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31st October 2019

Dear Sirs,

Response to Incumbent Water Companies and the Development of Effective Markets' letter

Many thanks for the opportunity to provide feedback to support your current review: we very much look forward to seeing the output in due course.

We have provided responses to the relevant questions where we feel we could add value. With regards to questions 16a & b we have not had any direct engagement with the Wholesalers; however, we employ Waterscan to manage the Wholesaler relationship so we would expect the Wholesalers to have engaged directly with them and anticipate Waterscan responding directly to this.

Question 11

Please describe any processes you have in place to take into account information received from retailers or end customers concerning incomplete or inaccurate data held in your systems or in CMOS. (For example this could relate to: meter location; customer or retailer meter readings; change of tenancy; or disconnection). Please also set out the process that a retailer would need to follow in order to inform you about incomplete or inaccurate data and your process and timetable for responding to this.

Meter location - Any information available from retailer should be held in CMOS under the meter location free descriptor. We have not received details regarding meter location from retailers on SPIDs that we currently hold, however should we receive this we would verify the data received before inputting this to any systems (internal or Central Market). Where customers provide meter location data this is often accompanied by photographic proof and the market is updated accordingly

Meter reads - Customer meter reads are validated against known consumption on site and where available photographs of the read are used before this data is input to the market. We do not accept data from non-contracted third parties without photographic proof; this goes for reads provided by the retailer for a SPID prior to ourselves where the read is before the registration start date but is not input to the market or after the registration start date.

Change of Tenancy - Customers report change of tenancy which then follows the sold site process. Any information received from other parties is verified with the customer before any further action is taken.

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Disconnection - normally we identify redundant supplies and confirm them as such before raising a disconnection; if a Customer notifies us of a redundant supply, we will raise the appropriate bilateral (I/02) to have the supply capped off and disconnected. We would never disconnect a customer's supply on the say so of a third party, including a previous retailer.

Question 16c

Understanding causes for, and improving levels of rejected, deferred or late OPS tasks?

Fast customer contact to arrange site visit cited as the most frequent cause of rejected and or deferred task.

Question 17a

Do you offer alternative credit arrangements under Schedule 3 of the Business Terms of the Wholesale-Retail Code? If you have, what have you agreed and why? If not, or if you have refused a request for Schedule 3 terms, why not / why refused?

6 active Schedule 3 arrangements are in place with Anglian Water, Northumbrian Water, Severn Trent, Thames, United Utilities and Yorkshire Water.

All other 9 regions have declined to accept Schedule 3 credit terms with post payment currently support by Cash Security Deposit for a total balance of £62,000 across the regions. Minimum cash balance posted is £1,500 with SES and Maximum cash Balance is £25,000 with Southern Water.

Question 17b

Do you offer alternative payment arrangements, under Section 9.2.4 and Schedule 3A of the Business Terms of the Wholesale-Retail Code Please describe. If not, why not?

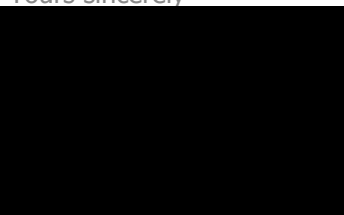
No alternative payment arrangements are in place or have been proposed by any Wholesaler.

Question 17c

Do you offer tailored offerings under (a) or (b) above to reflect specific characteristics of retailers (for example, self-supply retailers)? If not, please explain why this is the case.

All self-supply retailer driven credit proposals designed to reduce working capital tied up as cash collateral have been declined by all Wholesalers.

Yours sincerely



Stonegate Pub Company