

This bulletin keeps you informed about the Water Supply Licensing regime, set to go live on 1 December this year. We have also set up a dedicated WSL area on our website.

Recent highlights

All appointed water companies (except Albion Water Ltd and Cholderton & District Water Company Ltd which are exempt) published indicative prices for access to their supply systems on 31 August and finalised their access codes on 15 September.

On 23 September we held a technical workshop on the customer transfer protocol (CTP), for stakeholders to learn more about the process for transferring customers between suppliers.

On 15 September we published the new appointment conditions R and S which relate directly to the WSL regime. We also published a summary of the responses to our consultations on the new

conditions. These modifications to water companies' conditions of appointment are necessary to create a robust regime.

On 10 October we wrote to all potentially eligible business customers informing them about the new regime and how they can obtain more information.

Licence applications

The companies which have applied for licences so far are:

Aquavitae (UK) Ltd

WaterCall Ltd

Severn Trent Water Select Ltd

We publish all notices of application on our website and we invite representations or objections on each.

www.ofwat.gov.uk

Next steps - eligibility guidance and how to apply for a licence

Business customers should watch out for our eligibility guidance, which we will publish shortly before 1 December. This will explain how you can assess whether your premises are eligible to change water supplier.

You should also be aware that WaterVoice, the independent customer representative, handed over to the Consumer Council for Water (CCWater) on 1 October. It has published leaflets on 'How to find out if you are eligible for water competition' and 'Negotiating contract terms with your new supplier'. These leaflets are available on its website www.ccwater.org.uk

If you are interested in changing supplier, you don't need to wait until 1 December before talking to potential new licensees. They should be able to tell you now about the types of services they can offer and the value they can add to your supply arrangements. The sooner you start talking about a new supply, the better.

Those interested in becoming a **water supply licensee** should read our guidance on applying for a water supply licence. It sets out how to apply for a licence; the information and documents we will require from an applicant; and criteria we use when assessing licence applications.

We are now considering licence applications and we have listed the notices of application on our website. We will grant licences to successful applicants from 1 December and keep a list of successful licensees on our website.

After 1 December, **appointed water companies** must deal with any applications for access made by licensees in a reasonable manner in accordance with our guidance documents. Potential licensees can approach appointed companies before 1 December and we would expect it to be in both their interests to begin sensible discussions.

Essential contacts:

Phillip Dixon - Deputy Head of Competition, Ofwat: 0121 625 1445, phillip.dixon@ofwat.gsi.gov.uk

Alison Dediccoat - WSL project manager, Ofwat: 0121 625 1320, alison.dediccoat@ofwat.gsi.gov.uk

Teresa Evans - Head of Policy, CCWater: 0121 345 1040, teresa.evans@ccwater.org.uk

Liz Foord - Consumer policy analyst, CCWater: 0121 345 1043, elizabeth.foord@ccwater.org.uk

Update on indicative access prices

Appointed water companies have published their indicative access prices on their websites and links to these pages can be found on our [website](#).

We have some questions relating to the completeness of the published information, the validity of the underlying assumptions and how our guidance has been applied. We are raising these issues with the individual companies.

Initial analysis shows that in two regions, Essex and East Anglia, very large discounts may be available to licensees who have their own water supply and will use the appointed water companies' supply systems to transport it to customers.

Licensees can also buy water from appointed water companies (a wholesale supply) in order to retail it to customers. However, most indicative access prices for these wholesale supplies show little discount from the retail price. Only eight appointed water companies have published

indicative wholesale prices that give a discount of more than one per cent; only one appointed company offers a discount of more than two per cent. One appointed water company's price is greater than its retail price.

These published prices are indicative only. The access prices that a licensee will be offered for supplying a specific customer are likely to differ from these published prices because of the individual requirements of the licensee and other local circumstances.

Note: Albion Water Ltd and and Cholderton & District Water Company Ltd have special circumstances and are not required to publish indicative access prices.

Streamlined customer transfers

We have been developing the process for customers to transfer to another supplier. We issued a [consultation](#) on the customer transfer protocol (CTP) in October 2004.

The CTP avoids any major changes to appointed water companies' existing systems. This is because we have kept the transfer of customers streamlined so that

no unnecessary information is required. We have developed the CTP in consultation with our industry advisory group, which comprises representatives of customers, potential licensees and water companies. The CTP sub-group has carried out a pilot study on the transfer process, which confirmed that the draft CTP and its data dictionary work well.

The CTP provides a clear, simple and standardised process for the timely and efficient transfer of customers who have chosen to change their water supplier.

We discussed the CTP at our technical workshop on 23 September where attendees had the opportunity to find out about it and to raise any concerns that they had. The main issues discussed at the workshop were: how we communicate information between parties; customer involvement; and standardising the information that is needed, such as address formats and business type codes.

Drafts of the CTP have been circulated for comment twice to industry stakeholders. All comments received and any issues arising from the CTP technical workshop will be addressed before the CTP is published, which will be before 1 December 2005.

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