

To: retaillicensing

Dee Valley Water Response to Proposed Readiness Condition - due 24 March 2016

Good morning

Thank you for the opportunity to comment on the proposed market readiness condition set out in your consultation document published on 3 March 2016.

Dee Valley Water has no objection to the inclusion of the transitional licence provision as proposed, and is very focussed on ensuring its market readiness.

However, we do note our ongoing dialogue with Ofwat and MOSL regarding the issue of proportionality with respect to compliance with the Wholesale-Retail Code. As you are aware, Dee Valley Water is a small company based wholly or mainly in Wales, with less than 20 eligible customers. Further, Dee Valley Water does not at this stage propose to participate in the NHH retail market beyond continuing to service (and by doing so retain) those customers.

With all of those factors in mind, Dee Valley Water is keen to obtain further clarification from Ofwat (refer to our letter to Dan Mason on 18 March 2016) and from MOSL regarding what is required of the company for the purposes of code compliance, as well as clarity on the likely approach to enforcement of code compliance by small and Welsh companies.

We appreciate the willingness shown by Ofwat to explore these issues with us as part of the small companies working group and we look forward to our continued engagement and resolution of the proportionality issues in the lead up to market opening.

Regards

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