

Consultation on Ofwat's section 13 proposal to modify the licences of appointees in England and Wales – condition R1

Business Stream Response

Business Stream welcomes the opportunity to respond to Ofwat's consultation on its proposals to amend the licences of appointees in England and Wales and do so as a licensee serving customers in England, and as an experienced retailer in the Scottish non-domestic retail water market.

We note that in addition to this consultation Ofwat have recently provided further detail on the governance arrangements of Open Water in its recently published Information Note IN 14/13. We welcome this additional information on the governance of Open Water going forward and understand that further work is needed to ensure that the smooth transition to Ofwat is completed.

We would therefore suggest that it would be useful to understand the roles and responsibilities of the separate governance entities, including the continuing roles of the HLG, PDB, Advisory Panel, OWML Board and Ofwat boards. In particular it would be useful to understand the role and responsibility of the Advisory Panel as it is unclear what this panel's role is. The voting and make-up of the panel mimics that of the Central Market Agency board, however, it's clear that the role of the Advisory Panel is envisaged as turning into a group with a similar remit as the Technical Panel in Scotland. Further clarification on the function of this panel would allow the correct and most appropriate representatives to be nominated and ensure that the Panel is as efficient as possible. As the voting arrangements are determined, market participants would also benefit from understanding who will be able to vote for the Panel board members. As for market participant representation on this Panel, we would be keen to understand whether there would be any restrictions on individuals or the companies they represent being present on more than one of the governance bodies.

We also look forward to finding out more about the structure of the Open Water Programme within Ofwat and how the momentum gained by the Open Water Programme will be maintained. In particular, due to the time constraints involved we look forward to seeing Ofwat's delivery plan once the programme formally moves over in the New Year. We would also be keen to understand what would happen if the Open Water Programme did go over £10.5m budget as described.

We hope that the above comments are useful, and would be happy to provide further detail or discussion on any of them if this is needed.