

Ofwat
21 Bloomsbury Street
London
WC1B 3Hf
By e-mail to covidbusinessretailmarket@ofwat.gov.uk



21st April

Dear Ofwat

Re: Consultation: Covid-19 and the business retail market.

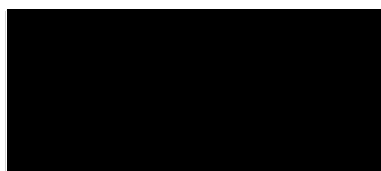
I am writing to you on behalf of independent Water Networks Limited (“IWNL”), part of the BUUK Infrastructure Group of companies, in response to your consultation on Covid-19 and the business retail market: Proposals to address liquidity challenges and increases in bad debt.

We have been working with WaterUK and its members and support their consultation response with the following additional comments. We specifically welcome Ofwat’s recognition that the provision of additional liquidity to the business retail market must not come at the expense of the financial viability of wholesalers. We also welcome the clarity that wholesalers should be compensated for the provision of additional “bridging” liquidity that was not foreseen under the previous market arrangements. We also recognise that there is a continued need to review arrangements as the situation develops further but we would encourage Ofwat to clarify within this consultation the principles to be used to determine the level of compensation that wholesalers would receive for the provision of any additional liquidity beyond normal market arrangements.

For the avoidance of future doubt we would welcome the clarification of the definition of wholesalers to explicitly cover NAVs and other wholesale licensees. We have taken this wider definition as the basis for our support for the WaterUK consultation response.

We remain committed to work constructively with all market participants to ensure protection of consumers and the industry in the long term.

Your Sincerely



Keith Hutton
Regulation Director (Heat, Fibre and Water)
BUUK Infrastructure