

From: Paul.Harrison2@wales.gsi.gov.uk
To: [Stephen Beddoes](mailto:Stephen.Beddoes)
Cc: Elfiona.Williams17@wales.gsi.gov.uk
Subject: Ofwat Business retail market monitoring Consultation Welsh Government Comments January 2017
Date: 26 January 2017 19:49:10
Attachments: [Monitoring-the-business-retail-market-from-April-2017-a-consultation.pdf](#)

Thank you for this Stephen.

Can you include in this some work to monitor and report on specifically the areas of Wales where retail competition applies, and separate out your findings from these areas? It is important that we are able to gather Welsh specific evidence and this may well differ from an averages England / Wales evidence base. Also, more generally in England and Wales can you gather evidence on whether any customers are unable to obtain a Tariff that is equal to or less than the default tariff? This could help determine whether any businesses do not benefit from or could potentially be adversely affected by retail competition.

We are happy to discuss this in more detail

Paul Harrison

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From: Stephen Beddoes [mailto:Stephen.Beddoes@ofwat.gsi.gov.uk]

Sent: 12 January 2017 10:55

To: Harrison, Paul (ESNR-Environment-Energy Water & Flood)

Subject: Business retail market monitoring

Deal Paul,

As discussed in the call with my colleague Nicci Russell yesterday, we have today published our consultation on [Ofwat's proposed approach to monitoring the business retail water market from April 2017](#). We fully recognise Welsh Government policy not to extend retail competition or to introduce upstream competition in the water sector. This email and consultation represent measures we are putting in place to monitor the competitive retail market.

The opening of the retail market in England in April 2017 will mean more than 1.2 million eligible businesses, charities and public sector organisations whose water company's area is wholly or mainly in England will be able to choose who supplies their water and wastewater retail services. Business customers whose water company's area is wholly or mainly in Wales will still have the option to switch if they use more than 50 million litres of water each year. Although the option of switching will not change for those customers, the arrangements that support the market will change, consistent those being put in place to support the enlarged market relevant to undertakers whose areas are wholly or mainly in England.

We have developed market arrangements to ensure the competitive market works well, and to enable Ofwat to perform its role in continuing to protect customers once the market is in operation.

In 'Monitoring the business retail market from April 2017: a consultation', we describe the monitoring framework that we plan to put in place following the market opening. Our

framework will ensure that we:

understand whether the market is working well; and

can intervene in an appropriate way should it not be the case.

We also discuss:

how we will use the information we gather to help ensure the market works well and delivers for customers; and

making information about the market more widely available so that customers and others can have confidence in how the market it is working.

I attach a copy of our market monitoring proposals which give more details on our plans and set out the next steps. Further information about the market is also available at open-water.org.uk. We would welcome your views to the consultation by 10 February 2017. We will also be holding a special discussion on Twitter on 30 January 2017 between 2 and 3pm. This may be particularly of interest if you will be unable to respond formally to our consultation by the closing date. If you are interested, please join us.

In the meantime, I'd like to reiterate our recognition of your position not to extend retail competition or introduce upstream competition.

Stephen Beddoes

Retail Market Opening

Principal

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