



WHOLESALE BURST ALLOWANCE POLICY

1 Purpose

The purpose of this policy is to set out the circumstances in which Scottish Water may grant a burst allowance to a Licensed Provider in respect of water or sewerage services provided under the Wholesale Services Agreement.

2 Supply Pipe Responsibility

Under the Water (Scotland) Act 1980, Scottish Water is generally responsible for the communication pipe, which is usually the part of the service pipe between the water main and the property boundary. The customer is responsible for the part of the service pipe, (the supply pipe) which is usually the part of the pipe inside the property boundary. These responsibilities are unaffected by the position of the water meter (if fitted) which may be located inside or outside the property boundary.

3 Qualifying Criteria

Scottish Water will only grant burst allowances in the circumstances set out in sections 3.1, 3.2 and 3.3 below.

Bursts will only affect volumetric charges where they occur on the customer side (i.e. downstream) of the meter so that the excess consumption has been recorded by the meter.

If the burst occurs on Scottish Water infrastructure (either pipework outside the property boundary or at the meter itself) and is recorded by the meter, a burst allowance will be granted on the excess consumption, subject to the conditions and limitations set out below.

If the burst occurs on private pipework and is recorded by the meter, a burst allowance will be granted on 50% of the excess consumption, subject to the conditions and limitations set out below.

The diagram in the Annex sets out the possible configurations and each scenario is covered in more detail below.

3.1 Bursts on Scottish Water pipework between the meter and property boundary where meter is located outside property boundary (Scenario 1 in Annex)

Scottish Water will grant a burst allowance, subject to the conditions in section 6, where the meter is situated outside the property boundary and the burst has occurred on Scottish Water pipework between the meter and the property boundary (Scenario 1 in the Annex) so that it has been recorded by the meter.

Subject to the conditions in section 6, an allowance will be granted for the excess water and foul sewerage consumption caused by the burst for a period of up to 9 months.

3.2 Bursts at the meter (Scenario 2 in Annex)

Scottish Water will grant a burst allowance, subject to the conditions in section 6, where a burst has occurred on the customer side (i.e. downstream) connection between the supply pipe and the meter so that the burst has been recorded by the meter and where there is evidence that this is as a consequence of negligence on the part of Scottish Water or its contractors when installing the meter. The meter may be located either inside or outside the property boundary.

This is shown in Scenario 2 in the Annex.

Subject to the conditions in section 6, an allowance will be granted for the excess water and foul sewerage consumption caused by the burst for a period of up to 9 months.

3.3 Bursts on private pipework (Scenario 3 in Annex)



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Scottish Water will grant a burst allowance, subject to the conditions in section 6, where it can be demonstrated that a burst on private pipework has been recorded by the meter.

This is shown in Scenario 3 in the Annex.

Subject to the conditions in section 6, an allowance will be granted for 50% of the excess water and foul sewerage consumption caused by the burst for a period of up to 9 months.

4 Calculation of burst allowance

Where Scottish Water grants a burst allowance, the excess consumption will be calculated as the difference between the average daily consumption for the same calendar period in previous financial years and the average daily consumption for the duration of the burst. This will ensure that seasonal usage is taken into consideration.

Where Scottish Water considers that the same calendar period in previous financial years was not a representative period, it reserves the right to specify an alternative period as demonstrating a typical average daily consumption for the purposes of calculating a burst allowance.

Where appropriate historical consumption data is not available the next two actual reads following the repair of the burst may be used at Scottish Water's discretion.

5 Application of a burst allowance

Where a burst allowance is granted, it will be applied at the CMA via the creation of an adjustment meter, attached to the affected SPID, which shall have a negative consumption equal to the value of the allowance and covering the agreed duration. The adjustment and refund of charges shall follow the standard CMA settlement timetable and primary billing processes.

6 Conditions

The following conditions and exclusions will apply to burst allowances:

- Burst allowances will only ever be granted for metered Supply Points.
- Scottish Water will grant no more than one burst allowance per Supply Point in any 12 month period except where the allowance is the result of negligence on the part of Scottish Water or the bursts can be clearly demonstrated to be unrelated.
- There must be sufficient evidence at the time of application that the burst has been repaired. This can be demonstrated by the Licensed Provider providing a copy of the repair invoice with the application and ensuring that two meter reads after the repair, at least one month apart, are recorded at the CMA to show that the consumption has returned to normal. Where it is not possible to provide this evidence, alternative supporting information may be agreed at Scottish Water's discretion.
- Scottish Water will not grant an allowance under sections 3.1 or 3.2 where there is evidence that the burst was caused by negligence of the customer or Licensed Provider.
- The award of a burst allowance will only cover the period of the burst and will only be given for a maximum period of nine months for bi-annually read meters and three months for monthly read meters, allowing time for a customer to identify and repair a burst.
- It is the responsibility of the customer and the Licensed Provider to monitor meter readings and identify any unexpected increase in consumption which has not been caused by a change of use at the premises and therefore could be caused by a burst on the customer's side of the meter. Where any burst is suspected on the SW side of the boundary, the Licensed Provider should report this to Scottish Water via the Wholesale Service Desk, who will investigate accordingly.
- The Licensed Provider continues to be liable for full wholesale charges at a Supply Point whilst any application for a burst allowance is being processed.

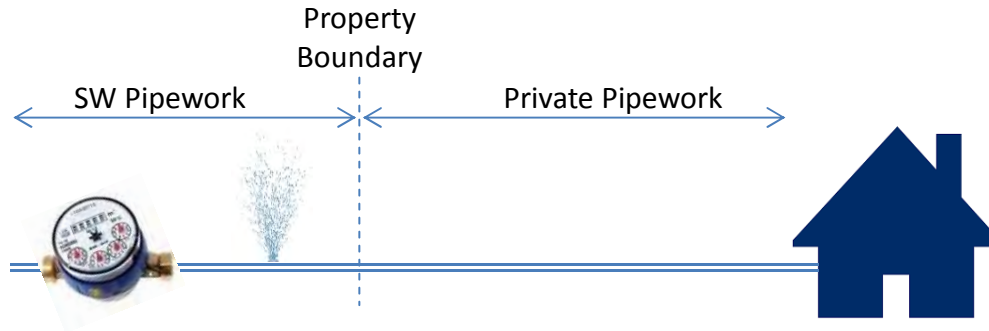


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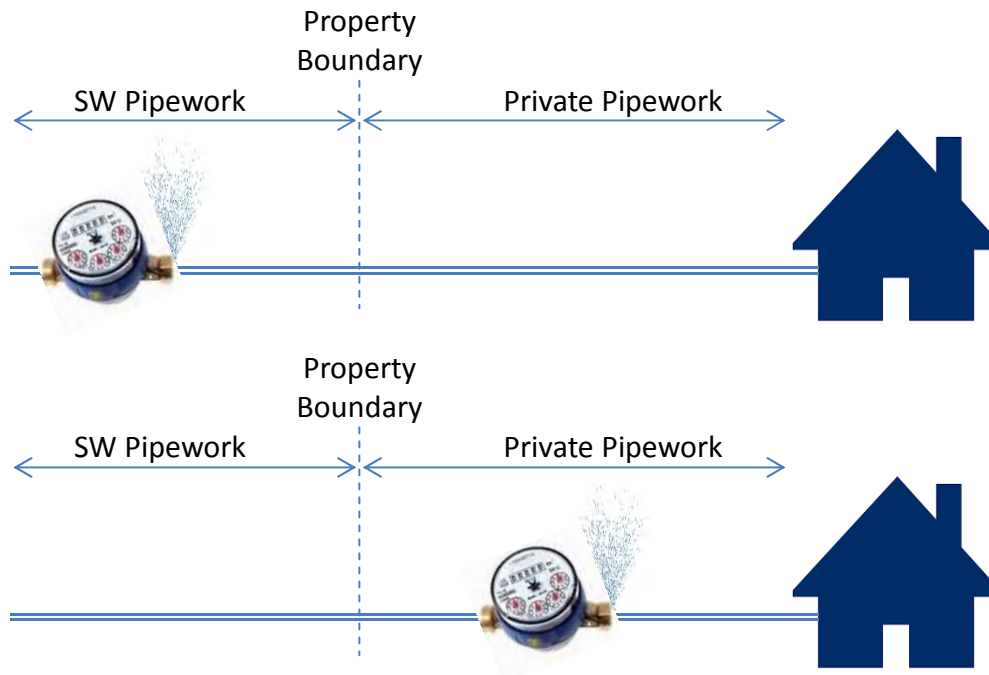
- The award of a burst allowance will be at Scottish Water's discretion. Scottish Water reserves the right to reject any application for a burst allowance but will provide reasons for its decision.
- Scottish Water may from time to time amend, withdraw or replace this Policy.

Annex: Possible Burst Locations

Scenario 1: Bursts on Scottish Water pipework between the meter and property boundary where meter is located outside property boundary (Section 3.1)



Scenario 2: Bursts at the meter where meter is located inside or outside property boundary (Section 3.2)



Scenario 3: Bursts on private pipework, downstream of the meter, where meter is located inside or outside property boundary (Section 3.3)

