

Retail Market Opening Programme
Ofwat
21 Bloomsbury Street
London
WC1B 3HF

24 March 2016

Sent by email only: retaillicensing@ofwat.gsi.gov.uk

Dear Sirs

Re: Priority changes to the Instruments of Appointment and Water Supply Licences for non-household retail market opening (“Consultation on Ofwat’s section 13 and 17L proposal to modify company licences – removal of the in-area trading ban” and “Consultation on Ofwat’s section 55 proposal to modify Instruments of Appointment and Water Supply Licences – market readiness”)

Thank you for the opportunity to respond to the Consultations referenced. Dŵr Cymru Welsh Water (DCWW)’s response to the Consultations is set out below.

1. We support the proposal to remove the in-area trading ban. However, we do not agree with the statement that *“The removal of the IATB will not have any practical effect in Wales”* (on page 12 of “Priority changes to Instruments of Appointment and Water Supply Licences for non-household retail market opening”). DCWW is in the process of setting up a Water Supply and Sewerage Licensee. The removal of the in-area trading ban will therefore be of relevance in Wales. The status of competition in Wales is different from that in England, and any modification to DCWW’s condition (ie. condition 7 “Area of operation and arm’s length transactions”) should be worded to reflect the relevant level of competition in our area.
2. As we stated in our response to the previous consultation, given the assurance programme that DCWW and other water and sewerage companies are going through in order to confirm market readiness, we do not think that the proposed new readiness condition is necessary or appropriate (see our response dated 5 February 2016 to the Consultation on Priority changes to the Instruments of Appointment and Water Supply Licences for non-household retail market opening”). However, we confirm that we will not object to this being added, as amended, as a requirement to DCWW’s Instrument of Appointment.

Yours faithfully



AP Mike Davis

Director of Strategy and Regulation



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Glas Cymru Cyfngedig

We welcome correspondence
in Welsh and English

Rydym yn croesawu gohebiaeth yn
y Gymraeg neu yn Saesneg