

Trading and procurement codes guidance review  
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29 March 2018

Dear Ofwat,

### Trading and procurement codes – consultation on updating our guidance

Thank you for inviting Yorkshire Water to contribute to the consultation on proposed changes to Ofwat's guidance on requirements and principles for trading and procurement codes for water companies.

We welcome Ofwat's review of the existing guidance to reflect the latest regulatory and market developments.

We have provided brief responses to the consultation questions below;

**Q1: Do you support the new requirements or principles we have set out in section 2.2?**

Yes, we agree with the proposed changes to bring the guidance in line with the decisions to maintain water trading incentives at PR19, support the market and create separate controls for water resources and water networks plus.

**Q2: Do you support our proposed approach to approving new codes, as set out in section 2.3?**

Yes, we agree it is appropriate to streamline the approach to consulting on and approving new codes.

**Q3: Do you support our proposed approach to updating approved codes, as set out in section 2.4?**

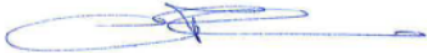
Yes, we agree with the proposed approach and timeline for updating approved codes, ahead of PR19 business plan submissions, and on an ongoing basis, should Ofwat make any subsequent changes to its guidance.

**Q4: Do you have any other comments on the draft guidance document published alongside this consultation?**

We have no further comments on the draft guidance document as published.

Should you have any queries regarding any elements of our response, please contact me or

Yours sincerely,



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Regulatory Strategy Manager

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