

Reasonable cost determinations

Summary of responses to our consultation on an enduring statement specifying our procedure for determining questions regarding reasonable cost.

Introduction

On 23 May 2006, we published our interim statement on how we intend to administer reasonable cost determinations. We also asked interested parties for their views on this interim statement, prior to it becoming final.

We received 10 responses to our consultation. As shown in Figure 1, the majority of these responses were from local authorities but there were also responses from customer and developer representatives and from Scottish Water.

Figure 1: Summary of respondents

	Responses
Local Authorities ¹	6
Development industry bodies	2
Scottish Water	1
WaterWatch	1

We have considered carefully the comments from interested parties and have taken these into account in developing our enduring statement. We would like to thank all interested parties who took time to read and comment upon our interim statement. We have published all responses on our website.

This paper summarises the views of respondents. We have grouped these into the key issues that we have considered. As well as updating our statement in light of these comments, we have also indicated our views on the key issues, where this is appropriate.

The key issues that we have considered are:

- consultancy advice;
- additional information ; and
- timescale ;

We discuss these in turn.

¹ 4 Local Authorities responses indicated “no comment” on the statement.

Consultancy advice

Issues

In stage 3 of our proposed procedure, we indicated that, in order to make a determination, we may require additional consultancy advice. Two respondents queried who would fund this additional advice. They asked us to clarify whether we would absorb the costs or if it would be passed to either Scottish Water or the developer.

Our response

The process has been amended to make it clear that the onus is on the developer to demonstrate that Scottish Water has acted inappropriately.

Additional information

Issues

We received a number of responses requesting that additional background information be provided in a variety of areas. Specifically, Scottish Water requested that a glossary of key terms be included in the enduring statement so as to avoid any ambiguities, particularly concerning the use of the term 'domestic'.

Our response

We noted that both Scottish Water and the Commission already provide background information on the connections process. While the purpose of the statement is confined to the process for reasonable cost determinations, we have included references at various points in the text to the relevant information.

In addition, we will update Information Note 1 to provide further information on the Reasonable Cost Determinations process, including the procedures that we would expect to be followed prior to a request being submitted to us.

Timescale

Issues

Three of the respondents raised concerns about the length of time that the process could potentially take. In particular, Communities Scotland voiced concerns about the impact the associated delays could have on the delivery of housing.

Our response

We have re-examined the proposed timescales and endeavoured to reduce the amount of time expected to be required to make a determination. This has resulted in a reduction of a month in the potential maximum time for a determination.