



WATER ACT 2003  
WATER SUPPLY LICENSING

**Strategic supplies**

**Consultation responses  
and RIA**

December 2005

# Consultation on guidance on strategic supplies

## Summary of responses and final regulatory impact assessment

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# 1. Introduction

In October 2004 we consulted on our draft guidance on strategic supplies<sup>1</sup> as part of our consultation on licensing and eligibility issues.

From 1 December 2005, non-household customers who are likely to use at least 50 megalitres (MI)<sup>2</sup> of water a year at eligible premises will have the option of switching from their existing water undertaker to an alternative water supply licensee ('licensee'). Licensees will be able to buy a wholesale supply of water from a water undertaker and sell it to a customer (a retail supply), or introduce water (from its own source or bought wholesale from another water undertaker) into a water undertaker's supply system and sell it to a customer (a combined supply).

Sections 66G and 66H WIA91 allow us to determine, on the application of a water undertaker, whether one or more introductions of water to a water undertaker's supply system by a licensee under section 66B or 66C constitute a strategic supply. We may also make a determination without such an application.

Our draft guidance on strategic supplies set out our proposed process for designating introductions as strategic. It provided guidance on the factors we will consider when assessing whether an introduction constitutes a strategic supply and the process parties must follow when requesting a determination. We asked for views on our draft guidance. In particular, we wanted to know if our proposals were practical, or were likely to cause problems, and if so, what these problems were, and how they might be addressed.

This paper summarises the responses we received on the strategic supplies part of the consultation (questions 29 to 36) and explains how we are taking account of them in the final guidance on strategic supplies. If you wish to discuss any aspect of this paper, please contact Ian Hulme on 0121 625 3656 or e-mail [ian.hulme@ofwat.gsi.gov.uk](mailto:ian.hulme@ofwat.gsi.gov.uk).

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<sup>1</sup> 'Water Act 2003: Water Supply Licensing. Eligibility, licensing, customer transfer protocol and strategic supplies. – Consultation paper'. October 2004.

<sup>2</sup> 50 Megalitres (MI) = 50,000,000 litres = 50,000 cubic metres.

## **2. Responses to the consultation**

### **2.1 Summary**

We received specific responses from 33 stakeholders including 18 water undertakers, Water UK, WaterVoice<sup>3</sup> and two potential new entrants to the market place. In addition, we received general comments from the Water Management Society, English Nature, the House Builders Federation and Scottish Water. A list of respondents is in appendix 1, and copies of all replies are available to read in our library.

We have summarised the responses to each question and set out how we address the points in the paragraphs headed 'Our conclusions'.

### **2.2 Key points raised in the responses to the consultation**

This section summarises the key points that were made in reply to the consultation and explains our response to these issues.

#### **a) Assessing the risks of retail licensees not being protected by a strategic supply designation**

Some respondents felt that this scenario was likely to be common, while others felt that it was likely to be rare. We have explained in the guidance the factors that we may take into account when deciding whether to make a designation.

#### **b) Process for obtaining a strategic supply designation**

Respondents generally felt that the details listed were appropriate. We have added a requirement to the guidance for information to be included on the expected duration of designation when such a request is made. We will consider any additional information that is included with a designation request when considering that request, where appropriate.

#### **c) Timescales within which we will give notice of a proposed designation and for making a determination following representations**

Most respondents thought that the proposed timescales were appropriate. We recognise that some applications may take longer to process than the proposed 20 days and we have explained in the guidance that we will extend the period for a further 20 days.

#### **d) Criteria for assessing strategic supply designations**

Most respondents thought that the list was sufficient. We have discussed the list at length with Technical Advisory Group (TAG) and refined it. Our guidance will be reviewed in the light of experience and developed as necessary and appropriate.

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<sup>3</sup> On 1 October 2005 WaterVoice became Consumer Council for Water (CCWater).

## **e) Definition of headroom**

Some respondents said the definition should be the same as that used in Water Resource Plans but other respondents suggested that the definition should take account of licensees' introductions. We have used the definition of available and target headroom prescribed by the Environment Agency for use in Water Resource Plans in the final guidance. This will allow water undertakers to consider the impact of licensees' introductions on their Water Resource Plans.

## **f) Process for de-designating<sup>4</sup> a strategic supply**

Most respondents did not suggest any additional details to be included in the de-designation request and agreed that the same process and timings could be used for de-designation requests as for designation requests.

## **2.3 Role of advisory groups**

Our TAG has discussed and commented on the draft guidance, which has helped to shape and refine the final guidance.

## **2.4 Concurrent consultations**

In 2004 we also consulted on the following issues relating to licensing.

- Water undertakers' new conditions of appointment and Water Supply Licence conditions for potential licensees. Policy proposals on exceptions regulations and exemptions. Eligibility, licensing, customer transfer protocol and strategic supplies.

We have reviewed the responses to all the consultations for links and related issues. We have also reviewed all the final guidance documents to ensure that our approach is consistent. In addition, drafts of the final guidance documents have been reviewed and commented on by the TAG. Once the guidance is published, we will monitor how the market develops and consider whether and when we need to revise them. In this way, we will make sure that all the issues are covered in a consistent and transparent manner.

## **2.5 Responses to individual questions**

### **2.5.1 Assessing the risks**

**Question 29: How rare do you think this potential scenario is likely to be?  
What do you think could be the solutions to this problem?**

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<sup>4</sup> Under sections 66G(7) and 66H(7) an introduction's status as strategic is cancelled, not de-designated. However, we referred to de-designation in the October 2004 consultation and for ease of reference we will continue to use 'de-designation' in this document.

There were mixed views on this point. Two water undertakers felt that this scenario was likely to be common. One felt that it was likely to be rare. Another commented that supply designation will only rarely be useful as a tool in protecting a customer's supply because the domestic element of many large users' demand is small in comparison to the non-domestic elements and if there is no non-domestic supply, there will be no need for a domestic supply because the customer will have closed. Just under half the water undertakers who commented on this point said that the likelihood of this scenario was not an issue because there were potentially very serious consequences for water undertakers ensuring that they have sufficient supplies of their own available. Water undertakers also commented that there appears to be a flaw in the legislation which needs to be amended.

We received the following additional comments.

- Two water undertakers said that the scale of the problem will depend on the size of the licensee's input compared with the amount of water in the Water Resource Zone (WRZ) into which it is introduced. The water undertaker will need to have sufficient supplies of its own available.
- Another water undertaker commented that water undertakers are likely to manage the situation by increasing headroom, which will incur additional costs.
- Another undertaker said that where a supply is not to be designated as strategic then, in the event that the licensee requires a back-up supply from the water undertaker, no resources deferral would be possible. Furthermore, in certain WRZs, resource deferral will not be possible even where a supply is designated as strategic since the introduction of the licensee's supply is likely to be marginal in the context of the water undertaker's requirements to meet its target headroom for that supply area.
- The same water undertaker suggested that the guidance should provide clarity on the mechanisms and process for verifying strategic supplies in the event that they are called upon and a special administrator is introduced.
- The water undertaker also commented that the strategic supply may not be part of the water undertaker's Water Resource Plan and there should not be an obligation on the water undertaker to incorporate the asset into its supply strategy.
- That water undertaker also asked for clarity about the liability for costs associated with the special administrator's operation of the asset, in the short term.
- Another water undertaker said that special administration will have no effect in cases where the source can no longer be used (for example, if it has become polluted or the Environment Agency has taken action to curtail damaging abstractions). Also, entry by the licensee will have displaced the water undertaker's scheme for supply/demand investment, leaving the additional costs of supplying the failed licensee's customers with the incumbent.
- Another water undertaker commented that where the ARROW<sup>5</sup> costs are highest, the water undertaker will almost certainly be dependent on the new licensee's supply and will want it to be designated.

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<sup>5</sup> ARROW costs: Expenses that can be **A**voided or **R**educed, or any amount that is **R**ecoverable in some **O**ther **W**ay (other than from other customers of the water undertaker) (see section 66E(3) WIA91).

- A customer said that, as it would be the water undertaker who benefits from the designation of the licensee's supply, then they would expect the water undertaker to be required to make a payment to the licensee.
- A regulator commented that even though the risk of a licensee's supply failing is small, it provides water undertakers with a means of exploiting the situation by emphasising that if a customer switches, they are not guaranteed a supply if the licensee's supply fails and they may not be able to return to the incumbent water undertaker.

## **Our conclusions**

In discussions with our TAG, members thought the likelihood of an introduction being designated as strategic and then failing were low.

Most members believe that it is important to protect the non-domestic element of supply to the licensee's customers as well as their domestic demand. This is because if a customer was forced to close its premises due to no water being available for non-domestic purposes, then there would be no need for water for domestic purposes.

The apparent flaw in the legislation has been recognised. Defra is currently considering whether sections 66G and 66H be amended by way of a Regulatory Reform Order. We will revise the guidance as and when any changes are made.

It is right that whether an introduction is designated as strategic depends, in part, on the relative amounts of water in that particular WRZ. Our guidance sets out the factors that we may take into account when deciding whether to make a designation. Water undertakers will need to ensure they continue to take decisions about investment based on what is the appropriate and efficient way to maintain supplies to consumers. Whether a water undertaker has allowed an introduction to take place and that introduction has been designated as strategic, then the water undertaker must incorporate that introduction into its water resource strategy and optimal supply plan.

It is correct that, in some cases, the existence of high ARROW costs could suggest that the water undertaker values the licensee's introduction highly and therefore is more likely to ask us to designate the introduction as strategic.

The aim of strategic supply designation is to reduce the need for the water undertaker to duplicate resources if its customers switch to licensees. The strategic supplies guidance does not address the issue of source failure, which is a different matter. Access agreements should include provision for what is to happen when a licensee introduces a significant amount of water into the public supply system and that introduction then fails

The special administrator's remuneration and properly incurred expenses are charged on, and are to be paid out of, any property of the company in his custody or

under his control at the time in priority to any security over that property<sup>6</sup>. Those costs will either be paid for by ordinary business activities or out of the relevant sale proceeds. Ineligible customers should not therefore see any increase in their costs.

## **2.5.2 Process for obtaining a strategic supply designation**

### **Question 30: Do you think additional details need to be included in the designation request?**

Respondents generally felt that the details listed were appropriate.

We received the following additional comments.

- A potential licensee felt that the expected duration of the designation should be included.
- A water undertaker said it would be helpful if the interaction between section 37B WA03 and the requirements of the Strategic Environmental Assessment Directive (SEA Directive) could be clarified in relation to the requirement on water undertakers to publish and consult on the environmental impacts of their Water Resource and Drought Plans.
- Another water undertaker said that while the details asked for are appropriate, additional information should not be precluded.

### **Our conclusions**

We have added a requirement to the guidance to include information on the expected duration of designation when a request is made. We will consider any additional information that is included with a designation request when considering that request, where appropriate.

Section 37B requires water undertakers to review their water resources management plans annually. If a review highlights any material change of circumstances, such as a strategic supply designation, the water undertaker is required to prepare a revised plan, after consulting, the Environment Agency, us, the Secretary of State, and any licensee. Water undertakers are under a similar obligation with respect to drought plans, which must be reviewed as soon as there has been a material change of circumstances and a revised plan must be subsequently issued. We have reflected this in the guidance.

### **Question 31: Do you agree that four weeks is a reasonable time within which Ofwat should give notice of a proposed designation? If not, why and what would be a reasonable time?**

Most respondents agreed that four weeks is a reasonable time. One water undertaker commented that we would also need the view of retail customers within the WRZs.

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<sup>6</sup> Section 19 Insolvency Act 1986, as applied by s23 WIA91 and paragraph 1 of Schedule 3 to the WIA91.

We received the following additional comments.

- One water undertaker said that the process and timetable for assessing and designating a source as strategic appears to be inconsistent with the requirements of the Water Act 2003 and the SEA Directive, saying that four weeks does not appear to be long enough to incorporate consultees' comments. Adoption of the 'headroom methodology' would not fit with these timescales. It would be helpful if the guidance specified the process for objecting to a designation as determined by us.

## **Our conclusions**

There is no statutory provision that specifies the time within which we must give notice but most respondents agree that the proposed timescale is reasonable. We have not, therefore, changed the guidance. We have however, amended the guidance so that four weeks is expressed as 20 working days for consistency with other timescales in our guidance.

Section 37B requires water undertakers to review their Water Resources Management Plans annually. If a review highlights any material change of circumstances, such as a strategic supply designation, the water undertaker is required to prepare a revised plan, after consulting, the Environment Agency, us, the Secretary of State, and any licensee. Water undertakers are under a similar obligation with respect to Drought Plans, which must be reviewed as soon as there has been a material change of circumstances and a revised plan must be subsequently issued. We have reflected this in the guidance. We believe our approach is consistent with the SEA Directive.

### **Question 32: Given the technical nature of strategic supply applications, do you think that four weeks is a reasonable amount of time for us to make a designation determination following representations? If not, what alternative timing do you propose?**

Most respondents agreed that four weeks is a reasonable time for us to make a designation determination following representations.

We received the following additional comments.

- One water undertaker said that the four-week period is likely to be too short as a maximum period. Consideration also needs to be given to the periods of consultation as defined by the SEA Directive where a designation impacts upon a water undertaker's published plans.
- Another water undertaker asked if the water undertaker asking for the designation will be given the opportunity to respond to the representations and objections.
- One water undertaker considered that six weeks would be consistent with the Drought Plans and Water Resource Management Plans.
- A regulator commented that in complex cases where there are several representations and requests for additional information, it may take longer than

four weeks, in which case we could extend the period for a further four weeks with notification.

## **Our conclusions**

Most respondents agreed that four weeks was reasonable, we do, however, recognise that some applications may take longer to process. Where we think application will take longer than 20 days to process we will tell the parties that we will extend the period for up to a further 20 days. The legislation imposes no time limit but we will aim to keep within these timescales. We have changed the guidance to reflect this. Before issuing notice of our determination, we will invite comments from the water undertaker and licensee. We have also changed the guidance so that four working weeks is expressed as 20 working days for consistency with other timescales in our guidance.

### **2.5.3 Strategic supply criteria**

#### **Question 33: Do you think additional criteria need to be added to this list?**

Most of the respondents that commented on this issue considered that the list was sufficient.

We received the following additional comments.

- One water undertaker said it would be prudent to review the information requirements in the light of experience gained from the process. In particular, the standard definitions for WRZs are applied differently by each water undertaker. The water undertaker said that the use of long run marginal cost (LRMC) to assess a supply as strategic is limited as water undertakers may need to cover supply failures over a shorter term than would be reflected in the LRMC of water resources.
- Another water undertaker commented that it cannot be assumed that headroom can be distributed to any location within the WRZ as this will depend on the nature of the mains network and its hydraulic capacity.
- Another water undertaker said that we should consider whether sufficient water is available for the water undertaker to supply its existing customers and the licensee's customers' domestic needs, and whether sufficient water at the same average cost is available. The water undertaker suggested that the reliability of the introduction, both for average and peak conditions, should be assessed.
- Water undertakers also said that the question should not be whether sufficient water is available but whether sufficient water at the same average cost is available and asked for more explanation of how we will assess headroom and use the concept to assess water availability.
- A regulator said that we should consider whether it would be better to state that LRMC figures should refer to one of either physical or economic costs for the WRZ.

## **Our conclusions**

Most consultation respondents agreed that the list was sufficient. Since then, the list and how we would use the information has been discussed at length and refined by the TAG. Our guidance will be reviewed in the light of experience and developed as necessary and appropriate.

One of the key items of information the water undertaker will need to provide is data relating to the extent of the surplus in the relevant WRZ. This information will be central to the assessment of whether a water undertaker would have sufficient resources available to supply its own customers and the licensee's customers' domestic needs without the licensee's introduction being made. As water undertakers will need to consider the impact of licensees' introductions on their Water Resource Management Plans, we have used the definition of available and target headroom prescribed by the Environment Agency for use in Water Resource Management Plans. When we consider applications for designation we will only look at introductions that are strategic. The guidance has been amended to reflect this.

### **Question 34: What definition of headroom should we use for the purposes of assessing strategic supply designations?**

There were mixed views on this point. Four water undertakers said the definition should be the same as that used in Water Resource Plans. A further five respondents suggested that the definition should take account of licensees' introductions. One water undertaker suggested that UKWIR definition of headroom should be used.

We received the following additional comments.

- One water undertaker said that we should adopt the definition prescribed by the Environment Agency for use in Water Resource Management Plans. Deviating from this definition will lead to discrepancies between the water resource plan and the outturn supply/demand balance.
- Another water undertaker suggested that the key issue is the methodology for assessing headroom, which should be consistent with the methodology used in producing the Water Resource Management Plans.
- Another water undertaker said that if the water undertaker uses headroom to supply the domestic needs of a failed licensee then the headroom itself would be eroded and additional expenditure may have to be incurred to return headroom to an acceptable level. A mechanism would need to be found to ensure that remaining customers did not have to fund this.

## **Our conclusions**

We agree that we should use the definition of available and target headroom prescribed by the Environment Agency for use in Water Resource Management Plans. This will allow water undertakers to consider the impact of licensees' introductions on their Water Resource Management Plans. We have also revised the guidance to reflect that when we consider applications for designation we will only look at introductions that are strategic.

## 2.5.4 Process for de-designating a strategic supply

### **Question 35: Do you think additional details need to be included in the de-designation request?**

Most respondents that commented on this issue did not suggest any additional details to be included in the de-designation request.

We received the following additional comments.

- One water undertaker said the process for de-designation must mirror those for designation.
- A regulator said that if a request were made which did not contain all the required information, but where the explanation given appeared reasonable, it would expect us to investigate further.

### **Our conclusions**

Because respondents did not suggest any additional details to be included in the de-designation request we have not changed the guidance.

### **Question 36: Do you agree that the same process and timings can be used for de-designation requests as for designation requests? If not, what process and timings do you propose?**

Most respondents agreed that the same process and timings could be used for de-designation requests as for designation requests.

The following additional comments were received.

- One water undertaker said that the same timings should be used initially, and modified in the light of experience. It should also be possible for us to agree to a de-designation immediately if both the water undertaker and licensee agree to it.
- Two water undertakers commented on pricing issues in relation to this matter. One said that there needs to be recognition of the pricing implications of operating a two-tier system of strategic and non-strategic supplies and the costs associated with moving sources from strategic to non-strategic. Another water undertaker asked if it was envisaged that access prices will need to be revisited when supplies are designated or de-designated as strategic because it is likely that in the event of de-designation any costs which may have been avoided will not be avoided going forward.

### **Our conclusions**

Because most respondents agreed with the proposal we have not made significant changes to the guidance. We have, however, added that we may be able to de-designate a supply in less time where both the water undertaker and licensee agree to it. We have changed our guidance to reflect the effect on offered access prices of

a supply possibly being strategic, and the details of that will be in our access code guidance. However, once a price is agreed there will be no changes to it as a result of strategic supply designation or de-designation.

## **3. Final regulatory impact assessment**

### **3.1 Purpose of the regulatory impact assessment**

Our consultation on the strategic supplies formed part of the framework for implementing the water supply licensing provisions of the WIA91, as amended by WA03. Prospective suppliers were able to apply for a Water Supply Licence from 1 August 2005, with the overall regime starting on 1 December 2005.

This regulatory impact assessment (RIA) looks at the likely costs and benefits to water undertakers, licensees and other stakeholders, of following the approach that is set out in our guidance. It incorporates comments made in response to the consultation. The assessment of costs and benefits included in this RIA is mainly qualitative. Although there will be a degree of fixed costs associated with extending competition, we expect that the scale of these will be moderate because of the size of the initial market. Having said this, it is possible that the costs of implementing the new regime will be higher in the initial stages before the parties involved have established policies and procedures. Over the longer term, we expect that the extent and magnitude of costs and benefits will depend more on the number of new entrants and the level of competitive activity in the market.

We will review this RIA and its assessment of the costs to the industry when we next review the guidance on strategic supplies.

#### **3.1.1 Responses to the RIA in the consultation**

Only two of the 33 responses commented on the draft RIA. In general, respondents agreed with our approach in the guidance, including our preference for option 2. These comments have been taken into account in this final RIA.

Our assessment of the benefits and costs to the industry follows.

### **3.2. Options and rationale**

#### **3.2.1 Summary of options**

In the draft RIA we identified and considered two options for implementing the new regime, summarised below.

- **Option 1:** Do not produce guidance on how we will determine whether an introduction is strategic, as there is no statutory requirement to do so.
- **Option 2:** Produce guidance that explains how we will determine whether an introduction is strategic in order to reduce regulatory uncertainty.

## **Option 1**

We felt that this option would increase regulatory uncertainty and pose a risk to the effective operation of the regime. Without guidance to follow, water undertakers, licensees and customers will not know:

- how to make a request for designation;
- what information to provide to us;
- the timescales involved in assessing an application; or
- whether we are likely to make a designation. For all stakeholders, the uncertainty might deter them from applying for a designation.

For all stakeholders, the uncertainty might deter them from applying for a designation. This in itself would signal failure of the strategic supplies policy as licensees who introduced significant amounts of water that the water undertaker subsequently came to rely on supplies that would not be subject to special administration. The absence of guidance on strategic supplies could also stifle competition. If customers perceive that by switching to a licensee they have a higher risk of supply failure, it might prevent customers from switching supplier or make them more cautious about moving from the water undertaker because of the greater risks involved.

The absence of guidance on strategic supplies is also likely to mean any applications that are made to us would be likely to differ in format and the information provided. This would mean we would need to spend more time on each individual application trying to disseminate the information and finding the key data needed to make an assessment.

## **Option 2**

This option is likely to offer the most regulatory certainty, as guidance on strategic supplies would clarify exactly what is required for an introduction to be designated as strategic. It will be clear from the guidance how we will assess whether an introduction is strategic and the information needed from the applicant in order to do this. This will make it easier for stakeholders to submit applications by reducing uncertainty and regulatory burden. By providing guidance that makes the process easier for stakeholders to apply for a strategic supply designation, it is possible that as a result more licensees will be subject to special administration. Furthermore, it is likely that following guidance all the applications that we receive will be in the same format and contain all the information for us to begin our assessment. This would reduce the time needed to assess each request and minimise our costs, and hence the costs that are passed onto licensees' customers.

Option 2 is the preferred option as it creates the least regulatory uncertainty for water undertakers, has the least impact both environmentally and economically and creates greater scope for competitive activity and its associated benefits.

### **3.2.2 Benefits of this approach**

This section summarises the expected benefits of supporting option 2.

#### **Benefits to water undertakers and licensees**

Guidance reduces the uncertainties for water undertakers and licensees, by providing clarity of regulation. It also enables water undertakers and licensees to plan for making an application for a strategic supply designation. Guidance also assures water undertakers that a licensee's resources will continue to be introduced into their supply system if that licensee fails.

#### **Benefits to customers**

Providing guidance makes it easier for water undertakers to ask for an introduction to be designated as strategic. In turn, there is more efficient use of resources, reducing unnecessary duplication and reducing costs to all customers. Also by issuing guidance on how to apply for strategic supply designation should minimise our administrative costs.

#### **Benefits to us**

If we receive all applications for designations in the same format and supported by the requisite information, this means we will be able to reach a decision more quickly than if we have to chase applicants for further information and/or clarification. This should also minimise our administrative costs.

### **3.2.3 Costs of this approach**

This section summarises the expected costs of supporting option 2.

#### **Costs to us**

We will incur costs when each strategic supply designation application is considered. However, we expect that, as the regime settles and our experience of considering applications for strategic supply designations increases, the number of such applications will reduce and our handling of them will improve and so costs will fall.

#### **Costs to water undertakers**

Water Undertakers will incur costs in asking for an introduction to be designated as strategic. However we expect these costs to be small.

By providing guidance for water undertakers they are aware from the outset what information they have to provide to us in support of a strategic supply designation application. This should consequently mean that they can forecast more accurately what resources (time and manpower) will be required in collating the required information, and minimise the chance of extensions being required by us because of incomplete or poorly presented information being provided initially.

## **Costs to licensees**

Licensees have no entitlement under WIA91 to ask for an introduction to be made strategic. However, they may lobby us to consider whether we should use our entitlement to propose that an introduction should be designated as strategic. And in any event, licensees will clearly have an interest in any designation request for their introductions.

By providing guidance to licensees they are made aware from the outset what information they have to provide to us in support of a strategic supply designation application. This should consequently mean that they can forecast more accurately what resources (time and manpower) will be required in collating the required information, and minimise the chance of delay caused by initially incomplete or poorly presented information.

## **Costs to Drinking Water Inspectorate (DWI) and Consumer Council for Water (CCWater)**

DWI and CCWater will not be involved in the determination of strategic supply designations. Therefore we do not expect them to incur any costs in this area.

## **Conclusion**

Option 2 is our preferred option as it creates the least regulatory uncertainty and allows a balanced approach that reflects the emergence of a competitive market and we anticipate that it should encourage successful competition.

## **Appendix 1: Eligibility, licensing, customer transfer protocol and strategic supplies consultation - list of respondents**

### **Potential licensees**

Aquavitae  
Waterlevel Limited

### **Water undertakers**

Anglian Water  
Bournemouth and West Hampshire Water  
Bristol Water  
Dee Valley Water  
Dwr Cymru - Welsh Water  
Folkestone and Dover Water Services Ltd  
Northumbrian Water  
Portsmouth Water  
Scottish Water  
Severn Trent Water  
South East Water  
Sutton and East Surrey Water  
Tendring Hundred Water Services  
Thames Water  
Three Valleys Water  
United Utilities  
Wessex Water  
Yorkshire Water

### **Other stakeholders**

C2C  
Drinking Water Inspectorate (DWI)  
EIC  
Electralink  
Gemserv  
House Builders Federation (HBF)  
Local Authority and Government Utilities Resource (LAGUR)  
Major Energy Users' Council (MEUC)  
Mr Malcolm J Sutcliffe  
The Chartered Institute of Purchasing and Supply (CIPS)  
The Energy Consortium  
Water UK  
WaterVoice (Consumer Council for Water from October 2005)