.

After the initial application Bristol Water will determine the extent of any studies that are required before access can be allowed. Bristol Water will provide estimates of the time required to undertake these studies, and the rates at which the time will be charged. The licensee must pay the estimated cost of these studies before any work is undertaken. Any difference between the estimate and the final cost will be settled when the studies are complete.

Section 66(E) of the Water Industry Act 1991 allows Bristol Water to recover any expenses reasonably incurred in performing duties under sections 66A to 66C of the Act. Section 66B of the Act refers to proposals to introduce water into a water undertaker's supply chain.

### Credit provisions and credit limits

Bristol Water reserves the right to carry out a credit check and to establish a credit limit for licensees at any time. Where the scale of business with a licensee is such that the credit limit is likely to be exceeded, Bristol Water in its discretion may seek additional guarantees.

These checks and credit limits are made against the same conditions applied to customers on the Bristol Water Major User tariffs, and as such no discrimination is being shown towards any class of customer.

### 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 undertaker 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 5 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).

### 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 supply water to a customer that breaches 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:

1. 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);
2. 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
3. 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:
  - a. They have a common landlord or managing agent in respect of the totality of the premises;
  - b. They have adjoining boundaries or are separated only by transport infrastructure;
  - c. They are served by a self-contained common water supply system that does not belong to a water undertaker; and
  - d. 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 5 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 eligible premises by more than one licensee. However, a premise 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.

## Application process

### Combined supply arrangements

#### Stage 1: Initial contact

Initial contact allows a licensee to express an interest in applying for an access agreement. The licensee should contact Bristol Water and, if necessary, a secondary water undertaker, to discuss issues regarding



their wholesale supply or combined supply application. At this point, the licensee may also wish to notify the sewerage undertaker of the possibility of the customer transferring to another supplier.

Standard Licence Condition 5(8) of the Water Supply Licence (Provision of information to relevant undertakers) requires the licensee to inform any third party sewerage undertaker who provides or will provide services to any premises which are connecting to the water undertaker's supply system for the first time, to enable the sewerage undertaker to start billing the new customers.

If the licensee requires a meeting with Bristol Water to discuss its request for a combined supply or secondary supply, we will endeavour to arrange a meeting within ten working days of the request. At that stage, the licensee will not be expected to reveal the identity of its customers, their consumption or location.

### **Stage 2: Initial application**

The licensee should submit to Bristol Water an application, outlining its proposals for a combined supply.

The information requirements are set out in the Access Criteria of this access code.

Bristol Water will respond to this application setting out any additional details that it requires and the estimated costs of any studies to be undertaken in the detailed application phase.

The licensee's application will be rejected if an application by another licensee to supply the customer has been accepted.

### **Stage 3: Detailed application**

To assess the technical feasibility of the application, Bristol Water will require detailed information, including but not limited to that listed in the Access Criteria of this access code..

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

Other regulators, in particular the DWI and the EA, may also request information from the licensee, within their roles as defined below in parts v) and vi).

The licensee should inform Bristol Water if there has been any change to the information submitted at the initial application stage, or if further information has become available.

Bristol Water will agree with the licensee the scope and cost of any necessary feasibility studies or tests required to assess the application.

The licensee's application will be rejected if it is impracticable, for example requiring unfeasible hydraulic conditions, if it has unacceptable water quality implications, if there are concerns over the source risk assessment or for national security reasons.

Once Bristol Water is satisfied that the proposal is acceptable and feasible, it will make a firm offer of access, in both price and non-price terms, in writing to the licensee. The offer will be subject to the execution (or modification in writing) by both parties of a formal written combined access agreement, within the meaning of the WIA91.

### **Stage 4: Detailed contract negotiation**

At this stage Bristol Water will agree with the licensee a contract, which will include clauses dealing with:

- Payment terms, including frequency
- Arrangements for dealing with any outstanding debt; and

- A Service Level Agreement, setting out the required performance of the licensee, and specific support services to be provided by Bristol Water to the licensee.
- An agreed transfer date (making due allowance for completion of actions under the CTP).

A “Unique Premises Reference Number” is generated at this stage and attached to the property.

These contract negotiations will take place within the timescales detailed in the Access Criteria of this access code.

#### Role of DWI

The role of DWI is in assessing suitability in reference to Water Supply (Water Quality) Regulations 2000. Information on how they will do this is available on their web site. The DWI also has a role in resolving disputes on water quality issues. Where Bristol Water believes that a certain standard of treatment or other measures are required on the licensee’s source before introduction of water into the public supply system can be considered, licensees can ask the DWI at the detailed application stage where they believe that these requirements are unreasonable. The DWI can also impose their own quality requirements on the introduction to the public supply system where they believe there may be a specific risk associated with the licensee’s source of water.

#### Role of the Environment Agency

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.

Bristol Water and all other 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.

Bristol Water and all other 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 Bristol Water and the licensee may not be able to agree on how much water Bristol Water 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.

#### Role of the secondary water undertaker (where applicable)

Where licensees obtain their source of water from a secondary undertaker they will need to arrange this with them and obtain information from them about this source to provide to Bristol Water in the application.

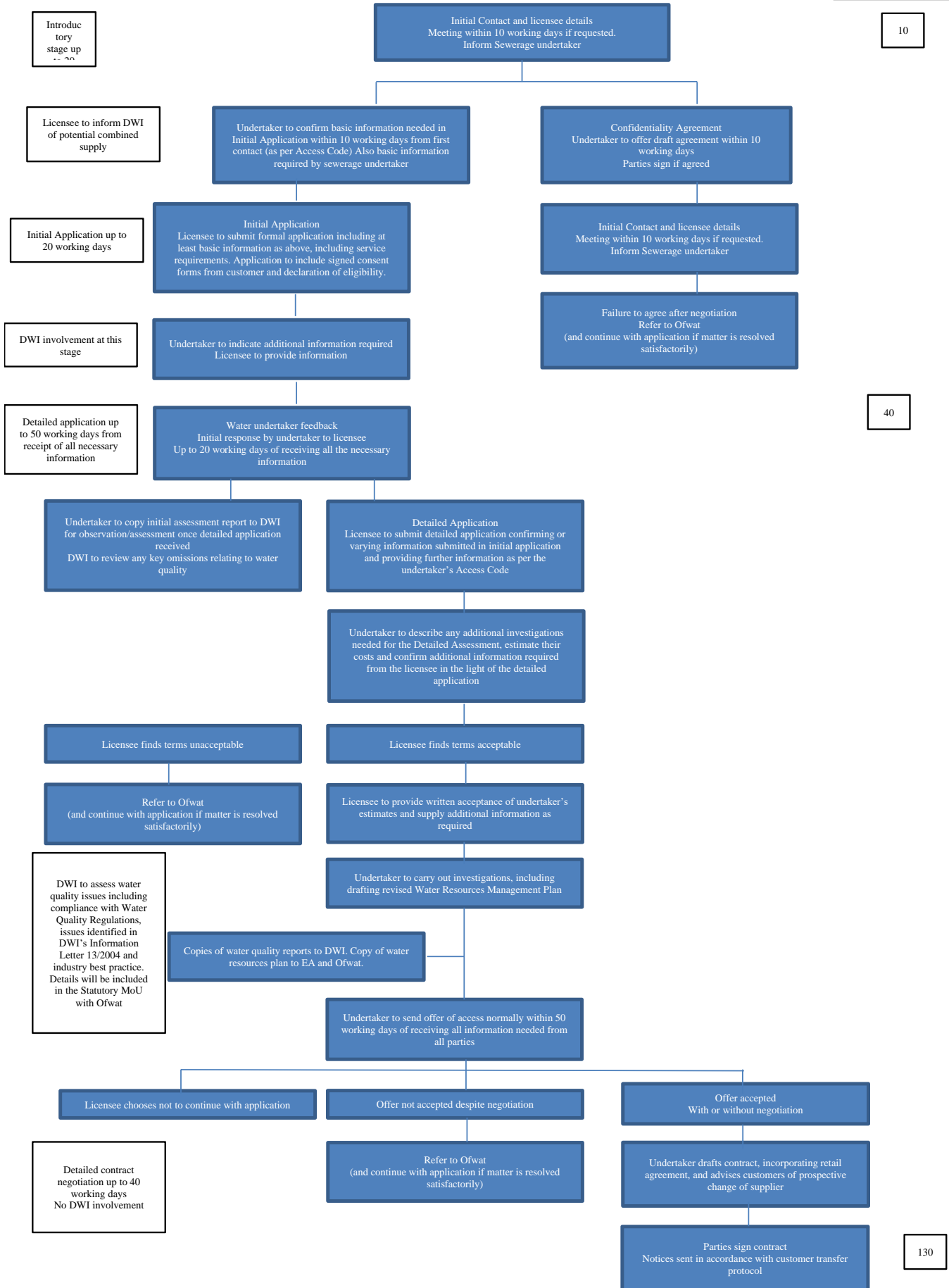
#### Provision of information to the sewerage undertaker

It is the licensee's responsibility to inform the sewerage undertaker who relies on Bristol Water meter readings.

#### Process Diagram

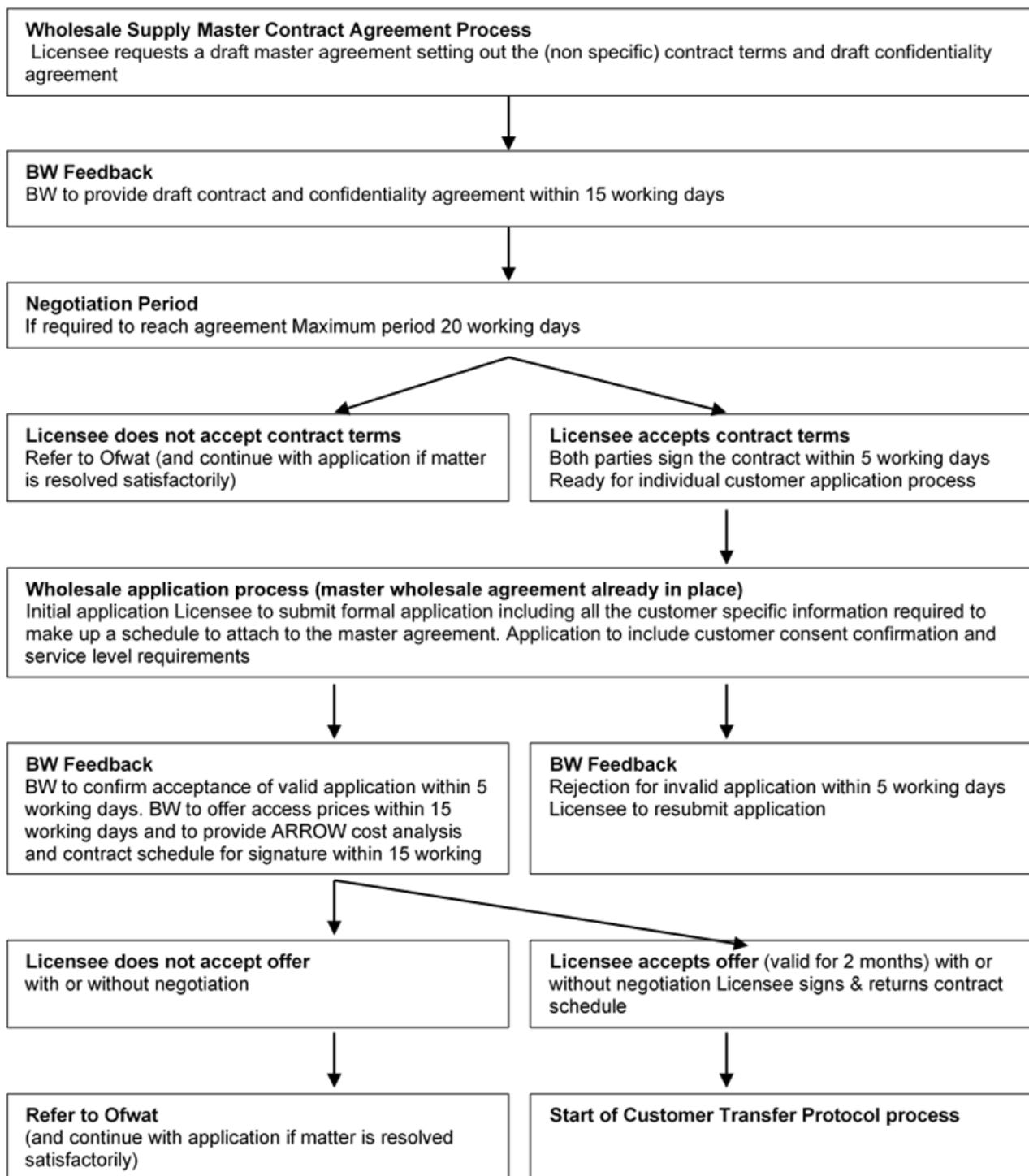
This diagram details the Combined Supply application process:

Elapsed time (Maximum number of working days)



## Retail supply arrangements

The retail supply application process is described by the diagram below:



Wholesale water supply by Bristol Water is defined as the sale of water by Bristol Water to a licensee at the point of metering at the customer's premises.

The application process for a wholesale supply comprises two main stages:

- First, the licensee and Bristol Water will agree a master agreement incorporating the main contract terms and general conditions that will apply to individual wholesale agreements between them.

- Second, for each premises, the licensee and Bristol Water will exchange the information necessary to complete the schedule to the master agreement, containing the period, and the terms and conditions relating to the specific premises.

It is the licensee's ongoing responsibility to monitor and ensure that any premises it supplies are eligible.

The licensee will set out in detail what it will require from Bristol Water in order to provide its specified level of service to its customers. The licensee and Bristol Water will agree how frequently data and other information will pass between the two parties. Bristol Water will reply within the timescales as set down by Ofwat but will inform the Licensee of any delays as soon as they are known.

#### Provision of information to the sewerage undertaker

It is the Licensee's responsibility to inform the sewerage undertaker who rely on Bristol Water meter readings. However, in most cases the sewerage undertaker will be Wessex Water, who will receive the meter readings directly via BWBSL.

#### Objections and rejections process

Bristol Water, licensees (in the case of a customer transferring from one licensee to another), DWI and other relevant parties may discover during any stage of the application process that an application cannot be progressed. As well as statutory conditions in sections 66A-66C WIA91, the following list gives examples of the types of objections that might arise during the application process:

- The incoming supplier has provided insufficient or incorrect details to the relevant parties to allow the customer to transfer.
- Refusal by the licensee to provide necessary information.
- Failure of the licensee to provide a signed declaration from the licensee to the effect that it believes the premises are eligible.
- An application by another licensee to supply the customer has been accepted.
- The licensee's proposals are impracticable, for example unfeasible hydraulic conditions.
- Unacceptable water quality implications.
- Concerns over source risk assessment.
- National security reasons.

The person making the objection should give the applicant full reasons for the objection in writing, as soon as possible after that person becomes aware of a problem. Bristol Water will comply with any requests for a meeting to discuss the objections and for parties to seek to negotiate solutions to enable where possible, the application to progress. If Bristol Water has concerns about the legality of the proposed supply, the matter may be referred to Ofwat by the licensee or prospective customer of the licensee for determination under section 17E(1) WIA91.

If Bristol Water is the primary water undertaker, the licensee may request details of any outstanding debt owed by customers in relation to the premises named in the application. We will make appropriate arrangements for the repayment of any outstanding water debt before the final change of supplier takes place under the CTP. Standard Licence Condition 6 (Customer transfer protocol) and Condition S define debt as charges by the old supplier for a supply of water to customer's premises, which has not been paid for 30 days or more after that supplier served notice demanding payment.

As the debt position or negotiations about its payment might change throughout the application process, the correct point to check the debt position is immediately before the transfer to the new supplier is due to take place. Debt to the sewerage undertaker and other debts should not be reasons for objection to a customer transfer. It is for the licensee to decide whether they wish to take on a customer, having considered its credit record.

If an objection is made to an access application, the licensee may ask Ofwat for a determination where agreement cannot be reached. Ofwat have produced a leaflet 'Procedure for handling water supply licensing determinations' (November 2005) on how it will handle any disputes.

If a licensee believes that an application has been incorrectly rejected it should set out in writing why it believes this is the case. Bristol Water will consider such representations carefully and either request further clarification, approve the application or continue to reject it. Bristol Water will set out the reasons for rejection.



## Access Criteria

### Water quality input specification

Bristol Water requires that water introduced by licensees under water combined supply agreements meets the standard of Water Quality (Water Supply) Regulations 2000. In addition, we will require that the water quality meets the operational requirements of Bristol Water, to ensure that the quality is acceptable after the effects of mixing and passage through the supply system. This section of the access code sets out guidelines for the quality of water a licensee will be required to achieve. It also covers the accreditation of laboratories used to test the quality of a licensee's water. Before a supply from a licensee commences, a feasibility study must have been completed to ensure that the introduction of water will meet these requirements.

Water undertakers and combined licensees are required to comply with the Water Act and the Water Supply (Water Quality) Regulations 2000. Bristol Water will retain the overall responsibility for the operation of the distribution system. Both parties have a duty to supply wholesome water for domestic and food production purposes and will be subject to the same level of audit and inspection by DWI to ensure that the relevant regulatory requirements are being met.

Bristol Water will need to demonstrate to the DWI that any changes to the output from Bristol Water treatment works as a result of licensee activity are satisfactory in terms of:

- The changes to the works throughput can be managed within the documented operational design guidelines for that works;
- The operational changes will not have an adverse impact on the quality of the treated water leaving the works; and
- The resulting water quality will continue to meet all regulatory and existing documented company operational standards.

Changing the flow routes and points of supply may increase the age of water delivered to some consumers. Several water quality parameters can change in concentration over time in the distribution system. For example, chlorine residuals reduce with 'age of water', whereas the concentration of disinfection by products such as THMs may increase. In addition, there is a greater risk of substances leaching from pipe materials and linings if the contact time with the water is increased. Excessive water age should, therefore, be avoided by licensees following existing Bristol Water documented operational practice as specified in the access agreement.

Residence time in service reservoirs also needs to be assessed to ensure that stagnation does not result. Where this risk has been identified secondary disinfection may require installation with this reflected in the calculated access prices.

Interactions of different sources of water (water mixing) or changing the nature of the water in the system will also need to be taken into account in assessing an application. These factors affect water quality, asset condition and asset life. Where the mixing of different quality water would be likely to affect customers, blending the supply at a service reservoir may be required to ensure a consistent supply reaches customers. Where the condition of mains will need to change to allow different quality waters to go down the same pipe, the cost of this will be reflected in the access pricing calculation.

It will be assumed unless otherwise specified in the detailed application that the licensee's water will be treated to the same quality as the Bristol Water in the network concerned. This is particularly important for microbiological factors where disinfection should be controlled so that chlorine residuals are acceptable. Licensees should assume that plumbosolvency control, softening, sequestration and corrosion inhibition will be required to the same standards used by Bristol Water in treatment processes.

### Quality parameters

A general explanation of the standard against which Bristol Water will assess applications for access is given below. These parameters are largely the customer end of the Bristol Water supply network. Therefore, the quality parameters required in the treated water that the licensee inputs into the network will not only be based on these parameters but will vary with each specific access case and will be incorporated in the access agreement based on the findings of the feasibility study.

a) **Aesthetic parameters**

This refers to colour, odour and taste. For colour the water should be clear and bright and must be of a standard so that pipework corrosion in the network does not cause discolouration at the tap (20mg/l Pt/Co scale). Some of the parameters below are also determined by Bristol Water on aesthetic grounds.

b) **Aluminium**

Must be less than 200 µg Al/l.

c) **Biological parameters – Algae/bacteria**

Water must be free of coliforms (0 per 100ml). Where any bacterial coliform organisms are detected in treated water then immediate action must be taken to investigate the source of the contamination. Colony count standards at 22C and 37C must be monitored at the source to identify how this compares to the trends currently in the public supply network. Algal blooms should be absent from the raw water source or treatment must be of a sufficient standard to remove algae at treatment at the peak of when these blooms are likely to occur.

d) **Biological parameters – Macro-organisms**

Faecal coliforms and streptococci must be absent from the treated water source on input into the public supply network (0 per 100ml). Sulphate reducing clostridia should be less than 1 per 20ml.

e) **Cryptosporidium**

Cryptosporidium risk assessment and monitoring history is required on the raw water source to determine whether the treatment type used is appropriate.

f) **Disinfection residuals**

A conductivity test is required to measure the level of mineral salts dissolved in the water, a maximum of 1500 uS/cm at 20C as an annual average. Sufficient chlorine should be added to supplies to ensure the absence of harmful micro-organisms. However, it should not be so high so that taste and odour complaints result in the treated tap water.

g) **Fluoridation**

Licensees will be required to fluoridate water if this is required by Strategic Health Authorities in the public supply network concerned. None of the SHAs in the Bristol Water supply area currently require fluoridation.

h) **General Microbiological Quality**

In addition to c), colony count standards at 22C and 37C must be monitored at the source to identify how this compares to the trends currently in the public supply network.

i) **Hardness and Carbonate Stability**

Total or permanent hardness reflects the influence of carbonates, sulphates and chlorides of calcium and magnesium that may be present in the water. If the supply has been softened there should be a minimum hardness of 60 µg Calcium per litre. Carbonate or temporary hardness should have a minimum of 30mg HCO<sub>3</sub>/l if the public water supply requires softening.

j) **Iron and Manganese**

Iron may be associated with the corrosion of old iron mains. Iron based compounds are also used in some water treatment processes to remove impurities and should be removed in the process. A standard of 200 µg Fe/l has been set for aesthetic reasons as levels persistently above this standard can give rise to discoloured water. Manganese occurs naturally in many water sources. A standard of 50 µg Mn/l has been set for aesthetic reasons as black deposits of manganese dioxide can give rise to coloured water. Iron and Manganese levels can increase during distribution. Consequently, limits on entry to the distribution system will be lower than the limits at the tap.

k) **Lead**

Lead should be absent in water entering the water supply. Variable concentrations of lead may be found in the water at customers' taps in older properties built at a time when lead was commonly used in plumbing systems. Plumbosolvency dosing may be required in some areas in water input into the public water supply system in order to meet a standard of 25 µg Pb/l. This standard will become 10 µg Pb/l from 2013.

l) **Nitrate**

Nitrate arises in raw water from the use of fertilizers. A limit of 50mg NO<sub>3</sub>/l is required in water input into the public supply network.

Nitrite arises from the use of ammonia in water disinfection or from nitrate. A limit of 0.1mg NO<sub>2</sub>/l is required in water input into the public supply network.

m) **pH – Acidity and Alkalinity Stability**

Excessive acid or alkaline water can contribute to corrosion of pipes and fittings. The required pH level of the water will be assessed on a case-by-case basis, but should be a minimum of 7.2pH.

n) **Pipework Operating Regime – Stagnation**

Pipework and water flow through it should be sized to avoid stagnation of treated water. Where networks are of a particular length chlorine booster pumping stations may be required to maintain water quality standards.

o) **Polycyclic aromatic hydrocarbons (PAHs)**

PAHs are associated with the deterioration of old coal tar linings which were used until the mid 1970's. Treatment of water is required to ensure that the standard of 0.2 µg/l is not breached. For Benzo 3,4 Pyrene the standard is 10ng/l as an annual average.

p) **Trihalomethanes (THMs) and Chlorine**

THMs are formed by the reaction of chlorine with naturally occurring organic compounds in the water. The level of chlorine in treated water needs to be managed to meet the THM standard of 100 µg/l (average over preceding 3 months).

Chloride levels in treated water should be below an annual average of 500 ug Cl/l to avoid taste and corrosion problems.

q) **Turbidity**

There should be no haziness caused by fine particles in treated water. The standard required from licensees' treatment works is <1 FTU.

r) **Sulphate**

Excess levels can contribute to corrosion, with a standard of 250 mg/l/SO<sub>4</sub>.

s) **“Regulation 31”**

Water input into the public supply network should be fit for human consumption and have regard that taste, odour and discolouration.

t) **Water Discolouration**

Specialist tasting panels are used to examine water for any unpleasant taste or odour. The standard used is Dilution number 3 at 25C. For aesthetic reasons input water itself should not be warmer than 25C.

u) **Other parameters referred to in the water quality regulations**

- Sodium – 150Na/l
- Potassium - 12mg K/l
- Ammonium – 0.5 mg NH<sub>4</sub>/l
- Kjeldahl Nitrogen – 1mg N/l
- Oxidizability – 5 mg O<sub>2</sub>/l
- Total organic carbon substances extractable in chloroform – 1mg/l dry residues
- Dissolved or emulsified hydrocarbons phenols – 10µg/l and 0.5 µg C<sub>6</sub>H<sub>5</sub>OH/l
- Surfactants – 200 µg /l as lauryl sulphate
- Copper – 3000 µg Cu/l
- Zinc – 5000 µg Zn/l
- Silver – 10 µg Ag/l
- Arsenic – 50 µg As/l Bromate – 10 µg BRO<sub>3</sub>/l
- Cadmium – 5 µg Cd/l
- Cyanide – 50 µg CN/l
- Chromium – 50 µg Cr/l
- Mercury – 1 µg Hg/l
- Nickel – 50 µg Ni/l
- Antimony – 10 µg Sb/l
- Selenium – 10 µg Se/l
- Boron – 1 mg B/l
- Barium – 1000 µg Ba/l
- Pesticides – 0.1 µg /l individually and 0.5 µg /l total
- Calcium – 250 µg Ca/l
- Fluoride – 1.5 mg F/l
- Tetrachloromethane – 3 µg /l
- Trichloroethene – 30 µg /l
- Tetrachloroethene – 10 µg /l.

**Special circumstances relating to water quality standards**

Clarification on the mechanisms to administer temporary derogations in the event of emergencies will be made in the access agreements. This will depend on the complexity of the access sought and the results of the risk assessment to consumers undertaken as part of the feasibility study.

The process in general will require the contact nominated in the access agreement for Bristol Water and the Licensee to liaise and implement the agreed plan for dealing with the emergency situation.

**Water flow and pressure**

Information on the pressure management of the network and any access requirements for the pressure regime in operation will be highly dependent on the hydraulic conditions resulting from access. Consequently, the results of the feasibility study will be used to determine the specific requirements of each case. These requirements will be specified in the access agreement.

### **Water quality sampling and monitoring**

Before the commencement of a combined supply agreement the licensee will need to demonstrate to DWI and Bristol Water that they can meet the requirements laid out during the application process and specified in the access agreement as well as the general requirements of the Water Supply (Water Quality) Regulations 2000.

Clarification of the regulatory sampling regime and ongoing requirement of the DWI will be made as part of the access agreement, following from the results of the risk assessment in the feasibility study. The access agreement will also specify the circumstances under which Bristol Water can suspend inputs from the licensee source without notice and the communication process that follows this happening. The communication will be made by telephone at the earliest opportunity and confirmed in writing within one working day.

The access agreement will also specify the laboratory quality assurance standards that are required for water quality monitoring. These in general will need to be equivalent to those used by Bristol Water for its own monitoring. This requires the use of a UKAS accredited laboratory.

### **Volume measurement**

The requirements for volume measurement will depend upon the particular characteristics of the licensee's scheme. In most cases data logging will be required at the licensee's source, to provide daily and hourly monitoring of the meter through electronic mechanisms. This is to allow Bristol Water to monitor water entering the supply system for network and leakage control purposes. The risk assessment of the licensee source during the feasibility study will establish any variation to this general requirement.

## Customer Transfer Protocol

### 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.

### 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.

### 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.

All licensees and water undertakers must give details of the name and contact details (which must include an e-mail address) of the person to whom licensees and water undertakers should send all CTP data flows in the data format prescribed by the CTP.

The Bristol Water contact details are as follows:

Company: Bristol Water  
Contact Name: Chris Anderson  
Email: [wholesale.desk@bristolwater.co.uk](mailto:wholesale.desk@bristolwater.co.uk)  
Telephone: 01173 051337

### Information exchange and communication

Data will be transferred using standard formats. The data should be sent by post or electronically to the address specified during the initial contact phase of the access being arranged. This applies to primary water undertakers, licensees, secondary water undertakers and sewerage undertakers.

### Data dictionary

Data should follow the standard format and their associated definitions.

### 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.

## Control and Balancing of supply system

### Supply System Management

#### Unbilled water

##### Leakage

The licensee should only introduce a sufficient amount of water into the Bristol Water supply system to meet the exact demand of its customer(s).

Water input by licensees into the network should be measured by meter at the point at which it enters the Bristol Water supply network, with no allowance required on input for potential leakage in the supply system. Billing to the licensee will normally be based at the existing meter location, normally at the property boundary.

The same leakage policy allowances for billing will normally be available for water supply access agreements as in place for the customer at the time of switching, although this can be varied by negotiation and reflected in the access price. Where a customer has already received a leak allowance then under Bristol Water's current leakage policy that they are not eligible to receive another leak allowance. This would be reflected in the customer specific terms included in the access agreement.

Any leakage which occurs within the Bristol Water supply system is the responsibility of Bristol Water.

##### Unauthorised use of water

The licensee is responsible for all water up to the point of connection to Bristol Water's infrastructure. No allowance will be given for any loss of water, through theft and/or illegal connections. Bristol Water is liable for the theft of water from its supply system up to the point of connection with the licensee's customers, and the licensee (and its customer) are responsible for water thereafter.

##### Fire water

Bristol Water is responsible for the provision of water for firefighting purposes. Water undertakers will not charge licensees for water used for the purpose of firefighting (including the testing of appliances).

Additional special requests for fire hydrants should be dealt with under section 58 of the Water Industry Act 1991 (WIA91). The cost of installation will be recoverable in accordance with section 147 of the WIA91.

### Security of supply

#### Drought Restrictions

Any water restrictions placed on the network will be obeyed by customers of all licensees connected to the network in the region affected irrespective of the location of the licensee's source. Bristol Water will not be liable for any losses incurred by entrants or Retailers as a result of such an order.

#### Drought and Resource plans

Consistent with the statutory duty to supply, Bristol Water will retain responsibility for drought planning and the ability to apply for drought orders restricting non-essential use. Where these drought orders are in place, Bristol Water will apply these to all customers without discrimination including those of the licensee. This applies even where under combined supply if the licensee input of water is within normal operating parameters stated in the access agreement and has not been affected by the weather conditions resulting in the drought order being necessary.

Licensees are required to comply with reasonable instructions from Bristol Water in relation to matters covered by statutory drought plans which are not subject to a drought permit or order for a number of specific purposes. A licensee can refer to Ofwat any instructions from Bristol Water that they believe are



unreasonable. Access applications should cover the degree of resource reliability and drought protection required which will dictate how the customer will be treated in such circumstances in comparison to the other water customers in the locality.

Bristol Water has a responsibility to produce water resource management plans and the Licensee has responsibility to provide information necessary to do this. Most of the information required to do this on future forecast of volumes will have been provided as part of the water supply application process. However, licensees will be required to update these forecasts on request in order for Bristol Water to meet its resource management responsibilities.

The data that will, on request, specifically need to be provided is:

- Forecasts of the customers future likely demand requirements, including seasonal variation.
- Assessment of the output likely to be achieved from the licensee's source in a normal year and in a year with dry weather. Definitions of 'normal' and 'dry' weather years will be provided to the licensee at the time that the information for the water resources plan update is requested, based on the methodologies outlined in the Environment Agency's Water Resources Planning Guidelines.

### Telemetry requirements for supply system control

The requirements for telemetry and control will depend up on the specifics of the licensee's source. Specifications for this will be established as part of the feasibility study into combined supply and included in the access agreement.

### Secondary connections

Licensees must prevent secondary connections being made after a licensee has been granted access to the supply system. It is the licensee's responsibility to only supply eligible premises.

### Supply system maps and plans

The Licensee will be given access to necessary maps and plans as part of the application process for water supply licensing. Licensees will be required under the confidentiality agreement to store this information securely due to the security implications of these maps and plans. Bristol Water will restrict access to some of the information where security or copyright implications prevent us from sharing the data in hard or electronic copy, but will ensure that licensees have access to any maps or plans that are necessary for the purposes of water supply licensing. Requests for maps and plans should be made to the Bristol Water contact established as part of the application process or otherwise specified in the access agreement.

### Point of entry controls and failure modes

Licensees must give Bristol Water access to adequate sampling points so that our duties for monitoring water quality can be met. These requirements will be established during the feasibility study of the detailed application phase. Interface control requirements between Bristol Water and the Licensees need to be established before access agreements can be made. Bristol Water will normally require an agreed process to allow us to trigger automatic shutdown facilities of the licensee's plant should an operational emergency require it.

### Metering services

The Licensee will install a meter at the point of connection, which will be on its own infrastructure. This meter will be of a type selected by Bristol Water, and tailored to suit the telemetry and monitoring requirements of Bristol Water.

### Meter Asset Management

Bristol Water is responsible for the ownership and maintenance of the meter at the supply connection point.

#### Metering solutions available

Bristol Water offers the facility for data loggers to be fitted to monitor the supply to the licensee. These will be fitted in accordance with Bristol Water standard policy.

#### Meter installation

Bristol Water and an appropriate contractor will assess the required meter installation costs on an individual case basis and provide an individual quote. Additional meters may also be fitted to the licensee's supply, again individual quotes will be given. The licensee may make its own arrangement for a meter to be fitted on its own network.

#### Meter maintenance

Bristol Water is responsible for maintenance of the meter. No charge will be made for maintenance of the meter. Bristol Water will require access to the meter to allow it to carry out any maintenance.

#### Meter calibration and verification

Meter calibration and verification can be carried out at the request of the licensee and/or its customer. If the meter is found to be faulty and over-recording the amount of water passing through no charge will be made, and a refund will be made for the excess water charged for. If the meter is not found to be faulty a charge will be made to the licensee. If the meter is found to be under-recording a charge will be made for inspection and replacement of the meter, but no charge will be made for the water used not recorded by the meter.

#### Meter Reading and Meter Reading verification

The licensee must read the meter monthly and provide Bristol Water with the meter reading within 5 working days of the start of each month. A process for the communication of meter readings will be agreed with the licensee in the Access Agreement. The licensee will be responsible for provision of meter readings to the sewerage undertaker.

Bristol Water will read the meter annually. Bristol Water may need to continuously log demand of some customers as part of its leakage monitoring.

In the event of dispute independent verification of the meter will be obtained. Where possible this will be through on-site testing. As a last resort the meter will be removed and sent for testing.

#### Supply system balancing

The detailed arrangements for supply system balancing will depend upon the characteristics of the source, treatment and network hydraulics around the entry point to the network.

The feasibility studies will be used as a basis for identifying the most appropriate form of system balancing and arrangements for emergency situations. The details will form part of the access agreement.

Bristol Water is likely to require the ability to be able to cease input to the distribution system from the licensee's source. Such ability will include remote operation via telemetry and physical access on site.

#### Strategic balancing

Bristol Water has operational processes in place to achieve optimum operation of the distribution network through ensuring efficiency of pumping plant, best use of energy tariffs, optimal scheduling of pumping and pressure optimization on distribution networks. Where the feasibility study has identified that the licensee

application will require a change to the operational processes then the access agreement will require that the licensee must ensure that the input of water is done in a way that meets agreed terms. The amount of treated water storage that the licensee makes available from its resource that Bristol Water can call on into the supply system is likely to form a key element of these arrangements.

In the absence of the customer demand on which the access agreement was based, licensees should be aware that strategic balancing will normally result in Bristol Water requiring the licensee input to fall in line with the customer demand, subject to the overall supply system requirements at any point in time.

### Annual supply planning

The licensee must provide details necessary for the annual assessment of available resources and the robustness of those resources throughout the year, with respect to reliability of yield, water quality and planned outages. The information required from licensees in the annual supply planning process and assessment of available headroom is the same as the water volume information required at the detailed application stage, unless otherwise specified by Bristol Water.

### Use of strategic supplies

A strategic supply is a designation that Ofwat can make under sections 66G(10) and 66H(10) WIA91. Where an introduction of water by a licensee is designated as strategic the licensed supplier will be subject to special administration procedures under sections 23-26 WIA91. This means that if the licensee were to fail, either procedurally or financially, special administration would apply and the introduction that had been deemed strategic would continue to be introduced into the Bristol Water's public supply system. This means that the assets relating to the supply would become protected and could only be disposed of in a way that would allow the associated supply to continue. Ofwat can make a determination that a supply is strategic following an application by Bristol Water, or without such an application.

A strategic supply is defined as a supply of water if, without the introduction being made, there is a substantial risk that the water undertaker would be unable to maintain supplies to its own customers (domestic and non domestic purposes) as well as supplying the licensee's customers with water for domestic purposes.

Licensees should make potential customers aware that the provisions of the WIA91 only protect their domestic purpose use in the event of licensee failure. This includes retail licensees whose customers may not be protected by a strategic supply designation on failure of a combined supply licensee.

Section 24 WIA91 details the situations in which Ofwat or the Secretary of State can apply for a special administration order in relation to a licensee. These include where a company:

- Has been, or is likely to be, in a sufficiently serious contravention of a license condition or a statutory requirement imposed on it because it holds a licence;
- Has been, or is likely to be, in a sufficiently serious contravention of an enforcement order;
- Has taken a sufficiently serious action that has caused a water undertaker to contravene section 37 or section 94 (where applicable) WIA91; or
- Is, or is likely to be, unable to pay its debts.

Bristol Water will assess during the detailed application stage whether a licensee's introduction is likely to require strategic supply designation. This does not preclude application for this status at a later stage but should provide licensees with information for that stage. The factors that will be considered by Bristol Water include:

- The volume of the licensee's introduction that is used for domestic purposes.
- The volume of the water undertaker's headroom in the WRZ (Water Resource Zone) where the licensee's introduction takes place.
- The volume introduced by the licensee relative to total demand in the WRZ.
- The total volume introduced by all water supply licensees relative to total demand in the WRZ.

- The location of the licensee's introduction relative to other water resources in the WRZ.
- The location of the licensee's introduction relative to the geographical pattern of demand in the WRZ.
- Seasonal supply pattern of the licensee's introduction.
- Seasonal demand pattern of the licensee's and other customers.
- The location of the licensees and other customers within the WRZ.
- The volumes of domestic and non-domestic water use by the licensee's customers within the WRZ.
- The relative scarcity of water resources in the WRZ, either physically or economically, with reference to the long run marginal cost (LRMC) figures for that WRZ.
- The security and reliability of the licensee's introduction and others in the WRZ.
- Any other water quality or operational matters that are considered to be relevant, which could include known future demand, distribution issues, dependence on a licensee's introduction to maintain quality or flow direction and whether there are any alternative options for supply in the WRZ.

If circumstances change for a supply, then Bristol Water can also apply to Ofwat for de-designation of a strategic supply. Designation or de-designation can occur at any point during the duration of an access agreement.

#### Back-up supplies

Bristol Water may provide back-up supplies where the licensee fails to supply a service to its customers. This service may be offered to the licensee or its customers at an agreed cost. The cost and conditions of such an agreement will be established in the access agreement.

#### Interim duty to supply

Where a licensee serves a notice of disconnection to a customer or fails to supply the service required for some other reason, then the licensee will cease to supply the customer's premises with water. The interim supply duty for domestic and non-domestic use purposes on Bristol Water under section 63AC WIA91 applies immediately, ensuring that the customer continues to receive water for up to three months. This duty to supply does not apply if it would put at risk Bristol Water's ability to meet its existing supply obligations and its probable future obligations to supply water for domestic purposes or require unreasonable expenditure to do so. The interim supply duty applies until Bristol Water serves a notice of disconnection. This cannot be served within the first three months of the water supply being made.

The charge to the customer will revert to the standard retail tariff applicable when the interim duty of supply is revoked.

#### Interruptible customers and interruptions to supply

Bristol Water has no interruptible customers or interruptible tariffs.

#### Flow balancing and reconciliation processes

These processes may apply to potable and non-potable supplies, as appropriate to the specifics of the agreement and the supply system involved.

#### Supply system usage forecasts for wholesale supplies

To allow Bristol Water to produce Water Resource Plans and forecast demand, licensees must produce accurate forecasts of the demand from their customers.

#### Supply system usage forecast for combined supplies

The forecast input of water by the licensee, the period of the forecast and usage by the licensee's customers will be specified in the access agreement. Parameters for the input of water by the licensee will have been specified and the access price based on those offered. These parameters are designed to build into the access price a degree of usage and input water flexibility so that accounting for demand and supply

imbalances is not necessary. Specific access agreement terms will be negotiated to suit licensees, their customers and Bristol Water in relation to this.

The section below contains details of how charges and reimbursements will be raised where actual demand or supply falls outside of these parameters. Details of processes used in forecasting network demands and determining actual usage will be similar to the information required in the application for combined supplies. This level of data should be sufficient in order for Bristol Water to update the Water Resource Plan. Licensees must provide supply system usage forecasts for their customers when required by Bristol Water to allow Water Resource Plans or other usage forecasts to be completed.

### Imbalance accounting

Imbalances can occur where parameters of water input and output fall outside of those agreed as part of the access agreement and built into the access price. The access agreement will specify how these imbalances will be dealt with, based on the following principles. The purpose of imbalance accounting is to ensure that the cost principle is adhered to.

The following information will be of relevance in deciding what imbalance accounting is required in the access agreement:

- Forecasts of supply and demand, including planned outages and maintenance.
- Notification of deviation from forecasts.
- A requirement for the licensee to introduce a volume of water, equivalent to its customer's exact demand, into the Bristol Water supply system at agreed intervals and disregarding the customer's actual consumption.
- Reconciliation of input and demand at periods to be agreed between the water undertaker and the licensee.
- Financial adjustments for over-supply and under-supply as agreed between Bristol Water and the licensee.

### Potential processes to assess the imbalance between the following scenarios are set out below:

#### a) Licensee forecast input and customer forecast usage

Where a licensee's forecast input and the customer's forecast usage fall out of balance, a temporary change in the forecast future balance that results in Bristol Water having to treat more water will result in a charge at the marginal cost of treating, and possibly distributing, the water. This will vary but will in most cases be the same resource saved in calculating the original access price. Where the imbalance is more permanent or significant enough to require extra pumping costs around the distribution system then this will also need to be reflected in the extra charge.

Where there is a temporary imbalance that results in Bristol Water having to treat less water then a reimbursement may result based on the resource saved as calculated in the original access price. This should in normal circumstances not be required as it is sufficient to reflect the impact of the volumetric rate discount on the access price that has been calculated on the forecast volume usage by the customer.

#### b) Licensee forecast input and actual input

Where a licensee actual input falls below the original parameters of the forecast input then the extra costs will be calculated on the marginal resource treatment and distribution costs used in calculating the original access price discount. For a more permanent shortfall it will be necessary to recalculate the Water Resource Plan to see if any schemes delayed as a result of the forecast input now need to be advanced, with the likely result being to lower the access price discount.

#### c) Licensee actual input and customer actual usage

Where a licensee actual input and customer actual usage falls out of balance, past charges can be adjusted through the same mechanism as forecast imbalances being used to adjust the future access prices in the access agreement.

d) **Customer forecast usage and actual usage**

Where customer forecast usage is different from actual usage, accounting for the imbalances would normally not be required unless adjustments for differences between the access price discount at the forecast usage and the discount received at the actual usage are specifically requested in the access agreement. Customer usage is based on the actual meter reading.

**Reconciliation processes**

Unless otherwise agreed in access agreements, imbalances in future forecasts from those used in calculating access prices will be carried out on an annual basis with the future access price amended as a result. Unless otherwise agreed in access agreements, imbalances from actual usage or input differences from forecast parameters should also be carried out on an annual basis. This is to avoid adjustments from imbalances on actual data being triggered where the differences are short term in nature. Imbalances should not be triggered based on estimated meter readings.

Bristol Water does not charge on a seasonal basis and does not require a peak season and off-peak season reconciliation.

## Supply system maintenance and emergency procedures

The communication of all planned maintenance, by Bristol Water or the licensee, will be via the processes agreed as part of the access application process and documented within the terms of the access agreement.

### Diagnosis of system issues

#### Obligations with respect to diagnosis of supply system problems

##### Responsibilities of Bristol Water

Bristol Water will accept responsibility for:

- The maintenance and interrogation of IT systems to anticipate any potential supply system problems
- Responding to any system alarms, by implementing the appropriate emergency procedure
- Informing the licensee of any supply system problems, an estimate of the timescales involved, and what action should be taken.
- Co-ordination of all emergency information, and communication to the licensee the status of the operation to restore normal supplies.

##### Responsibility of licensee

The licensee will be required to accept responsibility for:

- Providing the necessary information to Bristol Water to highlight any potential supply system problems. This information will include (but is not necessarily limited to) customer complaints regarding volume of water input, water quality, pressure variations and supply interruptions; and
- Providing and maintaining a register of “special consumers”, as defined in Bristol Water’s licence condition R 8(6).

### Quality Issues

Bristol Water retains responsibility for the quality of water in its supply system. The licensee will be responsible for ensuring that the quality of the water it introduces into the Bristol Water supply system is of at least an equally high standard.

Section 5.1 of the Ofwat Access Code Guidance details the quality requirements which undertakers and licensees must adhere to, as follows:

*“Water undertakers treat their water to a higher standard than specified in the relevant water quality Water Supply (Water Quality) Regulations to allow for variations in water quality in the distribution system and to ensure that the water is compliant at the point of supply. Combined licensees must ensure that the water they introduce into the water undertaker’s supply system is compatible with the water already in supply. This includes factors such as taste, smell, appearance and hardness. Please refer to DWI’s guidance on common carriage for information on compatibility. Licensees’ water must also comply with the water undertaker’s procedures for plumbosolvency control as appropriate.*

*If the quality of water in distribution changes significantly after a scheme goes ‘live’, licensees must 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 to water quality issues without its involvement. The licensee should bear any associated costs. The water undertaker should tell the licensee during the application processes about known forthcoming changes to operational standards that might affect compatibility. If the water undertaker does not communicate that information properly and as a result the licensee incurs unnecessary costs, the water undertaker is expected to bear those costs.*



*If a water undertaker is required under section 87(1) WIA91 by a strategic health authority or the NAW to add fluoride to its potable water supplies then it should require any combined licensee to fluoridate water introduced into the water undertaker's supply system. The licensee should obtain an indemnity (if needed) under section 90 WIA91 from the appropriate authority.*

*A water undertaker must reserve the right to suspend, without prior notice, the introduction of water into its supply system if it has reasonable cause to suspect that continued introduction would put it at risk of supplying unwholesome water or at the risk of committing an offence under section 70 WIA91 (that is, the offence of supplying water unfit for human consumption).*

*The licensee is required to notify the water undertaker immediately if there is a risk that continued introduction of its water may result in a breach of the standards at the point of supply. This is also required by the standard license conditions.*

*Water undertakers and licensees will have regard to DWI's guidance on common carriage and the maintenance of drinking water quality and any updates that DWI might produce. They should seek the advice of DWI if they need further clarification of the guidance in certain circumstances. They should also comply with DWI's advice in resolving disputes between themselves. We will seek advice from DWI as appropriate when disputes are referred to us for determination.*

*A water undertaker should permit a licensee to carry out its own monitoring and testing activities, as long as it uses a laboratory that meets the requirements set out in the Regulations. A licensee must, in compliance with the Standard Conditions of Water Supply Licenses, provide information to water undertakers regarding all reasonable sampling information requests where this relates to a water undertaker fulfilling its statutory duty to supply wholesome water. A water undertaker may provide sampling and monitoring services to a licensee for a reasonable charge, calculated on a commercial basis.*

*Any organisation seeking a combined licence to introduce water into a water undertaker's supply system must satisfy DWI during the licence application process that it is suitable to do so. The conditions of the licence will prohibit the licensee from introducing water into the supply system until it can demonstrate to DWI that it is meeting the Regulations. The conditions of the licence will also require ongoing compliance with the Regulations and other relevant water quality provisions. 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. We accept this view. Water undertakers should use network modelling to assess the potential effects of a proposed combined supply on water quality and should follow DWI's guidance. If, after the network modelling exercise, the parties are still in doubt about the effect of a proposed combined supply on water quality issues, they should consult DWI, who will review the available evidence and assess the implications.*

*Some customers have business processes that are particularly sensitive to changes in the source of the water they receive or to significant fluctuations in water quality, for example in hardness or conductivity. Licensees and water undertakers will need to take such matters into account when agreeing a combined supply."*

The licensee must immediately report to Bristol Water any situation likely to impact upon the quality of water in the distribution system. This will include (but is not necessarily limited to):

- Informing Bristol Water of any variation in raw water quality that may affect the characteristics of the water introduced into the supply system
- Informing Bristol Water of any changes in the agreed dosing regime of treatment chemicals.
- Providing information of water quality parameters that would impact the water quality parameters required by the DWI reporting criteria.



- Informing Bristol Water of any change in agreed pumping regimes that would adversely impact on the maintenance of water quality in the Bristol Water supply system.
- Advising Bristol Water of any other changes to operational practices that would affect the quality of water introduced to the Bristol Water supply system.

### Hydraulic issues

The introduction of water by licensees may increase or decrease pressure in different areas in the system. Velocity of water in a particular main may also increase or decrease. Low pressures may lead to inadequate supply or, in the extreme, ingress of potentially contaminated water. High pressures will increase leakage and may cause additional leaks or bursts. Where a peak velocity in a pipe is increased, there is a risk that deposits will be suspended and cause discoloured water. This risk also applies if flow directions are reversed.

Licensees are required to collect data on reports of inadequate pressure and unplanned supply interruptions at customers. This data should specify details including the length of the incident concerned. This data should be reported to Bristol Water on a monthly basis. Customers should note that Bristol Water is not liable to make a payment under Guaranteed Standards Scheme (GSS) for any unplanned supply interruptions or inadequate pressure experienced by the customer of a licensee.

Licensees must ensure that their introduction of water is within the parameters agreed so as to avoid hydraulic issues. Charges can be imposed under the access agreements as part of the flow balancing where costs are incurred because the introduction falls outside the parameters agreed.

Changing the flow routes and points of supply may increase the age of water delivered to some consumers. Several water quality parameters can change in concentration over time in the distribution system. For example, chlorine residuals reduce with 'age of water', whereas the concentration of disinfection by products such as THMs may increase. In addition, there is a greater risk of substances leaching from pipe materials and linings if the contact time with the water is increased. Excessive water age should, therefore, be avoided by licensees following existing Bristol Water documented operational practice as specified in the access agreement.

Residence times in service reservoirs also need to be assessed to ensure that stagnation does not result. Where this risk has been identified secondary disinfection may require installation with this reflected in the calculated access prices.

Use of pressure sustaining valves or pressure reducing valves may be required on water input into the network or at customer premises in order to ensure that hydraulic issues are adequately dealt with.

### 'Real' time information capture systems

Exchange of water quality and hydraulic data should be made on the spreadsheet provided by Bristol Water and sent to the registered contact specified in the access agreement.

The information required from licensees and the information flows will be specified in the access agreement. This will include (but is not limited to):

- Daily monitoring information.
- Planned maintenance/interruption arrangement.
- Ongoing system balancing.
- Emergencies and incident management.
- Metering information.
- Water quality data, including contamination issues.
- Levels of service feedback from the customer.
- Notice of changes in operation or water quality at the licensee's plant and any failures or out of specification performance.

## Reporting procedures

Emergency contacts should be made by the licensee or the customer to the Bristol Water 24-hour operations room, on 0345 702 3797.

Licensee should specify an emergency point of contact which Bristol Water can call should the need arise.

Licensees should inform Bristol Water immediately in writing of any change in licensee contact details or customer emergency contact details from those specified in the access agreement. Licensees should put in place a notification process for any temporary rather than permanent changes in contacts through a similar notification letter, which specifies the date range within which the change in contact should apply.

Bristol Water will follow a similar procedure in informing licensees of similar changes. Where appropriate and in particular for emergency contact information, licensees should notify customers of these changes in procedures and contacts.

## Planned system maintenance

### Obligations with respect to planned maintenance

#### Responsibility of Bristol Water

From time to time it is necessary for Bristol Water distribution to take treatment works, service reservoirs, and mains out of service for inspection, maintenance, repair and renovation. Where such actions prevent supply by a licensee's source the outage will be treated as a planned outage. Where possible, the licensee will be informed of such activity in advance.

#### Responsibility of licensee

A licensee requiring a source outage should make an application through the Bristol Water sources committee, which meets monthly. Where possible, an outage will be granted as soon as reasonably practicable given current and anticipated demand conditions and timings of other planned work. During dry periods a considerable period might elapse before an outage is allowed.

#### Specification of assets

Assets covered by planned maintenance schedules for water supply licensing include the public water supply network, the connection to the licensee's source, meters, fire hydrants and any other equipment specified in the access agreement as being Bristol Water's responsibility to maintain.

#### Maintenance standards

No GSS or other compensation payments will be eligible to licensees or customers of licensees unless specified in the access agreement. However, Bristol Water will still treat licensee's customers the same as other customers connected to the network with regard to providing an equally high level of operational service. Where Bristol Water falls short of our own internal or Ofwat's standards we may consider making ex gratia payments as we would for any other customers.

Access agreements will cover the maintenance of the licensee's assets to give Bristol Water assurance that the appropriate maintenance necessary to maintain a reliable supply is carried out. Access to the relevant assets will be agreed along with performance criteria to ensure that the integrity of the distribution system as a whole is maintained.

#### Risk assessment processes

From time to time, Bristol Water will carry out risk assessment exercises on parts of its water supply network. Licensees are required by Standard Licence Condition 5 to provide whatever information is necessary in order for these to be carried out. This information will normally be of a similar nature to that provided for water quality reasons under the access agreement.

## Unplanned system maintenance

An unplanned outage is considered to occur when a source ceases to provide water, or water of the required quality, due to mechanical breakdown, improper operation or other reason and where an application for an outage through the sources committee has not been granted.

### Obligations with respect to unplanned maintenance

It is the responsibility of the licensee to inform customers of unplanned maintenance that may affect their water supply. However, where there are operational needs, Bristol Water will provide information to customers directly. This may include a wider definition of information if this is specified in the access agreement.

### Responsibility of Bristol Water

Bristol Water is responsible for informing the licensee of any unplanned maintenance where the access agreement specifies that this is required.

### Responsibility of licensee

The licensee is responsible for informing Bristol Water of any unplanned interruptions that it becomes aware of that require maintenance. They are also responsible for informing the customer of unplanned maintenance incidents that are not defined as emergency situations in the access agreement.

### Risk assessment processes

Bristol Water or licensees may require each other to be involved in a risk assessment exercise so that customers' needs in terms of avoiding unplanned maintenance caused interruptions can be assessed.

### Emergency notices

Bristol Water will be responsible for notifying customers of any emergency incident. Bristol Water will also inform the licensee as soon as practicable.

Where the licensee is aware of the incident, in particular of the source, the licensee should have procedures in place to notify the customer(s) and Bristol Water immediately.

## Safety aspects of unplanned and emergency work

### Status classification

The safety aspects of unplanned and emergency work will depend upon the particular characteristics of the supply. Status of events will be defined depending on the results of the feasibility study and set out in the access agreement.

Events can include:

- Routine events requiring no specific action that will be reported through the normal periodic reporting specified in the access agreement
- Standard emergency events where the emergency does not have an immediate or imminent impact on customers in general, the licensee's customer or the wider environment and where action has been automatically put into place to mitigate the impact on these customers or the wider environment.
- Major emergency events where the emergency does have an immediate or imminent impact on customers in general, the licensee's customer or the wider environment and where action is required to put in place measures to mitigate the impact on these customers or the wider environment.

### Standard emergency reporting procedures

Emergency reporting procedures will be defined depending on the results of the feasibility study and set out in the access agreement.

Licensees and customers should always inform Bristol Water of any emergency situation at the earliest possible opportunity, on **0345 702 3797**.

If it is the responsibility of Bristol Water to resolve the emergency situation, Bristol Water will take the steps required to resolve the situation in a timescale appropriate to the case in hand. Bristol Water will advise the licensee's emergency contact and the contact at the licensee's customer of any action they should take as a result of the incident.

### Major emergency reporting procedures

Water undertakers and licensees are required to notify the relevant bodies, as detailed in the Security and Emergency Measures (Water and Sewage Undertakers) Direction 2005, of any incident that may affect drinking water quality or sufficiency of supplies. Licensees are required to inform the relevant contact at Bristol Water of any incident that would put Bristol Water at risk of supplying unwholesome water or at risk of committing an offence under section 70 WIA91 and that may affect drinking water quality.

Licensees must adhere to separate requirements, as detailed in section 208 WIA91.

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

In the event of contamination of a licensee's source, the licensee must cease to supply immediately. Where the contamination is discovered by the licensee it will inform Bristol Water immediately through the agreed emergency contact protocol and give its best estimate of the maximum duration that the source has been contaminated. Where the contamination is discovered by Bristol Water it will inform the licensee immediately. Bristol Water will implement its emergency procedures at the appropriate level. The entrant must co-operate fully with Bristol Water to minimise the impact of the incident.

In the event of contamination from a licensee's source entering the distribution network an investigation to determine the cause of the incident will be undertaken by Bristol Water. The access agreement will specify that the licensee must comply fully with such an investigation notwithstanding any other investigations that may be initiated by other relevant bodies. Where the licensee is found to have been in serious breach of its own maintenance and operations policies, then the agreement under which it has access may be terminated.

The access agreement will require that the licensee is required to disclose all quality incidents to Bristol Water.

Bristol Water will treat all customers equally in line with current procedures in the event of an emergency, irrespective of whether the customer is supplied by a licensee or by Bristol Water.

Any remediation costs, including compensation, arising as a result of a contamination incident from a licensee's source will be borne by the licensee.

In the event of an emergency any licensee must respond as soon and as fully as possible to all requests by Bristol Water. Such requests might include input flow above or below contractual limits or alteration to chemical treatment processes.

All licensees will be informed in the event of a significant incident impacting upon one or more of its customers.

All licensees have a duty to take part in emergency exercises with Bristol Water where required, and must have a documented set of robust emergency procedures.

All licensees must comply with all obligations placed upon them under the Security and Emergency Measures (Water and Sewage Undertakers) Direction 2005.

Licensees should be aware of and comply with the requirements placed upon them by section 208 of the 1991 Water Act.

## Customer protection

### Special Response Customers

Special response customers are those who require additional services from a water company, as defined by Bristol Water's licence condition R 8(6). This might include those requiring water for medical purposes. Bristol Water maintains a register of all such customers within its supply area. It is the responsibility of the licensee to identify any such needs amongst its customers and to notify Bristol Water of any changes to these needs where these are supplied to an eligible customer.

### Large scale customer warning procedures

Where a large number of properties or geographic area is affected by an event, Bristol Water will inform all customers irrespective of whether they are supplied by licensees.

### Emergency compensation payments

Bristol Water has no direct relationship with the licensee's customers, and as such the customers are not eligible for any compensation payments from Bristol Water.

Licensees can include in the access agreement how compensation for emergency situations should be dealt with. It is then up to the licensee how they compensate their customers. Any specific cases where Bristol Water is directly at fault will be dealt with on a case by case basis.

### Emergency operational planning exercises

Licensees are required to co-operate with any emergency operation planning exercises that Bristol Water wish to carry out. Sufficient notice will be given to licensees of the timing of these exercises, which are required to test that emergency procedures are working.

## Support processes

### Arrangements for press liaisons

The access agreement will specify a press liaison contact by the licensee so that joint statements about incidents can be made where appropriate.

### Arrangements for the dissemination of severe weather warnings

Where Bristol Water receives a relevant severe weather warning this will be communicated to the nominated contact at the licensee specified in the access agreement. This will also be communicated to a nominated contact at the customer for emergency situations if appropriate.

### Emergency contacts

Bristol Water has a duty to maintain a register and procedure for emergency contacts. Licensees have a responsibility to inform Bristol Water of any changes to the contact or of any other information that would result in a change to the emergency contact procedure.

### Responsibility of water undertakers

The duties of Bristol Water with regard to emergency contacts are to maintain the procedure and to take whatever action is required to meet its obligations towards the public supply system.

### Responsibility of licensees

The duties of licensees for emergency contacts are to comply with the terms of the access agreement and with their legal responsibilities, including to both Bristol Water and their customer(s), as set out in their licence conditions.

### Reportable situations

Where there are events in the public water supply network, at a licensee's source or events that are reportable to external bodies such as the DWI, HSE, EA and Environmental Health, licensees must inform Bristol Water as well as the relevant body.

Bristol Water will inform licensees where they are aware of any reportable situations that affect either the licensee's source or its customer.

## Customer contact arrangements for operation queries and complaints

### Customer contact arrangements for operational queries and complaints

#### Customer meter reading

Licensees will be responsible for arranging for a customer meter reading and providing it to Bristol Water on a monthly basis. Bristol Water will take its own meter readings for audit and network balancing purposes as required. Bristol Water may need to continuously log demand of some customers as part of its leakage monitoring.

#### Billing and debt collection

Bristol Water will bill the licensee for water used under the access agreement on a monthly basis. Separate bills will cover other services and network rebalancing charges/credits as necessary. Payment terms with licensees are a standard 30 days after date of invoice, unless otherwise agreed in the access agreement. Interest can be charged on bills outstanding after this period at an interest rate consistent with that used in calculating the licensee's bill. Large user discounts are given on the condition that payment is received within 30 days. Where invoices are outstanding for more than 90 days Bristol Water reserves the right to declare the licensee in breach of the access agreement and that billing for water supplied to the licensee to revert to the standard retail rate applying to that customer.

### Operational Issues

#### Water supply queries

Customer contact for operational queries and complaints, except in an emergency, should be made through the licensee. If operational queries and complaints are made directly to Bristol Water then it will inform the licensee and address the query using the normal procedure.

#### Sewerage queries

Sewerage queries should be directed to the sewerage undertaker. The licensee should arrange with the sewerage undertaker the procedure for handling these queries.

#### Complaint handling processes

Complaints from a customer should be handled by the licensee in the first instance. Where appropriate the complaint may then be passed to Bristol Water. Where Bristol Water fails to resolve a complaint to the satisfaction of the licensee and/or the customer, they can refer the matter to the Consumer Council for Water, should the matter be of significant concern.

#### Obligations on Bristol Water

Bristol Water will deal with all complaints in an open and constructive manner and will provide a written response to the licensees setting out any issues that may be significant to the customer.

A licensee may make a written request to Bristol Water for an investigation of an issue affecting it or its customer. The result of this investigation will be communicated in a written response from Bristol Water to the licensee.

#### Obligations on licensee

Licensees should make Bristol Water aware of any issues promptly and constructively so that they can be resolved without the need for escalation wherever possible. Licensees should provide relevant contact details and customer support arrangements, including systems to record information from customer contact details and to identify reportable issues.

#### Disconnection

Bristol Water can disconnect customers premises when it is 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).

If Bristol Water terminate the access agreement with the licensee then the interim supply duty provisions (section 63AC WIA91) would immediately apply, ensuring that the customer continues to receive water for up to 3 months. The interim supply duty does not apply if it would put at risk the Bristol Water's ability to meet its existing supply obligations and its probable future obligations to supply water for domestic purposes or require unreasonable expenditure to do so.

### **Customer contact arrangements for emergencies and events**

Customer protection issues are also considered under section 5, Maintenance and Emergency Procedures.

#### **"Special Consumers"**

Bristol Water has a duty to ensure that "special consumers" are considered in the customer contact arrangements for emergencies and events. To do this Bristol Water keeps a register of customers' specific needs. Licensees must provide information on its' customers in order for Bristol Water to keep this information up to date.

#### **Large scale customer warning procedures**

Where a large number of customers, including "special consumers", need to be informed of an incident, Bristol Water will inform the licensee when such an incident affects or may affect its customers.

#### **Obligations on water undertakers**

Bristol Water is obliged to establish customer contact arrangements for emergencies and events. To be included in the register of "special consumers" customers can apply by post, telephone or email. Special services are also offered by company employees visiting customers. Once a customer is placed on the register they remain there until the company is advised otherwise.

#### **Obligations on licensees**

Licensees are required to inform Bristol Water of any changes to the information on "special consumers" needs to which it becomes aware. Licensees must provide their customers with details of Bristol Water's emergency procedures.



## Supply system connections

Bristol Water has the following duties with respect to network connections:

- Duty to connect the licensee's source to the network.
- Duty to connect qualifying premises to the network.
- Duty to connect a secondary undertaker's network to the primary undertaker's network.

### Connection of licensee's source to supply system

Licensees should identify where possible at the initial application phase where they require their source to be connected to the Bristol Water network. At the detailed application stage information will need to be provided to allow Bristol Water to establish the process and to estimate the costs of making the connection. Licensees are required to pay the costs of making this connection before the work commences.

### Connection of qualifying premises to the supply system

Qualifying premises will normally be already connected to the Bristol Water network. No change in ownership of pipes or meters is required under the water supply licensing regime. Where the licensee identifies that a new connection is required, for instance to the licensee's source direct to the customer's site, then this should be identified at the detailed application phase. Details of meter location and connections will be required to be provided to the sewerage undertaker.

### Connection of secondary water undertaker's supply system to Bristol Water's supply system

Where a licensee requires a secondary undertaker's network to be connected, it is the responsibility of the licensee to arrange this with the secondary undertaker. Details of this connection should then be provided at the detailed application phase and any issues identified by Bristol Water should be communicated by the licensee back to the secondary undertaker.

Self lay agreements will need to be made with both Bristol Water and the secondary undertaker if the licensee requires this option.

The supply of water by a licensee to an eligible customer that involves water from a secondary undertaker's network involves 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 that customer.

## Legal contract, Arbitration and Disputes resolution

### Contract terms

Bristol Water and Licensees both have duties to be responsible for the negotiation of contract terms and to adhere to the disputes resolution process. Ofwat, DWI and EA have obligations to mediate in disputes that fall within their remit.

The legal terms included in access agreements between Bristol Water and Licensee must be consistent with the cost principle contained in section 66E WIA91 and the statutory guidance issued by Ofwat under section 66D (4) WIA91.

Licensees should be aware that Ofwat have the right to require any terms in an access agreement, signed or otherwise, to be changed in order that it complies with their guidance. This could be retrospective should Ofwat change their guidance after an access agreement has been signed. Access agreements will need to be worded in a way that reflects this requirement of the conditions placed by Ofwat on both undertakers and licensees.

### Contents

Contents of licence will include the following standard sections, which may be varied depending on the specifics of the access to be agreed:

- **Recitals** The terms in the contract will be limited and subject to any decisions made by Ofwat as to their validity under the guidance they issue on the Water Supply Licensing regime.
- **Definitions** A list of terms used in the Contract will be defined.
- **Conditions precedent** This will include a clause setting out the requirement for the Licensee to maintain a license from Ofwat in order for the rights under this contract to apply.
- **Permission to access the network re. the Contract in question** Specifying the nature of the permitted access, abandonment by the Network User of any proprietary rights to the water introduced by him to the Network, and dealing with any capital works necessary to facilitate common carriage using the Network.
- **Acceptance of Network Access Code** The access agreement will include a clause accepting the validity of the network access code.
- **Modifications** Specifying that any modifications to this contract must be appended to the contract in writing.
- **Ownership of Network / Vesting** The licensee will not become the owner of any of Bristol Water's facilities, even where the licensee has contributed to the improvement of the facilities. A clause will specify the rights and the obligations that arise from water supply licensing.
- **Material change** It will be specified that changes to the terms and conditions of the agreement can be made in certain circumstances, including new or amended legislation or from a required change to the network access code.
- **Liability** A clause limiting the liability of both parties in respect of certain claims.
- **Force majeure** A definition of the events (generally those events over which the parties or one of them does not have direct control) in relation to which the agreement may be suspended for the

duration of the force majeure event and the pre-conditions which must be satisfied before this clause will operate.

- Exclusions A clause excluding certain circumstances from being covered by the terms of this agreement.
- Indemnity Requiring both parties to indemnify the other against any costs, liabilities, expenses etc which arise from any default, including any criminal liability to the extent that that is permitted by public policy.
- Duration A clause specifying the time period over which the contract will apply or a review clause to address changes in circumstance and inactivity.
- Termination The circumstances, if any, which entitles a party to terminate the Contract, the period of notice required to effect such termination and the consequences of termination. A clause will also specify in what circumstances parties will be deemed to be in breach or default and the action to be subsequently taken.
- Emergency suspension A clause specifying the emergency circumstances under which the contract can be suspended.
- Back up supplies A clause specifying the actions to be taken should Bristol Water be required to act as the supplier of last resort and the liability for payment of charges in such circumstances.
- Payment A clause requiring payment for capital works, any infrastructure charges deemed payable, access charges, network balancing charges, methods of payment, liability for interest and action to be taken in the case of non payment.
- Dispute resolution A clause allowing disputes to be settled using Ofwat's dispute resolution procedures. Where this does not apply a clause allowing disputes to be settled by arbitration in accordance with the Arbitration Act 1996.
- Notices A clause to specify the mechanics of serving notice pursuant to the Agreement upon the other party.
- Assignment and Alienation A clause limiting assignment to the circumstances when the contract can be assigned to another party.
- Variations A clause specifying that all amendments must be agreed in writing
- Waiver A clause providing that the failure to exercise a right or remedy will not constitute a waiver.
- Severability A clause specifying the intention of the parties that, in the event that any clause or part of a clause is found to be invalid, that the clause or part thereof would be severed from the remainder of the Agreement or clause and that the parties would be expected to agree alternative wording.
- Entire agreement A clause specifying that the Agreement and the documents attached to it constitute the entire agreement
- Jurisdiction The Contract will be governed by the law of England and Wales.

- Confidentiality A clause which defines confidential information and stipulates the basis upon which the parties may use or disclose such information, subject to the provisions of the Freedom of Information Act and Environmental Information Regulations. Reference may also be made to the confidentiality agreement already in place between the parties.
- Insurance A clause requiring the Network User to carry certain insurances e.g. public, product and employer liability insurance amongst others.
- Third party rights A clause limiting third party rights to those specified in the agreement.
- Compensation A clause limiting compensation to those situations specified in the agreement.
- Provision of bonds and guarantees. A provision entitling Bristol Water to call in the bond or the parent company guarantee as the case may be, in the event of default. The requirement for these will not be discriminatory.
- No Partnership/Agency A clause specifying the fact that there is no partnership/agency between the parties and requiring the licensee to obtain consent before using Bristol Water's name and logo for any purpose.
- Credit provisions and limits A clause specifying the credit limits on the licensee's account and the provisions that relate to this limit.
- Customer contact and customer services A clause specifying specific requirements of the end customer in relation to the agreement and the methods of contact the end customer must use in communication with Bristol Water.
- Health and Safety procedures Any health and safety requirements in relation to the contract
- Emergency procedures Action and communication processes to be carried out in the event of an emergency situation
- Maximum supply quantity A customer specific schedule will be included, which will state the maximum quantity of water which will be supplied to the licensee.

### Arbitration and disputes resolution processes

This section includes the processes used for resolving any differences that arise between Bristol Water and the licensee. The purpose is to resolve disputes as quickly as possible, without affecting the customer and to avoid the need for the ultimate recourse to the Courts. Ofwat have set out a determination procedure on their website which this network code adheres to. The licensee should refer to this guidance to see the options available to them for determination of disputes.

Disputes about Water Quality issues should be referred to the DWI for arbitration in the first instance rather than Ofwat.

Ofwat's determination procedure and powers cover:

- Where eligibility guidance does not cover the factors specific to a case.
- Where the licensee and potential customer cannot decide how to apply the eligibility guidance.
- Unresolved disputes after negotiation about terms and conditions of proposed access agreements.
- Modifications or termination of access agreements not made in accordance with Ofwat guidance or the costs principle.

### Negotiation

The first stage once a potential dispute has been identified will be to attempt to document the points on which agreement has been reached and those where there is disagreement. This statement on the dispute should be used during negotiations. Where a dispute exists, Bristol Water and the licensee will arrange a meeting to discuss the dispute within 10 working days of a request for such a meeting from Bristol Water or the licensee.

### Conciliation

If the licensee and Bristol Water agree then an expert can be appointed to conciliate and assist with further discussions should negotiation not resolve the dispute. The costs of this stage should be shared equally between the parties.

### Mediation

A further formal stage of mediation can be undertaken if the licensee and Bristol Water agree, with a process similar to conciliation. Mediation may require the expert to produce a more formal response on the dispute concerned. This would be non-binding at this stage. The costs of this stage should be shared equally between the parties.

### Arbitration

This effectively is use of the Ofwat determination process. Both parties may agree to seek Ofwat's help on the point of dispute in an informal non-binding way rather than seeking a specific determination. Where licensees seek a determination, this requires Bristol Water to set out what it intends to do to resolve the dispute and then for the licensee to formally seek a determination from Ofwat, binding on Bristol Water, of what the resolution should be.

At any stage of this process either party may choose to return to negotiation to resolve any remaining issue, up to the point at which a formal determination has been sought from Ofwat.

In the case of dispute that is referred to Ofwat for a determination, the duties of Bristol Water to supply to the licensee under WIA91 do not arise until the licensee has accepted Ofwat's determination.

## Access Pricing

### Indicative Prices for Wholesale and Combined Access

The indicative prices set out below have been prepared in accordance with Ofwat’s detailed “Guidance on Access Codes”. The indicative access prices will apply to any agreement commencing between 2025 and 2029.

For the purposes of indicative charges we have assumed that no new or upgraded systems will be required for the new competition market.

These indicative prices have been calculated using the revenue allowances set out in the PR24 Draft Determination response, as published by the Competition and Markets Authority. They include the impact of our forecast of 2025/26 K factors. For 2025-2030 the indicative prices reflect the K factors for Bristol Water set out in our PR24 business plan, submitted to Ofwat in August 2024.

### Indicative Wholesale Prices

2025/26 indicative wholesale prices are set out below (in 2025/26 price base). These are based on the change in wholesale revenue allowance for year 2025/26 as set out in Ofwat’s Draft Determination response, and assume no change in 2026/27 – 2029/30.

Indicative Wholesale Prices		2025/25	2026/27	2027/28	2028/29	2029/30
Company Specific K % (weighted average of water resources and water network+ Ks)	%	-10.1%	5.7%	5.2%	4.0%	1.9%

For 5Ml per annum		2025/26	2026/27	2027/28	2028/29	2029/30
Wholesale Price - first customer (payment in arrears)	£/m3	1.5487	1.6374	1.7233	1.7922	1.8263
Wholesale Discount - first customer (payment in arrears)	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - second customer with same licensee	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - first customer (payment in advance)	£/m3	0.1496	0.1500	0.1504	0.1507	0.1508

For 15Ml per annum		2025/26	2026/27	2027/28	2028/29	2029/30
Wholesale Price - first customer (payment in arrears)	£/m3	1.5267	1.6141	1.6988	1.7668	1.8004
Wholesale Discount - first customer (payment in arrears)	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - second customer with same licensee	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - first customer (payment in advance)	£/m3	0.1495	0.1499	0.1502	0.1506	0.1507

For 50Ml per annum		2025/26	2026/27	2027/28	2028/29	2029/30
Wholesale Price - first customer (payment in arrears)	£/m3	1.3529	1.4304	1.5054	1.5657	1.5954
Wholesale Discount - first customer (payment in arrears)	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431

Wholesale Discount - second customer with same licensee	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - first customer (payment in advance)	£/m3	0.1487	0.1490	0.1494	0.1496	0.1498

For 100Ml per annum		2025/26	2026/27	2027/28	2028/29	2029/30
Wholesale Price - first customer (payment in arrears)	£/m3	1.2850	1.3586	1.4298	1.4871	1.5153
Wholesale Discount - first customer (payment in arrears)	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - second customer with same licensee	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - first customer (payment in advance)	£/m3	0.1484	0.1487	0.1490	0.1493	0.1494

For 250Ml per annum		2025/26	2026/27	2027/28	2028/29	2029/30
Wholesale Price - first customer (payment in arrears)	£/m3	1.2158	1.2854	1.3528	1.4070	1.4337
Wholesale Discount - first customer (payment in arrears)	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - second customer with same licensee	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - first customer (payment in advance)	£/m3	0.1480	0.1484	0.1487	0.1489	0.1490

For 500Ml per annum		2025/26	2026/27	2027/28	2028/29	2029/30
Wholesale Price - first customer (payment in arrears)	£/m3	1.1437	1.2092	1.2726	1.3236	1.3487
Wholesale Discount - first customer (payment in arrears)	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - second customer with same licensee	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Wholesale Discount - first customer (payment in advance)	£/m3	0.1477	0.1480	0.1483	0.1485	0.1486

### Indicative Combined Supply Prices

Bristol Water has a single resource zone. The forecast supply surplus for this zone before Bristol Water investment or licensee's water is set out below (-ve is deficit). This information is from our final 2024 Water Resources Management Plan. As part of long-term management and planning for public water supply, water companies are required to produce a Water Resources Management Plan (WRMP) and to update it every five years. Our current WRMP covers the period from 2025 to 2050 and was published in August 2019. It is available on the Bristol Water website at <https://www.bristolwater.co.uk/about-us/water-resources/>

We have prepared our final 2024 Water Resource Management Plan and will update the indicative Combined Supply Prices to reflect this plan once it has been approved. This plan shows a supply surplus without combined supply entry and therefore is not expected to change the indicative access prices.

Forecast supply surplus without licensee's water or water undertaker's investment	Year	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	MI/d	3.90	19.52	18.36	17.60	16.80	18.61
	Year	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>	<b>2033/34</b>	<b>2034/35</b>	<b>2035/36</b>
	MI/d	16.23	15.58	14.89	14.06	15.30	10.05
	Year	<b>2036/37</b>	<b>2037/38</b>	<b>2038/39</b>	<b>2039/40</b>	<b>2040/41</b>	<b>2041/42</b>
	MI/d	8.81	7.47	6.20	6.30	5.01	3.58
	Year	<b>2042/43</b>	<b>2043/44</b>	<b>2044/45</b>			
	MI/d	2.20	0.80	0.79			

Bristol Water's investment plan would not be revised if a licensee introduced 50MI/year or 500MI/year, so there are no savings arising from the avoidance or delayed requirement of any Supply/Demand schemes. As a result, indicative savings relate only to marginal operating costs and are independent of the year of commencement.

Indicative combined supply prices for 2025/26 are set out below.

		<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
Forecast Supply Surplus without entry before investment	MI/d	19.52	18.36	17.60	16.80	18.61

<b>For 5MI per annum</b>		<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
Wholesale Access Price	£/m3	1.5487	1.6374	1.7233	1.7922	1.8263
Combined Supply Discount	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Combined Supply Price	£/m3	1.4056	1.4942	1.5801	1.6491	1.6832
Supply Surplus with entry after undertaker investment	MI/d	19.54	18.37	17.61	16.81	18.63

<b>For 15MI per annum</b>		<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
Wholesale Access Price	£/m3	1.5267	1.6141	1.6988	1.7668	1.8004
Combined Supply Discount	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Combined Supply Price	£/m3	1.3836	1.4710	1.5557	1.6237	1.6572
Supply Surplus with entry after undertaker investment	MI/d	19.56	18.40	17.64	16.84	18.65

<b>For 50MI per annum</b>		<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
Wholesale Access Price	£/m3	1.3529	1.4304	1.5054	1.5657	1.5954
Combined Supply Discount	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Combined Supply Price	£/m3	1.2098	1.2872	1.3623	1.4225	1.4523
Supply Surplus with entry after undertaker investment	MI/d	19.66	18.50	17.74	16.94	18.75



For 100Ml per annum		2025/26	2026/27	2027/28	2028/29	2029/30
Wholesale Access Price	£/m3	1.2850	1.3586	1.4298	1.4871	1.5153
Combined Supply Discount	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Combined Supply Price	£/m3	1.1419	1.2154	1.2867	1.3440	1.3722
Supply Surplus with entry after undertaker investment	Ml/d	19.80	18.63	17.87	17.08	18.89

For 250Ml per annum		2025/26	2026/27	2027/28	2028/29	2029/30
Wholesale Access Price	£/m3	1.2158	1.2854	1.3528	1.4070	1.4337
Combined Supply Discount	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Combined Supply Price	£/m3	1.0727	1.1423	1.2097	1.2639	1.2906
Supply Surplus with entry after undertaker investment	Ml/d	20.21	19.05	18.28	17.49	19.30

For 500Ml per annum		2025/26	2026/27	2027/28	2028/29	2029/30
Wholesale Access Price	£/m3	1.1437	1.2092	1.2726	1.3236	1.3487
Combined Supply Discount	£/m3	0.1431	0.1431	0.1431	0.1431	0.1431
Combined Supply Price	£/m3	1.0006	1.0661	1.1295	1.1804	1.2056
Supply Surplus with entry after undertaker investment	Ml/d	20.89	19.73	18.97	18.17	19.98

### Case Specific Access Prices

We will prepare case specific access prices in response to a formal application for access. Case specific prices may differ significantly from the indicative prices set out above as they will depend upon the details of the particular application.

### Water Resource Zone information

Bristol Water has no relevant supply schemes so table 5 is not included within our Access Code.

### Methodology for the calculation of ARROW costs for the common carriage element

The operating costs are taken from our supporting calculations for table 4J of the Regulatory Accounts, under the headings water resources, raw water transport and water treatment. These costs are then inflated to 2025/26 prices:

Power costs are £8.049m, and materials and consumables are within other operating expenditure at £6.419m.

The total of these costs is then divided by the average daily water into supply of 276.99 Ml /day, which is taken from table 6B and divided by the number of days in the year.

The result is a cost of £0.1431/m3, which when multiplied by the appropriate volumes produces ARROW costs for the common carriage element.

## Glossary of defined terms

**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 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-syphonage:** Unwanted syphoning 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 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 with, for example, small amounts of chlorine in order to kill harmful organisms.

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

**Drought:** A prolonged period of dry weather; said to exist if, for at least fifteen days, on each day rainfall has been less than 0.25mm.

**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 5 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 regional 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 Water Services Regulation Authority (Ofwat), to provide water and sewerage services in England and Wales. The Instrument of Appointment imposes conditions on the companies, which Ofwat 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 license or a combined license.

**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, faecal streptococci, 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 unusable 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 Bristol Water.

**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 a licensee's 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.

**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.

**Standby supplies:** These are supplies that can be called into operation in the event of failure of the 'duty' supply.

**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 point:** 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.

**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 non-potable networks that are not connected to any potable system. 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. Current limit is 100 ug/l averaged over three months.

**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 put into a Control Group.

**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 – Bristol Water Area of Supply



## Appendix 2 – Standard Confidentiality Agreement

THIS AGREEMENT is made on the [date]

### BETWEEN

- (1) [party], incorporated and registered in [England and Wales or insert location] with company number [number] whose registered office is at [address] (“[party]”)
- (2) [party], incorporated and registered in [England and Wales or insert location] with company number [number] whose registered office is at [address] (“[party]”)

(each a “Party” and together the “Parties”)

### BACKGROUND

- (A) The Parties wish to have discussions concerning [insert clear description of purpose] (“the Purpose”). In order to allow the Parties to hold such discussions, the Parties are prepared to disclose confidential information to each other.
- (B) The Parties recognise that unauthorised disclosure or use of the Confidential Information could cause the Parties commercial harm. Therefore, they are willing to enter into this Agreement in accordance with the provisions of this Agreement.

### THE PARTIES AGREE:

#### Definitions

In this Agreement:

- |                                 |  |
|---------------------------------|--|
| <b>Associated Company</b>       | is to be construed in accordance with sections 416 et seq. of the Income and Corporations Taxes Act 1988 and section 256 of the Companies Act 2006 respectively.   |
| <b>Business Days</b>            | means any day other than a Saturday, Sunday or a public or bank holiday in England and Wales.  |
| <b>Confidential Information</b> | means all confidential information relating to the Purpose which the Disclosing Party or its Representatives directly or indirectly discloses, or makes available, to the Receiving Party or its Representatives before, on, or after the date of this Agreement. This includes: <ol style="list-style-type: none"><li>(a) the fact that discussions and negotiations are taking place concerning the Purpose and the status of those discussions and negotiations;</li><li>(b) the business affairs, customers, clients, suppliers of the Disclosing Party;</li><li>(c) the operations, processes, product information, know-how, technical information, designs, trade secrets, or software of the Disclosing Party;</li><li>(d) any information, finding, data, or analysis derived from Confidential Information;</li><li>(e) any other information that is identified as being of a confidential or proprietary nature; and</li></ol> |



- (f) all information that may be governed by the Environmental Information Regulations 2004.

**Disclosing Party** means the Party to this Agreement that discloses Information, directly or indirectly, to the Receiving Party under or in anticipation of this Agreement.

**Information** means but is not limited to information and data whether concerning commercial, financial, technical or any matter whatsoever provided directly or indirectly by the Disclosing Party to the Receiving Party orally, in documentary form, electronically (including software), or other tangible form or by demonstrations and whether before, on or after the date of this Agreement.

**Purpose** has the meaning given in Background paragraph (A) above.

**Receiving Party** means the Party to this Agreement that receives Information, directly or indirectly, from the Disclosing Party.

**Representative** means, in relation to each Party:

- its officers and employees that need to know the Confidential Information for the Purpose;
- its professional advisors or consultants who are engaged to advise that party in connection with the Purpose or this Agreement;
- its contractors and sub-contractors engaged by that Party in connection with the Purpose; and
- any other person to whom the other Party agrees in writing that Confidential Information may be disclosed in connection with the Purpose.

## **1 Confidentiality and non-use**

- 1.1 For a term of 2 years or insert duration the Receiving Party undertakes to the Disclosing Party to:
- 1.1.1 receive and keep the Confidential Information secret and confidential and not disclose such Confidential Information to any third party;
  - 1.1.2 take all necessary precautions to ensure that such undertaking is enforced and is enforceable and take such action as to ensure that patentability is not destroyed through making information available to the public, for instance by written or oral description;
  - 1.1.3 use the Confidential Information only for the Purpose;
  - 1.1.4 only disclose the Confidential Information under binding obligations of confidence (which it undertakes to enforce and for which it is legally responsible) to those of its Associated Company, employees, sub-contractors, seconded staff, officers, agents, consultants and collaborators as need to have access thereto wholly necessarily and exclusively for the Purpose and whose identity the Receiving Party shall provide to the Disclosing Party at their request;
  - 1.1.5 not without the Disclosing Party's prior written consent seek to obtain any protection of the intellectual property contained in the Confidential Information; and
  - 1.1.6 promptly notify the Disclosing Party if it becomes aware that any of the Confidential Information falls within the provisions of clause 2.

## **2 Exceptions**

- 2.1 Clause 1 shall not apply to Confidential Information which:

- 2.1.1 was known to the Receiving Party prior to its communication by or through the Disclosing Party (as evidenced by the Receiving Party's records); or
- 2.1.2 is or becomes in the public domain except by any default or fault of the Receiving Party or any person acquiring it from the Receiving Party; or
- 2.1.3 becomes known to the Receiving Party by the action of another person not in breach of any obligation of confidentiality owed to the Disclosing Party; or
- 2.1.4 is developed by any of the Receiving Party's employees who have not had any direct or indirect access to, or use or knowledge of, the information imparted by the Disclosing Party; or
- 2.1.5 is required to be disclosed to an Associated Company for internal governance purposes; or
- 2.1.6 Is required to be disclosed by law or by any court of competent jurisdiction, recognised regulatory authority, government department, or agency entitled at law to require the disclosure of such information provided that the Receiving Party informs the disclosing Party as soon as it becomes aware of the circumstances and requirements of the disclosure and the receiving Party agrees to co-operate with the disclosing Party in relation to obtaining confidentiality undertakings from the body requiring disclosure and implementing any other protective measures in respect of the Confidential Information disclosed.

### **3 Termination**

- 3.1 This Agreement may be terminated by mutual consent, with Parties giving no less than one month's prior written notice. The provisions of clauses 5.2 and 5.3 shall survive the termination of this Agreement.

### **4 Return of Confidential Information**

- 4.1 Upon:
  - 4.1.1 expiry; or
  - 4.1.2 termination of this Agreement, in the event that the Receiving Party is in breach of any of the conditions of this Agreement; or
  - 4.1.3 at any other time on the written request of the Disclosing Party

the Receiving Party will within 14 business days return the Confidential Information and any copies of it made by or in the possession of or under the control of the Receiving Party pursuant to this Agreement, and make no further use or disclosure of any of the Confidential Information. If the Disclosing Party so dictates, the Confidential Information shall be destroyed under the above circumstances.

- 4.2 Each Party may retain a single copy of the Confidential Information for the purpose of their records and for the purpose of obtaining legal or expert advice. This information will be stored securely as detailed in Clause 2.
- 4.3 The return of Confidential Information shall not release any Party from its other obligations under this Agreement.

### **5 Limitation of transferred rights**

- 5.1 The Recipient acknowledges and agrees that the intellectual property and copyright in Confidential Information disclosed to it by the Disclosing Party, including any documents, files and any other items containing any Confidential Information belongs to the Disclosing Party. It will not be removed from the Receiving Party's address nor be given to any other person or parties save where permitted by this Agreement.

- 5.2 This Agreement is neither to prejudice nor limit the rights of the Disclosing Party in respect of any intellectual property rights in the Confidential Information.
- 5.3 Except as provided for in this Agreement the Receiving Party may not assign or transfer any rights or obligations under this Agreement without the prior written consent of the Disclosing Party.
- 5.4 This Agreement is not to be construed to:
- 5.4.1 grant the Receiving Party any licence or rights other than as expressly set out in this Agreement in respect of the Confidential Information;
  - 5.4.2 nor require the Disclosing Party to disclose any Confidential Information to the Receiving Party.

## **6 Limitation of liability of Disclosing Party**

- 6.1 The Disclosing Party gives no warranties in relation to the Confidential Information disclosed by it under this Agreement and in particular (but without limiting the foregoing) no warranty or representation, express or implied, is given by the Disclosing Party as to the accuracy, efficacy, completeness, capabilities or safety of any materials or information provided under this Agreement.

## **7 Reference to other parties**

- 7.1 Save as required by law or any other regulatory body, no Party shall make any announcement, public statements or press releases of any kind in relation to the Confidential Information disclosed to it by any other Party to this Agreement nor shall they mention the name of any other Party in connection with this Agreement or disclose the existence of this Agreement without the prior written consent of all Parties.

## **8 No Contract**

- 8.1 No documents or information made available in accordance with this Agreement will constitute an offer or invitation or form the basis of any contract.

## **9 Entire Agreement**

- 9.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 9.2 Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. Each Party agrees that it shall have no claim for innocent or negligent misrepresentation based on any statement in this agreement. However, nothing in this agreement purports to exclude liability for any fraudulent statement or act<sup>1</sup>

## **10 Variation.**

- 10.1 No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

## **11 Waiver.**

- 11.1 No failure or delay by a Party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

## **12 Severance.**

- 12.1 If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be

deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

### **13 Notices**

- 13.1 All notices required to be served pursuant to this Agreement are to be made in writing marked for the attention of the Company Secretary to the addresses at the head of this Agreement.

### **14 Consequences of a breach**

- 14.1 Without prejudice to any other rights or remedies that either party may have the parties acknowledge and agree that:
- 14.1.1 Each party would be irreparably harmed by a breach of any of the provisions of this Agreement;
  - 14.1.2 Damages would not be an adequate remedy for any such breach;
  - 14.1.3 Each Party shall be entitled to the remedies of injunction, specific performance and any other equitable relief for any threatened or actual breach of the provisions of this Agreement by any other Party or its Representative;
  - 14.1.4 Each Party shall be entitled to the remedies of injunction, specific performance and any other equitable relief for ny threatened or actual breach of the provisions of this Agreement; and
  - 14.1.5 No proof of special damages shall be necessary for the enforcement of this Agreement.

### **15 Third parties**

- 15.1 No one other than a Party to this Agreement shall have any right to enforce any of its terms.

### **16 Costs**

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

### **17 Law and disputes**

- 17.1 The validity, construction and performance of this Agreement are to be governed by English law. Any dispute arising under or in connection with this Agreement is to be subject to the exclusive jurisdiction of the Courts of England and Wales to which the Parties to this Agreement submit.