

## **Arrangements for when supply is not restored**

### **1. Adjusting the levels of compensation for supply not being restored under the GSS arrangements.**

#### **a) Should the levels of compensation for supply not being restored under the GSS arrangements be maintained or increased?**

We consider that the level of compensation for supply not being restored under the GSS arrangements should be increased to adequately reflect the inconvenience, and costs that may be incurred, as a result of the supply not being restored.

#### **b) Could an increase in the minimum level result in companies paying less compensation to customers than they currently do by encouraging them to not exceed a higher minimum? If so, how could this be addressed?**

We believe that all customers should receive the same payment in respect of a supply not being restored, regardless of their area. By increasing the level of compensation to a more appropriate level it is less likely to be considered necessary to increase the payments above the minimum threshold.

### **2. Payment thresholds and exemptions for supply not being restored.**

#### **a) Should these thresholds be changed in any way (e.g. brought forward, reduce the length of time between graduations)? If so, how and why?**

We consider that initial thresholds for restoring a supply is appropriate. However, we believe that the time between graduations for any subsequent period that the supply is not restored should be reduced. We feel that 12 hours would be an appropriate amount of time for the graduations.

#### **b) Should compensation increase by a larger amount the longer disruption lasts (i.e. exponential)?**

Yes. We believe that the longer an interruption lasts, the level of compensation should be increased exponentially. Customers are likely to incur additional costs and significant inconvenience when a supply interruption lasts longer than expected and the level of compensation awarded should reflect this.

We also feel that increasing the level of compensation by a larger amount the longer the disruption lasts will serve to improve standards for repair timeframes.

#### **c) Should there be any changes made to the current exemptions to the GSS for supply not being restored?**

We do not feel that any changes are required to the current exemptions.

### **3. Other areas to consider relating to compensation for supply not being restored.**

#### **a) Should GSS be expanded beyond supply interruptions to cover supply restrictions, such as temporary use bans?**

No. We believe that extending GSS to supply restrictions such as temporary use bans would act as a disincentive for customers to save water when there is a risk of a temporary use ban coming into force.

#### **b) Are there any other changes to the arrangements we should consider relating to payments for supply not being restored to ensure that customers receive fair, fast and free from hassle compensation?**

We feel that increased wholesaler transparency and communications following supply interruptions to identify customers eligible for GSS would make the process of providing compensation payments more efficient.

### **Arrangements for all payments under the GSS**

#### **4. Adjusting all payments under the GSS by inflation.**

##### **a) All payments could be increased by inflation retrospectively from 2001 when the levels of compensation were last changed. Would this approach be reasonable and proportionate?**

We do not agree that payments should be increased by inflation retrospectively. Whilst we appreciate that payments have not increased since 2001, the resulting uplift on GSS payments would be substantial and we do not believe that increasing payments retrospectively would be fair for customers that have already received a GSS payment since 2001.

##### **b) All payments could be price inflated automatically in future. Would this approach be reasonable and proportionate?**

We agree that payments should be increased by inflation. However, it would be useful for information to be provided on how often payments would be reviewed for an inflationary increase and the measure of inflation that would be used for such a review.

Increasing payments annually could result in minimal and irregular amounts in respect of GSS payments. We would suggest that GSS payments be reviewed at each price review period and that these are rounded to a whole figure, ensuring that they are easily identified and understood by customers. This will also allow trading parties to factor these costs into their business plans.

#### **5. GSS arrangements for different types of customers.**

**a) Should the arrangements differentiate between compensation for businesses of different sizes (e.g. big businesses and SMEs)? If so, what approaches could be adopted in order to do differentiate fairly?**

We do not believe that it is possible for compensation to be differentiated between businesses of different sizes fairly. Given the variety and scope of GSS payments, different incidences will have varying impacts on different business types and sizes. For example, a laundrette with less than 10 employees (which would be considered a Micro-business) would be significantly more inconvenienced by low pressure than an accountancy firm employing 80 members of staff. Whereas a sole trader running an e-commerce business would be less inconvenienced by an interruption to supply than a retail store that is unable to open due to a lack of water supply for their 20 employees.

We also feel that the administrative and reporting burden of collecting this information is disproportionate to any perceived benefit. As has been discussed in previous market consultations, retailers are currently only required to collect information on Micro-businesses in accordance with the Customer Protection Code of Practice; information on other business sizes is not routinely collected by trading parties. Further, in order to differentiate all GSS payments, this information would need to be recorded in CMOS to ensure that payments from wholesalers are passed on at the appropriate level; however, business size is not currently a data item stored in CMOS.

**b) Should there be different compensation arrangements for customers in vulnerable circumstances? If so, what approaches could be adopted in order to do differentiate fairly?**

Given that vulnerable customers are subject to the same thresholds as all other customers (except for in situations relating to loss of supply) we believe it is appropriate to maintain the current compensation arrangements.

**6. Are there any other changes to the arrangements we should consider relating to all compensation payments under the GSS to ensure that customers receive fair, fast and free from hassle compensation?**

We believe that the remaining arrangements are appropriate and would not suggest any other changes.