



Christian Speedy
Retail Market Opening Project
Ofwat
21 Bloomsbury Street,
London
WC1B 3HF

**Anglian Water
Services Limited**
Lancaster House
Lancaster Way
Ermine Business Park,
Huntingdon,
Cambridgeshire
PE29 6YJ

Tel 01480 326063

www.anglianwater.co.uk

04 February 2016

Dear Christian,

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

We welcome the opportunity to respond to this consultation. Our views focus on those from the perspective of the appointed business. We note the proposed removal of in-area trading ban and are satisfied with the amended text to condition R.5 of our Instrument of Appointment.

Regarding the proposed readiness condition, our initial response to the June consultation on licensing and policy issues, was that we did not consider it necessary to introduce a readiness licence condition into our Instrument of appointment. This was based on the presence of alternative incentives for market readiness, including Ofwat's existing concurrency powers under Competition Act 1998 and the now developed Assurance Framework for market readiness under which companies' Board are required to sign three letters providing assurance as to their degree of readiness.

The responses the July consultation demonstrate that this was a view shared by others, however Ofwat have concluded that there is a need for general condition to create additional incentives on companies and reduce programme risks. The proposed condition is designed to contain general wording requiring for companies to undertake reasonable activities including preparation of data, development of their own systems and processes and participation in programme testing, readiness and assurance activities.

Registered Office
Lancaster House, Lancaster Way
Ermine Business Park, Huntingdon
Cambridgeshire. PE29 6YJ
No. 2366656

an AWG Company

Generally, the condition covers the appropriate activities companies are required to undertake ahead of market go-live.

However, we do not consider the reference in the condition under para 1.2 (b) to "*ensuring this data is accurate*" is either reasonable or practical.

We propose following alternative qualifying text under paragraph 1.2:

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

In terms of Ofwat's proposals to introduce this condition, we support the use of section 13 and section 17J of the Water Industry Act 1991 to do this.

Should you have any queries or wish to discuss our response in more detail please contact Darren Rice in the first instance (dRice@anglianwater.co.uk, 01480 323906).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Claire Russell', with a long, sweeping horizontal stroke extending to the right.

Claire Russell
Legal Director