

From: [REDACTED]
To: covidbusinessretailmarket
Cc: [REDACTED]
Subject: Business Retail Market consultation
Date: 29 October 2021 17:05:29

Dear Sir / Madam,

We enclose our response to the "Business Retail Market: Proposals to deal with un-invoiced Wholesaler charges in the event of an unplanned Retailer exit" consultation.

1. Does our proposed approach deliver the following policy aim in a way that is consistent with our statutory duties?

"in the event of a Retailer's unplanned exit from the business retail market, a Wholesaler should be able to recover relevant un-invoiced revenues for services that the Wholesaler has provided to that Retailer - but were not due for invoicing or had not been invoiced - at the point of Retailer failure."

PW response: Yes

2. Do you agree that it is appropriate to apply company specific Totex cost sharing rates to amounts relating to un-invoiced revenue to be recovered via the RFI mechanism in the event of a Retailer failure?

PW response: Yes, the proposal is in line with the cost sharing principles of the wholesale price control and share the credit exposure between wholesalers and customers

3. Do you have views that alternative approaches may be more effective or straightforward to implement?

PW response: No

4. Do you agree with the proposed change to the WRC? Please explain your answer.

PW response: In general we are supportive of the change and believe the wording change provides clarity. Any change should be contingent on the approval of the proposed change to the RFI to enable wholesaler to recover unbilled charges. We should recognise that in the round this gives wholesalers more certainty of exposure to unbilled income but it could be argued that we should exhaust any retailer available collateral before using the RFI mechanism in line with the original principles outlined when covid liquidity support measures were proposed.

5. Do you agree with proposed amendments to the legal drafting? Please explain your answer.

PW response: Yes, as above

6. Do you agree that the proposed change to the WRC furthers the objectives and principles set out in WRC Schedule 1, as described in section 4 above?

PW response: Yes

Kind regards,

Chris Milner

Chief Financial Officer

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