

Open Water programme for NHH Retail Competition

April 2015

Wessex Water Wholesale response to Ofwat consultation on eligible premises guidance

Question	Wessex Water Wholesale response
Q1 Do you have any comments or concerns in relation to our proposed guidance on the threshold requirement?	We are concerned that for customer with their wholesalers for water & wastewater ‘split’ between England and Wales, the guidance suggesting limited switching could add to possible confusion and has the potential to cast the competitive market in a poor light.
Q2 Do you have any comments or concerns in relation to our proposed guidance on what constitutes a single set of premises?	We wholly support the aim to make the guidance on eligible premises clear, simple and consistent. However we have some concerns regarding the approach proposed. Using VOA data to determine the definition of a “premise” will neither necessarily align to existing billing accounts or indeed multi-premised locations. We are also concerned that there seems to be an arbitrary grouping of what are currently unique properties (with OS UPRNs) because they are currently occupied by the same customer and separated by an infrastructure asset such as a road. A customer could choose to switch discrete properties and the core principle needs to remain that it is the property that is switchable. An observation is that some farm troughs could be in the market because they are (or should be) part of a “premise” other will not be and would therefore be categorised be household. The co-managed, co-located premises issue has the potential to cause significant problems for business who may wish to switch at a national level but have some premises sitting within a co-managed co-located premises (i.e national chains of shops sitting within shopping malls who are billed as part of a bulk meter via a management company on the site). These individual premises would show on VOA/business rates database but in practicality would not be able to switch.
Q3 Which factors are relevant when deciding whether or not the principal use of mixed-use premises is as a home?	The guidance seems to apply some rather arbitrary categorisations. Examples include the example of a nursing home being outside of NHH market as it has the term ‘home’ in its definition! These premises are currently deemed as NHH in the Scottish market. We have significant concerns regarding section 4.2 of the guidance and the seemingly over-simplified approach being proposed regarding activities expected to be undertaken by

	<p>wholesalers to determine principal use i.e gathering evidence during meter reading visits. Whilst we would expect there to be the need for gathering of further evidence to understand the principal use we would suggest that further thought is given to how this might be done and how any arbitration is carried out where there is a difference of opinion.</p>
<p>Q4 Do you have any comments on our proposed guidance on the definition of eligible non-household premises?</p>	<p>We would expect most companies would be able to achieve a match rate of around 50-65% between billing premises and VOA data this leaves 35-45% where validation of premises and eligibility will have to be via other rules.</p> <p>As this is a large percentage, where localised rules will be used how consistent will the national data be without prescribed or common agreed interpretation ?</p> <p>Whilst customers may choose to share detailed business information with the VOA over Business Rates is it cost effective for the Wholesaler to have to undertake similar survey and data collection ?</p> <p>Other premises which have the potential to fall into a grey area of eligibility include, inter alia;</p> <ul style="list-style-type: none"> • Halls of residence off main campus • Halls of residence on campus • Bed & breakfast • Shop with multiple non-business connected flats above it • Flat over a pub
<p>Q5 Do you have any further comments on concerns in relation to the proposed changes we are making to this guidance?</p>	<p>No</p>

