

# **United Utilities Gap Site Incentive Scheme**

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## 1. About this document

This document sets out the eligibility rules and processes for the United Utilities Gap Site Incentive Scheme.

It is intended that United Utilities will sign up to the RWG Gap Site Incentive Good Practice Guide. If United Utilities sign up to the Industry Gap Site Incentive Scheme Good Practice Guide, this United Utilities scheme will be withdrawn.

## 2. Definitions

Any terms not defined within this scheme guidance document will have the meaning as defined in the Market Codes.

**Cross-Company Premises:** A premises where the Water Services Supply Point and the Sewerage Services Supply Point are registered to a separate Water Services Wholesaler and Sewerage Services Wholesaler respectively.

**Date of Application:** The date of submission of the C/02 form (Gap site supply point request and addition of service components) by the Retailer to United Utilities under Step 1 of Operational Terms process C3 "Application in respect of Gap Sites proposed by the Retailer".

**Entry Change of Use:** A premises which is identified as an eligible non-household premises but is currently registered as a domestic premises and billed as such by United Utilities.

**Gap Site Incentive Payment:** An incentive payment paid by United Utilities to the Retailer and due once all Supply Points at that premises which are registered to United Utilities have a status of Tradable in accordance with Code Subsidiary Document No. 0101: Registration: New Supply Point.

### 3. Eligibility criteria

#### 3.1. The Retailer

In order to qualify for a gap site incentive the Retailer must:

- Be entered into a "Wholesale Contract for Wholesale Services" with United Utilities
- Be successfully registered as the Retailer in respect of the gap site under the Operational Terms process C3 "Application in respect of Gap Sites proposed by the Retailer".
- Not be a self-supply Retailer

#### 3.2. The premises

An incentive will be offered where a premises is in receipt of Water Services and/or Sewerage Services and in relation to all services provided to the premises

The premises must also meet the following criteria in order to qualify for an incentive:

- Be an eligible premises in accordance with Ofwat guidance "Eligibility guidance on whether non-household customers in England and Wales are eligible to switch their retailer" or subsequent revisions of this guidance.
- Neither a Water Services Supply Point nor a Sewerage Service Supply Points exists within the Central Market Operator System (CMOS) i.e. any premises provided with water services and/or sewerage services and already registered in the market for one of these services is not eligible. Please note that this differs from the definition of Gap Site in the market codes which includes premises with "insufficient supply points" – such premises are not eligible for incentive payments under this scheme.
- For newly connected premises the Date of Application must be greater than forty (40) Business Days after the date of meter installation
- For newly split premises the Date of Application must be at least sixty (60) Business Days after the date that the Valuation Office Agency records are updated to reflect the changes

Premises identified as Entry Change of Use will not be eligible for a gap site incentive.

### 4. Incentive payment structure

The incentive will be paid by the United Utilities to the Retailer as follows and in accordance with the terms of this scheme;

**Gap Site Incentive Payment:** A fixed rate payment of £250 will be paid following the initial registration of the gap site in CMOS in accordance with existing market timescales.

## 5. Process

### 5.1. Key principles

- The gap site incentive payments will be proactively triggered by United Utilities where the premises meets the required gap site eligibility criteria within this scheme. There is no requirement for a separate gap site incentive application to be submitted by the Retailer.
- For an incentive payment to be made, the Retailer must provide all required mandatory information on Form C/02 (Gap site supply point request and addition of service components) or, where a piece of information does not exist or is deemed not applicable provide full justification as to why.
- For Cross-Company Premises the Retailer will submit separate C/02 forms for the Water Services Supply Point and Sewerage Services Supply Point to the Water Services Wholesaler and Sewerage Services Wholesaler respectively in accordance with Operational Terms Process C3.
- The Retailer does not have to undertake a site visit although this may prove beneficial in identifying and engaging the customer.

### 5.2. Process steps

#### Step 1

*(Additional activity to be undertaken under Step 3 of Operational Terms Process C3)*

United Utilities will make an assessment as to whether any gap site incentive payments are due to the Retailer in accordance with the terms of this scheme.

#### Step 2

*(Additional activity to be undertaken under Step 4 of Operational Terms Process C3)*

United Utilities will notify the Retailer as to:

- Whether or not a gap site incentive payment is due in relation to the premises; and
- The value of any incentive payment/s;
- If the application is a duplicate including the time and date that the earlier application was received / initiated (for Wholesaler initiated gap sites); and
- If and why the application is considered to be erroneous and whether an erroneous application charge will apply.

#### Step 3

The Retailer must submit the necessary market transactions to make the SPID/s tradable within the MPS level 2 performance timescales as set out in the codes (at the time of writing this document - fifteen (15) Business Days of the Market Operator sending a T107.M (Notify Connection Complete) to the Retailer. United Utilities will monitor the status of the SPID/s and once the SPID/s reach a Tradable status will make the Gap Site Incentive Payment as required in accordance with the terms of this scheme.

If the SPID/s do not reach a Tradable status within this fifteen (15) Business Day period United Utilities may close the case, notifying the Retailer that the incentive case is closed and that no incentive payment will be made. The obligations on the parties to complete the SPID registration process in CMOS remain. This incentive application process ends.

#### **Step 4**

If the Retailer wishes to challenge the calculation or payment of the incentive payment, it must do so within ten (10) Business Days of its receipt of the notification under Step 2. Thereafter, United Utilities shall have ten (10) Business Days to reply to the Retailer's challenge. If United Utilities upholds the Retailer's challenge, United Utilities shall calculate and make payment of the revised Gap Site Incentive Payment to the Retailer in accordance with the terms of this scheme. Otherwise, the original payment will stand.

Process ends.

### **5.3. Duplicate applications**

Duplicate applications, whether from multiple Retailers or between Retailer and United Utilities will be dealt with on a first come, first served basis.

An application will be considered a duplicate where either another Retailer has already submitted an application in respect of the premises or United Utilities has already sent a letter to the non-household customer under Step 1 of Operational Terms process C2 "Gap Sites identified by the Wholesaler".

In order to support the efficient operation of the scheme United Utilities will publish details of all C2 gap site cases that it has initiated. If United Utilities has not published details of a C2 case that it has initiated prior to the receipt of the gap site application from the Retailer then it cannot reject the application as a duplicate and must honour any incentive payment.

### **5.4. Erroneous applications**

There is an expectation that the Retailer will only submit applications where they believe a premises is a genuine gap site and that they have done sufficient research in order to determine this.

United Utilities may levy a charge of £28.88 to cover the reasonable administrative costs incurred in dealing with erroneous applications.

An erroneous application is deemed to be one whereby the premises can reasonably be identified as being registered within CMOS without the need for a site visit or has been provided to the Applying Retailer by United Utilities on a list of Non Household Premises not in CMOS.

Duplicate applications received within two months of the date of registration of the SPID associated with the initial application (in accordance with Section 5.2, Step 3) will not be considered to be erroneous applications.

The erroneous application charge will cover desktop investigations only. If United Utilities deems that a site visit is required to verify the premises / data then it is reasonable to assume that the data in CMOS could be ambiguous enough to have led the Retailer to suspect that the premises is a gap site.

## **5.5. Non Household Premises not in CMOS**

There are some non-household premises which are legitimately not registered in CMOS. These are premises which are assessed separately for the purposes of council tax and business rates – or would be if the property were not exempt – but are not registered in CMOS because of the specific nature of the supply arrangements. This includes where the Wholesaler supplies several properties through a single supply point – for example, because they are connected to a private network. From a market perspective these properties may be treated as a single set of premises and thus each individual property does not have its own SPID and is not considered a gap site.

The Applying Retailer should properly consider the supply arrangements of a premises as part of their assessment of eligibility prior to submitting an application.

Whilst not registered in the market, we may hold a record of these premises in our own corporate systems for other purposes. Where this is the case then we will endeavour to make as much of this information as is possible available to retailers to assist the retailer in identifying and thus avoid submitting applications for such premises. An erroneous application charge will not apply to applications for such premises where the wholesaler has not provided this information.

## **6. Payment Terms**

Once a payment is deemed payable in accordance with Section 5 United Utilities will issue an invoice and make payment in line with our Non Primary Charges invoicing timetable and the associated payment terms as set out in the Market Codes.

## **7. Disputes**

Any disputes between the Retailer and United Utilities arising from or in relation to this scheme or its application will be resolved in accordance with the Non-Trading Disputes provision within the market codes.