

9 February 2017

Consultation on derogations guidance
Retail Market Opening Programme
Ofwat
21 Bloomsbury Street
London
WC1B 3HF

By email: retailmarketopening@ofwat.gsi.gov.uk

Dear Sir,

**DEROGATIONS GUIDANCE – SUMMARY OF RESPONSES AND FURTHER CONSULTATION
ON CERTAIN ASPECTS FOLLOWING MAC AND WRC CHANGES**

We welcome the opportunity to review and respond to the consultation detailed above.

With regard to the questions raised in the consultation we have no concerns that the restructure of the WRC and the MAC have caused any additional issues.

We think the proposed approach to derogations within schedule 8 of the MAC given the restructuring is sensible and practical. However, we do think it would be prudent in January-March 2018 to review the scope and content of any derogations requested or implemented over 2017. Changes to the wholesale-retail codes are likely over 2017 as the actual functional operation of the market comes to light and the practical implication of the market is understood across multiple parties. A review of any derogations would be useful feedback into how to improve the operation of the market codes.

If you should require any further information please do not hesitate to contact me.

Yours faithfully,



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