

Disconnections — a consultation paper September 2007

Overview

This document outlines the Commission's policy on disconnections and how the Commission intends to give effect to this policy through its Disconnections document. The Disconnections document sets out the code ("the Disconnections Code") the Commission is required to produce under Section 19 of the Water Services etc. (Scotland) Act 2005 (the "WSSA").

As well as the Disconnections Code, the Disconnections document includes other material relating to disconnections which does not fall under section 19 of the WSSA. These provisions include the other circumstances in which disconnections of water services may occur, the circumstances in which trade effluent services may be discontinued as well as provisions relating to reconnections.

We would welcome the views of customers and other stakeholders on the material set out in this consultation. Responses may be sent to the contact details below and should reach this office no later than 9 October 2007.

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DISCONNECTIONS — A CONSULTATION PAPER

Background

The Disconnections document under consultation is an important tool for the water industry in Scotland, offering clarity and consistency in the procedures to be adopted for disconnections of both water services and trade effluent services.

In October 2006 the Commission consulted on and published its Disconnections Code as required under Section 19 of the WSSA¹. Under Section 19 of the WSSA the Disconnections Code should contain provisions about disconnections of water supplies requested by water service providers. The Commission then revised further and republished the Disconnections Code in January 2007. Under Section 18(6) of the WSSA all water service providers and Scottish Water are required to comply with the provisions of the Disconnections Code.

As the scope of the Disconnections Code is restricted to the disconnection of water supplies initiated by non-household customers' water service providers, in October 2006 (and again in January 2007) the Commission also published a guidance document, the Disconnections Guidance, setting out the procedures it recommended for disconnections initiated by sewerage service providers, by Scottish Water or by non-household customers themselves and for the reconnection of supplies following temporary disconnections. The Disconnections Guidance sat alongside the Disconnections Code, but unlike the Code was not enforceable under the WSSA.

The Commission recognises that it is important to ensure that all processes associated with the disconnection, discontinuation and reconnection of supplies are clearly documented and that they are transparent and available to any interested party. Further, the respective responsibilities of water and/or sewerage service providers and Scottish Water with respect to disconnections and reconnections should be delineated clearly.

Accordingly, to achieve greater consistency and clarity with respect to disconnections and reconnections the Commission has now revised the Disconnections Code and incorporated it with the Disconnections Guidance. This new single document, the Disconnections document, shall be enforceable on all licensed providers through the Standard Licence Conditions and on Scottish Water through the Codes and Services Directions made by the Commission under Section 11 of the WSSA.

Disconnections document

We have kept to a minimum the revisions to the parts of the Disconnections document which set out the Disconnections Code. The Disconnections Code as contained within the Disconnections document is therefore substantially the same as the Disconnections Code the Commission published in January 2007.

Accordingly, the Commission has not amended the grounds under which a water services provider may seek to disconnect a non-household customer. It has, however, streamlined the processes contained within the Disconnections Code, clarified the distinction between temporary and permanent disconnections and ensured that the Code is consistent with Scottish Water's draft Wholesale Charges Scheme for 2008-9.

The main change to the parts of the Disconnections document which set out what was the Disconnections Guidance has been the removal of a sewerage service provider's right to request a non-household customer's water services be disconnected. However, apart from that change the other amendments are as above, namely streamlining the disconnection (and reconnection)

¹ In developing the Disconnections Code the Commission took into account comments submitted by stakeholders in response to the June 2006 "Applications Materials" consultation.

processes, clarifying the distinction between temporary and permanent disconnections and ensuring that the Disconnections document is consistent with Scottish Water's draft Wholesale Charges Scheme for 2008-9.

Future Policy

At present when a licensed provider or non-household customer requests a disconnection or reconnection, Scottish Water will either carry out that disconnection/reconnection or, if appropriate, inspect any work that has been carried out by a third party. In practice this means that Scottish Water is carrying out most, if not all, of the disconnections/reconnections taking place.

The Commission's policy in relation to the market for non-household customers is that customer-facing activities should be carried out by retailers. Customers should benefit from retailers carrying out these activities as competition generally brings benefits by providing keener prices and a choice of services at the required level of quality.

In the Commission's view, as disconnections/reconnections are customer-facing activities they should be carried out by retailers. Accordingly, once the competitive retail market for non-household customers has opened in April 2008, the Commission intends to review disconnections and reconnections with a view to placing with retailers those disconnection/reconnection activities which are customer-facing and would therefore benefit from competition.