



South Staffs Water

Green Lane, Walsall WS2 7PD
www.south-staffs-water.co.uk

Eligibility consultation,
Ofwat,
Centre City Tower,
7 Hill Street,
Birmingham,
B5 4UA

17th April 2015

Dear Sirs,

South Staffs Water is pleased to submit our response to the Ofwat consultation on non-household eligibility.

Overall we find the proposals within the consultation to be sensible and acceptable. However, ensuring that external data sets (such as those referred to from the Valuation Office Agency) can map onto our own data sets, in order to categorise customers, is a significant project within itself and data quality and confidence will be key to successful implementation. This could create a potential risk to the go live for market opening in April 2017 for non-household customers.

A layer of practicality should therefore be applied initially, and companies should start with their existing data. This could then be verified back to the VOA over a period of time. In this interim period, any customer who believes that their property is non-household but is currently not classed as such can be investigated with a back-stop that in the absence of any evidence to the contrary, they would be re-classed as non-household.

Please see below for our views on the specific consultation questions.

Q1 Do you have any comments or concerns in relation to our proposed guidance on the threshold requirement?

We have no comments or concerns and support the proposed guidance.

Q2 Do you have any comments or concerns in relation to our proposed guidance on what constitutes a single set of premises?

We agree to the proposal that each property rated separately by the Valuation Office should be treated as a separate set of premises. However note our opening comments on data set compatibility and data quality.

Q3 Which factors are relevant when deciding whether or not the principal use of mixed-use premises is as a home?

We believe that occupation details will be important. If the non-household premises and household premises are occupied by the same economic entity then it would be safe to assume that the household part is dependent in some way upon the non-household and hence the principal use should be non-household.

Q4 Do you have any comments or concerns on our proposed guidance on the definition of eligible non-household premises?

We currently follow the same process logic but using our own data industry and property type (SIC codes) rather than the VOA data.

However, customer views should also be taken into account. If a customer believes that their property is non-household, then this should also be taken into account.

Q5 Do you have any further comments on concerns in relation to the proposed changes we are making to this guidance?

We do understand that there are going to be unique circumstances which will fall outside the discussed and proposed frameworks, which will have to be investigated and evidenced for the correct categorisation of the premises. However, this needs to be kept to a minimum to avoid legal challenge and an additional cost burden. Ultimately, if guidance is inconclusive, customer choice should be the final arbiter.

Please do not hesitate to contact me if you have any questions or comments on our response.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'P. J. Saynor', with a long horizontal flourish extending to the right.

Philip Saynor,
Director of Finance and Regulation
South Staffordshire Water PLC