

Fair Water Connections

Seeking fairness for self-lay providers



22 December 2022

Objection to Water Adoption Panel Changes to Provision of Service Connection Meters Change Request

This objection is in response to the counter proposal offered by the Water Adoptions Panel in response to a Change Request registered on 28 September 2022 relating to the Provision of Service Connection Meters.

What caused the matter of customer meter provision arrangements to be investigated, and a change proposal taken to the Water Adoption Panel, was some SLPs complaining that their site delivery was being compromised by companies failing to release customer meters to them in a timely way and in quantities that did not compromise their delivery programmes. Investigating this highlighted that meter provision arrangements were not well signalled across the suite of Water Adoption documents and that:-

- a) An easily referenced place where company requirements relating to how consumer meters are to be provided was needed; and,
- b) Companies who restricted SLP working, by not releasing meters which allowed construction programmes to be honoured, should take responsibility for the delays/additional costs incurred.

Aside of the previously submitted information it could be that Panel members have themselves not experienced the difficulties that have caused significant impact to some SLPs which means that Adoption Code principles look not to be satisfied. In particular the ones relating to:-

- Being customer focussed; and,
- Being fair and proportionate; and,
- Being clear, complete and current; and,
- Providing a level playing field

Specific examples of where these principles are not being honoured include:-

- Failing to have any commitment to deliver the (provision of meter) services Customers need, in the timescales they require; and,
- The arrangements not being fair and reasonable in terms of who holds the balance of risk (for meter delivery failures); and,
- Not being either clear or transparent in accordance with the Ofwat Information Principles (as companies provide information on meter provision and specifications in different ways and in various places in their local documentation); and,
- Not providing a framework which enables effective competition where parties can compete (because they get reliably the meters they need when they want them) with the Water Company to provide new connections services; and,
- Demonstrating that the Water Company provides non-contestable (provision) services to all relevant parties on an equivalent basis as it provides the same services for its own business.

Given the above the Water Panel proposal to simply insert a new Annual Contestability Statement (ACS) requirement (as clause 3.2.9) saying:-

Each Water Company shall publish details of how SLPs can procure meters in its area as an appendix to its ACS.

is, as discussed below, viewed as little more than cosmetic tidying and does not provide any degree of certainty that the information SLPs need to readily access will actually be provided in the new clause. Or that other, related, information will not be scattered across local company documentation.

From the supplementary information already provided it is clear that most water companies restrict SLPs to either procuring customer meters through themselves or from their nominated supplier. So the actual situation differs from the general tenor of Note 7.0 in Stage 7 of the Water Sector Guidance. This says:-

"Water companies may specify a particular type and manufacturer of meter that the Water Company requires to be installed and may offer a procurement link to suit. Water companies may offer to supply meters that meet its specification and/or provide details of the meter type and the Water company standard asset supplier/ manufacturer for SLP's to procure direct. See Water Company charging arrangements for more details."

Hence it looks as though a wider review of all the Water Adoption documentation relating to customer meter provision is merited to align the wording with how most water companies choose to operate.

Whilst in the above the use of 'may' does not relate well to the actual meter provision situation it is the use of 'can' in the Panel counter proposal which does not relay the largely 'must' (get from us) situation that SLPs encounter (in terms of having to procure from either a company or their nominated supplier). Hence centring a new requirement around the verb 'can' is viewed as not appropriate (when in only 3 companies can SLPs chose to source meters through a supplier they themselves choose). The supporting reasoning being that a dictionary definition states that the verb 'can' means 'to be able to' which indicates the possibility of not doing so (which with customer meter provision, in most companies, is not permissible).

Also simply inserting a new clause is surely not going to cause companies to think through what they say (at various places in their documents) about customer meter provision. So although it may get the varying descriptions in a common position it looks unlikely to make the local provision, and meter specification, arrangements any clearer to SLPs.

Specifically the objection being made to the offered counter proposal is because it neither guarantees a clear indication (in the ACS, or wherever) that meters either must be procured:-

- direct from themselves; or,
- direct from the company's nominated supplier:

Or alternatively

- that a SLP is free to purchase from a supplier chosen by themselves
(to a company meter specification)

Nor does it address the issue of clearly defining responsibilities for when a company, or their nominated supplier, restricts customer meter provision in ways which adversely impact on SLP delivery.

Although strongly of the view that clear 'traffic light' signalling (ideally within the ACS itself) would better provide the clarity needed by SLPs the key objection to the Water Panel counter proposal is because of the weak wording (and the use of 'can') in the proposed new 3.2.9 clause.

Hence, as a minimum, we propose that the new 3.2.9 clause in the ACS needs to be changed to read.

Each Water Company shall publish details of how SLPs are to procure meters in its area and whether they can purchase, to a company specification, meters from an independent supplier. This being provided ideally in (or as an appendix to) its ACS.

In the ACS (or appendix - if so specified in the clause) companies shall state whether customer meters must be procured either:-

- direct from themselves; or,

- *direct from the company's nominated supplier:*
- or alternatively,*
- *from a supplier chosen by the SLP (to a company meter specification)*

Where the provision is from either the company or their nominated supplier any constraints on a SLP being able to 'call-off', should they so desire, all the meters required for the complete connection works in the agreement are to be stated. Also to be specified are the Redress arrangements which are to apply should delivery of the SLP works be compromised by customer meter delivery shortfalls from either a company or their nominated supplier.

Additionally, where SLPs can themselves purchase meters, this section should reference where details of customer meter specifications are provided and any options there are (should a SLP so chose) to use the company meter supplier.

Given the above the Water Adoptions Panel is urged to reconsider their counter proposal relating to customer meter provision arrangements so as to better define the information companies provide and to clearly define company responsibilities should SLP delivery programmes be delayed by meter delivery failures.

It is recognised that this may require an extension request to Ofwat but this is surely preferable to a change being requested which looks to provide little rebalancing of SLP risks and us then having to appeal to Ofwat ourselves that what they have been presented does not tackle the issue some SLPs have experienced.

Prepared By

This submission has been prepared by:-

Martyn Speight,
Fair Water Connections Founder.

Please contact Martyn should any further information or clarification to the above comments be thought required.

Martyn can be contacted:-

via email on fwcmartyn@outlook.com
by phone on 07889187717