



BUILDING WATER CHARGING POLICY

1 Background

Scottish Water applies charges for water consumed at construction sites, known as Building Water. For all business and industrial developments and for all domestic house building with the exception of self-build house construction, the supply of water for building work is within the scope of the retail market for non-household customers and is therefore managed by Licensed Providers on behalf of customers.

Scottish Water's Wholesale Charges Scheme sets out the scale and structure of the charge which applies. The purpose of this policy document is to provide further detail to Licensed Providers to clarify the charging arrangements for Building Water, particularly in more unusual scenarios.

2 Definition

Building Water is any water used for construction purposes with the exception of water for site preparation.

3 Basis of Charges

Building Water is charged on an un-metered basis. The structure and scale of the charge is set out in the Wholesale Charges Scheme and varies between commercial house building and business or industrial developments.

Standard un-metered Building Water charges apply to all developments except in the circumstances set out in sections 7 and 8, where normal un-metered Building Water charges will be assumed to apply until all details required by Scottish Water have been provided by the Licensed Provider and agreed by Scottish Water.

4 Connection Process

In order to ensure that Building Water charges are recovered for all relevant developments, Scottish Water will not typically complete a permanent connection to a premises until it has received and processed an associated Building Water application for the site and is in receipt of the Licensed Provider's acceptance of the Building Water quotation.

For business and industrial developments, it is the responsibility of the Licensed Provider to ensure that a Building Water application has been submitted by the developer to a Licensed Provider in sufficient time and with sufficient information to avoid any delay to the permanent connection at the site.

For commercial house-building, it is the responsibility of the developer to ensure that a Building Water application has been submitted to a Licensed Provider in sufficient time and with sufficient information to avoid any delay to the permanent connection at the site.

The Operational Code requires Scottish Water to process Building Water applications within 10 business days of receipt. In order to ensure that final connection of a site is not delayed, Scottish Water encourages Licensed Providers and developers (in the case of commercial house building) to submit Building Water applications well in advance of their desired date of completion of the permanent connection at the site. This is particularly important for the scenarios set out below where additional information is likely to be required from the Licensed Provider to support the Building Water application.

If, in any of the scenarios below, an application is received without all necessary supporting information, Scottish Water will return the application requesting it be resubmitted with all relevant



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details. However, if desired by the Licensed Provider to avoid delays to a permanent connection, Scottish Water will issue a standard Building Water quote for acceptance by the Licensed Provider. The remaining information can be submitted subsequently by the Licensed Provider at which point a revised quote (or, if a bill has already been issued, a credit note) will then be processed.

5 Water for Site Preparation

Water supplies to a site which is being prepared for development (for example, grouting) will be metered. Standard Volumetric and Fixed charges for water apply. All other water for building water will be charged on an un-metered basis.

6 Use of Ready Mix Concrete on Business and Industrial Developments

For business and industrial developments only, Building Water charges are based on a percentage of the contract value of the development. The cost of any ready mix concrete used in the development is deducted from the contract value to reflect the resulting reduction in water consumed at the construction site.

7 Dry-Build Construction Sites

It is Scottish Water's experience that water is always used in construction projects. Unless a Licensed Provider can provide evidence of how all construction processes typically requiring a supply of water have been managed in the absence of water, normal Building Water charges will always apply. If a Licensed Provider believes that a construction project will not require the use of any water supply, Scottish Water would require details from the quantity surveying stages of the project to demonstrate how this would be achieved. In these circumstances Scottish Water should be engaged at the outset of a project to agree the type of information that would be required to demonstrate this and to avoid subsequent delays to final connection. Regular site visits by Scottish Water are likely to be required to support any such arrangement. Until all details requested by Scottish Water have been provided by the Licensed Provider, normal Building Water charges will be assumed to apply.

8 Use of Alternative Sources of Water

It is Scottish Water's experience that mains water is typically used in construction projects. Unless a Licensed Provider demonstrates that an alternative source of water has been solely used to support the project, normal Building Water charges will always apply. In order for Building Water charges to be waived, the following details would be required from the Licensed Provider:

- Details of the alternative water supply
- In the case of a private water supply, meter readings demonstrating the volume of water used to support the project
- In the case of water from a natural source, an appropriate SEPA licence and building control permission
- In the case of tankered supplies, invoices showing the amount of water supplied to support the project

Regular site visits by Scottish Water are likely to be required to verify that no mains supply is being used. In these circumstances Scottish Water should be engaged at the outset of a project to agree the type of information that will be required to demonstrate that no mains water is being consumed. Until



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all details requested by Scottish Water have been provided by the Licensed Provider, normal Building Water charges will be assumed to apply.

9 Existing Metered Connections

With the exception of water for site preparation (see section 4), all Building Water will be charged on an un-metered basis. Where a site is served by an existing meter the Licensed Provider must ensure that a separate un-metered temporary connection is made. This will ensure that metered primary charges are not also incurred for water for building work in addition to standard Building Water charges.

For instances that predate this policy where an existing metered connection has been used for Building Water purposes, a rebate will be paid to account for any metered primary charges that have been incurred in respect of water used for building work in addition to standard Building Water charges.

In instances where the site has been vacated for the duration of the building work, the Supply Point will have been flagged as 'Vacant' at the CMA. No metered primary water charges will have been incurred and therefore no rebate will be due.

In instances where the site remains occupied for the period of the building work, details of the dates between which the building project took place will be required from the Licensed Provider in order for the rebate to be accurately quantified.

At least one meter reading should have been submitted to the CMA following the completion of the project. The rebate will be calculated as the value of the excess water consumed at the site as a result of the building work at the site.

The volume of excess water will be calculated based on the difference between the daily rate of consumption during to the project and the daily rate for the same calendar period in the financial year prior to the project.

The value of the excess water will be calculated using the last Actual Weighted Average unit charge calculated by the CMA for the Supply Point. Where appropriate historical consumption data is not available, the next two actual meter reads following completion of the project may be used at Scottish Water's discretion.

10 Use of Standpipes

Scottish Water advises that where water is required for building work, a separate temporary connection is requested by the Licensed Provider using process 5 of the Operational Code.

Where a Licensed Provider applies for a standpipe licence as a mechanism for supplying Building Water, normal site specific Building Water charges will still apply. The usual process, as detailed in section 3, requiring Scottish Water to be in receipt of acceptance of a Building Water quotation prior to final connection at the site, will still apply in these circumstances.

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9 December 2009