

Priority changes to Instruments of Appointment and Water Supply Licences for non-household retail market opening – consultation

Albion Water welcomes the opportunity to comment on Ofwat's consultation on the removal of the ban on in-area trading and on readiness for retail market opening.

Consultation questions

Q1 Do you agree with the proposed drafting changes to the IoA and WSL in removing the in-area trading ban? If not, please explain why not and your proposed alternatives

Albion, a NAV based mainly in Wales, has no comments on the proposed change to the IoA. It does have concerns relating to 'level playing field' issues that have been raised separately and remain to be resolved through existing MOSL/Ofwat channels.

Q2 Do you agree with the proposed new readiness condition to be added to the IoA and WSL? If not, please explain why not and include your proposed alternative suggestion.

Albion is unable to support the proposed wording due to the currently unknown (and unknowable) associated resource requirements to '*...take such steps and do such things as are within its power and which are or may be necessary or expedient...*'. Albion has always supported a proportionate approach to market readiness but is unable to agree to this condition without recognition that taking 'such steps' or doing 'such things' must not add unsustainable costs. If the condition were to incorporate 'acting reasonably' to doing or taking steps then Albion would support the condition. Data accuracy, data transfer, testing and trialling issues should all fall within such 'reasonableness'. To be clear, Albion proposes adding the text in bold:

1.2 General Obligations

The [Licensee][Appointee] shall, **acting reasonably**, take such steps and do such things as are within its power and which are or may be necessary or expedient to ensure that it is ready for the opening of the Competitive Market on and from the Go Live Date including, without limitation:-

- (a) developing company specific market assurance and readiness plans;
- (b) identifying and gathering relevant data in relation to all Eligible Premises and supply points [to which it currently provides services][in its area], ensuring this data is accurate and ensuring it is in a form capable of being transferred to any central systems and/or any market operator established to operate the Competitive Market; and
- (c) testing and trialling any systems and processes to be put in place for the Competitive Market,

Q3 Do you have any comments about the use of existing s13 and s17J WIA91 powers to introduce the new readiness condition?

Albion has no comment to make on the WIA91 powers available to the Authority.