

NOTICE OF PROPOSED MODIFICATIONS TO ORDINARY LICENCE CONDITIONS

ISSUED BY THE WATER INDUSTRY COMMISSION FOR SCOTLAND

TO

AIMERA LIMITED

CLEAR BUSINESS WATER LIMITED

COBALT WATER LIMITED

CASTLE WATER LIMITED

COMMERCIAL WATER SOLUTIONS LIMITED

BLUE BUSINESS WATER LIMITED

REAL WATER (EDINBURGH) LIMITED

EVERFLOW LIMITED

PURE (CGV) LIMITED

BRIGHTWATER SERVICES LTD

REGENT WATER LIMITED

UNDER PARAGRAPH 2(6) OF SCHEDULE 2 TO THE WATER SERVICES ETC (SCOTLAND) ACT 2005

ON 20 January 2017

1. Statutory background and reasons for modification

- A. Under paragraph 2(13) of schedule 2 to the Water Services etc (Scotland) Act 2005, the Commission may modify any condition of a particular licence if it considers that the modification is necessary or expedient in the circumstances of the case. Before making a modification, the Commission is required, under paragraphs 2(6) and 2(7) of schedule 2 to the 2005 Act to notify Licenced Providers, the Scottish Ministers and Scottish Water of the proposed modifications, including stating the reasons for the proposed modification and specifying the period (which must not be less than 28 days from the date of publication of the notice) within which representations on the proposed modifications can be made to the Commission.
- B. Between July 2016 and January 2017 the Commission ran a number of consultations in relation to changes in approach to counterparty risk and credit terms in the non-household retail market. Those consultations explain the Commission's reasons for change. These include its view that the interests of customers will be best served, and the likelihood of detriment to Scottish Water's core functions will be reduced, if all Licensed Providers make 2 months' worth of pre-payments of their wholesale charges instead of holding specified amount in escrow with Scottish Water and 1 month's prepayment.
- C. In light of that new policy approach the Commission considers it necessary to modify the ordinary conditions of those licences which require a Licensed Provider to hold an escrow account with Scottish Water, so as to remove the requirement to hold such accounts. All such licences are listed in annex 1 to this notice.

2. Notice of proposed modifications and date for responses

- A. All affected Licensed Providers listed below, the Scottish Ministers and Scottish Water are hereby notified that the Commission proposes to modify Ordinary Condition [1] of their licences in the manner set out in section 3 below.
- B. Any representations on those proposed modifications should be made to the Commission by 20 February 2018. Comments should be sent to: Charles Yates, Head of Competition at charles.yates@watercommission.co.uk.
- C. Subject to any representations received, the Commission expects to implement the modifications set out in section 3 on and from 3 April 2017 or such other date as the Commission may publish.

3. Proposed Modification

- A. The licences listed in annex 1 shall be modified so as to delete:

Ordinary condition 1.1 to 1.8; and to insert in its place the text:

'9. There are no ordinary conditions';

Notice signed at Stirling on 22 January 2017

For and on behalf of the Water Industry Commission for Scotland



.....
Alan DA Sutherland, Chief Executive

Annex 1 –Existing licences to be modified

1. Water Services Licences

The licences issued to the following will be modified:

- Aimeria Limited, Prospero House, 46-48 Rothesay Road, Luton, Bedfordshire LU1 1QZ:
- Real Water (Edinburgh) Limited, Excel House, 30 Semple Street, Edinburgh, EH3 8BL
- Regent Water Ltd., Regent House, Kendal Avenue, London, W3 0A
- Blue Business Water Limited, North Grove Farm, Burton Row, Brent Knoll, Somerset TA9 4BY
- Brightwater Services Ltd., 29 York Place, Edinburgh, EH1 3HP
- Castle Water Limited, Craighall Castle, Blairgowrie PH10 7JB:
- Clear Business Water Limited, 33 Kitting Street, East Kilbride, Glasgow G74 4JW
- Cobalt Water Limited, Gibbseyard, Auchincruive Country Estate, Ayr KA6 5HN
- Commercial Water Solutions Limited, 24 Whitefriar Street, Perth PH1 1PP
- Everflow Limited, 1st Floor, 2 Woodberry Grove, Finchley, London, N12 0DR
- Pure (CGV) Ltd., 35 Wansdyke, Lancaster Park, Morpeth, Northumberland, NE61 3RA

2. Sewerage Services Licences

The licences issued to the following will be modified:

- Aimeria Limited, Prospero House, 46-48 Rothesay Road, Luton, Bedfordshire LU1 1QZ:
- Real Water (Edinburgh) Limited, Excel House, 30 Semple Street, Edinburgh, EH3 8BL
- Regent Water Ltd., Regent House, Kendal Avenue, London, W3 0A
- Blue Business Water Limited, North Grove Farm, Burton Row, Brent Knoll, Somerset TA9 4BY
- Brightwater Services Ltd., 29 York Place, Edinburgh, EH1 3HP
- Castle Water Limited, Craighall Castle, Blairgowrie PH10 7JB:
- Clear Business Water Limited, 33 Kitting Street, East Kilbride, Glasgow G74 4JW
- Cobalt Water Limited, Gibbseyard, Auchincruive Country Estate, Ayr KA6 5HN
- Commercial Water Solutions Limited, 24 Whitefriar Street, Perth PH1 1PP
- Everflow Limited, 1st Floor, 2 Woodberry Grove, Finchley, London, N12 0DR
- Pure (CGV) Ltd., 35 Wansdyke, Lancaster Park, Morpeth, Northumberland, NE61 3RA