

From: Alan Logan
To: [MarketMonitoringConsultation](#)
Cc: [Richard Stanbrook](#); [Richard Barton](#)
Subject: Pennon Water Services response to Ofwat's consultation on Monitoring the business retail market
Date: 02 February 2017 11:10:27
Attachments: [image001.jpg](#)

Dear Colleague,

I am pleased to be able to provide feedback, on behalf of Pennon Water Services, on Ofwat's consultation, 'Monitoring the business retail market from April 2017: a consultation'.

Q1 Are there any other objectives that market monitoring could or should fulfil in addition to those mentioned in section 2.3?

Ans: The monitoring framework as described in section 2.3 is adequate.

Q2 Do you agree with the issues we propose to monitor? What issues do you think should be monitored particularly closely?

Ans: We broadly agree as long as data is standard for all retailers and can be extracted from CMOS. Please could you clarify how Ofwat intends to monitor customer satisfaction? Retailers will have different interpretations on Ofwat's SIM calculation.

Q3 Do you agree with the type and format of the information we are planning to obtain from the market operator? We welcome views on:

- the choice of metrics, their usefulness for our assessment of the market and ways of ensuring they are as useful as possible; and
- the availability of that information, the opportunities and limitations of obtaining information from the market operator, including sources that could supplement it.

Ans: We broadly agree. The data should be able to be extracted from the Market Operator and should be consistent across retailers.

Q4 What information will retailers hold that will help us achieve our monitoring objectives? We welcome views on:

- the choice of metrics, their usefulness for our assessment of the market and ways of ensuring they are as useful as possible;
- the availability of that information, including where else we could obtain the information that we would like retailers to provide;
- the best way for retailers to share that information with us (eg most appropriate format);
- whether retailers will be able to segment information in the way we require; and
- the best way to make sure the regulatory burden is proportionate, especially for smaller retailers.

Ans: While we understand Ofwat's intentions re appendix 2, we feel that some of this detail is not readily available from retailers. Therefore the burden would be placed on retailers to amend their systems to provide bespoke reports. We feel that data should be consistent, proportionate and available from the Market Operator so as not to burden the retailer. Also identifying small or micro businesses may prove to be difficult.

Q5 We would welcome views on our proposal for informal monitoring, any other tools we could use, and how we might make the best use of the information available.

Ans: We have no comment on this question.

Q6 We would welcome views on how best we could involve third party intermediaries in our monitoring framework, which information would be best to collect and how we could obtain it.

Ans: We are broadly in agreement that it would be beneficial to involve third parties in the monitoring framework. However other than asking retailers how many third parties they use, we feel it would be difficult to obtain meaningful information from third parties as they have no regulatory requirement to respond.

Q7 We would welcome views on how best to collect useful information on market segments. In particular, we would welcome views on challenges to deriving the market segment information we envisage and ways of overcoming them.

Ans: We reiterate that identifying small or micro businesses may prove difficult.

Q8 How can we best make sure that relevant information is shared in a transparent and useful manner, whilst also being mindful of commercial and personal confidentiality and without prejudice to competition law?

Ans: We feel that care will need to be exercised re sharing information as the majority will be sensitive and potentially out of date at the time of publishing, and may not reflect the current position of the company. Also please could you clarify how Ofwat would validate information that they publish.

Kind regards,

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