



Retail Market Opening Programme
Ofwat
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Strategy & Regulation

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Dear Sir or Madam

Retail market transition arrangements – a consultation

Thank you for the opportunity to comment on the proposals for the retail market transition arrangements. We are in general agreement with the proposals.

Our responses to the consultation questions are overleaf.

In addition, we note that the expected market opening date is 3 April 2017, whereas registration works on a calendar month basis. It would be helpful to have clarity on the arrangements for 1 and 2 April 2017.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Colm Gibson".

Colm Gibson
Head of Economic Regulation

Question 1: Do you agree with our proposal to mandate that there can be no customer switches under the existing Customer Transfer Protocol during the last [x] days before market opening?

We agree with this proposal and suggest that there should be no customer switches in the 20 days prior to market opening. We further suggest that this should be mirrored in CMOS i.e. no transfer registrations should be capable of being initiated during this time.

Question 2: Do you agree with our proposal to use a Schedule 11 transition scheme to revoke all WSLs (including CSLs – subject to alternative provisions being put in place)?

We agree with this proposal. We consider that it would be beneficial to provide new entrants with the opportunity to operate in the current eligible market, where they have been granted Market Entry Assurance Certification and Ofwat have advised they are minded to grant their WSSL application. This may be possible either by granting a current WSL or considering how the WSSL can be brought into effect early but only for the current market. (Schedule 11 appears to contemplate a WSL and WSSL being in effect at the same time.)

We believe this would facilitate efficient and appropriate transition to the new market arrangements.

Question 3: Should the proposed Schedule 11 transition scheme make provision for what should happen to any existing wholesale contracts?

To the extent that the Common Contracts terminate when the WSL is revoked, we do not believe that there is any need to make provision for this event in the proposed transfer scheme.

Question 4: Are there any other elements of the current arrangements that should be included in the proposed Schedule 11 transition scheme (either to revoke or terminate them, or to make provision for them to continue in some form, if that is consistent with the provisions of the Act)?

We have not identified any other elements which should be included in the transition.