

Date: 13<sup>th</sup> June 2019

Dear stakeholder:

**Review of non-household retail market – consultation on extension of interim licensing approach to all applications**

In June 2018, following consultation with stakeholders, the Commission decided not to accept new applications for self-supply or specialist licences and to suspend its consideration for either of these licence types, for the duration of its review of the non-household retail market (the Review).

At that time the Commission took the view that this interim approach should only apply to applications of those licence types and that, therefore, applications for generalist licences would continue to be processed as normal during the interim period.

As the Review has progressed, however, the Commission has identified matters relating not only to those two licence types but also to generalist licences where material change may be required. In that regard, and in line with its published plans for the Review, the Commission is about to consult on some material changes to the market framework which will include its generalist licence application policy.

In view of the scope of that forthcoming consultation, the Commission considers that it may be appropriate to extend its interim licensing approach to applications for generalist licences (in relation both to pending and new applications) until the Review is complete. The purpose of this letter is to set out the Commission's proposals in that respect and to obtain stakeholders views.

The Commission proposes that, pending the outcome of the Review, it would not accept new applications for generalist licences and also that consideration of any existing applications for that licence type would be suspended. Our comments on the heads are contained above in this letter

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The Commission has considered whether it should only apply this approach to new applications. On the one hand, the Commission recognises the importance of dealing fairly with those who have acted in good faith in submitting applications. However, it is also concerned that, were it to exclude existing applicants from the interim approach, they may be given an unfair advantage as compared to those who had not yet applied.

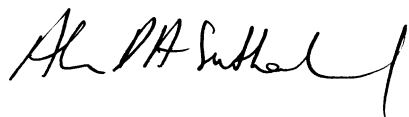
The Commission recognises that existing applicants may wish to consider, in light of the review, whether to maintain or to withdraw their applications. The Commission can confirm meantime that it would not seek to apply any revised level of application fee (decided upon following the market review) to those applicants who choose to maintain their applications during the interim period. The Commission would also be interested in receiving the views of existing applicants on this point and whether there are any matters they would wish the Commission to address in the event that applications were to be withdrawn.

### **Next steps**

You are invited to submit your responses to this consultation no later than 4 July 2019.

These should be addressed to [competitionteam@watercommission.co.uk](mailto:competitionteam@watercommission.co.uk).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alan D A Sutherland', written in a cursive style.

Alan D A Sutherland  
Chief Executive Officer