

Chris Bollington
Ofwat
Centre City Tower
7 Hill Street
Birmingham, B5 4UA

23 March 2018

RE: Ofwat consultation on WSS Licensing Regime – proposed changes to how licence fees are set

Dear Chris

Please find below Pennon Water Services Group response to the above consultation. This includes a response on behalf of SSWB Ltd.

Kind regards

Matt Porter
Corporate Change Manager
On behalf of Pennon Water Services and SSWB

Consultation Question	PWS Response
<i>Do you agree with our proposal to simplify the calculation of licence fees by calculating the flat fee element of licence fees by licence for the costs of both Ofwat and CCWater for 2018-19 and subsequent financial years?</i>	<p>We agree that the proposed approach to calculate fees by licence rather than licence holder simplifies charges in an already complex market.</p> <p>However, we would like to understand whether costs incurred by CCWater for retailers are proportionate in relation to the number of licences and therefore the number of services a retailer provides.</p> <p>I.e. are CCWater costs twice as much on average for a retailer handling both water and sewerage services compared with a retailer only handling one service? In particular, when both water and sewerage services are provided through a single channel, e.g. through one combined bill etc.</p>
<i>Do you agree with our proposal to include wholesale charges associated with transferred businesses in the previous year when calculating market shares for 2018-19 and subsequent financial years?</i>	<p>We agree this is a fair approach to ensure appropriate charges are levied to Retailers who have transferred businesses in the previous year to ensure their complete market share is accounted for in the subsequent years charges.</p>

