

March 2022

Ofwat REC22: Clarifications relating to the completion of the REC22 cost benchmarking RFI

Clarifications of the REC22 Request for Information

This document sets out queries received regarding the completion of the Ofwat REC22 Request for Information Ofwat Cost benchmarking Request for Information (RFI) that Ofwat sent to the largest retailers on 24th February 2022 (see: [Business retail market: 2021-22 review of the Retail Exit Code - Ofwat](#)) and Ofwat's clarifications to these queries. These should be read in conjunction with the [RFI guidance notes](#).

Retailer queries and Ofwat's response

Date of query	Retailer query	Ofwat clarification
15/03/22	Re Acquired Customer data, is it correct to assume that Ofwat only want data included for the Financial Year (FY) the customer was acquired and no other period? Eg. if customer A was acquired in Jun 18 on a 3 year contract, should data only be included on this customer, and related wholesale charges, revenues, billing etc for the period Jun 18 – Mar 19? Or is Ofwat expecting data for this customer to be included in all of FY19, FY20 and FY21 ie the 3 year term of the contract?	We seek data on acquired customers in each of the years in which such a customer remains 'acquired' from another retailer. Note this relates to the template tabs TD3 and TD7. Hence in the example Ofwat is expecting data for such a customer to be included in all of FY19, FY20 and FY21 ie. the 3 year term of the contract.
18/03/22	In section 4.3 of the guidance document, it states that 'Multisite customers are defined as the number of business customer accounts that have more than one SPID associated with the customer.' Are Retailers to assume that dual supply customers – with water and wastewater components – should not be report as multisite customers?	A customer account that has two SPIDs (i.e. water and wastewater) should not be counted as a multisite customer. A multisite customer would be defined as a customer with more than one site. Please note the amendment (highlighted in yellow below) to section 4.3 of the REC22 RFI guidance document: <ul style="list-style-type: none"> • The number of multisite customers at 31 March for each historical and forecast period. Multisite customers are defined as the number of business customer accounts that have more than one site associated with the customer

18/03/22	<p>In section 4.3 of the guidance document (page 22), it notes that 'if a customer is no longer with you on that day we do not expect to have any data reported for that customer', however, the guidance notes on revenue and Wholesale charges state 'revenue should reflect the revenue for the 12 months ending 31 March for the reported period'.</p> <p>Are Retailers to exclude revenue, Wholesale charges, and billing data for customers that switched away through the reporting year i.e. only data for customers at the ending of the reporting period? Or are Retailers to report revenue, Wholesale charges, and billing data for all customers that have been served by the Retailer at some point in the reporting period?</p>	<p>We are requesting that Retailers report revenue, Wholesale charges, and billing data for all acquired customers that a Retailer has served during the reporting period. For customers that been acquired or have switched away from the Retailer, we are requesting that data reflects the period that customers were served by the Retailer.</p> <p>For example,</p> <ul style="list-style-type: none"> - If a customer joins the Retailer in July 2020, then revenue, Wholesale charges, and billing data for that customer from July 2020 to March 2021 should be included in the 2020-21 reporting period. - If a customer left the Retailer in August 2020, then revenue, Wholesale charges, and billing data for that customer from April 2020 to August 2020 should be included in the 2020-21 reporting period. <p>We are requesting that Retailers report acquired customer data – customers numbers, SPIDs, the number of multisite customers, and number of customers in arrears – as of the last day of the reporting period. If an acquired customer is no longer with you on that day, we do not expect that customer data to be included in these metrics.</p> <p>Please note an amendment to section 4.3 of the REC22 RFI guidance to support this clarification.</p>
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