



Dŵr Cymru  
Welsh Water

# Guidance for New Appointments and Variations (NAVs) – Consent Criteria

[dwrcymru.com](http://dwrcymru.com)

## Table of Contents

Definitions.....	3
1. Introduction .....	4
2. Supporting our Customers throughout the Process.....	4
3. Overview .....	5
4. Site Eligibility.....	5
4.1. Consent Criterion .....	5
4.2 Information Requirements .....	5
4.3. Risk Assessments .....	5
4.4. Water Pressure .....	6
4.5. Bulk Supply Pricing and Connection Charges.....	6
4.5.1. Bulk Charges.....	6
4.5.2. Bulk Supply Metering.....	6
4.5.3. Bulk Supply Agreements .....	6
5 Post-Submission of the NAV application to Ofwat .....	6
6. Post-Award.....	7
6.1. Transition .....	7
6.2. Contract Management.....	7
Appendix A - Application Process .....	9
Appendix B – Charging .....	10

## Version Control

Version Number	Date of Issue	Modifications to previous issue
v1.0.	3 July 2019	First issue

## Definitions

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

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

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

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

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

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

**Full-Service:** – A NAV that provides a complete end-to-end service on a site. For water, this incorporates obtaining a water source, treatment, distribution and retailing. For wastewater, this incorporates collection, treatment and sludge treatment and disposal.

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

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

**WIA91:** Water Industry Act 1991.

## 1. Introduction

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

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

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

## 2. Supporting our Customers throughout the Process

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

**Wholesale Service Centre**  
**DCWW Welsh Water**  
**PO Box 3164, Cardiff, CF30 0FF**  
**T: 0800 260 5053**  
**<http://wsc.dwrcymru.com>**  
**[wholesaleservicecentre@dwrcymru.com](mailto:wholesaleservicecentre@dwrcymru.com)**

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

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

This Guidance sets out the work required and key criteria that need to be considered in DCWW’s interactions with a prospective Customer. It may be the case that work streams will run in parallel e.g. eligibility and pre-planning report. The document therefore should be interpreted as a suite of tasks rather than a linear flow of work, the extent of the overlap largely reliant on the instruction received by the Customer. DCWW commits to respond to requests within the timeframes specified by Ofwat and where we are unable to do so we will provide a full explanation and the achievable

timescale. A table outlining the stages of the application process and the timeframes for DCWW's responses is included in Appendix A.

### 3. Overview

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

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

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

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

### 4. Site Eligibility

#### 4.1. Consent Criterion

Where a Customer makes an enquiry requesting that DCWW agrees to transfer the site or premises, DCWW requests early engagement, enquiries should be submitted on the application form. Where consent is sought, DCWW will require evidence that key stakeholders have been consulted and are supportive of the application. Key stakeholders will be identified in the initial response to the enquiry, which DCWW aims to issue within 5 working days.

#### 4.2 Information Requirements

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

#### 4.3. Risk Assessments

To enable a Customer to submit its risk assessment to the DWI, any risk assessment information required should be requested via the Wholesale Service Centre. DCWW aims to return the information to Customers within 15 working days of receiving the request.

#### 4.4. Water Pressure

Where a Customer requests the minimum and maximum water pressures available to a site at that time, DCWW aims to respond to the request within 20 working days.

#### 4.5. Bulk Supply Pricing and Connection Charges

##### 4.5.1. Bulk Charges

Where a request is made for price and non-price terms of a bulk supply agreement at the pre-application stage, DCWW will aim to provide an offer letter within 20 working days. The offer will be based on the information available at the time of the request and may be subject to change.

##### 4.5.2. Bulk Supply Metering

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

##### 4.5.3. Bulk Supply Agreements

A bulk supply agreement should be in place before Ofwat will award a NAV. DCWW will on request provide the Customer with a template bulk supply agreement for water and/or waste water service. DCWW do not prescribe a single approach and it is the Customer's decision as to whether they are comfortable in using the template or wish to offer an alternative.

Bulk supply agreement negotiations can be commenced during the pre-planning phase and will be concluded during the public consultation stage, following the application being submitted to Ofwat. Bulk supply offers will be conditional on both parties having agreed contract terms and the application being successful. DCWW will provide a letter of support to the NAV where appropriate and will furnish Ofwat of any details they may deem pertinent to their consideration of the NAV application.

### 5 Post-Submission of the NAV application to Ofwat

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

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

It is requested that a copy of the notice is also sent by email to [WholesaleServiceCentre@dwrcymru.com](mailto:WholesaleServiceCentre@dwrcymru.com).

## 6. Post-Award

### 6.1. Transition

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

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

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

### 6.2. Contract Management

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



## Appendix A - Application Process

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

Stage	Action	Description	Process	Response Time
Pre-application	Initial enquiry	Enquiry submitted by potential Customer	The Customer makes contact with Wholesale Service Centre to enquire about a NAV application and provide contact details, site information and the criterion they intend to apply under.	5 working days
Pre-application	Eligibility check	Engagement with Customer to discuss eligibility criterion	Engagement with the Customer to discuss eligibility	5 working days
Pre-application	Network information	Water pressure	Where a Customer requires minimum and maximum water pressures available to a site, DCWW aims to provide this within 20 working days	20 working days
		Formal offer for bulk services	Where a Customer requests price and non-price terms for a bulk supply/discharge agreement, DCWW aims to provide an offer letter based on information available at time of request.	20 working days
Pre-application	Risk assessment	Risk assessment	Where a Customer requires information on DCWW's drinking water safety plans to submit a satisfactory risk assessment to the DWI, DCWW aims to respond with the requested information within 15 working days.	15 working days
Pre-application and application	Bulk agreements	Bulk supply and bulk discharge agreements	Negotiation of bulk supply and bulk discharge agreements during pre-application and application stage. Agreements to be finalised at public consultation stage.	Not defined
Post-submission	Application submitted	Application is submitted to Ofwat by the Customer	The Customer submits formal application to Ofwat and issues a Section 8(2) notice to DCWW within 14 calendar days.	14 calendar days

## Appendix B – Charging

Where a request is made for price and non-price terms of a bulk supply agreement at the pre-application stage, DCWW will aim to provide an offer letter within 20 working days. The offer will be based on the information available at the time of the request and may be subject to change. The Bulk charge will be based on the appropriate Wholesale Tariff as detailed [here](#).