

With regards to the CFI, we have included the questions and our responses below.

Question 1 – Our initial view is that we consider it is relevant to measure customer bad debt costs that may arise for Retailers solely in terms of amounts due from customers that are appropriately provided for or written off. To what extent do you agree with our initial view here?

Agree – the customer bad debts distinction should follow the definition of the GAAP (Generally accepted accounting principles)

Question 2 - To what extent do you consider that bad debt costs may have differed by geographic region and/or by customer type?

N/A – we don't have any bad debts because of our short trading history, so can not opine on any split on any attribute.

Question 3 - What is your view on the best approach to measure bad debt costs arising, in ways that are objective, consistent and verifiable?

Measurement of bad debts is an accounting question – we should just use the accounting approach.

Question 4 – Do you agree that Ofwat should allow Retailers to determine the basis on which they report bad debt costs (provided that it complies with relevant accounting standards)?

Alternatively, should Ofwat set out a more prescriptive and defined basis for the determination and reporting of bad debt costs? Please set out the basis for your view or conclusions.

No, retailers should not determine their own basis for reporting bad debt costs – it should just be defined as per the accounting standards. I would strongly oppose Ofwat determining another set of bad debt reporting rules in addition to any accounting and/or legal rules that already apply.

Question 5 – (a) What is your view on the period over which we should be measuring bad debt costs arising, (b) What in your view is the appropriate time interval following this for the measurement of bad debt costs?

(a) – the period should be the statutory accounting periods for the relevant entities.

(b) The appropriate interval would be monthly – any well run business should be preparing their accounts at least once per month.

Question 6 – What is your view on the change in and/or scale of bad debt costs likely to arise since March 2020? Please provide evidence to support your views, for example concerning metrics on changes in the number of customers with payment difficulties or payments in arrears.15F 16

N/A – our limited trading history prevents us from making any sensible comment on this question which could be substantiated by our data.

Question 7 - Do you agree that these are the right objectives for considering whether and how to amend regulatory protections in relation to bad debt costs? 16 Note Ofwat will in November 2020 send Retailers a revised Request for Information (RFI) seeking updated data and information on indicators of the potential scale of bad debt arising since March 2020. Retailers responding to this CFI may wish to reference data and information contained in their response to the RFI in support of any views they may have in relation to Question 6. Business Retail Market: Customer Bad Debt – Call for inputs 31

N/A – our limited trading history prevents us from making any sensible comment on this question which could be substantiated by our data.

Question 8 - Do you have views about the merits of enabling the recoupment of (some portion of) excess bad debt costs via amendment to the REC? Do you have any comments or views about the practical implementation of such an approach?

No we do not have any specific views on this matter as a result of our limited trading history.

Question 9 - Do you have views about the merits of enabling the recoupment of (some portion of) excess bad debt costs through wholesale charges?

No we do not have any specific views on this matter as a result of our limited trading history.

Question 10 – Concerning the option of recoupment of (some portion of) excess bad debt costs through wholesale charges, do you have comments or views about the costs for trading parties of implementing such an approach? Do you have comments or views about the practical

implementation of such an approach? Do you have any comments about a possible application process and the data and audit requirements to accompany this?

No we do not have any specific views on this matter as a result of our limited trading history.

Question 11 – Aside from amending the REC or recovery through the wholesale charges, do you have any views on whether other mechanisms or approaches to amending regulatory protections may be appropriate? If yes please describe your preferred approach and your view of why it may be warranted.

No we do not have any specific views on this matter as a result of our limited trading history.

Question 12 – What is your view of the appropriate timing for the measurement and recovery of (a portion of) any excess bad debt costs?

No we do not have any specific views on this matter as a result of our limited trading history.

Question 13 - Do you agree that it makes sense to 'pool' recovery of (some portion of) excess bad debt costs across customer groups and/or regions? Question 14 - Where excess bad debt costs exceed 2% of turnover on an industry wide basis in your view, how should such excess bad debt costs be shared between Retailers and customers?

No we do not have any specific views on this matter as a result of our limited trading history.