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Ofwat
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21 October 2016

Dear Sir or Madam,

Revised application process for Water Supply and Sewerage Licences: a consultation

Further to the publication of your above consultation document on the 10 October 2016, Yorkshire Water is grateful for this opportunity to provide Ofwat with our comments on the revised WSSL application process and associated guidance.

We have provided responses to the three specific consultation questions in the attached Appendix 1.

We trust you find these comments to be helpful and supportive, however should any matter be unclear or you require further information, please do not hesitate to contact myself or my colleague Howard Smith via: Market_Design_Team@yorkshirewater.co.uk.

Yours faithfully,



P.P.

Wendy Kimpton
Head of Regulation

Appendix 1

Number	Question	Answer
Q1	Do you have any comments or suggestions about the draft application form?	<p>We have noted the minor changes to the application form from the existing format, which we support.</p> <p>Given the importance of meeting standards associated with the introduction of water to an undertaker's network, we feel greater prominence should be given in the application form to the subject of question 2 in section 2 of the form related to wholesale technical capability and knowledge.</p> <p>There are several pages in both the application form and the guidance document devoted to demonstration of managerial competence, financial stability and retail capability, yet only one question related to technical and capability information in support of a wholesale authorisation.</p> <p>We recognise that behind the application itself lies a host of regulations, controls and assurance processes to ensure the quality of water and safety of the water supply network, however we believe the application process could place greater emphasis on these aspects, by introducing dedicated questions relating to wholesale capability.</p>
Q2	Does the draft application guidance provide sufficient detail for applicants to apply for a water supply and/or sewerage licence with retail, restricted retail, wholesale and/or supplementary authorisations?	<p>We welcome the additional guidance and clarification provided in the guidance, in particular the additional information for prospective self-supply licensees, and the additional requirements to provide information relating to communications and incident management.</p> <p>We would however, reiterate our point (as above) in respect of the prominence of information and guidance related to the application for a wholesale authorisation.</p>
Q3	Have you any suggestions for elements of guidance that are missing, or alternatively that are not required, in the draft application guidance?	<p>Subject to our above comments we believe in general the guidance provides a comprehensive source of information which should both support applicants through the process and secure good quality information for regulators to undertake their obligations in respect of the appropriate award of licences.</p>