

Northumbrian Water response to the Ofwat consultation on changes to our New Appointments and Variations policy and assessment guidance

- 1. What are your views on the proposed update to our Policy Statement and Application Guidance that would apply to applications for sites in Wales?*
- 2. What are your views on how, with respect to this policy proposal, we can best achieve our aim that regulatory burdens are kept to a minimum while ensuring companies deliver the best outcomes for customers?*

We believe that the proposals to require a positive benefit to customers and/or the environment as part of the NAV assessment criteria do not increase the current regulatory burden.

As part of their competitive bid to be appointed as a NAV, any NAV provider should be setting out to developers how their proposals would benefit customers, so we do not see there being an additional requirement. Most NAV providers public statements frequently refer to additional services provided for customers, so this proposal would simply formalise the current position.

Any addressing of the current regulatory burden should focus on the timescales that Ofwat takes for approval of a NAV, rather than the pre-approval criteria that are used to protect customers.

- 3. What are your views on introducing a similar requirement for sites in England at some point in the future?*

We strongly support a similar position for England, for future NAV sites. Household customers of a NAV have no choice over their provider and should be protected in the same way as those of incumbent water companies.

For that reason, it would be unhelpful for there to be a lower level of protection for customers of English NAVs compared to those in Wales. The larger NAV providers in England are on a customer base growth trajectory that will see them rivalling some smaller water only companies and we recommend that Ofwat ensures that the level of regulation increases in parallel to ensure all customers have the same protection in terms of bills and services.

Northumbrian Water
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