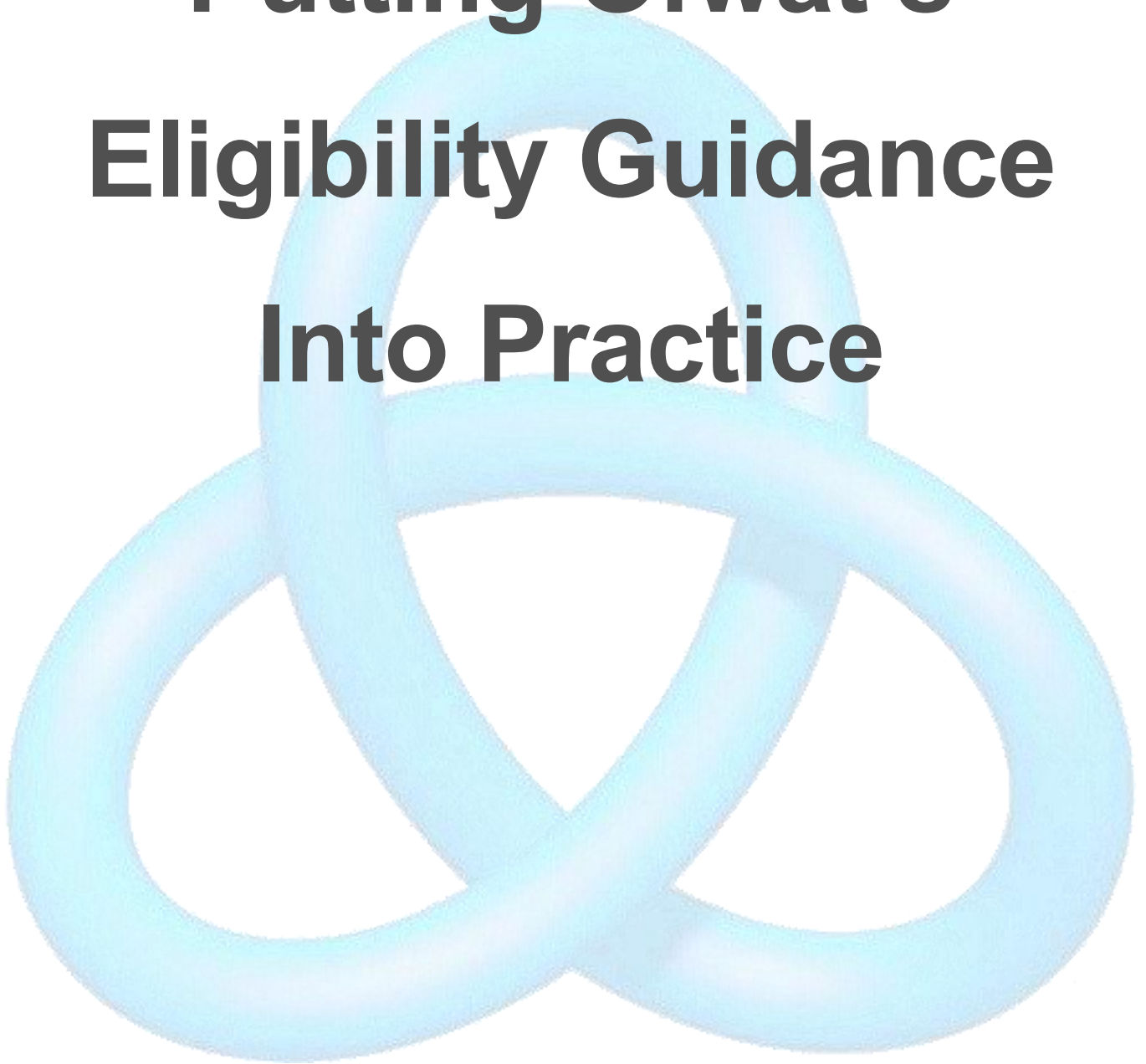


AscendancyWater
consulting

**Putting Ofwat's
Eligibility Guidance
Into Practice**



1 Executive Summary

Ofwat has addressed the most fundamental question of the English competitive water market in its long-awaited guidance on which premises are eligible to switch supplier from April 2017.

Adhering to the guidance for most properties will be straightforward as they will clearly fall into the “household” or “non-household” buckets but there are difficult issues to work through to decide:

- whether some properties should be included in the market or not;
- how many supply points need to be registered.

Companies will find that the Ofwat guidance has provided some helpful clarification but Ofwat has clearly and firmly put the onus on companies to sort out the “difficult-to-decide” properties themselves and only come to Ofwat for a determination where they have tried to apply the guidance and still can’t decide.

There is therefore a substantial risk of inconsistent interpretation by companies and/or customers not understanding the subtle differences that apply in some of these difficult-to-decide cases.

Inconsistent interpretation will be particularly apparent to customers with multiple sites across England. As these are the customers who our analysis shows are most likely to switch then it is in companies’ interests to share information about their difficult cases and pursue a common approach wherever practicable. This will minimise the reputational, financial and operational risks to retailers, wholesalers and the market as a whole.

The non-straightforward cases will take up a lot of companies’ time and an early start is needed to resolve issues in time to upload accurate data for shadow operation in October 2016.

Finally, it is inevitable that determinations from Ofwat and/or pressure from customers for consistency is going to mean that eligibility decisions for some properties will need to be revisited in the run-up to, and after, market opening. Companies need to keep good records of how and why they decide difficult cases so they can react quickly to emerging determinations and clarification of market rules.



For more technical questions or to find out how we can help you get ready please contact our Consultancy Director
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2 Document details

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2.1 Existing Customers:

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2.2 Non- Customers:



This is the exec summary only version. The full version can be purchased by contacting our Consultancy Director Damian Sharp @ damian.sharp@ascendancy-water.co.uk or calling : 07946 475 902