

Customer Protection Code of Practice Change Proposal – Ref CP0003

Modification proposal	Customer Protection Code of Practice Change Proposal – CP0003
Proposer	The Authority
Decision	The Authority has decided to accept this Change Proposal
Publication date	6 June 2019
Implementation date	6 September 2019

Background

In October 2018, the Authority raised a Wholesale Retail Code (WRC) draft change proposal to address an inconsistency in and between the WRC and the Customer Protection Code of Practice (CPCoP) regarding back-billing. Following a Request for Information relating to the WRC draft change proposal and in light of the modifications proposed, we identified some additional changes which we considered should be made to the CPCoP to ensure consistency or enhance customer protections.

Due to the urgency of the proposed change to address the identified inconsistency, the CP0001 changes to the CPCoP were split into Phase I and Phase II proposals. The Phase I proposal was to address the inconsistency and ensure alignment with the WRC, and the Phase II proposal included the additional proposed amendments, which were not considered to be urgent.

In November 2018, we [consulted](#) on both the Phase I and Phase II proposals (the November Consultation). We issued a further [consultation](#) on our proposed decision to accept the Phase I and Phase II CPCoP changes in January 2019 (the January Consultation). After consideration of the consultation responses, we published our [decision](#) on the Phase I changes on 18 February 2019 and modifications were made to the CPCoP to address the identified inconsistency.

This document sets out our decision on the Phase II element of Change Proposal CP0001 (now referred to as CP0003). The consultation responses which are relevant to this Phase II Change Proposal are discussed further in the “Evidence Considered” section of this document.

Proposed changes and reasons

As detailed above, during the development of the Phase I Change Proposal, further consideration was given to the provisions in the CPCoP which relate to billing or invoicing. We also analysed the responses received to the Request for Information on the WRC draft change proposal. Following this, we identified that some related provisions within the CPCoP could be modified to ensure that the customer protections already offered in the CPCoP are maintained and, where appropriate, strengthened. The Phase II changes to the CPCoP, upon which we sought views in the November Consultation and the January Consultation are detailed below.

Change 1 – Payments

We proposed the addition of a requirement into the CPCoP for Retailers to pass on payments to Non-Household Customers where there has been a recalculation of Primary or Non-Primary Charges and a payment is made by the Wholesaler to the Retailer.

In response to the Request for Information, three Retailer and two Wholesaler respondents highlighted that the drafting of our original proposal to modify the WRC also prevented refunds from being made outside of the 24 month timeframe. This was because a bill or invoice under the WRC can be either for a positive or negative sum, a negative sum being a refund or credit. The proposed change was only intended to address the inconsistency in the restriction on back-billing for positive invoices. As such, a proposed amendment was made to the wording of the change to ensure that a restriction on refunds was not an unintended consequence.

Their responses led us to further consider the provisions for billing and invoicing for negative sums (i.e. refunds or credits) in the CPCoP. We noted that there was no requirement in the CPCoP for Retailers to pass on refunds/credits to Non-Household Customers. However, we consider that it would be beneficial to have an express provision to prescribe an obligation to pass on payments of this nature to Non-Household Customers.

Change 2 – Payment information in Terms and Conditions of Supply

We proposed a change to require Retailers to include, within their Terms and Conditions of Supply, how they will deal with payments due to a Non-Household Customer where a payment is made by the Wholesaler to the Retailer following a recalculation of Primary or Non-Primary Charges.

This will provide certainty for Non-Household Customers by ensuring that there are clear provisions in Terms and Conditions of Supply about how any payments due under Change 1 (above) will be processed.

Change 3 – Definitions

We proposed modifications to the definition of “Back-bill” and “Reasonable Repayment Plan for a Back-bill”.

Definition of Back-bill

We proposed an amendment to the definition of Back-bill to ensure that this aligned with the timeframe within which Non-Household Customers may receive a Back-bill.

We have made further amendments to the definition of Back-bill following the January Consultation, to add clarity and ensure that this is applicable to all ‘recalculated’ bills which might be issued. However, the principle of the change remains the same, namely the alignment of the definition of Back-bill with the proposed modified timeframe within which a Non-Household Customer may receive a Back-bill. The amended legal drafting can be reviewed in Appendix 2 of this document, the change is highlighted in yellow.

Definition of Reasonable Repayment Plan for a Back-bill

In the January Consultation, our final proposal was that the definition of Reasonable Repayment Plan for a Back-bill should remain at 12 months. The only amendment proposed to this definition was to incorporate the new definition of ‘Month’.

When we originally consulted on the draft CPCoP, in March 2016, it was considered that Micro-businesses should have the same amount of time over which the Back-bill was accrued to be able to repay it. Thus, in the November Consultation, we proposed that the definition should be amended to provide Micro-businesses with the opportunity to repay a Back-bill over a period of 24 months. Responses to the November Consultation indicated that increasing the timeframe over which a Reasonable Repayment Plan for a Back-bill is available may cause cash flow issues for Retailers, particularly small and/or new entrant Retailers. Following consideration

of this and other responses to the November Consultation, we amended our proposal to retain the original 12 month timeframe.

Change 4 – Final bill

We proposed an extension to the requirement to issue a final bill within the specified timeframe to all Non-Household Customers, so that it no longer applies to Micro-businesses only.

The reason for this proposal was that extending this requirement to all Non-Household Customers should reduce the number of Back-bills which are issued after a Non-Household Customer has switched to a new Retailer. This in turn will create a more positive experience of switching for Non-Household Customers, as they will receive their final bill within six weeks of switching or the termination or expiry of their Terms and Conditions of Supply.

Proposed implementation date

The proposed date of implementation for change 1 to 4 was **three months following the date of our decision document**.

We considered the proposed implementation date to be reasonable as it provided Retailers time to make any necessary amendments, whilst ensuring that the proposed changes, which will be of benefit to Non-Household Customers, would be implemented as soon as possible.

Evidence considered

The November Consultation

We initially consulted on the Phase II changes (changes 1 to 4 above) within the November Consultation, from 14 November 2018 to 5 December 2018. We received 19 responses from ten Retailers and eight Wholesalers. 16 out of the 19 respondents expressed support for proposed changes 1 to 4. One respondent made no comments in respect of the proposed changes and another Retailer supported them in part. A summary of the responses to the November Consultation can be viewed in Appendix 1 of this document.

The January Consultation

In the January Consultation we sought views on our proposed decision for the Phase II changes.

We received 11 responses from seven Retailers, three Wholesalers and the Consumer Council for Water (**CC Water**). Below is a summary of the responses in relation to each of the four changes which have been proposed.

Change 1 – Payments

The majority of respondents (three Wholesalers, six Retailers and CC Water) were supportive of the proposed change to require Retailers to pass on payments to Non-Household Customers where there has been a recalculation of Primary or Non-Primary Charges and a payment is made by the Wholesaler to the Retailer.

One Retailer was supportive of the proposed change, however it suggested that in section 9.3.3 the word “payment” should be substituted with the word “credit”. It argued that as written, the proposed change could result in the requirement for a Retailer to send out a cheque to a Non-Household Customer even where they have outstanding debt(s) on their account(s). Another Retailer raised the same concern, indicating that this change could result in windfall gains to customers. This Retailer proposed amending the legal drafting of section 9.3.3 of the CPCoP to ensure that where there is a requirement to pass on a payment, this is “adjusted for any payment outstanding”.

We note the concerns raised by the two Retailer respondents who expressed concern regarding the drafting of section 9.3.3. The introduction of the requirement to pass on payments is to ensure that where there is a recalculation of a Primary Charge or Non-Primary Charge, that relevant amounts are passed on to the Non-Household Customers, in the proportion to which their bills have been affected. Use of the term ‘payment’ is in line with terminology used in the WRC which also requires that payments made to Retailers by Wholesalers under the Wholesale Contract must be made without deduction, withholding or set-off¹.

One of the Retailers that did not agree with this proposed drafting for this change argued that the modification would also incentivise Retailers to collect payments of contested bills. It argued that a customer that has not paid any charges would still be due a refund under the proposed change. Our view is that the proposed change would require payments to be passed back to customers in the proportion that their bills have been affected. If a customer has not been issued with a bill, then its bill will not have been affected by the recalculation of Primary Charges and no payment would be due to be made to it following any relevant recalculation of Primary

¹ Section 9.7.1 of the Business Terms provides that “All payments by a Party under the Wholesale Contract shall be made without any deduction, withholding or set-off (except to the extent permitted by Section 2.4.2, Section 9.7.2 or required by Law)”

Charges. As such, we do not agree that this creates an incentive for Retailers to collect payment where the Primary Charges are contested.

Change 2 – Payment information in Terms and Conditions of Supply

All of the 10 respondents who commented on this proposed change were supportive of the proposal that a Retailer must include in the Terms and Conditions of Supply details of how it will comply with the obligation in paragraph 9.3.3 to pass on any payments following a recalculation of the Primary Charge or Non-Primary Charge.

Change 3 – Definitions

Back-bill

Of the ten respondents who commented on this proposed change, nine were in support of this (six Retailers, three Wholesalers and CCWater). One Retailer respondent did not agree with the proposed change to the definition of Back-bill. It stated that the proposed amendment would result in a bill that was issued yesterday falling within the definition of Back-bill, which it did not believe to be the intention of the change. It suggested that the definition should not be amended, with the exception of the amendment to incorporate the new definition of 'Month'.

We have again reviewed the definition of Back-bill and note the concerns raised by this respondent. We have redrafted the definition to confirm that it is only 'recalculated' bills which fall within the definition of Back-bill (see Appendix 2, the change has been highlighted in yellow).

Reasonable Repayment Plan for a Back-bill

Of those that commented on this proposed change (six Retailers, three Wholesalers and CCWater), nine were in support of the proposal. One Wholesaler noted the impact that extending the period for which a Reasonable Repayment Plan for a Back-bill was available from 12 to 24 months could cause cash flow issues for Retailers. However, CCWater stated that it did not agree with the proposal to retain the 12 month timeframe for a Reasonable Repayment Plan for a Back-bill. It indicated that the Non-Household Customer should be able to arrange a repayment plan for the entire period of the Back-bill. It noted that the Authority has cited Retailer cash flow as the rationale for maintaining this timeframe but suggested that it did not appear that we had considered the impact this could have on Micro-business customer cash flow.

We note the concern raised by CCWater in relation to this change. However, consideration has been given to the impact that maintaining the current timeframe

would have on Micro-business customer cash flow. We note that a back-bill has the potential to cause cash flow issues for both Non-Household Customers and Retailers. However, we consider that 12 months is a reasonable timeframe over which a Micro-business is able to arrange repayment where a Back-bill is issued. However, we are also conscious that where a Back-bill is issued, this is unlikely to have been due to a fault of the Non-Household Customer. Therefore, when arranging a repayment plan with a Micro-business, we fully expect that Retailers will have regard to the individual circumstances of the customer in agreeing a reasonable repayment period. A Retailer is not prevented from offering an extended time period over which a Back-bill can be paid.

Change 4 – Final Bill

Of the nine respondents that commented on this proposed change (six Retailers, three Wholesalers and CCWater), all were supportive.

One Retailer, whilst in favour of the change, requested clarification in respect of this. It stated that there may be difficulties in issuing an accurate bill within six weeks for larger customers with multiple supply points due to underlying data issues. It noted that this could also be an issue for Micro-business customers to whom the six week requirement already applied. However, it considered that for customers with multiple sites, there is a higher probability that there will be multiple data issues to resolve. This respondent therefore sought clarification as to how/whether Retailers are able to make corrections to a final bill where it has not been possible to issue an accurate bill within the six week timeframe (i.e. due to a faulty meter or issues beyond the Retailer's control).

We expect Retailers to take steps to ensure that final bills are accurate however amendments to bills are possible subject to the restrictions on back billing in the CPCoP.

Our decision

We have considered the scope, impact and risks of the modification proposal by assessing the evidence we have obtained from the Request for Information, the November Consultation and the January Consultation. We have concluded that the implementation of CP0003 will better align the market codes and offer some additional protections for Non-Household Customers. We therefore consider that the changes will facilitate the Code Principles of the CPCoP. Further, the changes are consistent with our statutory duties. We will publish a revised version of the CPCoP on our website.

We have given consideration to the implementation timeframe and have decided that the implementation date will be 6 September 2019. In making this decision, we reviewed the responses received to the RFI, the November Consultation and the January Consultation which demonstrated that the majority of Trading Parties considered that their impact on their business systems and processes would be low. However, we also noted that Retailers will require time to update their Terms and Conditions of Supply. When deciding the date for implementation, consideration has also been given to the urgency of the proposed change. Whilst the changes are not considered to be urgent, implementation at the earliest possible date will bring benefits for Non-Household Customers.

The legal drafting outlining the modifications that have been made to the CPCoP following this decision can be found in Appendix 2 of this document.

Reasons for our decision

We set out below our views on how the proposed change is in line with our statutory duties and which of the applicable Code Principles are better facilitated by the modification proposal.

Statutory duties

Under section 2 of WIA91, as amended, we must carry out our prescribed powers and duties including:

- the granting of water supply and sewerage licenses (under sections 17A and 17BA of the WIA91); and
- the enforcement of a licence (under section 18 of the WIA91)

imposed on us as an economic regulator in the way we consider will best:

- further the consumer objective to protect the interests of consumers, wherever appropriate by promoting effective competition
- secure that water companies (meaning water and sewerage undertakers) properly carry out their statutory functions
- secure that water companies can (in particular through securing reasonable returns on their capital) finance the proper carrying out of their statutory functions
- secure that water supply licensees and sewerage licensees properly carry out their licensed activities and statutory functions
- further the resilience objective to secure the long-term resilience of water companies' water supply and wastewater systems as regards environmental

pressures, population growth and changes in consumer behaviour; and to secure that they take steps to enable them, in the long term, to meet the need for water supplies and wastewater services to consumers.

Subject to our main duties above, we must also regulate in the way we consider will best:

- promote economy and efficiency by water companies in their work
- secure that no undue preference or discrimination is shown by water companies in fixing charges
- secure that no undue preference or discrimination is shown by water companies in relation to the provision of services by themselves or by water supply licensees or sewerage licensees
- secure that consumers' interests are protected where water companies sell land
- ensure that consumers' interests are protected in relation to any unregulated activities of water companies
- contribute to the achievement of sustainable development

We must also have regard to the principles of best regulatory practice. These include that regulatory activities should be transparent, accountable, proportionate, consistent and targeted.

We consider that the Phase II changes to the CPCoP comply with our statutory duties.

In relation to the change to the definition of Back-bill, alignment of this definition with the maximum 24 month restriction on back-billing ensures adequate protection for Micro-businesses, should a Back-bill be received.

The proposal to extend the requirement that a final bill is issued within six weeks of the earlier of the Transfer or the termination or expiry of the Terms and Conditions of Supply to all Non-Household Customers is in line with our statutory duties and our obligation to consider these by reference to the furthering of the consumer objective. It will achieve this by offering all Non-Household Customers certainty as to the date by which they will receive a final bill from the Outgoing Retailer. Extending this provision relating to the requirement to issue a final bill will also promote Retailer efficiency as there is a requirement that the final bill is provided within a specified timeframe.

Inclusion of a provision requiring Retailers to pass back payments received from Wholesalers to the relevant Non-Household Customer in the proportion to which

their bills have been affected, also furthers the consumer objective and protects the interests of consumers.

CPCoP General Principles

Retailers shall be fair, transparent and honest; while putting the customer at the heart of their business

Aligning the definition of Back-bill with the overall 24 month restriction on back-billing will enable Micro-businesses to arrange a reasonable repayment plan for all recalculated bills which relate to water supplied and/or services provided in the 24 months preceding the date of the bill or invoice. This definition ensures transparency regarding the bills or invoices for which a Reasonable Repayment Plan for a Back-bill should be offered.

The proposed extension of the requirement to issue a final bill within six weeks to benefit all Non-Household Customers also furthers the principle that a Retailer should be acting in a fair, honest and transparent manner. It ensures that Non-Household Customers are put at the heart of the Retailers' business by affording them all the benefit of a final bill within a six weeks of the earlier of the Transfer or the termination or expiry of the Terms and Conditions of Supply.

The proposed addition of a provision ensuring that Retailers pass on payments received from Wholesalers to the relevant Non-Household Customers also ensures that Retailers are acting in a fair, transparent and honest manner whilst putting Non-Household Customers at the heart of their business in respect of such payments.

Retailers shall ensure they provide appropriate and timely information to Non-Household Customers to enable them to make informed choices

The addition of a provision requiring Retailers to include within their Terms and Conditions of Supply information as to how they will pass on payments where appropriate, furthers this principle. It ensures that Non-Household Customers are provided with easily accessible information regarding how the Retailer will process payments.

Any information provided to Non-Household Customers shall be complete, accurate and not misleading

The addition of a provision in the CPCoP requiring Retailers to pass payments on to Non-Household Customers where there has been a recalculation of Primary Charges and Non-Primary Charges and a payment is made by the Wholesaler to the Retailer, furthers this principle. It will assist in ensuring that Non-Household

Customers are provided with accurate and complete information about any payments the Retailer is required to make where a payment has been made to it by the wholesaler following a recalculation of Primary Charges.

Customer service arrangements and processes shall be accessible to and effective for Non-Household Customers

The modification to the definition of 'Back-bill' adds clarity regarding which bills and invoices a Reasonable Repayment Plan for a Back-bill should be offered for. This will assist Retailers to ensure that they can provide effective and accessible arrangements for Micro-businesses when they receive a Back-bill.

Extending the provision requiring a Retailer to have issued a final bill to all Non-Household Customers within six weeks of the earlier of the Transfer or the termination or expiry of the Terms and Conditions of Supply furthers this principle. Clarity will be afforded to all Non-Household Customers as to the requirements on Retailers for issuing a final bill in these circumstances.

The addition of a provision requiring Retailers to pass on payments received from Wholesalers to the relevant Non-Household Customers following a recalculation of Primary Charges also furthers this principle. Whilst how a Retailer chooses to pass back any such payment may differ, there will be an effective customer service arrangement in place to ensure that it does pass the payment back where it is required to do so.

Decision notice

In accordance with paragraph 5.2.4 of the CPCoP, the Authority accepts this Change Proposal.

Emma Kelso
Senior Director
Markets and Enforcement

Appendix 1 – the November Consultation, analysis of responses

16 out of 19 respondents to the November Consultation were in favour of proposed changes 1 to 4. One respondent made no comments in respect of proposed changes 1 to 4. One Retailer respondent did not support these proposed changes and another Retailer supported them in part. The comments received in response to the consultation on proposed changes 1 to 4, and our response, have been detailed below.

Change 1 – Payments

Respondents to our November Consultation were largely in favour of this proposed change.

Only one respondent was not in favour of this proposal. This respondent suggested the proposal assumed that Non-Household Customer bills are based on Wholesale Charges and that the requirement to pass on refunds should only be applicable where this is the case. It was argued that if a Non-Household Customer has not been billed while Wholesale Charges are in Dispute, that customer would nonetheless be due a refund under the proposed change. As such, this respondent considered that the incentive is being placed on Retailers to charge customers, even where the charges are known to be inaccurate.

We proposed that payments should be passed back to Non-Household Customers in the proportion that their bills have been affected. Therefore, if Primary Charges and Non-Primary Charges have not been used to calculate the amount owed by a Non-Household Customer and there has been no error in the calculation of charges, no refund would be due to that Non-Household Customer. Similarly, if a Non-Household Customer has not been charged during a Dispute, no refund would be due as no bill or invoice would have been impacted by the recalculation of Primary Charges following resolution of the Dispute.

Change 2 – Payment information in Terms and Conditions of Supply

Respondents to the November Consultation were largely in favour of this proposed change. However, a Retailer considered that it is not necessary to introduce a requirement to include in Terms and Conditions of Supply information on how compliance with the obligation to pass refunds onto Non-Household Customers will be ensured. It stated that if this is implemented, sufficient time must be provided to

allow this to be introduced into new Terms and Conditions of Supply when existing ones expire, rather than requiring Retailers to update their current contracts.

CCWater recommended that the Phase II Change Proposal should be implemented as soon as possible as they will provide benefits for Non-Household Customers. We considered that it would be beneficial for Non-Household Customers to have clear information on how refunds will be passed onto them. However, it remains our view that the proposed implementation date of three months following the date of our decision document is a reasonable timeframe for implementation. This will enable Retailers sufficient time to implement the requisite changes in their Terms and Conditions of Supply.

Change 3 – Definitions

Back-bill

A Retailer respondent suggested that the proposed modification to the definition of Back-bill was incorrect. It indicated that the proposed definition would prevent a Retailer from issuing any Back-bill for the 24 months preceding the bill or invoice. It recommended that the definition remain as it is.

We have added clarity to the proposed definition of Back-bill to address this concern. This clarification does not amend the policy intention, and we consider that this change is necessary to align the definition of Back-bill to the timeframe within which a recalculated bill can be received.

Reasonable Repayment Plan for a Back-bill

A respondent suggested that the definition should be clear that it only relates to a bill or invoice issued after a Post RF or Dispute Settlement Run.

Two Retailer respondents expressed concern that increasing the timeframe over which a Reasonable Repayment Plan for a Back-bill is available will have a negative impact on cashflow. This was raised in particular in the context of small and new entrant Retailers.

With regard to the proposed increased timeframe of 24 months, it was highlighted that a Retailer is required to pay a Wholesaler within 15 Business Days of receiving a bill or invoice. It was argued that this proposal will therefore have a negative impact on a Retailers' working capital and cash flow.

A respondent suggested that the timeframe for a Reasonable Repayment Plan for a Back-bill is not linked to the period in which a Back-bill can be issued. As such, this respondent felt that the timeframe of availability should not be extended from 12 to 24 months.

We considered the responses to the November Consultation which suggested that the timeframe for a Reasonable Repayment Plan for a Back-bill should not be increased from 12 to 24 months. In particular, we noted the concerns that doing so may cause cashflow issues for Retailers. It was highlighted that this could particularly affect small and new entrant Retailers. We also noted that the proposed change may have a disproportionate adverse impact on Retailers that have a high proportion of Micro-business customers. As such we amended our proposed change, to maintain the 12 month timeframe for availability of a Reasonable Repayment Plan for a Back-bill.

CCWater suggested that a Reasonable Repayment Plan for a Back-bill should be extended to Small and Medium Enterprises (“**SMEs**”). We considered that the extension of this provisions to SMEs could have negative cashflow impacts on Retailers, particularly small ones. Therefore, we did not propose in the January Consultation that our proposed decision should include extending the availability of a Reasonable Repayment Plan for a Back-bill to SMEs.

Change 4 – Final bill

A Retailer suggested that it may not always be possible to issue a bill within six weeks of the earlier of the Transfer or the termination or expiry of the Terms and Conditions of Supply if there is an outstanding operational request requiring Wholesaler action. Another Retailer expressed concern regarding this obligation, suggesting that some Retailers may not be providing actual Transfer Reads in line with market requirements, which increases the credit risk for the outgoing Retailer and reduces the market experience for the customer.

We note the concern raised by two respondents to the November Consultation regarding instances where they consider that they may be prevented from being able to comply with this change. However, Retailers are already required to provide Micro-businesses with a final bill within the six week timeframe and we considered it to be reasonable to extend this to all Non-Household Customers. The issues flagged by the respondents to the November Consultation could arguably be experienced with any final bill, including those for Micro-businesses where the six week timeframe is already in operation

Responses relevant to the proposed date of implementation

It is was our proposed decision that the implementation date for the Phase II Change Proposal would be **three months after the date of our decision document**.

We considered responses to the November Consultation and the potential impact on Retailers existing systems and processes. We did not amend the proposed implementation date based upon the responses received. On balance, we considered that three months following the decision provides a reasonable timeframe for Trading Parties to implement the required changes, whilst ensuring that Non-Household Customers benefit from the changes as soon as possible.

Appendix 2 – Legal drafting

Payments

Section 1, Definitions and interpretation is amended to include the following definitions:

Non-Primary Charge	has the meaning given in the Wholesale-Retail Code
Primary Charge	has the meaning given in the Wholesale-Retail Code
Wholesaler	has the same meaning as Contracting Wholesaler given in the Wholesale-Retail Code

Include a revised paragraph 7.1.3 as detailed below and amend subsequent paragraph numbering as appropriate:

7.1 Provision of information to Non-Household Customers about Terms and Conditions of Supply.

- 7.1.1 Retailers shall be transparent with their Non-Household Customers about the Terms and Conditions of Supply which apply to them and any proposed changes to those Terms and Conditions of Supply.
- 7.1.2 Where Terms and Conditions of Supply are in writing, Retailers shall ensure they are in plain and clear language.
- 7.1.3 **The Retailer must include in the Terms and Conditions of Supply details of how it will comply with the obligation in paragraph 9.3.3 to pass on any payment from a Wholesaler to the Retailer following a recalculation of the Primary Charge or Non-Primary Charge;**
- 7.1.4 If the Terms and Conditions of Supply are due to expire, Retailers must write to the relevant Non-Household Customer at least 30 calendar days prior to the expiry date advising them of the following:
- (a) the upcoming expiry of the Terms and Conditions of Supply and the expiry date;

- (b) whether the Non-Household Customer can renew the Terms and Conditions of Supply on the same basis and, if so, how;
- (c) other Terms and Conditions of Supply available from the same Retailer (if any), in particular the Retailer's current charges and whether the Non-Household Customer is on the Retailer's cheapest deal available for that Non-Household Customer;
- (d) that the Non-Household Customer will be moved onto a Scheme of Terms and Conditions (if the Non-Household Customer is in a retail exit area) or the Retailer's standard, general or default Terms and Conditions of Supply (if the Non-Household Customer is not in a retail exit area) if the Non-Household Customer does not respond to the Renewal Notice;
- (e) the Minimum Information Requirements;
- (f) if the Non-Household Customer is in a retail exit area, that the Authority can direct a Licensee other than the Non-Household Customer's current Retailer to supply them on the terms contained in a Scheme of Terms and Conditions; and
- (g) if the Non-Household Customer is not in a retail exit area, that a relevant undertaker may provide Terms and Conditions of Supply.

7.1.5 Retailers shall inform their Non-Household Customers of their right to raise a formal dispute with them in relation to sums due under the relevant Terms and Conditions of Supply, how to do so, the deadline by which such a dispute must be raised, whether a Reasonable Repayment Plan for an Outstanding Debt is available and the consequences of failing to pay or raise such a dispute, in particular that the Retailer may submit a Cancellation Request in certain circumstances.

Amend the title of Section 9.3 to '**Retrospective Amendments**' and insert new paragraph 9.3.3 as detailed below²:

9.3.1 Retailers shall not bill or invoice a Non-Household Customer for or recover charges in respect of water supplied or sewerage services provided to that Non-Household Customer for any Invoice Period for which a Final Settlement Report

² Drafting of paragraph 9.3 detailed reflects the proposed change to paragraph 9.3.1

has been provided by the Market Operator unless the following circumstances apply:

- (a) the bill or invoice is for a negative sum; or
- (b) where
 - i. the Market Operator has issued an Unplanned Settlement Report in respect of the relevant Invoice Period;
 - ii. the bill or invoice is in accordance with the Unplanned Settlement Report; and
 - iii. the bill or invoice is issued within the eight (8) Month period following the issuing of the Final Settlement Report.

9.3.2 Retailers shall offer a Micro-business a Reasonable Repayment Plan for a Back-bill.

9.3.3 Where the Retailer receives a payment from the Wholesaler following a recalculation of a Primary Charge or a Non-Primary Charge the Retailer is obliged to pass on this payment on to all Non-Household Customers in the same proportion to which the recalculation has affected their invoices or bill.

Amending the definition of back-bill and Reasonable Repayment Plan for a Back-bill

Section 1, Definitions and interpretation is amended as follows:

Back-bill	means a recalculated bill or invoice for water supplied and/or services provided prior to in the 12 24 Months preceding the date of the that bill or invoice.
Reasonable Repayment Plan for a Back-bill	means a process for repayment of a Back-bill which meets the following criteria pursuant to Section 9.3.2: <ul style="list-style-type: none"> (a) it does not incur interest on the amount due; (b) it offers the relevant Non-Household Customer time to pay that amount by agreed instalments, over a period nominated by the Non-Household Customer being no longer than: <ul style="list-style-type: none"> (i) the period during which the debt accrued, if it accrued over a period of less than 12 Months; or

	(ii) 12 m Months, in any other case.
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Issue of a final bill

The following modification would be made to section 9.2.3 of the CPCoP:

“Any final bill to be issued to a ~~Micro-business~~ Non-Household Customer shall be issued within six weeks of the earlier of the Transfer or the termination or expiry of the Terms and Conditions of Supply.”