



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

17 April 2015

Dear Sir

RE: Guidance on eligibility – a consultation

Thank you for inviting us to comment on your proposed eligibility criteria guidance. We strongly support Ofwat's three main principles underpinning the guidance, namely that it should be clear, simple and consistent.

Defining the eligible customer dataset

The use of Council Tax and Business Rates is a useful starting point in defining the eligible customer dataset. Where these are levied individually, definition is relatively straightforward. However, where both are applicable further assessment will be required. Some discretion will be needed here to allow companies to re-assign these customers into the most appropriate dataset following more detailed assessment.

Disaggregation

We support the use of the Valuation Office approach in that each property that is eligible to be rated separately can be treated as a separate set of premises. We believe that companies should be required to engage with specifically impacted customers and use their discretion where a customer may be materially and adversely affected.

Mixed-use premises

Mixed-use premises are one of the most challenging areas to deal with in establishing the eligible customer dataset and therefore open to challenge from end customers. Companies must be open

and transparent in their classification and customers must be able to challenge this classification where appropriate through a defined disputes process. The process of establishing this dataset will need input from existing wholesale and retail non-household teams. While the wholesale business will be the ongoing 'owner' of this dataset it is the case that until now, that non-household retail teams will have more intelligence that can used to help establish this dataset for market opening.

Please do not hesitate to contact me if you would like to discuss any of the points raised in more detail.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Christopher Offer".

Christopher Offer
Head of Regulation