

## **AWS Gap Site Incentive Scheme Guidance Document**

Anglian Water recognises the market standard gap site incentive scheme which looks to reward Retailers that identify gaps within the Non Household Market. This helps AWS with a number of broader objectives such as fair charges and leakage reduction.

Retailers are encouraged to report gaps, defined as an Eligible Premises which is in receipt of Water Services but where no Supply Points or insufficient Supply Points are registered in the Supply Point Register.

**Please note** – that there is no incentive payment in relation to sewerage services.

### **Year 1 Allowance**

Where gaps are identified that contribute to a greater level of lost water, AWS will provide an additional allowance. For this additional allowance to apply the gap site must meet all the criteria set out in the market standard gap site scheme.

The table below is for illustrative purposes and shows the possible levels of **the year 1 allowance** payments that can be achieved in addition to your standard incentive payment.

<b>Daily Consumption (m3)</b>	<b>Annual Consumption (m3)</b>	<b>Year 1 Allowance (£)</b>
1.4	500	150
2.7	1000	650
5.5	2000	1650
13.7	5000	4650

The figures shown in the table are for illustration purposes only and are calculated using a notional tariff of £1 per m3 of water. There is a maximum year 1 allowance cap of **£5,000** for each qualifying gap site.

The year 1 allowance payment will be made following the anniversary of the date the gap site was registered in the market. In line with the market terms, where appropriate a credit will be applied to sums owed to AWS under non-primary charges. The standard (£350) incentive will be paid once the SPID has been registered in the central market (CMOS).

AWS also recognises that there may be some premises registered in our system as household that are eligible for the non-household market. Where these are identified and meet the criteria for Entry Change of Use, we will make a payment in accordance with our published rates.

Please note that this policy will be kept under review and AWS reserves the right to withdraw from the scheme at any time. We will continue to review our scheme to ensure that our approach incentivises Retailers to find sites in our water area.

### **Case Study – what works best**

We have refined our approach to identifying lost water from our network over many years, and we are happy to share our experience so that Retailers can maximise their success. We welcome prior engagement to discuss the best approach, and where suitable can arrange to undertake pilots to help with refining the retailer's process.

The most successful approach is one that goes beyond a simple desktop search. While there are many commercial datasets available which will identify commercial properties, these on their own do not lead to the successful identification of a gap site under our scheme. This is due to the fact that a number of businesses may be served from one supply point that is registered in the market. In addition some premises may have shared supplies which serve both non-household and household premises. In this circumstance, where the primary use is subsequently identified as non-household, no incentive payment will be issued, as this supply is already registered on our system and does not constitute additional revenue or lost water.

### **Some tips for successful gap site identification**

- Speak to your Wholesale Technical Account Manager; they may be in a position to offer you help, support and advice.
- We have overlapping sewerage boundaries with other water companies. Please ensure you review our mapping information on our Wholesale website to identify only our water region.
- Information on our mains pipework is available on-line (<http://utilities.digdat.co.uk/>). This may assist with understanding connectivity.
- Do not rely solely on a desktop assessment as this has proven to have limited success.
- Establishing estimated consumption for particular premises might help identify a potential gap. For example a 200 bed hotel that is only using a small volume of water.

- Water calculation tools may help establish average consumption
- Characteristics such as meter size may help indicate a potential gap.