


Date: 25 February 2022

Owat
Centre City Tower
7 Hill Street
Birmingham
B5 4UA

By e-mail: 

Dear Owat

Proposed changes to non-household eligibility guidance

Thank you for providing South West Water the opportunity to respond to your consultation on the proposal to update the non-household eligibility guidance, reflecting the knowledge gained across the four years since market opening.

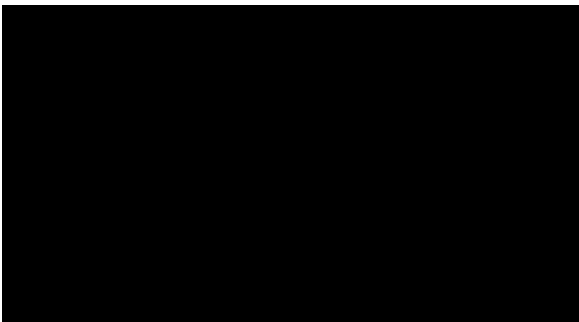
We welcome this consultation and its intent to merge and simplify the guidance. This proposal achieves its aim of making the information easier to locate, understand and apply the eligibility criteria for the reader, whether this be a trading party or a customer. These changes further strengthen the protections and promote the best interests of participation which aligns directly to the primary market principles.

In your consultation guidelines you asked for us to respond to some specific questions and I am pleased to share our responses in the attached appendix to this letter.

I hope my letter provides you with positive support for proposals laid out in your consultation.

If you have any further questions though, or require any further detail or clarification, please do let me know.

Yours sincerely



Do you have any concerns about our proposed changes?

We welcome the proposed clarification and consolidation of the guidance.

South West Water understand the complexity that can surround market eligibility especially in situations where the property is used for both domestic and non-domestic purposes. As tourism and rural agriculture are the two primary industries within the South West there are a large number of properties within our region which require a water supply for both purposes.

The proposal simplifies the guidance and makes it easier for the reader to understand and apply the refreshed scenarios, providing further transparency and clarity for all trading parties and customers. Through this participants will be able to quickly and practically establish the eligibility of a type of or individual property, mitigating the need to revert to Ofwat on a case-by-case basis for a formal determination.

These proposed changes will serve to further strengthen the protections and promote the best interests of participation which aligns directly to the market principles.

Is there anything in respect of eligibility for the business retail market that the proposed updated guidance does not cover that you consider would be useful?

The proposed updated guidance achieves its aims of making the information simpler to locate and understand. It also provides clarity around dispute resolution and how the mechanisms set out in the Market Arrangement Code (MAC) and / or advice from the Consumer Council for Water (CCW) should be used to prevent the need for a formal determination.

Following a thorough review, we believe that the proposed guidance covers and fully reflects the learnings since market opening. Through this and our market experience we have not been able to identify any potential further inclusions which would be useful at this time.

Are the scenarios provided in the updated guidance comprehensive enough? Are there any missing that would be helpful, or are there some scenarios that are no longer required?

The refreshed scenarios are wide ranging, detailed and comprehensive whilst being easy to understand and practically apply. From our experience we believe that all potential scenarios have been included and have been unable to identify any that may be missing or no longer required.

We specially note and welcome the inclusion of the holiday home scenario which incorporates the learnings and findings from determination under section 17E(1) of the Water Industry Act 1991 in October 2019.