

**NORTHUMBRIAN WATER LIMITED (WHOLESALE) RESPONSE TO: Derogations Guidance - summary of responses and further consultation on certain aspects following MAC and WRC changes**

Northumbrian Water Limited welcomes the publication of Ofwat's response to the consultation on the retail market derogations guidance and would comment as detailed below in respect of the supplementary consultation questions raised in the response.

Our specific comments on the paper using the specified questions as the main headings are detailed below;

1. Has the restructure of the WRC and MAC caused any additional issues that are of concern?

Currently we do not see or are aware of any additional issues that the restructure of the WRC and MAC has created.

2. Do you agree to our proposed approach to derogations within schedule 8 of the MAC given the restructuring?

We agree with the proposed approach but would suggest that the matter is reviewed after a period of operation in order to properly assess the impact of the approach and to assess if there are any unforeseen issues.

Northumbrian Water Limited (Wholesale)  
9<sup>th</sup> February 2017