

Customer Bad Debt
March 2021 consultation
Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA

By email only to: covidbusinessretailmarket@ofwat.gov.uk

06 April 2021

Dear Sirs,

Customer Bad Debt March 2021 consultation

Thank you for sharing your minded-to proposals for the redistribution of excess customer bad debt costs experienced by retailers in the Business Retail Market due to restrictions introduced during the Covid-19 pandemic.

Given the majority of consultation questions relate primarily to matters confined to the regulation of the commercial relationship between Retailers and their customers, we believe Retailers and customer representatives have the necessary information and are better placed to respond.

Our approach to reviewing and providing commentary on the proposals is to focus on those limited proposals within the consultation which have the potential to directly or indirectly impact the wholesale business. We have therefore limited our response questions 6 and 7.

Consultation Question 6: Do you agree with our presented 'minded to' view that amendment of REC price caps is the approach that best meets our objectives concerning customer bad costs?

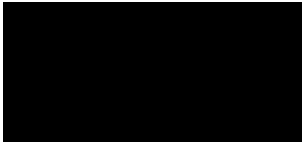
Response to Question 6: We strongly support Ofwat's 'minded to' proposal to recover excess customer bad debt by means of amendments to the REC price caps.

Consultation Question 7: Do you agree with our assessment of the options for revision of regulatory protections?

Response to Question 7: We agree in general with the assessment undertaken by Ofwat. We strongly support the commitment from Ofwat that the revisions to the REC price caps will be undertaken in a way which protects unengaged customers from a disproportionately high or unfair proportion of the excess bad debt costs.

Should you require any further information, please do not hesitate to contact the sender.

Yours sincerely,



W Kimpton.

Head of Regulation

Yorkshire Water

