

water2business' response to Interim Supply: A consultation on process amendments

Do you have any comments on the proposed changes to the ISC, WRC and/or MAC, either in terms of our reasons for the changes or the legal drafting?

1. Amendments to Election process

- a. To enable the backdating of Election following a Relevant Cessation of Supply?
We support the change, retailers who are already opted in should have the option to opt out following cessation.
- b. To codify the informal process that Ofwat and MOSL have in place to inform Licensees that an interim supply event is imminent?
We are supportive of this change to provide consistency across the market and each event.
- c. To highlight in CSD 0004 the obligations on Licensees to provide a Scheme and Statement to Ofwat in the specified circumstances.
We are supportive of this change .
- d. To align the Suspension process within the ISC and WRC.
We are supportive of this change and see this as a positive improvement to the codes.

2. Statements of Interim Supply Capacity

- a. To insert reference to Alternative Credit Support and Alternative Payment Terms into the Statements?
We are supportive of this change.
- b. To amend the manner in which Statements are submitted so that they are provided by reference to CSD 0006 rather than directly to an Ofwat inbox.
We are supportive of this change and would like clarification on the requirements for any retailer already opted in and if resubmission would be necessary.

3. Offers process: enabling areas to be split across different Eligible Licensees

- a. To give Ofwat the discretion to determine whether IDSPs in one Area, or a relevant combination of Areas, should be Allocated to more than one Eligible Licensee?
We would require further information to support this change.

4. Allocation and Registration of Licensees who have Elected to be Eligible Licensees

- a. To explicitly reference the Offers process in CSD 0004?
We are supportive of this change and see this as a positive improvement to the codes.
- b. The process diagrams for the Interim Supply Offers process and the Interim Supplier Allocation Process are reflective of the proposed amendments?
Agree

5. Interim Supplier Allocation Methodology

- a. To clarify that the methodology cited in CSD 0004 only applies to the Allocator process?
Agree
- b. That an Eligible Licensee's Statement on capacity should be taken into account under the Allocator process.
Whilst we support this change, to ensure any retailers who are currently opted in are not at an unfair disadvantage, existing statements would need to be reviewed and

resubmitted based on the new criteria. As the criteria is not fully defined, how decisions will be made is unclear.

6. Timetabling for the Allocator process

- a. To align the obligations on MOSL and Ofwat to provide and approve a timetable for the Allocator process?
Fully support this change.

7. Cessation of Supply

- a. To extend the circumstances in which Ofwat may invoke interim supply to include where a Licensee has consented to the revocation of its License?
We are supportive of this change to include all eventualities and see this as a positive improvement to the codes.
- b. To clarify that revocation will take precedence over Wholesale Contract termination for the purposes of interim supply.
We are supportive of this change and see this as a positive improvement to the codes.
- c. To amend the Business Terms so that all Wholesale Contracts that a Licensee has are automatically terminated when it's License is revoked?
We are supportive of this change and see this as a positive improvement to the codes.

8. Provision of information to Affected Customers

- a. To enable Ofwat to extend the timeframe in which Interim Licensees must provide information to Affected Customers?
We are supportive of this change and see this as a positive improvement to the codes; however, would like clarification on what the extension could be and what would deem as appropriate.

9. Other proposed changes

- a. To amend the reference from Wholesale Tariff to Wholesale Charges?
We are supportive of this change and see this as a positive improvement to the codes.
- b. To clarify that Eligible Licensees will be able to use information provided with the Notice of Relevant Cessation of Supply to inform the contents of their Interim Supply Offer?
We are supportive of this change.
- c. To make minor drafting changes to CSD 0004 and the MAC?
Agree

10. Customer right to switch away

- a. How long does it generally take to on-board a customer? Is this timeframe different where the customer has voluntarily moved to the Licensee in comparison to under the interim supply provisions, or gap site provisions? If yes, please provide details.
- b. Do you have any experience of Affected Customers switching away having been Allocated following an interim supply event? If yes, please provide details.
Yes.
- c. If you have one, does your current Interim Supply Scheme provide details to Affected Customers of how they can switch Licensee? If yes, please provide details.

- d. Do you think the ISC should state when a new Licensee is able to continue the supply of services from the Interim Licensee? Do you consider that there are potential advantages and disadvantages (both for customers and Licensees) of codifying this requirement?

Yes.

11. Submission of Transfer Reads following an interim supply event

- a. What is your view of the current timeframes for submission of Transfer Reads (set out in section 5.1.10 of CSD 0004)? In providing views on this, please set out what you consider to be an appropriate timeframe, the reasons for this, and any perceived customer detriment where this is an extension to the current limitations.

12. Do you consider that the proposed changes to the WRC and the MAC further the principles and objectives of the WRC and MAC?

Yes, supportive and agree.