## Subject:

## Consultation on new procedural rules and guidance for conducting water redetermination references

Response from Dŵr Cymru (Welsh Water)

We welcome the CMA's focus on preparing the ground for the orderly and efficient conduct of any redeterminations that may be requested in relation to the ongoing PR24 process for the water industry in England and Wales.

We support the CMA's proposal of adopting new rules and guidance for water redetermination references. This will provide greater clarity and certainty for water companies and others around the timeline and important elements of the process.

We consider that the draft Rules and Guide as set out in the consultation are clear and helpful. They also provide the right amount of flexibility where required.

We limit our comments on the Rules and Guide to the following:

- Under Section 10 of the Rules (Submissions), the CMA may wish to consider clarifying whether submissions will be invited from <u>specific</u> third parties, or from <u>any</u> third party, and, if the latter, any circumstances under which it may be unable to consider all such submissions (for example, if a large number of individuals submitted views as part of a campaign).
- New rule 11.1 allows the CMA not to issue a provisional determination. Similarly, the draft guide says in paragraph 3.30 that, "(t)here may be cases where the CMA considers that it is not appropriate to issue a provisional determination." We do not consider it would be appropriate to dispense with the requirement to issue a provisional determination. If the CMA does choose to maintain this provision, we would suggest that it additionally sets out the situations in which the CMA would consider this appropriate; and (2) what types of alternative procedures might be appropriate in such a situation.

Finally, we would note that any redeterminations of the PR24 price review may attract significantly greater public and political interest than at previous price reviews. The CMA will need to carefully balance the objectives of transparency and openness with the need to ensure that the tight timetables are adhered to.

We have no further comments to make on the consultation.

Regards

Daniel Davies Head of Regulatory Strategy Welsh Water



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